Proposed New Sections:
WAC 230-11-999 Pilot project allowing the use of electronic raffle systems to conduct 50/50 raffles.

April 2015 – Up for Discussion and Possible Filing
March 2015 – Study Session
February 2015 – No Study Session
January 2015 – Study Session

ITEM 9 (a): April 2015 Commission Meeting Agenda.	Statutory Authority 9.46.070, 9.46.0277
Who proposed the rule change?	
Commission staff with Ken Cook/Pointstreak Sports Technologies Inc.	
Proposed Change	

Pilot projects are authorized in RCW 34.05.313 (attached) and are a platform for agencies to evaluate the feasibility of complying with or administering the rule and for identifying simple, efficient, and economical alternatives for achieving the goal of the rule.

These new rules would authorize a pilot project to test the regulatory and economic impact of charitable/nonprofit licensees using electronic raffle systems to conduct 50/50 raffles. In a 50/50 raffle, 50% of the proceeds from ticket sales are awarded to one winner with the remaining 50% going to the charitable/ nonprofit organization operating the raffle.

Description of the Electronic Raffle System:

- In other states or provinces (Illinois, Colorado, North Dakota, Ohio, and British Columbia), electronic raffle tickets are typically sold at major sporting events by persons staffing kiosks equipped with touch screen devices and other staff moving around the facility with handheld wireless equipment.
- The electronic raffle system is used to print raffle tickets and customer receipts, account for raffle ticket sales, and show progressively increasing prize amounts.
- All other aspects of the raffle, including a manual drawing of winning tickets, must follow existing raffle requirements.
- Electronic raffle systems will be reviewed and approved by commission staff. Any conditions or restrictions for operating the system would be included in a letter to the manufacturer approving its use.

Applicants and licensees that choose to participate in the pilot project will pay the following fees to offset agency costs to administer the pilot project:

1) Manufacturers of the electronic raffle equipment must obtain a Class F manufacturer license and pay:
   a. $10,000 Start-up Flat Fee; and
   b. A fee of 1% of Gross Receipts from selling or leasing electronic raffle systems

2) Raffle operators using electronic raffle equipment must obtain a Class F raffle license and pay a fee of 1% of Gross Raffle Receipts.

3) Arena owners or sporting teams/organizations must obtain a service supplier license for possession of electronic raffle equipment and pay a fee of 1% of Gross Receipts from the lease or rental of the electronic raffle equipment or other contracted amounts, if any.

Manufacturers, service suppliers and raffle operators will need to sign an Operating Agreement with the Director and follow technical and operating requirements in their relevant Appendices.

The Appendix establishes the following for electronic raffle systems:

- System requirements; and
- Use restrictions; and
- Requirements for raffle licensees and service suppliers.

The pilot project will begin once the first manufacturer is licensed and their equipment is approved and will continue for eighteen months. Staff will provide a report to the commission with their recommendations after twelve months of activity. Licensees in the pilot project may continue to use electronic raffle systems to conduct 50/50 raffles unless the commission finally disapproves its use or until new rules are approved. Licensees will still need to renew their licenses annually.

Attachments:

- Notification letter dated October 20, 2014, sent to 17 Class E and 22 Class F Raffle Licensees.
- Three statements supporting the pilot project.
- Draft Operating Agreement and Appendix.
- RCW 34.05.313 Feasibility studies – pilot projects.
- RCW 34.05.310 Prenotice inquiry – Negotiated and pilot rules.
- RCW 9.46.0277 "Raffle."

History of Rule

These are new rules to allow the use of electronic systems for raffles. Ken Cook/Pointstreak Sports Technologies Inc., a licensed manufacturer, submitted a rule change petition in June 2014 to authorize the use of electronic raffle systems for "50/50" raffles. He subsequently withdrew his petition to work with Commission staff on a rule proposal.

WAC 230-06-050 requires gambling equipment to be approved by the director prior to selling or leasing. The Pointstreak Sports Technologies Inc. has submitted their equipment for review.

In June 2011, Commission staff reviewed and approved an electronic raffle system submitted by 50/50 Central Limited. The business was sold and the system was never operated in Washington.

Pointstreak Sports Technologies, the purchaser of 50/50 Central Limited, has obtained a manufacturer license with plans to market their updated system in Washington State after the equipment has been reviewed and approved by Commission staff.

Impact of the Proposed Change

Use of an electronic raffle system will likely increase the ability of charitable/nonprofit organizations to sell more raffle tickets and raise more funds.

A Small Business Economic Impact Statement was not prepared because the rule change would not impose additional costs on any licensees. Although there is a cost for participation in the pilot program, raffle licensees are not required to use the electronic raffle system.

Regulatory Concerns

This is a new activity. Staff has contacted other states that use the electronic raffle systems to see what their experiences have been. We have tried to mitigate any issues in the operating agreement; for example, the operating agreement addresses duplicate tickets printed, cutting errors of tickets at the printer, and multiple numbers on a single ticket. Staff will use the pilot project to test the use of electronic raffle systems. This should allow staff to identify and mitigate any additional issues prior to permanent rule making.

Resource Impacts
Fees have been set to cover anticipated costs for staff to conduct on site reviews of initial electronic raffle system equipment installation, onsite reviews of electronic raffle systems and post raffle ticket inspections. The additional benefit of doing a pilot project is that fees can be adjusted if they are not sufficient or if too high.
Policy Consideration
The Commissioners may want to consider if electronic raffle systems should be authorized.
Statements Supporting the Proposed Rule Change
• Mike Flood, VP, Community Relations, Seattle Seahawks (E-mail dated November 7, 2014). • Taylor Graham, Business Operations, Seattle Sounders FC (E-mail dated January 8, 2015, and November 7, 2014). • Dr. Robert C. Nelson, Gambling Manager, Tri-City Hockey Booster Club (E-mail dated October 31, 2014).
Statements Opposing the Proposed Rule Change
None.
Licensees Directly Impacted By the Change
Charitable/nonprofit organizations licensed to conduct raffles, manufacturers, service suppliers, and gambling managers.
Staff Recommendation
File for further discussion.
Proposed Effective Date for Rule Change
Staff recommends an effective date of 31 days from filing the adopted rule.

New Section:

WAC 230-11-999 Pilot project allowing the use of electronic raffle systems to conduct 50/50 raffles.

The commission finds it to be in the public's interest to conduct a pilot project to test the regulatory and economic impact of charitable and nonprofit licensees using electronic raffle systems at sporting events to conduct "50/50" raffles (raffles as defined in RCW 9.46.0277).

1) In a "50/50" raffle, fifty percent of the proceeds from ticket sales are awarded to the winner as a cash prize and the remaining fifty percent are kept by the charitable/nonprofit organization operating the raffle.

2) Raffle licensees, licensed manufacturers and service suppliers who wish to be in the pilot project must submit a written request to participate to the director or his designee. A operating agreement must be signed before participating in the pilot project.

3) Applicants and licensees that choose to participate in the pilot project will pay the following fees to offset agency costs to administer the pilot project:

   a) Manufacturers of the electronic raffle equipment must obtain a Class F manufacturer license and pay:
      a. $10,000 Start-up Flat Fee; and
      b. A fee of 1% of Gross Receipts from selling or leasing electronic raffle systems

   b) Raffle operators using electronic raffle equipment must obtain a Class F raffle license and pay a fee of 1% of Gross Raffle Receipts.

   c) Arena owners or sporting teams/organizations must obtain a service supplier license for possession of electronic raffle equipment and pay a fee of 1% of Gross Receipts from the lease or rental of the electronic raffle equipment or other contracted amounts, if any.

4) The pilot project will begin once the first manufacturer is licensed and their equipment is approved and will continue for eighteen months.

5) If a licensee fails to comply with the requirements of the pilot project, the director may remove the licensee from the pilot project.

6) Staff will provide a report to the commission with their recommendations after twelve months of activity.

7) Licensees in the pilot project may continue to use electronic raffle systems to conduct 50/50 raffles unless the commission finally disapproves its use or until new rules are approved.

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

October 20, 2014

To: Class E & F Raffle Licensees

Subject: **NOTICE OF PROPOSED NEW RAFFLE RULE - WAC 230-11-999 Pilot project allowing the use of electronic raffle systems to conduct 50/50 raffles.**

The Washington State Gambling Commission has entered into the initial stage of rule making for new rule WAC 230-11-999. (See attachment for a draft copy of the proposed new rule):

This new rule would authorize a pilot program to test the regulatory and economic impact of charitable/nonprofit licensees using electronic raffle systems to conduct 50/50 raffles. The pilot program will last 18 months and staff will report to the Commissioners on the results of the pilot program along with any recommendations. The proposed rule would also establish the system and operational requirements for using electronic raffle systems.

Commission staff may also propose an additional fee raffle licensees and manufacturers would be required to pay to participate in the pilot project. The fee would cover the commission's additional costs for conducting the pilot project.

Public Comment: Please submit your comments by **November 1, 2014.**

Mail:	**E-mail:**	**FAX:**
Rules Coordinator Gambling Commission P.O. Box 42400 Olympia, WA 98504-2400	Susan.Newer@wsgc.wa.gov	(360) 486-3625

We have tentatively scheduled the proposed rule change to be up for discussion and possible filing at the November 13 or 14, 2014, Commission meeting. The meeting will be held at the Comfort Inn Conference Center, 1620 74th Avenue SW, Tumwater, Washington 98501; phone (360) 352-0691. Visit our website about two weeks before the 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.

From: Flood, Mike [mailto:MikeF@Seahawks.com]
Sent: Friday, November 07, 2014 3:31 PM
To: Newer, Susan (GMB)
Cc: SFC Taylor Graham
Subject: 50/50 Electronic Raffles

Hello Susan; good to talk with you today. We do have confidence that with a gameday electronic 50/50 system, we could dramatically increase our contributions to community causes. The Seattle Seahawks donate funds to dozens of charities along with 7,000 team items for charity & school auctions. With the fan fervor at CenturyLink Field, we could augment that giving to help Northwest causes for vital community programs.

For ten years on Seahawks gamedays, we have offered the "Spirit of 12 Partners" program, in which a children's focused charity sells gameday programs for $5 each. They keep 100% of the proceeds with the total then doubled in matching funds from the Paul G. Allen Family Foundation. Each charity earns between $35,000 to $55,000 per game. We could do the same (or more) with a gameday 50/50 system, maintaining both game day efforts.

Avid fans and the generosity of Pacific Northwest folks towards community efforts would make the 50/50 program a great success. Another example of that combination is the new Washington State DOL specialty license plate program. Seahawks plates were authorized for sale in January 2014, with Invested as the beneficiary of all proceeds above the cost of the plate. In just these first ten months, Invested has received over $200,000 from the sale of Seahawks plates.

We thank you and the Washington State Gambling Commission for working on rules that would safeguard raffle participants while enabling secure 50/50 systems to help fund great community causes. I look forward to following the progress towards that end.

Sincerely,

Mike Flood, VP, Community Relations, Seattle Seahawks
Passion | Character | 12th Man | Excellence

Newer, Susan (GMB)

From: Taylor Graham [taylorg@soundersfc.com]
Sent: Thursday, January 08, 2015 10:55 AM
To: Newer, Susan (GMB)
Subject: Sounders FC and 50/50 Raffle

Susan-

On behalf of the Sounders FC organization, I would like to express my support for the 50/50 Raffle pilot project. This opportunity will provide the ideal vehicle to not only increase our financial contributions to charities, but also to actively engage our fans on a match-by-match basis in contributing to these causes.

Since our organization was launched in 2009, community has been an integral part of our culture. We established a structure that partnered with 5 organizations we felt best met our goals of impacting kids through education and the sport of soccer. We plan to evolve this model into 2015 with a more mission focused approach which will allow us to better connect with our fans in this process.

In the past we have fundraised predominantly through non-match events and successfully donated over $100,000 annually to local non-profits. With the addition of 50/50 raffles, we expect this number to grow dramatically.

Sounders FC would love to be part of this pilot program. We do recognize that licensing fees are necessary but please advise the rulemaking committee that such fees should not operate as a disincentive to participate where entry costs become too high.

Thank you for your consideration.

Taylor Graham
Sounders FC | Business Operations
206.512.1229

From: Taylor Graham [mailto:taylorg@soundersfc.com]
Sent: Friday, November 07, 2014 4:36 PM
To: Flood, Mike; Newer, Susan (GMB)
Subject: RE: 50/50 Electronic Raffles

Susan-

I echo what Mike (Mike Flood's email above dated November 7, 2014) has said. We too are extremely excited about the community endeavors that the 50/50 raffle can facilitate. If there is any information we can help provide about the execution, messaging, or recipients of these proceeds, I'd love to explain further.

Best,

Taylor Graham
Business Operations
Seattle Sounders FC
206-512-1229

From: rnelson875@aol.com [mailto:rnelson875@aol.com]
Sent: Friday, October 31, 2014 6:22 PM
To: Newer, Susan (GMB)
Subject: RAFFLE RULE - WAC 230-11-999 Pilot project allowing the use of electronic raffle systems to conduct 50/50 raffles.

Susan,

Thanks you for a chance to comment on the proposed rule on behalf of the Tri-City Hockey Booster Club.

The Tri-City Hockey Booster club is interested in the establishment of this rule and the opportunity to utilize an automated 50/50 system. In that respect, we would like to have the opportunity to be one of the pilot efforts in working out the new rule.

One item of concern for our efforts concerns the requirement to post the winning number on a web site and allow 30 days for the prize to be claimed. Historically, we have clearly indicated on our raffle tickets and have held to the criteria that you must be present to win, and must claim the prize the night of the drawing. The rationale for this criteria is to keep fans at the game until approximately 10 minutes remain in the contest when the winning number was announced. Keeping the fan base at the games supports the team even in losing efforts. If fans knew that they just needed to view a web page, and claim the prize later, they will most likely abandon the team when they are needed the most. We would request reconsideration of this requirement by the commission, requiring the licensee only to clearly state on the tickets, and in prominent locations that they must be present to claim the prize prior to the end of the game.

Thank you for this consideration.

Dr. Robert C. Nelson
Gambling Manager
Tri-City Hockey Booster Club

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

Electronic Raffle Systems Pilot Project
Operating Agreement

Date: _____, 2015.

Pilot Project Participant

Licensee Name: _____

License Number: _____

Person Representing Licensee: _____

License Fee Deposit _____

Venue Location: _____

Operating Agreement

I. Introduction

This Operating Agreement is entered into between the Washington State Gambling Commission and _____, a business/organization licensed by us to manufacture electronic raffle systems/conduct electronic raffles/possess electronic raffle systems as a service supplier.

II. Purpose

The purpose of this agreement is to allow for and set out requirements for participating in a pilot project to implement WAC 230-11-999. The pilot project will test the regulatory and economic impact of charitable/nonprofit organizations using electronic raffle systems to conduct 50/50 raffles and assist in the development of permanent rules if the pilot program is successful.

III. Scope

This agreement limits the use of approved electronic raffle systems to approved licensed nonprofit/charitable organizations for 50/50 raffles at sporting events only.

IV. Terms and Conditions

The licensee's participation in this pilot project is subject to compliance with the regulatory provisions set out in Appendix A, B, & C, continued compliance with the provisions of WAC 230 and RCW 9.46, and paying the requisite fees.

V. Amendments or Modification

This agreement may be amended by mutual written agreement of the parties or by unilateral determination of the Director in order to ensure and maintain adequate regulatory control of the pilot program.

VI. Remedies

In the event the licensee violates any of the terms and conditions set out in this agreement and attached appendices, the Director may suspend the licensee's participation in the pilot project.

VII. Expiration

Licensees in the pilot project may continue to use electronic raffle systems to conduct 50/50 raffles unless the commission finally disapproves its use or until new rules are approved. The agreement shall expire if the raffle operator/manufacturer/service supplier is no longer licensed by the Commission.

Dated this _____ day of _____, 2015.

_____	_____
Dave Trujillo, Director	Licensee

Appendix A

Manufacturer and Technical Requirements

1) A licensed manufacturer must submit their electronic raffle systems to us for review per WAC 230-06-050. After we have completed our review of the system we will notify the manufacturer of the results. Equipment must be approved by us by the issuance of an approval letter prior to being used. Our approval may include additional operating restrictions and requirements. The manufacturer must inform raffle licensees using the system of these restrictions and requirements. We may change the requirements of our approval at any time during the pilot project.

2) The manufacturer must submit a start-up flat fee of $10,000 with their initial written request to participate in the pilot program. The $10,000 will be refunded if the license application is not approved.

3) The manufacturer must report their Gross Receipts from selling or leasing electronic raffle systems on the activity reporting page using their My Account by the following dates: April 15th, July 15th, October 15th, and January 15th for the preceding quarter.

4) The manufacturer must pay a fee of 1% of the Gross Receipts from selling or leasing electronic raffle systems. The 1% fee must be submitted at the conclusion of each quarter to the Commission before the following dates: April 30th, July 31st, October 31st, and January 31st.

5) Electronic raffle systems include computer hardware, software, printers, and related equipment used for the sales and accountability of tickets. Tickets purchased must be transmitted electronically to a central server and printed before the drawing. The server needs to be in a secured location on-site during the raffle.

6) Electronic raffle systems:

a) Cannot select the winning ticket. All raffle tickets sold must be printed, placed in a receptacle, and drawn as required by WAC 230-11-040; and

b) Must not have more than four price quantity ticket discounts that are established before the raffle begins. The requirement in WAC 230-11-025 for bundling and placing in booklets does not apply; and

c) Cannot produce or print duplicate raffle tickets; and

d) Must print legible raffle tickets containing one raffle ticket number per ticket; and

e) Must produce raffle tickets that are the same size; and

f) May be physically accessed on site by the licensed manufacturer and their licensed manufacturer representatives for maintenance, repair, reporting, and auditing purposes; and

g) May be accessed remotely only by a licensed manufacturer representative of the manufacturer of the electronic raffle equipment in emergency situations for maintenance, repair, performing an analysis, or technical support under the following provisions:

   a. The raffle licensee must notify us before the remote access occurs; and
   b. Remote access will only be enabled for the duration of the maintenance, repair, analysis, or technical support and the connection terminated immediately after; and
   c. Shall occur using a dedicated and secure communication protocol or application utilizing encryption; and
   d. A manual log shall be maintained by both the licensed manufacturer and the licensed raffle operator for documentation and audit purposes. These logs must contain, at a minimum, the following information:
      i. The system accessed, and

ii. The name of the employee remotely accessing the system, and
iii. The name of the employee activating access to the system, and
iv. The date, time and duration of the connection, and
v. The reason for the remote access including a description of the symptoms or malfunction prompting the need for remote access to the system, and
vi. Any action taken or further action required.

h) Must only be used for a raffle that is started and concluded on the same day, location, and same sporting event.

7) Electronic raffle systems must include the following system requirements:

a) Security for all communications and data to prevent unauthorized access. These security measures should include but are not limited to encryption of critical information, isolation from public networks, and firewalls; and

b) Access to the operating system and applications of the electronic raffle system restricted by log-in using unique user identifications and passwords; and

c) Limit user access permissions to only those which are essential to perform their duties; and

d) A way to identify the software version; and

e) Safeguards to prevent unauthorized alterations of software and data; and

f) Features and back-ups in place to save critical data should a system failure or power failure or interruption occur; and

g) A method for verifying that the winning ticket is valid; and

h) A mechanism for logging user activity including raffle transactions, changes to software configuration, and logon/logoff events.

8) The system manufacturer must train the license gambling manager who oversees the raffle of the charitable or non-profit organization how to use their electronic raffle system.

Appendix B

Raffle Operator Requirements

1. Raffle licensees using electronic raffle systems must receive approval from us before operating their first raffle using electronic raffle systems.

2. Raffle licensees must only use the electronic raffle system version we have approved.

3. Within 48 hours after the conclusion of the raffle, the electronic raffle licensee must enter the required information from the results of the raffle on the raffle summary page of their My Account.

4. In addition, the raffle licensee must report the required information from the operation of their raffles quarterly on the activity reporting page of their My Account by the following dates: April 15th, July 15th, October 15th, and January 15th.

5. Raffle licensees must pay a fee of 1% of the Gross Raffle Receipts. The 1% fee must be submitted at the conclusion of each quarter to the Commission before the following dates: April 30th, July 31st, October 31st, and January 31st for the preceding quarter.

6. Raffle licensees using electronic raffle systems must follow all other raffle rules unless specifically not required by this pilot project. Raffle licensees may exceed raffle prize limits (WAC 230-11-065 and WAC 230-11-067) without Commission approval.

7. Raffle licensees must maintain physical control of electronic gambling equipment as required by commission staff.

8. Raffle licensees must provide the following to commission staff and notify us of any changes:
   a) Their 50/50 raffle procedures at least thirty days prior to the first 50/50 raffle conducted; and

b) The date and time of each 50/50 raffle at least thirty days prior to the raffle.

9. Raffle licensees must have a website available to the public to display winning raffle ticket numbers, rather than obtaining participants' name, phone number and address as required by WAC 230-11-020.

10. Raffle licensees must post rules at staffed raffle point of sales stations to meet the requirements of WAC 230-11-015.

11. Raffle licensees must sell raffle tickets using electronic handheld devices or stations operated by members and volunteers of the raffle licensee.

12. Raffle licensees must ensure all persons involved in the operation of the raffle are trained to use the equipment they are operating before participating in the raffle. The licensee must maintain a list of everyone that has received training.

13. Raffle licensees must have a licensed gambling manager that oversees the operation of the raffle.

14. Raffle licensees must require each authorized user of the system to sign in with a unique ID and password that is not shared with other users.

15. Receipts from ticket sales must be printed and given to the purchaser at the time of sale and include the:
    a) Raffle ticket numbers; and
    b) Website where the winning number is posted; and
    c) Date the prize must be claimed.

16. Raffle licensees must keep raffle tickets, server, and printers in a secure location only accessible by authorized employees and members of the licensee during the sales, printing, and drawing process.

17. Raffle licensees must draw the winning ticket in a public area so all the raffle participants can see the drawing.

18. Raffle licensees must award half of the gross raffle ticket sales as a prize and include steps in their procedures documenting their process for doing this. If the winner does not claim the prize at the event the licensee must post the winning number on their website within three days after the drawing and allow the winner thirty days from the date it is posted to claim the prize. Prizes not claimed within thirty days will become the property of the licensee.

19. Raffle licensees must keep all raffle tickets for forty-five days from the date of the raffle drawing. Winning tickets and other records must be maintained as required by commission rules.

20. Raffle licensees must notify commission staff by the next business day of any incident or equipment malfunction that impacted the operation of the raffle.

21. The electronic raffle system may be accessed remotely only by a licensed manufacturer representative of the manufacturer of the electronic raffle equipment in emergency situations for maintenance, repair, performing an analysis, or technical support under the following provisions:

    a. The raffle licensee must notify us before the remote access occurs; and
    b. Remote access will only be enabled for the duration of the maintenance, repair, analysis, and technical support and the connection terminated immediately after; and
    c. Shall occur using a dedicated and secure communication protocol or application utilizing encryption; and
    d. A manual log shall be maintained by both the licensed manufacturer and the licensed raffle operator for documentation and audit purposes. These logs must contain, at a minimum, the following information:
        i. The system accessed, and
        ii. The name of the employee remotely accessing the system, and

iii. The name employee activating access to the system, and
iv. The date, time and duration of the connection, and
v. The reason for the remote access including a description of the symptoms or malfunction prompting the need for remote access to the system, and
vi. Any action taken or further action required.

Appendix C

Service Supplier Electronic Raffle Systems Possession Requirements

1. When licensed as a service supplier, an arena owner or sporting team/organization may possess electronic raffle system equipment for use by charitable or non-profit organization(s) under the following conditions:
    a. The room where the equipment is stored is:
        i. Under continual digital surveillance coverage using a recording and storage system approved by us; and
        ii. Locked and access is limited to authorized individuals.
    b. Digital surveillance recordings of the electronic raffle system equipment must be kept for at least thirty days.
    c. Commission staff must have unlimited access to the:
        i. Electronic raffle system equipment;
        ii. Digital surveillance recording equipment; and
        iii. Digital surveillance recordings.

2. The service supplier must report the required information from the leasing or rental of electronic raffle systems or other contracted amounts, if any, quarterly on the activity reporting page of their My Account by the following dates: April 15th, July 15th, October 15th, and January 15th.

3. Service suppliers must pay a fee of 1% of the Gross Receipts from the lease or rental of the electronic raffle equipment or other contracted amounts, if any. The 1% fee must be submitted at the conclusion of each quarter to the Commission before the following dates: April 30th, July 31st, October 31st, and January 31st, for the preceding quarter.

RCW 34.05.313 Feasibility studies — Pilot projects.

(1) During the development of a rule or after its adoption, an agency may develop methods for measuring or testing the feasibility of complying with or administering the rule and for identifying simple, efficient, and economical alternatives for achieving the goal of the rule. A pilot project shall include public notice, participation by volunteers who are or will be subject to the rule, a high level of involvement from agency management, reasonable completion dates, and a process by which one or more parties may withdraw from the process or the process may be terminated. Volunteers who agree to test a rule and attempt to meet the requirements of the draft rule, to report periodically to the proposing agency on the extent of their ability to meet the requirements of the draft rule, and to make recommendations for improving the draft rule shall not be obligated to comply fully with the rule being tested nor be subject to any enforcement action or other sanction for failing to comply with the requirements of the draft rule.

(2) An agency conducting a pilot rule project authorized under subsection (1) of this section may waive one or more provisions of agency rules otherwise applicable to participants in such a pilot project if the agency first determines that such a waiver is in the public interest and necessary to conduct the project. Such a waiver may be only for a stated period of time, not to exceed the duration of the project.

(3) The findings of the pilot project should be widely shared and, where appropriate, adopted as amendments to the rule.

(4) If an agency conducts a pilot rule project in lieu of meeting the requirements of the regulatory fairness act, chapter 19.85 RCW, the agency shall ensure the following conditions are met:

(a) If over ten small businesses are affected, there shall be at least ten small businesses in the test group and at least one-half of the volunteers participating in the pilot test group shall be small businesses.

(b)(i) If there are at least one hundred businesses affected, the participation by small businesses in the test group shall be as follows:

(A) Not less than twenty percent of the small businesses must employ twenty-six to fifty employees;

(B) Not less than twenty percent of the small businesses must employ eleven to twenty-six employees; and

(C) Not less than twenty percent of the small businesses must employ zero to ten employees.

(ii) If there do not exist a sufficient number of small businesses in each size category set forth in (b)(i) of this subsection willing to participate in the pilot project to meet the minimum requirements of that subsection, then the agency must comply with this section to the maximum extent practicable.

(c) The agency may not terminate the pilot project before completion.

(d) Before filing the notice of proposed rule making pursuant to RCW 34.05.320, the agency must prepare a report of the pilot rule project that includes:

(i) A description of the difficulties small businesses had in complying with the pilot rule;

(ii) A list of the recommended revisions to the rule to make compliance with the rule easier or to reduce the cost of compliance with the rule by the small businesses participating in the pilot rule project;

(iii) A written statement explaining the options it considered to resolve each of the difficulties described and a statement explaining its reasons for not including a recommendation by the pilot test group to revise the rule; and

(iv) If the agency was unable to meet the requirements set forth in (b)(i) of this subsection, a written explanation of why it was unable to do so and the steps the agency took to include small businesses in the pilot project.

RCW 34.05.310 Prenotice inquiry — Negotiated and pilot rules.

(1)(a) To meet the intent of providing greater public access to administrative rule making and to promote consensus among interested parties, agencies must solicit comments from the public on a subject of possible rule making before filing with the code reviser a notice of proposed rule making under RCW 34.05.320. The agency must prepare a statement of inquiry that:

(i) Identifies the specific statute or statutes authorizing the agency to adopt rules on this subject;

(ii) Discusses why rules on this subject may be needed and what they might accomplish;

(iii) Identifies other federal and state agencies that regulate this subject, and describes the process whereby the agency would coordinate the contemplated rule with these agencies;

(iv) Discusses the process by which the rule might be developed, including, but not limited to, negotiated rule making, pilot rule making, or agency study;

(v) Specifies the process by which interested parties can effectively participate in the decision to adopt a new rule and formulation of a proposed rule before its publication.

(b) The statement of inquiry must be filed with the code reviser for publication in the state register at least thirty days before the date the agency files notice of proposed rule making under RCW 34.05.320 and the statement, or a summary of the information contained in that statement, must be sent to any party that has requested receipt of the agency's statements of inquiry.

(2) Agencies are encouraged to develop and use new procedures for reaching agreement among interested parties before publication of notice and the adoption hearing on a proposed rule. Examples of new procedures include, but are not limited to:

(a) Negotiated rule making by which representatives of an agency and of the interests that are affected by a subject of rule making, including, where appropriate, county and city representatives, seek to reach consensus on the terms of the proposed rule and on the process by which it is negotiated; and

(b) Pilot rule making which includes testing the feasibility of complying with or administering draft new rules or draft amendments to existing rules through the use of volunteer pilot groups in various areas and circumstances, as provided in RCW 34.05.313 or as otherwise provided by the agency.

(3)(a) An agency must make a determination whether negotiated rule making, pilot rule making, or another process for generating participation from interested parties prior to development of the rule is appropriate.

(b) An agency must include a written justification in the rule-making file if an opportunity for interested parties to participate in the rule-making process prior to publication of the proposed rule has not been provided.

(4) This section does not apply to:

(a) Emergency rules adopted under RCW 34.05.350;

(b) Rules relating only to internal governmental operations that are not subject to violation by a nongovernment party;

(c) Rules adopting or incorporating by reference without material change federal statutes or regulations, Washington state statutes, rules of other Washington state agencies, shoreline master programs other than those programs governing shorelines of statewide significance, or, as referenced by Washington state law, national consensus codes that generally establish industry standards, if the material adopted or incorporated regulates the same subject matter and conduct as the adopting or incorporating rule;

(d) Rules that only correct typographical errors, make address or name changes, or clarify language of a rule without changing its effect;

(e) Rules the content of which is explicitly and specifically dictated by statute;

(f) Rules that set or adjust fees under the authority of RCW 19.02.075 or that set or adjust fees or

rates pursuant to legislative standards, including fees set or adjusted under the authority of RCW 19.80.045; or

(g) Rules that adopt, amend, or repeal:

(i) A procedure, practice, or requirement relating to agency hearings; or

(ii) A filing or related process requirement for applying to an agency for a license or permit.

RCW 9.46.0277 "Raffle."

"Raffle," as used in this chapter, means a game in which tickets bearing an individual number are sold for not more than one hundred dollars each and in which a prize or prizes are awarded on the basis of a drawing from the tickets by the person or persons conducting the game, when the game is conducted by a bona fide charitable or nonprofit organization, no person other than a bona fide member of the organization takes any part in the management or operation of the game, and no part of the proceeds thereof inure to the benefit of any person other than the organization conducting the game.