

CONDENSED LICENSING RULES

Fund-Raising Event (Standard or Limited)

WAC 230-03-035 Applying for a license. (1) You must fully complete the license application form we provide in order to be considered for a license. You must return it, along with the appropriate fees, to our headquarters office.

(2) If your application is incomplete, you must provide us with the required items within thirty days of notification or we may administratively close the application.

WAC 230-03-050 Additional information required from applicants for licensing. (1) Applicants must give us details or copies of the following information on or attached to their application:

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

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

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

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

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

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

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

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

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

WAC 230-03-070 Training required for licensing.

(1) You must complete a training course we establish if you:

- (a) Signed the licensing application; or
- (b) Are a manager; or
- (c) Are responsible for conducting gambling activities or completing records.

(2) You must complete training within thirty days of the effective date of your license.

(3) We do not require manufacturers or manufacturers' representatives to complete training.

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 230-03-080 License approval process. (1)

The director may issue a temporary license on completion of the licensing investigation for licenses issued under RCW 9.46.070 (1) and (2).

(2) The commissioners take action on applications at a public meeting. These actions may include license approval, holding an application over to a future meeting, or returning an application to staff for further investigation.

WAC 230-03-085 Denying, suspending, or revoking an application, license or permit. We may deny, suspend, or revoke any application, license or permit, when the applicant, licensee, or anyone holding a substantial interest in the applicant's or licensee's business or organization:

(1) Commits any act that constitutes grounds for denying, suspending, or revoking licenses or permits under RCW 9.46.075; or

(2) Has been convicted of, or forfeited bond on a charge of, or pleaded guilty to a misdemeanor or felony crime involving physical harm to individuals. "Physical harm to individuals" includes any form of criminal assault, any crime involving a threat of physical harm against another person, or any crime involving an intention to inflict physical harm on another person; or

(3) Has demonstrated willful disregard for complying with ordinances, statutes, administrative rules, or court orders, whether at the local, state, or federal level; or

(4) Has failed to pay gambling taxes to local taxing authorities and the local taxing authority has petitioned us to take action; or

(5) Is serving a period of probation or community supervision imposed as a sentence for any juvenile, misdemeanor, or felony criminal offense, whether or not the offense is covered under RCW 9.46.075(4); or

(6) Is the subject of an outstanding gross misdemeanor or felony arrest warrant; or

(7) Fails to provide us with any information required under commission rules within the time required, or, if the rule establishes no time limit, within thirty days after receiving a written request from us; or

(8) Poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities, as demonstrated by:

- (a) Prior activities; or
- (b) Criminal record; or
- (c) Reputation; or
- (d) Habits; or
- (e) Associations; or

(9) Knowingly provides or provided goods or services to an entity that illegally operates gambling activities.

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WAC 230-03-145 Additional requirements for charitable and nonprofit licensing. (1) Organizations must provide the following records for us to determine the organization's qualifications as a bona fide charitable or nonprofit organization as set forth in RCW 9.46.0209:

(a) Official minutes of the organization's formation meeting and all membership and board meetings for the last twelve months including issues discussed, decisions made, and members in attendance; and

(b) A listing of the names of all "full and regular members." The organization must provide full names, addresses, telephone numbers, and the dates they became full and regular members; and

(c) A copy of the most recently approved articles of incorporation or bylaws or both; and

(d) All correspondence with the Internal Revenue Service and the secretary of state regarding the organization's status as a nonprofit organization; and

(e) Proof of federal tax deductible status for contributions to the organization.

(2) Organizations must provide documents that demonstrate that the organization made significant progress in meeting its stated charitable or nonprofit purpose(s) during the twelve consecutive months before applying for a license.

(3) Organizations must provide, in their bylaws or in their articles of incorporation, a statement that guarantees that, if the organization is dissolved, all the assets remaining after satisfaction of all their debts must be distributed to another charitable or nonprofit organization qualified under RCW 9.46.0209.

(4) Charitable or nonprofit organizations must provide us with the names of gambling managers who will oversee gambling activities. The organization must note on the application which manager has the highest level of authority and assign that person the title "primary gambling manager" on the application.

WAC 230-03-150 Additional requirements for branches or chapters of eligible parent organizations. The parent organization must be eligible for a license if an applicant is a branch or chapter of a parent organization. The branch or chapter must also prove that it is, in its own right, qualified to receive a license.

WAC 230-03-155 Submitting a proposed plan of operations for charitable and nonprofit organizations.

(1) An organization must submit a proposed plan of operations, including a market study, if the organization:

(a) Requests licensing to conduct gambling activities with combined annual gross receipts in excess of three million dollars; or

(b) Plans to pay premises rent exceeding two thousand dollars per month, including all terms.

(2) The plan must show enough detail to allow us to assess the potential for compliance with cash flow requirements. It must also include at least the following information:

(a) Research procedures and planning assumptions used; and

(b) Planned number of customers or attendance; and
(c) Days and hours of operations; and
(d) Estimated gross gambling receipts from each activity; and

(e) Estimated expenses and net income; and

(f) Details of income generating activities planned in conjunction with the gambling activity, such as snack bar operations or other retail sales and the anticipated net income from those activities; and

(g) Any other information related to your gambling license application that we request.

(3) If planned activities include bingo, the organization must provide:

(a) Anticipated market area and map of competing organizations that operate similar gambling activities, along with their days of operation; and

(b) Number of bingo sessions, bingo card prices, and estimated sales per player; and

(c) Bingo prize payouts and game schedules.

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.

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WAC 230-06-070 Keep monthly records. Every person or organization licensed to operate any gambling activity must maintain permanent monthly records of all financial transactions directly or indirectly related to gambling activities. The licensee must include all financial transactions in enough detail to prove compliance with recordkeeping requirements for the specific gambling activity.

(1) Every licensee must record for each licensed activity:

- (a) The gross gambling receipts; and
- (b) Full details on all expenses; and
- (c) The total cost of all prizes paid.

(2) Commercial stimulant licensees must also record:

- (a) Gross sales of food and drink for consumption on the business premises; and
- (b) Gross sales of food and drink for consumption off the business premises; and
- (c) Gross sales from all other business activities occurring on the business premises.

(3) Licensees must record each licensed activity separately and include all transactions occurring during the calendar month. Licensees must complete these records and have them available for audit or inspection by our agents or other law enforcement no later than thirty days following the end of each month.

(4) Licensees must include copies of all additional financial data which support tax reports to any governmental agency.

(5) Licensees must maintain each of these records for at least three years from the end of the fiscal year.

WAC 230-06-080 Report changes to application information and submit updated documents and information. (1) Licensees must notify us in writing if any information filed with the application changes in any way within thirty days of the change.

(2) Licensees must submit to us any new or updated documents and information, including the following:

- (a) Articles of incorporation or bylaws, or any other documents which set out the organizational structure and purposes; and
- (b) All oral or written contracts and agreements which relate to gambling activities or alter the organizational structure of the licensee's organization or business activities in Washington; and
- (c) All cash or asset contributions, draws from lines of credit, and loans (except those from recognized financial institutions) during any calendar year which by themselves or totaled together are more than ten thousand dollars. Cash or asset contributions do not include donations to licensed charitable or nonprofit organizations; and
- (d) Internal Revenue Service tax deductible status of contributions for charitable and nonprofit organizations.

(3) All cash or asset contributions, draws from lines of credit, and loans (except those from recognized financial institutions) during any calendar year which by themselves or totaled together are more than ten thousand dollars. Cash or asset contributions do not include donations to licensed charitable or nonprofit organizations; and

(4) Internal Revenue Service tax deductible status of contributions for charitable and nonprofit organizations.

WAC 230-06-085 Report criminal actions filed. (1) Licensees must report to us in writing within thirty days all criminal actions filed against the licensee, any manager of the licensed gambling activity, the business organization,

or any person holding a substantial interest in the business organization.

(2) We must receive a copy of the final written decision or settlement within thirty days after the case is resolved.

WAC 230-06-090 Report administrative and civil actions filed. (1) All licensees must report to us in writing within thirty days all administrative actions filed against them by other gambling regulatory agencies, including those from other countries and Indian tribes.

(2) Licensed organizations must report to us in writing within thirty days all civil and administrative actions that are filed by or against any manager of the licensed gambling activity, the business organization, or any person holding a substantial interest in the business organization. Actions include, but are not limited to:

- (a) Divorces; and
- (b) Bankruptcy; and
- (c) Tax liens; and
- (d) Business dissolutions.

(3) The report must consist of a complete copy of the original documents filed. Licensees must 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) For cases involving patent infringement on gambling equipment, licensees must send only the final written decision or settlement.

(5) We must receive a copy of the final written decision or settlement within thirty days after the case is resolved.

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.

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.

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

WAC 230-09-001 Purpose. Licensees may only hold fund-raising events (FREs) to raise funds for organizational purposes. Licensees must operate the FRE with a profit motive. A "profit motive" means a gambling activity conducted for purposes of obtaining funds for a charitable or nonprofit organization's programs. FRE licensees must make a good faith effort to ensure that the expenses paid for all phases of the FRE are less than the total gross receipts received.

WAC 230-09-005 Notify local law enforcement. Licensees must notify local law enforcement agencies in writing of the time and place of the FRE at least ten days before conducting the FRE.

WAC 230-09-007 Canceling, changing time, date, or location of fund-raising events. (1) If a fund-raising event (FRE) licensee cancels an FRE, they must:

- (a) Notify us and local law enforcement in advance; and
- (b) Return the original license to us.
- (2) If a licensee changes the time, date, or location of an FRE, they must:

(a) Notify us in writing at least ten days in advance. The notice must include a signed statement from the chief executive officer that the appropriate law enforcement agency has been notified of the change; and

- (b) Pay the appropriate fee; and
- (c) Return the original license to us.

WAC 230-09-010 Ten thousand dollars net receipts limit. (1) The calendar year net receipt limits of RCW 9.46.0233 apply to all FRE licensees. Net receipts are all wagers and bets received minus money used to purchase prizes and pay out cash prizes.

(2) Any licensees exceeding the calendar year net receipt limit must distribute excess net receipts within thirty days to another bona fide charitable or nonprofit organization that either:

- (a) We license; or
- (b) Meets the criteria set forth in RCW 9.46.0209.

WAC 230-09-015 Fund-raising events on December 31. Licensees who hold FREs which continue past midnight on December 31 into the new calendar year may treat each hour of the event held as if the hours had occurred solely in the calendar year recorded on their license application. These hours are counted in computing and applying limits on the net receipts and on the number of FREs, or consecutive hours of those FREs, in the calendar year for which the license was issued.

WAC 230-09-020 Post house rules. Licensees must develop house rules to govern the scope and manner of all gambling activities they will conduct during the FRE

and prominently post these rules in the area where they will conduct the FRE. At a minimum, these rules include:

- (1) Game rules; and
- (2) Wager limits; and
- (3) Payout restrictions; and
- (4) That tipping is prohibited.

WAC 230-09-022 Wagering limits for fund-raising events. (1) Wager limits must not exceed ten dollars. However, raffle wagers must not exceed the limits in RCW 9.46.0277; and

(2) There are no limits on wagers made using scrip or poker tournament chips.

WAC 230-09-025 No wagering among participants. Licensees must not allow any participants at FREs to wager money or other items of value against any other participant, such as in side bets in poker, at the FRE.

WAC 230-09-030 Use chips or scrip. Licensees must use chips or scrip or coin for wagering at FREs. *Limited* FRE licensees must use chips and scrip only. Licensees must issue the chips or scrip only during and at the FRE itself. Licensees must not redeem chips or scrip after the FRE has concluded.

WAC 230-09-035 Prepare membership list. FRE licensees must prepare a list of all persons from their organizations participating in the management or operation of the FRE. The list must be available on the premises of the FRE and contain, at a minimum, the name, address, telephone number, and a brief statement signed by the chief executive officer certifying that each member listed is a full and regular member of the organization.

WAC 230-09-040 Separation of duties for central accounting system required. Licensees must set up and maintain a central accounting system in a format we prescribe for all activities conducted at the FRE. Licensees must obtain accounting forms from us. The central accounting system must provide for the following minimum separation of duties:

- (1) A cashier to handle the beginning bank, provide chips to the games, redeem chips and cash checks for the players; and
- (2) A runner to transport money, chips, and lock boxes between gambling stations at the event; and
- (3) Floor supervisors to supervise not more than six gambling stations each and who must supervise the transfer of lock boxes and chips and change trays to the count room; and
- (4) Gambling station operators to control the activity at a specific gambling station.

WAC 230-09-045 Counting money. Licensees must have an area for counting money separate from the area where gambling is taking place. Licensees must use the

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forms and format we prescribe for the count. Licensees must:

- (1) Bring all money from the FRE to the counting area; and
- (2) Assign three cashiers to count the money. Two cashiers must be in the counting area at all times money is present; and
- (3) Have at least two cashiers verify the beginning count and sign the record; and
- (4) Restrict access to the counting area to the cashiers and to the runner(s) who transport money or chips to or from those stations; and
- (5) Transfer all money and chips to the counting area at the end of the day or event for final tabulation, reconciliation, and verification; and
- (6) Have at least three bankers or cashiers verify the final tabulation and reconciliation and sign the verification.

WAC 230-09-050 Use lock boxes and money paddles. Licensees must have numbered games stations with separate lock boxes and money paddles for each station. "Money paddle" means a wooden or plastic implement used to push money into the lock box slot.

- (1) The money paddle must remain in the lock box slot whenever it is not in use. The money slot of the lock box must not exceed three and one-half inches in length and one-half inch in width; and
- (2) Dealers must exchange all currency presented by the players for coin or chips and the dealer must immediately place it in the lock box; and
- (3) Licensees must keep the keys to all lock boxes in the counting area at all times; and
- (4) Only cashiers may open the lock boxes and they must open them only in the counting area.

WAC 230-09-055 Maintain records of net receipts. Licensees must maintain records in sufficient detail to determine the net receipts of each gambling station operated. Licensees must:

- (1) Record a reconciliation of the ending cash on hand to net receipts; and
- (2) Deposit the ending cash on hand within two banking days of the conclusion of the fund-raising event and must include a validated deposit slip as part of the records; and
- (3) Not spend any of the ending cash before the deposit.

WAC 230-09-056 Activity reports for fund-raising events. Fund-raising event licensees must submit an activity report to the commission concerning the operation of the licensed activities of each event. Licensees must complete the report in the format we require and the report must be:

- (1) Received at our administrative office or postmarked no later than thirty days after the end of the authorized operating day or days; and
- (2) Signed by the licensee's highest ranking executive officer or designee. If someone other than the licensee or

an employee prepares the report, the preparer must print his or her name and phone number on the report.

WAC 230-09-060 Winners must be present and participating to win. Winners must be present and participating to win at a fund-raising event.

WAC 230-09-065 Use only full and regular members to operate the fund-raising event. (1) Licensees must use only full and regular members of the charitable or nonprofit organization to manage or assist in the operation of an FRE. "Full and regular membership" is defined in WAC 230-03-140.

(2) Licensees may also use "members" and "bona fide members" as defined in RCW 9.46.0261 to manage or assist in the operation of an FRE.

WAC 230-09-070 Compensation of other authorized employees. Generally, licensees must not pay people to work at an FRE. However, in the following circumstances, licensees may compensate people:

(1) Licensees may allow people who are not members of the organization to perform incidental functions, which we will not consider "management or operation" under RCW 9.46.120. These incidental functions include:

- (a) Serving food and drink to participants in the FRE; or
- (b) Parking cars; or
- (c) Maintaining general crowd control and order at the FRE; or
- (d) Detecting people cheating, as long as that employee is a commissioned law enforcement officer with the power to make arrests in the jurisdiction in which the FRE is being held or is the employee of a commercial securities service firm licensed to provide these services by the city, town, or county in which the FRE is being conducted; or
- (e) Providing janitorial functions; or
- (f) Supervising these people, as long as the licensee does not pay these employees more than the local prevailing level of payment for supervising at events other than FREs.

(2) Licensees may also furnish food and nonalcoholic beverages to full and regular members who volunteer as long as the food or drink does not exceed twenty dollars per volunteer per FRE.

(3) If a licensee's employee is also a full and regular member of the organization or its auxiliary and is not scheduled for assigned employee duties at the time of the FRE, the employee may assist in the FRE.

WAC 230-09-075 Workers must wear name tags. All fund-raising event workers must wear a name tag at all times. Name tags must include at least the member's first initial and last name or first name and first initial of the last name and the name of the organization.

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WAC 230-09-080 Holding fund-raising events on commercial business premises. (1) Licensees may operate FREs on commercial business premises only if:

(a) The commercial business is closed to the public at all times during which the licensee conducts the FRE; or

(b) The portion of the business premises in which the licensee conducts the FRE is separate and apart from the portion used by the commercial business. In this rule, "separate and apart" means having a permanent or temporary partition. The partition must:

(i) Have not more than two designated openings to limit pedestrian flow; and

(ii) Provide a solid, distinct separation between the portion of the premises where the licensee conducts the FRE and the portion of the premises the commercial business uses.

(2) Licensees must not conduct an FRE on or within a commercial business premises while any other organization is conducting an FRE on or within the same commercial business premises.

WAC 230-09-085 Commercial business must not participate in fund-raising events. (1) Licensees must ensure the owners, managers, or employees of the commercial business premises used for the FRE do not participate in the operation of any of the FRE activities.

(2) Licensees must not hold an FRE on the premises of a commercial business if any of the licensee's officers are owners, managers, or employees of the commercial business.

WAC 230-09-090 Control of premises. Licensees must have, and exercise, complete control over the portion of the premises where the FRE takes place at all times they conduct the FRE. However, if the sale, service, or consumption of liquor is permitted in that portion of the premises, the liquor licensee or permittee must be responsible for compliance with liquor laws and regulations.

WAC 230-09-095 Using, leasing, or renting equipment. (1) FRE licensees must purchase, lease, or rent gambling equipment only from a licensed distributor or another FRE licensee.

(2) FRE licensees may sell their equipment to other FRE licensees or distributors.

(3) FRE licensees may loan or rent their own equipment for up to four events per year without obtaining an FRE equipment distributor license if:

(a) The FREs take place within the twelve calendar month period following the licensee's last FRE; and

(b) The licensee ensures their equipment is only used in FREs or other authorized activities, such as bingo.

(4) FRE equipment distributor licensees must sell, rent, or lease gambling equipment, premises, or services for use in an FRE on commercially reasonable terms.

(5) Licensees must make all rentals at a lump sum or hourly rate and rentals must not be based on a percentage of the income or profit from the FRE.

WAC 230-09-100 Pull-tabs authorized. Licensees must operate pull-tabs solely under their FRE license, not under a separate pull-tab license. If licensees sell pull-tabs, they must:

(1) Purchase the pull-tabs for specific use at FREs and record the identification and inspection services stamps on the form we provide; and

(2) Mix the pull-tabs and sell them out of a clear container. Licensees must not use a coin-operated dispensing device; and

(3) Use the manufacturer's set price for each specific series; and

(4) Have no more than three pull-tab series out for play at one time; and

(5) Sell all pull-tabs from a booth or similar confined area which prohibits public access to the pull-tabs; and

(6) Treat each pull-tab series as a separately numbered gambling station. Each series must have a separate corresponding lock box, money paddle, and chip tray for making change and payment of prizes. The attendant(s) on duty must immediately place all currency, coins, or chips used to purchase pull-tabs in the corresponding lock box. All change given back to players must be in the form of chips or coins from the chip tray; and

(7) Deface all winning pull-tabs when they are cashed in and put them in the corresponding lock box; and

(8) Pay winning pull-tabs in chips and coins only, or players may cash in winning pull-tabs for additional pull-tabs only from the same series; and

(9) Comply with all other rules and laws for pull-tabs in Title 230 WAC and chapter 9.46 RCW.

WAC 230-09-105 Processing pull-tabs after play. When attendants remove a series from play, a runner must take the series, including the flare, the corresponding lock box, and chip tray to the count room.

(1) Cashiers must immediately record all gross gambling receipts collected, prizes paid, and tabs sold and write the totals on the pull-tab accounting report we furnish according to the instructions attached; and

(2) After completing the count, cashiers must package or band winning pull-tabs separately and place them with the unused portion of that particular series in the original shipping container. The licensee must retain the used series for one year; and

(3) At the completion of the FRE, licensees must:

(a) Take all series still out for play to the count room and follow count room procedures; and

(b) Return all unopened pull-tab series to the licensed distributor who sold the series for a full refund. Licensees must not sell or operate the unopened series under their separate pull-tab license.

WAC 230-09-110 Punch boards not authorized. Fund-raising event licensees must not operate punch boards as part of the FRE.

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WAC 230-09-115 Bingo authorized. Licensees must operate bingo solely under their FRE license, not under a separate bingo license. If licensees operate bingo, they must:

- (1) Count income from bingo against the maximum net receipts authorized for FREs; and
- (2) Comply with all of our rules for Class A, B, and C bingo.

WAC 230-09-120 Disposable bingo cards at fund-raising events. (1) Licensees that have a separate bingo license and use disposable bingo cards at the FRE must follow the inventory control procedures for disposable cards in the bingo rules chapter.

(2) Licensees that do not have a separate bingo license must keep all unused disposable cards or packets as part of the FRE record. Licensees may return unused cards or packets to the distributor if there are no breaks in the consecutive card/control numbers. Licensees must receive documentation from the distributor of the total number of cards or packets returned and the beginning and ending card/control numbers.

WAC 230-09-125 Raffles authorized. (1) Licensees may operate raffles at FREs in one of two ways:

(a) **Solely under their fund-raising event license.** Licensees must conduct all aspects of the raffle during the FRE. Income from this raffle counts toward the FRE limits; or

(b) **Under a separate raffle license.** Licensees must sell all tickets for the raffle and deposit all tickets in the drawing receptacle before the FRE and hold the raffle drawing at the FRE. Income from this raffle counts toward the limits of the licensee's raffle class.

(2) For raffles conducted under an FRE license, licensees must:

- (a) Not sell single FRE raffle tickets for more than twenty-five dollars per ticket; and
- (b) Not require a person to buy more than one ticket; and
- (c) Use consecutively numbered tickets; and
- (d) Ensure that each ticket has a separate and equal chance to win; and
- (e) Randomly draw the winning ticket; and
- (f) Operate and account for raffles as independent gambling stations at the FRE; and
- (g) Maintain records to verify gross sales of tickets; and
- (h) Report all FRE raffle income, prizes awarded, and other expenses and these amounts count toward the maximum net receipts authorized for FREs.

WAC 230-09-130 Blackjack or "21" authorized. Licensees may operate blackjack or "21" at licensed FREs according to the following requirements:

(1) Dealers must deal all cards from a dealing shoe. The deal must begin with a shoe containing at least four full decks of cards and proceed until the cards are reshuffled, withdrawn for examination, or replaced. The

shoe must then be refilled with at least four decks of cards and the process repeated; and

- (2) Dealers must deal cards to the players face up on the table; and
- (3) Players must not pick up, shuffle, or cut the cards; and
- (4) Licensees must use only standard size playing cards; and
- (5) Dealers may shuffle the cards using a device, apparatus, or mechanism.

WAC 230-09-131 Poker tournaments authorized. Licensees may operate poker tournaments at fund-raising events. Licensees must:

- (1) Adopt and prominently post tournament rules; and
- (2) Count all money paid to enter a tournament or purchase chips as a wager when determining their ten thousand dollar net receipts limits; and
- (3) Not allow chips used in poker tournaments to have a monetary value; and
- (4) Allow chips to be redeemed for cash and/or merchandise prizes; and
- (5) Maintain a record of all prizes awarded, including, at least:
 - (a) The amount paid for each prize; and
 - (b) For donated prizes, the name of the donor and a description of the prize(s) donated; and
 - (c) The name and complete address of each winner.

WAC 230-09-135 Joining together with other licensees to conduct a fund-raising event. FRE licensees may jointly conduct an FRE if they:

- (1) Do not exceed their individual FRE limit for the calendar year or a single event; and
- (2) Prepare a list of all persons from their organizations participating in the management or operation of the FRE. The list must be available on the premises of the FRE and contain, at a minimum, the name, address, telephone number, and a brief statement signed by the chief executive officer certifying that each member listed is a full and regular member of the organization; and
- (3) Keep records which clearly disclose the amount of money received and spent in connection with the joint FRE.

WAC 230-09-140 Lead organization responsibilities. The lead organization must:

- (1) Be responsible for the central accounting system; and
- (2) Comply with all recordkeeping and reporting rules; and
- (3) Deposit the ending cash on hand; and
- (4) Prepare and submit a fund-raising event report; and
- (5) Disburse all funds due to any participating organizations by check within thirty days following the event.

CONDENSED LICENSING RULES
Fund-Raising Event (Standard or Limited)

WAC 230-09-145 Limited fund-raising event defined. A limited FRE means:

- (1) Only members and guests of the organization may participate in a limited FRE. A limited FRE is not open to the public; and
- (2) Only merchandise prizes, not cash, are awarded; and
- (3) The organization may hire a licensed FRE equipment distributor to provide the equipment and staff to operate gambling stations; and
- (4) The organization may deduct the cost of equipment rental and services when calculating the FRE net receipts limits.

WAC 230-09-150 Operating a limited fund-raising event. (1) Licensees must:

- (a) Require participants to purchase scrip with cash; and
 - (b) Exchange scrip at gambling stations for chips; and
 - (c) Allow only full and regular members to make cash transactions for scrip and maintain records during the FRE; and
 - (d) Disclose the prizes offered. The costs of prizes must not exceed fair market value. The organization may advertise the prize to the participants at the retail value; and
 - (e) Prevent the cost of all prizes from exceeding ten percent of the gross revenue of the event; and
 - (f) Comply with all other FRE rules.
- (2) Licensees may allow unlimited wagering when using scrip and poker tournament chips.

WAC 230-09-155 Recordkeeping at limited fund-raising events. Limited FREs licensees must comply with WAC 230-06-070. In order to show compliance with FRE limits, licensees also must provide details regarding how much of the admission fees from the limited FRE they allocate to gambling scrip and how much they allocate to other activities, such as meals and entertainment.

WAC 230-09-160 Fund-raising event distributor rules at limited fund-raising events. (1) The FRE equipment distributor must not share in any way in the proceeds of the FRE.

- (2) Employees of the FRE equipment distributor must:
 - (a) Wear a name tag with, at a minimum, their first name and the full name of the distributor; and
 - (b) Not handle cash transactions; and
 - (c) Not allow participants to purchase chips with cash.

WAC 230-09-165 Restrictions on gambling activities at limited fund-raising events. (1) Licensees must not sell pull-tabs at limited FREs.

- (2) Licensees may operate poker tournaments. Tournament rules must be established and prominently posted.
- (3) Licensees must ensure that participants play only for merchandise prizes.
- (4) Licensees may allow participants to exchange chips or scrip for raffle tickets at the end of a limited FRE to determine who will win merchandise prizes.
- (5) Licensees may only sell bingo cards to participants in exchange for scrip.

CONDENSED LICENSING RULES
Fund-Raising Event (Standard or Limited)

RCW 9.46.075 Gambling commission — Denial, suspension, or revocation of license, permit — Other provisions not applicable. The commission may deny an application, or suspend or revoke any license or permit issued by it, for any reason or reasons, it deems to be in the public interest. These reasons shall include, but not be limited to, cases wherein the applicant or licensee, or any person with any interest therein:

(1) Has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by chapter 9.46 RCW and any amendments thereto, or any rules adopted by the commission pursuant thereto, or when a violation of any provision of chapter 9.46 RCW, or any commission rule, has occurred upon any premises occupied or operated by any such person or over which he or she has substantial control;

(2) Knowingly causes, aids, abets, or conspires with another to cause, any person to violate any of the laws of this state or the rules of the commission;

(3) Has obtained a license or permit by fraud, misrepresentation, concealment, or through inadvertence or mistake;

(4) Has been convicted of, or forfeited bond upon a charge of, or pleaded guilty to, forgery, larceny, extortion, conspiracy to defraud, wilful failure to make required payments or reports to a governmental agency at any level, or filing false reports therewith, or of any similar offense or offenses, or of bribing or otherwise unlawfully influencing a public official or employee of any state or the United States, or of any crime, whether a felony or misdemeanor involving any gambling activity or physical harm to individuals or involving moral turpitude;

(5) Denies the commission or its authorized representatives, including authorized local law enforcement agencies, access to any place where a licensed activity is conducted or who fails promptly to produce for inspection or audit any book, record, document or item required by law or commission rule;

(6) Shall fail to display its license on the premises where the licensed activity is conducted at all times during the operation of the licensed activity;

(7) Makes a misrepresentation of, or fails to disclose, a material fact to the commission;

(8) Fails to prove, by clear and convincing evidence, that he, she or it is qualified in accordance with the provisions of this chapter;

(9) Is subject to current prosecution or pending charges, or a conviction which is under appeal, for any of the offenses included under subsection (4) of this section: PROVIDED, That at the request of an applicant for an original license, the commission may defer decision upon the application during the pendency of such prosecution or appeal;

(10) Has pursued or is pursuing economic gain in an occupational manner or context which is in violation of the criminal or civil public policy of this state if such pursuit creates probable cause to believe that the participation of such person in gambling or related activities would be inimical to the proper operation of an authorized gambling or related activity in this state. For the purposes of this section, occupational manner or context shall be defined as the systematic planning, administration, management or execution of an activity for financial gain;

(11) Is a career offender or a member of a career offender cartel or an associate of a career offender or career offender cartel in such a manner which creates probable cause to believe that the association is of such a nature as to be inimical to the policy of this chapter or to the proper operation of the authorized gambling or related activities in this state. For the purposes of this section, career offender shall be defined as any person whose behavior is pursued in an occupational manner or context for the purpose of economic gain utilizing such methods as are deemed criminal violations of the public policy of this state. A career offender cartel shall be defined as any group of persons who operate together as career offenders.

For the purpose of reviewing any application for a license and for considering the denial, suspension or revocation of any license the gambling commission may consider any prior criminal conduct of the applicant or licensee and the provisions of RCW 9.95.240 and of chapter 9.96A RCW shall not apply to such cases.

[1981 c 139 § 4; 1975 1st ex.s. c 166 § 12.]

Notes:

Severability -- 1981 c 139: See note following RCW 9.46.070.

Severability -- 1975 1st ex.s. c 166: See note following RCW 9.46.090.