

# CONDENSED RULES FOR LINKED BINGO PRIZE PROVIDER

**WAC 230-02-207 LINKED BINGO PRIZE PROVIDER DEFINED.** A "linked bingo prize provider" is any person who provides bingo licensees the means to link bingo prizes. This person may provide the licensees equipment, linked bingo prize management, and distribute necessary gambling equipment and supplies.

A "linked bingo prize provider" is not a "distributor" if the only gambling equipment and supplies they furnish to bingo operators is to be used exclusively for bingo games that are played to win the linked bingo prize.

In no circumstances may a linked bingo prize provider assume ultimate responsibility for an operator's bingo game operation.

**WAC 230-02-218 LINKED BINGO PRIZE PROVIDER REPRESENTATIVE DEFINED.** A "linked bingo prize provider representative" is any natural person who represents a "linked bingo prize provider" in any of their activities in connection with the management of a linked bingo prize game or distribution of linked bingo prize game supplies.

**WAC 230-04-022 CERTIFICATION PROCEDURE – INFORMATION REQUIRED FROM ALL APPLICANTS.** In addition to other information required by the commission, each applicant shall provide the following information on or attached to the application:

#### **Articles of incorporation and bylaws.**

(1) Copy of corporate applicants' articles of incorporation and bylaws; or, if not a corporation, a copy of any bylaws and other documents which set out the organizational structure and purposes of the organization;

#### **IRS tax exemption letter.**

(2) A copy of a nonprofit or charitable applicant's Internal Revenue Service tax exemption letter if one has been obtained;

#### **Lease or rental agreements.**

(3) Details and copies of all lease or rental arrangements, whether oral or written, between the applicant and the owner of premises upon which the gambling activity will be conducted, if such premises are leased or rented;

#### **Franchise agreements.**

(4) Details and copies of any and all franchise agreements or other agreements, whether written or oral, if any, between the applicant and distributors or manufacturers of equipment or between the applicant and any other person where those agreements relate to gambling activities or gambling equipment;

#### **Management agreements.**

(5) Details and copies of all proposed management agreements or contracts between the applicant and any gambling service supplier involved in providing services defined in WAC 230-02-205. All such agreements or contracts shall be reviewed by commission staff prior to the effective dates of the agreements to assure compliance with this title. No financing or management services shall be provided prior to commission approval of the contracts;

#### **Paid employees or agents.**

(6) The name, address, date of birth, and Social Security number of each paid employee or agent who will work in the activity for which the license is sought and a schedule of the

proposed number of employees, job descriptions, and a proposed pay schedule;

#### **Substantial interest holders.**

(7) Sufficient personal information to ensure each substantial interest holder as defined by WAC 230-02-300 is qualified to hold a license or participate in a licensed or authorized gambling activity;

#### **Report changes to application.**

(8) If any information required on the application, changes or becomes inaccurate in any way, the commission shall be notified prior to issuance of a license. Failure to notify the commission of any changes affecting an application may constitute grounds for suspension or revocation of all licenses.

#### **Exceptions for cities and towns.**

(9) Subsections (1), (2), and (7) of this section shall not apply to applications by or on behalf of an incorporated city or town in the state of Washington.

#### **WAC 230-04-124 LICENSING OF MANUFACTURER, DISTRIBUTOR, GAMBLING SERVICE SUPPLIER, AND LINKED BINGO PRIZE PROVIDER REPRESENTATIVES – EXCEPTIONS.**

Except as allowed by this section, all individuals representing or acting as an agent of a licensed manufacturer, distributor, gambling service supplier or linked bingo prize provider shall be licensed by the commission prior to selling, promoting or providing any person gambling equipment, paraphernalia or related services. This includes individuals that manage or supervise individuals selling, promoting, or providing products or services for which a license is required. A licensed manufacturer, distributor, gambling service supplier or linked bingo prize provider shall not allow an unlicensed person to represent them in transactions restricted by this section and shall take all measures necessary to prevent an unlicensed person from doing so. The following restrictions, procedures and exceptions apply to representative licenses:

#### **Exceptions - representative license not required.**

(1) The following individuals do not require a separate representative's license:

(a) A sole owner, partner, major officer or board member and/or owner of a substantial interest in an entity;

(b) Office, clerical or warehouse personnel who have contact with customers or potential customers only by telephone at the manufacturer's, distributor's, gambling service supplier's, or linked bingo prize provider's own premises when working under the immediate and direct supervision of an owner, partner, major officer, or a licensed manager or supervisor; and

(c) Resident agents required by WAC 230-12-300 when such agents are not involved in selling or providing products or services for which a license is required.

#### **Signature of employer required.**

(2) The manufacturer, distributor, gambling service supplier, or linked bingo prize provider for which the representative will work shall sign the application acknowledging that the applicant will be representing them with their full knowledge and consent.

#### **Requirements.**

(3) An applicant for a license as a distributor representative, gambling service supplier representative, or linked bingo prize provider representative shall:

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## *Training.*

(a) Complete a training course for any activity being managed, as required and provided by the commission within thirty days after the first day worked; and

## *Represent only one employer at a time - exceptions.*

(b) Represent only one licensed manufacturer, distributor, gambling service supplier, or linked bingo prize provider at a time and shall not represent a manufacturer: Provided, That this rule shall not prevent a licensed representative from representing a manufacturer, distributor, and/or linked bingo prize provider when all businesses are owned by the same person: Provided further, That this rule shall not bar the distributor's representative from representing his own distributor who is also licensed as a manufacturer.

## **Conflict of interest.**

(4) If a licensed gambling service supplier representative has any interest in a licensed manufacturer or distributor and they provide services to any punch board, pull-tab, or bingo operator, they shall inform the commission, the operator, and the manufacturer or distributor of the relationship. Such manufacturer or distributor shall be prohibited from selling punch boards, pull-tabs, or disposable bingo cards to such operator.

**WAC 230-04-126 LICENSING OF LINKED BINGO PRIZE PROVIDERS.** Prior to providing any type of gambling related service, gambling related equipment, or gambling related supplies to any licensed bingo operator, a linked bingo prize provider shall first obtain a license from the commission. The following requirements and restrictions apply to licensing of linked bingo prize providers:

(1) For purposes of this title, a license is required to manage a linked bingo prize or provide bingo game operators with the equipment and supplies to offer linked bingo prize games to their customers;

(2) The applicant shall include upon the application form supplied by the commission, sufficient information to determine the types of services and equipment provided, personal and financial information to determine applicant identity and qualifications, evidence of the obtainment of a bond to cover all linked bingo prize jackpots, as well as all other information and materials required elsewhere in these rules;

(3) The applicant shall comply with all applicable laws of the United States, the state of Washington, and all applicable rules of the Washington state gambling commission; and

(4) If the applicant does not maintain a business office within the state or is incorporated in another state or country, then the applicant must disclose the full name and business and home address of the resident agent designated by the applicant pursuant to WAC 230-12-300.

**WAC 230-04-240 SPECIAL INVESTIGATION FEE.** In addition to the basic license or permit fees, the commission may require payment of such additional license fees as are necessary to defray the costs of background investigations of applicants for whom adequate background information sources are not readily available, including, but not limited to, applicants who have not resided in the state of Washington for at least one year. The commission may require payment of the estimated additional license fee in advance as a condition precedent to beginning the investigation.

The commission shall notify the applicant as soon as possible after it makes the determination that such additional fee is necessary and shall further notify the applicant of the commission's best estimate of what such additional license fee will be: Provided, That such estimate shall not be binding upon the commission. Any applicant may then withdraw his application if he so chooses, as provided under WAC 230-04-210 and 230-04-220.

**WAC 230-12-305 LICENSEE REQUIRED TO SUBMIT UPDATED DOCUMENTS OR INFORMATION.** In addition to any other requirements set forth in these rules, persons licensed by the commission shall submit any new or updated documents or information including, but not limited to, the following:

(1) Articles of incorporation or by laws, or any other documents which set out the organizational structure and purposes;

(2) Internal Revenue Service tax exemption status (charitable/nonprofit organizations only);

(3) All contracts and agreements, whether oral or written which relate to gambling activities or alter the organizational structure of the licensee or its business activities in Washington state; and

(4) All cash or asset contributions, draws from lines of credit, and loans, from other than recognized financial institutions, which individually or collectively exceed a total of ten thousand dollars during any calendar year: Provided, That cash or asset contributions do not include donations to licensed charitable or nonprofit organizations.

## **Submission timeline.**

(5) The new or updated documents and/or information shall be submitted to the commission no later than sixty days following the transaction(s) date.

**WAC 230-12-310 LICENSEES TO REPORT TO THE COMMISSION CIVIL, CRIMINAL AND ADMINISTRATIVE ACTIONS FILED AGAINST THEM.** (1) Each licensee shall report to the commission within fourteen days, all criminal actions filed against the licensee or the licensee's president, chief executive officer, chairman of the board, treasurer (chief financial officer), partner, person holding a substantial interest or manager of the licensed gambling activity. The final disposition of the case must be received by the commission within thirty days after the final disposition.

(2) Each licensee shall report to the commission within thirty days, all civil and administrative actions filed by or against persons listed in subsection (1) of this section that involve ownership or control of the business, dissolutions, actions significantly affecting business interests, such as patent or copyright infringement and all administrative actions from other gambling regulatory agencies, including those from other countries and Indian tribes. The final disposition of the case must be received by the commission within thirty days of the final disposition.

(3) The report shall consist of a complete copy of the original documents filed. The licensee shall notify the commission of the final disposition of the case and include a copy of the final documents filed including, but not limited to, settlement agreements.

(4) The director may exempt reporting specific types of civil actions upon written request and for good cause shown.