Proposed Amendatory Section: WAC 230-13-005 Amusement Game Authorized
Proposed New Section: WAC 230-13-067 Group 12 – Electronic puzzle and pattern solving game standards.

May 2015 – Further Discussion
April 2015 – Up for Discussion and Possible Filing
March 2015 – Study Session

ITEM 4 (a-b): May 2015 Commission Meeting Agenda.	Statutory Authority 9.46.070, 9.46.0331
Who proposed the rule change?	
Monty Harmon, President, Harmon Consulting, Inc., licensed Service Supplier.	
Proposed Change	
Changes made after the April 2015 Commission Meeting in Bold: **Alternative WAC 230-13-067:** • **Staff worked with the petitioner to format this new rule to match current amusement games rules.** • **Group 12 amusement games would be for adults, over 18 years of age, only and may only be operated by licensees where persons under 18 years of age are prohibited from entering the area.** The petitioner is proposing a new amusement game, group 12, which would allow electronic puzzle and pattern solving games, if played according to specific standards set forth in the rule. The Commission's current amusement game rules allow for eleven groups or types of games to be played. The new rule would authorize an electronic amusement game where prizes are awarded based upon the player's skill in correctly discerning a pattern and completing that pattern within a predetermined time period. WAC 230-15-050 will need to be changed to allow for more than eleven groups of amusement games. Attachments: • Petition for Rule Change from Mr. Harmon received February 12, 2015. • RCW 9.46.0331 Amusement games authorized – Minimum rules.	
History of Rule	
RCW 9.46.0331 (attached) allows amusement games when operated pursuant to the provisions within RCW 9.46 and rules and regulations adopted by the Commission.	
Impact of the Proposed Change	
The proposed change would create a 12th group of amusement games **for adults only.** **A Small Business Economic Impact Statement** was not prepared because the rule change would not impose additional costs on any licensees.	
Regulatory Concerns	
Minimal.	
Resource Impacts	
Staff may receive calls or questions from the public and other amusement game operators asking about the game.	
Policy Consideration	
This will allow a new group of amusement games.	

Statements Supporting the Proposed Rule Change
None.
Statements Opposing the Proposed Rule Change
None.
Licensees/Stakeholders Directly Impacted By the Change
Amusement game manufacturers. Licensed amusement game distributors and operators.
Staff Recommendation
Further discussion.
Proposed Effective Date for Rule Change
The petitioner requests an effective date of 31 days from filing the adopted rule.

Alternative - Up for Discussion at the May 2015 Commission Meeting.

Bold Underline/Strikethrough = Changes made after the April 2015 Commission Meeting.

New Section:

WAC 230-13-067 Group 12 – Electronic Puzzle and Pattern solving game standards.

In Group 12 games, players must correctly solve a simple puzzle to win a prize which is known to the player before each puzzle is presented:

1. The game requires a player to~~:~~
   a. ~~Determine whether a potential pattern of two or more symbols is presented and to select from a number of symbols to add to two or more existing symbols such that there are then three or more symbols in a pattern, within a pre-determined time period; or~~
   b. ~~Select a symbol from a variety of symbols available to complete an existing pattern of symbols which is missing one correct symbol, so that the pattern is completed if the correct symbol is chosen by the player, within a pre-determined time period.~~
2. ~~The game must limit the player to a maximum of 15 seconds within which to solve each puzzle.~~
3. ~~The game must allow the player to~~ view the prize that is available before each play of the game~~.~~
4. ~~The game must allow the player to view that available prize~~ without the insertion of money or ~~expenditure of any consideration.~~ **any other thing of value; and**
2. Prizes ~~must be won exclusively by~~ **are awarded based upon** the player's skill in correctly discerning a pattern and ~~correctly choosing the correct symbol to complete~~ **completing** that pattern~~, such that no prize is ever awarded unless the player correctly completes the skill puzzle;~~ **and**
3. Each game must present its winning patterns so they are capable of completion, within the predetermined time period~~, by a reasonable person after a reasonable learning period.; and~~
4. Group 12 amusement games are for adults only and may only be operated by licensees where **persons under the age of 18** are prohibited from entering the area where Group 12 games are operated.

Filed at the April 2015 Commission Meeting

New Section:

WAC 230-13-067 Group 12 – Electronic Puzzle and Pattern solving game standards.

Group 12 games, players must correctly solve a simple puzzle to win a prize which is known to the player before each puzzle is presented:

5. The game requires a player to:
   a. Determine whether a potential pattern of two or more symbols is presented and to select from a number of symbols to add to two or more existing symbols such that there are then three or more symbols in a pattern, within a pre-determined time period; or
   b. Select a symbol from a variety of symbols available to complete an existing pattern of symbols which is missing one correct symbol, so that the pattern is completed if the correct symbol is chosen by the player, within a pre-determined time period.
6. The game must limit the player to a maximum of 15 seconds within which to solve each puzzle.
7. The game must allow the player to view the prize that is available before each play of the game.
8. The game must allow the player to view that available prize without the insertion of money or expenditure of any consideration.
9. Prizes must be won exclusively by the player's skill in correctly discerning a pattern and correctly choosing the correct symbol to complete that pattern, such that no prize is ever awarded unless the player correctly completes the skill puzzle.
10. Each game must present its winning patterns so they are capable of completion, within the predetermined time period, by a reasonable person after a reasonable learning period.
11. Group 12 amusement games are for adults only and may only be operated by licensees where minors are prohibited from entering the area where Group 12 games are operated.

Filed at the April 2015 Commission Meeting

Amended Section:

WAC 230-13-005 Amusement games authorized.

(1) We authorize the ~~eleven~~ approved groups of amusement games set forth in this chapter. Operators must only operate amusement games that meet the standards of at least one of the authorized groups.

(2) Commercial businesses or nonprofit or charitable organizations may apply for licenses for amusement games.

(3) Charitable or nonprofit organizations also may conduct amusement games without a license when authorized to do so under RCW 9.46.0321 and 9.46.0331.

(4) Operators must operate amusement games as either:

(a) An attended amusement game.

(i) An "attended amusement game" means an amusement game that requires the presence or assistance of a person (attendant) in the regular operation of the game; and

(ii) These games must award a merchandise prize to players if players achieve the objective with one cost of play; or

(b) A coin or token activated amusement game.

(i) A "coin or token activated amusement game" means an amusement game that uses a mechanical, electronic, or electro-mechanical machine to allow the player to activate the game by inserting coins or tokens; and

(ii) These games may dispense merchandise prizes, or coupons, tickets, or tokens redeemable for merchandise prizes.

(5) Amusement games must not award additional plays as prizes.

Received
FEB 12 2015
Gambling Commission
Comm. & Legal Division

January 22, 2015

Washington State Gambling Commission
Attn: Rules Coordinator
PO Box 42400
Olympia, WA 98504-2400

Received
FEB 12 2015
Gambling Commission
Comm. & Legal Division

RE: New Rule Proposal – Authorized Amusement Games

Dear Gambling Commission Staff:

As the commission knows, the amusement game industry has been struggling and needs to continually develop new products that are legal under the Revised Code of Washington. Therefore, as new games are developed, there will be need for new amusement game groups to be defined.

In developing a new electronic amusement game, commission staff brought to my attention that the current groups defined in the rules manual may not adequately describe the skill game we would like to introduce to the state. While WAC 230-13-035 for Hand/eye coordination could possibly work, commission staff has suggested a new rule is needed.

Please find attached a narrative of the operation of the new skill game we would like to bring to Washington. I have delivered a game to your agency for consideration and would like to have feedback from staff concerning the proper group classification of the game.

Should staff determine the new game is not adequately described under the current rules, I have attached two rule changes for the game. The first is a new rule that describes the new group to properly classify our new skill based game. The second rule would be an administrative change required should the rule being proposed be approved by the commission.

These rules do not conflict with other federal, state, or local laws. The rules would apply only to businesses with class H liquor licenses held by commercial businesses and not for profit organizations.

Sincerely,

Monty Harmon

Monty Harmon, President
Harmon Consulting, Inc.

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: Monty Harmon

Name of Organization: Harmon Consulting, Inc.

Mailing Address: 1732 Camden PL SW

City: Olympia State: WA Zip Code: 98512

Telephone: 360-888-8861 Email: montyharmon@juno.com

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.

Received
FEB 12 2015
Gambling Commission
Comm. & Legal Division

INFORMATION ON RULE PETITION

Agency responsible for adopting or administering the rule: Washington State Gambling Commission

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

☒ The subject (or purpose) of this rule is: Create a new type of amusement game category

☒ The rule is needed because: Current rules do not adequately describe the operational features of amusement games presently being operated in the state.

☒ The new rule would affect the following people or groups: Amusement game operators and distributors as well as not for profit clubs and comercial businesses holding Class H liquor lic.

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

List rule number (WAC), if known: _____

☐ I am requesting the following change: _____

☐ This change is needed because: _____

☐ The effect of this rule change will be: _____

☐ 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): _____

WAC 230-13-XXX Group 12 – Puzzle and Pattern solving game standards. Group 12 games, players must correctly solve a simple puzzle to win a prize which is known to the player before each puzzle is presented:

1. The game may require a player to:
    a. Determine whether a potential pattern of two or more symbols is presented and to select from a plurality of symbols to add to two or more existing symbols such that there are then three or more symbols in a pattern, within a pre-determined time period; or
    b. Select a symbol from a variety of symbols available to complete an existing pattern of symbols which is missing one correct symbol, so that the pattern is completed if the correct symbol is chosen by the player, within a pre-determined time period.
2. The game must limit the player to a maximum of 15 seconds within which to solve each puzzle.
3. The game must allow the player to view the prize that is available before each play of the game.
4. The game must allow the player to view that available prize without the insertion of money or expenditure of any consideration.
5. Prizes must be won exclusively by the player's skill in correctly discerning a pattern and correctly choosing the correct symbol to complete that pattern, such that no prize is ever awarded unless the player correctly completes the skill puzzle.
6. Each game must present patterns that are capable of completion by a reasonable person after a reasonable learning period.
7. Group 12 amusement games are for adults only and may only be operated by licensees holding a "class H" liquor license and where minors are prohibited from entering the area where Group 12 games are operated.

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 Monty Harmon

Name of Organization Harmon Consulting, Inc.

Mailing Address 1732 Camden PL SW

City Olympia State WA Zip Code 98512

Telephone 360-888-8861 Email montyharmon@juno.com

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.

Received
FEB 12 2015
Gambling Commission
Comm. & Legal Division

INFORMATION ON RULE PETITION

Agency responsible for adopting or administering the rule: Washington State Gambling Commission

☐ **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: WAC 230-13-005

☒ I am requesting the following change: The rule presently states there are eleven groups of amusement games authorized. I am proposing a new group so this rule would need to state there are twelve groups.

If approved, a new rule proposing group twelve would make this rule inaccurate.

☒ This change is needed because:

to update the rule to be accurate upon passage of a new rule.

☒ The effect of this rule change will be: _____

☐ 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): _____

WAC 230-13-005

Amusement games authorized.

(1) We authorize the ~~eleven~~ twelve groups of amusement games set forth in this chapter. Operators must only operate amusement games that meet the standards of at least one of the authorized groups.

(2) Commercial businesses or nonprofit or charitable organizations may apply for licenses for amusement games.

(3) Charitable or nonprofit organizations also may conduct amusement games without a license when authorized to do so under RCW 9.46.0321 and 9.46.0331.

(4) Operators must operate amusement games as either:

(a) An attended amusement game.

(i) An "attended amusement game" means an amusement game that requires the presence or assistance of a person (attendant) in the regular operation of the game; and

(ii) These games must award a merchandise prize to players if players achieve the objective with one cost of play; or

(b) A coin or token activated amusement game.

(i) A "coin or token activated amusement game" means an amusement game that uses a mechanical, electronic, or electro-mechanical machine to allow the player to activate the game by inserting coins or tokens; and

(ii) These games may dispense merchandise prizes, or coupons, tickets, or tokens redeemable for merchandise prizes.

(5) Amusement games must not award additional plays as prizes.

[Statutory Authority: RCW 9.46.070. WSR 07-15-064 (Order 612), § 230-13-005, filed 7/16/07, effective 1/1/08.]

RCW 9.46.0331

Amusement games authorized — Minimum rules.

The legislature hereby authorizes any person to conduct or operate amusement games when licensed and operated pursuant to the provisions of this chapter and rules and regulations adopted by the commission at such locations as the commission may authorize. The rules shall provide for at least the following:

(1) Persons other than bona fide charitable or bona fide nonprofit organizations shall conduct amusement games only after obtaining a special amusement game license from the commission.

(2) Amusement games may be conducted under such a license only as a part of, and upon the site of:

(a) Any agricultural fair as authorized under chapter 15.76 or 36.37 RCW; or

(b) A civic center of a county, city, or town; or

(c) A world's fair or similar exposition that is approved by the bureau of international expositions at Paris, France; or

(d) A community-wide civic festival held not more than once annually and sponsored or approved by the city, town, or county in which it is held; or

(e) A commercial exposition organized and sponsored by an organization or association representing the retail sales and service operators conducting business in a shopping center or other commercial area developed and operated for retail sales and service, but only upon a parking lot or similar area located in said shopping center or commercial area for a period of no more than seventeen consecutive days by any licensee during any calendar year; or

(f) An amusement park. An amusement park is a group of activities, at a permanent location, to which people go to be entertained through a combination of various mechanical or aquatic rides, theatrical productions, motion picture, and/or slide show presentations with food and drink service. The amusement park must include at least five different mechanical, or aquatic rides, three additional activities, and the gross receipts must be primarily from these amusement activities; or

(g) Within a regional shopping center. A regional shopping center is a shopping center developed and operated for retail sales and service by retail sales and service operators and consisting of more than six hundred thousand gross square feet not including parking areas. Amusement games conducted as a part of, and upon the site of, a regional shopping center shall not be subject to the prohibition on revenue sharing set forth in RCW 9.46.120(2); or

(h) A location that possesses a valid license from the Washington state liquor control board and prohibits minors on their premises; or

(i) Movie theaters, bowling alleys, miniature golf course facilities, and amusement centers. For the purposes of this section an amusement center shall be defined as a permanent location whose primary source of income is from the operation of ten or more amusement devices; or

(j) Any business whose primary activity is to provide food service for on premises consumption and who offers family entertainment which includes at least three of the following activities: Amusement devices; theatrical productions; mechanical rides; motion pictures; and slide show presentations; or

(k) Other locations as the commission may authorize.

(3) No amusement games may be conducted in any location except in conformance with local zoning, fire, health, and similar regulations. In no event may the licensee conduct any amusement games at any of the locations set out in subsection (2) of this section without first having obtained the written permission to do so from the person or organization owning the premises or an authorized agent thereof, and from the persons sponsoring the fair, exhibition, commercial exhibition, or festival, or from the city or town operating the civic center, in connection with which the games are to be operated.

(4) In no event may a licensee conduct any amusement games at the location described in subsection (2)(g) of this section, without, at the location of such games, providing adult supervision during all hours the licensee is open for business at such location, prohibiting school-age minors from entry during school hours, maintaining full-time personnel whose responsibilities include maintaining security and daily machine maintenance, and providing for hours for the close of business at such location that are no later than 10:00 p.m. on Fridays and Saturdays and on all other days that are the same as those of the regional shopping center in which the licensee is located.

(5) In no event may a licensee conduct any amusement game at a location described in subsection (2)(i) or (j) of this section, without, at the location of such games, providing adult supervision during all hours the licensee is open for business at such location, prohibiting school-age minors from playing licensed amusement games during school hours, maintaining full-time personnel whose responsibilities include maintaining security and daily machine maintenance, and prohibiting minors from playing the amusement games after 10:00 p.m. on any day.

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

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

ITEM 5 (a): May 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	

Changes/Additions made after the April 2015 Commission Meeting in Bold:

- **Fees to offset agency costs to administer the pilot project were increased from 1% to 3% of gross receipts; and**
- **A definition of sporting event was added to the Operating Agreement; and**
- **Charitable or nonprofit organizations will also be able to lease their electronic raffle systems as part of the pilot project.**

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%~~ 3%** 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%)~~ 3%** of Gross Raffle Receipts.

3) Arena owners, sporting teams, **or commercial or non-profit** organizations must obtain a service supplier license for possession of electronic raffle equipment and pay a fee of **~~(1%)~~ 3%** 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:

- Draft Operating Agreement and Appendix.
- Notification letter dated October 20, 2014, sent to 17 Class E and 22 Class F Raffle Licensees.
- Statements supporting the pilot project.
- RCW 34.05.313 Feasibility studies – pilot projects.
- RCW 34.05.310 Prenotice inquiry – Negotiated and pilot rules.
- RCW 9.46.0277 "Raffle."
- **RCW 9.46.071 Information for pathological gamblers – Fee increases.**

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
• **Charlotte O'Clair and Mary Bryant, Spokane Chiefs Fan Club (Letter dated April 7, 2015).** • **William Church and Dr. Robert C. Nelson, Tri-City Hockey Booster Club (Letter dated April 6, 2015).** • **Tony Mestres, President & CEO of the Seattle Foundation, on behalf of the Seattle Sounders FC and the Seattle Foundation (Letter dated April 3, 2015).** • **Seattle Sounders FC Community Partners since 2013 - List of 42 recipients.** • 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 **and March 28, 2015**).
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
Further discussion.
Proposed Effective Date for Rule Change
Staff recommends an effective date of 31 days from filing the adopted rule.

Bold = Changes made after the April 2015 Commission Meeting.

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%)~~ 3%** 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%)~~ 3%** of Gross Raffle Receipts.

   c) Arena owners**, ~~(or)~~** sporting teams, **or charitable or non-profit organizations** must obtain a service supplier license for possession of electronic raffle equipment and pay a fee of **~~(1%)~~ 3%** 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"

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 when conducted at sporting events only that are started and concluded on the same day and at the same location.

Sporting Event is defined as: an individual or group activity involving physical exertion and skill that is governed by a set of rules undertaken competitively where people attend to watch. It may be undertaken on an amateur, professional, or semi-professional basis and be primarily physical (football), primarily mental (chess), predominantly motorized (auto racing), primarily co-ordination (billiards), or primarily animal-supported (equestrian).

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~~3% of the Gross Receipts from selling or leasing electronic raffle systems. The ~~1~~3% 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~~3% 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, or charitable or non-profit 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~~3% of the Gross Receipts from the lease or rental of the electronic raffle equipment or other contracted amounts, if any. The ~~1~~3% 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.

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.

April 7, 2015

To: Washington State Gambling Commission

RE: Electronic 50/50 Raffle System Implementation

The Spokane Chiefs Fan Club is a 501C (4) organization. For the past twenty-six years the organizations mission has been to promote and assist with the continuing education of the Spokane Chiefs, promote the Spokane Chiefs in their community efforts, both on and off the ice., provide encouragement to the young men in the development of life skills. Our organization has a Class F gambling license and has for the past 26 years been conducting 50/50 raffles at every home game.

The Booster Club believes that the new proposed system would aide in increasing the participation by fans in the 50/50 tickets sales which in turn benefits them by allowing the Spokane Chiefs Hockey club to support other worthy charitable causes in the community. The proposed system would be an asset in record keeping and accuracy of ticket sales count due to the electronic data gathering, We would like to support the development of the electronic raffle system for 50/50 raffles within the State of Washington.

We understand fully that some changes will need to be made in existing rules of operation and controls to assure all Washington State Gambling Commission requirements are met. The Booster Club would definitely like to continue their long time and successful 50/50 raffle operation under the proposed program.

Charlotte O'Clair

Charlotte O'Clair
Secretary
Spokane Chiefs Fan Club
P O Box 3211
Spokane, WA 99220

Mary Bryant

Mary Bryant
Gambling Manager
Spokane Chiefs Fan Club
P O Box 3211
Spokane, WA 99220

Tri-City Hockey Booster Club
P.O. Box 5452
Kennewick, WA. 99336

April 6, 2015

To: Washington State Gambling Commission

On behalf of the Tri-City Hockey Booster Club, a 501(c)(7) social club that supports the advancement of youth hockey in the Tri-City Communities of south eastern Washington, please accept this letter in support of proposed rules to permit the use of electronic raffle systems to hold 50/50 raffles during sporting events. The Tri-City Hockey Booster Club has in the past indicated the potential for our club to participate in a pilot project for development of such rules as a small organization operating separate under established by-laws from the Local Tri-City Americans organization.

The Tri-City Hockey Booster Club currently holds a Class F Raffle License and conducts routine 50/50 raffles at Tri-City Americans home games at the Toyota Coliseum. During trips to several hockey venues in Canada, we have noted the use of electronic systems to conduct 50/50 raffles which has generated an interest in the potential for use of such systems here in Washington as a means to potentially increase revenues to support youth hockey at the same time helping automate compliant records management. In that light, we would like to support the development of the alternative use of electronic systems to conduct 50/50 raffles in the state of Washington.

As with any new application, we remain concerned that the rules, as now written, can be expanding to the point that small charitable organizations such as ours, who have totally been responsible for, and conducted 50/50 raffles in a sporting venue may be precluded from taking advantage of the electronic system. We will be happy to engage with the Gambling Commission to work through our concerns.

WR Church

William R. Church
President
Tri-City Hockey Booster Club

Robert C. Nelson

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

The Seattle Foundation

(206) 622-2294
(206) 622-7673 *(fax)*
www.seattlefoundation.org
1200 Fifth Avenue, Suite 1300
Seattle, WA 98101-3151

April 3, 2015

Mark Harris
Assistant Director of Field Operations
Washington State Gambling Commission
P.O. Box 42400
Olympia, WA 98504
Mark.Harris@wsgc.wa.gov

Dear Mr. Harris:

On behalf of Seattle Sounders FC and The Seattle Foundation, I am writing to express my full support of the pilot program that allows the use of electronic raffle systems (WAC 23-11-999) to conduct 50/50 raffles in Washington State.

The Seattle Foundation's primary mission is to foster powerful and rewarding philanthropy to make King County a stronger, more vibrant community for all. In furthering this mission, we've partnered with the Seattle Sounders FC to establish the Sounders FC Community Fund. The proceeds of this fund are distributed to local charitable organizations that reflect the Sounders' goals to empower and inspire children and families in Seattle and beyond.

Net proceeds expected to be raised from electronic 50/50 raffles at Sounders home matches will directly benefit this Community Fund, which The Seattle Foundation currently holds and administers. The Sounders have already made a tremendous philanthropic impact in our region, and I'm confident that the addition of this 50/50 raffle will allow them to leverage their record-breaking fan base to further support our area's nonprofit community.

In preparation for this pilot program, The Seattle Foundation has already been issued a Class D Raffle Permit by the Washington State Gambling Commission (#02-09483), and we hope – with your support - to launch the 50/50 raffle program this summer. Our goal at the Foundation is to ignite positive change in Greater Seattle, and this program truly has the potential to facilitate that. Thank you for your continued support of nonprofit organizations like The Seattle Foundation, and for your careful consideration of this pilot program.

Sincerely,

Tony Mestres
President & CEO
The Seattle Foundation

Seattle Sounders FC Community Partners since 2013

America SCORES Seattle

American Heart Association

American Legion

Big Brother & Big Sisters

Boy Scouts

Boys & Girls Clubs – King County

Boys & Girls Clubs – Bellevue

Chief For A Day

Children's Hospital

College Success Foundation

Fred Hutch

Fisher House

First Tee of Greater Seattle

Forterra

Girl Scouts

JDRF

King County Library System Foundation

Make-A-Wish Foundation, WA & AK

Medical Teams International

Nick of Time Foundation

Rainier Scholars

Rebuilding Together

Renton Community Foundation

Robert Vasen Foundation

Seattle Aquarium

Seattle Cancer Care Alliance

Seattle Foundation

Sergeant Major Association

Special Olympics Washington

Sports In Schools

Starlight Foundation

Street Soccer Seattle

United Nations Foundation

United Way

USO

Washington Department of Veteran Affairs

Washington Global Health Alliance

Washington Youth Soccer

Woodland Park Zoo

Wounded Warriors Battalion

Youth Eastside Services

Youth In Focus

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

Newer, Susan (GMB)

To: rnelson875@aol.com
Subject: RE: RAFFLE RULE - WAC 230-11-999 Pilot project allowing the use of electronic raffle systems to conduct 50/50 raffles.

From: rnelson875@aol.com [mailto:rnelson875@aol.com]
Sent: Saturday, March 28, 2015 3:55 PM
To: Newer, Susan (GMB)
Subject: Re: RAFFLE RULE - WAC 230-11-999 Pilot project allowing the use of electronic raffle systems to conduct 50/50 raffles.

Susan,

I want to encourage the commission to act favorably on the new rule. As the gambling manager or the Tri-City Hockey Club, we will be one of the smaller users of the system as our arena only holds about 5800 fans which is less than other venues in the state, especially the large professional arenas. I am sure our circumstances would potentially be of interest just for that reason. As I see it the meeting time to attend is for the study session, demonstration, and for the rule discussion. I would be traveling from the Tri-Cities to attend. I will plan to attend unless you feel that it is not necessary. Our organization would really like to work with the pilot study.

Dr. Robert C. Nelson
Gambling Manager
TCHBC

-----Original Message-----
From: Newer, Susan (GMB) (GMB) <susan.newer@wsgc.wa.gov>
To: rnelson875 <rnelson875@aol.com>
Sent: Thu, Mar 26, 2015 12:03 pm
Subject: RE: RAFFLE RULE - WAC 230-11-999 Pilot project allowing the use of electronic raffle systems to conduct 50/50 raffles.

Hi Robert,

I wanted to let you know that the **Electronic Raffle Systems** (←Click on title for details about this rules package) pilot project will be up for discussion and possible filing at the April 9, 2015, Commission meeting.

We anticipate the Commissioners will have a lot of questions about the operational side of these systems and how it will benefit charities, both large and small. We are encouraging Ken Cook, PointStreak, to attend the meeting so he can be there to answer these questions. We are waiting to hear back from Mr. Cook on whether he will be attending the meeting.

If you plan to attend the meeting, please let me know.

Click here for the meeting date, location, start time and agenda.

Please let me know if you have any questions.

Sincerely,

Susan Newer
Rules Coordinator & Public Information Officer
Washington State Gambling Commission
(360) 486-3466

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.

RCW 9.46.071 Information for pathological gamblers – Fee increases.

(1) The legislature recognizes that some individuals in this state are problem or pathological gamblers. Because the state promotes and regulates gambling through the activities of the state lottery commission, the Washington horse racing commission, and the Washington state gambling commission, the state has the responsibility to continue to provide resources for the support of services for problem and pathological gamblers. Therefore, the Washington state gambling commission, the Washington horse racing commission, and the state lottery commission shall jointly develop informational signs concerning problem and pathological gambling which include a toll-free hot line number for problem and pathological gamblers. The signs shall be placed in the establishments of gambling licensees, horse racing licensees, and lottery retailers. In addition, the Washington state gambling commission, the Washington horse racing commission, and the state lottery commission may also contract with other qualified entities to provide public awareness, training, and other services to ensure the intent of this section is fulfilled.

(2)(a) During any period in which RCW 82.04.285(2) is in effect, the commission may not increase fees payable by licensees under its jurisdiction for the purpose of funding services for problem and pathological gambling. Any fee imposed or increased by the commission, for the purpose of funding these services, before July 1, 2005, shall have no force and effect after July 1, 2005.

(b) During any period in which RCW 82.04.285(2) is not in effect:

(i) The commission, the Washington state horse racing commission, and the state lottery commission may contract for services, in addition to those authorized in subsection (1) of this section, to assist in providing for treatment of problem and pathological gambling; and

(ii) The commission may increase fees payable by licenses [licensees] under its jurisdiction for the purpose of funding the services authorized in this section for problem and pathological gamblers.