Proposed Amendment to:
WAC 230-15-030 Authorized nonhouse-banked card games.

August 2014 – Final Action
July 2014 – Study Session
May 2014 - Rule Up For Discussion and Possible Filing
March 2014 – Study Session

ITEM 10 (a) on the August 2014 Commission Meeting Agenda.	Statutory Authority 9.46.070 & 9.46.0282

Who proposed the rule change?

Alex Maceda, representing Omega Gaming USA, licensed distributor.

Proposed Change

The petitioner is proposing an amendment to allow nonhouse-banked card games to be approved by the director or the director's designee. The petitioner's intent is to give staff the ability to approve a variation of the card game poker.

Changes/additions made after the May 2014 Commission meeting are in bold.

History of Rule

A rule authorizing nonhouse-banked card games was first adopted in 1975 and listed games authorized for play and stated games not authorized were prohibited.

In 1994, language was added stating "only games specifically authorized for play were allowed" and language stating "card games not herein authorized are prohibited" was removed.

In 1996, language was added authorizing the director or director's designee to approve games on a "temporary" case-by-case basis.

In 2000, the word "temporary" was removed.

In 2008, during the Rules Simplification Project, language authorizing the director or director's designee to approve games was removed.

WAC 230-15-040(1) includes language authorizing the director or director's designee to authorize new housed-banked cards games. The petitioner is requesting that this authorization be in place for nonhouse-banked games.

Impact of the Proposed Change

This rule would enable the director or director's designee to authorize new nonhouse-banked card games, which was allowed between 1996 to 2008.

Adding this language will allow staff to authorize variations of nonhouse-banked card games when licensees come up with new ideas for the games listed in subsection (1).

A Small Business Economic Impact Statement was not prepared because the rule change would not impose additional costs on any licensees.

Regulatory Concerns

None.

Resource Impacts
• In the last year, staff has received two requests for approval of nonhouse-banked card games. • **After this petition was filed in July, staff approved a new distributor for a license and their game submission is pending on the outcome of this petition.** • Staff will receive requests to approve new nonhouse-banked card games.
Policy Consideration
None.
Statements Supporting the Proposed Rule Change
None.
Statements Opposing the Proposed Rule Change
None.
Licensees Directly Impacted By the Change
Licensees submitting new variations of nonhouse-banked games for staff approval.
Staff Recommendation
Adoption.
Proposed Effective Date for Rule Change
The petitioner is requesting an effective date of 31 days from filing the adopted rule.

Amendatory Section:

WAC 230-15-030 Authorized nonhouse-banked card games.

(1) ~~Only~~ The following nonhouse-banked card games are authorized:

(a) Poker;

(b) Hearts;

(c) Pinochle;

(d) Cribbage;

(e) Rummy;

(f) Panguingue (Pan);

(g) Pitch; ~~and~~

(h) Bid Whist; and

(i) Other games approved by the director or the director's designee.

(2) Card game licensees must operate these games in the manner explained in the most current version of *The New Complete Hoyle, Revised* or *Hoyle's Modern Encyclopedia of Card Games*, or similar authoritative book on card games we have approved, or when operated as described in the commission approved game rules on our web site. Card game licensees may make immaterial modifications to the games.

PETITION FOR ADOPTION, AMENDMENT, OR REPEAL OF A STATE ADMINISTRATIVE RULE

Print Form

In accordance with RCW 34.05.330, the Office of Financial Management (OFM) created this form for individuals or groups who wish to petition a state agency or institution of higher education to adopt, amend, or repeal an administrative rule. You may use this form to submit your request. You also may contact agencies using other formats, such as a letter or email.

The agency or institution will give full consideration to your petition and will respond to you within 60 days of receiving your petition. For more information on the rule petition process, see Chapter 82-05 of the Washington Administrative Code (WAC) at http://apps.leg.wa.gov/wac/default.aspx?cite=82-05.

CONTACT INFORMATION *(please type or print)*

Petitioner's Name Alex Maceda VP – Sales & Administration

Name of Organization Omega Gaming USA

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City MARYSVILLE State WA Zip Code 98270

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COMPLETING AND SENDING PETITION FORM

- Check all of the boxes that apply.
- Provide relevant examples.
- Include suggested language for a rule, if possible.
- Attach additional pages, if needed.
- Send your petition to the agency with authority to adopt or administer the rule. Here is a list of agencies and their rules coordinators: http://www.leg.wa.gov/CodeReviser/Documents/RClist.htm.

INFORMATION ON RULE PETITION

Agency responsible for adopting or administering the rule: _____

☐ **1. NEW RULE - I am requesting the agency to adopt a new rule.**

☐ The subject (or purpose) of this rule is: _____

☐ The rule is needed because: _____

☐ The new rule would affect the following people or groups: _____

☒ **2. AMEND RULE - I am requesting the agency to change an existing rule.**

List rule number (WAC), if known: 230-15-030 (1)

☒ I am requesting the following change: Addition of the following language, "In order for a card game to be authorized it must be approved by the director or director's designee."

☒ This change is needed because: WAC does not have language authorizing the director or designee to approve non house banked card games.

☒ The effect of this rule change will be: The commission will have the ability to approve non house banked card games.

☐ The rule is not clearly or simply stated: _____

☐ **3. REPEAL RULE - I am requesting the agency to eliminate an existing rule.**

List rule number (WAC), if known: _____

(Check one or more boxes)

☐ It does not do what it was intended to do.

☐ It is no longer needed because: _____

☐ It imposes unreasonable costs: _____

☐ The agency has no authority to make this rule: _____

☐ It is applied differently to public and private parties: _____

☐ It conflicts with another federal, state, or local law or rule. List conflicting law or rule, if known: _____

☐ It duplicates another federal, state or local law or rule. List duplicate law or rule, if known: _____

☐ Other (please explain): _____

Proposed Amendments to:
WAC 230-06-030 Restrictions and conditions for gambling promotions.
WAC 230-11-070 Defining "members-only" raffles.

Proposed New Rule:
WAC 230-11-091 Members-only progressive raffles.

August 2014 – Final Action
July 2014 – Study Session
May 2014 - Up For Discussion and Possible Filing
April 2014 – Study Session
March 2014 – Study Session

ITEM 11 (a-c) on the August 2014 Commission Meeting Agenda.	Statutory Authority 9.46.070 RCW, 9.46.0277

Who proposed the rule change?

Wayne Marion, representing the Rocky Mountain Elk Foundation (RMEF), raffle licensee.

Proposed Change

The petitioner is proposing a new rule and changes to two rules to allow progressive raffles as a part of members-only raffles.

- WAC 230-11-091: A new rule is proposed that defines a "members-only progressive raffle" as a raffle in which winner(s) of one or more members-only raffle may, without further purchase, receive an entry into another members-only raffle.
- WAC 230-06-030: This proposed change exempts members-only progressive raffles from the prohibition against giving another chance to participate in a gambling activity as a promotional item.
- WAC 230-11-070: This proposed change exempts members-only progressive raffles from the requirement that all aspects of members-only raffles must take place at the same event and location.

The second raffle may or may not take place in the State of Washington. For the petitioner, the national organization which holds a raffle license is located in Montana. The petitioner stated to staff that the RMEF has approximately 100 chapters throughout the Northwest States, including 23 chapters in Washington State. Members-only raffles are held at these chapter meetings. In addition to the prize the winner receives, they would also get a raffle ticket(s) to the members-only raffle held at the RMEF regional conference. Members could also purchase raffle tickets for the national convention members-only raffle at either their chapter meeting or the regional conference. The regional conference could be held out of Washington State. The RMEF headquarters is located in Montana.

Changes/additions made after the May 2014 Commission meeting are in bold.

As a result of reviewing this petition, staff has identified two additional raffle rules **(WAC 230-06-045 and WAC 230-11-105)** that will need to be changed. **These rules are up for filing today under ITEM 16 (a-b).**

Attachments:
Petition for rule change dated March 18, 2014.

History of Rule

Only charitable and nonprofit organizations may offer raffles in Washington State. Rules for members-only raffles were adopted in 1995 to enhance these organizations' ability to raise funds with raffles.

Guests at members-only raffles must not exceed 25% of the members present. There have not been any changes to the members-only raffle rules in the areas the petitioner proposes since that time.

The promotions rule (WAC 230-06-030) was adopted in 2002 to prohibit promotional items from being an additional opportunity to engage in a gambling activity regulated by us. This restriction has remained in place since that time.

Impact of the Proposed Change
The petitioner stated verbally to staff that their organization conducts members-only raffles during their chapter meetings around the state. In addition to the prize(s) given out at the event(s), the petitioner would like to award raffle ticket(s) to winners for entry into a future members-only raffle. The future members-only raffle may or may not be held in Washington State. A Small Business Economic Impact Statement was not prepared because the rule changes and new rule do not impose additional costs.
Regulatory Concerns
Minimal. Currently, organizations conducting members-only raffles can offer a variety of ticket discounts, pricing plans and alternative drawing formats because all aspects of the raffle must be completed within the same event among members of the organization. The petitioner's proposal adds to the level of complexity for these types of raffles by allowing them to take place at more than one event, at more than one location, and out of state. It is difficult to anticipate whether other organizations will offer progressive raffles and the extent of any regulatory problems in the future.
Resource Impacts
Staff does not anticipate the proposed changes to have a significant impact on resources. If portions of the progressive members-only raffles are conducted outside of Washington State, it is unlikely Commission staff would need to travel to the area where the raffle is being conducted. Because licensees are required to provide records to us, it is unlikely staff would need to travel out of state to investigate complaints.
Policy Consideration
The petitioner is proposing to award raffle winners a free entry into another gambling activity where others must pay to enter (another raffle). Awarding entry into another gambling activity as a gambling promotion has not been previously allowed. We believe the intent of this restriction was to reduce the promotion of further gambling.
Statements Supporting the Proposed Rule Change
At the May 2014 Commission meeting, Wayne Marion, the petitioner, spoke in support of his petition.
Statements Opposing the Proposed Rule Change
At the May 2014 Commission meeting, Jamie Durkan, Muckleshoot Tribe, talked about mega raffles and cautioned about "winning a chance to win again."
Licensees Directly Impacted By the Change
Both licensed and unlicensed members-only raffles.
Staff Recommendation
Final Action.
Proposed Effective Date for Rule Change
The petitioner has requested an effective date of 31 days from filing the adopted rule.

Amendatory Sections:

WAC 230-06-030
Restrictions and conditions for gambling promotions.

Licensees may conduct gambling promotions to encourage players to participate in a gambling activity, but you must follow these restrictions and conditions:

(1) You must give all players an equal opportunity to participate; and

(2) You must establish standards to determine how you will give promotional items to players. You must not give the items based on an element of chance, such as a drawing or spinning wheel, unless you are doing so as part of a bingo game; and

(3) Except for members-only progressive raffles conducted as authorized in WAC 230-11-091, you must not give another chance to participate in a gambling activity as a promotional item; and

(4) You must display all rules or restrictions clearly in the gambling area and include them on promotional materials or advertisements; and

(5) You must not combine gambling activities and related gambling promotions in any way with a promotional contest of chance as defined in RCW 9.46.0356.

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. Except for members-only progressive 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 Rule:

WAC 230-11-091
Members-only progressive raffle
A "members-only progressive raffle" is a raffle in which winner(s) of one or more members-only raffles may, without further purchase, receive an entry into another members-only raffle.

Proposed Amendments to:
WAC 230-05-020 Charitable or nonprofit organization fees.
WAC 230-05-025 Commercial stimulant fees.
WAC 230-05-030 Fees for other businesses.
WAC 230-05-035 Individual license fees.

August 2014 – Further Discussion
July 2014 - Up Discussion and Possible Filing

ITEM 12 (a-d) on the August 2014 Commission Meeting Agenda.	Statutory Authority 9.46.070

Who proposed the rule change?

Staff.

Proposed Change

At their June 2014 meeting, the Commissioners asked staff to bring forward two alternative fee increases for filing at the July 2014 Commission meeting. The Commissioners filed both versions at the July meeting.

Changes/additions made after the July 2014 Commission meeting are in bold.

After the July 2014 meeting, staff found a few mathematical errors. These changes are noted in the WAC rules.

Alternative #1: 6% fee increase effective November 1, 2014.
Approximate revenue:
- $248,000 for the eight months of fiscal year 2015.
- $378,000 for the full year of fiscal year 2016.

Alternative #2: 4% fee increase effective November 1, 2014, and a 2% increase effective November 1, 2015.
Approximate revenue:
- $165,000 for the eight months of fiscal year 2015.
- $316,000 for the full year of fiscal year 2016.
-

History of Rule

The Commission is a non-appropriated agency. RCW 9.46.070(5) requires the Commission to set fees to generate funds necessary to cover all costs of licensing and enforcement.

Fees for all licensees were last increased effective January 1, 2008.

Impact of the Proposed Change

- If Alternative #1 is adopted, applicants and licensees will pay approximately 6% more in license fees beginning November 1, 2014.
- If Alternative #2 is adopted, applicants and licensees will pay approximately 4% more in license fees beginning November 1, 2014, and 2% more beginning November 1, 2015.

A Small Business Economic Impact Statement was not required under RCW 34.05.310(4)(f).

Regulatory Concerns

None.

Resource Impacts
With each fee change: • **10 hours** would be needed to update and/or reprogram **16** paper forms, fillable online forms and online applications. • **40 hours** would be needed to update the agency database to reflect the new license fees. Under Alternative #2, the database and forms would need to be updated twice in a one year period. We anticipate more questions from licensees.
Policy Consideration
None.
Statements Supporting the Proposed Rule Change
None.
Statements Opposing the Proposed Rule Change
None.
Licensees Directly Impacted By the Change
All applicants and licensees.
Staff Recommendation
Further discussion.
Proposed Effective Date for Rule Change
November 1, 2014.

Alternative #1: 6% Fee Increase Effective November 1, 2014.

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
Class A	Premises only	$((~~58~~)) 61
Class B	Up to $10,000	$((~~58~~)) 61
Class C	Up to $25,000	$((~~319~~)) 338
Class D	Up to $50,000	$((~~513~~)) 544
Class E	Over $50,000	$((~~894~~)) 948

2. **Bingo**

License	Annual Gross Gambling Receipts	Fee	One Time Variance*
Class A	Up to $25,000	$((~~58~~)) 61	$1,000
Class B	Up to $75,000	$((~~185~~)) 196	$1,000
Class C	Up to $150,000	$((~~380~~)) 403	$2,000
Class D	Up to $350,000	$((~~1,026~~)) 1,088	$4,000
Class E	Up to $650,000	$((~~1,732~~)) 1,836	$8,000
Class F	Up to $1,500,000	$((~~3,486~~)) 3,695	$15,000
Class G	Up to $2,000,000	$((~~5,028~~)) 5,330	$23,000
Class H	Up to $3,000,000	$((~~6,722~~)) 7,125	$30,000
Class I	Up to $4,000,000	$((~~8,400~~)) 8,904	$38,000
Class J	Up to $5,000,000	$((~~10,078~~)) 10,683	$45,000
Class K	Up to $6,000,000	$((~~11,306~~)) 11,984	$53,000

License	Annual Gross Gambling Receipts	Fee	One Time Variance*
Class L	Up to $7,000,000	$((~~12,922~~)) 13,697	$60,000
Class M	Up to $8,000,000	$((~~14,542~~)) 15,415	$65,000
Class N	Up to $9,000,000	$((~~15,818~~)) 16,767	$70,000
Class O	Up to $10,000,000	$((~~17,454~~)) 18,501	$75,000
Class P	Up to $11,000,000	$((~~19,090~~)) 20,235	$80,000
Class Q	Up to $12,000,000	$((~~22,908~~)) 24,282	$85,000
Class R	Up to $13,000,000	$((~~26,180~~)) 27,751	$90,000
Class S	Up to $14,000,000	$((~~29,454~~)) 31,221	$95,000

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

3. **Card games**

License	Description	Fee
Class A	Nonhouse-banked - fee to play	$((~~641~~)) 679
Class B	Limited card games - hearts, rummy, pitch, pinochle, and cribbage - fee to play	$((~~185~~)) 196
Class C	Tournament only - no more than thirty consecutive days per tournament	$((~~58~~)) 61
Class D	Nonhouse-banked - no fee to play	$((~~58~~)) 61

4. **Fund-raising event**

License	Description	Fee
Class A	One event - not more than 24 consecutive hours	
	First time applicant	$((~~380~~)) 403
	Previously licensed applicant	$((~~223~~)) 236
Class B	One event - not more than 72 consecutive hours	
	First time applicant	$((~~641~~)) 679
	Previously licensed applicant	$((~~393~~)) 417
Class C	Additional participant in joint event - not lead organization	$((~~185~~)) 196

License	Description	Fee
Class D	Limited fund-raising event - one event - not more than six consecutive hours	
	First time applicant	$((~~167~~)) 177
	Previously licensed applicant	$((~~111~~)) 118
Class E	Fund-raising event equipment distributor - rents or leases equipment no more than ten times per year	$((~~253~~)) 268
Class F	Fund-raising event equipment distributor - rents or leases equipment more than ten times per year	$((~~641~~)) 679

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

License	Annual Gross Gambling Receipts	Fee	One Time Variance*
Class A	Up to $50,000	$((~~611~~)) 648	$5,000
Class B	Up to $100,000	$((~~1,090~~)) 1,155	$5,000
Class C	Up to $200,000	$((~~2,062~~)) 2,186	$10,000
Class D	Up to $300,000	$((~~2,998~~)) 3,178	$10,000
Class E	Up to $400,000	$((~~3,874~~)) 4,106	$10,000
Class F	Up to $500,000	$((~~4,676~~)) 4,957	$10,000
Class G	Up to $600,000	$((~~5,420~~)) 5,745	$10,000
Class H	Up to $700,000	$((~~6,100~~)) 6,466	$10,000
Class I	Up to $800,000	$((~~6,722~~)) 7,125	$10,000
Class J	Up to $1,000,000	$((~~7,620~~)) 8,077	$20,000
Class K	Up to $1,250,000	$((~~8,460~~)) 8,968	$25,000
Class L	Up to $1,500,000	$((~~9,240~~)) 9,794	$25,000
Class M	Up to $1,750,000	$((~~9,880~~)) 10,473	$25,000
Class N	Up to $2,000,000	$((~~10,466~~)) 11,094	$25,000
Class O	Up to $2,500,000	$((~~11,500~~)) 12,190	$30,000
Class P	Up to $3,000,000	$((~~12,218~~)) 12,951	$35,000
Class Q	Up to $4,000,000	$((~~14,400~~)) 15,264	$40,000

License	Annual Gross Gambling Receipts	Fee	One Time Variance*
Class R	Up to $5,000,000	$((~~16,362~~)) 17,344	$50,000
Class S	Up to $6,000,000	$((~~18,544~~)) 19,657	$60,000
Class T	Up to $7,000,000	$((~~20,728~~)) 21,972	$70,000
Class U	Up to $8,000,000	$((~~22,908~~)) 24,282	$80,000
Class V	Over $8,000,000	$((~~25,090~~)) 26,595	$80,000

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

6. **Raffles**

License	Annual Gross Gambling Receipts	Fee
Class A	Up to $5,000	$((~~58~~)) 61
Class B	Up to $10,000	$((~~185~~)) 196
Class C	Up to $25,000	$((~~380~~)) 403
Class D	Up to $50,000	$((~~641~~)) 679
Class E	Up to $75,000	$((~~1,026~~)) 1,088
Class F	Over $75,000	$((~~1,540~~)) 1,632

7. **Enhanced raffles**

License	Fee
Annual	$((~~6,000~~)) 6,360
Additional fee per enhanced raffle	$((~~7,800~~)) 8,268

8. **Combination license**

License	Description	Fee
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~~)) 122

License	Description	Fee
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~~)) 318
Class C	Allows gross gambling 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.	$((~~696~~)) 738

9. **Special property bingo**

Once annually	$((~~27~~)) 29

10. **Permits**

Recreational gaming activity	$((~~58~~)) 61

11. **Changes**

Type	Fee
Name	$((~~27~~)) 29
Location	$((~~27~~)) 29
Fund-raising event date or time	$((~~27~~)) 29
License class	$((~~27~~)) 29
Duplicate license	$((~~27~~)) 29

12. **Other fees**

Type	Fee
Replacement identification stamps	$((~~27~~)) 29

Type	Fee
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~~)) 28
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~~)) 29

AMENDATORY SECTION

WAC 230-05-025 Commercial stimulant fees. All commercial stimulant license applicants must pay the following fees to us when applying for gambling licenses:

1. **Card games - Nonhouse-banked**

License	Description	Fee
Class B	Up to five tables of limited card games - hearts, rummy, pitch, pinochle, and/or cribbage - fee to play	$((~~189~~)) 200
Class C	Tournament only, no more than thirty consecutive days per tournament	
C-5	Up to five tables	$((~~189~~)) 200
C-10	Up to ten tables	$((~~346~~)) 367
C-15	Up to fifteen tables	$((~~576~~)) 611
Class D	Up to five tables - no fee to play	$((~~59~~)) 63
Class E	Fee to play	
E-1	One table only	$((~~460~~)) 488
E-2	Up to two tables	$((~~792~~)) 840
E-3	Up to three tables	$((~~1,318~~)) 1,397
E-4	Up to four tables	$((~~2,644~~)) 2,803
E-5	Up to five tables	$((~~3,980~~)) 4,219
Additional tables	Per table - up to a maximum of fifteen	$((~~1,152~~)) 1,221
Class F	Endorsement/upgrade of Class E includes permission to use alternative fee collections and use of player-supported jackpots	$((~~1,732~~)) 1,836

2. **Card games - House-banked**

All tables within a card room operating any house-banked card game must be licensed under this license class.

License	Fee
Annual	$((~~6,944~~)) 7,361
Additional fee per table - up to fifteen tables	$((~~1,732~~)) 1,836

3. **Punch boards and pull-tabs**

License	Annual Gross Gambling Receipts	Fee	One Time Variance*
Class A	Up to $50,000	$((~~628~~)) 666	$5,000
Class B	Up to $100,000	$((~~1,122~~)) 1,189	$5,000
Class C	Up to $200,000	$((~~2,116~~)) 2,243	$10,000
Class D	Up to $300,000	$((~~3,080~~)) 3,265	$10,000
Class E	Up to $400,000	$((~~3,980~~)) 4,219	$10,000
Class F	Up to $500,000	$((~~4,806~~)) 5,094	$10,000
Class G	Up to $600,000	$((~~5,570~~)) 5,904	$10,000
Class H	Up to $700,000	$((~~6,270~~)) 6,646	$10,000
Class I	Up to $800,000	$((~~6,906~~)) 7,320	$10,000
Class J	Up to $1,000,000	$((~~7,832~~)) 8,302	$20,000
Class K	Up to $1,250,000	$((~~8,692~~)) 9,214	$25,000
Class L	Up to $1,500,000	$((~~9,494~~)) 10,064	$25,000
Class M	Up to $1,750,000	$((~~10,156~~)) 10,765	$25,000
Class N	Up to $2,000,000	$((~~10,756~~)) 11,401	$25,000
Class O	Up to $2,500,000	$((~~11,820~~)) 12,529	$30,000
Class P	Up to $3,000,000	$((~~12,218~~)) 12,951	$35,000
Class Q	Up to $4,000,000	$((~~14,400~~)) 15,264	$40,000
Class R	Up to $5,000,000	$((~~16,362~~)) 17,344	$50,000
Class S	Up to $6,000,000	$((~~18,544~~)) 19,657	$60,000
Class T	Up to $7,000,000	$((~~20,728~~)) 21,972	$70,000
Class U	Up to $8,000,000	$((~~22,908~~)) 24,282	$80,000
Class V	Over $8,000,000	$((~~25,090~~)) 26,595	$80,000

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

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~~)) 347/$159
Class B	Up to $50,000	$((~~460~~)) 488
Class C	Up to $100,000	$((~~1,184~~)) 1,255
Class D	Up to $250,000	$((~~2,644~~)) 2,803
Class E	Up to $500,000	$((~~4,640~~)) 4,918
Class F	Up to $1,000,000	$((~~7,968~~)) 8,446
Class G	Over $1,000,000	$((~~9,970~~)) 10,568

* 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	Non-punch board/pull-tab only	$((~~659~~)) 699
Class B	Up to $250,000	$((~~1,318~~)) 1,397
Class C	Up to $500,000	$((~~1,980~~)) 2,099
Class D	Up to $1,000,000	$((~~2,644~~)) 2,803
Class E	Up to $2,500,000	$((~~3,446~~)) 3,653
Class F	Over $2,500,000	$((~~4,242~~)) 4,497

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~~)) 276
Class B	Rents or leases equipment for fund-raising event or recreational gaming activity more than 10 times per year.	$((~~659~~)) 699

4. **Gambling service supplier**

License	Fee
Annual	$((~~687~~)) 728
Financing, consulting, and management contract review	$((~~143~~)) 152

5. **Linked bingo prize provider**

License	Fee
Annual	$((~~4,414~~)) 4,679

6. **Call centers for enhanced raffles**

License	Fee
Annual	$((~~4,500~~)) 4,770

7. **Manufacturer**

License	Annual Gross Sales	Fee
Class A	Pull-tab dispensing devices only	$((~~659~~)) 699
Class B	Up to $250,000	$((~~1,318~~)) 1,397
Class C	Up to $500,000	$((~~1,980~~)) 2,099
Class D	Up to $1,000,000	$((~~2,644~~)) 2,803
Class E	Up to $2,500,000	$((~~3,446~~)) 3,653
Class F	Over $2,500,000	$((~~4,242~~)) 4,497

8. **Permits**

Type	Description	Fee
Agricultural fair	One location and event only	$((~~27~~)) 29
Agricultural fair annual permit	Annual permit for specified different events and locations	$((~~189~~)) 200
Recreational gaming activity		$((~~59~~)) 63
Manufacturer's special sales permit		$((~~211~~)) 224

Type	Description	Fee
Punch board and pull-tab service business permit	Initial application fee	$((~~236~~)) 250
Punch board and pull-tab service business permit	Renewal	$((~~56~~)) 59

9. **Changes**

Application	Description	Fee
Name		$((~~27~~)) 29
Location		$((~~27~~)) 29
Business classification	Same owners	$((~~59~~)) 63
Exceeding license class	New class fee, less previous fee paid, plus	$((~~27~~)) 29
Duplicate license		$((~~27~~)) 29
Corporate stock/limited liability company shares/units		$((~~59~~)) 63
License transfers		$((~~59~~)) 63

10. **Other fees**

Type	Fee
Defective punch board/pull-tab cost recovery fees	**Up to $((~~100~~)) 106**
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~~)) 29
Review of gambling equipment, supplies, services, or games	Cost reimbursement

11. **Identification stamps**

Type		Fee
(a) **Punch boards and pull-tabs**		
(i) Standard	Wagers fifty cents and below	$((~~.28~~)) 0.30
	Wagers over fifty cents	$((~~1.11~~)) 1.18
(ii) Progressive jackpot pull-tab series	Per series	$((~~11.19~~)) 11.86
(iii) Pull-tab series with carry-over jackpots and cumulative prize pool pull-tab series	Per series	$((~~1.11~~)) 1.18
(b) **Pull-tab dispensing devices**		
(i) Mechanical and electro-mechanical		$((~~.28~~)) 0.30
(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~~)) 118.76 annually
Replacement of identification stamps		$((~~26~~)) 28
(c) **Disposable bingo cards**		
(i) Single game sets of individual cards or sheets of cards		$((~~.28~~)) 0.30
(ii) Multigame card packets		$((~~1.22~~)) 1.29
(iii) Cards used to play for linked bingo prizes	Fee per 250 cards	$((~~.44~~)) 0.47
(iv) Cards used to play for linked bingo prizes	Fee per 5,000 cards	$((~~8.96~~)) 9.50
(d) **Coin or token-activated amusement games**		
Annually - operated at any Class A amusement game license location		$((~~28.00~~)) 29.68
(e) **Electronic bingo card daubers**		
Annual		$((~~11.19~~)) 11.86
(f) **Electronic card facsimile table**		
Annual		$((~~381.50~~)) 404.39

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

Annual participation	$((~~27~~)) 29

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**

License	Fee
Original	$((~~185~~)) 196
Renewal	$((~~88~~)) 93
Change of employer	$((~~88~~)) 93

2. **Linked bingo prize provider representative**

License	Fee
Original	$((~~260~~)) 276
Renewal	$((~~158~~)) 167

3. **Commercial gambling manager**

License	Fee
Original	$((~~189~~)) 200
Renewal	$((~~90~~)) 95
Change of employer	$((~~90~~)) 95

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

License	Fee
Original	$((~~260~~)) 276
Renewal	$((~~158~~)) 167

5. **Representatives for manufacturers or call centers for enhanced raffles**

License	Fee
Original	$((~~260~~)) 276
Renewal	$((~~158~~)) 167

6. **Public card room employee**

License	Fee
Class A - Performs card room employee duties in a Class E card room	
Original	$((~~189~~)) 200
Renewal	$((~~90~~)) 95
Class B - Performs card room employee duties in enhanced and house-banked card rooms	
Original, in-state	$((~~258~~)) 273
Original, out-of-state	$((~~320~~)) 339
Renewal	$((~~158~~)) 167
Transfer/additional employee/conversion/emergency waiver request	$((~~61~~)) 65

7. **Other fees**

Change of name	$((~~27~~)) 29
Duplicate license	$((~~27~~)) 29

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.

Alternative #2:

4% Fee Increase Effective November 1, 2014, followed by

a 2% Fee Increase Effective November 1, 2015.

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 effective November 1, 2014.	Fee effective November 1, 2015.
Class A	Premises only	$((~~58~~)) 60	$61
Class B	Up to $10,000	$((~~58~~)) 60	$61
Class C	Up to $25,000	$((~~319~~)) 332	$339
Class D	Up to $50,000	$((~~513~~)) 534	$545
Class E	Over $50,000	$((~~894~~)) 930	$949

2. **Bingo**

License	Annual Gross Gambling Receipts	Fee effective November 1, 2014.	Fee effective November 1, 2015.	One Time Variance*
Class A	Up to $25,000	$((~~58~~)) 60	$61	$1,000
Class B	Up to $75,000	$((~~185~~)) 192	$196	$1,000
Class C	Up to $150,000	$((~~380~~)) 395	$403	$2,000
Class D	Up to $350,000	$((~~1,026~~)) 1,067	$1,088	$4,000
Class E	Up to $650,000	$((~~1,732~~)) 1,801	$1,837	$8,000
Class F	Up to $1,500,000	$((~~3,486~~)) 3,625	$3,698	$15,000
Class G	Up to $2,000,000	$((~~5,028~~)) 5,229	$5,334	$23,000
Class H	Up to $3,000,000	$((~~6,722~~)) 6,991	$7,131	$30,000
Class I	Up to $4,000,000	$((~~8,400~~)) 8,736	$8,911	$38,000
Class J	Up to $5,000,000	$((~~10,078~~)) 10,481	$10,691	$45,000

License	Annual Gross Gambling Receipts	Fee effective November 1, 2014.	Fee effective November 1, 2015.	One Time Variance*
Class K	Up to $6,000,000	$((~~11,306~~)) 11,758	$11,993	$53,000
Class L	Up to $7,000,000	$((~~12,922~~)) 13,439	$13,708	$60,000
Class M	Up to $8,000,000	$((~~14,542~~)) 15,124	$15,426	$65,000
Class N	Up to $9,000,000	$((~~15,818~~)) 16,451	$16,780	$70,000
Class O	Up to $10,000,000	$((~~17,454~~)) 18,152	$18,515	$75,000
Class P	Up to $11,000,000	$((~~19,090~~)) 19,854	$20,251	$80,000
Class Q	Up to $12,000,000	$((~~22,908~~)) 23,824	$24,300	$85,000
Class R	Up to $13,000,000	$((~~26,180~~)) 27,227	$27,772	$90,000
Class S	Up to $14,000,000	$((~~29,454~~)) 30,632	$31,245	$95,000

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

3. **Card games**

License	Description	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Class A	Nonhouse-banked - fee to play	$((~~641~~)) 667	$680
Class B	Limited card games - hearts, rummy, pitch, pinochle, and cribbage - fee to play	$((~~185~~)) 192	$196
Class C	Tournament only - no more than thirty consecutive days per tournament	$((~~58~~)) 60	$61
Class D	Nonhouse-banked - no fee to play	$((~~58~~)) 60	$61

4. **Fund-raising event**

License	Description	Fee effective November 1, 2014.	Fee effective November 1, 2015.

License	Description	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Class A	One event - not more than 24 consecutive hours		
	First time applicant	$((~~380~~)) 395	$403
	Previously licensed applicant	$((~~223~~)) 232	$237
Class B	One event - not more than 72 consecutive hours		
	First time applicant	$((~~641~~)) 667	$680
	Previously licensed applicant	$((~~393~~)) 409	$417
Class C	Additional participant in joint event - not lead organization	$((~~185~~)) 192	$196
Class D	Limited fund-raising event - one event - not more than six consecutive hours		
	First time applicant	$((~~167~~)) 174	$177
	Previously licensed applicant	$((~~111~~)) 115	$117
Class E	Fund-raising event equipment distributor - rents or leases equipment no more than ten times per year	$((~~253~~)) 263	$268
Class F	Fund-raising event equipment distributor - rents or leases equipment more than ten times per year	$((~~641~~)) 667	$680

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

License	Annual Gross Gambling Receipts	Fee effective November 1, 2014.	Fee effective November 1, 2015.	One Time Variance*
Class A	Up to $50,000	$((~~611~~)) 635	$648	$5,000
Class B	Up to $100,000	$((~~1,090~~)) 1,134	$1,157	$5,000
Class C	Up to $200,000	$((~~2,062~~)) 2,144	$2,187	$10,000
Class D	Up to $300,000	$((~~2,998~~)) 3,118	$3,180	$10,000
Class E	Up to $400,000	$((~~3,874~~)) 4,029	$4,110	$10,000
Class F	Up to $500,000	$((~~4,676~~)) 4,863	$4,960	$10,000
Class G	Up to $600,000	$((~~5,420~~)) 5,637	$5,750	$10,000
Class H	Up to $700,000	$((~~6,100~~)) 6,344	$6,471	$10,000

Alternative #2: 4% fee increase effective 11/1/14
Followed by a 2% fee increase effective 11/1/15.

License	Annual Gross Gambling Receipts	Fee effective November 1, 2014.	Fee effective November 1, 2015.	One Time Variance*
Class I	Up to $800,000	$((~~6,722~~)) 6,991	$7,131	$10,000
Class J	Up to $1,000,000	$((~~7,620~~)) 7,925	$8,084	$20,000
Class K	Up to $1,250,000	$((~~8,460~~)) 8,798	$8,974	$25,000
Class L	Up to $1,500,000	$((~~9,240~~)) 9,610	$9,802	$25,000
Class M	Up to $1,750,000	$((~~9,880~~)) 10,275	$10,481	$25,000
Class N	Up to $2,000,000	$((~~10,466~~)) 10,885	$11,103	$25,000
Class O	Up to $2,500,000	$((~~11,500~~)) 11,960	$12,199	$30,000
Class P	Up to $3,000,000	$((~~12,218~~)) 12,707	$12,961	$35,000
Class Q	Up to $4,000,000	$((~~14,400~~)) 14,976	$15,276	$40,000
Class R	Up to $5,000,000	$((~~16,362~~)) 17,016	$17,356	$50,000
Class S	Up to $6,000,000	$((~~18,544~~)) 19,286	$19,672	$60,000
Class T	Up to $7,000,000	$((~~20,728~~)) 21,557	$21,988	$70,000
Class U	Up to $8,000,000	$((~~22,908~~)) 23,824	$24,300	$80,000
Class V	Over $8,000,000	$((~~25,090~~)) 26,094	$26,616	$80,000

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

6. **Raffles**

License	Annual Gross Gambling Receipts	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Class A	Up to $5,000	$((~~58~~)) 60	$61
Class B	Up to $10,000	$((~~185~~)) 192	$196
Class C	Up to $25,000	$((~~380~~)) 395	$403
Class D	Up to $50,000	$((~~641~~)) 667	$680
Class E	Up to $75,000	$((~~1,026~~)) 1,067	$1,088
Class F	Over $75,000	$((~~1,540~~)) **$((~~1,601~~)) 1,602**	**$((~~1,633~~)) 1,634**

7. **Enhanced raffles**

License	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Annual	$((~~6,000~~)) 6,240	$6,365
Additional fee per enhanced raffle	$((~~7,800~~)) 8,112	$8,274

8. **Combination license**

License	Description	Fee effective November 1, 2014.	Fee effective November 1, 2015.
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~~)) 120	$122
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~~)) 312	$318
Class C	Allows gross gambling 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.	$((~~696~~)) 724	$738

9. **Special property bingo**

	Fee effective November 1,2014.	Fee effective November 1, 2015.
Once annually	$((~~27~~)) 28	$29

10. **Permits**

	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Recreational gaming activity	$((~~58~~)) 60	$61

11. **Changes**

Type	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Name	$((~~27~~)) 28	$29
Location	$((~~27~~)) 28	$29
Fund-raising event date or time	$((~~27~~)) 28	$29
License class	$((~~27~~)) 28	$29
Duplicate license	$((~~27~~)) 28	$29

12. **Other fees**

Type	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Replacement identification stamps	$((~~27~~)) 28	$29
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~~)) 27	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 $28
Review, inspection and/or evaluation of equipment, paraphernalia, services, or schemes	Deposit and fees as required	Deposit and fees as required

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

	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Annual participation	$((~~27~~)) 28	$29

AMENDATORY SECTION

WAC 230-05-025 Commercial stimulant fees. All commercial stimulant license applicants must pay the following fees to us when applying for gambling licenses:

1. **Card games - Nonhouse-banked**

License	Description	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Class B	Up to five tables of limited card games - hearts, rummy, pitch, pinochle, and/or cribbage - fee to play	$((~~189~~)) 197	$201
Class C	Tournament only, no more than thirty consecutive days per tournament		
C-5	Up to five tables	$((~~189~~)) 197	$201
C-10	Up to ten tables	$((~~346~~)) 360	$367
C-15	Up to fifteen tables	$((~~576~~)) 599	$611
Class D	Up to five tables - no fee to play	$((~~59~~)) 61	$62
Class E	Fee to play		
E-1	One table only	$((~~460~~)) 478	$488
E-2	Up to two tables	$((~~792~~)) 824	$840
E-3	Up to three tables	$((~~1,318~~)) 1,371	$1,398
E-4	Up to four tables	$((~~2,644~~)) 2,750	$2,805
E-5	Up to five tables	$((~~3,980~~)) 4,139	$4,222
Additional tables	Per table - up to a maximum of fifteen	$((~~1,152~~)) 1,198	$1,222
Class F	Endorsement/upgrade of Class E includes permission to use alternative fee collections and use of player-supported jackpots	$((~~1,732~~)) 1,801	$1,837

2. **Card games - House-banked**

All tables within a card room operating any house-banked card game must be licensed under this license class.

License	Fee effective November 1, 2014.	Fee effective November 1, 2015.

License	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Annual	$((~~6,944~~)) 7,222	$7,366
Additional fee per table - up to fifteen tables	$((~~1,732~~)) 1,801	$1,837

3. **Punch boards and pull-tabs**

License	Annual Gross Gambling Receipts	Fee effective November 1, 2014.	Fee effective November 1, 2015.	One Time Variance*
Class A	Up to $50,000	$((~~628~~)) 653	$666	$5,000
Class B	Up to $100,000	$((~~1,122~~)) 1,167	$1,190	$5,000
Class C	Up to $200,000	$((~~2,116~~)) 2,201	$2,245	$10,000
Class D	Up to $300,000	$((~~3,080~~)) 3,203	$3,267	$10,000
Class E	Up to $400,000	$((~~3,980~~)) 4,139	$4,222	$10,000
Class F	Up to $500,000	$((~~4,806~~)) 4,998	$5,098	$10,000
Class G	Up to $600,000	$((~~5,570~~)) ((~~5,792~~)) 5,793	$((~~5,908~~)) 5,909	$10,000
Class H	Up to $700,000	$((~~6,270~~)) 6,521	$6,651	$10,000
Class I	Up to $800,000	$((~~6,906~~)) 7,182	$((~~7,325~~)) 7,326	$10,000
Class J	Up to $1,000,000	$((~~7,832~~)) 8,145	$8,308	$20,000
Class K	Up to $1,250,000	$((~~8,692~~)) 9,040	$9,221	$25,000
Class L	Up to $1,500,000	$((~~9,494~~)) 9,874	$10,071	$25,000
Class M	Up to $1,750,000	$((~~10,156~~)) 10,562	$10,773	$25,000
Class N	Up to $2,000,000	$((~~10,756~~)) 11,186	$11,410	$25,000
Class O	Up to $2,500,000	$((~~11,820~~)) 12,293	$12,539	$30,000
Class P	Up to $3,000,000	$((~~12,218~~)) 12,707	$12,961	$35,000
Class Q	Up to $4,000,000	$((~~14,400~~)) 14,976	$15,276	$40,000

License	Annual Gross Gambling Receipts	Fee effective November 1, 2014.	Fee effective November 1, 2015.	One Time Variance*
Class R	Up to $5,000,000	$((~~16,362~~)) 17,016	$17,356	$50,000
Class S	Up to $6,000,000	$((~~18,544~~)) 19,286	$19,672	$60,000
Class T	Up to $7,000,000	$((~~20,728~~)) 21,557	$21,988	$70,000
Class U	Up to $8,000,000	$((~~22,908~~)) 23,824	$24,300	$80,000
Class V	Over $8,000,000	$((~~25,090~~)) 26,094	**$((~~26,216~~)) 26,616**	$80,000

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

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 effective November 1, 2014.	Fee effective November 1, 2015.
Class A	Premises only	*$((~~327/$150~~)) 340/$156	*$347/$159
Class B	Up to $50,000	$((~~460~~)) 478	$488
Class C	Up to $100,000	$((~~1,184~~)) 1,231	$1,256
Class D	Up to $250,000	$((~~2,644~~)) 2,750	$2,805
Class E	Up to $500,000	$((~~4,640~~)) 4,826	$4,923
Class F	Up to $1,000,000	$((~~7,968~~)) 8,287	$8,453
Class G	Over $1,000,000	$((~~9,970~~)) 10,369	$10,576

* 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 effective November 1, 2014.	Fee effective November 1, 2015.
Class A	Nonpunch board/pull-tab only	$((~~659~~)) 685	$699
Class B	Up to $250,000	$((~~1,318~~)) 1,371	$1,398
Class C	Up to $500,000	$((~~1,980~~)) 2,059	$2,100
Class D	Up to $1,000,000	$((~~2,644~~)) 2,750	$2,805
Class E	Up to $2,500,000	$((~~3,446~~)) 3,584	$3,656
Class F	Over $2,500,000	$((~~4,242~~)) 4,412	$4,500

3. **Fund-raising event equipment distributor**

License	Description	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Class A	Rents or leases equipment for fund-raising event or recreational gaming activity up to 10 times per year.	$((~~260~~)) 270	$275
Class B	Rents or leases equipment for fund-raising event or recreational gaming activity more than 10 times per year.	$((~~659~~)) 685	$699

4. **Gambling service supplier**

License	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Annual	$((~~687~~)) 714	$728
Financing, consulting, and management contract review	$((~~143~~)) 149	$152

5. **Linked bingo prize provider**

License	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Annual	$((~~4,414~~)) 4,591	$4,683

6. **Call centers for enhanced raffles**

License	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Annual	$((~~4,500~~)) 4,680	$4,774

7. **Manufacturer**

License	Annual Gross Sales	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Class A	Pull-tab dispensing devices only	$((~~659~~)) 685	$699
Class B	Up to $250,000	$((~~1,318~~)) 1,371	$1,398
Class C	Up to $500,000	$((~~1,980~~)) 2,059	$2,100
Class D	Up to $1,000,000	$((~~2,644~~)) 2,750	$2,805

License	Annual Gross Sales	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Class E	Up to $2,500,000	$((~~3,446~~)) 3,584	$3,656
Class F	Over $2,500,000	$((~~4,242~~)) 4,412	$((~~4,450~~)) 4,500

8. **Permits**

Type	Description	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Agricultural fair	One location and event only	$((~~27~~)) 28	$29
Agricultural fair annual permit	Annual permit for specified different events and locations	$((~~189~~)) 197	$201
Recreational gaming activity		$((~~59~~)) 61	$62
Manufacturer's special sales permit		$((~~211~~)) 219	$223
Punch board and pull-tab service business permit	Initial application fee	$((~~236~~)) 245	$250
Punch board and pull-tab service business permit	Renewal	$((~~56~~)) 58	$59

9. **Changes**

Application	Description	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Name		$((~~27~~)) 28	$29
Location		$((~~27~~)) 28	$29
Business classification	Same owners	$((~~59~~)) 61	$62
Exceeding license class	New class fee, less previous fee paid, plus	$((~~27~~)) 28	$29
Duplicate license		$((~~27~~)) 28	$29
Corporate stock/limited liability company shares/units		$((~~59~~)) 61	$62
License transfers		$((~~59~~)) 61	$62

10. **Other fees**

Type	Fee effective November 1, 2014.	Fee effective November 1, 2015.

Type	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Defective punch board/pull-tab cost recovery fees	**Up to $((~~100~~)) 104**	**Up to $((~~100~~)) 106**
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~~)) 28	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 $29
Review of gambling equipment, supplies, services, or games	Cost reimbursement	Cost reimbursement

11. **Identification stamps**

Type		Fee effective November 1, 2014.	Fee effective November 1, 2015.
(a) **Punch boards and pull-tabs**			
(i) Standard	Wagers fifty cents and below	$((~~.28~~)) 0.29	$0.30
	Wagers over fifty cents	$((~~1.11~~)) 1.15	$1.17
(ii) Progressive jackpot pull-tab series	Per series	$((~~11.19~~)) 11.64	$11.87
(iii) Pull-tab series with carry-over jackpots and cumulative prize pool pull-tab series	Per series	$((~~1.11~~)) 1.15	$1.17
(b) **Pull-tab dispensing devices**			
(i) Mechanical and electro-mechanical		$((~~.28~~)) 0.29	$0.30

Type		Fee effective November 1, 2014.	Fee effective November 1, 2015.
(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~~)) 116.52 annually	$118.85 annually
Replacement of identification stamps		$((~~26~~)) 27	$28
(c) **Disposable bingo cards**			
(i) Single game sets of individual cards or sheets of cards		$((~~.28~~)) 0.29	$0.30
(ii) Multigame card packets		$((~~1.22~~)) 1.27	$1.30
(iii) Cards used to play for linked bingo prizes	Fee per 250 cards	$((~~.44~~)) 0.46	$0.47
(iv) Cards used to play for linked bingo prizes	Fee per 5,000 cards	$((~~8.96~~)) 9.32	$9.51
(d) **Coin or token-activated amusement games**			
Annually - operated at any Class A amusement game license location		$((~~28.00~~)) 29.12	$29.70
(e) **Electronic bingo card daubers**			
Annual		$((~~11.19~~)) 11.64	$11.87
(f) **Electronic card facsimile table**			
Annual		$((~~381.50~~)) 396.76	$404.70

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

	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Annual participation	$((~~27~~)) 28	$29

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**

License	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Original	$((~~185~~)) 192	$196
Renewal	$((~~88~~)) 92	$94
Change of employer	$((~~88~~)) 92	$94

2. **Linked bingo prize provider representative**

License	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Original	$((~~260~~)) 270	$275
Renewal	$((~~158~~)) 164	$167

3. **Commercial gambling manager**

License	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Original	$((~~189~~)) 197	$201
Renewal	$((~~90~~)) 94	$96
Change of employer	$((~~90~~)) 94	$96

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

License	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Original	$((~~260~~)) 270	$275
Renewal	$((~~158~~)) 164	$167

5. **Representatives for manufacturers or call centers for enhanced raffles**

License	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Original	$((~~260~~)) 270	$275
Renewal	$((~~158~~)) 164	$167

6. **Public card room employee**

License	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Class A - Performs card room employee duties in a Class E card room		
Original	$((~~189~~)) 197	$201
Renewal	$((~~90~~)) 94	$96
Class B - Performs card room employee duties in enhanced and house-banked card rooms		
Original, in-state	$((~~258~~)) 268	$273
Original, out-of-state	$((~~320~~)) 333	$340
Renewal	$((~~158~~)) 164	$167
Transfer/additional employee/conversion/emergency waiver request	$((~~61~~)) 63	$64

7. **Other fees**

	Fee effective November 1, 2014.	Fee effective November 1, 2015.
Change of name	$((~~27~~)) 28	$29
Duplicate license	$((~~27~~)) 28	$29

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.

Proposed Rule Changes:
WAC 230-30-052 Resident agent to be appointed by out-of-state applicants and licensees.
WAC 230-03-050 Additional information required from applicants for licensing.

August 2014 Commission Meeting – Up for Discussion and Possible Filing
July 2014 – Study Session

ITEM 13 (a-b) on the July 2014 Commission Meeting Agenda.	Statutory Authority 9.46.070

Who proposed the rule change?

Nathan Schreiner, Squaxin Island Representative, on behalf of the Little Creek Casino Resort.

Proposed Change

The petitioner's amendment would no longer require out-of-state licensees that do not have a business office or licensed premise in the state to designate a "natural person" as resident agent or provide a "home address" for the agent. The amendment would allow out-of-state licensees to use registered agent services with locations in the state.

Additionally, housekeeping changes are proposed to replace "resident agent" with "registered agent," to mirror other statutory provisions relating to registered agents (e.g. RCW 23B.05.010).

The petitioner agreed to hold the petition over for filing at the July 2014 Commission meeting. Before the July meeting, a second rule was identified as needing amendment. The petitioner agreed to hold the petition over until the August Commission meeting to allow time to update the rules package.

Attachments:

- Petition for Rule Change dated May 7, 2014.

History of Rule

- The rule has been relatively unchanged since about 1974.
- The requirement for a "natural person" to have his/her home addressed filed with the Commission was intended to establish residency to allow staff to complete service and delivery of documents within the state.
- The rule was created before registered agent services were available to out of state licensees and applicants.

Impact of the Proposed Change

This change would provide an alternative for out-of-state licensees to use registered agent services with locations in the state.

Agency staff rarely personally serves out-of-state licensees. Service by mail is the normal method of service for organizations. Service of documents may be made via U.S. mail service or e-mail, including notices of hearing under the Administrative Procedure Act, RCW 34.05.434 (amended to include e-mail service of hearing notices in 2013).

For many years, licensing staff have received complaints from applicants and licensees about not being able to use registered agent services.

A Small Business Economic Impact Statement was not prepared because the proposed rule change does not impose additional costs.

Regulatory Concerns
As long as the registered agent has a physical address and is authorized to do business in the state, there is no impact on licensing, enforcement, or legal staff.
Resource Impacts
• Staff will save time by not having to follow-up on incomplete resident agent information and applications will be processed faster. • Distributor, manufacturer and service supplier applications will need to be updated.
Policy Consideration
None.
Statements Supporting the Proposed Rule Change
None.
Statements Opposing the Proposed Rule Change
None.
Licensees/Stakeholders Directly Impacted By the Change
Out-of-state licensees.
Options Available to the Commission Regarding the Petition
Under the requirements of the Administrative Procedure Act, the Commission must take action on a Petition within 60 days of receiving it. At the August 2014 meeting, the Commission must: 1) Initiate rule-making proceedings (file the rule for further discussion); 2) Deny the petition in writing, stating the reasons for the denial and specifically address the concerns stated in the petition. If appropriate, the Commission must indicate alternative means by which the agency will address the concerns raised in the petition; or 3) Propose an alternative version of the rule.
Staff Recommendation
File for further discussion.
Proposed Effective Date for Rule Change
January 1, 2015.

Amendatory Sections:

WAC 230-03-052 ~~Resident~~ Registered agent to be appointed by out-of-state applicants and licensees.

(1) All applicants and licensees that do not have a business office or licensed premises within Washington state must appoint a ~~resident~~ registered agent for receiving and accepting service of process and other communications from us.

(2) The ~~resident~~ registered agent must have a physical Washington state address at which the agent is available for service of process and be:

(a) A company authorized to conduct business in this state; or

(b) An individual resident of this state who is at least eighteen years old.

((~~natural person who is a resident living in Washington state; and~~

~~(b) At least eighteen years old.~~

~~(3) The resident agent's name, business address, and home address must be filed with us.~~))

WAC 230-03-050 Additional information required from applicants for licensing.

(1) Applicants must give us details or copies of the following information on or attached to their application:

(a) The name of the ((~~resident~~)) registered agent as required by state law, and the agent's business address located in the state ((~~and home address~~)); and

(b) Internal Revenue Service tax exemption letter, if one is necessary; and

(c) All lease or rental agreements, whether oral or written, between the applicant and the owner of the site where the applicant will conduct gambling activity; and

(d) Any franchise agreements or other agreements, whether written or oral, between the applicant and distributors or manufacturers of equipment or between the applicant and any other person whose agreements relate to gambling activities or gambling equipment; and

(e) All proposed financing, consulting, and management agreements or contracts between applicant and any gambling service supplier; and

(f) Enough personal information to ensure each substantial interest holder is qualified to hold a license or participate in an authorized gambling activity; and

(g) For commercial applicants: Articles of incorporation, limited liability corporation formation, partnership agreement, and other documents which set out the applicant's business structure; and

(h) For charitable and nonprofit organization applicants: Articles of incorporation and bylaws; or, if not a corporation, a copy of any bylaws and other documents which set out the organizational structure and purposes of the organization.

(2) Applicants must also give us any other information we request within thirty days of the request or within any other time frame we provide.

ırk Allen - mallen@squaxin.us
David Babcock - dbabcock@squaxin.us
Diane Deyette - Paralegal - ddeyette@squaxin.us
Sharon Haensly - shaensly@squaxin.us
Kevin Lyon - klyon@squaxin.us
Nathan Schreiner - nschreiner@squaxin.us

Squaxin Island Legal Department

Received
MAY 09 2014
Gambling Commission
Comm. & Legal Division

May 7, 2014

Washington State Gambling Commission
ATTN: Rules Coordinator
P.O. Box 42400
Olympia, Washington 98504-2400

Via U.S. Mail and Facsimile

PETITION FOR RULE CHANGE – RCW 34.05.330

To Whom It May Concern:

On behalf of the Little Creek Casino Resort, a wholly owned enterprise of the Squaxin Island Tribe, I request the Gambling Commission amend WAC 230-03-052 ("Resident agent to be appointed by out-of-state applicants and licensees") to remove the requirements that a resident agent be a "natural person" and that the resident agent provide a "home address." The requirements introduce unnecessary inconvenience and expense to key vendors at the Resort and go beyond what is necessary to serve the Rule's stated purpose: to provide an in-state means of effecting service of process and other communications. The additional requirements in the Rule appear to be inconsistent with other state requirements for resident / registered / statutory agents, *see e.g.* RCW 25.15.020, 24.03.050, and the requirements appear to lack specific authorization under chapter 9.46 RCW. I would be happy to answer any questions or supplement this petition on request, and would be pleased to work with the Commission's legal staff to develop appropriate draft amendments. I am available at *nschreiner@squaxin.us* or (360) 462-7102. Thank you for your consideration.

Sincerely,

Nathan Schreiner

SE 3711 Old Olympic Hwy • Kamilche, Washington 98584
Phone: 360.432.1771 • Fax: 360.432.3699
squaxinisland.us/government/departments/legal

Proposed Rule Change:
WAC 230-15-740 Preparing required financial statements.

August 2014 – Up for Discussion and Possible Filing
July 2014 – Study Session

ITEM 14 (a) on the August 2014 Commission Meeting Agenda.	Statutory Authority 9.46.0282 9.46.070(12)(14)(21)

Who proposed the rule change?

Staff.

Proposed Change

The proposed change would increase the dollar limit, from $3 million to $6 million, in determining the level of service required by a certified public accountant in preparing financial statements for house-banked card rooms.

Staff worked extensively with licensees on this proposal in 2013 and 2014 to come to this proposed rule change.

Attachments:

- Stakeholder notification letter e-mailed to all house-banked card room licensees on June 18, 2014.
- Responses supporting the petition (see below for details).

History of Rule

2000 Implementation
This rule originated in 2000 and originally required all house-banked card room licensees with gross receipts in excess of $5 million to submit audited financial statements to the Commission.

2004 Amendment
In 2004, house-banked card rooms were concerned that Activity Reports showed only the net income/loss for a portion of their business, the card room, and did not show the activity for the whole business, such as losses in the food and beverage portion of the business. Licensees requested the Commission change the Activity Reports to require licensees to report income and expenses for their overall business entity. This was not a viable solution since the Commission did not have the resources to ensure the revenues and expenses reported for the overall business entity were accurate.

As an alternative to increasing activity reporting requirements, this rule was amended to require all house-banked card room licensees to submit audited, reviewed, or compiled financial statements to the Commission. The type of financial statement required is based on the house-banked card room's gross receipts. The amendments were adopted as an alternative to house-banked card rooms' requests to submit information that would more accurately reflect the operation of their overall business rather than just their gambling operations.

2007Amendment
In 2007, the WAC was amended to ensure the consistency of information submitted by all house-banked card rooms.

Requiring financial statements to be submitted from all house-banked card rooms in a consistent format has reduced staff time in both the Financial Investigations Unit and Field Operations. We have been able to quickly identify compliance problems after reviewing the financial statements of house-banked card rooms each year.

Financial statements must be prepared by an independent, certified public accountant (CPA). The financial statements allow staff to monitor house-banked card rooms for undisclosed substantial interest holders; undisclosed loans, leases, and agreements, and overall compliance with the accounting and reporting rules, which supports the Commission's mission.

Staff also uses the information reported in the financial statements as a way to assess the risk of noncompliance. Staff can then focus resources on the house-banked card rooms that we determine to be more of a risk and less time on those that maintain compliance.

The following is an excerpt from American Institute of CPAs describing the difference in the three different types of financial statements:

> **Audited financial statements** provide the user with the auditor's opinion that the financial statements are presented fairly, in all material respects, in conformity with the applicable financial reporting framework. The auditor is required to obtain an understanding of the entity's internal control and assess fraud risk. The auditor also is required to corroborate the amounts and disclosures included in the financial statements by obtaining audit evidence through inquiry, physical inspection, observation, third-party confirmations, examination, analytical procedures and other procedures.
>
> **Reviewed financial statements** provide the user with comfort that, based on the accountant's review, the accountant is not aware of any material modifications that should be made to the financial statements. A review engagement involves the CPA performing procedures that will provide a reasonable basis for obtaining limited assurance that there are no material modifications that should be made to the financial statements for them to be in conformity with the applicable financial reporting framework. A review does not contemplate obtaining an understanding of the entity's internal control; assessing fraud risk; testing accounting records; or other procedures ordinarily performed in an audit.
>
> **Compiled financial statements** represent the most basic level of service CPAs provide with respect to financial statements. In a compilation engagement, the accountant assists management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Impact of the Proposed Change

For the past four reporting cycles (2009-2012) approximately 29 (50%) of the house-banked card rooms filed audited financial statements, 23 (41%) filed reviewed financial statements, and 5 (9%) filed compiled financial statements under the current rule.

With the rule change approximately 9 (16%) of the house-banked card room's would have filed audited financial statements, 43 (75%) would have filed reviewed financial statements, and 5 (9%) would have filed compiled financial statements.

	2009-2012		**With Rule Change**	
	# of licensees	%	# of licensees	%
Audit	29	51%	9	16%
Review	23	40%	43	75%
Compiled	5	9%	5	9%
Total	57	100%	57	100%

Of the 53 house-banked card rooms who submitted financial statements for Fiscal Year (FY) 2012, 18 (34%) were owned by three separate publicly traded companies. Accordingly, they are already required to have audited financial statements prepared, based on SEC requirements. This translates to approximately 22 (41%) of the house-banked card room providing audited financial statements based either on house-banked card room gross receipts or SEC requirements.

The Recreational Gaming Association's members reported their costs for complying with this rule are as follows:

- **Audits** range from $10,000 to $18,000.
- **Reviews** range from $6,000 and $8,000.
- **Compilations** range from $3,000 to $5,000.

Regulatory Concerns
Minimal.
Resource Impacts
Minimal.
Policy Consideration
None.
Statements Supporting the Proposed Rule Change
Letters and e-mails from: • Dolores A. Chiechi, Executive Director of the Recreational Gaming Association. • Jenifer Copioli, Wizards Casino. • Mark Greene and Lance Rinard, Lancer Lanes and Casino. • Dave Magee, Hawks Prairie Casino. • Victor Mena, Nevada Gold properties.
Statements Opposing the Proposed Rule Change
None.
Licensees/Stakeholders Directly Impacted By the Change
House-banked card room applicants and licensees.
Staff Recommendation
File for further discussion.
Proposed Effective Date for Rule Change
Staff requests an effective date of 31 days from filing the adopted rule. This will allow licensees with gross receipts less than $6 million for fiscal year ending December 31, 2014, to submit a financial statement that is reviewed, rather than audited.

Amendatory Section:

WAC 230-15-740 Preparing required financial statements.

Definitions.

(1) The following definitions apply to all subsections of this rule:

(a) "Financial statements" means documents, including, at least: Balance sheet, statement of income, statement of retained earnings or changes in equity, statement of cash flows, and all required notes or disclosures.

(b) "Card room gross receipts" means all receipts from all house-banked and nonhouse-banked card games offered by the house-banked card room.

(c) "Independent" means there is no relationship that may influence a certified public accountant's impartiality and objectivity in rendering services.

Filing with the commission.

(2) House-banked card game licensees must submit financial statements covering all financial activities of the licensees' business premises for each business year within one hundred twenty days following the end of their business year.

(3) We may authorize a sixty-day extension if a licensee submits a written request explaining the need for the extension.

Audited financial statements - Gross receipts of over ~~three~~ six million dollars.

(4) Licensees with house-banked card ((~~game~~)) room gross receipts of more than ~~three~~ six million dollars for the business year must hire an independent, certified public accounting firm licensed by the Washington state board of accountancy to audit the licensee's financial statements according to Generally Accepted Auditing Standards (GAAS).

Reviewed financial statements - Gross receipts of one to ~~three~~ six million dollars.

(5) Licensees with house-banked card room gross receipts of one to ~~three~~ six million dollars for the business year must hire an independent, certified public accounting firm licensed by the Washington state board of accountancy to review the licensee's financial statements according to the Statements on Standards for Accounting and Review Services (SSARS) or audit the licensee's financial statements according to GAAS.

Compiled financial statements - Gross receipts of less than one million dollars.

(6) Licensees with house-banked card room gross receipts of less than one million dollars for the business year must hire an independent, certified public accounting firm licensed by the Washington state board of accountancy to compile the licensee's financial statements according to SSARS or audit the licensee's financial statements according to GAAS. This compilation must include all required notes or disclosures on an accrual basis of accounting.

Financial statement preparation.

(7) Licensees must prepare financial statements on a comparative basis. For the first year of operation only, licensees do not have to submit comparative financial statements. Licensees must report gross revenues from each licensed activity separate and apart from all other revenues.

(8) All financial statements must be prepared in accordance with the United States' Generally Accepted Accounting Principles (GAAP).

Consolidated financial statements.

(9) Commonly owned or operated business premises may present consolidated financial statements. Licensees must include consolidated schedules presenting separate financial statements for each licensed card room location.

Change in business year.

(10) Licensees must notify us in writing within thirty days if they change their business year. Licensees must submit financial statements covering the period from the end of the previous business year to the end of the new business year.

Newer, Susan (GMB)

From: Jenifer Copioli [jen.copioli@wizardscasino.biz]
Sent: Monday, June 23, 2014 12:17 PM
To: Griffin, Tina (GMB)
Subject: Proposed Rule Change - WAC 230-15-740

Follow Up Flag: Follow up
Flag Status: Completed

We are in support of the proposed rule change. Thank you for letting us know.

--
Jenifer Copioli
Wizards Casino

Newer, Susan (GMB)

From: Mark and Patricia Greene [maloa@hotmail.com]
Sent: Wednesday, June 25, 2014 3:56 PM
To: Griffin, Tina (GMB)
Cc: Lance Rinard
Subject: FW: Washington State Gambling Commission Proposed Rule Change
Attachments: HBCR Financial Statement Stakeholder Ltr 06 18 2014 Final.doc; Audited Financial Rule ltr of support.pdf

Dear Ms. Tina Griffin of the W.S.G.C.,

I wanted to let you know that Lancer Lanes and Casino of Clarkston, Wa. is in full support of the changes the R.G.A. has suggested in regards to card rooms reporting their incomes to the Gambling Commission. Any way in which we can lower our current expenses and still achieve proper reporting of income to the State will help our diminishing industry survive. We hope that the Gambling Commission will see fit to vote in the rule changes that R.G.A. has proposed and save those of us still in the industry some reporting expense monies in the future.

Thank you,

Mark Greene
Lancer Lanes and Casino V.P./Sec. Treas.

Lance Rinard
Lancer Lanes and Casino President

From: DChiechi@rga-wa.org
To: DChiechi@rga-wa.org
Subject: FW: Washington State Gambling Commission Proposed Rule Change
Date: Wed, 25 Jun 2014 15:41:03 -0700

Greetings:
Please take a minute to send an email or a letter in support of the attached rule change. Please see the attached letter the RGA delivered.

WSGC staff has been working diligently with representatives of the RGA to make this change. In order to be successful in getting the rule changed, the Commission needs to see support from the card room industry. We expect this change will lower the expense for these services for many of our members (and non-members) come tax time next year.

Thank you in advance for your attention to and consideration of this request.

Dolores A. Chiechi
Executive Director
Recreational Gaming Association
PO Box 1787
Olympia, WA 98507-1787

Newer, Susan (GMB)

From: Dave Magee [dmagee@hawksprairiecasino.com]
Sent: Wednesday, June 25, 2014 4:34 PM
To: Griffin, Tina (GMB)
Subject: WAC 230-15-740

The Washington State Gambling Commission is starting the first stage of rulemaking to revise WAC 230-15-740 Preparing required financial statements. The proposed change would increase the dollar limit in determining the level of service required by a certified public accountant in preparing financial statements for house-banked card rooms.

I would like to voice my support for the rule change that will allow licensees with card room gross receipts of $1 million to $6 million to submit reviewed rather than audited financial statements and licensees with card room gross receipts over $6 million to be required to submit audited financial statements and card room gross receipts less than $1 million to submit compiled financial statements.

Dave Magee
General Manager
Hawks Prairie Casino
8318 Quinault Dr. N.E.
Lacey, Wa. 98516
(360)528-8888

Newer, Susan (GMB)

From: Victor Mena [VMena@wagoldcasinos.com]
Sent: Wednesday, June 25, 2014 4:21 PM
To: Griffin, Tina (GMB)
Subject: FW: Washington State Gambling Commission Proposed Rule Change
Attachments: HBCR Financial Statement Stakeholder Ltr 06 18 2014 Final.doc; Audited Financial Rule ltr of support.pdf

Hi Tina,

I am in support of this rule change no problem.

Thanks Victor

Washington
GOLD

Victor Mena | VP WA Operations Nevada Gold, Chief Operating Officer WA Gold | VMena@wagoldcasinos.com | T: 425.264.1050 | F: 425.264.1063
711 Powell Ave SW, Suite 100 | Renton, WA 98057 | http://www.wagoldcasinos.com

This e-mail message and any attachments to it are intended only for the named recipients and may contain legally privileged and/or confidential information. If you are not one of the intended recipients, do not duplicate or forward this e-mail message.

From: Victor Mena [mailto:vicmena@hotmail.com]
Sent: Wednesday, June 25, 2014 4:20 PM
To: vmena@wagoldcasinos.com
Subject: FW: Washington State Gambling Commission Proposed Rule Change

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From: DChiechi@rga-wa.org
To: DChiechi@rga-wa.org
Subject: FW: Washington State Gambling Commission Proposed Rule Change
Date: Wed, 25 Jun 2014 15:41:03 -0700

Greetings:
Please take a minute to send an email or a letter in support of the attached rule change. Please see the attached letter the RGA delivered.

WSGC staff has been working diligently with representatives of the RGA to make this change. In order to be successful in getting the rule changed, the Commission needs to see support from the card room industry. We expect this change will lower the expense for these services for many of our members (and non-members) come tax time next year.

Thank you in advance for your attention to and consideration of this request.

Proposed Rule Change:
WAC 230-15-295 Digital video recording equipment requirements.

August 2014 – Up for Discussion and Possible Filing
July 2014 – Study Session

ITEM 15 (a) on the August 2014 Commission Meeting Agenda.	Statutory Authority 9.46.070 9.46.0282

Who proposed the rule change?

Staff.

Proposed Change

The proposed change would require Class F and house-banked card room licensees' digital video recording and playback of images to have sufficient magnification and clarity to show fluid motion and allow the viewer to clearly distinguish the value of currency, coins, gaming chips, playing cards, and outcome of the game and effectively monitor in detail all areas requiring video coverage.

- Current Class F and house-banked card room licensees would only have to meet the new requirement when they install new digital recording equipment.
- If a new Class F or house-banked card room opens, the digital recording equipment must meet the proposed requirements below.
- Existing card rooms that are sold would not be required to meet these new standards until they install new equipment.

The rule requires the following:

- Each user must sign in with their own I.D. and password.
- The system must have an audio or visual indication of a system malfunction.
- The system must record the date and time when:
  - Users log in and out of system; and
  - Video signals from gaming cameras are interrupted and when connection is restored; and
  - Video is recorded to removable storage media along with the date, time, and camera being copied including the user at the time; and
  - System failure occurs; and
  - Remote access to the system begins and ends along with the ability to identify the person or organization accessing the system and the files accessed during the remote access.

Class F and house-banked card room operators would be allowed to determine the proper combination of equipment to meet viewing requirements.

Staff worked with Class F and house-banked card room licensees on this rule change.

Attachments:
Small business economic impact statement.
Stakeholder notification letter dated May 13, 2014.

History of Rule

WAC rules were revised in 2003 to allow the use of digital recording equipment to record video at Class F and house-banked card rooms. Prior to this, video was required to be recorded on VHS tapes. No material changes have been made to the digital surveillance requirements since their adoption in 2003.

The current rule sets a technical standard for resolution that does not always lead to the ability to clearly view images. There are many factors that affect the resolution and quality of the recorded images, such as recording speed, resolution, type of camera used, quality of the compression program and processing speed. It would be impractical to address all of these factors in a rule to define acceptable resolution and clarity.

Impact of the Proposed Change
New Class F and house-banked card rooms will be required to meet the new requirements. Existing card rooms including card rooms that are sold will have to meet these requirements if they purchase new digital video recording equipment. According to a service supplier that installs digital surveillance equipment, most new equipment has the capability to meet the new requirements at no additional cost. Malfunction alarms, the capability of producing an equipment log showing the users and types of actions being conducted and requiring each user to have a separate login and password are common features with new equipment. Licensees with equipment older than ten years may have to purchase new equipment because their existing equipment is no longer serviceable. A system being used in six card rooms in the state will no longer be serviced by the company after 2016. **See attached Small Business Economic Impact Statement.**
Regulatory Concerns
Over the past two years, there have been eight instances where cheating cases have not been pursued because the video recording did not have sufficient clarity even though the equipment was compliant with current standard of recording at 25 frames per second with a resolution of 320 x 240. Transitioning to the new requirements as digital video recording equipment is replaced will correct this without imposing additional costs on licensees. The proposed digital video recording equipment requirements would establish safeguards for video recordings and ensure equipment has sufficient resolution to pursue investigations. Staff has identified problems with the current requirements for digital video recording equipment. Under the current rule, different equipment may produce a wide range of quality in the recorded image. Commission staff currently relies on the licensee to manually document digital video recording equipment malfunctions and the surveillance room sign-in log to verify proper access into the equipment. The proposed requirements will provide greater assurance the equipment is being operated by authorized individuals and identify malfunctions that could compromise required data or coverage. **Other Jurisdictions:** Staff reviewed Nevada, South Dakota and New Jersey equipment requirements. Nevada and New Jersey were still operating under their rules prior to the use of digital video recording equipment or had very minimal requirements. Staff used the language from South Dakota's rule for clarity standards in the rule change proposal.
Resource Impacts
Impact to staff would be minimal. Compliance checks may consist of reviewing electronic logs on digital video recording equipment rather than a manual record. No additional resources would be needed if this rule change is made.
Policy Consideration
None.

Statements Supporting the Proposed Rule Change
None.
Statements Opposing the Proposed Rule Change
None.
Licensees/Stakeholders Directly Impacted By the Change
Class F and house-banked card rooms, and manufacturers and service suppliers of digital surveillance equipment.
Staff Recommendation
File for further discussion.
Proposed Effective Date for Rule Change
January 1, 2015.

Amendatory Section:

WAC 230-15-295 Digital video recording equipment requirements.

Digital recording, including audio recording where required, using ((a)) digital video recording and storage system, must:

(1) Record all images on a hard drive; and

(2) Lock so that access to the erase and reformat functions and system data files is restricted to persons authorized in the internal controls; and

(3) Provide uninterrupted recording of surveillance, during playback or copying. Licensees may use motion-activated recording; and

(4) Be capable of copying original images maintaining the original native format; and

(5) Be stored at a rate of not less than twenty-five images per second; and

(6) Record images at a minimum resolution of 320 x 240 and display during playback at a minimum resolution of 640 x 480 or meet (11)(d) below; and

(7) Store images in a format that is readable by our computer equipment; and

(8) Store images in a format that we can verify and authenticate; and

(9) Include the accurate time and date the video was originally recorded on the recorded images; and

(10) Be equipped with an uninterruptible power source to allow a proper system shutdown.

(11) Meet the additional requirements below, if you open a new Class F or house-banked card room using digital video recording equipment or install new digital video recording equipment in your existing Class F or house-banked card room. However, if you buy an existing card room you will not be required to meet these requirements until you install new digital video recording equipment.

(a) Each user must have a sign in with a unique ID and password that is not shared with other users; and

(b) Have an audio or visual indication of a malfunction; and

(c) Digital video recording equipment must track at least the following functions, which are available to us and a person designated by the licensee to oversee the equipment (system administrator) by a menu button on the digital video recording system:

i. Date and time users log in and out; and

ii. Date and time when video signals from gaming cameras are interrupted and when connection is restored; and

iii. Date, time, and user when video is recorded to removable storage media along with the date, time, and camera being copied; and

iv. Date and time when the equipment fails to record video or audio when required; and

v. Date and time when remote access to equipment begins and ends along with the ability to identify the person or organization accessing the equipment and the files accessed during the remote access.

(d) Record and playback images with sufficient magnification and clarity that shows fluid motion and allows the viewer to clearly distinguish the value of currency, coins, gaming chips, playing cards, and outcome of the game and effectively monitor in detail all required areas.

Small Business Economic Impact Statement – RCW 19.85.040
Washington State Gambling Commission

Date: August 2, 2014

Rules Package: WAC 230-15-295 Digital video recording equipment requirements.

Involvement of Small Businesses: All licensees impacted by this proposal were provided notification of the proposed changes by e-mail on May 13, 2014. Staff worked with the Recreational Gaming Association, an industry group for card rooms, on this proposal. Notice was published in the June 2014 editions of our Focus on Gambling newsletter and Card Room Connection newsletter, which are posted on our website and mailed to licensees impacted by this proposal. The proposal was discussed at the July 11, 2014, Study Session in Grand Mound, Washington. This process provided small businesses opportunities in the development of the new rule. To date, we have received no objections to this proposal.

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1. **Description of the reporting, record keeping and other compliance requirements of the proposed rule.**

- Current Class F and house-banked card room licensees would only have to meet the new requirement when they install new digital recording equipment.
- If a new Class F or house-banked card room opens, the digital recording equipment must meet the proposed requirements below.
- Existing card rooms that are sold would not be required to meet these new standards until they install new equipment.
- The proposed change would also require:
    - Video recording and playback of images to have sufficient magnification and clarity to show fluid motion and allow the viewer to clearly distinguish the value of currency, coins, gaming chips, playing cards, and outcome of the game and effectively monitor in detail all areas requiring video coverage.
    - Each user to sign in with their own ID and password.
    - Surveillance systems to have an audio or visual indication of a system malfunction.
    - Surveillance systems to record the date and time when:
        - Users log in and out of system; and
        - Video signals from gaming cameras are interrupted and when connection is restored; and
        - Video is recorded to removable storage media along with the date, time, and camera being copied including the user at the time; and
        - System failure occurs; and
        - Remote access to the system begins and ends along with the ability to identify the person or organization accessing the system and the files accessed during the remote access.

2. **Kinds of professional services that a small business is likely to need in order to comply.**

Card room licensees would likely require the use of a licensed service supplier that specializes in installing digital video surveillance equipment.

3. **The actual costs to small business of compliance, including costs of equipment, supplies, labor and increased administrative costs.**

There is no cost for existing card rooms to meet the proposed changes if they continue to use their current digital video or analog recording equipment.

However, when a card room does replace their digital video equipment they may have additional cost if they also need to purchase new cameras to meet the rule requirements. Some cameras currently in use may work with new digital video equipment but will not give the required clarity that is needed to meet the new rule requirements. These cameras would need to be replaced.

The cost of a new camera is approximately $200. Labor to install each camera is $100 - $200. Card rooms would need at least one camera for each card table, one for the count area, and one for the cage.

4. **Whether compliance with the rule, based on feedback received from licensees, will cause businesses to lose sales or revenue.**

There are no recordkeeping, reporting, or compliance requirements that will impose additional costs on our current licensees. The type of video recording equipment a card room uses has no relationship to revenue. We do not believe it will cause card rooms to lose revenues.

5. **A determination of whether the proposed rule will have a disproportionate impact on small businesses.**

Card rooms would likely need to hire a licensed service supplier to install new cameras. Installation labor costs per hour are $50-$75. It would take 1-2 hours to install each camera. Card rooms impacted range from the largest with $13,495,742 in gross receipts in 2013 to $336,804 for the smallest. The cost per hour of labor is the same regardless of the size of the card room. Because the costs are the same for all card rooms, if a card room chose to hire a licensed service supplier, the financial impact would be greater on a smaller, versus a larger card room. Therefore, the cost of compliance could have a disproportionate impact on small businesses.

6. **Steps taken by the agency to reduce the costs of the rule on small businesses or reasonable justification for not doing so. Agencies "must consider, without limitation, each of the following methods of reducing the impact of the proposed rule on small businesses:"**
   a. **Reducing, modifying, or eliminating substantive regulatory requirements;**
   We are not requiring current licensees to comply with the new requirements unless they choose to purchase and install new digital video equipment.
   b. **Simplifying, reducing, or eliminating recordkeeping and reporting requirements;**
   There are no immediate requirements for current licensees. If a licensee chooses to install new digital video recording it must have the features to meet the requirements.
   c. **Reducing the frequency of inspections;**
   There will be no additional inspections because of this rule change.
   d. **Delaying compliance timetables;**
   Current licensees are not required to meet the new requirements until they choose to purchase and install new digital video equipment.
   e. **Reducing or modifying fine schedules for noncompliance; or**
   We usually don't fine licensees for the first incident of noncompliance. Licensees are typically given verbal and written warnings before fines are considered for noncompliance.
   f. **Any other mitigation techniques including those suggested by small businesses or small business advocates.**
   We have not had the opportunity to receive suggestions yet. We will consider any we receive.

7. **A description of how the Gambling Commission will involve small businesses in the development of the rule.**
   All rules are discussed at Study Session(s) before they are up for discussion and possible filing by the Commissioners. The purpose of these Study Sessions is to get input from the industry. This rule was discussed at the July 2014 Study Session.

8. **A list of industries that will be required to comply with the rule.**
   7132. There are approximately 56 house-banked and class F card rooms (gambling establishments) that would be required to comply with this rule.

9. **An estimate of the number of jobs that will be created or lost as the result of compliance with the proposed rule.**

   We do not believe the proposed rule change will result in the creation or loss of any jobs.

STATE OF WASHINGTON
GAMBLING COMMISSION
"Protect the Public by Ensuring that Gambling is Legal and Honest"

May 13, 2014

To: House-banked card rooms, Class F card rooms, and manufacturers, distributors and gambling service supplier licensees of digital video recording equipment.

Subject: **NOTICE OF PROPOSED CHANGES TO CARD GAME RULES**
WAC 230-15-295 Digital video recording equipment requirements.

The Washington State Gambling Commission has entered into the initial stage of rule making to revise WAC 230-15-295. See page three for the full text of the proposed rule change.

Staff is proposing to revise the digital video recording equipment rule for Class F and house-banked card rooms. Existing card rooms would only have to meet the new requirements if they buy new digital video recording equipment. New card rooms would have to meet these new requirements. The proposed changes would require:

- Video recording and playback of images to have sufficient magnification and clarity to show fluid motion and allow the viewer to clearly distinguish the value of currency, coins, gaming chips, playing cards, and outcome of the game and effectively monitor in detail all areas requiring video coverage.
- Each user must sign in with their own ID and password.
- The system must have an audio or visual indication of a system malfunction.
- The system must record the date and time when:
  - Users log in and out of system; and
  - Video signals from gaming cameras are interrupted and when connection is restored; and
  - Video is recorded to removable storage media along with the date, time, and camera being copied including the user at the time; and
  - System failure occurs; and
  - Remote access to the system begins and ends along with the ability to identify the person or organization accessing the system and the files accessed during the remote access.

Please see our website under Rules and Laws / Notification Letters to view the Small Business Economic Impact Statement.

Public Comment: Please submit your comments by **June 13, 2014.**

Mail:
Rules Coordinator
Gambling Commission
P.O. Box 42400
Olympia, WA 98504-2400

E-mail:
Susan.Newer@wsgc.wa.gov

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(360) 486-3625

We have tentatively scheduled the proposed rule change to be considered at the July 11, 2014, Study Session and be up for discussion and possible filing at the August 15, 2014, Commission meeting. Visit our website about two weeks before each meeting to confirm meeting dates and start times. Commission meetings are open to the public and you are invited to attend.

For questions, please contact Susan Newer, Rules Coordinator, e-mail above or (360) 486-3466.

Amendatory Section:

WAC 230-15-295 Digital video recording equipment requirements.
Digital recording, including audio recording where required, using ((~~a~~)) digital video recording and storage system, must:

(1) Record all images on a hard drive; and

(2) Lock so that access to the erase and reformat functions and system data files is restricted to persons authorized in the internal controls; and

(3) Provide uninterrupted recording of surveillance, during playback or copying. Licensees may use motion-activated recording; and

(4) Be capable of copying original images maintaining the original native format; and

(5) Be stored at a rate of not less than twenty-five images per second; and

(6) Record images at a minimum resolution of 320 x 240 and display during playback at a minimum resolution of 640 x 480 or meet (11)(d) below; and

(7) Store images in a format that is readable by our computer equipment; and

(8) Store images in a format that we can verify and authenticate; and

(9) Include the accurate time and date the video was originally recorded on the recorded images; and

(10) Be equipped with an uninterruptible power source to allow a proper system shutdown.

(11) Meet the additional requirements below, if you open a new Class F or house-banked card room using digital video recording equipment or install new digital video recording equipment in your existing Class F or house-banked card room. However, if you buy an existing card room you will not be required to meet these requirements until you install new digital video recording equipment.

(a) Each user must have a sign in with a unique ID and password that is not shared with other users; and

(b) Have an audio or visual indication of a malfunction, and

(c) Digital video recording equipment must track at least the following functions, which are available to us and a person designated by the licensee to oversee the equipment (system administrator) by a menu button on the digital video recording system:

i. Date and time users log in and out; and

ii. Date and time when video signals from gaming cameras are interrupted and when connection is restored; and

iii. Date, time, and user when video is recorded to removable storage media along with the date, time, and camera being copied; and

iv. Date and time when the equipment fails to record video or audio when required; and

v. Date and time when remote access to equipment begins and ends along with the ability to identify the person or organization accessing, the equipment and the files accessed during the remote access.

(d) Record and playback images with sufficient magnification and clarity that shows fluid motion and allows the viewer to clearly distinguish the value of currency, coins, gaming chips, playing cards, and outcome of the game and effectively monitor in detail all required areas.

Proposed Rule Changes:
WAC 230-06-045 Conducting gambling activities on licensed business premises only.
WAC 230-11-105 Retain and store raffle records.

August 2014 – Up for Discussion and Possible Filing
July 2014 – Study Session

ITEM 16 (a-b) on the August 2014 Commission Meeting Agenda.	Statutory Authority	9.46.070 9.46.0277

Who proposed the rule change?

Staff.

Proposed Change

During staff's review of the Rocky Mt. Elk Foundation's petition for rule change (ITEM 11 on the agenda), these two rules were identified as needing amendments to bring them in-line with current agency practice.

WAC 230-06-045: This rule requires licensees to conduct all gambling activities on the licensed premises with the exception of raffle ticket sales. The proposed change would allow all aspects of a raffle to be conducted off the licensed premises not just ticket sales. Currently most raffle drawings do not take place on the licensed premise and some cannot be conducted there, like the alternative format duck race raffles.

WAC 230-11-105: This rule states that organizations operating raffles that do not have an administrative or business office must have a records custodian that resides in Washington State. The proposed change would clarify the records custodian is responsible for retaining all raffle records in Washington State after the raffle has been completed. The change would require the name, address, and phone number of the records custodian to be reported to us.

Organizations may maintain raffle records outside the state of Washington if they submit a written request. The proposed change requires organizations to include the following in their request:

- The reason records need to be maintained outside of the state of Washington;
- Address where records will be maintained; and
- Name, address, and telephone number of the records custodian.

The proposed change also requires records approved to be maintained outside of Washington State to be delivered to us within seven days of our request.

History of Rule

WAC 230-06-045 and WAC 230-11-105 have not been changed since they were revised as part of the agency's rules simplification project in 2008.

Impact of the Proposed Change

The proposed change to WAC 230-06-045 will bring the rule in to agreement with the current practice of allowing raffle licensees to conduct drawings at a location other than their licensed premises. Some raffle licensees have their headquarters located out of state, others have either a small office or no office at all and others conduct drawings as part of a bigger event not held at their office.

The proposed changes to WAC 230-11-105 clarify the current practice of requiring raffle records to be maintained in Washington State unless we grant approval to maintain out of state. The changes also require organizations to tell us where the records will be maintained and the name, address, and phone number of the records custodian. If organizations are approved to keep their records out of state they must deliver them to us within seven days of our request.

A Small Business Economic Impact Statement was not prepared because the rule change would not impose additional costs.
Regulatory Concerns
When an organization is based out of state not knowing where the records are or the person responsible for maintaining them can make inspections and investigations difficult. This change will clarify that organizations are required to provide us with that information. There are no regulatory concerns with allowing raffle drawings to take place at other than the licensed premises. Raffle rules are required to include the date, time, and location of the drawing.
Resource Impacts
None.
Policy Consideration
None.
Statements Supporting the Proposed Rule Change
None.
Statements Opposing the Proposed Rule Change
None.
Licensees/Stakeholders Directly Impacted By the Change
Licensed and unlicensed raffles.
Staff Recommendation
File for further discussion.
Proposed Effective Date for Rule Change
January 1, 2015.

Amendatory Sections:

WAC 230-06-045 Conducting gambling activities on licensed business premises only.
(1) Licensees must conduct all gambling activities, except for raffles ((~~ticket sales,~~)) on the licensed business premises.
(2) Charitable or nonprofit organizations licensed to conduct bingo and punch board and pull-tab games may sell punch boards and pull-tabs to customers of a licensed card room if the charitable or nonprofit organization:

(a) Shares a common wall with the card room; and

(b) Controls all doors, counters, or windows allowing customer access through the common wall between the two premises and the charitable or nonprofit organization can securely close and lock the doors, counters, or windows; and

(c) Keeps and sells the punch board and pull-tab games and redeems prizes only on their licensed business premises. Punch board and pull-tab players may take already purchased punch boards and pull-tabs into the card room area; and

(d) Allows only its employees to sell the punch board and pull-tabs; and

(e) Posts signs at the door, window, or counter common to the two business premises that clearly notify customers of the organization's identity.

WAC 230-11-105 Retain and store raffle records
(1) Records for unlicensed raffles must be kept for one year following the date of the raffle drawing.
(2) Records for licensed raffles must be kept for three years from the end of the licensees' fiscal year in which the raffle was completed.
(3) Organizations must keep all records at the main administrative or business office of all organizations that are located in Washington and have the records available for our review or audit.
(4) Organizations that do not have an administrative or business office must have and designate a records custodian that resides in Washington. The records custodian is responsible for retaining all raffle records in Washington State after the raffle has been completed. The organization will provide us with the following information:

(a) The name, address and telephone number of the records custodian; and

(b) The address of the location where records will be maintained.

(5) We may allow an organization to maintain records outside the state of Washington if the organization submits a written request. We may withdraw this permission at any time. The request must include the following information:

(a) The reason records need to be maintained outside of the state of Washington;

(b) The name, address, and telephone number of records custodian.

(c) The address of the location where records will be maintained;

(6) Records approved to be maintained outside of the state of Washington must be delivered to us within seven days of our request.