

**CONDENSED LICENSING RULES / GENERAL INFORMATION
FOR AGRICULTURAL FAIRS LICENSE TO OPERATE BINGO,
RAFFLE(S) AND / OR AMUSEMENT GAMES**

WAC 230-03-015 Permits to conduct bingo at agricultural fairs. (1) You must apply to us if you wish to operate bingo games at agricultural fairs licensed to conduct bingo. You may apply for either:

- (a) An annual permit to conduct bingo games at agricultural fairs; or
 - (b) A special property bingo permit to conduct bingo games at a single agricultural fair.
- (2) Each agricultural fair is fully responsible for the operation of bingo conducted under its license.

WAC 230-03-075 Withdrawing your application. (1) You may withdraw your license application for any reason by sending written notice to us. We must receive your written request at our headquarters office before we issue or deny the license.

(2) Withdrawing an application will not affect any future application for a license.

WAC 230-03-090 Defining "agricultural." (1) "Agricultural" as used in RCW 9.46.0209 means promoting the art or science of:

- (a) Cultivating land; or
 - (b) Harvesting crops or aquatic resources; or
 - (c) Raising livestock.
- (2) This definition includes incorporated granges as described in chapter 24.28 RCW.

WAC 230-05-001 Prorating or refunding of fees. (1) We may prorate organization license fees when we adjust expiration dates to schedule our workload.

(2) We may adjust expiration dates to end on the same day for organizations licensed for more than one activity. Whenever we adjust license expiration dates under this provision, we may prorate the required fees.

- (3) We will not prorate or refund fees when:
- (a) You discontinue your gambling activities; or
 - (b) You voluntarily surrender your license or permit;
- or
- (c) We suspend or revoke your license.

(4) We keep a portion of your application fees whether we deny or administratively close your application or you withdraw it.

(5) If you are a commercial stimulant or a charitable or nonprofit licensee, you have one year from your license expiration to apply for a partial refund of your license fee if your annual gross gambling receipts are less than the minimum for your license class. After our approval, we refund you the difference between the fees you paid and the fees for the license class level you actually met.

WAC 230-05-010 Returned checks. (1) If your bank returns your check for license fees to us for any reason, you must:

- (a) Pay us in full, by certified check, money order, or cash, within five days of notification; and
 - (b) Pay an additional processing charge of thirty dollars.
- (2) If you fail to pay within five days of notification:
- (a) We will administratively close your application; or
 - (b) Your license expires and all gambling activity must stop.

(3) If we administratively close your application or your license expires, you must give us a new application with fees paid by certified check, money order, or cash in order to be considered for a license.

WAC 230-06-125 Renew your license in a timely manner. (1) Licensees must ensure a properly completed renewal application and all applicable fees are received at our administrative office in Lacey at least fifteen days before the expiration date on their license.

(2) If licensees do not submit a properly completed application and all fees and their license expires, they must immediately stop the gambling activity covered by their license.

(3) If your license expires, you must submit an application and you must not operate any gambling activity until a new license is issued.

WAC 230-06-130 Exceeding license class. (1) Licensees must not exceed the gross gambling receipts limits for their license class during any annual license period.

(2) Licensees must apply a projection of year-to-date receipts to the remaining period of their license and, if it indicates that it is reasonably likely that they may exceed their license, they must immediately:

- (a) Apply for a license that authorizes the anticipated level of gross gambling receipts; and
- (b) Submit the fee required for the new license, minus the amount originally submitted for the previous license, plus a change of classification fee.

(3) If we issue a license upgrade, it is valid only for the remainder of the original term of the license.

(4) Licensees may exceed license class limits once, by the amount shown in the fees table, without having to upgrade or pay the penalties as long as they upgrade to the higher license class the next time they renew their license.

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WAC 230-06-160 Defining "net gambling receipts." "Net gambling receipts" means all gross gambling receipts from any gambling activity minus:

- (1) The value for cash prizes; and
- (2) The actual cost of any merchandise prizes that were awarded.

WAC 230-06-165 Defining "net gambling income." (1) "Net gambling income" means net gambling receipts minus all other expenses related to the operation of a licensed activity paid out during the same reporting period.

- (2) Expenses must be reported on the accrual basis if the records are normally maintained on that basis.

WAC 230-07-160 Reporting annual activity for agricultural fairs. (1) Charitable or nonprofit licensees who operate bingo, raffles, and/or amusement games only at agricultural fairs and other special properties and permittees as defined in WAC 230-03-015 who operate bingo under another's license at agricultural fairs and other special properties must submit an annual report of all their activities in the format we require.

(2) We must receive the completed report in our office postmarked no later than thirty days following the expiration of the license year.

(3) Permittees operating under another's license must provide the licensee with all information about the permitted operation that is needed by the licensee to complete the annual activity report not less than ten days before the time that we require the licensee to file his or her report.

(4) The highest ranking officer or his or her designee must sign the report. If the licensee has someone else prepare the report, then the preparer must include his or her name and phone number on the report.

WAC 230-10-331 Activity reports for Class D and above bingo licensees. Class D and above bingo game licensees must submit activity reports to the commission. The activity reports must be in the format we require and must:

- (1) Cover the periods:
 - (a) January 1 through March 31; and
 - (b) April 1 through June 30; and
 - (c) July 1 through September 30; and
 - (d) October 1 through December 31 of each year;

and

(2) Be received at our administrative office or postmarked no later than thirty days following the end of the reporting period; and

(3) Be signed by the licensee's highest ranking executive officer or a designee. If someone other than the licensee or an employee prepares the report, the

preparer must print his or her name and business telephone number on the report; and

(4) Submit a report for any period of time their license was valid, even if they had no activity or did not renew.

WAC 230-10-370 Adjusted cash flow limits for bingo. For the purpose of this subsection, "gross receipts" means the combined gross gambling receipts from bingo, pull-tab, and punch board activities. Bingo licensees must ensure that the adjusted cash flow from the bingo operation available for its charitable or nonprofit programs during each license year is, at least:

Gross Receipts.*	Adjusted Cash Flow
(1) Above \$1,500,000 up to \$2,500,000	Three percent of gross receipts over \$1,500,000
(2) Above \$2,500,000 up to \$3,500,000	\$30,000 plus four percent of gross receipts over \$2,500,000
(3) Above \$3,500,000 up to \$4,500,000	\$70,000 plus five percent of gross receipts over \$3,500,000
(4) Above \$4,500,000	\$120,000 plus six percent of gross receipts over \$4,500,000

*If the licensee does not operate for a full license year, we may pro rate the requirements based on full quarters operated.

RCW 9.46.0209 "Bona fide charitable or nonprofit organization." (1)(a) "Bona fide charitable or nonprofit organization," as used in this chapter, means:

(i) Any organization duly existing under the provisions of chapter 24.12, 24.20, or 24.28 RCW, any agricultural fair authorized under the provisions of chapters 15.76 or 36.37 RCW, or any nonprofit corporation duly existing under the provisions of chapter 24.03 RCW for charitable, benevolent, eleemosynary, educational, civic, patriotic, political, social, fraternal, athletic or agricultural purposes only, or any nonprofit organization, whether incorporated or otherwise, when found by the commission to be organized and operating for one or more of the aforesaid purposes only, all of which in the opinion of the commission have been organized and are operated primarily for purposes other than the operation of gambling activities authorized under this chapter; or

(ii) Any corporation which has been incorporated under Title 36 U.S.C. and whose principal purposes are to furnish volunteer aid to members of the armed forces of the United States and also to carry on a system of national and international relief and to apply the same in mitigating the sufferings caused by pestilence, famine, fire, floods, and other national calamities and to devise and carry on measures for preventing the same.

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(b) An organization defined under (a) of this subsection must:

(i) Have been organized and continuously operating for at least twelve calendar months immediately preceding making application for any license to operate a gambling activity, or the operation of any gambling activity authorized by this chapter for which no license is required;

(ii) Have not less than fifteen bona fide active members each with the right to an equal vote in the election of the officers, or board members, if any, who determine the policies of the organization in order to receive a gambling license; and

(iii) Demonstrate to the commission that it has made significant progress toward the accomplishment of the purposes of the organization during the twelve consecutive month period preceding the date of application for a license or license renewal. The fact that contributions to an organization do not qualify for charitable contribution deduction purposes or that the organization is not otherwise exempt from payment of federal income taxes pursuant to the internal revenue code of 1954, as amended, shall constitute prima facie evidence that the organization is not a bona fide charitable or nonprofit organization for the purposes of this section.

(c) Any person, association or organization which pays its employees, including members, compensation other than is reasonable therefor under the local prevailing wage scale shall be deemed paying compensation based in part or whole upon receipts relating to gambling activities authorized under this chapter and shall not be a bona fide charitable or nonprofit organization for the purposes of this chapter.

(2) For the purposes of RCW 9.46.0315 and 9.46.110, a bona fide nonprofit organization also includes:

(a) A credit union organized and operating under state or federal law. All revenue less prizes and expenses received from raffles conducted by credit unions must be devoted to purposes authorized under this section for charitable and nonprofit organizations; and

(b) A group of executive branch state employees that:

(i) Has requested and received revocable approval from the agency's chief executive official, or such official's designee, to conduct one or more raffles in compliance with this section;

(ii) Conducts a raffle solely to raise funds for either the state combined fund drive, created under RCW 41.04.033; an entity approved to receive funds from the state combined fund drive; or a charitable or benevolent entity, including but not limited to a person or family in need, as determined by a majority vote of the approved group of employees. No person or other entity may receive compensation in any form from the group for services rendered in support of this purpose;

(iii) Promptly provides such information about the group's receipts, expenditures, and other activities as the agency's chief executive official or designee may periodically require, and otherwise complies with this section and RCW 9.46.0315; and

(iv) Limits the participation in the raffle such that raffle tickets are sold only to, and winners are determined only from, the employees of the agency.

(3) For the purposes of RCW 9.46.0277, a bona fide nonprofit organization also includes a county, city, or town, provided that all revenue less prizes and expenses from raffles conducted by the county, city, or town must be used for community activities or tourism promotion activities.

RCW 9.46.0321 Bingo, raffles, amusement games – no license required, when. Bona fide charitable or bona fide nonprofit organizations organized primarily for purposes other than the conduct of such activities are hereby authorized to conduct bingo, raffles, and amusement games, without obtaining a license to do so from the commission but only when:

(1) Such activities are held in accordance with all other requirements of this chapter, other applicable laws, and rules of the commission;

(2) Said activities are, alone or in any combination, conducted no more than twice each calendar year and over a period of no more than twelve consecutive days each time, notwithstanding the limitations of RCW 9.46.0205: PROVIDED, That a raffle conducted under this subsection may be conducted for a period longer than twelve days;

(3) Only bona fide members of that organization, who are not paid for such services, participate in the management or operation of the activities;

(4) Gross revenues to the organization from all the activities together do not exceed five thousand dollars during any calendar year;

(5) All revenue therefrom, after deducting the cost of prizes and other expenses of the activity, is devoted solely to the purposes for which the organization qualifies as a bona fide charitable or nonprofit organization;

(6) The organization gives notice at least five days in advance of the conduct of any of the activities to the local police agency of the jurisdiction within which the activities are to be conducted of the organization's intent to conduct the activities, the location of the activities, and the date or dates they will be conducted; and

(7) The organization conducting the activities maintains records for a period of one year from the date of the event which accurately show at a minimum the gross revenue from each activity, details of the expenses of conducting the activities, and details of the uses to which the gross revenue therefrom is put.

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NOTE:

- A. **ALL PROFIT-SEEKING** Operators may only conduct bingo and amusement games and must possess permit and / or license as follows:
1. Bingo
 - a. Single **permit** under WAC 230-03-015 (application filed on their behalf by the Fair Management).
 - OR**
 - b. Annual **permit** under WAC 230-03-015 (application filed by the operator prior to fair season).
2. Amusement games – annual license (obtained by the operator under WAC 230-06-125).
- B. **BONA FIDE CHARITABLE / NONPROFIT** Organization may conduct bingo, raffles and / or amusement games upon the site of and during the fair only under the following conditions:
1. Operates without license or permit if stays within limitations of RCW 9.46.0321 (see above).
 2. Obtains a **license** from the commission for each activity desired (or, if already licensed, obtain approval for "change of location" or "one annual change of bingo premises" as the case may be).

NOTE:

If the **fair** management does not wish to have a profit-seeking operator conduct bingo, the fair management need not obtain a license for **any** of the authorized activities if it also operates within the limitations of RCW 9.46.0321. In other words, the fair **must** obtain a **license** if it does not stay within RCW 9.46.0321 limits and / or contracts a profit-seeking operator to conduct bingo whose permit is valid only under a fair's **license**. However, the profit seeking amusement games operator may not obtain its own **license** for that activity and the fair need not apply for a **license** to cover that operator.