WASHINGTON STATE GAMBLING COMMISSION

Chapter 9.46 RCW
Gambling – 1973 Act

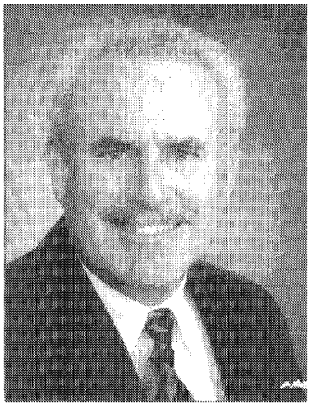
Title 230 WAC
Gambling Commission

Laws and Rules Manual

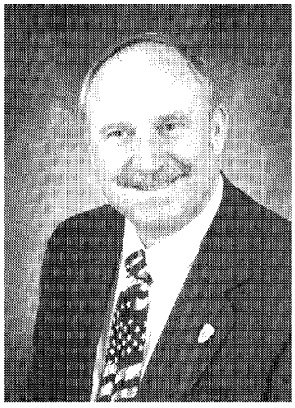
Rick Day, Director

December 2011

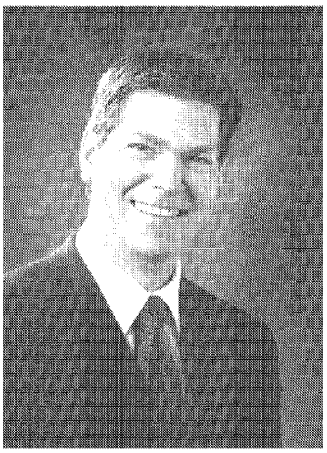
Washington State Gambling Commission



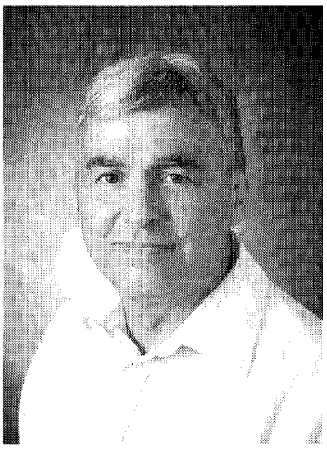
Chair
John Ellis



Vice-Chair
Mike Amos



Commissioner
Keven Rojecki



Commissioner
Michael Reichert

One Commissioner position vacant

Ex Officio Members
Senator Prentice, 11th District
Senator Delvin, 8th District
Representative Alexander, 20th District
Representative Ormsby, 3rd District

Mission: Protect the Public by Ensuring that Gambling is Legal and Honest.

Washington State Gambling Commission

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Chapter 9.46 RCW
Gambling - 1973 Act

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Gambling Commission

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GAMBLING—1973 ACT

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9.46.010 Legislative declaration. The public policy of the state of Washington on gambling is to keep the criminal element out of gambling and to promote the social welfare of

the people by limiting the nature and scope of gambling activities and by strict regulation and control.

It is hereby declared to be the policy of the legislature, recognizing the close relationship between professional gambling and organized crime, to restrain all persons from seeking profit from professional gambling activities in this state; to restrain all persons from patronizing such professional gambling activities; to safeguard the public against the evils induced by common gamblers and common gambling houses engaged in professional gambling; and at the same time, both to preserve the freedom of the press and to avoid restricting participation by individuals in activities and social pastimes, which activities and social pastimes are more for amusement rather than for profit, do not maliciously affect the public, and do not breach the peace.

The legislature further declares that the raising of funds for the promotion of bona fide charitable or nonprofit organizations is in the public interest as is participation in such activities and social pastimes as are hereinafter in this chapter authorized.

The legislature further declares that the conducting of bingo, raffles, and amusement games and the operation of punchboards, pull-tabs, card games and other social pastimes, when conducted pursuant to the provisions of this chapter and any rules and regulations adopted pursuant thereto, are hereby authorized, as are only such lotteries for which no valuable consideration has been paid or agreed to be paid as hereinafter in this chapter provided.

The legislature further declares that fishing derbies shall not constitute any form of gambling and shall not be considered as a lottery, a raffle, or an amusement game and shall not be subject to the provisions of this chapter or any rules and regulations adopted hereunder.

The legislature further declares that raffles authorized by the fish and wildlife commission involving hunting big game animals or wild turkeys shall not be subject to the provisions of this chapter or any rules and regulations adopted hereunder, with the exception of this section and RCW 9.46.400.

All factors incident to the activities authorized in this chapter shall be closely controlled, and the provisions of this chapter shall be liberally construed to achieve such end. [1996 c 101 § 2; 1994 c 218 § 2; 1975 1st ex.s. c 259 § 1; 1974 ex.s. c 155 § 1; 1974 ex.s. c 135 § 1; 1973 1st ex.s. c 218 § 1.]

Findings—1996 c 101: See note following RCW 77.32.530.

Additional notes found at www.leg.wa.gov

9.46.0201 "Amusement game." "Amusement game," as used in this chapter, means a game played for entertainment in which:

(1) The contestant actively participates;

(2) The outcome depends in a material degree upon the skill of the contestant;

(3) Only merchandise prizes are awarded;

(4) The outcome is not in the control of the operator;

(5) The wagers are placed, the winners are determined, and a distribution of prizes or property is made in the presence of all persons placing wagers at such game; and

(6) Said game is conducted or operated by any agricultural fair, person, association, or organization in such manner and at such locations as may be authorized by rules and regulations adopted by the commission pursuant to this chapter as now or hereafter amended.

Cake walks as commonly known and fish ponds as commonly known shall be treated as amusement games for all purposes under this chapter. [1987 c 4 § 2. Formerly RCW 9.46.020(1), part.]

9.46.0205 "Bingo." "Bingo," as used in this chapter, means a game conducted only in the county within which the organization is principally located in which prizes are awarded on the basis of designated numbers or symbols on a card conforming to numbers or symbols selected at random and in which no cards are sold except at the time and place of said game, when said game is conducted by a bona fide charitable or nonprofit organization, or if an agricultural fair authorized under chapters 15.76 and 36.37 RCW, which does not conduct bingo on more than twelve consecutive days in any calendar year, and except in the case of any agricultural fair as authorized under chapters 15.76 and 36.37 RCW, no person other than a bona fide member or an employee of said organization takes any part in the management or operation of said game, and no person who takes any part in the management or operation of said game takes any part in the management or operation of any game conducted by any other organization or any other branch of the same organization, unless approved by the commission, and no part of the proceeds thereof inure to the benefit of any person other than the organization conducting said game. For the purposes of this section, the organization shall be deemed to be principally located in the county within which it has its primary business office. If the organization has no business office, the organization shall be deemed to be located in the county of principal residence of its chief executive officer: PROVIDED, That any organization which is conducting any licensed and established bingo game in any locale as of January 1, 1981, shall be exempt from the requirement that such game be conducted in the county in which the organization is principally located. [2002 c 369 § 1; 1987 c 4 § 3. Formerly RCW 9.46.020(2).]

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 interna-

tional 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.

(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. [2009 c 137 § 1; 2007 c 452 § 1; 2000 c 233 § 1; 1987 c 4 § 4. Formerly RCW 9.46.020(3).]

9.46.0213 "Bookmaking." "Bookmaking," as used in this chapter, means accepting bets, upon the outcome of future contingent events, as a business or in which the bettor is charged a fee or "vigorish" for the opportunity to place a bet. [1991 c 261 § 1; 1987 c 4 § 5. Formerly RCW 9.46.020(4).]

9.46.0217 "Commercial stimulant." "Commercial stimulant," as used in this chapter, means an activity is operated as a commercial stimulant, for the purposes of this chapter, only when it is an activity operated in connection with an established business, with the purpose of increasing the volume of sales of food or drink for consumption on that business premises. The commission may by rule establish guidelines and criteria for applying this definition to its applicants and licensees for gambling activities authorized by this chapter as commercial stimulants. [1994 c 120 § 1; 1987 c 4 § 6. Formerly RCW 9.46.020(5).]

9.46.0221 "Commission." "Commission," as used in this chapter, means the Washington state gambling commission created in RCW 9.46.040. [1987 c 4 § 7. Formerly RCW 9.46.020(6).]

9.46.0225 "Contest of chance." "Contest of chance," as used in this chapter, means any contest, game, gaming scheme, or gaming device in which the outcome depends in a material degree upon an element of chance, notwithstanding that skill of the contestants may also be a factor therein. [1987 c 4 § 8. Formerly RCW 9.46.020(7).]

9.46.0229 "Fishing derby." "Fishing derby," as used in this chapter, means a fishing contest, with or without the payment or giving of an entry fee or other consideration by some or all of the contestants, wherein prizes are awarded for the species, size, weight, or quality of fish caught in a bona fide fishing or recreational event. [1987 c 4 § 9. Formerly RCW 9.46.020(8).]

9.46.0233 "Fund-raising event." (1) "Fund-raising event," as used in this chapter, means a fund-raising event conducted during any seventy-two consecutive hours but exceeding twenty-four consecutive hours and not more than once in any calendar year or a fund-raising event conducted not more than twice each calendar year for not more than twenty-four consecutive hours each time by a bona fide charitable or nonprofit organization as defined in RCW 9.46.0209 other than any agricultural fair referred to thereunder, upon authorization therefor by the commission, which the legisla-

ture hereby authorizes to issue a license therefor, with or without fee, permitting the following activities, or any of them, during such event: Bingo, amusement games, contests of chance, lotteries, and raffles. However: (a) Gross wagers and bets or revenue generated from participants under subsection (2) of this section received by the organization less the amount of money paid by the organization as winnings, or as payment for services or equipment rental under subsection (2) of this section, and for the purchase cost of prizes given as winnings do not exceed ten thousand dollars during the total calendar days of such fund-raising event in the calendar year; (b) such activities shall not include any mechanical gambling or lottery device activated by the insertion of a coin or by the insertion of any object purchased by any person taking a chance by gambling in respect to the device; (c) only bona fide members of the organization who are not paid for such service or persons licensed or approved by the commission under subsection (2) of this section shall participate in the management or operation of the activities, and all income therefrom, after deducting the cost of prizes and other expenses, shall be devoted solely to the lawful purposes of the organization; and (d) such organization shall notify the appropriate local law enforcement agency of the time and place where such activities shall be conducted. The commission shall require an annual information report setting forth in detail the expenses incurred and the revenue received relative to the activities permitted.

(2) Bona fide charitable or nonprofit organizations may hire a person or vendor, who is licensed or approved by the commission, to organize and conduct a fund-raising event on behalf of the sponsoring organization subject to the following restrictions:

(a) The person or vendor may not provide the facility for the event;

(b) The person or vendor may use paid personnel and may be compensated by a fixed fee determined prior to the event, but may not share in the proceeds of the event;

(c) All wagers must be made with scrip or chips having no cash value. At the end of the event, participants may be given the opportunity to purchase or otherwise redeem their scrip or chips for merchandise prizes;

(d) The value of all purchased prizes must not exceed ten percent of the gross revenue from the event; and

(e) Only members and guests of the sponsoring organization may participate in the event.

(3) Bona fide charitable or nonprofit organizations holding a license to conduct a fund-raising event may join together to jointly conduct a fund-raising event if:

(a) Approval to do so is received from the commission; and

(b) The method of dividing the income and expenditures and the method of recording and handling of funds are disclosed to the commission in the application for approval of the joint fund-raising event and are approved by the commission.

The gross wagers and bets or revenue generated from participants under subsection (2) of this section received by the organizations less the amount of money paid by the organizations as winnings, or as payment for services or equipment rental under subsection (2) of this section, and for the purchase costs of prizes given as winnings may not exceed ten thousand dollars during the total calendar days of such event. The net receipts each organization receives shall count against the organization's annual limit stated in this subsection.

A joint fund-raising event shall count against only the lead organization or organizations receiving fifty percent or more of the net receipts for the purposes of the number of such events an organization may conduct each year.

The commission may issue a joint license for a joint fund-raising event and charge a license fee for such license according to a schedule of fees adopted by the commission which reflects the added cost to the commission of licensing more than one licensee for the event. [2000 c 178 § 1; 1987 c 4 § 24. Formerly RCW 9.46.020(23).]

9.46.0237 "Gambling." "Gambling," as used in this chapter, means staking or risking something of value upon the outcome of a contest of chance or a future contingent event not under the person's control or influence, upon an agreement or understanding that the person or someone else will receive something of value in the event of a certain outcome. Gambling does not include fishing derbies as defined by this chapter, parimutuel betting and handicapping contests as authorized by chapter 67.16 RCW, bona fide business transactions valid under the law of contracts, including, but not limited to, contracts for the purchase or sale at a future date of securities or commodities, and agreements to compensate for loss caused by the happening of chance, including, but not limited to, contracts of indemnity or guarantee and life, health, or accident insurance. In addition, a contest of chance which is specifically excluded from the definition of lottery under this chapter shall not constitute gambling. [2005 c 351 § 1; 1987 c 4 § 10. Formerly RCW 9.46.020(9).]

9.46.0241 "Gambling device." "Gambling device," as used in this chapter, means: (1) Any device or mechanism the operation of which a right to money, credits, deposits or other things of value may be created, in return for a consideration, as the result of the operation of an element of chance, including, but not limited to slot machines, video pull-tabs, video poker, and other electronic games of chance; (2) any device or mechanism which, when operated for a consideration, does not return the same value or thing of value for the same consideration upon each operation thereof; (3) any device, mechanism, furniture, fixture, construction or installation designed primarily for use in connection with professional gambling; and (4) any subassembly or essential part designed or intended for use in connection with any such device, mechanism, furniture, fixture, construction or installation. In the application of this definition, a pinball machine or similar mechanical amusement device which confers only an immediate and unrecorded right of replay on players thereof, which does not contain any mechanism which varies the chance of winning free games or the number of free games which may be won or a mechanism or a chute for dispensing coins or a facsimile thereof, and which prohibits multiple winnings depending upon the number of coins inserted and requires the playing of five balls individually upon the insertion of a nickel or dime, as the case may be, to complete any one operation thereof, shall not be deemed a

gambling device: PROVIDED, That owning, possessing, buying, selling, renting, leasing, financing, holding a security interest in, storing, repairing and transporting such pinball machines or similar mechanical amusement devices shall not be deemed engaging in professional gambling for the purposes of this chapter and shall not be a violation of this chapter: PROVIDED FURTHER, That any fee for the purchase or rental of any such pinball machines or similar amusement devices shall have no relation to the use to which such machines are put but be based only upon the market value of any such machine, regardless of the location of or type of premises where used, and any fee for the storing, repairing and transporting thereof shall have no relation to the use to which such machines are put, but be commensurate with the cost of labor and other expenses incurred in any such storing, repairing and transporting. [1994 c 218 § 8; 1987 c 4 § 11. Formerly RCW 9.46.020(10).]

Additional notes found at www.leg.wa.gov

9.46.0245 "Gambling information." "Gambling information," as used in this chapter, means any wager made in the course of and any information intended to be used for professional gambling. In the application of this definition, information as to wagers, betting odds and changes in betting odds shall be presumed to be intended for use in professional gambling. This section shall not apply to newspapers of general circulation or commercial radio and television stations licensed by the federal communications commission. [1987 c 4 § 12. Formerly RCW 9.46.020(11).]

9.46.0249 "Gambling premises." "Gambling premises," as used in this chapter, means any building, room, enclosure, vehicle, vessel or other place used or intended to be used for professional gambling. In the application of this definition, any place where a gambling device is found shall be presumed to be intended to be used for professional gambling. [1987 c 4 § 13. Formerly RCW 9.46.020(12).]

9.46.0253 "Gambling record." "Gambling record," as used in this chapter, means any record, receipt, ticket, certificate, token, slip or notation given, made, used or intended to be used in connection with professional gambling. [1987 c 4 § 14. Formerly RCW 9.46.020(13).]

9.46.0257 "Lottery." "Lottery," as used in this chapter, means a scheme for the distribution of money or property by chance, among persons who have paid or agreed to pay a valuable consideration for the chance. [1987 c 4 § 15. Formerly RCW 9.46.020(14).]

9.46.0261 "Member," "bona fide member." "Member" and "bona fide member," as used in this chapter, mean a person accepted for membership in an organization eligible to be licensed by the commission under this chapter upon application, with such action being recorded in the official minutes of a regular meeting or who has held full and regular membership status in the organization for a period of not less than twelve consecutive months prior to participating in the management or operation of any gambling activity. Such membership must in no way be dependent upon, or in any way related to, the payment of consideration to participate in any gambling activity.

Member or bona fide member shall include only members of an organization's specific chapter or unit licensed by the commission or otherwise actively conducting the gambling activity: PROVIDED, That:

(1) Members of chapters or local units of a state, regional or national organization may be considered members of the parent organization for the purpose of a gambling activity conducted by the parent organization, if the rules of the parent organization so permit;

(2) Members of a bona fide auxiliary to a principal organization may be considered members of the principal organization for the purpose of a gambling activity conducted by the principal organization. Members of the principal organization may also be considered members of its auxiliary for the purpose of a gambling activity conducted by the auxiliary; and

(3) Members of any chapter or local unit within the jurisdiction of the next higher level of the parent organization, and members of a bona fide auxiliary to that chapter or unit, may assist any other chapter or local unit of that same organization licensed by the commission in the conduct of gambling activities.

No person shall be a member of any organization if that person's primary purpose for membership is to become, or continue to be, a participant in, or an operator or manager of, any gambling activity or activities. [1987 c 4 § 16. Formerly RCW 9.46.020(15).]

9.46.0265 "Player." "Player," as used in this chapter, means a natural person who engages, on equal terms with the other participants, and solely as a contestant or bettor, in any form of gambling in which no person may receive or become entitled to receive any profit therefrom other than personal gambling winnings, and without otherwise rendering any material assistance to the establishment, conduct or operation of a particular gambling activity. A natural person who gambles at a social game of chance on equal terms with the other participants shall not be considered as rendering material assistance to the establishment, conduct or operation of the social game merely by performing, without fee or remuneration, acts directed toward the arrangement or facilitation of the game, such as inviting persons to play, permitting the use of premises for the game, or supplying cards or other equipment to be used in the games. A person who engages in "bookmaking" as defined in this chapter is not a "player." A person who pays a fee or "vigorish" enabling him or her to place a wager with a bookmaker, or pays a fee other than as authorized by this chapter to participate in a card game, contest of chance, lottery, or gambling activity, is not a player. [1997 c 118 § 2; 1991 c 261 § 2; 1987 c 4 § 17. Formerly RCW 9.46.020(16).]

9.46.0269 "Professional gambling." (1) A person is engaged in "professional gambling" for the purposes of this chapter when:

(a) Acting other than as a player or in the manner authorized by this chapter, the person knowingly engages in conduct which materially aids any form of gambling activity; or

(b) Acting other than in a manner authorized by this chapter, the person pays a fee to participate in a card game, contest of chance, lottery, or other gambling activity; or

(c) Acting other than as a player or in the manner authorized by this chapter, the person knowingly accepts or receives money or other property pursuant to an agreement or understanding with any other person whereby he or she participates or is to participate in the proceeds of gambling activity; or

(d) The person engages in bookmaking; or

(e) The person conducts a lottery; or

(f) The person violates RCW 9.46.039.

(2) Conduct under subsection (1)(a) of this section, except as exempted under this chapter, includes but is not limited to conduct directed toward the creation or establishment of the particular game, contest, scheme, device or activity involved, toward the acquisition or maintenance of premises, paraphernalia, equipment or apparatus therefor, toward the solicitation or inducement of persons to participate therein, toward the actual conduct of the playing phases thereof, toward the arrangement of any of its financial or recording phases, or toward any other phase of its operation. If a person having substantial proprietary or other authoritative control over any premises shall permit the premises to be used with the person's knowledge for the purpose of conducting gambling activity other than gambling activities authorized by this chapter, and acting other than as a player, and the person permits such to occur or continue or makes no effort to prevent its occurrence or continuation, the person shall be considered as being engaged in professional gambling: PROVIDED, That the proprietor of a bowling establishment who awards prizes obtained from player contributions, to players successfully knocking down pins upon the contingency of identifiable pins being placed in a specified position or combination of positions, as designated by the posted rules of the bowling establishment, where the proprietor does not participate in the proceeds of the "prize fund" shall not be construed to be engaging in "professional gambling" within the meaning of this chapter: PROVIDED FURTHER, That the books and records of the games shall be open to public inspection. [1997 c 78 § 1; 1996 c 252 § 2; 1987 c 4 § 18. Formerly RCW 9.46.020(17).]

9.46.0273 "Punchboards," "pull-tabs." "Punchboards" and "pull-tabs," as used in this chapter, shall be given their usual and ordinary meaning as of July 16, 1973, except that such definition may be revised by the commission pursuant to rules and regulations promulgated pursuant to this chapter. [1987 c 4 § 19. Formerly RCW 9.46.020(18).]

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. [2009 c 133 § 1; 1995 2nd sp.s. c 4 § 1; 1987 c 4 § 20. Formerly RCW 9.46.020(19).]

9.46.0282 "Social card game." "Social card game" as used in this chapter means a card game that constitutes gambling and is authorized by the commission under RCW 9.46.070. Authorized card games may include a house-banked or a player-funded banked card game. No one may participate in the card game or have an interest in the proceeds of the card game who is not a player or a person licensed by the commission to participate in social card games. There shall be two or more participants in the card game who are players or persons licensed by the commission. The card game must be played in accordance with the rules adopted by the commission under RCW 9.46.070, which shall include but not be limited to rules for the collection of fees, limitation of wagers, and management of player funds. The number of tables authorized shall be set by the commission but shall not exceed a total of fifteen separate tables per establishment. [1997 c 118 § 1.]

9.46.0285 "Thing of value." "Thing of value," as used in this chapter, means any money or property, any token, object or article exchangeable for money or property, or any form of credit or promise, directly or indirectly, contemplating transfer of money or property or of any interest therein, or involving extension of a service, entertainment or a privilege of playing at a game or scheme without charge. [1987 c 4 § 22. Formerly RCW 9.46.020(21).]

9.46.0289 "Whoever," "person." "Whoever" and "person," as used in this chapter, include natural persons, corporations and partnerships and associations of persons; and when any corporate officer, director or stockholder or any partner authorizes, participates in, or knowingly accepts benefits from any violation of this chapter committed by his or her corporation or partnership, he or she shall be punishable for such violation as if it had been directly committed by him or her. [1987 c 4 § 23. Formerly RCW 9.46.020(22).]

9.46.0305 Dice or coin contests for music, food, or beverage payment. The legislature hereby authorizes the wagering on the outcome of the roll of dice or the flipping of or matching of coins on the premises of an establishment engaged in the business of selling food or beverages for consumption on the premises to determine which of the participants will pay for coin-operated music on the premises or certain items of food or beverages served or sold by such establishment and therein consumed. Such establishments are hereby authorized to possess dice and dice cups on their premises, but only for use in such limited wagering. Persons engaged in such limited form of wagering shall not be subject to the criminal or civil penalties otherwise provided for in this chapter. [2009 c 357 § 1; 1987 c 4 § 25. Formerly RCW 9.46.020(1), part.]

Minors barred from gambling activities: RCW 9.46.228.

9.46.0311 Charitable, nonprofit organizations—Authorized gambling activities. The legislature hereby authorizes bona fide charitable or nonprofit organizations to

conduct bingo games, raffles, amusement games, and fund-raising events, and to utilize punchboards and pull-tabs and to allow their premises and facilities to be used by only members, their guests, and members of a chapter or unit organized under the same state, regional, or national charter or constitution, to play social card games authorized by the commission, when licensed, conducted or operated pursuant to the provisions of this chapter and rules and regulations adopted pursuant thereto. [1987 c 4 § 26. Formerly RCW 9.46.030(1).]

9.46.0315 Raffles—No license required, when. Bona fide charitable or bona fide nonprofit organizations organized primarily for purposes other than the conduct of raffles, are hereby authorized to conduct raffles without obtaining a license to do so from the commission when such raffles are held in accordance with all other requirements of this chapter, other applicable laws, and rules of the commission; when gross revenues from all such raffles held by the organization during the calendar year do not exceed five thousand dollars; and when tickets to such raffles are sold only to, and winners are determined only from among, the regular members of the organization conducting the raffle. The organization may provide unopened containers of beverages containing alcohol as raffle prizes if the appropriate permit has been obtained from the liquor control board: PROVIDED, That the term members for this purpose shall mean only those persons who have become members prior to the commencement of the raffle and whose qualification for membership was not dependent upon, or in any way related to, the purchase of a ticket, or tickets, for such raffles. [1991 c 192 § 4; 1987 c 4 § 27. Formerly RCW 9.46.030(2).]

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. [1987 c 4 § 28. Formerly RCW 9.46.030(3).]

9.46.0325 Social card games, punchboards, pull-tabs authorized. The legislature hereby authorizes any person, association or organization operating an established business primarily engaged in the selling of food or drink for consumption on the premises to conduct social card games and to utilize punchboards and pull-tabs as a commercial stimulant to such business when licensed and utilized or operated pursuant to the provisions of this chapter and rules and regulations adopted pursuant thereto. [1987 c 4 § 29. Formerly RCW 9.46.030(4).]

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. [2009 c 78 § 1; 1991 c 287 § 1; 1987 c 4 § 30. Formerly RCW 9.46.030(5).]

9.46.0335 Sports pools authorized. The legislature hereby authorizes any person, association, or organization to conduct sports pools without a license to do so from the commission but only when the outcome of which is dependent upon the score, or scores, of a certain athletic contest and which is conducted only in the following manner:

(1) A board or piece of paper is divided into one hundred equal squares, each of which constitutes a chance to win in the sports pool and each of which is offered directly to prospective contestants at one dollar or less;

(2) The purchaser of each chance or square signs his or her name on the face of each square or chance he or she purchases; and

(3) At some time not later than prior to the start of the subject athletic contest the pool is closed and no further chances in the pool are sold;

(4) After the pool is closed a prospective score is assigned by random drawing to each square;

(5) All money paid by entrants to enter the pool less taxes is paid out as the prize or prizes to those persons holding squares assigned the winning score or scores from the subject athletic contest;

(6) The sports pool board is available for inspection by any person purchasing a chance thereon, the commission, or by any law enforcement agency upon demand at all times prior to the payment of the prize;

(7) The person or organization conducting the pool is conducting no other sports pool on the same athletic event; and

(8) The sports pool conforms to any rules and regulations of the commission applicable thereto. [1987 c 4 § 31. Formerly RCW 9.46.030(6).]

9.46.0341 Golfing sweepstakes authorized. The legislature hereby authorizes bona fide charitable or nonprofit organizations to conduct, without the necessity of obtaining a permit or license to do so from the commission, golfing sweepstakes permitting wagers of money, and the same shall not constitute such gambling or lottery as otherwise prohibited in this chapter, or be subject to civil or criminal penalties thereunder, but this only when the outcome of such golfing sweepstakes is dependent upon the score, or scores, or the playing ability, or abilities, of a golfing contest between individual players or teams of such players, conducted in the following manner:

(1) Wagers are placed by buying tickets on any players in a golfing contest to "win," "place," or "show" and those holding tickets on the three winners may receive a payoff similar to the system of betting identified as parimutuel, such moneys placed as wagers to be used primarily as winners' proceeds, except moneys used to defray the expenses of such golfing sweepstakes or otherwise used to carry out the purposes of such organization; or

(2) Participants in any golfing contest(s) pay a like sum of money into a common fund on the basis of attaining a stated number of points ascertainable from the score of such participants, and those participants attaining such stated number of points share equally in the moneys in the common fund, without any percentage of such moneys going to the sponsoring organization; or

(3) An auction is held in which persons may bid on the players or teams of players in the golfing contest, and the person placing the highest bid on the player or team that wins the golfing contest receives the proceeds of the auction, except

moneys used to defray the expenses of the golfing sweepstakes or otherwise used to carry out the purposes of the organizations; and

(4) Participation is limited to members of the sponsoring organization and their bona fide guests. [1997 c 38 § 1; 1987 c 4 § 32. Formerly RCW 9.46.030(7).]

9.46.0345 Bowling sweepstakes authorized. The legislature hereby authorizes bowling establishments to conduct, without the necessity of obtaining a permit or license to do so, as a commercial stimulant, a bowling activity which permits bowlers to purchase tickets from the establishment for a predetermined and posted amount of money, which tickets are then selected by the luck of the draw and the holder of the matching ticket so drawn has an opportunity to bowl a strike and if successful receives a predetermined and posted monetary prize: PROVIDED, That all sums collected by the establishment from the sale of tickets shall be returned to purchasers of tickets and no part of the proceeds shall inure to any person other than the participants winning in the game or a recognized charity. The tickets shall be sold, and accounted for, separately from all other sales of the establishment. The price of any single ticket shall not exceed one dollar. Accounting records shall be available for inspection during business hours by any person purchasing a chance thereon, by the commission or its representatives, or by any law enforcement agency. [1987 c 4 § 33. Formerly RCW 9.46.030(8).]

9.46.0351 Social card, dice games—Use of premises of charitable, nonprofit organizations. (1) The legislature hereby authorizes any bona fide charitable or nonprofit organization which is licensed pursuant to RCW 66.24.400, and its officers and employees, to allow the use of the premises, furnishings, and other facilities not gambling devices of such organization by members of the organization, and members of a chapter or unit organized under the same state, regional, or national charter or constitution, who engage as players in the following types of gambling activities only:

(a) Social card games; and

(b) Social dice games, which shall be limited to contests of chance, the outcome of which are determined by one or more rolls of dice.

(2) Bona fide charitable or nonprofit organizations shall not be required to be licensed by the commission in order to allow use of their premises in accordance with this section. However, the following conditions must be met:

(a) No organization, corporation, or person shall collect or obtain or charge any percentage of or shall collect or obtain any portion of the money or thing of value wagered or won by any of the players: PROVIDED, That a player may collect his or her winnings; and

(b) No organization, corporation, or person shall collect or obtain any money or thing of value from, or charge or impose any fee upon, any person which either enables him or her to play or results in or from his or her playing: PROVIDED, That this subsection shall not preclude collection of a membership fee which is unrelated to participation in gambling activities authorized under this section. [1999 c 143 § 5; 1987 c 4 § 34. Formerly RCW 9.46.030(9).]

9.46.0356 Promotional contests of chance authorized. (1) The legislature authorizes:

(a) A business to conduct a promotional contest of chance as defined in this section, in this state, or partially in this state, whereby the elements of prize and chance are present but in which the element of consideration is not present;

(b) A financial institution, as defined in RCW 30.22.040, to conduct a promotional contest of chance under this section in which: (i) A drawing for an annual prize is held that includes as eligible prize recipients only those persons who deposited funds at the financial institution in a savings account, certificate of deposit, or any other savings program and retained those funds for at least twelve months in the savings account, certificate of deposit, or other savings program; and (ii) drawings for other prizes are held from time to time that include as eligible prize recipients only those persons who deposited funds at the financial institution in a savings account, certificate of deposit, or other savings program. No such contest may be conducted, either wholly or partially, by means of the internet.

(2) Promotional contests of chance under this section are not gambling as defined in RCW 9.46.0237.

(3) Promotional contests of chance shall be conducted as advertising and promotional undertakings solely for the purpose of advertising or promoting the services, goods, wares, and merchandise of a business.

(4) No person eligible to receive a prize in a promotional contest of chance under subsection (1)(a) of this section may be required to:

(a) Pay any consideration to the promoter or operator of the business in order to participate in the contest; or

(b) Purchase any service, goods, wares, merchandise, or anything of value from the business, however, for other than contests entered through a direct mail solicitation, the promoter or sponsor may give additional entries or chances upon purchase of service, goods, wares, or merchandise if the promoter or sponsor provides an alternate method of entry requiring no consideration.

(5) No person eligible to receive a prize in a promotional contest of chance under subsection (1)(b) of this section may be required to pay any consideration other than the deposit of funds, or purchase any service, goods, wares, merchandise, or anything of value from the financial institution.

(6)(a) As used in this section, "consideration" means anything of pecuniary value required to be paid to the promoter or sponsor in order to participate in a promotional contest. Such things as visiting a business location, placing or answering a telephone call, completing an entry form or customer survey, or furnishing a stamped, self-addressed envelope do not constitute consideration.

(b) Coupons or entry blanks obtained by purchase of a bona fide newspaper or magazine or in a program sold in conjunction with a regularly scheduled sporting event are not consideration.

(7) Unless authorized by the commission, equipment or devices made for use in a gambling activity are prohibited from use in a promotional contest.

(8) This section shall not be construed to permit noncompliance with chapter 19.170 RCW, promotional advertising

of prizes, and chapter 19.86 RCW, unfair business practices. [2011 c 303 § 2; 2000 c 228 § 1.]

Findings—Intent—2011 c 303: "The legislature finds that consumer savings is essential, both for individuals seeking to obtain the American dream, and in order to rebuild a strong economy. The legislature further finds that for most of the last two decades, consumers have borrowed more than they have saved, with current United States savings rates under six percent. The legislature intends to encourage financial institutions to develop innovative products that create incentives to encourage consumer savings, particularly savings by low-income consumers." [2011 c 303 § 1.]

9.46.0361 Turkey shoots authorized. The legislature hereby authorizes bona fide charitable or nonprofit organizations to conduct, without the necessity of obtaining a permit or license to do so from the commission, turkey shoots permitting wagers of money. Such contests shall not constitute such gambling or lottery as otherwise prohibited in this chapter, or be subject to civil or criminal penalties. Such organizations must be organized for purposes other than the conduct of turkey shoots.

Such turkey shoots shall be held in accordance with all other requirements of this chapter, other applicable laws, and rules that may be adopted by the commission. Gross revenues from all such turkey shoots held by the organization during the calendar year shall not exceed five thousand dollars. Turkey shoots conducted under this section shall meet the following requirements:

(1) The target shall be divided into one hundred or fewer equal sections, with each section constituting a chance to win. Each chance shall be offered directly to a prospective contestant for one dollar or less;

(2) The purchaser of each chance shall sign his or her name on the face of the section he or she purchases;

(3) The person shooting at the target shall not be a participant in the contest, but shall be a member of the organization conducting the contest;

(4) Participation in the contest shall be limited to members of the organization which is conducting the contest and their guests;

(5) The target shall contain the following information:

(a) Distance from the shooting position to the target;

(b) The gauge of the shotgun;

(c) The type of choke on the barrel;

(d) The size of shot that will be used; and

(e) The prize or prizes that are to be awarded in the contest;

(6) The targets, shotgun, and ammunition shall be available for inspection by any person purchasing a chance thereon, the commission, or by any law enforcement agency upon demand, at all times before the prizes are awarded;

(7) The turkey shoot shall award the prizes based upon the greatest number of shots striking a section;

(8) No turkey shoot may offer as a prize the right to advance or continue on to another turkey shoot or turkey shoot target; and

(9) Only bona fide members of the organization who are not paid for such service may participate in the management or operation of the turkey shoot, and all income therefrom, after deducting the cost of prizes and other expenses, shall be devoted solely to the lawful purposes of the organization. [1987 c 4 § 36. Formerly RCW 9.46.030(12).]

9.46.039 Greyhound racing prohibited. (1) A person may not hold, conduct, or operate live greyhound racing for public exhibition, parimutuel betting, or special exhibition events, if such activities are conducted for gambling purposes. A person may not transmit or receive intrastate or interstate simulcasting of greyhound racing for commercial, parimutuel, or exhibition purposes, if such activities are conducted for gambling purposes.

(2) A person who violates this section is guilty of a class B felony, under RCW 9.46.220, professional gambling in the first degree, and is subject to the penalty under RCW 9A.20.021. [1996 c 252 § 1.]

9.46.040 Gambling commission—Members—Appointment—Vacancies, filling. There shall be a commission, known as the "Washington state gambling commission", consisting of five members appointed by the governor with the consent of the senate. The members of the commission shall be appointed within thirty days of July 16, 1973 for terms beginning July 1, 1973, and expiring as follows: One member of the commission for a term expiring July 1, 1975; one member of the commission for a term expiring July 1, 1976; one member of the commission for a term expiring July 1, 1977; one member of the commission for a term expiring July 1, 1978; and one member of the commission for a term expiring July 1, 1979; each as the governor so determines. Their successors, all of whom shall be citizen members appointed by the governor with the consent of the senate, upon being appointed and qualified, shall serve six year terms: PROVIDED, That no member of the commission who has served a full six year term shall be eligible for reappointment. In case of a vacancy, it shall be filled by appointment by the governor for the unexpired portion of the term in which said vacancy occurs. No vacancy in the membership of the commission shall impair the right of the remaining member or members to act, except as in RCW 9.46.050(2) provided.

In addition to the members of the commission there shall be four ex officio members without vote from the legislature consisting of: (1) Two members of the senate, one from the majority political party and one from the minority political party, both to be appointed by the president of the senate; (2) two members of the house of representatives, one from the majority political party and one from the minority political party, both to be appointed by the speaker of the house of representatives; such appointments shall be for the term of two years or for the period in which the appointee serves as a legislator, whichever expires first; members may be reappointed; vacancies shall be filled in the same manner as original appointments are made. Such ex officio members who shall collect data deemed essential to future legislative proposals and exchange information with the board shall be deemed engaged in legislative business while in attendance upon the business of the board and shall be limited to such allowances therefor as otherwise provided in RCW 44.04.120, the same to be paid from the "gambling revolving fund" as being expenses relative to commission business. [1974 ex.s. c 155 § 12; 1974 ex.s. c 135 § 12; 1973 1st ex.s. c 218 § 4.]

Additional notes found at www.leg.wa.gov

9.46.050 Gambling commission—Chair—Quorum—Meetings—Compensation and travel expenses—Bond—Removal. (1) Upon appointment of the initial membership the commission shall meet at a time and place designated by the governor and proceed to organize, electing one of such members as chair of the commission who shall serve until July 1, 1974; thereafter a chair shall be elected annually.

(2) A majority of the members shall constitute a quorum of the commission: PROVIDED, That all actions of the commission relating to the regulation of licensing under this chapter shall require an affirmative vote by three or more members of the commission.

(3) The principal office of the commission shall be at the state capitol, and meetings shall be held at least quarterly and at such other times as may be called by the chair or upon written request to the chair of a majority of the commission.

(4) Members shall be compensated in accordance with RCW 43.03.250 and shall receive reimbursement for travel expenses incurred in the performance of their duties as provided in RCW 43.03.050 and 43.03.060.

(5) Before entering upon the duties of his or her office, each of the members of the commission shall enter into a surety bond executed by a surety company authorized to do business in this state, payable to the state of Washington, to be approved by the governor, in the penal sum of fifty thousand dollars, conditioned upon the faithful performance of his or her duties, and shall take and subscribe to the oath of office prescribed for elective state officers, which oath and bond shall be filed with the secretary of state. The premium for said bond shall be paid by the commission.

(6) Any member of the commission may be removed for inefficiency, malfeasance, or misfeasance in office, upon specific written charges filed by the governor, who shall transmit such written charges to the member accused and to the chief justice of the supreme court. The chief justice shall thereupon designate a tribunal composed of three judges of the superior court to hear and adjudicate the charges. Such tribunal shall fix the time of the hearing, which shall be public, and the procedure for the hearing, and the decision of such tribunal shall be final. Removal of any member of the commission by the tribunal shall disqualify such member for reappointment. [2011 c 336 § 302; 1984 c 287 § 9; 1975-'76 2nd ex.s. c 34 § 7; 1973 1st ex.s. c 218 § 5.]

Legislative findings—Severability—Effective date—1984 c 287: See notes following RCW 43.03.220.

Additional notes found at www.leg.wa.gov

9.46.060 Gambling commission—Counsel—Audits—Payment for. (1) The attorney general shall be general counsel for the state gambling commission and shall assign such assistants as may be necessary in carrying out the purposes and provisions of this chapter, which shall include instituting and prosecuting any actions and proceedings necessary thereto.

(2) The state auditor shall audit the books, records, and affairs of the commission annually. The commission shall pay to the state treasurer for the credit of the state auditor such funds as may be necessary to defray the costs of such audits. The commission may provide for additional audits by certified public accountants. All such audits shall be public records of the state.

The payment for legal services and audits as authorized in this section shall be paid upon authorization of the commission from moneys in the gambling revolving fund. [1973 1st ex.s. c 218 § 6.]

9.46.070 Gambling commission—Powers and duties. The commission shall have the following powers and duties:

(1) To authorize and issue licenses for a period not to exceed one year to bona fide charitable or nonprofit organizations approved by the commission meeting the requirements of this chapter and any rules and regulations adopted pursuant thereto permitting said organizations to conduct bingo games, raffles, amusement games, and social card games, to utilize punchboards and pull-tabs in accordance with the provisions of this chapter and any rules and regulations adopted pursuant thereto and to revoke or suspend said licenses for violation of any provisions of this chapter or any rules and regulations adopted pursuant thereto: PROVIDED, That the commission shall not deny a license to an otherwise qualified applicant in an effort to limit the number of licenses to be issued: PROVIDED FURTHER, That the commission or director shall not issue, deny, suspend, or revoke any license because of considerations of race, sex, creed, color, or national origin: AND PROVIDED FURTHER, That the commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(2) To authorize and issue licenses for a period not to exceed one year to any person, association, or organization operating a business primarily engaged in the selling of items of food or drink for consumption on the premises, approved by the commission meeting the requirements of this chapter and any rules and regulations adopted pursuant thereto permitting said person, association, or organization to utilize punchboards and pull-tabs and to conduct social card games as a commercial stimulant in accordance with the provisions of this chapter and any rules and regulations adopted pursuant thereto and to revoke or suspend said licenses for violation of any provisions of this chapter and any rules and regulations adopted pursuant thereto: PROVIDED, That the commission shall not deny a license to an otherwise qualified applicant in an effort to limit the number of licenses to be issued: PROVIDED FURTHER, That the commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(3) To authorize and issue licenses for a period not to exceed one year to any person, association, or organization approved by the commission meeting the requirements of this chapter and meeting the requirements of any rules and regulations adopted by the commission pursuant to this chapter as now or hereafter amended, permitting said person, association, or organization to conduct or operate amusement games in such manner and at such locations as the commission may determine. The commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(4) To authorize, require, and issue, for a period not to exceed one year, such licenses as the commission may by rule provide, to any person, association, or organization to engage in the selling, distributing, or otherwise supplying or in the manufacturing of devices for use within this state for those activities authorized by this chapter. The commission

may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(5) To establish a schedule of annual license fees for carrying on specific gambling activities upon the premises, and for such other activities as may be licensed by the commission, which fees shall provide to the commission not less than an amount of money adequate to cover all costs incurred by the commission relative to licensing under this chapter and the enforcement by the commission of the provisions of this chapter and rules and regulations adopted pursuant thereto: PROVIDED, That all licensing fees shall be submitted with an application therefor and such portion of said fee as the commission may determine, based upon its cost of processing and investigation, shall be retained by the commission upon the withdrawal or denial of any such license application as its reasonable expense for processing the application and investigation into the granting thereof: PROVIDED FURTHER, That if in a particular case the basic license fee established by the commission for a particular class of license is less than the commission's actual expenses to investigate that particular application, the commission may at any time charge to that applicant such additional fees as are necessary to pay the commission for those costs. The commission may decline to proceed with its investigation and no license shall be issued until the commission has been fully paid therefor by the applicant: AND PROVIDED FURTHER, That the commission may establish fees for the furnishing by it to licensees of identification stamps to be affixed to such devices and equipment as required by the commission and for such other special services or programs required or offered by the commission, the amount of each of these fees to be not less than is adequate to offset the cost to the commission of the stamps and of administering their dispersal to licensees or the cost of administering such other special services, requirements or programs;

(6) To prescribe the manner and method of payment of taxes, fees and penalties to be paid to or collected by the commission;

(7) To require that applications for all licenses contain such information as may be required by the commission: PROVIDED, That all persons (a) having a managerial or ownership interest in any gambling activity, or the building in which any gambling activity occurs, or the equipment to be used for any gambling activity, or (b) participating as an employee in the operation of any gambling activity, shall be listed on the application for the license and the applicant shall certify on the application, under oath, that the persons named on the application are all of the persons known to have an interest in any gambling activity, building, or equipment by the person making such application: PROVIDED FURTHER, That the commission shall require fingerprinting and national criminal history background checks on any persons seeking licenses, certifications, or permits under this chapter or of any person holding an interest in any gambling activity, building, or equipment to be used therefor, or of any person participating as an employee in the operation of any gambling activity. All national criminal history background checks shall be conducted using fingerprints submitted to the United States department of justice-federal bureau of investigation. The commission must establish rules to delineate which persons named on the application are subject to national criminal history background checks. In identifying these persons, the commission must take into consideration the nature, character, size, and scope of the gambling activities requested by the persons making such applications;

(8) To require that any license holder maintain records as directed by the commission and submit such reports as the commission may deem necessary;

(9) To require that all income from bingo games, raffles, and amusement games be recorded and reported as established by rule or regulation of the commission to the extent deemed necessary by considering the scope and character of the gambling activity in such a manner that will disclose gross income from any gambling activity, amounts received from each player, the nature and value of prizes, and the fact of distributions of such prizes to the winners thereof;

(10) To regulate and establish maximum limitations on income derived from bingo. In establishing limitations pursuant to this subsection the commission shall take into account (a) the nature, character, and scope of the activities of the licensee; (b) the source of all other income of the licensee; and (c) the percentage or extent to which income derived from bingo is used for charitable, as distinguished from nonprofit, purposes. However, the commission's powers and duties granted by this subsection are discretionary and not mandatory;

(11) To regulate and establish the type and scope of and manner of conducting the gambling activities authorized by this chapter, including but not limited to, the extent of wager, money, or other thing of value which may be wagered or contributed or won by a player in any such activities;

(12) To regulate the collection of and the accounting for the fee which may be imposed by an organization, corporation, or person licensed to conduct a social card game on a person desiring to become a player in a social card game in accordance with RCW 9.46.0282;

(13) To cooperate with and secure the cooperation of county, city, and other local or state agencies in investigating any matter within the scope of its duties and responsibilities;

(14) In accordance with RCW 9.46.080, to adopt such rules and regulations as are deemed necessary to carry out the purposes and provisions of this chapter. All rules and regulations shall be adopted pursuant to the administrative procedure act, chapter 34.05 RCW;

(15) To set forth for the perusal of counties, city-counties, cities and towns, model ordinances by which any legislative authority thereof may enter into the taxing of any gambling activity authorized by this chapter;

(16)(a) To establish and regulate a maximum limit on salaries or wages which may be paid to persons employed in connection with activities conducted by bona fide charitable or nonprofit organizations and authorized by this chapter, where payment of such persons is allowed, and to regulate and establish maximum limits for other expenses in connection with such authorized activities, including but not limited to rent or lease payments. However, the commissioner's powers and duties granted by this subsection are discretionary and not mandatory.

(b) In establishing these maximum limits the commission shall take into account the amount of income received, or expected to be received, from the class of activities to which the limits will apply and the amount of money the

games could generate for authorized charitable or nonprofit purposes absent such expenses. The commission may also take into account, in its discretion, other factors, including but not limited to, the local prevailing wage scale and whether charitable purposes are benefited by the activities;

(17) To authorize, require, and issue for a period not to exceed one year such licenses or permits, for which the commission may by rule provide, to any person to work for any operator of any gambling activity authorized by this chapter in connection with that activity, or any manufacturer, supplier, or distributor of devices for those activities in connection with such business. The commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission. The commission shall not require that persons working solely as volunteers in an authorized activity conducted by a bona fide charitable or bona fide nonprofit organization, who receive no compensation of any kind for any purpose from that organization, and who have no managerial or supervisory responsibility in connection with that activity, be licensed to do such work. The commission may require that licensees employing such unlicensed volunteers submit to the commission periodically a list of the names, addresses, and dates of birth of the volunteers. If any volunteer is not approved by the commission, the commission may require that the licensee not allow that person to work in connection with the licensed activity;

(18) To publish and make available at the office of the commission or elsewhere to anyone requesting it a list of the commission licensees, including the name, address, type of license, and license number of each licensee;

(19) To establish guidelines for determining what constitutes active membership in bona fide nonprofit or charitable organizations for the purposes of this chapter;

(20) To renew the license of every person who applies for renewal within six months after being honorably discharged, removed, or released from active military service in the armed forces of the United States upon payment of the renewal fee applicable to the license period, if there is no cause for denial, suspension, or revocation of the license; and

(21) To perform all other matters and things necessary to carry out the purposes and provisions of this chapter. [2007 c 206 § 1; 2002 c 119 § 1; 1999 c 143 § 6; 1993 c 344 § 1; 1987 c 4 § 38; 1981 c 139 § 3. Prior: 1977 ex.s. c 326 § 3; 1977 ex.s. c 76 § 2; 1975-'76 2nd ex.s. c 87 § 4; 1975 1st ex.s. c 259 § 4; 1974 ex.s. c 155 § 4; 1974 ex.s. c 135 § 4; 1973 2nd ex.s. c 41 § 4; 1973 1st ex.s. c 218 § 7.]

Enforcement—Commission as a law enforcement agency: RCW 9.46.210.

Additional notes found at www.leg.wa.gov

9.46.0701 Charitable or nonprofit organizations—Sharing facilities. The commission may allow existing licensees under RCW 9.46.070(1) to share facilities at one location. [2002 c 369 § 2.]

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. [2005 c 369 § 9; 2003 c 75 § 1; 1994 c 218 § 6.]

Findings—Intent—Severability—Effective date—2005 c 369: See notes following RCW 43.20A.890.

Additional notes found at www.leg.wa.gov

9.46.072 Pathological gambling behavior—Warning. An entity licensed under RCW 9.46.070(1) which conducts or allows its premises to be used for conducting bingo on more than three occasions per week shall include the following statement in any advertising or promotion of gambling activity conducted by the licensee:

> "CAUTION: Participation in gambling activity may result in pathological gambling behavior causing emotional and financial harm. For help, call 1-800-547-6133."

For purposes of this section, "advertising" includes print media, point-of-sale advertising, electronic media, billboards, and radio advertising. [2002 c 369 § 3.]

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.]

Additional notes found at www.leg.wa.gov

9.46.077 Gambling commission—Vacation of certain suspensions upon payment of monetary penalty. The commission, when suspending any license for a period of thirty days or less, may further provide in the order of suspension that such suspension shall be vacated upon payment to the commission of a monetary penalty in an amount then fixed by the commission. [1981 c 139 § 5.]

Additional notes found at www.leg.wa.gov

9.46.080 Gambling commission—Administrator—Staff—Rules and regulations—Service contracts. The commission shall employ a full time director, who shall be the administrator for the commission in carrying out its powers and duties and who shall issue rules and regulations adopted by the commission governing the activities authorized hereunder and shall supervise commission employees in carrying out the purposes and provisions of this chapter. In addition, the director shall employ a deputy director, not more than three assistant directors, together with such investigators and enforcement officers and such staff as the commission determines is necessary to carry out the purposes and provisions of this chapter. The director, the deputy director, the assistant directors, and personnel occupying positions requiring the performing of undercover investigative work shall be exempt from the provisions of chapter 41.06 RCW, as now law or hereafter amended. Neither the director nor any commission employee working therefor shall be an officer or manager of any bona fide charitable or bona fide nonprofit organization, or of any organization which conducts gambling activity in this state.

The director, subject to the approval of the commission, is authorized to enter into agreements on behalf of the commission for mutual assistance and services, based upon actual costs, with any state or federal agency or with any city, town, or county, and such state or local agency is authorized to enter into such an agreement with the commission. If a needed service is not available from another agency of state government within a reasonable time, the director may obtain that service from private industry. [1994 c 218 § 14; 1981 c 139 § 6; 1977 ex.s. c 326 § 4; 1974 ex.s. c 155 § 7; 1974 ex.s. c 135 § 7; 1973 1st ex.s. c 218 § 8.]

Additional notes found at www.leg.wa.gov

9.46.085 Gambling commission—Members and employees—Activities prohibited. A member or employee of the gambling commission shall not:

(1) Serve as an officer or manager of any corporation or organization which conducts a lottery or gambling activity;

(2) Receive or share in, directly or indirectly, the gross profits of any gambling activity regulated by the commission;

(3) Be beneficially interested in any contract for the manufacture or sale of gambling devices, the conduct of [a] gambling activity, or the provision of independent consultant services in connection with a gambling activity. [1986 c 4 § 1.]

9.46.090 Gambling commission—Reports. Subject to RCW 40.07.040, the commission shall, from time to time, make reports to the governor and the legislature covering such matters in connection with this chapter as the governor and the legislature may require. These reports shall be public documents and contain such general information and remarks as the commission deems pertinent thereto and any information requested by either the governor or members of the legislature: PROVIDED, That the commission appointed pursuant to RCW 9.46.040 may conduct a thorough study of the types of gambling activity permitted and the types of gambling activity prohibited by this chapter and may make recommendations to the legislature as to: (1) Gambling activity that ought to be permitted; (2) gambling activity that ought to be prohibited; (3) the types of licenses and permits that ought to be required; (4) the type and amount of tax that ought to be applied to each type of permitted gambling activity; (5) any changes which may be made to the law of this state which further the purposes and policies set forth in RCW 9.46.010 as now law or hereafter amended; and (6) any other matter that the commission may deem appropriate. Members of the commission and its staff may contact the legislature, or any of its members, at any time, to advise it of recommendations of the commission. [1987 c 505 § 3; 1981 c 139 § 7; 1977 c 75 § 4; 1975 1st ex.s. c 166 § 4; 1973 1st ex.s. c 218 § 9.]

Additional notes found at www.leg.wa.gov

9.46.095 Gambling commission—Proceedings against, jurisdiction—Immunity from liability. No court of the state of Washington other than the superior court of Thurston county shall have jurisdiction over any action or proceeding against the commission or any member thereof for anything done or omitted to be done in or arising out of the performance of his or her duties under this title: PROVIDED, That an appeal from an adjudicative proceeding involving a final decision of the commission to deny, suspend, or revoke a license shall be governed by chapter 34.05 RCW, the Administrative Procedure Act.

Neither the commission nor any member or members thereof shall be personally liable in any action at law for damages sustained by any person because of any acts performed or done, or omitted to be done, by the commission or any member of the commission, or any employee of the commission, in the performance of his or her duties and in the administration of this title. [1989 c 175 § 41; 1981 c 139 § 17.]

Additional notes found at www.leg.wa.gov

9.46.100 Gambling revolving fund—Created—Receipts—Disbursements—Use. There is hereby created the gambling revolving fund which shall consist of all moneys receivable for licensing, penalties, forfeitures, and all other moneys, income, or revenue received by the commission. The state treasurer shall be custodian of the fund. All moneys received by the commission or any employee thereof, except for change funds and an amount of petty cash as fixed by rule or regulation of the commission, shall be deposited each day in a depository approved by the state treasurer and transferred to the state treasurer to be credited to the gambling revolving fund. Disbursements from the revolving fund shall be on authorization of the commission or a duly authorized representative thereof. In order to maintain an effective expenditure and revenue control the gambling revolving fund shall be subject in all respects to chapter 43.88 RCW but no appropriation shall be required to permit expenditures and payment of obligations from such fund. All expenses relative to commission business, including but not limited to salaries and expenses of the director and other commission employees shall be paid from the gambling revolving fund.

During the 2003-2005 fiscal biennium, the legislature may transfer from the gambling revolving fund to the problem gambling treatment account, contingent on enactment of chapter ..., Laws of 2004 (*Second Substitute House Bill No. 2776, problem gambling treatment). Also during the 2003-2005 fiscal biennium, the legislature may transfer from the gambling revolving fund to the state general fund such amounts as reflect the excess nontribal fund balance of the fund. The commission shall not increase fees during the 2003-2005 fiscal biennium for the purpose of restoring the excess fund balance transferred under this section. [2004 c 276 § 903; 2002 c 371 § 901; 1991 sp.s. c 16 § 917; 1985 c 405 § 505; 1977 ex.s. c 326 § 5; 1973 1st ex.s. c 218 § 10.]

***Reviser's note:** Second Substitute House Bill No. 2776 was not enacted during the 2004 legislative session.

Severability—Effective date—2004 c 276: See notes following RCW 43.330.167.

Severability—2002 c 371: "If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [2002 c 371 § 926.]

Effective date—2002 c 371: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately [April 5, 2002]." [2002 c 371 § 927.]

Additional notes found at www.leg.wa.gov

9.46.110 Taxation of gambling activities—Limitations—Restrictions on punchboards and pull-tabs—Lien. (1) The legislative authority of any county, city-county, city, or town, by local law and ordinance, and in accordance with the provisions of this chapter and rules adopted under this chapter, may provide for the taxing of any gambling activity authorized by this chapter within its jurisdiction, the tax receipts to go to the county, city-county, city, or town so taxing the activity. Any such tax imposed by a county alone shall not apply to any gambling activity within a city or town located in the county but the tax rate established by a county, if any, shall constitute the tax rate throughout the unincorporated areas of such county.

(2) The operation of punchboards and pull-tabs are subject to the following conditions:

(a) Chances may only be sold to adults;

(b) The price of a single chance may not exceed one dollar;

(c) No punchboard or pull-tab license may award as a prize upon a winning number or symbol being drawn the opportunity of taking a chance upon any other punchboard or pull-tab;

(d) All prizes available to be won must be described on an information flare. All merchandise prizes must be on display within the immediate area of the premises in which any such punchboard or pull-tab is located. Upon a winning number or symbol being drawn, a merchandise prize must be immediately removed from the display and awarded to the winner. All references to cash or merchandise prizes, with a value over twenty dollars, must be removed immediately from the information flare when won, or such omission shall be deemed a fraud for the purposes of this chapter; and

(e) When any person wins money or merchandise from any punchboard or pull-tab over an amount determined by the commission, every licensee shall keep a public record of the award for at least ninety days containing such information as the commission shall deem necessary.

(3)(a) Taxation of bingo and raffles shall never be in an amount greater than five percent of the gross receipts from a bingo game or raffle less the amount awarded as cash or merchandise prizes.

(b) Taxation of amusement games shall only be in an amount sufficient to pay the actual costs of enforcement of the provisions of this chapter by the county, city or town law enforcement agency and in no event shall such taxation exceed two percent of the gross receipts from the amusement game less the amount awarded as prizes.

(c) No tax shall be imposed under the authority of this chapter on bingo or amusement games when such activities or any combination thereof are conducted by any bona fide charitable or nonprofit organization as defined in this chapter, which organization has no paid operating or management personnel and has gross receipts from bingo or amusement games, or a combination thereof, not exceeding five thousand dollars per year, less the amount awarded as cash or merchandise prizes.

(d) No tax shall be imposed on the first ten thousand dollars of gross receipts less the amount awarded as cash or merchandise prizes from raffles conducted by any bona fide charitable or nonprofit organization as defined in this chapter.

(e) Taxation of punchboards and pull-tabs for bona fide charitable or nonprofit organizations is based on gross receipts from the operation of the games less the amount awarded as cash or merchandise prizes, and shall not exceed a rate of ten percent. At the option of the county, city-county, city, or town, the taxation of punchboards and pull-tabs for commercial stimulant operators may be based on gross receipts from the operation of the games, and may not exceed a rate of five percent, or may be based on gross receipts from the operation of the games less the amount awarded as cash or merchandise prizes, and may not exceed a rate of ten percent.

(f) Taxation of social card games may not exceed twenty percent of the gross revenue from such games.

(4) Taxes imposed under this chapter become a lien upon personal and real property used in the gambling activity in the same manner as provided for under RCW 84.60.010. The lien shall attach on the date the tax becomes due and shall relate back and have priority against real and personal property to the same extent as ad valorem taxes. [1999 c 221 § 1; 1997 c 394 § 4; 1994 c 301 § 2; 1991 c 161 § 1; 1987 c 4 § 39. Prior: 1985 c 468 § 2; 1985 c 172 § 1; 1981 c 139 § 8; 1977 ex.s. c 198 § 1; 1974 ex.s. c 155 § 8; 1974 ex.s. c 135 § 8; 1973 1st ex.s. c 218 § 11.]

Additional notes found at www.leg.wa.gov

9.46.113 Taxation of gambling activities—Disbursement. Any county, city or town which collects a tax on gambling activities authorized pursuant to RCW 9.46.110 must use the revenue from such tax primarily for the purpose of public safety. [2010 c 127 § 6; 1975 1st ex.s. c 166 § 11.]

Additional notes found at www.leg.wa.gov

9.46.116 Fees on pull-tab and punchboard sales. The commission shall charge fees or increased fees on pull-tabs sold over-the-counter and on sales from punchboards and pull-tab devices at levels necessary to assure that the increased revenues are equal or greater to the amount of revenue lost by removing the special tax on coin-operated gambling devices by the 1984 repeal of *RCW 9.46.115. [1985 c 7 § 2; 1984 c 135 § 2.]

***Reviser's note:** RCW 9.46.115 was repealed by 1984 c 135 § 1, effective July 1, 1984.

Additional notes found at www.leg.wa.gov

9.46.120 Restrictions on management or operation personnel—Restriction on leased premises. (1) Except in the case of an agricultural fair as authorized under chapters 15.76 and 36.37 RCW, no person other than a member of a bona fide charitable or nonprofit organization (and their employees) or any other person, association or organization (and their employees) approved by the commission, shall take any part in the management or operation of any gambling activity authorized under this chapter unless approved by the commission. No person who takes any part in the management or operation of any such gambling activity shall take any part in the management or operation of any gambling activity conducted by any other organization or any other branch of the same organization unless approved by the commission. No part of the proceeds of the activity shall inure to the benefit of any person other than the organization conducting such gambling activities or if such gambling activities be for the charitable benefit of any specific persons designated in the application for a license, then only for such specific persons as so designated.

(2) No bona fide charitable or nonprofit organization or any other person, association or organization shall conduct any gambling activity authorized under this chapter in any leased premises if rental for such premises is unreasonable or to be paid, wholly or partly, on the basis of a percentage of the receipts or profits derived from such gambling activity. [1997 c 394 § 3; 1987 c 4 § 40; 1973 1st ex.s. c 218 § 12.]

9.46.130 Inspection and audit of premises, paraphernalia, books, and records—Reports for the commission. The premises and paraphernalia, and all the books and records of any person, association, or organization conduct-

ing gambling activities authorized under this chapter and any person, association, or organization receiving profits therefrom or having any interest therein shall be subject to inspection and audit at any reasonable time, with or without notice, upon demand, by the commission or its designee, the attorney general or his or her designee, the chief of the Washington state patrol or his or her designee or the prosecuting attorney, sheriff, or director of public safety or their designees of the county wherein located, or the chief of police or his or her designee of any city or town in which said organization is located, for the purpose of determining compliance or noncompliance with the provisions of this chapter and any rules or regulations or local ordinances adopted pursuant thereto. A reasonable time for the purpose of this section shall be: (1) If the items or records to be inspected or audited are located anywhere upon a premises any portion of which is regularly open to the public or members and guests, then at any time when the premises are so open, or at which they are usually open; or (2) if the items or records to be inspected or audited are not located upon a premises set out in subsection (1) of this section, then any time between the hours of 8:00 a.m. and 9:00 p.m., Monday through Friday.

The commission shall be provided at such reasonable intervals as the commission shall determine with a report, under oath, detailing all receipts and disbursements in connection with such gambling activities together with such other reasonable information as required in order to determine whether such activities comply with the purposes of this chapter or any local ordinances relating thereto. [2011 c 336 § 303; 1981 c 139 § 10; 1975 1st ex.s. c 166 § 7; 1973 1st ex.s. c 218 § 13.]

Additional notes found at www.leg.wa.gov

9.46.140 Gambling commission—Investigations—Inspections—Hearing and subpoena power—Administrative law judges. (1) The commission or its authorized representative may:

(a) Make necessary public or private investigations within or outside of this state to determine whether any person has violated or is about to violate this chapter or any rule or order hereunder, or to aid in the enforcement of this chapter or in the prescribing of rules and forms hereunder; and

(b) Inspect the books, documents, and records of any person lending money to or in any manner financing any license holder or applicant for a license or receiving any income or profits from the use of such license for the purpose of determining compliance or noncompliance with the provisions of this chapter or the rules and regulations adopted pursuant thereto.

(2) For the purpose of any investigation or proceeding under this chapter, the commission or an administrative law judge appointed under chapter 34.12 RCW may conduct hearings, administer oaths or affirmations, or upon the commission's or administrative law judge's motion or upon request of any party may subpoena witnesses, compel attendance, take depositions, take evidence, or require the production of any matter which is relevant to the investigation or proceeding, including but not limited to the existence, description, nature, custody, condition, or location of any books, documents, or other tangible things, or the identity or location of persons having knowledge or relevant facts, or any other matter reasonably calculated to lead to the discovery of material evidence.

(3) Upon failure to obey a subpoena or to answer questions propounded by the administrative law judge and upon reasonable notice to all persons affected thereby, the director may apply to the superior court for an order compelling compliance.

(4) The administrative law judges appointed under chapter 34.12 RCW may conduct hearings respecting the suspension, revocation, or denial of licenses, who may administer oaths, admit or deny admission of evidence, compel the attendance of witnesses, issue subpoenas, issue orders, and exercise all other powers and perform all other functions set out in RCW 34.05.446, 34.05.449, and 34.05.452.

(5) Except as otherwise provided in this chapter, all proceedings under this chapter shall be in accordance with the Administrative Procedure Act, chapter 34.05 RCW. [1989 c 175 § 42; 1981 c 67 § 16; 1977 ex.s. c 326 § 7; 1975 1st ex.s. c 166 § 8; 1973 1st ex.s. c 218 § 14.]

Additional notes found at www.leg.wa.gov

9.46.150 Injunctions—Voiding of licenses, permits, or certificates. (1) Any activity conducted in violation of any provision of this chapter may be enjoined in an action commenced by the commission through the attorney general or by the prosecuting attorney or legal counsel of any city or town in which the prohibited activity may occur.

(2) When a violation of any provision of this chapter or any rule or regulation adopted pursuant hereto has occurred on any property or premises for which one or more licenses, permits, or certificates issued by this state, or any political subdivision or public agency thereof are in effect, all such licenses, permits and certificates may be voided and no license, permit, or certificate so voided shall be issued or reissued for such property or premises for a period of up to sixty days thereafter. [1973 1st ex.s. c 218 § 15.]

9.46.153 Applicants and licensees—Responsibilities and duties—Waiver of liability—Investigation statement as privileged. (1) It shall be the affirmative responsibility of each applicant and licensee to establish by clear and convincing evidence the necessary qualifications for licensure of each person required to be qualified under this chapter, as well as the qualifications of the facility in which the licensed activity will be conducted;

(2) All applicants and licensees shall consent to inspections, searches and seizures and the supplying of handwriting examples as authorized by this chapter and rules adopted hereunder;

(3) All licensees, and persons having any interest in licensees, including but not limited to employees and agents of licensees, and other persons required to be qualified under this chapter or rules of the commission shall have a duty to inform the commission or its staff of any action or omission which they believe would constitute a violation of this chapter or rules adopted pursuant thereto. No person who so informs the commission or the staff shall be discriminated against by an applicant or licensee because of the supplying of such information;

(4) All applicants, licensees, persons who are operators or directors thereof and persons who otherwise have a substantial interest therein shall have the continuing duty to provide any assistance or information required by the commission and to investigations conducted by the commission. If, upon issuance of a formal request to answer or produce information, evidence or testimony, any applicant, licensee or officer or director thereof or person with a substantial interest therein, refuses to comply, the applicant or licensee may be denied or revoked by the commission;

(5) All applicants and licensees shall waive any and all liability as to the state of Washington, its agencies, employees and agents for any damages resulting from any disclosure or publication in any manner, other than a wilfully unlawful disclosure or publication, of any information acquired by the commission during its licensing or other investigations or inquiries or hearings;

(6) Each applicant or licensee may be photographed for investigative and identification purposes in accordance with rules of the commission;

(7) An application to receive a license under this chapter or rules adopted pursuant thereto constitutes a request for determination of the applicant's and those person's with an interest in the applicant, general character, integrity and ability to engage or participate in, or be associated with, gambling or related activities impacting this state. Any written or oral statement made in the course of an official investigation, proceeding or process of the commission by any member, employee or agent thereof or by any witness, testifying under oath, which is relevant to the investigation, proceeding or process, is absolutely privileged and shall not impose any liability for slander, libel or defamation, or constitute any grounds for recovery in any civil action. [1981 c 139 § 14.]

Additional notes found at www.leg.wa.gov

9.46.155 Applicants and licensees—Bribes to public officials, employees, agents—Penalty. (1) No applicant or licensee shall give or provide, or offer to give or provide, directly or indirectly, to any public official or employee or agent of this state, or any of its agencies or political subdivisions, any compensation or reward, or share of the money or property paid or received through gambling activities, in consideration for obtaining any license, authorization, permission or privilege to participate in any gaming operations except as authorized by this chapter or rules adopted pursuant thereto.

(2) Violation of this section is a class C felony for which a person, upon conviction, shall be punished by imprisonment for not more than five years or a fine of not more than one hundred thousand dollars, or both. [2003 c 53 § 34; 1981 c 139 § 15.]

Intent—Effective date—2003 c 53: See notes following RCW 2.48.180.

Additional notes found at www.leg.wa.gov

9.46.158 Applicants, licensees, operators—Commission approval for hiring certain persons. No applicant for a license from, nor licensee of, the commission, nor any operator of any gambling activity, shall, without advance approval of the commission, knowingly permit any person to participate in the management or operation of any activity for which a license from the commission is required or which is otherwise authorized by this chapter if that person:

(1) 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 any crime, whether a felony or misdemeanor involving any gambling activity or physical harm to individuals or involving moral turpitude; or

(2) Has violated, failed, or refused to comply with provisions, requirements, conditions, limitations or duties imposed by this chapter, and any amendments thereto, or any rules adopted by the commission pursuant thereto, or has permitted, aided, abetted, caused, or conspired with another to cause, any person to violate any of the provisions of this chapter or rules of the commission. [1981 c 139 § 18.]

Additional notes found at www.leg.wa.gov

9.46.160 Conducting activity without license. Any person who conducts any activity for which a license is required by this chapter, or by rule of the commission, without the required license issued by the commission shall be guilty of a class B felony. If any corporation conducts any activity for which a license is required by this chapter, or by rule of the commission, without the required license issued by the commission, it may be punished by forfeiture of its corporate charter, in addition to the other penalties set forth in this section. [1991 c 261 § 3; 1975 1st ex.s. c 166 § 9; 1973 1st ex.s. c 218 § 16.]

Additional notes found at www.leg.wa.gov

9.46.170 False or misleading entries or statements, refusal to produce records. Whoever, in any application for a license or in any book or record required to be maintained by the commission or in any report required to be submitted to the commission, shall make any false or misleading statement, or make any false or misleading entry or wilfully fail to maintain or make any entry required to be maintained or made, or who wilfully refuses to produce for inspection by the commission, or its designee, any book, record, or document required to be maintained or made by federal or state law, shall be guilty of a gross misdemeanor subject to the penalty set forth in RCW 9A.20.021. [1991 c 261 § 4; 1973 1st ex.s. c 218 § 17.]

9.46.180 Causing person to violate chapter. Any person who knowingly causes, aids, abets, or conspires with another to cause any person to violate any provision of this chapter shall be guilty of a class B felony subject to the penalty in RCW 9A.20.021. [1991 c 261 § 5; 1977 ex.s. c 326 § 8; 1973 1st ex.s. c 218 § 18.]

9.46.185 Causing person to violate rule or regulation. Any person who knowingly causes, aids, abets, or conspires with another to cause any person to violate any rule or regulation adopted pursuant to this chapter shall be guilty of a gross misdemeanor subject to the penalty set forth in RCW 9A.20.021. [1991 c 261 § 6; 1977 ex.s. c 326 § 9.]

9.46.190 Violations relating to fraud or deceit. Any person or association or organization operating any gambling activity who or which, directly or indirectly, shall in the course of such operation:

(1) Employ any device, scheme, or artifice to defraud; or

(2) Make any untrue statement of a material fact, or omit to state a material fact necessary in order to make the statement made not misleading, in the light of the circumstances under which said statement is made; or

(3) Engage in any act, practice or course of operation as would operate as a fraud or deceit upon any person;

Shall be guilty of a gross misdemeanor subject to the penalty set forth in RCW 9A.20.021. [1991 c 261 § 7; 1977 ex.s. c 326 § 10; 1973 1st ex.s. c 218 § 19.]

9.46.192 Cities and towns—Ordinance enacting certain sections of chapter—Limitations—Penalties. Every city or town is authorized to enact as an ordinance of that city or town any or all of the sections of this chapter the violation of which constitutes a misdemeanor or gross misdemeanor. The city or town may not modify the language of any section of this chapter in enacting such section except as necessary to put the section in the proper form of an ordinance or to provide for a sentence [to] be served in the appropriate detention facility. The ordinance must provide for the same maximum penalty for its violation as may be imposed under the section in this chapter. [1977 ex.s. c 326 § 11.]

9.46.193 Cities and towns—Ordinance adopting certain sections of chapter—Jurisdiction of courts. District courts operating under the provisions of chapters 3.30 through 3.74 RCW, except municipal departments of such courts operating under chapter 3.46 RCW and municipal courts operating under chapter 3.50 RCW, shall have concurrent jurisdiction with the superior court to hear, try, and determine misdemeanor and gross misdemeanor violations of this chapter and violations of any ordinance passed under authority of this chapter by any city or town.

Municipal courts operating under chapters 35.20 or 3.50 RCW and municipal departments of the district court operating under chapter 3.46 RCW, shall have concurrent jurisdiction with the superior court to hear, try, and determine violations of any ordinance passed under authority of this chapter by the city or town in which the court is located.

Notwithstanding any other provision of law, each of these courts shall have the jurisdiction and power to impose up to the maximum penalties provided for the violation of the ordinances adopted under the authority of this chapter. Review of the judgments of these courts shall be as provided in other criminal actions. [1977 ex.s. c 326 § 12.]

9.46.195 Obstruction of public servant—Penalty. No person shall intentionally obstruct or attempt to obstruct a public servant in the administration or enforcement of this chapter by using or threatening to use physical force or by means of any unlawful act. Any person who violates this section shall be guilty of a misdemeanor. [1974 ex.s. c 155 § 11; 1974 ex.s. c 135 § 11.]

Additional notes found at www.leg.wa.gov

9.46.196 Cheating—Defined. "Cheating," as used in this chapter, means to:

(1) Employ or attempt to employ any device, scheme, or artifice to defraud any other participant or any operator;

(2) Engage in any act, practice, or course of operation as would operate as a fraud or deceit upon any other participant or any operator;

(3) Engage in any act, practice, or course of operation while participating in a gambling activity with the intent of cheating any other participant or the operator to gain an advantage in the game over the other participant or operator; or

(4) Cause, aid, abet, or conspire with another person to cause any other person to violate subsections (1) through (3) of this section. [2002 c 253 § 1; 1991 c 261 § 8; 1977 ex.s. c 326 § 13.]

9.46.1961 Cheating in the first degree. (1) A person is guilty of cheating in the first degree if he or she engages in cheating and:

(a) Knowingly causes, aids, abets, or conspires with another to engage in cheating; or

(b) Holds a license or similar permit issued by the state of Washington to conduct, manage, or act as an employee in an authorized gambling activity.

(2) Cheating in the first degree is a class C felony subject to the penalty set forth in RCW 9A.20.021. In addition to any other penalties imposed by law for a conviction of a violation of this section the court may impose an additional penalty of up to twenty thousand dollars. [2002 c 253 § 2.]

9.46.1962 Cheating in the second degree. (1) A person is guilty of cheating in the second degree if he or she engages in cheating and his or her conduct does not constitute cheating in the first degree.

(2) Cheating in the second degree is a gross misdemeanor subject to the penalty set forth in RCW 9A.20.021. [2002 c 253 § 3.]

9.46.198 Working in gambling activity without license as violation—Penalty. Any person who works as an employee or agent or in a similar capacity for another person in connection with the operation of an activity for which a license is required under this chapter or by commission rule without having obtained the applicable license required by the commission under RCW 9.46.070(17) shall be guilty of a gross misdemeanor and shall, upon conviction, be punished by up to three hundred sixty-four days in the county jail or a fine of not more than five thousand dollars, or both. [2011 c 96 § 7; 1999 c 143 § 7; 1977 ex.s. c 326 § 14.]

Findings—Intent—2011 c 96: See note following RCW 9A.20.021.

9.46.200 Action for money damages due to violations—Interest—Attorneys' fees—Evidence for exoneration. In addition to any other penalty provided for in this chapter, every person, directly or indirectly controlling the operation of any gambling activity authorized by this chapter, including a director, officer, and/or manager of any association, organization, or corporation conducting the same, whether charitable, nonprofit, or profit, shall be liable, jointly

and severally, for money damages suffered by any person because of any violation of this chapter, together with interest on any such amount of money damages at six percent per annum from the date of the loss, and reasonable attorneys' fees: PROVIDED, That if any such director, officer, and/or manager did not know any such violation was taking place and had taken all reasonable care to prevent any such violation from taking place, and if such director, officer, and/or manager shall establish by a preponderance of the evidence that he or she did not have such knowledge and that he or she had exercised all reasonable care to prevent the violations he or she shall not be liable hereunder. Any civil action under this section may be considered a class action. [2011 c 336 § 304; 1987 c 4 § 41; 1974 ex.s. c 155 § 10; 1974 ex.s. c 135 § 10; 1973 1st ex.s. c 218 § 20.]

Additional notes found at www.leg.wa.gov

9.46.210 Enforcement—Commission as a law enforcement agency. (1) It shall be the duty of all peace officers, law enforcement officers, and law enforcement agencies within this state to investigate, enforce, and prosecute all violations of this chapter.

(2) In addition to the authority granted by subsection (1) of this section law enforcement agencies of cities and counties shall investigate and report to the commission all violations of the provisions of this chapter and of the rules of the commission found by them and shall assist the commission in any of its investigations and proceedings respecting any such violations. Such law enforcement agencies shall not be deemed agents of the commission.

(3) In addition to its other powers and duties, the commission shall have the power to enforce the penal provisions of *chapter 218, Laws of 1973 1st ex. sess. and as it may be amended, and the penal laws of this state relating to the conduct of or participation in gambling activities and the manufacturing, importation, transportation, distribution, possession, and sale of equipment or paraphernalia used or for use in connection therewith. The director, the deputy director, both assistant directors, and each of the commission's investigators, enforcement officers, and inspectors shall have the power, under the supervision of the commission, to enforce the penal provisions of *chapter 218, Laws of 1973 1st ex. sess. and as it may be amended, and the penal laws of this state relating to the conduct of or participation in gambling activities and the manufacturing, importation, transportation, distribution, possession, and sale of equipment or paraphernalia used or for use in connection therewith. They shall have the power and authority to apply for and execute all warrants and serve process of law issued by the courts in enforcing the penal provisions of *chapter 218, Laws of 1973 1st ex. sess. and as it may be amended, and the penal laws of this state relating to the conduct of or participation in gambling activities and the manufacturing, importation, transportation, distribution, possession, and sale of equipment or paraphernalia used or for use in connection therewith. They shall have the power to arrest without a warrant, any person or persons found in the act of violating any of the penal provisions of *chapter 218, Laws of 1973 1st ex. sess. and as it may be amended, and the penal laws of this state relating to the conduct of or participation in gambling activities and the manufacturing, importation, transportation, distribution, possession, and sale of equipment or paraphernalia used or for use in connection therewith. To the extent set forth above, the commission shall be a law enforcement agency of this state with the power to investigate for violations of and to enforce the provisions of this chapter, as now law or hereafter amended, and to obtain information from and provide information to all other law enforcement agencies.

(4) Criminal history record information that includes nonconviction data, as defined in RCW 10.97.030, may be disseminated by a criminal justice agency to the Washington state gambling commission for any purpose associated with the investigation for suitability for involvement in gambling activities authorized under this chapter. The Washington state gambling commission shall only disseminate nonconviction data obtained under this section to criminal justice agencies. [2000 c 46 § 1; 1981 c 139 § 11; 1977 ex.s. c 326 § 15; 1975 1st ex.s. c 166 § 10; 1974 ex.s. c 155 § 9; 1974 ex.s. c 135 § 9; 1973 1st ex.s. c 218 § 21.]

***Reviser's note:** 1973 1st ex.s. c 218 consisted entirely of chapter 9.46 RCW and the repeal of various former laws regulating gambling.

Additional notes found at www.leg.wa.gov

9.46.215 Ownership or interest in gambling device—Penalty—Exceptions. (1) Whoever knowingly owns, manufactures, possesses, buys, sells, rents, leases, finances, holds a security interest in, stores, repairs, or transports any gambling device or offers or solicits any interest therein, whether through an agent or employee or otherwise, is guilty of a class C felony and shall be fined not more than one hundred thousand dollars or imprisoned not more than five years or both.

(2) This section does not apply to persons licensed by the commission, or who are otherwise authorized by this chapter, or by commission rule, to conduct gambling activities without a license, respecting devices that are to be used, or are being used, solely in that activity for which the license was issued, or for which the person has been otherwise authorized if:

(a) The person is acting in conformance with this chapter and the rules adopted under this chapter; and

(b) The devices are a type and kind traditionally and usually employed in connection with the particular activity.

(3) This section also does not apply to any act or acts by the persons in furtherance of the activity for which the license was issued, or for which the person is authorized, when the activity is conducted in compliance with this chapter and in accordance with the rules adopted under this chapter.

(4) In the enforcement of this section direct possession of any such a gambling device is presumed to be knowing possession thereof. [2003 c 53 § 35; 1994 c 218 § 9.]

Intent—Effective date—2003 c 53: See notes following RCW 2.48.180.

Additional notes found at www.leg.wa.gov

9.46.217 Gambling records—Penalty—Exceptions. Whoever knowingly prints, makes, possesses, stores, or transports any gambling record, or buys, sells, offers, or solicits any interest therein, whether through an agent or employee or otherwise, is guilty of a gross misdemeanor. However, this section does not apply to records relating to and kept for activities authorized by this chapter when the

records are of the type and kind traditionally and usually employed in connection with the particular activity. This section also does not apply to any act or acts in furtherance of the activities when conducted in compliance with this chapter and in accordance with the rules adopted under this chapter. In the enforcement of this section direct possession of any such a gambling record is presumed to be knowing possession thereof. [1994 c 218 § 10.]

Additional notes found at www.leg.wa.gov

9.46.220 Professional gambling in the first degree. (1) A person is guilty of professional gambling in the first degree if he or she engages in, or knowingly causes, aids, abets, or conspires with another to engage in professional gambling as defined in this chapter, and:

(a) Acts in concert with or conspires with five or more people; or

(b) Personally accepts wagers exceeding five thousand dollars during any thirty-day period on future contingent events; or

(c) The operation for whom the person works, or with which the person is involved, accepts wagers exceeding five thousand dollars during any thirty-day period on future contingent events; or

(d) Operates, manages, or profits from the operation of a premises or location where persons are charged a fee to participate in card games, lotteries, or other gambling activities that are not authorized by this chapter or licensed by the commission.

(2) However, this section shall not apply to those activities enumerated in RCW 9.46.0305 through 9.46.0361 or to any act or acts in furtherance of such activities when conducted in compliance with the provisions of this chapter and in accordance with the rules adopted pursuant to this chapter.

(3) Professional gambling in the first degree is a class B felony subject to the penalty set forth in RCW 9A.20.021. [1997 c 78 § 2; 1994 c 218 § 11; 1991 c 261 § 10; 1987 c 4 § 42; 1973 1st ex.s. c 218 § 22.]

Additional notes found at www.leg.wa.gov

9.46.221 Professional gambling in the second degree. (1) A person is guilty of professional gambling in the second degree if he or she engages in or knowingly causes, aids, abets, or conspires with another to engage in professional gambling as defined in this chapter, and:

(a) Acts in concert with or conspires with less than five people; or

(b) Accepts wagers exceeding two thousand dollars during any thirty-day period on future contingent events; or

(c) The operation for whom the person works, or with which the person is involved, accepts wagers exceeding two thousand dollars during any thirty-day period on future contingent events; or

(d) Maintains a "gambling premises" as defined in this chapter; or

(e) Maintains gambling records as defined in RCW 9.46.0253.

(2) However, this section shall not apply to those activities enumerated in RCW 9.46.0305 through 9.46.0361 or to any act or acts in furtherance of such activities when conducted in compliance with the provisions of this chapter and in accordance with the rules adopted pursuant to this chapter.

(3) Professional gambling in the second degree is a class C felony subject to the penalty set forth in RCW 9A.20.021. [1997 c 78 § 3; 1994 c 218 § 12; 1991 c 261 § 11.]

Additional notes found at www.leg.wa.gov

9.46.222 Professional gambling in the third degree. (1) A person is guilty of professional gambling in the third degree if he or she engages in, or knowingly causes, aids, abets, or conspires with another to engage in professional gambling as defined in this chapter, and:

(a) His or her conduct does not constitute first or second degree professional gambling;

(b) He or she operates any of the unlicensed gambling activities authorized by this chapter in a manner other than as prescribed by this chapter; or

(c) He or she is directly employed in but not managing or directing any gambling operation.

(2) This section shall not apply to those activities enumerated in RCW 9.46.0305 through 9.46.0361 or to any acts in furtherance of such activities when conducted in compliance with the provisions of this chapter and the rules adopted pursuant to this chapter.

(3) Professional gambling in the third degree is a gross misdemeanor subject to the penalty established in RCW 9A.20.021. [1994 c 218 § 13; 1991 c 261 § 12.]

Additional notes found at www.leg.wa.gov

9.46.225 Professional gambling—Penalties not applicable to authorized activities. The penalties provided for professional gambling in this chapter shall not apply to the activities authorized by this chapter when conducted in compliance with the provisions of this chapter and in accordance with the rules and regulations of the commission. [1987 c 4 § 37. Formerly RCW 9.46.030(11).]

9.46.228 Gambling activities by persons under age eighteen prohibited—Penalties—Jurisdiction—In-house controlled purchase programs authorized. (1) It is unlawful for any person under the age of eighteen to play in authorized gambling activities including, but not limited to, punchboards, pull-tabs, or card games, or to participate in fund-raising events. Persons under the age of eighteen may play bingo, raffles, and amusement game activities only as provided in commission rules.

(2) A person under the age of eighteen who violates subsection (1) of this section by engaging in, or attempting to engage in, prohibited gambling activities commits a class 2 civil infraction under chapter 7.80 RCW and is subject to a fine set out in chapter 7.80 RCW, up to four hours of community restitution, and any court imposed costs.

(3) The juvenile court divisions in superior courts within the state have jurisdiction for enforcement of this section.

(4)(a) An employer may conduct an in-house controlled purchase program authorized for the purposes of employee training and employer self-compliance checks.

(b) The civil infraction provisions of this section do not apply to a person under the age of eighteen who is participating in an in-house controlled purchase program authorized by

the commission under rules adopted by the commission. Violations occurring under an in-house controlled purchase program authorized by the commission may not be used for criminal or administrative prosecution.

(c) An employer who conducts an in-house controlled purchase program authorized under this section shall provide his or her employees a written description of the employer's in-house controlled purchase program. The written description must include notice of actions an employer may take as a consequence of an employee's failure to comply with company policies regarding unauthorized persons engaging in gambling activities during a controlled purchase program authorized under this section.

(5) A person under the age of eighteen who violates subsection (1) of this section shall not collect any winnings or recover any losses arising as a result of unlawfully participating in any gambling activity. Additionally, any money or anything of value which has been obtained by, or is owed to, any person under the age of eighteen as a result of such participation shall be forfeited to the department of social and health services division of alcohol and substance abuse or its successor and used for a program related to youth problem gambling awareness, prevention, and/or education. Any person claiming any money or things of value subject to forfeiture under this subsection will receive notice and an opportunity for a hearing under RCW 9.46.231. [2009 c 357 § 2.]

9.46.231 Gambling devices, real and personal property—Seizure and forfeiture. (1) The following are subject to seizure and forfeiture and no property right exists in them:

(a) All gambling devices as defined in this chapter;

(b) All furnishings, fixtures, equipment, and stock, including without limitation furnishings and fixtures adaptable to nongambling uses and equipment and stock for printing, recording, computing, transporting, or safekeeping, used in connection with professional gambling or maintaining a gambling premises;

(c) All conveyances, including aircraft, vehicles, or vessels, that are used, or intended for use, in any manner to facilitate the sale, delivery, receipt, or operation of any gambling device, or the promotion or operation of a professional gambling activity, except that:

(i) A conveyance used by any person as a common carrier in the transaction of business as a common carrier is not subject to forfeiture under this section unless it appears that the owner or other person in charge of the conveyance is a consenting party or privy to a violation of this chapter;

(ii) A conveyance is not subject to forfeiture under this section by reason of any act or omission established by the owner thereof to have been committed or omitted without the owner's knowledge or consent;

(iii) A forfeiture of a conveyance encumbered by a bona fide security interest is subject to the interest of the secured party if the secured party neither had knowledge of nor consented to the act or omission; and

(iv) If the owner of a conveyance has been arrested under this chapter the conveyance in which the person is arrested may not be subject to forfeiture unless it is seized or process is issued for its seizure within ten days of the owner's arrest;

(d) All books, records, and research products and materials, including formulas, microfilm, tapes, and electronic data that are used, or intended for use, in violation of this chapter;

(e) All moneys, negotiable instruments, securities, or other tangible or intangible property of value at stake or displayed in or in connection with professional gambling activity or furnished or intended to be furnished by any person to facilitate the promotion or operation of a professional gambling activity;

(f) All tangible or intangible personal property, proceeds, or assets acquired in whole or in part with proceeds traceable to professional gambling activity and all moneys, negotiable instruments, and securities used or intended to be used to facilitate any violation of this chapter. A forfeiture of money, negotiable instruments, securities, or other tangible or intangible property encumbered by a bona fide security interest is subject to the interest of the secured party if, at the time the security interest was created, the secured party neither had knowledge of nor consented to the act or omission. Personal property may not be forfeited under this subsection (1)(f), to the extent of the interest of an owner, by reason of any act or omission that that owner establishes was committed or omitted without the owner's knowledge or consent; and

(g) All real property, including any right, title, and interest in the whole of any lot or tract of land, and any appurtenances or improvements that:

(i) Have been used with the knowledge of the owner for the manufacturing, processing, delivery, importing, or exporting of any illegal gambling equipment, or operation of a professional gambling activity that would constitute a felony violation of this chapter; or

(ii) Have been acquired in whole or in part with proceeds traceable to a professional gambling activity, if the activity is not less than a class C felony.

Real property forfeited under this chapter that is encumbered by a bona fide security interest remains subject to the interest of the secured party if the secured party, at the time the security interest was created, neither had knowledge of nor consented to the act or omission. Property may not be forfeited under this subsection, to the extent of the interest of an owner, by reason of any act or omission committed or omitted without the owner's knowledge or consent.

(2)(a) A law enforcement officer of this state may seize real or personal property subject to forfeiture under this chapter upon process issued by any superior court having jurisdiction over the property. Seizure of real property includes the filing of a lis pendens by the seizing agency. Real property seized under this section may not be transferred or otherwise conveyed until ninety days after seizure or until a judgment of forfeiture is entered, whichever is later, but real property seized under this section may be transferred or conveyed to any person or entity who acquires title by foreclosure or deed in lieu of foreclosure of a bona fide security interest.

(b) Seizure of personal property without process may be made if:

(i) The seizure is incident to an arrest or a search under a search warrant or an inspection under an administrative inspection warrant;

(ii) The property subject to seizure has been the subject of a prior judgment in favor of the state in a criminal injunction or forfeiture proceeding based upon this chapter;

(iii) A law enforcement officer has probable cause to believe that the property is directly or indirectly dangerous to health or safety; or

(iv) The law enforcement officer has probable cause to believe that the property was used or is intended to be used in violation of this chapter.

(3) In the event of seizure under subsection (2) of this section, proceedings for forfeiture are deemed commenced by the seizure. The law enforcement agency under whose authority the seizure was made shall cause notice to be served within fifteen days following the seizure on the owner of the property seized and the person in charge thereof and any person having any known right or interest therein, including any community property interest, of the seizure and intended forfeiture of the seized property. Service of notice of seizure of real property must be made according to the rules of civil procedure. However, the state may not obtain a default judgment with respect to real property against a party who is served by substituted service absent an affidavit stating that a good faith effort has been made to ascertain if the defaulted party is incarcerated within the state, and that there is no present basis to believe that the party is incarcerated within the state. Notice of seizure in the case of property subject to a security interest that has been perfected by filing a financing statement in accordance with chapter 62A.9A RCW, or a certificate of title, must be made by service upon the secured party or the secured party's assignee at the address shown on the financing statement or the certificate of title. The notice of seizure in other cases may be served by any method authorized by law or court rule including but not limited to service by certified mail with return receipt requested. Service by mail is deemed complete upon mailing within the fifteen-day period following the seizure.

(4) If no person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of items specified in subsection (1) of this section within forty-five days of the seizure in the case of personal property and ninety days in the case of real property, the item seized is deemed forfeited. The community property interest in real property of a person whose spouse or domestic partner committed a violation giving rise to seizure of the real property may not be forfeited if the person did not participate in the violation.

(5) If any person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of items specified in subsection (1) of this section within forty-five days of the seizure in the case of personal property and ninety days in the case of real property, the person or persons must be afforded a reasonable opportunity to be heard as to the claim or right. The hearing must be before the chief law enforcement officer of the seizing agency or the chief law enforcement officer's designee, except if the seizing agency is a state agency as defined in RCW 34.12.020(4), the hearing must be before the chief law enforcement officer of the seizing agency or an administrative law judge appointed under chapter 34.12 RCW, except that any person asserting a claim or right may remove the matter to a court of competent jurisdiction. Removal of any matter involving personal property may only be accomplished according to the rules of civil procedure. The person seeking removal of the matter must serve process against the state, county, political subdivision, or municipality that operates the seizing agency, and any other party of interest, in accordance with RCW 4.28.080 or 4.92.020, within forty-five days after the person seeking removal has notified the seizing law enforcement agency of the person's claim of ownership or right to possession. The court to which the matter is to be removed must be the district court if the aggregate value of personal property is within the jurisdictional limit set forth in RCW 3.66.020. A hearing before the seizing agency and any appeal therefrom must be under Title 34 RCW. In a court hearing between two or more claimants to the article or articles involved, the prevailing party is entitled to a judgment for costs and reasonable attorneys' fees. In cases involving personal property, the burden of producing evidence is upon the person claiming to be the lawful owner or the person claiming to have the lawful right to possession of the property. In cases involving property seized under subsection (1)(a) of this section, the only issues to be determined by the tribunal are whether the item seized is a gambling device, and whether the device is an antique device as defined by RCW 9.46.235. In cases involving real property, the burden of producing evidence is upon the law enforcement agency. The burden of proof that the seized real property is subject to forfeiture is upon the law enforcement agency. The seizing law enforcement agency shall promptly return the article or articles to the claimant upon a final determination by the administrative law judge or court that the claimant is the present lawful owner or is lawfully entitled to possession thereof of items specified in subsection (1) of this section.

(6) If property is forfeited under this chapter the seizing law enforcement agency may:

(a) Retain it for official use or upon application by any law enforcement agency of this state release the property to the agency for training or use in enforcing this chapter;

(b) Sell that which is not required to be destroyed by law and which is not harmful to the public; or

(c) Destroy any articles that may not be lawfully possessed within the state of Washington, or that have a fair market value of less than one hundred dollars.

(7)(a) If property is forfeited, the seizing agency shall keep a record indicating the identity of the prior owner, if known, a description of the property, the disposition of the property, the value of the property at the time of seizure, and the amount of proceeds realized from disposition of the property. The net proceeds of forfeited property is the value of the forfeitable interest in the property after deducting the cost of satisfying any bona fide security interest to which the property is subject at the time of seizure, and in the case of sold property, after deducting the cost of sale, including reasonable fees or commissions paid to independent selling agents.

(b) Each seizing agency shall retain records of forfeited property for at least seven years.

(8) The seizing law enforcement agency shall retain forfeited property and net proceeds exclusively for the expansion and improvement of gambling-related law enforcement activity. Money retained under this section may not be used to supplant preexisting funding sources.

(9) Gambling devices that are possessed, transferred, sold, or offered for sale in violation of this chapter are contraband and must be seized and summarily forfeited to the state. Gambling equipment that is seized or comes into the possession of a law enforcement agency, the owners of which are unknown, are contraband and must be summarily forfeited to the state.

(10) Upon the entry of an order of forfeiture of real property, the court shall forward a copy of the order to the assessor of the county in which the property is located. The superior court shall enter orders for the forfeiture of real property, subject to court rules. The seizing agency shall file such an order in the county auditor's records in the county in which the real property is located.

(11)(a) A landlord may assert a claim against proceeds from the sale of assets seized and forfeited under subsection (6)(b) of this section, only if:

(i) A law enforcement officer, while acting in his or her official capacity, directly caused damage to the complaining landlord's property while executing a search of a tenant's residence; and

(ii) The landlord has applied any funds remaining in the tenant's deposit, to which the landlord has a right under chapter 59.18 RCW, to cover the damage directly caused by a law enforcement officer before asserting a claim under this section.

(A) Only if the funds applied under (a)(ii) of this subsection are insufficient to satisfy the damage directly caused by a law enforcement officer, may the landlord seek compensation for the damage by filing a claim against the governmental entity under whose authority the law enforcement agency operates within thirty days after the search; and

(B) Only if the governmental entity denies or fails to respond to the landlord's claim within sixty days of the date of filing, may the landlord collect damages under this subsection by filing within thirty days of denial or the expiration of the sixty-day period, whichever occurs first, a claim with the seizing law enforcement agency. The seizing law enforcement agency shall notify the landlord of the status of the claim by the end of the thirty-day period. This section does not require the claim to be paid by the end of the sixty-day or thirty-day period.

(b) For any claim filed under (a)(ii) of this subsection, the law enforcement agency shall pay the claim unless the agency provides substantial proof that the landlord either:

(i) Knew or consented to actions of the tenant in violation of this chapter; or

(ii) Failed to respond to a notification of the illegal activity, provided by a law enforcement agency within seven days of receipt of notification of the illegal activity.

(12) The landlord's claim for damages under subsection (11) of this section may not include a claim for loss of business and is limited to:

(a) Damage to tangible property and clean-up costs;

(b) The lesser of the cost of repair or fair market value of the damage directly caused by a law enforcement officer;

(c) The proceeds from the sale of the specific tenant's property seized and forfeited under subsection (6)(b) of this section; and

(d) The proceeds available after the seizing law enforcement agency satisfies any bona fide security interest in the tenant's property and costs related to sale of the tenant's property as provided by subsection (7)(a) of this section.

(13) Subsections (11) and (12) of this section do not limit any other rights a landlord may have against a tenant to collect for damages. However, if a law enforcement agency satisfies a landlord's claim under subsection (11) of this section, the rights the landlord has against the tenant for damages directly caused by a law enforcement officer under the terms of the landlord and tenant's contract are subrogated to the law enforcement agency.

(14) Liability is not imposed by this section upon any authorized state, county, or municipal officer, including a commission special agent, in the lawful performance of his or her duties. [2008 c 6 § 629; 1997 c 128 § 1; 1994 c 218 § 7.]

Part headings not law—Severability—2008 c 6: See RCW 26.60.900 and 26.60.901.

Additional notes found at www.leg.wa.gov

9.46.235 Slot machines, antique—Defenses concerning—Presumption created. (1) For purposes of a prosecution under RCW 9.46.215 or a seizure, confiscation, or destruction order under RCW 9.46.231, it shall be a defense that the gambling device involved is an antique slot machine and that the antique slot machine was not operated for gambling purposes while in the owner's or defendant's possession. Operation of an antique slot machine shall be only by free play or with coins provided at no cost by the owner. No slot machine, having been seized under this chapter, may be altered, destroyed, or disposed of without affording the owner thereof an opportunity to present a defense under this section. If the defense is applicable, the antique slot machine shall be returned to the owner or defendant, as the court may direct.

(2) RCW 9.46.231 shall have no application to any antique slot machine that has not been operated for gambling purposes while in the owner's possession.

(3) For the purposes of this section, a slot machine shall be conclusively presumed to be an antique slot machine if it is at least twenty-five years old.

(4) RCW 9.46.231 and 9.46.215 do not apply to gambling devices on board a passenger cruise ship which has been registered and bonded with the federal maritime commission, if the gambling devices are not operated for gambling purposes within the state. [1994 c 218 § 15; 1987 c 191 § 1; 1977 ex.s. c 165 § 1.]

Additional notes found at www.leg.wa.gov

9.46.240 Gambling information, transmitting or receiving. Whoever knowingly transmits or receives gambling information by telephone, telegraph, radio, semaphore, the internet, a telecommunications transmission system, or similar means, or knowingly installs or maintains equipment for the transmission or receipt of gambling information shall be guilty of a class C felony subject to the penalty set forth in RCW 9A.20.021. However, this section shall not apply to such information transmitted or received or equipment installed or maintained relating to activities authorized by this chapter or to any act or acts in furtherance thereof when conducted in compliance with the provisions of this chapter and in accordance with the rules adopted under this chapter.

[2006 c 290 § 2; 1991 c 261 § 9; 1987 c 4 § 44; 1973 1st ex.s. c 218 § 24.]

State policy—2006 c 290: "It is the policy of this state to prohibit all forms and means of gambling, except where carefully and specifically authorized and regulated. With the advent of the internet and other technologies and means of communication that were not contemplated when either the gambling act was enacted in 1973, or the lottery commission was created in 1982, it is appropriate for this legislature to reaffirm the policy prohibiting gambling that exploits such new technologies." [2006 c 290 § 1.]

9.46.250 Gambling property or premises—Common nuisances, abatement—Termination of interests, licenses—Enforcement. (1) All gambling premises are common nuisances and shall be subject to abatement by injunction or as otherwise provided by law. The plaintiff in any action brought under this subsection against any gambling premises, need not show special injury and may, in the discretion of the court, be relieved of all requirements as to giving security.

(2) When any property or premise held under a mortgage, contract, or leasehold is determined by a court having jurisdiction to be a gambling premises, all rights and interests of the holder therein shall terminate and the owner shall be entitled to immediate possession at his or her election: PROVIDED, HOWEVER, That this subsection shall not apply to those premises in which activities authorized by this chapter or any act or acts in furtherance thereof are carried on when conducted in compliance with the provisions of this chapter and in accordance with the rules and regulations adopted pursuant thereto.

(3) When any property or premises for which one or more licenses issued by the commission are in effect, is determined by a court having jurisdiction to be a gambling premise, all such licenses may be voided and no longer in effect, and no license so voided shall be issued or reissued for such property or premises for a period of up to sixty days thereafter. Enforcement of this subsection shall be the duty of all peace officers and all taxing and licensing officials of this state and its political subdivisions and other public agencies. This subsection shall not apply to property or premises in which activities authorized by this chapter, or any act or acts in furtherance thereof, are carried on when conducted in compliance with the provisions of this chapter and in accordance with the rules and regulations adopted pursuant thereto. [2011 c 336 § 305; 1987 c 4 § 45; 1973 1st ex.s. c 218 § 25.]

9.46.260 Proof of possession as evidence of knowledge of its character. Proof of possession of any device used for professional gambling or any record relating to professional gambling specified in RCW 9.46.215 is prima facie evidence of possession thereof with knowledge of its character or contents. [1994 c 218 § 16; 1973 1st ex.s. c 218 § 26.]

Additional notes found at www.leg.wa.gov

9.46.270 Taxing authority, exclusive. This chapter shall constitute the exclusive legislative authority for the taxing by any city, town, city-county or county of any gambling activity and its application shall be strictly construed to those activities herein permitted and to those persons, associations or organizations herein permitted to engage therein. [1973 1st ex.s. c 218 § 27.]

9.46.285 Licensing and regulation authority, exclusive. This chapter constitutes the exclusive legislative authority for the licensing and regulation of any gambling activity and the state preempts such licensing and regulatory functions, except as to the powers and duties of any city, town, city-county, or county which are specifically set forth in this chapter. Any ordinance, resolution, or other legislative act by any city, town, city-county, or county relating to gambling in existence on September 27, 1973 shall be as of that date null and void and of no effect. Any such city, town, city-county, or county may thereafter enact only such local law as is consistent with the powers and duties expressly granted to and imposed upon it by chapter 9.46 RCW and which is not in conflict with that chapter or with the rules of the commission. [1973 2nd ex.s. c 41 § 8.]

9.46.291 State lottery exemption. The provisions of this chapter shall not apply to the conducting, operating, participating, or selling or purchasing of tickets or shares in the "lottery" or "state lottery" as defined in RCW 67.70.010 when such conducting, operating, participating, or selling or purchasing is in conformity to the provisions of chapter 67.70 RCW and to the rules adopted thereunder. [1982 2nd ex.s. c 7 § 39.]

Additional notes found at www.leg.wa.gov

9.46.293 Fishing derbies exempted. Any fishing derby, defined under RCW 9.46.0229, shall not be subject to any other provisions of this chapter or to any rules or regulations of the commission. [1989 c 8 § 1; 1975 1st ex.s. c 166 § 13.]

Additional notes found at www.leg.wa.gov

9.46.295 Licenses, scope of authority—Exception. (1) Any license to engage in any of the gambling activities authorized by this chapter as now exists or as hereafter amended, and issued under the authority thereof shall be legal authority to engage in the gambling activities for which issued throughout the incorporated and unincorporated area of any county, except that a city located therein with respect to that city, or a county with respect to all areas within that county except for such cities, may absolutely prohibit, but may not change the scope of license, any or all of the gambling activities for which the license was issued.

(2)(a) A city or town with a prohibition on house-banked social card game licenses that annexes an area that is within a city, town, or county that permits house-banked social card games may allow a house-banked social card game business that was licensed by the commission as of July 26, 2009, to continue operating if the city or town is authorized to impose a tax under RCW 82.14.415 and can demonstrate that the continuation of the house-banked social card game business will reduce the credit against the state sales and use tax as provided in RCW 82.14.415(7).

(b) A city or town that allowed a house-banked social card game business in an annexed area to continue operating under (a) of this subsection before July 15, 2010, shall allow

all social card game businesses in the annexed area that were operating and licensed by the commission as of January 1, 2011, to continue operating.

(c) A city or town that allows a social card game business in an annexed area to continue operating is not required to allow additional social card game businesses. [2011 c 134 § 1; 2009 c 550 § 2; 1974 ex.s. c 155 § 6; 1974 ex.s. c 135 § 6.]

Additional notes found at www.leg.wa.gov

9.46.300 Licenses and reports—Public inspection—Exceptions and requirements—Charges. All applications for licenses made to the commission, with the exception of any portions of the applications describing the arrest or conviction record of any person, and all reports required by the commission to be filed by its licensees on a periodic basis concerning the operation of the licensed activity or concerning any organization, association, or business in connection with which a licensed activity is operated, in the commission files, shall be open to public inspection at the commission's offices upon a prior written request of the commission. The staff of the commission may decline to allow an inspection until such time as the inspection will not unduly interfere with the other duties of the staff. The commission may charge the person making a request for an inspection an amount necessary to offset the costs to the commission of providing the inspection and copies of any requested documents. [1977 ex.s. c 326 § 17.]

9.46.310 Licenses for manufacture, sale, distribution, or supply of gambling devices. No person shall manufacture, and no person shall sell, distribute, furnish or supply to any other person, any gambling device, including but not limited to punchboards and pull-tabs, in this state, or for use within this state, without first obtaining a license to do so from the commission under the provisions of this chapter.

Such licenses shall not be issued by the commission except respecting devices which are designed and permitted for use in connection with activities authorized under this chapter: PROVIDED, That this requirement for licensure shall apply only insofar as the commission has adopted, or may adopt, rules implementing it as to particular categories of gambling devices and related equipment. [1981 c 139 § 13.]

Additional notes found at www.leg.wa.gov

9.46.350 Civil action to collect fees, interest, penalties, or tax—Writ of attachment—Records as evidence. At any time within five years after any amount of fees, interest, penalties, or tax which is imposed pursuant to this chapter, or rules adopted pursuant thereto, shall become due and payable, the attorney general, on behalf of the commission, may bring a civil action in the courts of this state, or any other state, or of the United States, to collect the amount delinquent, together with penalties and interest: PROVIDED, That where the tax is one imposed by a county, city or town under RCW 9.46.110, any such action shall be brought by that county, city or town on its own behalf. An action may be brought whether or not the person owing the amount is at such time a licensee pursuant to the provisions of this chapter.

If such an action is brought in the courts of this state, a writ of attachment may be issued and no bond or affidavit prior to the issuance thereof shall be required. In all actions in this state, the records of the commission, or the appropriate county, city or town, shall be prima facie evidence of the determination of the tax due or the amount of the delinquency. [1981 c 139 § 16.]

Additional notes found at www.leg.wa.gov

9.46.360 Indian tribes—Compact negotiation process. (1) The negotiation process for compacts with federally recognized Indian tribes for conducting class III gaming, as defined in the Indian Gaming Regulatory Act, 25 U.S.C. Sec. 2701 et seq., on federal Indian lands is governed by this section.

(2) The gambling commission through the director or the director's designee shall negotiate compacts for class III gaming on behalf of the state with federally recognized Indian tribes in the state of Washington.

(3) When a tentative agreement with an Indian tribe on a proposed compact is reached, the director shall immediately transmit a copy of the proposed compact to all voting and ex officio members of the gambling commission and to the standing committees designated pursuant to subsection (5) of this section.

(4) Notwithstanding RCW 9.46.040, the four ex officio members of the gambling commission shall be deemed voting members of the gambling commission for the sole purpose of voting on proposed compacts submitted under this section.

(5) Within thirty days after receiving a proposed compact from the director, one standing committee from each house of the legislature shall hold a public hearing on the proposed compact and forward its respective comments to the gambling commission. The president of the senate shall designate the senate standing committee that is to carry out the duties of this section, and the speaker of the house of representatives shall designate the house standing committee that is to carry out the duties of this section. The designated committees shall continue to perform under this section until the president of the senate or the speaker of the house of representatives, as the case may be, designates a different standing committee.

(6) The gambling commission may hold public hearings on the proposed compact any time after receiving a copy of the compact from the director. Within forty-five days after receiving the proposed compact from the director, the gambling commission, including the four ex officio members, shall vote on whether to return the proposed compact to the director with instructions for further negotiation or to forward the proposed compact to the governor for review and final execution.

(7) Notwithstanding provisions in this section to the contrary, if the director forwards a proposed compact to the gambling commission and the designated standing committees within ten days before the beginning of a regular session of the legislature, or during a regular or special session of the legislature, the thirty-day time limit set forth in subsection (5) of this section and the forty-five day limit set forth in subsec-

tion (6) of this section are each forty-five days and sixty days, respectively.

(8) Funding for the negotiation process under this section must come from the gambling revolving fund.

(9) In addition to the powers granted under this chapter, the commission, consistent with the terms of any compact, is authorized and empowered to enforce the provisions of any compact between a federally recognized Indian tribe and the state of Washington. [1992 c 172 § 2.]

Additional notes found at www.leg.wa.gov

9.46.36001 Tribal actions—Federal jurisdiction. The state consents to the jurisdiction of the federal courts in actions brought by a tribe pursuant to the Indian gaming regulatory act of 1988 or seeking enforcement of a state/tribal compact adopted under the Indian gaming regulatory act, conditioned upon the tribe entering into such a compact and providing similar consent. This limited waiver of sovereign immunity shall not extend to actions other than those expressly set forth herein. [2007 c 321 § 1; 2001 c 236 § 1.]

9.46.400 Wildlife raffle. Any raffle authorized by the fish and wildlife commission involving hunting big game animals or wild turkeys shall not be subject to any provisions of this chapter other than RCW 9.46.010 and this section or to any rules or regulations of the gambling commission. [1996 c 101 § 3.]

Findings—1996 c 101: See note following RCW 77.32.530.

9.46.410 Use of public assistance electronic benefit cards prohibited—Licensee to report violations—Suspension of license. (1) Any licensee authorized under this chapter is prohibited from allowing the use of public assistance electronic benefit cards for the purpose of participating in any of the activities authorized under this chapter.

(2) Any licensee authorized under this chapter shall report to the department of social and health services any known violations of RCW 74.08.580.

(3) Any licensee authorized under this chapter is required to comply with RCW 74.08.580(2). If the licensee fails to comply with RCW 74.08.580(2), its license shall be immediately suspended until it complies with RCW 74.08.580(2). If the licensee remains otherwise eligible to be licensed, the commission may reinstate the license once the licensee has complied with RCW 74.08.580(2). [2011 1st sp.s. c 42 § 19; 2002 c 252 § 2.]

Findings—Intent—Effective date—2011 1st sp.s. c 42: See notes following RCW 74.08A.260.

Finding—2011 1st sp.s. c 42: See note following RCW 74.04.004.

9.46.420 RCW 9.46.410 to be negotiated with Indian tribes. The commission shall consider the provisions of RCW 9.46.410 as elements to be negotiated with federally recognized Indian tribes as provided in RCW 9.46.360. [2002 c 252 § 3.]

9.46.900 Severability—1973 1st ex.s. c 218. If any provision of this chapter, or its application to any person or circumstance is held invalid, the remainder of the chapter, or the application of the provision to other persons or circumstances is not affected. [1973 1st ex.s. c 218 § 31.]

Reviser's note: See note following RCW 9.46.010.

9.46.901 Intent—1987 c 4. The separation of definitions and authorized activities provisions of the state's gambling statutes into shorter sections is intended to improve the readability and facilitate the future amendment of these sections. This separation shall not change the meaning of any of the provisions involved. [1987 c 4 § 1.]

9.46.902 Construction—1987 c 4. This act shall not be construed as affecting any existing right acquired or liability or obligation incurred under the sections amended or repealed in this act or under any rule, regulation, or order adopted under those sections, nor as affecting any proceeding instituted under those sections. [1987 c 4 § 48.]

9.46.903 Intent—1994 c 218. The legislature intends with chapter 218, Laws of 1994 to clarify the state's public policy on gambling regarding the frequency of state lottery drawings, the means of addressing problem and compulsive gambling, and the enforcement of the state's gambling laws. Chapter 218, Laws of 1994 is intended to clarify the specific types of games prohibited in chapter 9.46 RCW and is not intended to add to existing law regarding prohibited activities. The legislature recognizes that slot machines, video pull-tabs, video poker, and other electronic games of chance have been considered to be gambling devices before April 1, 1994. [1994 c 218 § 1.]

Additional notes found at www.leg.wa.gov

Chapter 230-01 WAC
ABOUT THE COMMISSION

WAC

230-01-001 Time and place of public meetings.
230-01-005 Address and hours of administrative offices.
230-01-010 Field offices and operations.
230-01-011 Deadlines for submitting items to be included in the commission meeting agenda.
230-01-015 Effective dates for rule-making orders.
230-01-020 Commission activities exempt from State Environmental Protection Act.
230-01-025 Definitions used in Title 230 WAC.

WAC 230-01-001 Time and place of public meetings. (1) We normally file a schedule of meetings in January of each year with the code reviser's office.

(2) We hold monthly two-day meetings beginning on the second Thursday and Friday of the month at a time and place we set.

(3) We may call additional public meetings as necessary to accomplish our business.

[Statutory Authority: RCW 9.46.070. 07-15-062 (Order 613), § 230-01-001, filed 7/16/07, effective 1/1/08.]

WAC 230-01-005 Address and hours of administrative offices. (1) Our administrative office is located in Lacey, Washington.

Mailing Address	Location Address
Washington State Gambling Commission P.O. Box 42400 Olympia, WA 98504-2400	Washington State Gambling Commission 4565 7th Avenue S.E. Lacey, WA 98503

(2) Normal business hours are 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding legal holidays.

(3) Services available are:

(a) Administration;

(b) Information;

(c) Licensing;

(d) Investigation;

(e) Activity report processing; and

(f) Public records.

(4) Address applications for licenses, required license materials, or requests for notices, information, or other inquiries to our mailing address.

[Statutory Authority: RCW 9.46.070. 07-15-062 (Order 613), § 230-01-005, filed 7/16/07, effective 1/1/08.]

WAC 230-01-010 Field offices and operations. Direct regulatory and operational questions to our field offices, located at:

City	Telephone Number
Eastern Region North 901 Monroe Room 240 Spokane, WA 99201	509-325-7900
1703 Creekside Loop Suite 120 Yakima, WA 98902	509-575-2820
Northwest Region 3501 Colby Avenue Suite 102 Everett, WA 98201	425-304-6300
451 Southwest 10th Street Plaza 451 Building Suite 218 Renton, WA 98057	425-277-7014
Southwest Region Tacoma Mall Office Building 4301 South Pine Street Suite 307 Tacoma, WA 98409	253-671-6280

[Statutory Authority: RCW 9.46.070. 07-15-062 (Order 613), § 230-01-010, filed 7/16/07, effective 1/1/08.]

WAC 230-01-011 Deadlines for submitting items to be included in the commission meeting agenda. (1) To ensure that the public and the commissioners have sufficient notice of agenda items, we require that items for the commission's monthly meeting agenda be submitted in the format we require and delivered to our administrative office at least fourteen days before the regularly scheduled commission meeting.

(2) Any items submitted after the time frame set forth in subsection (1) of this section must be approved by the commissioners in order to be included on the commission meeting agenda.

(3) We publish the meeting agenda on our web site and with the code reviser's office as explained in WAC 230-01-010.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-01-011, filed 10/22/07, effective 1/1/08.]

WAC 230-01-015 Effective dates for rule-making orders. (1) Rules adopted December through May become effective July 1.

(2) Rules adopted June through November become effective January 1.

(3) The commission may specify earlier or later effective dates. The earliest a rule may become effective is thirty-one days after filing with the code reviser's office as explained in RCW 34.05.380(3).

(4) Rules adopted under emergency rule making must specify an effective date as explained in RCW 34.05.350.

[Statutory Authority: RCW 9.46.070. 07-15-062 (Order 613), § 230-01-015, filed 7/16/07, effective 1/1/08.]

WAC 230-01-020 Commission activities exempt from State Environmental Protection Act. The commission has reviewed its authorized activities and has found them to be exempt pursuant to WAC 197-10-040(2), 197-10-150 through 197-10-190 and the State Environmental Policy Act, chapter 43.21C RCW.

[Statutory Authority: RCW 9.46.070. 07-15-062 (Order 613), § 230-01-020, filed 7/16/07, effective 1/1/08.]

WAC 230-01-025 Definitions used in Title 230 WAC. Words and terms used in these rules have the same meaning as they have in chapter 9.46 RCW, unless otherwise provided in these rules.

[Statutory Authority: RCW 9.46.070. 07-15-062 (Order 613), § 230-01-025, filed 7/16/07, effective 1/1/08.]

Chapter 230-03 WAC
PERMITTING AND LICENSING RULES

WAC

TERMS USED IN THIS CHAPTER

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230-03-010 Fund-raising equipment distributors must report recreational gaming activities.
230-03-015 Permits to conduct bingo at agricultural fairs.
230-03-018 One annual change of bingo premises allowed.
230-03-020 Punch board and pull-tab service business permit.
230-03-025 Applying for a manufacturer's special sales permit.
230-03-030 Other licenses, certificates, inspections, or permits needed to be considered for a gambling license.
230-03-035 Applying for a license.
230-03-040 Signing the application.
230-03-045 Defining substantial interest holder.
230-03-050 Additional information required from applicants for licensing.
230-03-052 Resident agent to be appointed by out-of-state applicants and licensees.
230-03-055 Reporting changes to application.
230-03-060 Fingerprinting of applicants.
230-03-065 Spouses must also be qualified.
230-03-070 Training required for licensing.
230-03-075 Withdrawing your application.
230-03-080 License approval process.
230-03-085 Denying, suspending, or revoking an application, license or permit.

ADDITIONAL LICENSING REQUIREMENTS FOR CHARITABLE AND NONPROFIT APPLICANTS

230-03-090 Defining "agricultural."
230-03-095 Defining "athletic."
230-03-100 Defining "charitable."
230-03-105 Defining "civic."
230-03-110 Defining "educational."
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230-03-120 Defining "patriotic."
230-03-125 Defining "political."
230-03-130 Defining "religious."
230-03-135 Defining "social."
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230-03-145 Additional requirements for charitable and nonprofit licensing.
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ADDITIONAL REQUIREMENTS FOR COMMERCIAL AMUSEMENT GAME LICENSE APPLICANTS

230-03-165 Information required with license application for commercial amusement games.

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230-03-210 Applying for a gambling service supplier license.
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230-03-212 Defining "regulated lending institution."
230-03-215 Gambling service suppliers prohibited from assuming ultimate responsibility.
230-03-220 Marketing level restrictions for punch board or pull-tab manufacturers, distributors, or operators.
230-03-225 Marketing level restrictions for punch board or pull-tab gambling service suppliers.

LICENSING LINKED BINGO PRIZE PROVIDERS

230-03-230 Applying for linked bingo prize provider license.

INDIVIDUAL LICENSES

Licensing Charitable or Nonprofit Gambling Managers

230-03-235 Applying for charitable or nonprofit gambling manager license.
230-03-240 Working before receiving a charitable or nonprofit gambling manager license.
230-03-245 Licensing period for charitable or nonprofit gambling manager.

LICENSING COMMERCIAL GAMBLING MANAGERS

230-03-250 Applying for a commercial gambling manager license.
230-03-255 Working before receiving a commercial gambling manager license.
230-03-260 Licensing period for commercial gambling manager.

LICENSING CARD ROOM EMPLOYEES

230-03-265 Applying for a card room employee license.
230-03-270 Working as a card room employee before receiving a license.
230-03-275 Licensing period for card room employee.
230-03-280 Substantial interest holders not required to be licensed as card room employees.
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REPRESENTATIVE LICENSING

230-03-300 Applying for a manufacturer's representative license.
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230-03-310 Applying for a gambling service supplier's representative license.
230-03-315 Applying for a linked bingo prize provider representative license.
230-03-320 Substantial interest holders not required to be licensed as representatives.
230-03-325 Office, clerical, or warehouse workers not required to be licensed as representatives.
230-03-330 Representing one or more licensed businesses.
230-03-335 Representatives must not work before receiving a license.
230-03-340 Gambling service supplier representative must report conflicts of interest.

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

230-03-001 "We," "our," and "us" mean the commission and staff. [Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-001, filed 3/22/06, effective 1/1/08.] Repealed by 07-21-116 (Order 617), filed 10/22/07, effective 1/1/08. Statutory Authority: RCW 9.46.070.

230-03-051	Incorporated cities and towns exempt from some information requirements for application. [Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-051, filed 3/22/06, effective 1/1/08.] Repealed by 07-21-116 (Order 617), filed 10/22/07, effective 1/1/08. Statutory Authority: RCW 9.46.070.
230-03-290	Card room employees working for additional employer or changing employer. [Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-290, filed 3/22/06, effective 1/1/08.] Repealed by 08-21-087 (Order 633), filed 10/14/08, effective 1/1/09. Statutory Authority: RCW 9.46.070.

TERMS USED IN THIS CHAPTER

ACTIVITIES REQUIRING A PERMIT AND RULES FOR THOSE ACTIVITIES

WAC 230-03-005 Permits for recreational gaming activities. A recreational gaming activity (RGA) is a non-gambling activity, using poker tables and gambling equipment authorized for use in fund-raising events. A RGA is conducted no more than two times per calendar year, by, or on behalf of, a sponsoring organization, business, or association, or department of an organization, business, or association.

(1) An organization, business, or association, or department of an organization, business, or association, that holds or sponsors an RGA must either:

(a) Apply for and get a permit before the event; or

(b) Hire a licensed fund-raising equipment distributor to organize and conduct the activity.

(2) Only members and guests of the sponsoring organization, business, or association, or department of the sponsoring organization, business, or association, may participate in the RGA.

(3) Permit holders must:

(a) Rent the gambling equipment used in the RGA from:

(i) A licensed distributor of fund-raising event equipment; or

(ii) A licensee who has conducted a fund-raising event within the last twelve months; and

(b) Use scrip or chips which have no cash value; and

(c) Limit the RGA to eight hours.

(4) The permit holder may charge a fee to enter the premises if that fee pays for:

(a) An accompanying meal and entertainment associated with the RGA; or

(b) The costs of renting the equipment used in the RGA.

(5) All prizes must be donated to, or provided by, the permit holder.

(6) The permit holder may allow participants to:

(a) Redeem their scrip or chips for prizes; or

(b) Trade scrip or chips for tickets which are then drawn to determine the prize winners.

[Statutory Authority: RCW 9.46.070. 08-11-044 (Order 628), § 230-03-005, filed 5/14/08, effective 7/1/08; 06-07-157 (Order 457), § 230-03-005, filed 3/22/06, effective 1/1/08.]

WAC 230-03-010 Fund-raising equipment distributors must report recreational gaming activities. If a licensed fund-raising equipment distributor contracts to organize and conduct a recreational gaming activity (RGA) on behalf of the organization, business, or association, or department of an organization, business, or association, the licensed distributor must send us a monthly schedule of those RGAs. The schedule must:

(1) Include the name of the sponsoring organization, business, or association, or department of an organization, business, or association, and the date, location, and time of the RGA.

(2) Identify any prior RGAs conducted by all licensed distributors on behalf of the sponsoring organization, business, or association, or department of an organization, business, or association, within the last calendar year.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-010, filed 3/22/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-015, filed 3/22/06, effective 1/1/08.]

WAC 230-03-018 One annual change of bingo premises allowed. (1) Once each license year, a bingo licensee may apply to play bingo at a different location (special property bingo).

(2) The bingo activity is limited to:

(a) Three consecutive days; and

(b) Sixteen consecutive hours each day.

(3) The application must include the following information and fee, at least fifteen days before the first date, which includes:

(a) Name and address of the proposed location and dates of activity; and

(b) Names and addresses of all persons who have an interest of any kind in those premises; and

(c) Amount of rent, if any, that would be paid for the use of the premises; and

(d) Rent calculation.

(4) The special property bingo permit must be posted on the premises during the event.

[Statutory Authority: RCW 9.46.070. 08-03-062 (Order 623), § 230-03-018, filed 1/14/08, effective 2/14/08.]

WAC 230-03-020 Punch board and pull-tab service business permit. (1) You must apply for a punch board and pull-tab service business permit if you:

(a) Reconcile sales, prizes, and cash on hand for punch board and pull-tab series; or

(b) Complete records we require; or

(c) Store punch boards and pull-tab series removed from play.

(2) The owners or employees of the punch boards and pull-tab service business must not be employees of the operator.

(3) The owners or employees of the punch boards and pull-tab service business must not provide management advice to the operator.

(4) The punch board and pull-tab service business must apply for a gambling service supplier license if combined gross billings exceed thirty thousand dollars during the permit period.

[Statutory Authority: RCW 9.46.070. 10-19-052 (Order 673), § 230-03-020, filed 9/14/10, effective 1/1/11; 06-07-157 (Order 457), § 230-03-020, filed 3/22/06, effective 1/1/08.]

WAC 230-03-025 Applying for a manufacturer's special sales permit. (1) You may apply for a manufacturer's special sales permit if you:

(a) Sell authorized gambling equipment; and

(b) Demonstrate that the anticipated profits from your sales will be below the cost of obtaining a manufacturer license.

(2) Otherwise, you must apply for a manufacturer license.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-025, filed 3/22/06, effective 1/1/08.]

WAC 230-03-030 Other licenses, certificates, inspections, or permits needed to be considered for a gambling license. Applicants must prove that they have the required applicable business licenses, permits, health certificates, fire inspections, and use and occupancy permits required by local authorities before being considered for a gambling license.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-030, filed 3/22/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-035, filed 3/22/06, effective 1/1/08.]

WAC 230-03-040 Signing the application. The applicant signs the application under oath and under penalty of perjury under the laws of the state of Washington. This oath affirms that the information on the application and any accompanying materials is accurate and complete.

(1) The person signing the application must be:

(a) The highest ranking officer of a charitable, nonprofit, or profit-seeking corporation, or limited liability company seeking licensure; or

(b) The owner of a sole proprietorship seeking licensure; or

(c) All partners of a partnership or general partner of a limited partnership seeking licensure.

(2) The person seeking an individual license and a designated officer of the organization for which the person will work must both sign the application.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-03-040, filed 10/22/07, effective 1/1/08; 06-07-157 (Order 457), § 230-03-040, filed 3/22/06, effective 1/1/08.]

WAC 230-03-045 Defining substantial interest holder. (1) "Substantial interest holder" means a person who has actual or potential influence over the management or operation of any organization, association, or other business entity.

(2) Evidence of substantial interest may include, but is not limited to:

(a) Directly or indirectly owning, operating, managing, or controlling an entity or any part of an entity; or

(b) Directly or indirectly profiting from an entity or assuming liability for debts or expenditures of the entity; or

(c) Being an officer or director or managing member of an entity; or

(d) Owning ten percent or more of any class of stock in a privately or closely held corporation; or

(e) Owning five percent or more of any class of stock in a publicly traded corporation; or

(f) Owning ten percent or more of the membership shares/units in a privately or closely held limited liability company; or

(g) Owning five percent or more of the membership shares/units in a publicly traded limited liability company; or

(h) Providing ten percent or more of cash, goods, or services for the start up of operations or the continuing operation of the business during any calendar year or fiscal year. To calculate ten percent of cash, goods, or services, take the operational expenses of the business over the past calendar or fiscal year, less depreciation and amortization expenses, and multiply that number by ten percent; or

(i) Receiving, directly or indirectly, a salary, commission, royalties, or other form of compensation based on the gambling receipts.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-045, filed 3/22/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-03-050, filed 10/22/07, effective 1/1/08; 06-07-157 (Order 457), § 230-03-050, filed 3/22/06, effective 1/1/08.]

WAC 230-03-052 Resident agent to be appointed by out-of-state applicants and licensees. (1) All applicants and licensees that do not have a business office or licensed premises within Washington state must appoint a resident agent for receiving and accepting service of process and other communications from us.

(2) The resident agent must be:

(a) A natural person who is a resident living in Washington state; and

(b) At least eighteen years old.

(3) The resident agent's name, business address, and home address must be filed with us.

[Statutory Authority: RCW 9.46.070. 08-20-007 (Order 630), § 230-03-052, filed 9/18/08, effective 1/1/09.]

WAC 230-03-055 Reporting changes to application. You must notify us if any information required on the application changes or becomes inaccurate in any way within ten days of the change.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-055, filed 3/22/06, effective 1/1/08.]

WAC 230-03-060 Fingerprinting of applicants. Applicants or persons holding a substantial interest may undergo a national criminal history background check, using fingerprints for the following licenses:

(1) Amusement games for commercial use: Class E and above; and

(2) Card games: Class E, Class F and house-banked card rooms; and

(3) Punch boards/pull-tabs for commercial stimulant: Class F and above; and

(4) Manufacturers: Class B and above; and

(5) Distributors: Class B and above; and

(6) Gambling service suppliers; and

(7) Representatives for distributors, manufacturers, gambling service suppliers, and linked bingo prize providers; and

(8) Managers of commercial gambling operations; and

(9) Public card room employees; and

(10) Linked bingo prize providers.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-060, filed 3/22/06, effective 1/1/08.]

WAC 230-03-065 Spouses must also be qualified. (1) Applicants' spouses must also meet the qualifications to hold a gambling license when married persons who maintain a marital community apply for or hold a license to operate gambling activities. This includes, but is not limited to, owners and substantial interest holders of commercial gambling establishments and officers of charitable or nonprofit organizations.

(2) If you are a licensed employee of a gambling operation, your spouse does not need to meet the licensing qualifications.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-065, filed 3/22/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-070, filed 3/22/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-075, filed 3/22/06, effective 1/1/08.]

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.

(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.

[Statutory Authority: RCW 9.46.070. 10-17-088 (Order 670), § 230-03-080, filed 8/16/10, effective 9/16/10; 06-07-157 (Order 457), § 230-03-080, filed 3/22/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-03-085, filed 10/22/07, effective 1/1/08; 06-07-157 (Order 457), § 230-03-085, filed 3/22/06, effective 1/1/08.]

ADDITIONAL LICENSING REQUIREMENTS FOR CHARITABLE AND NONPROFIT APPLICANTS

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.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-090, filed 3/22/06, effective 1/1/08.]

WAC 230-03-095 Defining "athletic." "Athletic" as used in RCW 9.46.0209 means activities which promote physical fitness, sportsmanship, or development of amateur athletes.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-095, filed 3/22/06, effective 1/1/08.]

WAC 230-03-100 Defining "charitable." "Charitable," eleemosynary, and benevolent as used in RCW 9.46.0209 mean the same thing. They mean:

(1) Relief of poverty, indigence, or personal distress;

(2) Help for disadvantaged persons;

(3) Treatment and prevention of physical or mental distress;

(4) Assisting youths, seventeen years old or younger, through programs that teach them cultural and social skills necessary to integrate them into society, improve their physical fitness, or prevent delinquency.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-100, filed 3/22/06, effective 1/1/08.]

WAC 230-03-105 Defining "civic." "Civic" as used in RCW 9.46.0209 means relating to or belonging to a city, a citizen, or citizenship.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-105, filed 3/22/06, effective 1/1/08.]

WAC 230-03-110 Defining "educational." "Educational" as used in RCW 9.46.0209 means training or instructing individuals for the purpose of improving or developing their capabilities. It also means instructing the public on subjects useful to individuals and beneficial to the community.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-110, filed 3/22/06, effective 1/1/08.]

WAC 230-03-115 Defining "fraternal." "Fraternal" as used in RCW 9.46.0209 means fraternal societies incorporated under chapter 24.20 RCW and organized under the lodge system with local self-governing branches chartered by a parent organization.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-115, filed 3/22/06, effective 1/1/08.]

WAC 230-03-120 Defining "patriotic." "Patriotic" as used in RCW 9.46.0209 means encouraging love of country, loyalty, and support of the United States; veterans' groups are included in this definition.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-120, filed 3/22/06, effective 1/1/08.]

WAC 230-03-125 Defining "political." "Political" as used in RCW 9.46.0209 means the process of electing candidates to public or party offices.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-125, filed 3/22/06, effective 1/1/08.]

WAC 230-03-130 Defining "religious." "Religious" as used in RCW 9.46.0209 means the advancement of a theological philosophy and the practices and rituals associated with the beliefs or creed of a church, religious society, congregation, or religious denomination, when such practices or rituals are legal.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-130, filed 3/22/06, effective 1/1/08.]

WAC 230-03-135 Defining "social." "Social" as used in RCW 9.46.0209 means providing recreation or recreational facilities and conducting other activities for a membership.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-135, filed 3/22/06, effective 1/1/08.]

WAC 230-03-140 Full and regular membership requirements. (1) "Bona fide member" means the same thing as "bona fide active member." Bona fide members hold full and regular membership status.

(2) To have full and regular membership status in a Washington charitable or nonprofit organization, you must:

(a) Be at least eighteen years old, unless the organization:

(i) Has a primary purpose that is the development of youth; and

(ii) The only activity the organization conducts is raffles or amusement games, whether licensed or unlicensed; and

(iii) Has at least three members or advisors who are at least eighteen years old and who supervise the operation of the gambling activity; and

(iv) Has an adult member or advisor designated as the manager for the gambling activity; and

(b) Take part in at least one of the following activities of the organization:

(i) Attend at least one regular membership meeting per year; or

(ii) Vote for officers and/or board members; or

(iii) Help set policy by serving as a member of the board of directors or a similar policy setting position; or

(iv) Serve as a volunteer providing services or raising funds from nongambling sources; or

(v) Maintain a level of communication that demonstrates knowledge of the activities of the organization; and

(c) Live within one hundred miles of the main administrative offices of your organization which are located in Washington, or attend seventy-five percent of the organization's board meetings.

[Statutory Authority: RCW 9.46.070. 09-09-065 (Order 643), § 230-03-140, filed 4/13/09, effective 7/1/09; 06-07-157 (Order 457), § 230-03-140, filed 3/22/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-145, filed 3/22/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-150, filed 3/22/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-155, filed 3/22/06, effective 1/1/08.]

WAC 230-03-160 Licensed charitable or nonprofit organizations prohibited from managing or operating commercial gambling activities. If a licensed charitable or nonprofit organization manages or operates an authorized gambling activity, it must not manage or operate any com-

mercial gambling activity authorized under chapter 9.46 RCW.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-160, filed 3/22/06, effective 1/1/08.]

ADDITIONAL REQUIREMENTS FOR COMMERCIAL AMUSEMENT GAME LICENSE APPLICANTS

WAC 230-03-165 Information required with license application for commercial amusement games. You must provide in writing all information necessary to comply with RCW 9.46.0331 if you are applying for a commercial amusement game license. Additionally, you must provide the following information:

(1) All locations:	(a)	A list of times and dates when the applicant will operate the activity; and
	(b)	A copy of any rental/lease agreement which allows operation of commercial amusement games at any location the applicant does not own or otherwise control. The applicant must disclose full details of the rental/lease agreement, including any revenue sharing provisions, all costs the applicant will share, and any restrictions on the number of amusement games the applicant operates; and
	(c)	Copies of any rental or lease contracts related to the amusement game equipment.
(2) Permanent locations:	(a)	Amusement parks: The number of mechanical or aquatic rides, theatrical productions, motion pictures, and slide show presentations available for the public.
	(b)	Regional shopping centers: Size of the shopping center, in gross square feet, not including parking areas.
	(c)	Taverns and restaurants with cocktail lounges: Washington state liquor control board license number and expiration date, and a statement of whether the business prohibits minors from all portions of the premises.
	(d)	Movie theaters, bowling alleys, miniature golf course facilities, skating facilities, and amusement centers: Complete description of the business activities conducted. For an amusement center, the number of amusement devices, income derived from those devices, and all other business activities conducted during the last twelve months.
	(e)	Any business whose primary activity is to provide food service for on-premises consumption: Amount of gross income the entire business generates; and the portion of gross income the food service for on-premises consumption generates.
	(f)	Department or grocery stores: Type of retail products sold; size of the store premises, in gross square feet, not including parking areas.
(3) Limited time locations:		The applicant must receive written permission from the sponsor of any activity and provide planned operating dates for all locations at which the applicant plans to operate during the year. This operating plan must be updated any time the dates of operation change.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-165, filed 3/22/06, effective 1/1/08.]

ADDITIONAL REQUIREMENTS FOR COMMERCIAL STIMULANT APPLICANTS

WAC 230-03-170 Defining "business premises." "Business premises" as used in RCW 9.46.0217 means the building, or portion of the building, set out on the license application.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-170, filed 3/22/06, effective 1/1/08.]

WAC 230-03-175 Requirements for commercial stimulant businesses. Businesses must provide evidence for us to determine their qualifications as a commercial stimulant as required in RCW 9.46.0217. That evidence includes, but is not limited to:

(1) Proof that it is an "established business" as used in RCW 9.46.0217. "Established business" means any business that:

(a) Has been open to the public for sales of food or drink for on-premises eating and drinking for ninety days or more; or

(b) Passes an inspection by us, is ready to conduct food or drink sales, and gives us a proposed operating plan which includes:

(i) Hours of operation; and

(ii) Estimated gross sales from each separate activity the business will conduct on the business premises including, but not limited to:

(A) Gross sales from food or drinks sold for "on-premises" eating or drinking; and

(B) Gross sales from food or drinks sold "to go"; and

(C) Gross sales from all other business activities; and

(2) Proof that it is "primarily engaged in the selling of food or drink for consumption on premises" as used in RCW 9.46.070(2). "Primarily engaged in the selling of food or drink for consumption on premises" means that before receiving a gambling license the business has total gross sales of food or drink for on-premises consumption equal to or greater than all other combined gross sales, rentals, or other income-producing activities which occur on the business premises when measured on an annual basis.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-03-175, filed 10/22/07, effective 1/1/08; 06-07-157 (Order 457), § 230-03-175, filed 3/22/06, effective 1/1/08.]

ADDITIONAL LICENSING REQUIREMENTS CARD ROOM LICENSE APPLICANTS

WAC 230-03-180 Additional information required for a house-banked card room application. If you apply for a house-banked card room license, you must provide at least the following as part of your application:

(1) A detailed description, including flow charts, of your planned internal accounting and administrative control system. You must provide the information in the standard format we require; and

(2) A detailed diagram of the planned physical layout of the business premises. The diagram must include at least:

(a) The location of all gambling tables; and

(b) The location of all surveillance cameras; and

(c) The count room; and

(d) The surveillance room; and

(e) The cashier's cage; and

(3) A detailed description of the card games offered for play, including rules of play, and the type of gambling tables operated, including table layouts.

(4) Before you begin card game operations, we perform a preoperational review and evaluation (PORE). You must receive our written approval before operating.

(5) The PORE determines whether:

(a) You have:

(i) An organizational structure that supports your proposed accounting and administrative controls; and

(ii) Controls in place so that you closely monitor the gambling activities and accurately record financial information; and

(iii) Have enough trained staff; and

(b) The physical layout of the card room and supporting functions can handle the proposed accounting and administrative controls.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-03-180, filed 10/22/07, effective 1/1/08; 06-07-157 (Order 457), § 230-03-180, filed 3/22/06, effective 1/1/08.]

ADDITIONAL REQUIREMENTS FOR MANUFACTURER, DISTRIBUTOR, AND GAMBLING SERVICE SUPPLIER LICENSE APPLICANTS LICENSING MANUFACTURERS AND DISTRIBUTORS

WAC 230-03-185 Applying for a manufacturer license. (1) You must apply for a manufacturer license if you:

(a) Make or assemble a completed piece or pieces of gambling equipment for use in authorized gambling activities; or

(b) Convert, modify, combine, add to, or remove parts or components of any gambling equipment for use in authorized gambling activities.

(2) You must demonstrate your ability to comply with all manufacturing, quality control, and operations restrictions imposed on authorized gambling equipment that you want to manufacture or market for use in Washington state.

(3) The licensing process may include an on-site review of your manufacturing equipment and process for each separate type of authorized gambling equipment to ensure compliance capability.

[Statutory Authority: RCW 9.46.070. 09-11-085 (Order 646), § 230-03-185, filed 5/18/09, effective 7/1/09; 06-07-157 (Order 457), § 230-03-185, filed 3/22/06, effective 1/1/08.]

WAC 230-03-190 Applying for a distributor license. You must apply for a distributor license if you:

(1) Buy or otherwise obtain a finished piece of gambling equipment for use in authorized gambling activities from another person and sell or provide that gambling equipment to a third person for resale, display, or use; or

(2) Are a manufacturer who sells or provides gambling equipment you do not make to any other person for resale, display, or use; or

(3) Service and repair authorized gambling equipment. However, distributors must not add, modify, or alter the gambling equipment; or

(4) Modify gambling equipment using materials provided by manufacturers to upgrade equipment to current technology.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-190, filed 3/22/06, effective 1/1/08.]

WAC 230-03-195 Additional information required from manufacturer and distributor license applicants. If you are applying for a manufacturer or distributor license, you must attach the following to your application form:

(1) A list of all businesses or corporations which you, or officers, directors, or substantial interest holders of your business, either directly or indirectly, own or control as a substantial interest holder; and

(2) A list of all businesses or corporations licensed to conduct gambling activities or to supply gambling-related equipment, supplies, or services in which you, officers, directors, or substantial interest holders of your business have any interest; and

(3) A list of all jurisdictions in which you or any of the officers, directors, or substantial interest holders of your business have had a gambling-related license at any level during the previous ten years; and

(4) A statement about whether you, or officers, directors, or substantial interest holders have ever been part of a business that had a gambling-related license denied, revoked, or suspended by any jurisdiction for a period longer than thirty days.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-195, filed 3/22/06, effective 1/1/08.]

WAC 230-03-200 Defining "gambling equipment." "Gambling equipment" means any device, gambling-related software, expendable supply, or any other paraphernalia used as a part of gambling or to make gambling possible. "Gambling equipment" includes, but is not limited to:

(1) Amusement games;

(2) Punch boards and pull-tabs;

(3) Devices for dispensing pull-tabs;

(4) Electronic devices for conducting, facilitating, or accounting for the results of gambling activities, including, but not limited to:

(a) Components of a tribal lottery system;

(b) Electronic devices for reading and displaying outcomes of gambling activities; and

(c) Accounting systems that are a part of, or directly connected to, a gambling system including, but not limited to:

(i) Bet totalizers; or

(ii) Progressive jackpot meters; or

(iii) Keno systems;

(5) Bingo equipment;

(6) Devices and supplies used to conduct card games, fund-raising events, recreational gaming activities, or Class III gaming activities, as defined in the Indian Gaming Regulatory Act at U.S.C. 25 chapter 29 § 2703 and in tribal-state compacts including, but not limited to:

(a) Gambling chips;

(b) Cards;

(c) Dice;

(d) Card shuffling devices;

(e) Graphical game layouts for table games;

(f) Ace finders or no-peek devices;

(g) Roulette wheels;

(h) Keno equipment; and

(i) Tables manufactured exclusively for gambling purposes.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-200, filed 3/22/06, effective 1/1/08.]

LICENSING GAMBLING SERVICE SUPPLIERS

WAC 230-03-210 Applying for a gambling service supplier license. (1) You must apply for a gambling service supplier license if you perform any of the following gambling-related services for compensation:

(a) Consulting or advisory services regarding gambling activities; or

(b) Gambling management services; or

(c) Financing for more than one licensee for purchases or leases of gambling equipment or financing for providing infrastructure or facilities, or equipment that supports gambling operations:

(i) Once you have financed more than one licensee, you must be a licensed gambling service supplier until all loans with licensees or previous licensees are paid.

(ii) Once you have been a licensed gambling service supplier, you must be licensed as a gambling service supplier again before financing purchases or leases for any licensee; or

(d) Acting as a lending agent, or loan servicer, or placement agent; or

(e) Providing the assembly of components for gambling equipment under a contract with a licensed manufacturer or entering into an ongoing financial arrangement for gambling related software with a licensed manufacturer; or

(f) Installing, integrating, maintaining, or servicing digital surveillance systems that allow direct access to the operating system; or

(g) Training individuals to conduct authorized gambling activities; or

(h) Providing any other service or activity where influence may be exerted over any gambling activity licensed by the commission; or

(i) Performing the testing and certification of tribal lottery systems in meeting requirements specified in the tribal-state compact; or

(j) Providing nonmanagement-related recordkeeping or storage services for punch board and pull-tab operators, when the combined total gross billings from such services exceed thirty thousand dollars during any permit period or license year.

(2) You do not need a gambling service supplier license if you are:

(a) A bank, mutual savings bank, or credit union regulated by the department of financial institutions or any federally regulated commercial lending institution; or

(b) A university or college regulated by the Washington state board of community and technical colleges and the higher education coordinating board that trains individuals to conduct authorized gambling activities; or

(c) An attorney, accountant, or governmental affairs consultant whose primary business is providing professional services that are unrelated to the management or operation of gambling activities; or

(d) A person who only provides nonmanagement-related recordkeeping or storage services for punch board and pull-tab operators, when the combined total gross billings from such services do not exceed thirty thousand dollars during any permit period; or

(e) A person who provides names, images, artwork or associated copyrights, or trademarks, or patent use, or other features that do not affect the results or outcome of the game, for use in gambling equipment; or

(f) Regulated lending institutions.

[Statutory Authority: RCW 9.46.070. 10-19-052 (Order 673), § 230-03-210, filed 9/14/10, effective 1/1/11; 07-21-116 (Order 617), § 230-03-210, filed 10/22/07, effective 1/1/08; 06-24-030 (Order 605), § 230-03-210, filed 11/29/06, effective 1/1/08; 06-07-157 (Order 457), § 230-03-210, filed 3/22/06, effective 1/1/08.]

WAC 230-03-211 Defining "lending agent," "loan servicer," or "placement agent." (1) "Lending agent," "loan servicer," or "placement agent" means any person or entity, other than a regulated lending institution, that finds, administers, facilitates, or services loans for a licensee.

(2) The services of lending agents, loan servicers, or placement agents include, but are not limited to:

(a) Charging an ongoing fee for their services;

(b) Maintaining rights as the lender;

(c) Determining when the loan is in default; and/or

(d) Maintaining access to collateral.

[Statutory Authority: RCW 9.46.070. 06-24-030 (Order 605), § 230-03-211, filed 11/29/06, effective 1/1/08.]

WAC 230-03-212 Defining "regulated lending institution." (1) "Regulated lending institution" means any state or federally regulated organization primarily in the business of lending money for investment purposes.

(2) "Regulated lending institutions" must:

(a) Register with the Securities and Exchange Commission or any United States federal or state governmental banking or financial regulatory agency.

(b) Be actively regulated by the Securities and Exchange Commission or any other United States federal or state governmental banking or financial regulatory agency. "Active regulation" means:

(i) Reporting annually on lending activities to the regulatory agency; and

(ii) Receiving regular audits or inspections by the regulatory agency.

(c) Act as passive investors in the licensee. "Passive investors" mean investors who have no actual or potential influence over the operations of the licensee. A "passive investor" does not:

(i) Appoint or have the right to appoint officers, directors, consultants, or other positions with the licensee;

(ii) Require the licensee to seek approval or authorization in making business decisions;

(iii) Have full access to the records of the licensee;

(iv) Have the ability to convert debt into shares which would result in the lender becoming a substantial interest holder in the licensee; or

(v) Have any other influence or control over the licensee.

(d) Have nongambling-related businesses as a majority of their outstanding loans receivable.

[Statutory Authority: RCW 9.46.070. 06-24-030 (Order 605), § 230-03-212, filed 11/29/06, effective 1/1/08.]

WAC 230-03-215 Gambling service suppliers prohibited from assuming ultimate responsibility. If you are or are applying to be a gambling service supplier, you must not assume ultimate responsibility for any licensee's gambling activity.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-215, filed 3/22/06, effective 1/1/08.]

WAC 230-03-220 Marketing level restrictions for punch board or pull-tab manufacturers, distributors, or operators. (1) The different marketing levels for punch board and pull-tabs are:

(a) Operator; and

(b) Distributor or manufacturer.

(2) If you are a manufacturer or distributor, or spouse of a manufacturer or distributor of punch boards, pull-tabs, pull-tab dispensing devices, or related equipment, you must not have a substantial interest in a business that operates punch boards or pull-tabs.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-220, filed 3/22/06, effective 1/1/08.]

WAC 230-03-225 Marketing level restrictions for punch board or pull-tab gambling service suppliers. If you are a substantial interest holder in a licensed gambling service supplier who provides services to punch board and pull-tab operators, you must not hold a substantial interest in a licensed manufacturer or distributor of punch boards or pull-tabs.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-225, filed 3/22/06, effective 1/1/08.]

LICENSING LINKED BINGO PRIZE PROVIDERS

WAC 230-03-230 Applying for linked bingo prize provider license. (1) You must apply for a linked bingo prize provider license if you provide bingo operators the means to link bingo prizes, including:

(a) Equipment and supplies to offer linked bingo; and

(b) Linked bingo prize management; and

(c) Distribution of necessary gambling equipment and supplies.

(2) Distributors must receive a linked bingo prize provider license before providing gambling equipment and supplies to play linked bingo games.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-230, filed 3/22/06, effective 1/1/08.]

INDIVIDUAL LICENSES

Licensing Charitable or Nonprofit Gambling Managers

WAC 230-03-235 Applying for charitable or nonprofit gambling manager license. You must apply for a charitable or nonprofit gambling manager license if you are an employee or member of a charitable or nonprofit organization who:

(1) Will have control to a material degree over a Class D and above bingo license; or

(2) Will have control to a material degree over a Class C and above punch boards and pull-tabs license; or

(3) Will be the supervisor of gambling managers who manage a Class D and above bingo license or Class C and above punch boards and pull-tabs license; or

(4) Will be assigned the highest level of authority by the officers or governing board of directors to manage the day-to-day affairs of the organization and is responsible for safeguarding assets purchased with gambling funds and/or managing the disbursement of gambling funds when the organization:

(a) Is licensed to receive more than three hundred thousand dollars in gross gambling receipts; or

(b) Has established a trust and/or endowment fund to which gambling receipts in excess of one hundred thousand dollars have been contributed; or

(5) Will be the supervisor of the operation of progressive jackpot pull-tab games.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-235, filed 3/22/06, effective 1/1/08.]

WAC 230-03-240 Working before receiving a charitable or nonprofit gambling manager license. (1) You may begin performing the duties of a charitable or nonprofit gambling manager only after you have submitted a completed application and fees for licensing.

(2) If you meet any of the conditions of RCW 9.46.158, you must not perform any of the duties of a charitable or nonprofit gambling manager until you receive a license from us.

(3) If you elect to perform any of the duties of a charitable or nonprofit gambling manager before licensing, we will keep your entire application fee regardless of the outcome of your application.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-240, filed 3/22/06, effective 1/1/08.]

WAC 230-03-245 Licensing period for charitable or nonprofit gambling manager. The charitable and nonprofit gambling manager license is valid for no more than one year beginning on the date we received your application and fees.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-245, filed 3/22/06, effective 1/1/08.]

LICENSING COMMERCIAL GAMBLING MANAGERS

WAC 230-03-250 Applying for a commercial gambling manager license. You must have a commercial gambling manager license if you supervise the operation of progressive jackpot pull-tab games. We do not require owners, partners, major officers, or owners of a substantial interest of a corporation to have commercial gambling manager licenses.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-250, filed 3/22/06, effective 1/1/08.]

WAC 230-03-255 Working before receiving a commercial gambling manager license. (1) You may begin performing the duties of a commercial gambling manager only after you have submitted a completed application and fees for licensing.

(2) If you meet any of the conditions of RCW 9.46.158, you must not perform any of the duties of a commercial gambling manager until you receive a license from us.

(3) If you elect to perform any of the duties of a commercial gambling manager before licensing, we will keep your entire application fee, regardless of the outcome of your application.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-255, filed 3/22/06, effective 1/1/08.]

WAC 230-03-260 Licensing period for commercial gambling manager. The commercial gambling manager license is valid for no more than one year beginning on the date we received your application and fees.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-260, filed 3/22/06, effective 1/1/08.]

LICENSING CARD ROOM EMPLOYEES

WAC 230-03-265 Applying for a card room employee license. You must apply for a card room employee license if you will be involved in the operation of a:

(1) Class E card room; or

(2) Class F card room; or

(3) House-banked card room; and

(4) You perform any of the following functions:

(a) Collecting fees; or

(b) Dealing; or

(c) Supervising any card game or other card room employee, such as acting as a pit boss, floor person, or section supervisor; or

(d) Selling or redeeming chips; or

(e) Performing cashier or cage duties such as counting and handling chips or cash, completing credit slips, fill slips, or inventory slips, or accounting for other card room receipts in the cage; or

(f) Observing dealers and card games to detect cheating or control functions; or

(g) Controlling card room funds including keys to secure locations; or

(h) Taking part in the operation of a card game.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-265, filed 3/22/06, effective 1/1/08.]

WAC 230-03-270 Working as a card room employee before receiving a license. (1) If you have applied for a card room employee license, you may perform card room duties before receiving the license if you have waited at least ten days from the date we received your application and fees.

(2) We may waive the ten-day waiting period if:

(a) Your employer can demonstrate an urgent and unexpected need for you as an employee; and

(b) Your employer's business would close or the control structure of the activity would be weakened if we failed to grant such waiver; and

(c) Your employer could not control the circumstances causing the need for a waiver; and

(d) You pay the fee for the waiver.

(3) If you meet any of the conditions of RCW 9.46.158, you must not perform the duties of a card room employee until you receive a license.

(4) If you choose to perform the duties of a card room employee before receiving your license, we will keep the entire application fee regardless of the outcome of your application.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-270, filed 3/22/06, effective 1/1/08.]

WAC 230-03-275 Licensing period for card room employee. The card room employee license is valid for no more than one year beginning on the date we receive your application and fees.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-275, filed 3/22/06, effective 1/1/08.]

WAC 230-03-280 Substantial interest holders not required to be licensed as card room employees. If you are a substantial interest holder in a business licensed to operate a public card room or a spouse of the same, you do not have to have an additional license to perform card room employee duties connected with that card room.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-280, filed 3/22/06, effective 1/1/08.]

WAC 230-03-285 Class III gaming employee working as card room employee. A certified Class III gaming

employee must submit an add/transfer application and pay a fee before beginning work for a public card room.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-285, filed 3/22/06, effective 1/1/08.]

REPRESENTATIVE LICENSING

WAC 230-03-300 Applying for a manufacturer's representative license. You must apply for a manufacturer's representative license if you sell, promote, or provide a manufacturer's gambling equipment, or supplies, or you supervise those who do.

[Statutory Authority: RCW 9.46.070. 09-24-012 (Order 664), § 230-03-300, filed 11/20/09, effective 12/21/09; 06-07-157 (Order 457), § 230-03-300, filed 3/22/06, effective 1/1/08.]

WAC 230-03-305 Applying for a distributor's representative license. You must apply for a distributor's representative license if you are employed by a licensed distributor to sell, promote, or provide that distributor's gambling equipment, or supplies, or you supervise those who do.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-305, filed 3/22/06, effective 1/1/08.]

WAC 230-03-310 Applying for a gambling service supplier's representative license. You must apply for a gambling service supplier's representative license if you are employed by a licensed gambling service supplier to provide gambling-related services, or you supervise those who do.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-310, filed 3/22/06, effective 1/1/08.]

WAC 230-03-315 Applying for a linked bingo prize provider representative license. You must apply for a linked bingo prize provider representative license if you are employed by a linked bingo prize provider in any of the provider's activities in connection with the management of a linked bingo prize game or distribution of supplies for those games.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-315, filed 3/22/06, effective 1/1/08.]

WAC 230-03-320 Substantial interest holders not required to be licensed as representatives. If you are a substantial interest holder in a business licensed to operate a manufacturer, distributor, gambling service supplier, or linked bingo prize provider or a spouse of the same, you do not have to have an additional license to perform representative duties connected with that licensed business.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-320, filed 3/22/06, effective 1/1/08.]

WAC 230-03-325 Office, clerical, or warehouse workers not required to be licensed as representatives. If you are an office, clerical, or warehouse worker and have contact with customers or potential customers only by telephone at your employer's business premises and work under the immediate and direct supervision of a substantial interest holder or a licensed manager or supervisor, you do not have to have a representative license.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-325, filed 3/22/06, effective 1/1/08.]

WAC 230-03-330 Representing one or more licensed businesses. (1) If you are a licensed distributor representative, gambling service supplier representative, or a linked bingo prize provider representative or applying for one of these representative licenses, you must represent only one licensed distributor, gambling service supplier, or linked bingo prize provider at a time.

(2) If you are a licensed manufacturer representative, you may represent more than one licensed manufacturer.

(3) If the owner you represent owns more than one licensed business, you may represent the owner in all those licensed businesses, including licensed manufacturers, without applying for another representative license.

[Statutory Authority: RCW 9.46.070. 09-24-012 (Order 664), § 230-03-330, filed 11/20/09, effective 12/21/09; 06-07-157 (Order 457), § 230-03-330, filed 3/22/06, effective 1/1/08.]

WAC 230-03-335 Representatives must not work before receiving a license. If you are applying for a license as a representative for a manufacturer, distributor, gambling services supplier, or linked bingo prize provider, you must not work until you receive a license from us.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-335, filed 3/22/06, effective 1/1/08.]

WAC 230-03-340 Gambling service supplier representative must report conflicts of interest. If a licensed gambling service supplier representative has a substantial interest in a licensed manufacturer or distributor, they must inform us, the punch board, pull-tab, or bingo operators to whom they provide services, and the affected licensed manufacturer or distributor of the substantial interest and their intention to act as a gambling service supplier representative.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-03-340, filed 3/22/06, effective 1/1/08.]

Chapter 230-05 WAC
FEES

WAC

230-05-001 Prorating or refunding of fees.
230-05-005 Fees for review of gambling equipment, supplies, services, or games.
230-05-010 Returned checks.
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230-05-020 Charitable or nonprofit organization fees.
230-05-025 Commercial stimulant fees.
230-05-030 Fees for other businesses.
230-05-035 Individuals license fees.

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.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-05-001, filed 10/22/07, effective 1/1/08; 06-07-157 (Order 457), § 230-05-001, filed 3/22/06, effective 1/1/08.]

WAC 230-05-005 Fees for review of gambling equipment, supplies, services, or games. You must apply to us if you want to submit gambling equipment, supplies, services, or games for our review. You must pay the application deposit before we perform the review. You must also reimburse us for any additional costs of the review.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-05-005, filed 3/22/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-05-010, filed 3/22/06, effective 1/1/08.]

WAC 230-05-015 Two-part payment plan for license fees. (1) If you are renewing an annual license or applying for an additional license, you may pay the license fee in two payments if:

(a) You elect to participate; and

(b) The license fee is at least eight hundred dollars; and

(c) You pay an administrative processing fee as set out in WAC 230-05-020 or 230-05-030, plus one-half of the annual license fee at the time of application or renewal.

(2) We issue licenses under the two-part payment plan with an expiration date of not more than one year and a second-half payment due date.

(a) If we receive your second-half payment on or before the due date, the license will remain in effect until the expiration date.

(b) If you fail to submit the second-half payment on or before the due date, the license expires and gambling activities must stop.

(3) Your gross gambling receipts during the first-half payment period must not exceed fifty percent of the authorized class limitation for annual gross gambling receipts. Licensees whose gross gambling receipts exceed fifty percent of the authorized level must apply for a license at the appropriate license class and pay the full upgrade fee, plus an administrative processing fee, as set out in WAC 230-05-020 and 230-05-030.

[Statutory Authority: RCW 9.46.070. 06-07-157 (Order 457), § 230-05-015, filed 3/22/06, effective 1/1/08.]

WAC 230-05-020 Charitable or nonprofit organization fees. Bona fide charitable and nonprofit organizations must pay the following fees to us when applying for gambling licenses, permits, miscellaneous changes, or inspection services:

1. **Amusement games**

License	Annual Gross Gambling Receipts	Fee
Class A	Premises only	$58
Class B	Up to $10,000	$58
Class C	Up to $25,000	$319
Class D	Up to $50,000	$513
Class E	Over $50,000	$894

2. **Bingo**

License	Annual Gross Gambling Receipts	Fee	One Time Variance*
Class A	Up to $25,000	$58	$1,000
Class B	Up to $75,000	$185	$1,000

License	Annual Gross Gambling Receipts	Fee	One Time Variance*
Class C	Up to $150,000	$380	$2,000
Class D	Up to $350,000	$1,026	$4,000
Class E	Up to $650,000	$1,732	$8,000
Class F	Up to $1,500,000	$3,486	$15,000
Class G	Up to $2,000,000	$5,028	$23,000
Class H	Up to $3,000,000	$6,722	$30,000
Class I	Up to $4,000,000	$8,400	$38,000
Class J	Up to $5,000,000	$10,078	$45,000
Class K	Up to $6,000,000	$11,306	$53,000
Class L	Up to $7,000,000	$12,922	$60,000
Class M	Up to $8,000,000	$14,542	$65,000
Class N	Up to $9,000,000	$15,818	$70,000
Class O	Up to $10,000,000	$17,454	$75,000
Class P	Up to $11,000,000	$19,090	$80,000
Class Q	Up to $12,000,000	$22,908	$85,000
Class R	Up to $13,000,000	$26,180	$90,000
Class S	Up to $14,000,000	$29,454	$95,000

*See chapter 230-06 WAC, Exceeding license class.

3. Card games

License	Description	Fee
Class A	Nonhouse-banked - fee to play	$641
Class B	Limited card games - hearts, rummy, pitch, pinochle, and cribbage - fee to play	$185
Class C	Tournament only - no more than thirty consecutive days per tournament	$58
Class D	Nonhouse-banked - no fee to play	$58

4. Fund-raising event

License	Description	Fee
Class A	One event - not more than 24 consecutive hours	
	First time applicant	$380
	Previously licensed applicant	$223
Class B	One event - not more than 72 consecutive hours	
	First time applicant	$641
	Previously licensed applicant	$393
Class C	Additional participant in joint event - not lead organization	$185
Class D	Limited fund-raising event - one event - not more than six consecutive hours	
	First time applicant	$167
	Previously licensed applicant	$111
Class E	Fund-raising event equipment distributor - rents or leases equipment no more than ten times per year	$253
Class F	Fund-raising event equipment distributor - rents or leases equipment more than ten times per year	$641

5. Punch boards/pull-tabs

License	Annual Gross Gambling Receipts	Fee	One Time Variance*
Class A	Up to $50,000	$611	$5,000
Class B	Up to $100,000	$1,090	$5,000
Class C	Up to $200,000	$2,062	$10,000
Class D	Up to $300,000	$2,998	$10,000
Class E	Up to $400,000	$3,874	$10,000
Class F	Up to $500,000	$4,676	$10,000
Class G	Up to $600,000	$5,420	$10,000
Class H	Up to $700,000	$6,100	$10,000
Class I	Up to $800,000	$6,722	$10,000
Class J	Up to $1,000,000	$7,620	$20,000
Class K	Up to $1,250,000	$8,460	$25,000
Class L	Up to $1,500,000	$9,240	$25,000
Class M	Up to $1,750,000	$9,880	$25,000
Class N	Up to $2,000,000	$10,466	$25,000
Class O	Up to $2,500,000	$11,500	$30,000
Class P	Up to $3,000,000	$12,218	$35,000
Class Q	Up to $4,000,000	$14,400	$40,000
Class R	Up to $5,000,000	$16,362	$50,000
Class S	Up to $6,000,000	$18,544	$60,000
Class T	Up to $7,000,000	$20,728	$70,000
Class U	Up to $8,000,000	$22,908	$80,000
Class V	Over $8,000,000	$25,090	$80,000

*See chapter 230-06 WAC, Exceeding license class.

6. Raffles

License	Annual Gross Gambling Receipts	Fee
Class A	Up to $5,000	$58
Class B	Up to $10,000	$185
Class C	Up to $25,000	$380
Class D	Up to $50,000	$641
Class E	Up to $75,000	$1,026
Class F	Over $75,000	$1,540

7. Combination license

License	Description	Fee
Class A	Allows gross gambling receipts of up to $25,000 from bingo, $7,500 from raffles, and $7,500 from amusement games, not to exceed $30,000 combined gross gambling receipts from all such activities. Allows Class D card games.	$115
Class B	Allows gross gambling receipts of up to $60,000 from bingo, $15,000 from raffles, and $15,000 from amusement games, not to exceed $75,000 combined gross gambling receipts from all such activities. Allows Class D card games.	$300
Class C	Allows gross gambling receipts of up to $125,000 from bingo, $30,000 from raffles, and $30,000 from amusement games, not to exceed $150,000 combined gross gambling receipts from all such activities. Allows Class D card games.	$696

8. Special property bingo

Once annually	$27

9. Permits

Recreational gaming activity	$58

10. Changes

Type	Fee
Name	$27
Location	$27
Fund-raising event date or time	$27
License class	$27
Duplicate license	$27

11. Other fees

Type	Fee
Replacement identification stamps	$27
Failing to apply for license class upgrade	Up to fifty percent of the difference between our fees for the licensee's present license class and the new license class or one thousand dollars, whichever is less, plus $26
Review, inspection and/or evaluation of equipment, paraphernalia, services, or schemes	Deposit and fees as required

12. Two part payment plan participation

Annual participation	$27

[Statutory Authority: RCW 9.46.070. 07-23-083 (Order 621), § 230-05-020, filed 11/20/07, effective 1/1/08; 07-03-082 (Order 606), § 230-05-020, filed 1/18/07, effective 1/1/08; 06-07-157 (Order 457), § 230-05-020, filed 3/22/06, effective 1/1/08.]

WAC 230-05-025 Commercial stimulant fees. All commercial stimulant license applicants must pay the following fees to us when applying for gambling licenses:

1. **Card games - Nonhouse-banked**

License	Description	Fee
Class B	Up to five tables of limited card games - hearts, rummy, pitch, pinochle, and/or cribbage - fee to play	$189
Class C	Tournament only, no more than thirty consecutive days per tournament	
C-5	Up to five tables	$189
C-10	Up to ten tables	$346
C-15	Up to fifteen tables	$576
Class D	Up to five tables - no fee to play	$59
Class E	Fee to play	
E-1	One table only	$460
E-2	Up to two tables	$792
E-3	Up to three tables	$1,318
E-4	Up to four tables	$2,644
E-5	Up to five tables	$3,980
Additional tables	Per table - up to a maximum of fifteen	$1,152
Class F	Endorsement/upgrade of Class E includes permission to use alternative fee collections and use of player-supported jackpots	$1,732

2. **Card games - House-banked**

All tables within a card room operating any house-banked card game must be licensed under this license class.

License	Fee
Annual	$6,944
Additional fee per table - up to fifteen tables	$1,732

3. **Punch boards and pull-tabs**

License	Annual Gross Gambling Receipts	Fee	One Time Variance*
Class A	Up to $50,000	$628	$5,000
Class B	Up to $100,000	$1,122	$5,000
Class C	Up to $200,000	$2,116	$10,000
Class D	Up to $300,000	$3,080	$10,000
Class E	Up to $400,000	$3,980	$10,000
Class F	Up to $500,000	$4,806	$10,000
Class G	Up to $600,000	$5,570	$10,000
Class H	Up to $700,000	$6,270	$10,000
Class I	Up to $800,000	$6,906	$10,000
Class J	Up to $1,000,000	$7,832	$20,000
Class K	Up to $1,250,000	$8,692	$25,000
Class L	Up to $1,500,000	$9,494	$25,000
Class M	Up to $1,750,000	$10,156	$25,000
Class N	Up to $2,000,000	$10,756	$25,000
Class O	Up to $2,500,000	$11,820	$30,000
Class P	Up to $3,000,000	$12,218	$35,000
Class Q	Up to $4,000,000	$14,400	$40,000
Class R	Up to $5,000,000	$16,362	$50,000
Class S	Up to $6,000,000	$18,544	$60,000
Class T	Up to $7,000,000	$20,728	$70,000
Class U	Up to $8,000,000	$22,908	$80,000
Class V	Over $8,000,000	$25,090	$80,000

*See chapter 230-06 WAC, Exceeding license class.

[Statutory Authority: RCW 9.46.070. 07-23-083 (Order 621), § 230-05-025, filed 11/20/07, effective 1/1/08; 07-03-082 (Order 606), § 230-05-025, filed 1/18/07, effective 1/1/08; 06-07-157 (Order 457), § 230-05-025, filed 3/22/06, effective 1/1/08.]

WAC 230-05-030 Fees for other businesses. All other business license applicants must pay the following fees to us when applying for gambling licenses, miscellaneous changes, or inspection services:

1. **Commercial amusement games**

License	Annual Gross Gambling Receipts	Fee
Class A	Premises only	*$327/$150
Class B	Up to $50,000	$460
Class C	Up to $100,000	$1,184
Class D	Up to $250,000	$2,644
Class E	Up to $500,000	$4,640
Class F	Up to $1,000,000	$7,968
Class G	Over $1,000,000	$9,970

*We reduce the license fee by $177 when you apply for additional licenses at the same business premises, apply for multiple licenses at the same business premises, or a licensee is renewing an annual license.

2. **Distributor**

License	Annual Gross Sales	Fee
Class A	Nonpunch board/pull-tab only	$659
Class B	Up to $250,000	$1,318
Class C	Up to $500,000	$1,980
Class D	Up to $1,000,000	$2,644
Class E	Up to $2,500,000	$3,446
Class F	Over $2,500,000	$4,242

3. **Fund-raising event equipment distributor**

License	Description	Fee
Class A	Rents or leases equipment for fund-raising event or recreational gaming activity up to 10 times per year.	$260
Class B	Rents or leases equipment for fund-raising event or recreational gaming activity more than 10 times per year.	$659

4. **Gambling service supplier**

License	Fee
Annual	$687
Financing, consulting, and management contract review	$143

5. **Linked bingo prize provider**

License	Fee
Annual	$4,414

6. **Manufacturer**

License	Annual Gross Sales	Fee
Class A	Pull-tab dispensing devices only	$659
Class B	Up to $250,000	$1,318
Class C	Up to $500,000	$1,980
Class D	Up to $1,000,000	$2,644
Class E	Up to $2,500,000	$3,446
Class F	Over $2,500,000	$4,242

7. **Permits**

Type	Description	Fee
Agricultural fair	One location and event only	$27
Agricultural fair annual permit	Annual permit for specified different events and locations	$189
Recreational gaming activity		$59
Manufacturer's special sales permit		$211
Punch board and pull-tab service business permit	Initial application fee	$236
Punch board and pull-tab service business permit	Renewal	$56

8. **Changes**

Application	Description	Fee
Name		$27
Location		$27
Business classification	Same owners	$59
Exceeding license class	New class fee, less previous fee paid, plus	$27
Duplicate license		$27

Application	Description	Fee
Corporate stock/limited liability company shares/units		$59
License transfers		$59

9. **Other fees**

Type	Fee
Defective punch board/pull-tab cost recovery fees	Up to $100
Failing to apply for license class upgrade	Up to fifty percent of the difference between our fees for the licensee's present license class and the new license class or one thousand dollars, whichever is less, plus $27
Review of gambling equipment, supplies, services, or games	Cost reimbursement

10. **Identification stamps**

Type		Fee
(a) **Punch boards and pull-tabs**		
(i) Standard	Wagers fifty cents and below	$.28
	Wagers over fifty cents	$1.11
(ii) Progressive jackpot pull-tab series	Per series	$11.19
(iii) Pull-tab series with carry-over jackpots and cumulative prize pool pull-tab series	Per series	$1.11
(b) **Pull-tab dispensing devices**		
(i) Mechanical and electro-mechanical		$.28
(ii) Electronic	Dispensing devices that require initial and ongoing evaluation of electronic components or functions, such as reading encoded data on pull-tabs, accounting for income or prizes	$112.04 annually
Replacement of identification stamps		$26
(c) **Disposable bingo cards**		
(i) Single game sets of individual cards or sheets of cards		$.28
(ii) Multigame card packets		$1.22
(iii) Cards used to play for linked bingo prizes	Fee per 250 cards	$.44
(iv) Cards used to play for linked bingo prizes	Fee per 5,000 cards	$8.96
(d) **Coin or token-activated amusement games**		
Annually - operated at any Class A amusement game license location		$28.00
(e) **Electronic bingo card daubers**		
Annual		$11.19
(f) **Electronic card facsimile table**		
Annual		$381.50

11. **Two-part payment plan participation**

Annual participation	$27

[Statutory Authority: RCW 9.46.070. 09-17-077 (Order 657), § 230-05-030, filed 8/14/09, effective 1/1/10; 07-23-083 (Order 621), § 230-05-030, filed 11/20/07, effective 1/1/08; 07-03-082 (Order 606), § 230-05-030, filed 1/18/07, effective 1/1/08; 06-07-157 (Order 457), § 230-05-030, filed 3/22/06, effective 1/1/08.]

WAC 230-05-035 Individuals license fees. Individuals must pay the following fees to us when they apply for gambling licenses, permits, miscellaneous changes:

1. **Charitable or nonprofit gambling manager**

License	Fee
Original	$185
Renewal	$88
Change of employer	$88

2. **Linked bingo prize provider representative**

License	Fee
Original	$260
Renewal	$158

3. **Commercial gambling manager**

License	Fee
Original	$189
Renewal	$90
Change of employer	$90

4. **Distributor's or gambling services supplier's representative**

License	Fee
Original	$260
Renewal	$158

5. **Manufacturer's representative**

License	Fee
Original	$260
Renewal	$158

6. **Public card room employee**

License	Fee
Class A - Performs card room employee duties in a Class E card room	
Original	$189
Renewal	$90
Class B - Performs card room employee duties in enhanced and house-banked card rooms	
Original, in-state	$258
Original, out-of-state	$320
Renewal	$158
Transfer/additional employee/conversion/emergency waiver request	$61

7. **Other fees**

Change of name	$27
Duplicate license	$27

8. **Military personnel returning from service**

If a license expires while an individual is on active military service, the individual may apply to have their license reissued at the renewal fee. The application must be received within six months after completing their active military service. The applicant must provide evidence of the completion date of active military service.

[Statutory Authority: RCW 9.46.070. 07-23-083 (Order 621), § 230-05-035, filed 11/20/07, effective 1/1/08; 07-03-082 (Order 606), § 230-05-035, filed 1/18/07, effective 1/1/08; 06-13-069 (Order 600), § 230-05-035, filed 6/19/06, effective 1/1/08; 06-07-157 (Order 457), § 230-05-035, filed 3/22/06, effective 1/1/08.]

Chapter 230-06 WAC
RULES FOR ALL LICENSEES

WAC

RULES FOR CONDUCTING A GAMBLING ACTIVITY

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230-06-004 Defining "consecutively numbered," "consecutive," and "consecutively."
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230-06-010 Age restrictions for players.
230-06-011 Detaining and identifying persons under eighteen years of age engaging in or attempting to engage in authorized gambling activities.
230-06-012 Conducting underage compliance test programs with minors.
230-06-015 Prevent intoxicated persons from operating or playing gambling activities.
230-06-020 Restrictions on alcohol as prizes.
230-06-025 Restrictions on firearms as prizes.
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230-06-031 Using wheels in promotional contests of chance, fund-raising events, or gambling activities.
230-06-035 Credit, loans, or gifts prohibited.
230-06-045 Conduct gambling activities on licensed business premises only.
230-06-046 Additional requirements for licensed business premises of class E, F, and house-banked card rooms.
230-06-050 Review of electronic or mechanical gambling equipment.
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NOTIFYING LAW ENFORCEMENT, POSTING PUBLIC NOTICES, AND RECORDKEEPING

230-06-055 Notify law enforcement of gambling activity.
230-06-065 Displaying of licenses.
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REPORTING CHANGES TO APPLICATION INFORMATION

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REPORTING CRIMINAL, ADMINISTRATIVE, AND CIVIL ACTIONS

230-06-085 Report criminal actions filed.
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CHANGING NAMES OR LOCATIONS

230-06-095 Change name, trade name, or corporate name.
230-06-100 Changing business locations.

CHANGING MANAGEMENT OR OWNERSHIP

230-06-105 Report change of management.
230-06-106 Limited transfers of ownership allowed.
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SALES AND TRANSFERS OF EQUIPMENT, PRODUCTS, AND SERVICES

230-06-109 Sales invoices for merchandise prizes.
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LICENSE RENEWALS

230-06-125 Renew your license in a timely manner.
230-06-130 Exceeding license class.
230-06-135 Failing to apply for license class upgrade.
230-06-140 Partial refund of license fees if gambling receipts limit not met.
230-06-145 Surrendering suspended or revoked licenses.
230-06-150 Defining "gross gambling receipts."
230-06-155 Defining "gross sales."
230-06-160 Defining "net gambling receipts."
230-06-165 Defining "net gambling income."
230-06-170 Defining "net win."
230-06-175 Defining "cost."

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

230-06-001 Defining "operator." [Statutory Authority: RCW 9.46.070. 06-17-132 (Order 601), § 230-06-001, filed 8/22/06, effective 1/1/08.] Repealed by 07-21-116 (Order 617), filed 10/22/07, effective 1/1/08. Statutory Authority: RCW 9.46.070.

230-06-060 Maintain copy of commission rules on business premises. [Statutory Authority: RCW 9.46.070. 06-17-132 (Order 601), § 230-06-060, filed 8/22/06, effective 1/1/08.] Repealed by 11-05-058 (Order 675), filed 2/10/11, effective 3/13/11. Statutory Authority: RCW 9.46.070.

230-06-115 Using checks or credit cards to purchase gambling equipment, products, or services. [Statutory Authority: RCW 9.46.070. 06-17-132 (Order 601), § 230-06-115, filed 8/22/06, effective 1/1/08.] Repealed by 08-21-087 (Order 633), filed 10/14/08, effective 1/1/09. Statutory Authority: RCW 9.46.070.

RULES FOR CONDUCTING A GAMBLING ACTIVITY

WAC 230-06-002 "We," "our," and "us" mean the commission and staff. In this title, "we," "our," and "us" mean the designated commission staff. If a rule refers to the powers or duties of the commissioners or the director or director's designee, the rule states specifically "commissioners" or "director or director's designee."

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-06-002, filed 10/22/07, effective 1/1/08.]

WAC 230-06-003 Defining "cash." "Cash," when used as a noun in this title, means currency in the form of coins or bills issued by the government of the United States or Canada only and does not include electronic, digital or other representations of money or other methods of payment.

[Statutory Authority: RCW 9.46.070. 08-03-052 (Order 621), § 230-06-003, filed 1/11/08, effective 2/11/08.]

WAC 230-06-004 Defining "consecutively numbered," "consecutive," and "consecutively." (1) "Consecutively numbered" means a numbering system normally beginning with the number one, increased by one for each unit added to the group, and ending with a number equal to the total number of units in the group.

(2) "Consecutive" and "consecutively" mean one after the other without gaps.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-06-004, filed 10/22/07, effective 1/1/08.]

WAC 230-06-005 Accept checks in gambling activities. (1) Licensees may accept a check in the place of cash from a player for authorized gambling activities if the check is fully negotiable when it is accepted and is:

(a) From the player's personal account and is dated the same day; or

(b) Issued by a government agency or by a business, such as a payroll check.

(2) Licensees must not accept:

(a) Third-party checks drawn on a personal account or counter checks; or

(b) Checks from a player who owes the licensee money from a previous returned personal check. If licensees use check guarantee and collection services, this subsection does not apply.

(3) If licensees accept a check in violation of the provisions of this section, they are violating the rules against extending credit.

[Statutory Authority: RCW 9.46.070. 06-17-132 (Order 601), § 230-06-005, filed 8/22/06, effective 1/1/08.]

WAC 230-06-007 Licensed employees must wear nametags. (1) Licensed employees must wear a nametag when working or playing cards at their place of employment.

(2) Off-duty card room employees do not have to wear a nametag while playing if the card room operator clearly posts a sign stating, "Employees of this card room may participate in the card games while off-duty as players. Upon your request, the card room floor person will identify any employee playing cards."

(3) The nametag must:

(a) Be provided by the operator; and

(b) Be a minimum of three inches by two inches; and

(c) Display at least the employee's first name; and

(d) Display the employer's name; and

(e) Be worn on the employee's chest; and

(f) Be clear and visible to the players in the gambling activity.

(4) The employee and operator are equally responsible to ensure the nametag is properly displayed.

[Statutory Authority: RCW 9.46.070. 08-03-062 (Order 623), § 230-06-007, filed 1/14/08, effective 2/14/08.]

WAC 230-06-010 Age restrictions for players. No person must allow anyone under the age of eighteen to participate in gambling activities except:

(1) To play in licensed bingo games when accompanied by an adult member of his or her immediate family or a guardian, who is at least eighteen years old:

(a) "Immediate family" means only the spouse, parents, or grandparents of an individual; and

(b) "Guardian" means only a court-appointed, legal guardian of an individual; or

(2) To play bingo at agricultural fairs or school carnivals; or

(3) To play amusement games; or

(4) To sell raffle tickets for a charitable or nonprofit organization that:

(a) Has development of youth as a primary purpose; and

(b) Has at least three members or advisors who are at least eighteen years old and who supervise the operation of the raffle; and

(c) Has an adult member or advisor designated as the manager for the raffle.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-06-010, filed 10/22/07, effective 1/1/08; 06-17-132 (Order 601), § 230-06-010, filed 8/22/06, effective 1/1/08.]

WAC 230-06-011 Detaining and identifying persons under eighteen years of age engaging in or attempting to engage in authorized gambling activities. When issuing civil infractions under RCW 9.46.228, gambling commission special agents or peace officers may detain persons for a reasonable period of time and in a reasonable manner to determine the person's true identity and date of birth if the special agent or peace officer has reasonable grounds to believe that:

(1) The person is under eighteen years of age; and

(2) The person is, or has played or participated in, or is attempting or has attempted to play or participate in authorized gambling activities including, but not limited to, punch boards, pull-tabs, card games, or fund-raising events.

[Statutory Authority: RCW 9.46.070. 09-19-082 (Order 659), § 230-06-011, filed 9/17/09, effective 10/18/09.]

WAC 230-06-012 Conducting underage compliance test programs with minors. (1) Licensees may conduct in-house controlled purchase programs (underage compliance test programs) to test their employee's compliance with RCW 9.46.228 that makes it unlawful for any person under the age of eighteen to play punch boards, pull-tabs, card games, or participate in fund-raising events.

(2) Licensees must:

(a) Have written procedures for conducting underage compliance test programs.

(i) Class F or house-banked card game licensees must include the procedures in their internal controls; or

(ii) Licensees not required to have internal controls must submit their procedures to us prior to conducting an underage compliance test and keep a copy of the procedures on the licensed business premises; and

(b) Provide employees a written description of the employer's underage compliance test program. The written description must include notice of actions an employer may take as a consequence of an employee's failure to comply with company policies regarding unauthorized persons engaging in gambling activities during an underage compliance test; and

(c) Provide written notification (letter, e-mail, or fax) to us before conducting the test. The notification must include:

(i) Licensee name; and

(ii) Date and time of test; and

(iii) Last name and first initial of the person used in the test; and

(iv) First and last name of the person supervising the person used in the test; and

(d) Maintain on the licensed business premises for at least one year, and produce upon request, the following information for each test conducted:

(i) A copy of the photo identification, which must include the birth date, of the person used in the test; and

(ii) The results; and

(e) Only use underage persons who are sixteen or seventeen years old at the time of the test.

(3) Licensees with a minimum gambling age of twenty-one must follow the procedures in subsections (1) and (2) of this section, except for subsection (2)(e) of this section, if they use persons who are at least eighteen years of age but less than twenty-one years of age to conduct underage enforcement tests.

[Statutory Authority: RCW 9.46.070. 09-19-082 (Order 659), § 230-06-012, filed 9/17/09, effective 10/18/09.]

WAC 230-06-015 Prevent intoxicated persons from operating or playing gambling activities. Licensees must not allow any person who appears to be intoxicated or under the influence of any narcotic or other substance to operate or play any gambling activity.

[Statutory Authority: RCW 9.46.070. 06-17-132 (Order 601), § 230-06-015, filed 8/22/06, effective 1/1/08.]

WAC 230-06-020 Restrictions on alcohol as prizes. Licensees must not offer or award beverages that contain alcohol as a prize or in place of a prize for any gambling activity except:

(1) Dice or coin contests for music, food, or beverage payment as authorized by RCW 9.46.0305; and

(2) Unlicensed members-only raffles authorized by RCW 9.46.0315, but only if the liquor control board granted the appropriate permit; and

(3) Other gambling activities where the liquor control board has authorized alcohol as a prize.

[Statutory Authority: RCW 9.46.070. 06-17-132 (Order 601), § 230-06-020, filed 8/22/06, effective 1/1/08.]

WAC 230-06-025 Restrictions on firearms as prizes. Only charitable or nonprofit organizations operating a raffle may award firearms, air guns, or other mechanical devices which are capable of discharging dangerous projectiles, including but not limited to, BB or CO_2 guns, rifles, shotguns, pistols or revolvers, or crossbows as a prize. If the prize awarded is restricted from transfer by state or federal law, the licensee must award the winner a certificate, redeemable by a licensed firearms dealer, for the prize offered.

[Statutory Authority: RCW 9.46.070. 06-17-132 (Order 601), § 230-06-025, filed 8/22/06, effective 1/1/08.]

WAC 230-06-030 Restrictions and conditions for gambling promotions. Licensees may conduct gambling promotions to encourage players to participate in a gambling activity, but you must follow these restrictions and conditions:

(1) You must give all players an equal opportunity to participate; and

(2) You must establish standards to determine how you will give promotional items to players. You must not give the items based on an element of chance, such as a drawing or spinning wheel, unless you are doing so as part of a bingo game; and

(3) You must not give another chance to participate in a gambling activity as a promotional item; and

(4) You must display all rules or restrictions clearly in the gambling area and include them on promotional materials or advertisements; and

(5) You must not combine gambling activities and related gambling promotions in any way with a promotional contest of chance as defined in RCW 9.46.0356.

[Statutory Authority: RCW 9.46.070. 08-17-066 (Order 629), § 230-06-030, filed 8/18/08, effective 9/18/08; 06-17-132 (Order 601), § 230-06-030, filed 8/22/06, effective 1/1/08.]

WAC 230-06-031 Using wheels in promotional contests of chance, fund-raising events, or gambling activities.

Promotional contests of chance (PCOCs)

(1) Operators may use wheels specifically manufactured for a promotional contest of chance (PCOC), whether commercially made or home made.

(2) Operators must not use professionally manufactured wheels made specifically for gambling activities (for example, Big 6 Wheels) in PCOCs unless they receive permission ahead of time from us.

Fund-raising events

(3) Operators may use commercially made wheels in gambling activities for fund-raising events.

Separation of PCOCs from gambling activities and promotions

(4) No wheel may be used in conjunction with their gambling activities by:

(a) Card room licensees; or

(b) Pull-tab licensees.

Card rooms, pull-tabs, bingo, raffles

(5) Licensees and operators must not use professionally manufactured wheels made specifically for gambling activities (for example, Big 6 Wheels) in:

(a) Bingo; or

(b) Card games; or

(c) Pull-tabs.

(6) Operators may use commercially made or home made wheels as part of drawings for prizes, good neighbor prizes, or second element of chance prizes as part of bingo games, as set out in WAC 230-10-280.

(7) Raffle licensees and operators may use:

(a) Other types of wheels, such as paddle wheels, in raffles; and

(b) Commercially made or home made wheels in an alternative drawing format for determining the winner of a raffle. Alternative drawing formats are set out in WAC 230-11-055 and 230-11-060.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-06-031, filed 10/22/07, effective 1/1/08.]

WAC 230-06-035 Credit, loans, or gifts prohibited. (1) Licensees, employees, or members must not offer or give credit, loans, or gifts to any person playing in an authorized gambling activity or which makes it possible for any person to play in an authorized gambling activity.

(2) Gifts are items licensees give to their customers. Licensees must not connect these gifts to gambling activities we regulate unless the gifts are:

(a) Gambling promotions; or

(b) Transportation services to and from gambling activities; or

(c) Free or discounted food, drink, or merchandise which:

(i) Costs less than five hundred dollars per individual item; and

(ii) Must not be traded back to you for cash; and

(iii) Must not give a chance to participate further in an authorized gambling activity.

(3) You must collect the price required to participate in the gambling activity in full before allowing someone to participate. Licensees must collect cash, check, gift certificate, gift card, or electronic point-of-sale bank transfer.

(4) If the price paid for the opportunity to play a punch board or pull-tab series is ten dollars or less, licensees may collect the price immediately after the play is completed.

(5) If a charitable or nonprofit organization has a regular billing system for all of the activities of its members, it may use its billing system in connection with the playing of any licensed activities as long as the organization limits play to full and active members of its organization.

(6) Charitable or nonprofit organizations may allow credit cards, issued by a state regulated or federally regulated financial institution, for payment to participate in raffles.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-06-035, filed 10/22/07, effective 1/1/08; 06-17-132 (Order 601), § 230-06-035, filed 8/22/06, effective 1/1/08.]

WAC 230-06-045 Conduct gambling activities on licensed business premises only. (1) Licensees must conduct all gambling activities, except for raffle ticket sales, on the licensed business premises.

(2) Charitable or nonprofit organizations licensed to conduct bingo and punch board and pull-tab games may sell punch boards and pull-tabs to customers of a licensed card room if the charitable or nonprofit organization:

(a) Shares a common wall with the card room; and

(b) Controls all doors, counters, or windows allowing customer access through the common wall between the two premises and the charitable or nonprofit organization can securely close and lock the doors, counters, or windows; and

(c) Keeps and sells the punch board and pull-tab games and redeems prizes only on their licensed business premises. Punch board and pull-tab players may take already purchased punch boards and pull-tabs into the card room area; and

(d) Allows only its employees to sell the punch board and pull-tabs; and

(e) Posts signs at the door, window, or counter common to the two business premises that clearly notify customers of the organization's identity.

[Statutory Authority: RCW 9.46.070. 06-17-132 (Order 601), § 230-06-045, filed 8/22/06, effective 1/1/08.]

WAC 230-06-046 Additional requirements for licensed business premises of class E, F, and house-banked card rooms. (1) The licensed business premises of class E, F, and house-banked card rooms may not be adjacent to each other if each licensed business premises:

(a) Shares inside public access between the two licensed business premises; or

(b) Has employee access between the two licensed business premises visible to the public; or

(c) Shares windows or similar structures that allow customers to see into the other licensed business premises.

(2) Subsection (1) of this section does not apply to class E, F, and house-banked card room physical locations that have any of the features listed in subsection (1) of this section and were licensed on the effective date of this rule.

(3) Adjacent card rooms must post signs at each entrance that is accessible by the public to clearly notify customers of the licensed business premises' identity.

[Statutory Authority: RCW 9.46.070 and 9.46.0282. 10-07-102, § 230-06-046, filed 3/19/10, effective 7/1/10.]

WAC 230-06-050 Review of electronic or mechanical gambling equipment. (1) Persons who wish to submit gambling equipment, supplies, services, or games for our review to verify compliance with chapter 9.46 RCW and Title 230 WAC must pay the application deposit before we perform the review. They must also reimburse us for any additional costs of the review.

(2) We may require manufacturers to submit certain electronic or mechanical gambling equipment for review. The equipment must meet technical standards for compliance, accuracy, security, and integrity. To allow for continued testing and training, staff may keep any equipment submitted for review for as long as the equipment remains in play in Washington. The manufacturers must reimburse us for any costs of the review. The commissioners and commission staff are not liable for any damage to equipment while in our possession.

(3) Licensees must operate equipment identical to the version the director or director's designee approved.

(4) If persons submitting equipment do not agree with the director or director's designee's decision, they may file a petition for declaratory order with the commission to be heard as a full review (*de novo*) by an administrative law judge, according to RCW 34.05.240 and chapter 230-17 WAC.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-06-050, filed 10/22/07, effective 1/1/08; 06-17-132 (Order 601), § 230-06-050, filed 8/22/06, effective 1/1/08.]

WAC 230-06-051 Computation of time. (1) When a period of time is in commission rules, orders, or statute, the period begins to run on the day after the act, event, or default. The last day of the period is included, unless it is a Saturday, Sunday or a legal holiday, in which case the period runs until the end of the next day that is not a Saturday, Sunday or a legal holiday.

(2) When the period is less than seven days, exclude Saturdays, Sundays and legal holidays in the calculation.

(3) This section does not apply to periods of license suspension.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-06-051, filed 10/22/07, effective 1/1/08.]

NOTIFYING LAW ENFORCEMENT, POSTING PUBLIC NOTICES, AND RECORDKEEPING

WAC 230-06-055 Notify law enforcement of gambling activity. (1) Licensees must notify local law enforcement agencies, in writing, that they have been licensed before they begin to conduct any activity under the license.

(2) Licensees must notify local law enforcement agencies of the:

(a) Address where they will conduct the gambling activity; and

(b) Type of gambling activity licensed; and

(c) First date they will conduct the gambling activity; and

(d) Proposed schedule for the operation of the gambling activity if they plan to conduct the activity on a regular basis.

(3) Licensees must not conduct the activity until they have made the notification.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-06-055, filed 10/22/07, effective 1/1/08; 06-17-132 (Order 601), § 230-06-055, filed 8/22/06, effective 1/1/08.]

WAC 230-06-065 Displaying of licenses. (1) Licensees must prominently display originals or copies of all gambling activity licenses or permits we have issued in the gambling area of their business premises.

(2) Licensees must have the licenses and permits ready for inspection by us, other law enforcement personnel, and the public at all times.

(3) Card room employers may choose not to display employee licenses, but must maintain all card room employees' licenses, proof of licensing, or applications if we have not issued a license, on the licensed premises at all times.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-06-065, filed 10/22/07, effective 1/1/08; 06-17-132 (Order 601), § 230-06-065, filed 8/22/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-17-132 (Order 601), § 230-06-070, filed 8/22/06, effective 1/1/08.]

WAC 230-06-071 Washington state identification and inspection stamps to be called "I.D. stamps." We will refer to Washington state identification and inspection stamps as "I.D. stamps" throughout these rules.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-06-071, filed 10/22/07, effective 1/1/08.]

WAC 230-06-074 Assistance required for commission inspections. When we arrive to conduct an inspection, the person or business under review must immediately provide:

(1) All requested documents or equipment; and

(2) A safe place with adequate space where we may perform the inspection; and

(3) Reasonable assistance to us.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-06-074, filed 10/22/07, effective 1/1/08.]

WAC 230-06-075 Removal of equipment or records for inspection. (1) If we believe with a reasonable probability that you, your employees, or your members are violating or have violated the provisions of chapter 9.46 RCW, its amendments, or any of our rules, we may remove, inspect, and investigate any records, equipment, parts, and devices of any nature located on your premises that relate to the licensed activity or any other gambling activity.

(2) We also may remove records from your premises or your control in order to facilitate our review of the records.

(3) If we receive a written request from you, we will provide you with copies of retained records.

(4) After the case is resolved, we will return all records, equipment, parts, and devices to the premises or to your address.

[Statutory Authority: RCW 9.46.070. 06-17-132 (Order 601), § 230-06-075, filed 8/22/06, effective 1/1/08.]

REPORTING CHANGES TO APPLICATION INFORMATION

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 struc-

ture 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.

[Statutory Authority: RCW 9.46.070. 06-17-132 (Order 601), § 230-06-080, filed 8/22/06, effective 1/1/08.]

WAC 230-06-083 Card game licensees reporting changes in licensed employees. Card game licensees, except Class B or Class D must:

(1) Submit an add/transfer application and the required fees before allowing a licensed card room employee to begin working.

(2) Notify us in writing when a licensed card room employee no longer works for them. We must receive the notice at our Lacey office within ten days of the card room employee terminating employment.

[Statutory Authority: RCW 9.46.070. 08-21-087 (Order 633), § 230-06-083, filed 10/14/08, effective 1/1/09.]

REPORTING CRIMINAL, ADMINISTRATIVE, AND CIVIL ACTIONS

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.

[Statutory Authority: RCW 9.46.070. 06-17-132 (Order 601), § 230-06-085, filed 8/22/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-17-132 (Order 601), § 230-06-090, filed 8/22/06, effective 1/1/08.]

CHANGING NAMES OR LOCATIONS

WAC 230-06-095 Change name, trade name, or corporate name. Licensees must notify us and pay a fee for any name change as follows:

(1) Businesses and organizations changing their trade or corporate name - at least thirty days before the actual change date;

(2) Individuals changing their name - no later than thirty days after the effective date of the change.

[Statutory Authority: RCW 9.46.070. 09-19-053 (Order 662), § 230-06-095, filed 9/11/09, effective 1/1/10; 06-17-132 (Order 601), § 230-06-095, filed 8/22/06, effective 1/1/08.]

WAC 230-06-100 Changing business locations. (1) Licensees must apply to us and pay a fee to change the location of their licensed business premises. Licensees must receive our approval before changing the business location.

(2) Commercial amusement game licensees may add or delete from the list of locations for which we issued their license without paying a fee.

[Statutory Authority: RCW 9.46.070. 06-17-132 (Order 601), § 230-06-100, filed 8/22/06, effective 1/1/08.]

CHANGING MANAGEMENT OR OWNERSHIP

WAC 230-06-105 Report change of management. (1) Licensees must report in writing changes made to their organization's management, directors, officers, or any other position that makes management decisions directly affecting the operation of their licensed gambling activity. We provide the forms to report these changes.

(2) If you are a commercial business licensee, you must report within thirty days.

(3) If you are a charitable or nonprofit organization licensee, you must report the changes when renewing your annual license.

[Statutory Authority: RCW 9.46.070. 06-17-132 (Order 601), § 230-06-105, filed 8/22/06, effective 1/1/08.]

WAC 230-06-106 Limited transfers of ownership allowed. Gambling licenses must not be transferred to another person or entity until the licensee requesting the transfer has received written approval from us. All requests to transfer a license must be in the format we require. Licensees may request to transfer a gambling license under the following conditions:

Commercial businesses

(1) A commercial business may request to transfer their license to another business when:

(a) The ownership is exactly the same for both businesses, for example a partnership becomes a limited liability company (LLC); and

(b) The licensed gambling activity will be conducted at the same business premises.

Charitable or nonprofit organizations

(2) A bona fide charitable or nonprofit organization may request to transfer their gambling license to another bona fide charitable or nonprofit organization after a completed merger or consolidation.

Partnerships

(3) If one partner in a partnership leaves and is not replaced, the remaining partner(s) must submit a transfer application to document the transfer of ownership to the remaining partner(s).

Sole proprietorship

(4) A sole proprietor may request to transfer their license to a partnership, corporation or LLC, which is solely owned by the same person.

Death, bankruptcy and other special circumstances

(5) A licensed operator may transfer their license when proven incapacity, death, receivership, bankruptcy or assignment for benefit of creditors to a court-appointed or court-confirmed guardian, executor or administrator, receiver, trustee, or assignee for the benefit of creditors occurs. The person to whom the license is transferred may continue to operate under the license.

(a) Transfers are allowed when:

(i) A transfer fee is paid; and

(ii) The person to whom the license is transferred is qualified to hold a gambling license; and

(iii) We give prior written approval.

(b) The license is renewable based on the original expiration date of the license; and

(c) Any transferred license will be void when the person to whom the license was transferred no longer holds the court-appointed, or court-confirmed, position.

[Statutory Authority: RCW 9.46.070. 08-03-062 (Order 623), § 230-06-106, filed 1/14/08, effective 2/14/08.]

WAC 230-06-107 Ownership changes—Allowed. A licensee must report any change in ownership when the change would result in any person or organization becoming a substantial interest holder. Changes in ownership are allowed under the following conditions:

Ownership changes to be reported

(1) The following changes must be reported to us when:

(a) A person or organization becomes a substantial interest holder when they were not a substantial interest holder immediately before the transaction; or

(b) A substantial interest holder purchases any additional stock.

Reporting requirements

(2) Each notification must:

(a) Be submitted in writing on a form provided by us within thirty days of the close of a change of ownership; and

(b) Include the required fee; and

(c) Include:

(i) **For corporations**—A copy of the meeting minutes detailing the change of ownership; or

(ii) **For limited liability companies (LLC)**—An amended LLC agreement that includes the new member(s).

New owners must qualify for a license

(3) The gambling license(s) of any corporation or LLC in which a person holds or acquires a substantial interest may be revoked if the new person is not qualified to hold a gambling license.

Review and investigation

(4) An investigation of each transaction will be conducted by us to determine the details of the transaction and the qualifications of each substantial interest holder.

[Statutory Authority: RCW 9.46.070. 08-03-062 (Order 623), § 230-06-107, filed 1/14/08, effective 2/14/08.]

WAC 230-06-108 Ownership changes—Prohibited. All gambling licenses held by a business will become void when the following changes in ownership occur and a new license must be obtained before operating any gambling activities:

(1) A person or business becomes the owner of more than fifty percent of corporate stock or limited liability membership shares/units, when the person or business did not have at least the following substantial interest in the business immediately before the transaction:

(a) Ten or more percent ownership in a privately held corporation or limited liability company (LLC); or

(b) Five or more percent ownership in a publicly traded corporation or LLC; or

(2) The business is sold; or

(3) A sole proprietorship brings in a new person and forms a partnership, corporation or LLC; or

(4) A partnership adds another partner or changes partners; or

(5) A change in a person's ownership, together with ownership of any members of his or her immediate family, who are under the age of eighteen years of age, results in the person having more than fifty percent interest in the business when the person did not have at least the following substantial interest in the business:

(a) Ten or more percent ownership in a privately held corporation or LLC; or

(b) Five or more percent ownership in a publicly traded corporation or LLC.

[Statutory Authority: RCW 9.46.070. 08-03-062 (Order 623), § 230-06-108, filed 1/14/08, effective 2/14/08.]

SALES AND TRANSFERS OF EQUIPMENT, PRODUCTS, AND SERVICES

WAC 230-06-109 Sales invoices for merchandise prizes. Operators may purchase merchandise prizes from a licensed or unlicensed distributor or business. The sales

invoice or receipt must include at least the following information:

(1) The date of purchase; and

(2) The seller's name and complete address; and

(3) A full description of each item purchased; and

(4) The quantity of items purchased; and

(5) The cost per individual items purchased.

[Statutory Authority: RCW 9.46.070. 08-21-087 (Order 633), § 230-06-109, filed 10/14/08, effective 1/1/09.]

WAC 230-06-110 Buying, selling, or transferring gambling equipment. (1) All licensees and persons authorized to possess gambling equipment must closely control the gambling equipment in their possession.

(2) Before selling gambling equipment, licensees must ensure that the buyer possesses a valid gambling license or can legally possess the equipment without a license.

(3) Before purchasing gambling equipment, licensees must ensure that the seller possesses a valid gambling license.

(4) Applicants for Class F or house-banked card room licenses may purchase and possess gambling equipment during the prelicensing process, but only after receiving written approval from us.

(5) Charitable and nonprofit organizations conducting unlicensed bingo games, as allowed by RCW 9.46.0321, may possess bingo equipment without a license.

(6) Licensees may transfer gambling equipment as a part of a sale of a business as long as a condition of the sale is that the buyer receives a gambling license before the sale is complete. Licensees must make a complete record of all gambling equipment transferred in this manner, including I.D. stamps. Licensees must report these transfers, including a copy of the inventory record, to us.

[Statutory Authority: RCW 9.46.070. 08-11-044 (Order 628), § 230-06-110, filed 5/14/08, effective 7/1/08; 07-21-116 (Order 617), § 230-06-110, filed 10/22/07, effective 1/1/08; 06-17-132 (Order 601), § 230-06-110, filed 8/22/06, effective 1/1/08.]

WAC 230-06-120 Selling or transferring gambling equipment when no longer licensed. (1) If we have revoked your operator or distributor license, your license has expired, or you have voluntarily surrendered your license, you may only sell or otherwise transfer gambling equipment to a licensed manufacturer or distributor.

(2) Transfers of gambling equipment in this manner are subject to the following requirements:

(a) The transfer must be complete within thirty days of the date the license became invalid; and

(b) Distributors must use the cash or credit against amounts they owe manufacturers; and

(c) Operators or distributors selling the equipment must report to us within ten days of the transaction a complete inventory of all the gambling equipment transferred, including commission I.D. stamps; and

(d) Manufacturers or distributors receiving the equipment must prepare a credit memorandum and retain it with their records.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-06-120, filed 10/22/07, effective 1/1/08; 06-17-132 (Order 601), § 230-06-120, filed 8/22/06, effective 1/1/08.]

LICENSE RENEWALS

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.

[Statutory Authority: RCW 9.46.070. 08-03-062 (Order 623), § 230-06-125, filed 1/14/08, effective 2/14/08; 06-17-132 (Order 601), § 230-06-125, filed 8/22/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-17-132 (Order 601), § 230-06-130, filed 8/22/06, effective 1/1/08.]

WAC 230-06-135 Failing to apply for license class upgrade. (1) If licensees fail to apply for a license class upgrade and exceed the license class limit within a present or previous license year, we assess an additional fee. We charge an additional fee of up to fifty percent of the difference between the fee for the present license class and the new license class, or one thousand dollars, whichever is less.

(2) Licensees must pay any required license class upgrade fee, plus any additional fee required by subsection (1) of this section, within thirty days of our notification.

(3) Failure to pay the fees may result in an immediate summary suspension of all licenses.

[Statutory Authority: RCW 9.46.070. 06-17-132 (Order 601), § 230-06-135, filed 8/22/06, effective 1/1/08.]

WAC 230-06-140 Partial refund of license fees if gambling receipts limit not met. (1) Licensees may apply for a partial refund of their license fee when their annual gross gambling receipts are less than the minimum for the class of license we issued to them.

(2) Licensees may receive a refund for the difference between the fees actually paid and the fees that would nor-

mally apply to the level of gross gambling receipts actually received during the period.

(3) Licensees may make their request for refund after the end of any annual license period and before the end of the next annual license period.

[Statutory Authority: RCW 9.46.070. 06-17-132 (Order 601), § 230-06-140, filed 8/22/06, effective 1/1/08.]

WAC 230-06-145 Surrendering suspended or revoked licenses. If we suspend or revoke your license, you must, on demand, surrender the license and return it to us.

[Statutory Authority: RCW 9.46.070. 06-17-132 (Order 601), § 230-06-145, filed 8/22/06, effective 1/1/08.]

WAC 230-06-150 Defining "gross gambling receipts." (1) "Gross gambling receipts" means the amount due to any operator of a gambling activity for:

(a) Purchasing chances to play a punch board or pull-tab series; and

(b) Purchasing chances to enter a raffle; and

(c) Fees or purchase of cards to participate in bingo games; and

(d) Fees to participate in an amusement game, including rent or lease payments paid to licensees or franchisers for allowing operation of an amusement game on their premises; and

(e) "Net win" from a house-banked card game; and

(f) Tournament entry fees; and

(g) Administrative fees from player-supported jackpots; and

(h) Fees to participate in a nonhouse-banked card game (for example, time, rake, or per hand fee).

(2) The amount must be stated in U.S. currency.

(3) The value must be before any deductions for prizes or other expenses.

(4) "Gross gambling receipts" does not include fees from players to enter player-supported jackpots. However, any portion of wagers deducted for any purpose other than increasing current prizes or repayment of amounts used to seed prizes are "gross gambling receipts."

[Statutory Authority: RCW 9.46.070. 08-20-007 (Order 630), § 230-06-150, filed 9/18/08, effective 1/1/09.]

WAC 230-06-155 Defining "gross sales." (1) "Gross sales" means the amount received for all nongambling goods and services sold or occurring on the premises.

(2) The amount must be stated in U.S. currency minus any sales taxes or discounts.

(3) Income received from sales made on behalf of others or in partnership with third parties, commission income, or income splitting schemes, must be recorded at the net amount realized.

[Statutory Authority: RCW 9.46.070. 08-20-007 (Order 630), § 230-06-155, filed 9/18/08, effective 1/1/09.]

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.

[Statutory Authority: RCW 9.46.070. 08-20-007 (Order 630), § 230-06-160, filed 9/18/08, effective 1/1/09.]

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.

[Statutory Authority: RCW 9.46.070. 08-20-007 (Order 630), § 230-06-165, filed 9/18/08, effective 1/1/09.]

WAC 230-06-170 Defining "net win." "Net win" means gross wagers received from gambling activities or fund-raising events minus the:

(1) Amount paid to players for winning wagers; and

(2) Accrual of prizes for progressive jackpot contests; and

(3) Repayment of amounts used to seed guaranteed progressive jackpot prizes.

[Statutory Authority: RCW 9.46.070. 08-20-007 (Order 630), § 230-06-170, filed 9/18/08, effective 1/1/09.]

WAC 230-06-175 Defining "cost." (1) "Cost" means the amount paid or owed by the purchaser, for any gambling or nongambling product or service, at the time of the transaction and documented on the sales receipt/transfer document.

(2) "Cost" does not include:

(a) Sales taxes paid by the purchaser; or

(b) Any markup or value added by the purchaser.

[Statutory Authority: RCW 9.46.070. 08-20-007 (Order 630), § 230-06-175, filed 9/18/08, effective 1/1/09.]

Chapter 230-07 WAC
CHARITABLE AND NONPROFIT RULES

WAC

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WAC 230-07-001 Defining "charitable or nonprofit licensee." In this section of the rules, "charitable or nonprofit licensees" means the same as a bona fide charitable or nonprofit organization as defined in RCW 9.46.0209.

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-001, filed 4/24/07, effective 1/1/08.]

WAC 230-07-005 Defining "licensees," "licensee," "organizations," and "organization." (1) In this chapter of the rules, "licensee" and "licensees" means those charitable or nonprofit organizations which we require to be licensed to conduct gambling activities.

(2) In this chapter, "organization" and "organizations" means:

(a) Licensees; and

(b) All bona fide charitable or nonprofit organizations conducting unlicensed gambling activities authorized by chapter 9.46 RCW.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-07-005, filed 10/22/07, effective 1/1/08; 07-10-032 (Order 609), § 230-07-005, filed 4/24/07, effective 1/1/08.]

WAC 230-07-010 Use of gambling proceeds. (1) Except qualified agricultural fairs, charitable or nonprofit organizations must use all net income from gambling activities remaining after paying necessary expenses of operating the gambling activities exclusively for the lawful purpose(s) of the organization stated on the organization's license application.

(2) Licensees may conduct a gambling activity for the charitable benefit of specific person(s) whom the licensee has listed as recipient(s) of the proceeds, or a specified portion of the proceeds, if licensees obtain approval from us before they conduct the activity.

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-010, filed 4/24/07, effective 1/1/08.]

WAC 230-07-015 Regulatory group assignments. (1) We assign charitable or nonprofit licensees to regulatory groups based on the annual gross gambling receipts for their combined licensed activities.

(2) Licensees must comply with requirements applicable to the regulatory group to which we have assigned them. The regulatory groups are:

(a) Group I	Combined annual gross receipts up to three hundred thousand dollars.
(b) Group II	Combined annual gross receipts up to one million dollars.
(c) Group III	Combined annual gross receipts up to three million dollars.
(d) Group IV	Combined annual gross receipts up to five million dollars.
(e) Group V	Combined annual gross receipts over five million dollars.

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-015, filed 4/24/07, effective 1/1/08.]

WAC 230-07-020 Making "significant progress." Charitable or nonprofit licensees must make "significant progress" toward their stated purpose. They have made "significant progress" when they have:

(1) Complied with all requirements set forth in their bylaws and articles of incorporation; and

(2) Actively engaged in providing services to the public or their members during the fiscal year under review, and the

services directly relate to the stated purposes of the organization; and

(3) Held elections to select officers at least once in the previous two years; and

(4) Held a general membership meeting to conduct the business of the organization at least once in the previous two years; and

(5) Used a substantial portion of the licensees' "available resources" for providing program services during the fiscal year under review. For purposes of this section, "available resources":

(a) Include the income generated by or from:

(i) The net of all activities used to raise funds, including net gambling income; and

(ii) Grants, gifts, and contributions from private sources; and

(iii) Public support.

(b) Does not include:

(i) Funds generated in periods other than the fiscal year under review; or

(ii) Funds that are raised or contributed from outside the organization for purposes of purchasing land or capital assets or to endow future operations when those funds are specifically identified by the board or contributors as restricted and separately recorded in the organization's records; or

(iii) Net income from the sale of assets; or

(iv) Fees paid by members or the public to receive services or to participate in specific activities. (Example: Fees to attend a swimming lesson or event.) These fees must be classified as a reduction to both program service and supporting service expenses on a pro rata basis and as a reduction to resources available for providing services in the fiscal year. (Example: In the chart below, licensee X has revenue of five thousand dollars. They must calculate the pro rata reduction by adjusting the total by the percentages of support services, program services expenses, and functional expenses.)

(6) This rule will be effective for fiscal years ending on or after December 31, 2009.

Revenue					
Fees paid by public					$5,000
Calculation:					
Expenses	**Unadjusted Amount**	**% of Total**	**Pro Rata Reduction Fees Paid by Public ($5,000)**	**% of Total**	**Adjusted Amount**
Support Service Expense	$35,000	32%	($1,591)	32%	$33,409
Program Service Expense	$75,000	68%	($3,409)	68%	$71,591
Functional Expenses	$110,000	100%	($5,000)	100%	$105,000

[Statutory Authority: RCW 9.46.070. 09-19-080 (Order 661), § 230-07-020, filed 9/17/09, effective 10/18/09; 07-10-032 (Order 609), § 230-07-020, filed 4/24/07, effective 1/1/08.]

WAC 230-07-025 Additional requirements for "significant progress" for Groups IV and V. In addition to meeting the significant progress requirements for Groups I, II, and III, Group IV and V charitable or nonprofit licensees must also prove they:

(1) Expended at least sixty percent of net gambling income earned in the licensee's most recently completed fiscal year on "functional expenses" to operate the organization's programs; and

(2) Used no more than thirty-five percent of total functional expenses to provide supporting services. If licensees used more than fifty percent of total program services expenses to provide program services through indirect methods (those which are external to the organization), such as grants, contributions, and/or scholarships, then supporting services expenses must not exceed twenty percent of functional expenses.

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-025, filed 4/24/07, effective 1/1/08.]

WAC 230-07-030 Defining "functional expenses." "Functional expenses" means those expenses a charitable or nonprofit licensee incurs toward accomplishing its stated purpose(s). Functional expenses include both "program services" and "supporting services."

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-030, filed 4/24/07, effective 1/1/08.]

WAC 230-07-035 Defining "program service expenses." (1) "Program service expenses" means those expenses relating to providing care, support, or assistance to individuals, or sponsoring or conducting activities that directly relate to the licensee's stated purpose(s).

(2) We consider "program service expenses" services the licensee provided:

(a) Directly through programs to the public or the licensee's members; or

(b) Indirectly through:

(i) Contributions to individuals or to other service-providing organizations; or

(ii) Funding scholarships; or

(iii) Sponsoring activities directly related to any organizational purposes.

(3) We consider soliciting new members or volunteers, or announcements and publications intended to educate the public about specific services or programs to be program service expenses.

(4) Expenses allocated to more than one service must be divided out according to their function. Licensees must document the methods of allocation and make them available for our review.

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-035, filed 4/24/07, effective 1/1/08.]

WAC 230-07-040 Defining "supporting service expenses." (1) "Supporting service expenses" means those expenses relating to activities that are essential to the general operation of the licensee's programs, but which are not directly identifiable to a specific program. Supporting service expenses typically include:

(a) Management; and

(b) General overhead; and

(c) Any expenses related to soliciting contributions.

(2) We consider the following supporting service expenses:

(a) Wages and benefits for persons involved in the general operation of the organization, such as:

(i) Executive directors and other management; or

(ii) Support personnel like secretaries, receptionists, and bookkeepers; and

(b) Expenses related to:

(i) Providing an administrative office, including rent, depreciation, interest, utilities, taxes, insurance, and supplies; and

(ii) General management functions of the organization such as planning and budgeting, recruiting and training staff, and purchasing and distributing materials; and

(iii) Scheduling and conducting board, committee, and membership meetings; and

(iv) Publicizing the general organization; and

(v) Outside supporting services such as accounting, audit, and legal; and

(vi) Soliciting contributions or grants; and

(vii) Any net loss from nongambling fund-raising activities.

(3) Supporting service expenses do not include items which are unusual and infrequent in nature, for example, repairs from a fire.

(4) Expenses allocated to more than one service must be divided out according to their function. Licensees must document the methods of allocation and make them available for our review.

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-040, filed 4/24/07, effective 1/1/08.]

WAC 230-07-045 Obtaining a waiver for significant progress requirements. (1) If a charitable or nonprofit licensee is unable to demonstrate that it has made significant progress, the licensee may request, in writing, a waiver for all, or a portion, of the requirements.

(2) In the waiver request, the organization's board must:

(a) Acknowledge that it is aware of the circumstances; and

(b) Show it has taken steps to correct the situation which prevented compliance; and

(c) Show it has approved a plan that addresses delivery of program services in the future; and

(d) Show that the organization expended at least twenty-five percent of its net gambling income to provide program services in the period under review. We may consider the purchase of nondepreciable assets for program purposes as part of this percentage.

(3) When deciding to approve or deny a waiver, we consider whether the licensee:

(a) Had a temporary inability to comply due to unusual circumstances; and

(b) Is reserving funds to start or expand specific programs in the future; and

(c) Used a substantial amount of capital assets that are not subject to depreciation or amortization to provide program services, for example, fully depreciated building or equipment; fully amortized leasehold improvements; assets which are not normally depreciated, such as land used for athletic fields, riding areas, or parks; and

(d) Conducted a substantial portion of its services through volunteers.

(4) If we deny the waiver, the licensee may request a brief adjudicative hearing before an administrative law judge under the provisions of Title 230 WAC and chapter 34.05 RCW.

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-045, filed 4/24/07, effective 1/1/08.]

WAC 230-07-050 Defining "excessive reserves." (1) "Excessive reserves" means the total amount of the licensee's cash, cash equivalents, and other assets that would not normally be associated with providing programs or fund-raising activities is greater than the sum of:

(a) The licensee's current liabilities, which means debts due within one year; plus

(b) Total functional expenses during the most recently completed fiscal year; plus

(c) The average net income or loss from combined gambling and retail sales conducted in conjunction with gambling activities for a three-month period. This average is calculated by dividing annual net gambling and retail sales income or loss by four.

(2) However, we may approve the exclusion of funds reserved to start or expand specific programs from the computation of excessive reserves.

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-050, filed 4/24/07, effective 1/1/08.]

WAC 230-07-051 Accumulating excessive reserves. A charitable or nonprofit organization must not accumulate excessive reserves. Organizations accumulating excessive reserves may be deemed as organized primarily for purposes of gambling. Reserves must be computed by using the financial data most recently filed with us. Funds transferred to an endowment or specifically restricted trust fund will not be treated as excessive reserves if the following restrictions are met:

(1) The endowment or dedicated trust fund is either legally irrevocable or restricted in a manner that approval is required by a majority of the membership prior to use or transfer of the endowment or dedicated trust principal; and

(2) The funds are expressly dedicated for funding new programs, capital projects, or to endow service-providing activities; and

(3) The funds are saved according to a plan that includes the amount to be reserved, the purpose for which the funds are being reserved, and the estimated time the reserves will be used; and

(4) The plan is approved by the organization's officers or board of directors and documentation for the endowment or trust fund is submitted to us for review and approval; and

(5) The total amount of net gambling income that is transferred to endowment or trust funds may exceed two million dollars only if the organization petitions the director to exceed this limitation and the director approves the petition. The director may disapprove with written comments or approve a modified level based on facts presented. The director's decision may be appealed to the commission. Appeal of this decision will be heard at a regular public meeting of the commission. The commission's decision shall be final. Petitions for relief must include:

(a) The reason for the request, including whether the increased reserves are for charitable or nonprofit purposes and planned timelines for use; and

(b) The total amount of reserves requested; and

(c) The impact on programs if the petition is denied; and

(d) Alternative sources of funding available.

[Statutory Authority: RCW 9.46.070. 08-03-062 (Order 623), § 230-07-051, filed 1/14/08, effective 2/14/08.]

WAC 230-07-055 Prorating expenses when gambling funds are not kept separate. When charitable or nonprofit organizations do not keep gambling income separate from all other income of the organization, the amount of net gambling income required to provide functional expenses in the fiscal year under review must be the pro rata portion of net gambling income compared to the total net revenue from all sources. (Example: In the chart below, Organization X has revenue of five thousand dollars. They must calculate the pro rata reduction by adjusting the total by the percentages of support services, program services, and functional expenses.)

Revenue					
Fees paid by public					$5,000
Calculation:					
Expenses	**Unadjusted Amount**	**% of Total**	**Pro Rata Reduction Fees Paid by Public ($5,000)**	**% of Total**	**Adjusted Amount**
Support Service Expense	$35,000	32%	($1,591)	32%	$33,409
Program Service Expense	$75,000	68%	($3,409)	68%	$71,591
Functional Expenses	$110,000	100%	($5,000)	100%	$105,000

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-055, filed 4/24/07, effective 1/1/08.]

WAC 230-07-060 Independent management structure required. (1) Charitable or nonprofit organizations and their officers or board of directors have an affirmative responsibility to conduct gambling activities according to the legislative intent in chapter 9.46 RCW.

(2) Organizations must develop and maintain an independent management control system that ensures they:

(a) Create an operating environment that makes it possible to implement the policies of the officers or board of directors; and

(b) Supervise and operate gambling activities according to gambling laws and our rules; and

(c) Protect all assets of the organization from misuse or embezzlement; and

(d) Use gambling proceeds solely to advance the purposes of their organization.

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-060, filed 4/24/07, effective 1/1/08.]

WAC 230-07-065 Group III, IV, and V management control system. Charitable or nonprofit licensees assigned to Groups III, IV, and V must develop and implement a management control system that:

(1) Is overseen by an independent group of officers or board of directors who have been elected by a process in which all full and regular members have a single vote; and

(2) Includes written policies which set the responsibilities of and establish the scope of authority delegated to officers, board of directors, and employees; and

(3) Includes affirmative management and accounting controls to ensure that all funds and other assets directly or indirectly obtained with gambling proceeds are protected from misuse, are dedicated solely to the purposes of the organization, and do not inure to the private use of any person. For purposes of this section, we do not consider the following uses of gambling proceeds inurement:

(a) Providing program services to members or the public; or

(b) Costs for necessary expenses, including salaries or wages for services to perform the purposes of the organization. Salaries or wages paid to members, officers, board of directors, or their direct relatives, are not inurement if they are necessary, reasonable, and an independent management system makes the decision to pay them; and

(4) Includes a planning process to set goals for uses of gambling proceeds and allows the officers or board of directors to monitor progress toward those goals. Organizations reserving funds in endowments or trust funds must have a formal business plan or budget outlining uses of those funds; and

(5) Includes a system of internal accounting controls designed to reduce errors, minimize the risk of embezzlement, and safeguard assets. The licensee's officers or board of directors must implement procedures to monitor established controls for compliance. The internal accounting control system must include at least:

(a) Management approval for expenditures; and

(b) Access to assets is restricted to those individuals management authorizes; and

(c) Recording procedures for all transactions in accordance with generally accepted accounting principles (GAAP). Licensees must record transactions with enough detail to maintain accountability for assets; and

(d) Periodic comparison of recorded assets to physical assets and reconciliation of all differences. "Reconcile" means the licensee must compare the two balances, resolve any differences, and document the comparison and the differences in writing. Licensees must keep the reconciliation as part of their records.

(6) Is documented and available for our review.

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-065, filed 4/24/07, effective 1/1/08.]

WAC 230-07-070 Defining "direct relatives." "Direct relative" means spouses, parents, grandparents, uncles, aunts, children, siblings, nieces, or nephews, whether by blood, adoption, or marriage.

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-070, filed 4/24/07, effective 1/1/08.]

WAC 230-07-075 Conflicts of interest. (1) Charitable or nonprofit organizations have an independent operating environment when their officers or board members and supervisory level employees have completely separated their personal interests from the interests of the organization.

(2) If individual officers or board members acknowledge potential conflicts of interest and abstain from voting on issues that directly or indirectly affect their personal interest, the organization is operating independently.

(3) The governing board of the organization must review any potential conflicts of interest involving supervisory level employees. They must record all discussions or balloting regarding potential conflicts of interest in the official meeting minutes.

(4) We will presume organizations lack an independent operating environment if the governing board fails to approve and document in the official meeting minutes any of the following by the officers, board members, or supervisory level employees:

(a) Receiving, directly or indirectly, financial or personal benefit from the organization or share in gambling proceeds of the organization; or

(b) Supervising, directly or indirectly, or having decision-making authority over transactions that may result in direct or indirect financial or personal benefit to:

(i) Their direct relatives; or

(ii) Persons with whom they maintain a common household; or

(iii) Persons with whom they have a business relationship; or

(c) Allowing others, directly or, through lack of action, indirectly, to receive or share in the gambling proceeds of the organization.

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-075, filed 4/24/07, effective 1/1/08.]

WAC 230-07-080 Qualification reviews for Groups III, IV and V. (1) We may review charitable or nonprofit licensees assigned to Group III and may prepare a summary of the organization's qualifications for the commissioners' review.

(2) We will review licensees assigned to Group IV and V and prepare a summary of the organization's qualifications for the commissioners' review at a public meeting every three years. At least one representative from the organization must attend the meeting when staff presents their qualification review.

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-080, filed 4/24/07, effective 1/1/08.]

WAC 230-07-085 Compensating gambling management and operations personnel. (1) Charitable or nonprofit licensees must not base compensation for any employee taking part in the management or operation of the gambling activities on a percentage of the receipts or income derived from the operation of the gambling activity.

(2) Licensees must pay employees taking part in the management or operation of gambling activity a wage that is reasonable under the prevailing local wage scale for comparable employment. Wages greater than the local prevailing wage create a presumption of a violation.

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-085, filed 4/24/07, effective 1/1/08.]

WAC 230-07-090 Keeping and depositing all gambling funds separate from other funds. Charitable or nonprofit licensees must protect all funds generated from gambling activities and keep these funds separate from their general funds.

(1) Licensees must:

(a) Keep a separate gambling receipts account(s) in a recognized Washington state bank, mutual savings bank, or credit union; and

(b) Deposit only gambling receipts into that account. Licensees may deposit receipts from nongambling activities operated in conjunction with bingo games into the gambling receipts account if the licensee keeps detailed receipting records of the nongambling receipts; and

(c) Deposit all gambling receipts first into the account before spending or transferring them into other accounts, except for prize pay outs; and

(d) Deposit funds received from commercial amusement game operators operating amusement games on their premises in the licensee's gambling receipts account no later than the second banking day after they receive the receipts; and

(e) Make all deposits of net gambling receipts from each activity separately from all other deposits, and keep the validated deposit receipt as a part of their records. Deposit receipts are a part of the applicable daily or monthly records and licensees must make them available for our inspection; and

(f) Deposit all net gambling receipts which they are holding, pending pay out:

(i) From bingo, no later than the second banking day after they receive them. Licensees may withhold bingo receipts from deposits for "jar," "pig," or other special game

prizes if the total of all such prize funds does not exceed two hundred dollars, enter the amount withheld each session in the bingo daily record, and record the reconciliation of the special game fund on the bingo daily record. "Reconcile" means the licensee must compare the two balances, resolve any differences, and document the comparison and the differences in writing. Licensees must keep the reconciliation as part of their records; and

(ii) From raffles (Class E and above) and amusement games (Class D and above), at least once each week; and

(iii) From punch board and pull-tabs, including cost recovery for merchandise prizes awarded, no later than two banking days after they remove the board or series from play; and

(g) Record the Washington state identification number assigned to the punch board or pull-tab series and the amount of net gambling receipts on the deposit slip/receipt. Licensees may record the number and the receipts on a separate record if they record the bank validation number and maintain the record with the deposit slip/receipt; and

(2) These requirements do not apply to organizations who:

(a) Conduct only one or more of the following activities:

(i) Raffles under the provisions of RCW 9.46.0315;

(ii) Bingo, raffles, or amusement games under the provisions of RCW 9.46.0321;

(iii) Class A, B, or C bingo game;

(iv) Class A, B, C, or D raffle; or

(v) Class A, B, or C amusement game; and

(b) Do not have any other license(s) from us.

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-090, filed 4/24/07, effective 1/1/08.]

WAC 230-07-095 Fund-raising events and members only raffles exempt from deposit requirements. Bona fide charitable or nonprofit organizations that conduct only fund-raising events or members only raffles and have no other gambling licenses are exempt from having a separate gambling receipts account, but they must:

(1) Make no expenditures, other than for prizes, until the receipts have been deposited;

(2) Deposit all net gambling receipts within two banking days; and

(3) Keep the validated deposit receipt with their gambling records.

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-095, filed 4/24/07, effective 1/1/08.]

WAC 230-07-100 Special banking exemption for Point Roberts Peninsula. Charitable or nonprofit licensees that conduct activities on Point Roberts Peninsula, Washington, may deposit funds in British Columbia branches of Canadian banks. Licensees must provide us and their Canadian bank a written release for us to have unrestricted access to the licensee's Canadian bank records and the Canadian bank must provide written confirmation of its intent to honor the licensee's release.

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-100, filed 4/24/07, effective 1/1/08.]

WAC 230-07-105 Safeguarding prize inventory. (1) Charitable or nonprofit organizations must safeguard and prevent misuse or misappropriation of all assets, including items purchased, or donated, to use as prizes for gambling activities.

(2) Licensees must maintain an inventory control record for each item purchased or donated to use as prizes for gambling activities in the format we require.

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-105, filed 4/24/07, effective 1/1/08.]

WAC 230-07-106 Insuring prizes. (1) We prohibit basing contracts for prize insurance on a percentage of the gambling activity.

(2) We allow prize insurance based on a flat fee or monthly fee.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-07-106, filed 10/22/07, effective 1/1/08.]

WAC 230-07-110 Supervision requirements. Charitable or nonprofit organizations must closely supervise all persons involved with the conduct of gambling activities to ensure that they follow all gambling laws and rules.

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-110, filed 4/24/07, effective 1/1/08.]

WAC 230-07-115 Duties of charitable or nonprofit gambling managers. Charitable or nonprofit gambling managers must:

(1) Be knowledgeable of the laws and rules that relate to the operation of the gambling activities and the restrictions on the use of funds made from gambling activities for which they are responsible; and

(2) Supervise the gambling activity, including all secondary activities, such as retail sales, conducted along with gambling activities; and

(3) Ensure:

(a) The business premises are maintained in a safe condition and persons participating in the activity are reasonably protected from physical harm; and

(b) Fair and equal participation by players in gambling activities; and

(c) All records are completed and correct; and

(d) All funds are disbursed or invested according to the directions of the officers or governing board and are used solely to further the charitable or nonprofit purpose(s) of the organization; and

(4) Protect:

(a) The public from fraud; and

(b) The organization from players or workers committing illegal acts; and

(c) All gambling assets of the organization from misuse or theft; and

(5) Safeguard funds or other assets made from gambling and secondary activities for which he or she is responsible until directly deposited in the organization's bank account.

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-115, filed 4/24/07, effective 1/1/08.]

WAC 230-07-120 Notifying us of changes in responsibilities of charitable or nonprofit gambling managers.

(1) A charitable or nonprofit organization must notify us in writing when a gambling manager:

(a) Has been assigned primary responsibility for operating any gambling activity or disbursing funds; or

(b) Has terminated employment or responsibilities.

(2) Individuals required to be licensed under WAC 230-03-235 must immediately submit a license application.

(3) Licensees assigning gambling managers who do not require a license under WAC 230-03-145(4) must notify us in writing within ten days of changes in responsibilities by submitting:

(a) The full name and date of birth of the gambling manager; and

(b) The date the gambling manager was assigned new responsibilities or the date employment or responsibilities terminated; and

(c) A full description of the change in duties or responsibilities; and

(d) The highest ranking elected officer or the individual assigned the responsibility of supervising the gambling manager must sign the notification.

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-120, filed 4/24/07, effective 1/1/08.]

RECORDKEEPING FOR LOWER VOLUME LICENSEES

WAC 230-07-125 Recordkeeping requirements for lower volume charitable or nonprofit organizations. (1) Organizations operating without a license under RCW 9.46.0315 or 9.46.0321 and lower volume charitable or nonprofit licensees must keep a set of permanent monthly records of the gambling activities. Lower volume licensees include:

(a) Fund-raising events;

(b) Bingo (Classes A, B, and C);

(c) Raffles (Classes A, B, C, and D);

(d) Amusement games (Classes A, B, C, and D); and

(e) Card games (Classes A, B, and C).

(2) The monthly records must include, at least:

(a) The gross receipts from each activity;

(b) The total amount of cash prizes actually paid out;

(c) The total of the cost to the licensee of all merchandise prizes actually paid out for each activity;

(d) A summary of all expenses related to each of the activities; and

(e) The net income received from the activity, the purpose(s) for which the net income was raised, and the amount paid to each recipient.

(3) Licensees must keep these records for three years from the end of the license year for which the record was created.

(4) Organizations operating under RCW 9.46.0315 or 9.46.0321 must maintain their records for one year.

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-125, filed 4/24/07, effective 1/1/08.]

RECORDKEEPING AND ACCOUNTING STANDARDS

WAC 230-07-130 Additional recordkeeping for charitable or nonprofit licensees. (1) Charitable or nonprofit licensees, except agricultural fairs, must maintain records which clearly show how the licensee used or disbursed the funds from each licensed activity. These records must provide an audit trail satisfactory for us to verify that the funds were used for the licensees' stated purpose(s). These records must include, at least, canceled checks for the disbursements.

(2) Charitable or nonprofit licensees must keep these records for three years from the end of the license year for which the record was created.

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-130, filed 4/24/07, effective 1/1/08.]

WAC 230-07-135 Recording gifts. Charitable or nonprofit licensees must keep a written record for each gift which they have given to customers with an actual cost over one hundred dollars. Authorized "gifts" are defined in WAC 230-06-035. The record must include:

(1) How they selected the recipients;

(2) The number of gifts; and

(3) The total cost of each gift.

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-135, filed 4/24/07, effective 1/1/08.]

WAC 230-07-140 Minimum accounting records for Class D and above bingo licensees and licensees with combined activities over five hundred thousand dollars. Class D and above bingo licensees and licensees who are authorized for more than five hundred thousand dollars gross gambling receipts from combined gambling activities during any fiscal year must keep accounting records necessary to document all receipts, costs, and disbursements, including, at least, those related to gambling activities.

Requirements for accounting records

For these accounting records, licensees must:

(1) Conform to generally accepted accounting principles (GAAP) except as modified by other commission rules; and

(2) Include, at least:

(a) A cash disbursements journal and/or check register;

(b) A cash receipts and/or sales journal;

(c) A list of all assets the licensee paid for;

(d) A listing of all liabilities;

(e) A complete general ledger system; and

(f) A list of all donated items valued at more than two hundred fifty dollars; and

(g) Bank statements, related deposit slips, and canceled checks or facsimiles of canceled checks; and

Donated items

(3) Document donated items. Licensees must:

(a) Use the fair market value at the time of donation;

(b) Add items to the list no later than thirty days after receiving them;

(c) Remove items when they no longer have legal ownership; and

(d) Not remove an item from the list, even if it has become obsolete or completely depreciated, until management has completed and documented appropriate review. A depreciation schedule for all capitalized items is sufficient; and

(e) Add items to the list when they convert items from gambling merchandise prize inventory to licensee use. This list must include, at least:

(i) A description of the item;

(ii) The date purchased, acquired by donation, or converted from the gambling prize pool;

(iii) The cost at the time of purchase or, if donated, the fair market value at the time received; and

(iv) The date and method of disposition of the item; and

Method of accounting

(4) Use the accrual method of accounting; and

(5) The cash, modified cash, or tax basis accounting methods may be used only if that method accurately represents the licensee's financial position, the results of operations, and the licensee does not have substantial liabilities or expenses, such as depreciation or amortization expenses, which require a current outlay of cash; and

Expenditures for nongambling activities

(6) Sufficiently document all expenditures relating to nongambling activities in order to provide a satisfactory audit trail and to allow us to verify that the funds were used for the licensee's stated purpose(s); and

Expenditures for gambling activities

(7) Sufficiently document all of the licensee's expenditures relating to gambling activities. Canceled checks or facsimiles of canceled checks, and bank statements are not sufficient documentation for expenditures without additional support. Licensees must provide additional support for expenditures, including:

(a) Invoices or other supporting documents from commercial vendors or service agencies with at least:

(i) The name of the person or entity selling the goods or providing the services;

(ii) A complete description of goods or services purchased;

(iii) The amount of each product sold or services provided;

(iv) The price of each unit;

(v) The total dollar amount billed; and

(vi) The date of the transaction.

(b) Documentation, in the form of checks and other written records of disbursements in excess of twenty-five dollars made directly to individuals who do not furnish normal, business type, invoices or statements. The written records must indicate at least:

(i) The name of the person receiving the payment;

(ii) The amount;

(iii) The date; and

(iv) The purpose; and

(8) Document allocated expenditures that relate to more than one function to the various functions. Licensees must document their methods of allocation and make them available for our review; and

Capitalizing assets

(9) Include a capitalization policy based on materiality and expected life of operating assets. To determine a minimum level for capitalizing assets, licensees must:

(a) Capitalize and depreciate, or amortize over the useful life of the asset, any assets of more than two thousand dollars that have a useful life of more than one year; and

(b) Capitalize and depreciate, or amortize over sixty months, beginning with the first month that bingo games are conducted, preoperating start up costs related to bingo games of more than six thousand dollars; and

(c) Amortize, over a period not longer than the life of the lease, any leasehold improvements related to gambling activities that are more than six thousand dollars. Licensees may extend the amortization period to include any lease option periods if the licensee's management states a reasonable expectation that they will use the lease option; and

(d) Charge all unamortized leasehold improvements as an expense of the gambling activities in the year that the lease expires.

[Statutory Authority: RCW 9.46.070. 08-03-062 (Order 623), § 230-07-140, filed 1/14/08, effective 2/14/08; 07-10-032 (Order 609), § 230-07-140, filed 4/24/07, effective 1/1/08.]

REQUIRED ANNUAL REPORTS

WAC 230-07-145 Reporting annual progress. Charitable or nonprofit licensees in Groups III, IV, and V must report annually their progress toward meeting their stated purpose in the format we prescribe.

(1) The report must explain the type and scope of activities which licensees conducted during their last annual fiscal accounting period; and

(2) The report must include, at least:

(a) A brief history of the licensed organization, including its stated charitable or nonprofit purpose(s); and

(b) A written statement setting out their goals for meeting their stated charitable or nonprofit purpose(s) in the future; and

(c) The number of full and regular members; and

(d) A list of contributions, scholarships, grants, or sponsorships made during the period. This list must include:

(i) The name of each organization or individual receiving a contribution from the licensee. The licensee may use the phrase "individual contribution" in place of the recipient. If the recipient is not named in the report, the licensee must maintain records to verify and identify the recipient of each individual contribution; and

(ii) Whether funds awarded were from gambling income or other funds;

(e) Gross income from all nongambling activities and the source of the income; and

(f) The revenue and expenses for any nongambling sales activities, presented separately, when conducted primarily in conjunction with gambling activities; and

(g) Total expenses for both charitable or nonprofit services; and

(h) The percentage or extent to which the licensee used net gambling income for charitable as distinguished from nonprofit purposes; and

(i) The details of any loans, contracts, or other business transactions with related parties that accumulatively exceed one thousand dollars during the period. "Related parties" means officers, board members, key employees, or members of the licensed organization, including direct relatives of each; and

(3) The report must be submitted no later than one hundred twenty days following the end of the organization's fiscal year.

(4) We may grant an organization additional time to submit the report if a written request is received before the due date. The president of the organization must sign any request for additional time and include a statement explaining the hardship causing the delay, and the expected date the required report(s) will be submitted.

[Statutory Authority: RCW 9.46.070. 10-09-021 (Order 666), § 230-07-145, filed 4/13/10, effective 7/1/10; 07-10-032 (Order 609), § 230-07-145, filed 4/24/07, effective 1/1/08.]

WAC 230-07-150 Financial statements required for Groups III, IV, and V. (1) In addition to information required in WAC 230-07-145, charitable or nonprofit licensees in Groups III, IV, and V must also submit complete financial statements prepared in accordance with generally accepted accounting principles (GAAP).

(2) Licensees in Groups IV and V must have the financial statements prepared by an independent certified public accountant.

(3) The statements and all required disclosures or footnotes no later than one hundred twenty days following the end of the licensee's fiscal year.

(4) The financial statements must include:

(a) A statement of financial position;

(b) A statement of activities. This statement may be presented in a consolidated form if licensees provide the details of each component as supplemental information. Licensees must present revenue and expenses for each activity separately as follows:

(i) Each gambling activity; and

(ii) Retail sales conducted in conjunction with gambling activities;

(c) A statement of cash flows;

(d) A statement of functional expenses;

(e) In addition to all disclosures required by GAAP, the financial statements must disclose the following:

(i) Loans to or from officers, board members, and employees: We will not consider employee salary advances of five hundred dollars or less as loans. Details of all terms, including interest rates and payment schedules, must be disclosed;

(ii) All civil penalties, fines, bribes, or embezzlements incurred or discovered during the period; and

(iii) An explanation of any adjustments made to prior period capital accounts or net asset balances;

(f) An explanation of material differences between amounts reported on gambling activity reports and the financial statements.

(5) We may require additional information to ensure completeness of the information reported.

(6) We may grant an organization additional time to submit the information required if a written request is received before the due date. The president of the organization must sign any request for additional time and include a statement explaining the hardship causing the delay, and the expected date the required report(s) will be submitted.

[Statutory Authority: RCW 9.46.070 and 34.05.353. 08-11-037 (Order 626), § 230-07-150, filed 5/14/08, effective 7/1/08. Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-150, filed 4/24/07, effective 1/1/08.]

WAC 230-07-155 Reporting annual activity for raffles, amusement games, Class A, B, or C bingo, or combination licenses. (1) Raffle, amusement game, Class A, B, or C bingo, or combination licensees 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 their license(s).

(3) The highest ranking officer or his/her designee must sign the report.

(4) If the licensee has someone else prepare the report, then the preparer must include his/her name and phone number on the report.

(5) Licensees that operate retail sales activities in conjunction with bingo games must report the net income from those retail sales activities.

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-155, filed 4/24/07, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 07-10-032 (Order 609), § 230-07-160, filed 4/24/07, effective 1/1/08.]

Chapter 230-09 WAC
FUND-RAISING EVENT RULES

WAC

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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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-001, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-005, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 08-03-062 (Order 623), § 230-09-007, filed 1/14/08, effective 2/14/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-010, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-015, filed 10/27/06, effective 1/1/08.]

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 must include:

(1) Game rules; and

(2) Wager limits; and

(3) Payout restrictions; and

(4) That tipping is prohibited.

[Statutory Authority: RCW 9.46.070. 08-21-087 (Order 633), § 230-09-020, filed 10/14/08, effective 1/1/09; 06-22-051 (Order 604), § 230-09-020, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 08-21-087 (Order 633), § 230-09-022, filed 10/14/08, effective 1/1/09.]

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-025, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-030, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-035, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-040, filed 10/27/06, effective 1/1/08.]

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 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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-045, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-050, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-055, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-09-056, filed 10/22/07, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-060, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-065, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-070, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-075, filed 10/27/06, effective 1/1/08.]

PREMISES AND EQUIPMENT FOR FUND-RAISING EVENTS

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-080, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-085, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-090, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-095, filed 10/27/06, effective 1/1/08.]

GAMBLING ACTIVITIES AUTHORIZED AT FUND-RAISING EVENTS

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-100, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-105, filed 10/27/06, effective 1/1/08.]

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

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-110, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-115, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-09-120, filed 10/22/07, effective 1/1/08; 06-22-051 (Order 604), § 230-09-120, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-125, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-130, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 09-11-086 (Order 647), § 230-09-131, filed 5/18/09, effective 7/1/09; 06-22-051 (Order 604), § 230-09-131, filed 10/27/06, effective 1/1/08.]

JOINT FUND-RAISING EVENTS

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-135, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-140, filed 10/27/06, effective 1/1/08.]

LIMITED FUND-RAISING EVENTS

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-145, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-150, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-155, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-160, filed 10/27/06, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 06-22-051 (Order 604), § 230-09-165, filed 10/27/06, effective 1/1/08.]

Chapter 230-10 WAC
BINGO RULES

WAC

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230-10-450 Controlling gambling equipment by linked bingo prize licensees. [Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-450, filed 4/24/07, effective 1/1/08.] Repealed by 07-21-116 (Order 617), filed 10/22/07, effective 1/1/08. Statutory Authority: RCW 9.46.070.

230-10-455 Operating linked bingo prize games. [Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-455, filed 4/24/07, effective 1/1/08.] Repealed by 08-11-037 (Order 626), filed 5/14/08, effective 7/1/08. Statutory Authority: RCW 9.46.070 and 34.05.353.

BINGO DEFINITIONS AND EQUIPMENT REQUIREMENTS

WAC 230-10-001 Defining "licensees," "licensee," "organizations," "organization," "operators" and "operator." (1) In this chapter of the rules, "licensee" and "licensees" means those charitable or nonprofit organizations which we require to be licensed to conduct gambling activities.

(2) In this section of the rules, "organization" and "organizations" means:

(a) Licensees; and

(b) All bona fide charitable or nonprofit organizations conducting unlicensed gambling activities authorized by chapter 9.46 RCW.

(3) In this section of the rules, "operator" and "operators" mean licensees, organizations, and individuals.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-10-001, filed 10/22/07, effective 1/1/08; 07-10-033 (Order 610), § 230-10-001, filed 4/24/07, effective 1/1/08.]

WAC 230-10-005 Agricultural fair bingo game licensees must only allow a permittee to operate bingo under their license. An agricultural fair licensed for the operation of bingo must not allow any person to conduct bingo under the fair's license unless that person has applied for and received an agricultural fair bingo permit from us.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-005, filed 4/24/07, effective 1/1/08.]

WAC 230-10-010 Defining "bingo game." "Bingo game" means a game using bingo cards where bingo balls are drawn to determine a winner. All bingo games must have a winner determined by the matching of numbers on a bingo card with numbers on the balls called by the operator.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-010, filed 4/24/07, effective 1/1/08.]

WAC 230-10-015 Defining "bingo session." "Bingo session" means a continuous series of bingo games with no breaks except for short intermissions.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-015, filed 4/24/07, effective 1/1/08.]

WAC 230-10-020 Defining "bingo occasion." "Bingo occasion" means a period of time beginning when the first number in the first bingo session is called and ending when the last winning number on the final winning bingo card of the last bingo session has been verified. This is also known as a "bingo day."

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-020, filed 4/24/07, effective 1/1/08.]

WAC 230-10-025 Defining "bingo equipment." (1) "Bingo equipment" means all equipment for use in bingo games for which consideration is charged to play and prizes are awarded to winners. Bingo equipment includes, at least:

(a) Bingo ball mixers that use air flow (blowers) or other mechanical means to mix balls and allow balls to be randomly drawn; and

(b) Electronic flashboards that interface with the mixing and selection devices; and

(c) Bingo cards; and

(d) Electronic bingo card daubers, including the software and equipment connected with them; and

(e) Any other device commonly used in the direct operation of the game.

(2) Bingo equipment does not mean general purpose equipment, such as:

(a) Tables, chairs, or card stands; or

(b) Audio or video equipment used only to communicate progress of the game to players; or

(c) Computer or cash register equipment used to record sales or store records; or

(d) General supplies, such as glue sticks, daubers, and other items for resale to players; or

(e) Bingo games manufactured and sold for recreational purposes.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-025, filed 4/24/07, effective 1/1/08.]

WAC 230-10-030 Bingo card definitions. For purposes of this title:

(1) "Card" means a unique group and configuration of numbers printed on paper, cardboard, or other material used in bingo games. This is also called a "face."

(2) "Card number" means the number the manufacturer assigns to identify a single card or face. The "card number" is also called a "face" or "perm" number.

(3) "Number" means numeral or symbol printed on the card.

(4) "Collate" means the process of cutting or assembling master sheets or precut sheets of cards from one or more sets

of cards into packets or books for marketing purposes. "Collate" is also called "finish" or "finishing."

(5) "Collation" means a group of packets or books of cards assembled from more than one set of cards.

(6) "Cut" means the layout or orientation of cards or sheets of cards divided from a master sheet of cards. A "cut" may be either square, horizontal, or vertical.

(7) "Disposable bingo card" means a nonreusable paper bingo card manufactured by a licensed manufacturer.

(8) "Duplicate cards" means two or more cards that are imprinted with the same numbers.

(9) "On" means the number of cards imprinted on a sheet. (Example: "Three on.")

(10) "Pack" means a group of cards or sheets of cards collated into a book and each page or sheet is intended to play a separate bingo game, including "on-the-way" games, within a session. This is also called a "packet."

(11) "Product line" means a specific type of card identifiable by unique features or characteristics when compared to other types of cards the manufacturer markets. A "product line" includes all series and all cards within each series the manufacturer identifies.

(12) "Consecutively numbered" means a numbering system normally beginning with the number one, increased by one for each individual unit added to the group, and ending with a number identical to the total number of units assigned to that group.

(13) "Serial number" means a number the manufacturer assigns for identification and tracking purposes to a set of cards. The same number must not identify another set of cards from the same product line, color, border pattern, and series in less than 999,999 occurrences or twelve months, whichever occurs first. If the product line is used as a determining factor for assignment of a serial number, the difference between various product lines must be readily identifiable by observation.

(14) "Series" of cards means a specific group of cards that a manufacturer assigns consecutive card numbers. The first and last card numbers in a series typically identify the group of cards. (Example: The "1 to 9000 series.")

(15) "Set" of cards means a specific group of cards from the same product line, which are the same color, border pattern, and imprinted with the same serial number. A "set" of cards may include more than one series of cards.

(16) "Sheet number" means the number the manufacturer assigns to identify an arrangement of more than one card that results from dividing master sheets of cards to help marketing.

(17) "Skip" means the standard spread or difference between card or sheet numbers at different page levels in packs or packets.

(18) "Subset" means a portion of a set of cards or collation of packets that a licensed distributor divides to help marketing.

(19) "Up" means the number of pages or sheets collated into each packet or book of cards. (Example: "Eight up.")

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-10-030, filed 10/22/07, effective 1/1/08; 07-10-033 (Order 610), § 230-10-030, filed 4/24/07, effective 1/1/08.]

WAC 230-10-035 Bingo card requirements. Bingo cards must:

(1) Be preprinted cards manufactured by a licensed manufacturer or electronically generated cards produced by the operator using a printer interfaced with an electronic data base system; and

(2) Not have the same serial number, color/border pattern, and card number as any disposable bingo cards on the premises. This includes player selection, keno, and speed bingo cards; and

(3) Have twenty-five spaces imprinted with numbers one of which may be a free space, arranged in five even columns headed with the letters B, I, N, G, and O, unless they are player selection or speed bingo cards.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-035, filed 4/24/07, effective 1/1/08.]

WAC 230-10-040 Disposable bingo cards—Additional requirements. (1) Disposable bingo cards must:

(a) Meet all bingo card requirements; and

(b) Be imprinted with a unique set and configuration of numbers on each card; and

(c) Not duplicate cards within a specific product line; and

(d) Include a control system in each set which:

(i) Identifies that specific set and each specific card within that set; and

(ii) Allows tracking of the transfer of cards from the point of manufacture to the operator; and

(iii) Facilitates sale by the operator to the player; and

(e) Have an identification and inspection stamp from us sold to the licensed manufacturer or to the operator and attached to the series by the licensed manufacturer, the operator, or us.

(2) Bingo licensees using the combination receipting method may divide sets or collations of cards into no more than ten subgroups. Licensees must follow disposable bingo card inventory control requirements for each subgroup.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-040, filed 4/24/07, effective 1/1/08.]

WAC 230-10-045 Disposable bingo card inventory control. Bingo licensees must control and account for all disposable bingo cards they purchase or otherwise obtain.

(1) All licensees must keep:

(a) All purchase invoices, or photocopies of the invoices, for received disposable bingo cards on the bingo premises; and

(b) All manufacturer packing records as part of the inventory control record.

(2) Class D and above licensees must prepare an inventory control record in the format we require immediately after purchase of disposable bingo cards or before the next bingo session. We may approve alternative formats, such as electronically generated forms, if the licensee requests it in writing.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-045, filed 4/24/07, effective 1/1/08.]

WAC 230-10-050 Electronically generated bingo cards—Additional requirements. (1) "Electronically gen-

erated bingo cards" means bingo cards for which a licensed manufacturer has predetermined the numbers and the sequence of arrangement and stored them electronically for computer access. Electronically generated bingo cards must:

(a) Meet the requirements for bingo cards; and

(b) Be printed by the licensed bingo operator, during the bingo session on a printer interfaced with the computer; and

(c) If printed before the time of sale, be sold consecutively at each individual sales point, beginning with the lowest card, sheet, or transaction number; and

(d) Have a master verification system that provides a facsimile of each card. The master verification system must display the exact numbers and the location or configuration of numbers on the card.

(2) The bingo licensee must keep cards or sheets of cards not issued consecutively during a session as a part of their daily bingo records.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-10-050, filed 10/22/07, effective 1/1/08; 07-10-033 (Order 610), § 230-10-050, filed 4/24/07, effective 1/1/08.]

WAC 230-10-055 Bingo cards required for Class F and above bingo games. Class F and above bingo licensees must use disposable bingo cards, electronically generated bingo cards, player selection bingo cards, or three number speed bingo cards.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-055, filed 4/24/07, effective 1/1/08.]

WAC 230-10-060 Bingo ball requirements. Bingo balls must be:

(1) A set of seventy-five balls bearing the numbers one through seventy-five and the letters B, I, N, G, or O, though the letters B, I, N, G, O need not appear if the operator is playing three number speed or hidden face bingo games; and

(2) Available for inspection by the players before a bingo session begins to determine that all are present; and

(3) The same weight as each of the other balls and free from any defects; and

(4) Distinguishable from all other sets of balls in play.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-060, filed 4/24/07, effective 1/1/08.]

WAC 230-10-065 Bingo ball mixer required for Class D and above bingo games. Class D and above bingo licensees must use a machine that mixes balls and selects balls using air flow (a blower). The blower must:

(1) Allow players full view of the mixing action of the balls; and

(2) Not allow changes to the random placement of the balls in the exit tube of the blower except when it is shut off.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-065, filed 4/24/07, effective 1/1/08.]

WAC 230-10-070 Bingo flashboard requirements for Class D and above bingo games. (1) Class D and above bingo licensees must use flashboards to display numbers. The flashboards must be visible to all players and clearly indicate all numbers that have been called; and

(2) If a flashboard malfunctions, licensees must repair it before using it in any other bingo occasion.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-070, filed 4/24/07, effective 1/1/08.]

OPERATING BINGO GAMES

WAC 230-10-075 Licensed bingo manager required. A licensed bingo manager must be on the premises and supervising bingo operation during all hours bingo games are conducted, except bingo games conducted:

(1) Under RCW 9.46.0321; or

(2) At a qualified agricultural fair; or

(3) Under a Class A, B, or C bingo license; or

(4) At a special bingo property we authorize.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-075, filed 4/24/07, effective 1/1/08.]

WAC 230-10-080 Supervision required for bingo workers. Bingo licensees must closely supervise all persons involved in the conduct of gambling activities to ensure that they follow chapter 9.46 RCW and Title 230 WAC.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-080, filed 4/24/07, effective 1/1/08.]

WAC 230-10-085 Members or employees only to work bingo. (1) Bingo licensees must not allow anyone except full and regular members or employees of the organization to take part in managing or operating bingo games.

(2) Licensees may allow:

(a) Persons other than the primary bingo manager to participate in bingo games for another bingo licensee. We do not consider a licensed assistant gambling manager to be a manager for this section; or

(b) Primary managers to manage or operate bingo for more than one Class A, B, or C licensee as long as the managers do not receive payment for services from more than one licensee; or

(c) A person to manage or take part in operating a shared bingo operation according to WAC 230-10-470.

(3) Qualified agricultural fairs licensed to operate bingo are not required to meet these management or operation restrictions.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-085, filed 4/24/07, effective 1/1/08.]

WAC 230-10-090 Workers not playing in Class D and above bingo games. (1) Class D and above bingo licensees must not allow persons who participate in operating or managing their bingo games to play in any of their bingo games.

(2) Persons who work without compensation for Class D and above licensees may play bingo, but they must not play during bingo sessions they are operating or managing.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-090, filed 4/24/07, effective 1/1/08.]

WAC 230-10-095 Compensation limits for bingo employees. (1) Bingo licensees must not compensate employees who manage, operate, or otherwise work at bingo games more than what is reasonable under the local prevailing wage scale or local salary scale for a similar position.

(2) Organizations operating unlicensed bingo games must not pay wages to anyone operating or managing bingo activities.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-095, filed 4/24/07, effective 1/1/08.]

WAC 230-10-100 Hours for bingo games. (1) Bingo licensees must not allow the use of their premises for bingo games between the hours of 2:00 a.m. and 6:00 a.m. unless we approve different hours or they are operating at an authorized agricultural fair or under RCW 9.46.0321.

(2) Licensees may request, in writing, different hours of operation. Once the request is received, we will consult with the local law enforcement agency having jurisdiction over the licensee's business and with other state agencies involved in regulation of the business. We may allow licensees to adjust closing hours, but licensees must:

(a) Observe a four-hour period of closure at the end of each business day before beginning the next period of operation; and

(b) Comply with any other terms and conditions we require.

(3) We may deny the request for extended hours or revoke hours already approved if:

(a) Any local law enforcement agency or state agency objects in writing; or

(b) We determine that the licensee has violated any provisions of chapter 9.46 RCW, any other commission rule, or any of the terms set forth in subsection (1) of this section.

(4) The licensee must submit all objections to revocations of operating hours in writing.

(5) We allow the licensee an opportunity for a brief adjudicative proceeding (BAP) before denying or revoking the licensee's authorization for extended bingo hours. An administrative law judge hears the BAP, under the provisions of Title 230 WAC and chapter 34.05 RCW.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-100, filed 4/24/07, effective 1/1/08.]

WAC 230-10-105 Posting bingo rules. (1) Bingo licensees must inform players by prominently posting:

(a) All costs to play; and

(b) All prizes available, including any extra cost or conditions of ownership related to prizes, the minimum amount of an individual prize, the prize pool, or the portion of a prize pool available for each bingo game before the players purchase a bingo card; and

(c) The licensee's cost or the retail value of all noncash prizes greater than five hundred dollars. If licensees use the retail value, they must explain that the amount is the "retail value" or "manufacturer's suggested retail price" (MSRP); and

(d) All rules concerning winning the prizes (the house rules). If a bingo is determined to be valid, the licensee must pay a prize which is equal to the prize posted for that game. If the bingo is valid, we will resolve disputes in favor of the player; and

(e) Any unforeseen event that might change the cost to play or prizes available; and

(f) If duplicate cards are in play.

(2) Licensees must inform players in broadcast or published advertisements or other distributed printed information if there are any possible events which might change game schedules, prizes awarded, or cost to play. Advertised bingo prizes and game formats may be changed in case of inclement weather, natural disaster, or other unforeseen emergencies if the licensee informs players before they purchase cards.

(3) If players may still participate in the game after the winner of any one of the prizes offered has been determined, licensees must remove the prize won from any display and list of prizes posted on the premises. During a bingo session, licensees may use the public address system and prominent display of the game name or number to inform players of prizes already won.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-105, filed 4/24/07, effective 1/1/08.]

WAC 230-10-110 Changing prize amounts in bingo games. (1) The bingo manager may increase the minimum prize before the start of a game.

(2) During the game, the bingo manager may increase the minimum prize through one or more of the following plans:

(a) Games using standard bingo equipment and cards, but determining a winner by:

(i) The number of numbers called; or

(ii) The specific number called; or

(iii) The specific letter called; or

(iv) The specific position of winning combinations on the card; or

(v) The specific position of the card on the sheet of cards; or

(vi) Odd or even numbers; or

(vii) The number of numbers matched within a specific number of calls; or

(b) Preprinted games on disposable cards that determine a win by calling a specific number during a game; or

(c) Second element of chance games explained in WAC 230-10-280.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-110, filed 4/24/07, effective 1/1/08.]

WAC 230-10-115 Selling bingo cards. (1) Operators must sell bingo cards before they select the first number for a specific game:

(a) If operators sell cards after the start of the game, they must ensure that the late sale does not allow any player an advantage over another player; and

(b) Bingo hard cards purchased or exchanged after the first number is selected for a specific game may only be used during later games; and

(c) Operators must not allow players to select specific bingo cards after the first number is selected for a specific game.

(2) Operators must sell all cards for a specific prize for the same price. The cards sold for a specific prize must be distinctive and easy to tell apart from all other bingo cards in play.

(3) Operators may sell similar cards used to participate for the same prize at a volume discount if they record each

separate discount price with an identification code or cash register key that provides for an audit trail.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-115, filed 4/24/07, effective 1/1/08.]

WAC 230-10-120 Duplicate bingo cards not sold for Class D or above bingo games. (1) Class D or above bingo licensees must not sell duplicate cards in bingo games. Licensees using cards from multiple manufacturers may result in duplicate cards because the majority of cards in the "1 to 9000 series" are duplicate, regardless of the manufacturer.

(2) Licensees must:

(a) Inform players of limits on prizes if duplicate cards win because Braille cards are in play; and

(b) Not be held responsible for duplicate cards caused by Braille cards in play.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-120, filed 4/24/07, effective 1/1/08.]

WAC 230-10-125 Duplicate bingo cards pay out and documentation for Class D or above bingo games. (1) If Class D or above bingo licensees inadvertently sell duplicate bingo cards, they must:

(a) Pay all winners with duplicate cards the entire prize amount that would be due if there were no duplicate cards; or

(b) Compute and pay all winners with duplicate cards using the following guidelines:

(i) **If the game provides a bonus for a single winner and all winners have duplicate cards,** then the licensee must pay all winners the bonus; or

(ii) **If the game results in multiple winners and some of the players have duplicate cards,** then the licensee must calculate the split of the prize pool by counting all duplicate card winners as one. All winners will be paid according to the calculated prize split; or

(iii) **If the prize pool contains noncash or merchandise prizes,** then the licensee may use the cost or retail value of the merchandise, whichever is posted in the game schedule, to calculate the amount added to the prize pool to make the split. Manufacturers are not responsible for reimbursement to this noncash or merchandise prize pool; or

(iv) **If the prize is more than one thousand dollars,** then the licensee must increase the total prize pool by no more than fifty percent or five thousand dollars, whichever is less. We authorize this limitation only once within a twelve-month period; and

(2) Licensees may deduct increases to prize pools caused by card manufacturers from prize pay outs when calculating cash flow.

(3) Licensees must document details of circumstances that resulted in duplicate cards being sold and maintain that documentation as a part of the daily bingo record for the session.

(4) Licensees must notify us within forty-eight hours after discovery of a duplicate card sale if:

(a) Manufacturer printing, packaging, or collation errors caused the duplication. Licensees must request reimbursement from the manufacturer responsible for duplicate card errors; or

(b) The licensee did not pay any winning player with a duplicate card the entire prize amount.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-125, filed 4/24/07, effective 1/1/08.]

WAC 230-10-130 Reserve only Braille bingo cards. (1) Operators must not reserve any bingo cards, except Braille cards or other cards used by people with visual impairments.

(2) Operators may inspect, and reject, any personal Braille cards.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-130, filed 4/24/07, effective 1/1/08.]

WAC 230-10-135 Bingo cards sold on premises only. All sales of bingo cards must take place on the premises during or immediately before the bingo session for which the player is buying the card.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-135, filed 4/24/07, effective 1/1/08.]

WAC 230-10-140 Drawing, calling, and posting bingo numbers. (1) Except for linked bingo prize games, operators must draw bingo balls on the premises and in the presence of players.

(2) After drawing a ball, the caller must immediately display the number of the ball to players.

(3) Operators must call the number before another ball is drawn. After it is called, the operator must light the number on the flashboard(s), if they have one.

(4) If the number on the ball is not applicable to the game being played, operators may choose not to call the number.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-140, filed 4/24/07, effective 1/1/08.]

WAC 230-10-145 Determining bingo winners. (1) A bingo game ends when a player achieves a specific pattern on a bingo card or when the bingo operator has called a specific number of bingo balls.

(2) Operators must use a separate drawing process for each game, except for:

(a) Interim or "on-the-way" games, including "instant winner" games in which players win by matching a predetermined number, the number of balls called, or a predetermined pattern within an established number of calls; or

(b) Games in which cards are sold for different prices and players win a different prize depending on the price they paid to play; or

(c) Bonus games played at the same time as other bingo games where the player wins by calling a valid bingo that includes a predetermined number.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-145, filed 4/24/07, effective 1/1/08.]

WAC 230-10-150 Multiple bingo winners. If more than one player wins a designated prize pool at the same time, the operator must divide the prize pool equally among the multiple winners.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-150, filed 4/24/07, effective 1/1/08.]

WAC 230-10-155 Verifying bingo winners. When a player declares a winning bingo, the operator must:

(1) Have a bingo worker and at least one neutral player inspect the card or electronic dauber; or

(2) Have a bingo worker verify the card or electronic dauber by entering the bingo card number into an electronic verifier which will broadcast the winning card onto video screens for all players to view. Any player may request to see the actual winning card and the operator must allow the player to do so; or

(3) If the game is an "instant winner" and pays a prize of no more than fifty dollars, no neutral player needs to verify the card if the operator keeps an audit trail which identifies the winning combination called.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-155, filed 4/24/07, effective 1/1/08.]

WAC 230-10-160 Shutting off the bingo ball blower. When a player declares a winning bingo, operators must draw the next ball out of the blower before shutting the blower off. If the bingo is not valid, the operator must call the next ball.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-160, filed 4/24/07, effective 1/1/08.]

WAC 230-10-165 Awarding bingo prizes. After licensees validate a winning bingo, they must:

(1) Require the prize winner to provide proof that they have purchased the winning bingo card. The licensee must review the winner's bingo card purchase receipt and determine that the player properly purchased all cards played, including the winning card; and

(2) Require proof of identification necessary to establish the prize winner's identity before paying any prize. The winner must provide proof to the licensee that all information this rule requires is true and accurate. Licensees may withhold prizes until the winner provides adequate identification; and

(3) Award the prize and record it on a prize receipt. Licensees must record the complete address and tax payer identification number of each winner for prizes valued at $1,200 or more.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-165, filed 4/24/07, effective 1/1/08.]

WAC 230-10-170 Prizes paid for and available before bingo game starts. (1) Bingo operators must:

(a) Have paid for all merchandise prizes in full before offering the prizes in a bingo game; and

(b) Have the prizes available before starting the game; and

(c) Award the prizes before the end of the related bingo session, except for the main linked bingo prize and linked bonus prizes, which must be paid within forty-eight hours.

(2) Operators may enter into contracts to purchase merchandise immediately if it is awarded as a prize. The contract may be revocable if:

(a) Winners have an option to receive a cash prize; or

(b) The prize is no longer being offered.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-170, filed 4/24/07, effective 1/1/08.]

RULES FOR ELECTRONIC BINGO CARD DAUBERS

WAC 230-10-175 Defining "electronic bingo card daubers." "Electronic bingo card daubers" means electronic equipment players use to identify bingo cards that contain numbers that a player inputs.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-175, filed 4/24/07, effective 1/1/08.]

WAC 230-10-180 Electronic bingo card daubers requirements. (1) Electronic bingo card daubers must:

(a) Be manufactured by licensed manufacturers; and

(b) Be sold, leased, and serviced by licensed distributors or manufacturers. Operators may perform routine maintenance; and

(c) Have an I.D. stamp from us that was sold to the licensed manufacturer or the operator and attached by the licensed manufacturer, the operator, or us; and

(d) Be unable to modify the computer program which operates the dauber units or the electronic data base which stores the bingo cards; and

(e) Store preprinted bingo cards a player purchases. The electronic images of cards stored in daubers are for player convenience only and are not bingo cards for purposes of this title; and

(f) Use cards that meet all requirements of bingo cards and electronic bingo cards; and

(g) Allow players to input the numbers called; and

(h) Compare input numbers to bingo cards stored in an electronic data base; and

(i) Identify to the player those stored bingo cards that contain the input numbers.

(2) Operators providing electronic daubers must have the cards printed, placed in a master index, and available for on-site inspection at the request of law enforcement agencies, customers, or us.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-10-180, filed 10/22/07, effective 1/1/08.]

WAC 230-10-185 Electronic bingo card daubers restrictions. (1) Electronic bingo card daubers must not allow a player to play more than one hundred forty-four cards on the dauber at one time; and

(2) Players must:

(a) Input each number the operator calls into the memory of the dauber separately. Automatic or global marking of numbers is prohibited; and

(b) Call the bingo without using the dauber or the associated system; and

(c) Identify the winning card and display the card to the operator; and

(d) Not play more than one dauber at any point in time. However, a player may play one dauber and an unlimited number of bingo cards at the same time.

[Statutory Authority: RCW 9.46.070 and 9.46.0205. 11-19-032 (Order 676), § 230-10-185, filed 9/9/11, effective 10/10/11. Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-185, filed 4/24/07, effective 1/1/08.]

WAC 230-10-190 Discount marketing for electronic bingo card daubers. (1) Bingo licensees may use a single

discount level for each type of card sold on electronic bingo card daubers, if they:

(a) Have a minimum purchase requirement; and

(b) Apply the discount to all additional cards bought; and

(c) Do not use an "All you can play" discount.

(2) If a licensee offers volume discount marketing for bingo cards, players must not use electronic bingo daubers.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-190, filed 4/24/07, effective 1/1/08.]

WAC 230-10-195 Leasing electronic bingo card daubers. If a bingo licensee leases electronic bingo daubers from a manufacturer, the lease must not be based on, in whole or in part, the bingo card sales or the rental income from the daubers. However, manufacturers may base fees on the number of cards placed on a dauber for player selection games.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-195, filed 4/24/07, effective 1/1/08.]

WAC 230-10-200 Reserving and assigning electronic bingo card daubers. (1) Bingo operators using electronic bingo card daubers must reserve at least one dauber for players with disabilities that restrict their ability to mark cards. The disabilities must be consistent with definitions in the Americans with Disabilities Act (ADA). If there are no requests for use of this dauber fifteen minutes before the scheduled start of the session, operators may allow any player to use the dauber.

(2) If operators use a drawing to assign daubers to players, they must ensure that the players know the method of drawing and have an equal chance to win.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-200, filed 4/24/07, effective 1/1/08.]

WAC 230-10-205 Electronic bingo card dauber fees. (1) Bingo operators may charge either no fee or a flat fee for players to use electronic bingo card daubers.

(2) Operators must not:

(a) Charge a rental fee to players with disabilities that restrict their ability to mark cards if the disabilities are consistent with the ADA; or

(b) Make players with disabilities comply with minimum purchase requirements for daubers. However, players with disabilities must comply with any minimum purchase required of all other players.

(3) Operators must report rental fees for daubers as bingo receipts.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-205, filed 4/24/07, effective 1/1/08.]

PLAYER SELECTION BINGO GAMES

WAC 230-10-210 Player selection bingo games authorized. Bingo licensees may offer player selection bingo games. "Player selection bingo game" means a bingo game where players select their own numbers. Licensees must use bingo cards with controls that provide an audit trail adequate to determine all winning combinations are valid.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-210, filed 4/24/07, effective 1/1/08.]

WAC 230-10-215 Player selection bingo game requirements. If bingo licensees offer player selection games, they must use:

(1) Two-part disposable cards and then they must:

(a) Use the disposable card method of receipting for income; and

(b) Establish and prominently post house rules setting out conditions for adding to, deleting from, or changing a card before it is separated from the copy. A worker authorized by the bingo manager must verify all changes to the card; and

(c) Ensure that players mark their numbers on each card in a distinct, clear, and legible manner before separating the duplicate and the original. Licensees must not allow anyone to alter the copies after the duplicate and original cards are separated; and

(d) Place all original cards in lockboxes to ensure no one places cards in the lockbox after the first bingo ball is called; and

(e) Ensure the player retains and plays the duplicate copy; or

(2) Electronically generated cards and then they must:

(a) Use the electronically generated bingo card method of receipting for income; and

(b) Ensure that players do not mark or deface the card in any manner that prevents reading of the bingo numbers or any of the data imprinted on the card; and

(3) Keep all winning cards and any duplicate copies as part of the daily bingo records.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-215, filed 4/24/07, effective 1/1/08.]

WAC 230-10-220 Player selection bingo game card requirements. (1) Bingo cards used in player selection bingo games:

(a) Must be printed on two-part, self-duplicating paper to include an original and a duplicate copy. The duplicate copy must be given to the player and the operator retains the original as a part of the daily bingo records; and

(b) Must include a control system in each set which:

(i) Identifies that specific set; and

(ii) Numbers each sheet of cards within a set consecutively; and

(iii) Allows tracking of the transfer of cards from the point of manufacture to the operator and from the operator to the player; and

(c) May be produced by unlicensed manufacturers if:

(i) The primary activity of the manufacturer is producing nongambling products; and

(ii) The cards meet the general bingo cards requirements; and

(iii) The licensee assumes responsibility for complying with all requirements for player selection cards; and

(iv) The invoice transferring these cards includes the beginning and ending card number in addition to meeting all other sales invoice requirements; and

(d) If electronically generated, may be single copy cards if all information from the cards is either printed on a continuous transaction journal retained in the card generating equipment or stored on the computer hard drive in a data base and printed out at the end of each session.

(2) Operators offering an "instant winner" game under player selection bingo must:

(a) Meet all requirements for awarding bingo prizes; and

(b) Award prizes of not more than twenty-five percent of the total prize pool or two hundred fifty dollars, whichever is less; and

(c) For prizes of two hundred fifty dollars or more:

(i) Have the winner sign the winning card on the back to verify a winner; and

(ii) If using a two-part card, record a neutral player's name and complete address on the back of the original card to verify the winning card was paid.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-10-220, filed 10/22/07, effective 1/1/08; 07-10-033 (Order 610), § 230-10-220, filed 4/24/07, effective 1/1/08.]

WAC 230-10-225 Player selection bingo game restrictions. (1) Bingo licensees offering player selection bingo games must not pay as winners incomplete cards, altered cards that were not verified per WAC 230-10-155, or cards where all required information is not displayed and legible. Incomplete, incorrect, altered, and unreadable cards are the players' responsibility and operators must not allow refunds.

(2) Bingo managers may make a one-for-one exchange when errors are discovered before the start of the game or before the player selection card is separated. In this case, the operator must mark "VOID" on the original card, initial next to the player's initials, and keep the voided card as part of the daily bingo records.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-225, filed 4/24/07, effective 1/1/08.]

HIDDEN FACE BINGO GAMES

WAC 230-10-230 Hidden face bingo games authorized. Bingo licensees may offer hidden face bingo games. "Hidden face bingo game" means a bingo game that uses cards that prevent the numbers printed on the card from being viewed or known before the player opens the card.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-230, filed 4/24/07, effective 1/1/08.]

WAC 230-10-235 Hidden face bingo game requirements. (1) Hidden face bingo cards must meet the requirements for disposable bingo cards and each card or sheet of cards must:

(a) Be printed, folded, and sealed in a manner that prohibits anyone from viewing or knowing the numbers, configuration of numbers on the card, or the card number before the player opens it; and

(b) Have a separate numbering system that is randomly distributed when compared to the card number imprinted in the "free" space. Manufacturers must use procedures that mix cards or sheets of cards so that:

(i) No consistent relationship exists between the "card numbers" and separate numbering system within a set or subset; and

(ii) No patterns or consistent relationships exist in the location of a specific card number between subsets from different sets; and

(iii) The serial number and the additional card or sheet number must be imprinted on the outside of the cards or sheets of cards and visible for recording without opening the card or sheet of cards; and

(iv) Each set of cards must contain at least six thousand unique faces or patterns of numbers; and

(2) Bingo licensees must:

(a) Use the disposable bingo card receipting method for sales of hidden face bingo cards; and

(b) Meet all inventory requirements for disposable bingo cards and disposable bingo card receipting; and

(c) Comply with rules about sequentially issuing bingo cards to ensure that duplicate cards are not sold during a game. Licensees must sell each complete set or subset of cards before they issue any cards from a different set or subset. Licensees may sell cards from more than one set during a game if care is taken to ensure that no duplicate cards are sold; and

(d) Complete all play during a single session and only use cards that are sold during that session; and

(e) Select and call a new set of numbers for each game or set of games (example: "On the way" games); and

(f) Have a separate display board, visible to the players, for displaying numbers called. The numbers must be displayed until the game is completed. Licensees may use alternative displays if the numbers are displayed on the electronic flashboard during all number selection periods; and

(g) Document and prominently post the requirements for a completed game; and

(3) Licensees offering an "instant winner" game under hidden face bingo must:

(a) Meet all requirements for awarding bingo prizes; and

(b) Award prizes of not more than twenty-five percent of the total prize pool or two hundred fifty dollars, whichever is less; and

(c) For prizes of two hundred fifty dollars or more:

(i) Have the winner sign the winning card on the back to verify a winner; and

(ii) If using a two-part card, record a neutral player's name and complete address on the back of the original card to verify the winning card was paid; and

(4) Players who have paid to participate in the game must be present when the numbers are selected.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-10-235, filed 10/22/07, effective 1/1/08.]

THREE NUMBER SPEED BINGO GAMES

WAC 230-10-240 Three number speed bingo authorized. Bingo licensees may offer three number speed bingo games. "Three number speed bingo" means a bingo game where:

(1) Operators use a reduced number of balls and special bingo cards with three spaces; and

(2) Bingo numbers are called rapidly; and

(3) The price to play includes an ante, retained by the operator, and a wager that begins at three units and decreases by one for each number covered on a player's card; and

(4) An "ante" is the fee retained by the licensee which allows a patron to play three number speed bingo; and

(5) A "wager" is the total dollar value of chips used to cover the numbers on a player's card; and

(6) Players compete against all other players for a pool of prizes that varies according to the numbers covered by other players during the game.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-240, filed 4/24/07, effective 1/1/08.]

WAC 230-10-245 Three number speed bingo restrictions. (1) Bingo licensees offering three number speed bingo must:

(a) Make the price to play no more than seven dollars per card, per game, including the ante and wagers; and

(b) Collect the same price to play for each card; and

(c) Licensees who charge a flat fee per session must determine the per game fee by dividing the fee per session by the minimum number of games to be played; and

(d) Not retain any part of players' wagers; and

(e) Pay to the winner(s) all wagers not covering a called number on a player's card. If there is more than one winner, licensees must equally split wagers among all winners. Licensees may develop a formula for splitting odd numbers of chips between winners; and

(f) Count only the ante as gross gambling receipts; and

(2) Licensees may contribute to accrued prize funds or progressive jackpots on three number speed bingo games, if they:

(a) Meet all requirements for accrued prize fund games as explained in the bingo records packet; and

(b) Fund the prize fund or jackpot solely from the ante.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-245, filed 4/24/07, effective 1/1/08.]

WAC 230-10-250 Operating three number speed bingo. To play three number speed bingo:

(1) Bingo licensees must use:

(a) Special bingo cards that have three spaces imprinted with numbers that correspond to the numbers on the balls; and

(b) Thirty numbered balls, with numbers one through seventy-five available for use; and

(2) Licensees may charge a set amount for each card for the entire session or an amount per card for each game; and

(3) Each player pays the bingo licensee one ticket for each speed bingo card played for each game; and

(4) When the licensee charges a per session fee, the player's ticket and cash register receipt must remain visible and on the table at all times during the game; and

(5) Each player's beginning wager is three chips for each card played during any single game. A player must have three chips for each card being played before beginning the game; and

(6) During the game, players place a wagering chip on each number on their cards that matches a called number. Once a wagering chip covers a valid number, the player keeps it and the game winner(s) may no longer win it. Players must leave all chips on the number on the card until the licensee collects all losing wagers. The bingo worker collecting wagers must verify that covered numbers are valid; and

(7) The first player to cover all three numbers on any card is the winner; and

(8) After the winning card is verified, bingo workers collect all unprotected chips from all players and pay them to the winner.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-250, filed 4/24/07, effective 1/1/08.]

WAC 230-10-255 Wagers and prizes required in chips for three number speed bingo. In three number speed bingo, wagers must be made and prizes paid in chips only.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-255, filed 4/24/07, effective 1/1/08.]

WAC 230-10-260 Chip standards for three number speed bingo. (1) Bingo licensees must supply all chips used in three number speed bingo games. All chips must be conventional size and design, and include safeguards that maximize the integrity of the bingo games.

(2) The licensee must supply chips that:

(a) A licensed manufacturer produced; and

(b) A licensed manufacturer or distributor sold to the licensee; and

(c) Display the licensee's name or logo; and

(d) Clearly indicate the value of the chip.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-260, filed 4/24/07, effective 1/1/08.]

WAC 230-10-265 Banking services for three number speed bingo. (1) Bingo licensees must redeem all chips for the amount for which they were sold.

(2) Licensees must collect the money taken in on chips sold and antes collected and keep these funds separate from all other money they receive.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-265, filed 4/24/07, effective 1/1/08.]

WAC 230-10-270 Ticket sales and receipting for three number speed bingo income. (1) Bingo licensees must:

(a) Use the ticket method of receipting for bingo income; and

(b) Account for all tickets sold for per session fees using the combination receipting method; and

(2) All tickets sold and collected must be canceled by stamping the calendar date on the ticket at the time of sale or permanently defacing the tickets when collected; and

(3) Licensees must reconcile tickets sold and collected from players to cash for each session.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-270, filed 4/24/07, effective 1/1/08.]

WAC 230-10-275 Exceptions to other bingo rules for three number speed bingo. The following rules do not apply to three number speed bingo:

(1) Prize disclosure before players pay to play. Licensees must still disclose the per card cost to play and the amount required to wager on a single card; and

(2) Number of balls used to conduct the game; and

(3) Number of spaces required on each bingo card; and

(4) Requirements that Class F and above licensees use disposable bingo cards; and

(5) Requirements to account for all income at the time it is received; and

(6) Requirements of WAC 230-10-145 about drawing and physically displaying bingo numbers. However, licensees offering three number speed bingo must display the number on a flashboard and use the audio system to announce the number; and

(7) Recordkeeping for prizes awarded.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-275, filed 4/24/07, effective 1/1/08.]

OTHER GAMES AUTHORIZED AT BINGO GAMES

WAC 230-10-280 Drawings for prizes, good neighbor prizes, and second element of chance prizes as part of bingo games. Bingo licensees may award prizes to winners of other activities authorized by this section when they conduct these activities as part of a bingo session. All players paying to play must compete equally and licensees must treat all prizes awarded as bingo game prizes for minimum cash flow reporting requirements.

Drawings

(1) Licensees may award prizes by:

(a) Drawing tickets randomly; or

(b) Using other random selection methods involving the ticket numbering system, if they are using the ticketing method of receipting for bingo income; or

(c) Using bingo cards in place of the tickets, if they are using the disposable bingo card method of receipting.

(2) Licensees must prominently post for players all rules regarding drawings, including, at least:

(a) Requirements to qualify for the drawing; and

(b) Time and date of the drawing; and

(c) Whether a player must be present to win.

(3) Licensees must:

(a) Award tickets for drawings only to players who bought cards to play bingo and:

(i) Pay an amount not more than one dollar per ticket. If a licensee elects to charge for entry in drawings, the licensee must not combine the drawing with other means of entry; or

(ii) Are winners of a bingo game during the bingo occasion; or

(iii) Are "good neighbor" winners; or

(iv) Meet other criteria we approve; and

(b) Not collect tickets for drawings for longer than thirty days.

(4) Licensees must record the gross gambling receipts, prizes, and expenses and report these totals as bingo activities.

(5) Licensees must not require the player to be present to win at a drawing held at a different session for which the tickets were purchased.

"Good neighbor" prizes

(6) Licensees may award prizes based on the seating location of a player or players with regards to a bingo winner. Before awarding "good neighbor" prizes, licensees must:

(a) Prominently post all rules regarding drawings, including, at least:

(i) The amount each "good neighbor" or group of "good neighbors" wins; and

(ii) All requirements to qualify for a prize.

(b) Licensees must complete a record setting out:

(i) The criteria for awarding "good neighbor" prizes; and

(ii) The number of prizes awarded during each bingo session; and

(iii) All details required as part of the daily bingo records.

Second element of chance prizes

(7) Licensees may award prizes using a second element of chance game if:

(a) Licensees prominently post and clearly explain to the players before they purchase a card to play all rules about play of the game. Licensees must disclose at least:

(i) The minimum odds of winning the highest prize; and

(ii) How they determine a winner; and

(iii) Any possibility or special requirement that might affect the outcome; and

(iv) The cash value of the highest prize available; and

(v) Any financial burden that the winner must bear, such as taxes or registration fees; and

(b) The second element of chance game does not involve the use of gambling devices; and

(c) The second element of chance game does not require the player to risk any portion of a prize already won; and

(d) Every possible outcome of the second element of chance game provides the player with an additional prize; and

(e) The player's minimum odds of winning the highest prize is equal to or greater than one winner out of one hundred twenty-five chances or the probability of winning the highest prize is .008 or greater; and

(f) Licensees maintain supporting records about the second element of chance game that provides for an audit trail.

(8) Licensees must:

(a) Keep an inventory record in the format we require for all tickets on the premises for conducting drawings, "good neighbor," and second element of chance games; and

(b) Record the criteria for granting tickets, and the number of tickets awarded during each session in the daily bingo record for each session; and

(c) Maintain all winning tickets and other records as part of the daily bingo records.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-280, filed 4/24/07, effective 1/1/08.]

RULES FOR ENTRY GUARANTEE TICKETS TO SPECIAL EVENT BINGO

WAC 230-10-285 Selling entry guarantee tickets for special event bingo. Bingo licensees may sell entry guarantee tickets to players to reserve the right to play in special event bingo games if licensees:

(1) Use entry guarantee tickets to document the sale. Entry guarantee tickets must be preprinted with, at least:

(a) The name of the sponsoring organization; and

(b) The time, date, and location of the event; and

(c) The specific entry guarantee ticket number; and

(d) The total number of entries available for the event; and

(e) The cost of the entry; and

(f) Any conditions or events that might prevent the buyer from redeeming the entry ticket, affect the refund, or cancel the event; and

(2) Sell the tickets sequentially beginning with the lowest numbered ticket; and

(3) Use the ticket receipting method to record all income from these entry guarantee tickets; and

(4) Sell the entry guarantee tickets no more than sixty days before the event; and

(5) Record the name, mailing address, and phone number of each person buying an entry guarantee ticket; and

(6) Limit the sales of entry tickets to the seating capacity of the licensed premises; and

(7) Limit the cost of the entry guarantee ticket to no more than fifty percent of the minimum buy-in for the event.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-285, filed 4/24/07, effective 1/1/08.]

WAC 230-10-290 Controlling entry guarantee tickets. Bingo licensees must:

(1) Treat all unaccounted-for entry guarantee tickets as cash shortages in the amount of the redemption value; and

(2) Maintain a record of all entry guarantee tickets sold; and

(3) Redeem entry guarantee tickets on the licensed premises and only for bingo cards during the bingo session for which the player bought the entry guarantee ticket; and

(4) Immediately cancel entry guarantee tickets redeemed for bingo cards using a hand stamp that prints "REDEEMED" on each ticket; and

(5) Treat entry guarantee tickets redeemed as gross gambling receipts for bingo at the session where they are redeemed; and

(6) Modify the cash reconciliation section of the daily bingo records to document the number and dollar value of entry guarantee tickets redeemed; and

(7) Deposit gross receipts from the sale of entry guarantee tickets separately into the gambling account no later than two banking days after they are received; and

(8) Keep the entry guarantee ticket numbers relating to the funds deposited as a part of the deposit record; and

(9) After thirty days, consider all unredeemed entry guarantee tickets void and record them as contributions to the organization.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-290, filed 4/24/07, effective 1/1/08.]

WAC 230-10-295 Canceling bingo special events with entry guarantee tickets. Bingo licensees may cancel the special event before the start of the scheduled bingo session. When an event is canceled, licensees must:

(1) Refund the entire purchase price of the entry guarantee ticket(s) to the ticket buyer; and

(2) Make all refunds by check payable to the buyer; and

(3) Record the entry guarantee ticket number on the check; and

(4) Mail the check to the customer no later than three days following cancellation of the special event.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-295, filed 4/24/07, effective 1/1/08.]

WAC 230-10-300 Refunding entry guarantee tickets. A customer may request a refund before the start of the special event bingo session. Bingo licensees must:

(1) Require the person requesting the refund to sign the back of the ticket; and

(2) Refund the entire purchase price of the ticket to the customer; and

(3) Make all refunds by check payable to the customer; and

(4) Record the entry guarantee ticket number on the check; and

(5) Mail the check to the customer no later than thirty days following the event; and

(6) Retain all refunded tickets as a part of the records for the event.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-300, filed 4/24/07, effective 1/1/08.]

GIFT CERTIFICATES

WAC 230-10-305 Gift certificates as bingo prizes. When issuing gift certificates as bingo prizes, bingo operators must:

(1) Issue the gift certificates consecutively; and

(2) Not exceed fifty dollars per bingo prize in value; and

(3) Not issue gift certificates exclusively for punch boards or pull-tabs; and

(4) Record the value of each gift certificate as a bingo prize in the daily bingo records under the session awarded; and

(5) Keep the bingo prize receipt for the gift certificates as a part of the daily bingo records.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-10-305, filed 10/22/07, effective 1/1/08; 07-10-033 (Order 610), § 230-10-305, filed 4/24/07, effective 1/1/08.]

WAC 230-10-310 Selling gift certificates. When selling gift certificates, bingo operators must:

(1) Issue the gift certificates consecutively; and

(2) Ensure that the gift certificates are paid for in full at the time of purchase; and

(3) Deposit all funds collected separately into the gambling account within five banking days; and

(4) Include each gift certificate number with the deposit record.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-10-310, filed 10/22/07, effective 1/1/08; 07-10-033 (Order 610), § 230-10-310, filed 4/24/07, effective 1/1/08.]

WAC 230-10-315 Gift certificates requirements. Bingo operator must purchase gift certificates from a commercial printer or licensed distributor.

(1) The gift certificates must have at least the following information printed on them:

(a) A predetermined gift certificate number; and

(b) A predetermined dollar value; and

(c) The name of the organization issuing the gift certificate; and

(d) Any conditions for the redemption of the gift certificate.

(2) Purchase invoices for the gift certificates, which must include, at least:

(a) Name of the organization; and

(b) Date the gift certificates were purchased; and

(c) Beginning and ending numbers on the gift certificates.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-315, filed 4/24/07, effective 1/1/08.]

WAC 230-10-320 Redeeming gift certificates. When redeeming gift certificates, bingo operators must:

(1) Record the dollar value and total number of gift certificates redeemed in the cash reconciliation section of the daily bingo records; and

(2) Keep redeemed gift certificates as part of that day's daily bingo records.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-320, filed 4/24/07, effective 1/1/08.]

WAC 230-10-325 Reconcile gift certificates monthly. Bingo operators must reconcile gift certificates monthly. Operators must have a gift certificate inventory log, which includes, at least:

(1) Each gift certificate number; and

(2) Dollar value of each gift certificate; and

(3) Date the gift certificate was sold or awarded as a bingo prize; and

(4) Date the gift certificate was redeemed.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-325, filed 4/24/07, effective 1/1/08.]

RECORDKEEPING FOR BINGO GAMES

WAC 230-10-330 Activity reports for Class A, B, and C bingo, agricultural fairs, and other organizations. Licensees must immediately account for all income from bingo games. Class A, B, and C bingo licensees, organizations conducting bingo under the provisions of RCW 9.46.0321, and bingo activities conducted at a qualified agricultural fair must follow the recordkeeping requirements in WAC 230-07-125 or any of the receipting methods for bingo income required for Class D or above licensees.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-10-330, filed 10/22/07, effective 1/1/08; 07-10-033 (Order 610), § 230-10-330, filed 4/24/07, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-10-331, filed 10/22/07, effective 1/1/08.]

WAC 230-10-335 Bingo daily records. Bingo licensees must prepare detailed records for each bingo session during that session in the format we require. Daily records must include, at least:

(1) A copy of the schedule of games and prizes available for the session. Licensees must note any changes to the advertised and printed game and prize schedule that occur during a session and the bingo manager assigned primary responsibility for supervising the session and another bingo worker on duty during the session must verify and sign the change. If licensees note the effective dates of each game schedule, they may maintain it separately and update it only when a change occurs; and

(2) An attendance record indicating the number of people participating; and

(3) All bingo numbers selected and called during any game that offers a prize greater than two hundred dollars. Licensees must record the numbers in the sequence selected. They may use a computer generated "call sheet" instead of a manual record if a printout of results is made; and

(4) The winning card number(s) for each individual prize awarded greater than two hundred dollars. If the game is played using disposable bingo cards, the winning card may be retained instead of the card numbers; and

(5) The gross gambling receipts collected for each separate type of sale, of any kind, for bingo games including, but not limited to, regular games, early bird games, blackout games, special games, or pick up games. Licensees using the combination receipting method for bingo income must reconcile the extended value of all disposable cards, packets of cards, and electronically generated cards sold to the amount of sales recorded per the cash register; and

(6) The amount paid out or accrued for prizes awarded for each bingo game. Each session record must contain at least the following regarding prizes awarded:

(a) The game number; and

(b) The dollar amount or the actual cost of each prize; and

(c) A complete description of all noncash prizes; and

(d) The consecutive number of the prize receipt issued for each prize; and

(e) The duplicate copy of the prize receipt issued for all prizes awarded during the session or the merchandise prize receipt log; and

(f) The check number of all checks used to pay winners of bingo games. If the payment must be made by check, licensees must maintain the duplicate copy as a part of the session records; and

(g) Full details of prizes accrued; and

(7) The net gambling receipts from each bingo session; and

(8) The cash on hand at the beginning and the end of each session; and

(9) A reconciliation of cash on hand, net gambling receipts, and the bank deposit of net revenue for each session. Licensees must include a validated copy of the bank deposit receipt. Licensees must document all steps taken to reconcile overages or shortages of more than twenty dollars for any session.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-335, filed 4/24/07, effective 1/1/08.]

WAC 230-10-340 Daily records review by gambling manager. The gambling manager assigned primary responsibility for supervising the bingo session(s) must review all session records for accuracy, determine that required information is provided, and confirm the required deposit amount(s). After this review, that gambling manager must sign the record before leaving the premises on the day of the session.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-340, filed 4/24/07, effective 1/1/08.]

WAC 230-10-345 Retaining daily records. Bingo licensees must keep daily records for two years. Licensees must keep the session summary for three years.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-345, filed 4/24/07, effective 1/1/08.]

WAC 230-10-350 Recording bingo winners. Organizations conducting bingo under the provisions of RCW 9.46.0321, and bingo activities conducted at a qualified agricultural fair, and Class A and B bingo licensees do not have to follow this rule if they meet the requirements for lower volume charitable or nonprofit organizations in WAC 230-07-125. All other bingo licensees must report all prize payments for bingo games and drawings for prizes, good neighbor prizes, and second element of chance prizes at bingo games and record payment on a prize receipt.

(1) Licensees must use prize receipts printed by a commercial printer. The receipts must:

(a) Be two-part, self-duplicating paper that provides for an original and a duplicate copy; and

(b) If the licensee is Class F or above, be imprinted with the name of the licensee and a consecutive ascending number that does not repeat in at least 100,000 occurrences; and

(c) If the licensee is Class E or below, the receipt is not required to be imprinted with the licensee's name and the consecutive ascending number may repeat in 1,000 occurrences; and

(d) Provide space for the licensee to record the information we require.

Prize receipt

(2) Operators must complete the prize receipt including, at least:

(a) Date; and

(b) Game number; and

(c) Complete name of the winner; and

(d) Complete address of the winner, if the prize is over twenty dollars; and

(e) Dollar amount of the prize or the operator's cost, if noncash prize; and

(f) Full description of all noncash prizes; and

(g) Check number, if any portion of the prize is paid by check; and

(h) Initials of the bingo worker making the payout; and

(i) Initials of the cashier making the payment.

Prize log

(3) Licensees may receipt prizes of twenty dollars or less on a single prize log. Licensees must:

(a) Maintain a separate prize log for each session; and

(b) Record the same information required on prize receipts; and

(c) Retain the prize log as a part of the bingo daily records.

Linked bingo prizes

(4) Except for linked bingo prizes, licensees may omit an address for the winner if:

(a) The licensee pays all prizes greater than $300 by check or a combination of cash and check; and

(b) Checks are drawn on the licensee's gambling bank account; and

(c) Checks used are of a type that provides a duplicate copy. The copies must be kept as a part of the daily bingo records; and

(d) Checks are made payable only to the winner. Licensees may make checks for prizes won by players under age eighteen payable to the guardian or immediate family member accompanying the player; and

(e) Licensees note the game number and prize receipt number on the check; and

(f) The bank returns all original checks to the licensee. Licensees must have the original checks available for our inspection on demand; and

(g) The licensee does not cash or otherwise redeem prize checks.

(5) Licensees must record the complete name and address of the winner of linked bingo prizes.

(6) Licensees must:

(a) Issue prize receipts consecutively in an ascending order; and

(b) Void and retain with the daily records any prize receipts bearing a lower number than the highest number issued during a session; and

(c) Give the original of each prize receipt to the winner; and

(d) Keep a duplicate copy as a part of their records for not less than three years; and

(e) Account for and document all prize receipts purchased or otherwise obtained on a vendor's invoice; and

(f) Keep the vendor's invoice, or a photocopy of it, on the premises and have it available for our inspection. The purchase invoice must document, at least:

(i) Name of the vendor;

(ii) Name of the purchasing organization;

(iii) Date of purchase;

(iv) Number of receipts purchased; and

(v) The beginning and ending receipt number.

[Statutory Authority: RCW 9.46.070. 08-03-062 (Order 623), § 230-10-350, filed 1/14/08, effective 2/14/08; 07-10-033 (Order 610), § 230-10-350, filed 4/24/07, effective 1/1/08.]

CASH FLOW REQUIREMENTS

WAC 230-10-355 Charitable or nonprofit organizations purpose and spending limits for bingo operations. To ensure that bingo licensees meet the intent of RCW 9.46.010 and provide adequate funds to promote charitable and nonprofit programs, bingo licensees must not allow their bingo operation to award excessive prizes or pay excessive expenses. The governing board of the organization must specifically approve all capital expenditures for the bingo operation that exceed six thousand dollars.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-355, filed 4/24/07, effective 1/1/08.]

WAC 230-10-360 Defining "bingo operation." "Bingo operation" means bingo games and all associated activities conducted with bingo games at the premises, including punch boards, pull-tabs, other authorized drawings, snack bar, retail sales activities, and rental of the bingo premises.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-360, filed 4/24/07, effective 1/1/08.]

WAC 230-10-365 Defining "adjusted cash flow from the bingo operations." "Adjusted cash flow from the bingo operation" means the combined gross income of the bingo operation minus all prizes and expenses, whether paid or accrued. Operators must not consider depreciation or amortization an expense of the bingo operation for the purposes of computing expenses.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-365, filed 4/24/07, effective 1/1/08.]

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.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-370, filed 4/24/07, effective 1/1/08.]

WAC 230-10-375 Failing to maintain a positive cash flow. (1) Bingo licensees must measure adjusted cash flow quarterly to ensure that they maintain a positive cash flow and are not operating primarily for gambling purposes.

(2) If a licensee does not maintain a positive cash flow from the bingo operation during any two consecutive license year quarters, measured independently, the director summarily suspends the organization's bingo license.

(3) If a licensee fails to meet the adjusted cash flow requirements for any calendar year, we take administrative action to revoke the organization's bingo license.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-375, filed 4/24/07, effective 1/1/08.]

WAC 230-10-380 Relief reduction for minimum annual adjusted cash flow. (1) If a bingo licensee fails to meet the minimum annual adjusted cash flow requirements for any calendar year and has maintained a positive cash flow, the licensee may apply as a credit against the required adjusted cash flow up to forty-nine percent of gambling taxes paid to local governments.

(2) If the licensee is still out of compliance, the director automatically grants relief, allowing up to twenty-five percent reduction to the annual dollar amount of required adjusted cash flow for the year, excluding the relief available in subsection (1) of this section, in which the licensee is out of compliance.

(3) No licensee granted relief is eligible to receive relief for any of the four years following the calendar year for which the director granted the relief, pursuant to subsection (2) of this section.

[Statutory Authority: RCW 9.46.070. 09-17-075 (Order 655), § 230-10-380, filed 8/14/09, effective 9/14/09; 07-10-033 (Order 610), § 230-10-380, filed 4/24/07, effective 1/1/08.]

METHODS OF RECEIPTING BINGO INCOME

WAC 230-10-385 Receipting of bingo income required. Bingo licensees must account for all income from bingo games at the time they receive the income. Licensees must issue each player a receipt for the amount paid to play in each game or set of games at the time of payment. Players must keep this receipt to prove that they have properly purchased the number of cards they are playing.

(1) Class A, B, and C licensees, organizations conducting bingo under the provisions of RCW 9.46.0321, and bingo activities conducted at a qualified agricultural fair may use the receipting method for bingo income in WAC 230-07-125 or any of the methods for receipting bingo income required for Class D or above licensees; and

(2) Class D and above licensees must use the receipting method for bingo income required for the bingo games they are offering:

(a) The disposable bingo card receipting method; or

(b) The cash register receipting method; or

(c) The electronically generated receipting method; or

(d) The ticket receipting method; or

(e) The combination receipting method.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-385, filed 4/24/07, effective 1/1/08.]

WAC 230-10-390 Disposable bingo card method for receipting bingo income required when disposable bingo cards used. Bingo licensees must use the disposable bingo card method to receipt for bingo income when disposable bingo cards are used. Licensees using the disposable bingo card method to receipt for bingo income must:

(1) Use bingo cards that meet all disposable bingo card requirements; and

(2) Complete the inventory control record; and

(3) Record for each set of cards or sheets intended for playing a single game, including on-the-way games:

(a) Serial number; and

(b) The color and/or border pattern; and

(c) The value of each card or sheet; and

(d) The lowest consecutive card or sheet number issued as a receipt; and

(e) The last card or sheet number issued as a receipt; and

(f) Missing cards or sheets per the manufacturer's packing record; and

(g) The number of cards returned and not issued; and

(h) The number of cards issued as receipts; and

(i) The total gross gambling receipts from all cards issued as receipts; and

(4) Record for each set or collation of packs or packets of cards sold and intended for playing a defined set of games:

(a) The serial number of the top sheet or page of the packet; and

(b) The color and/or border pattern of the top sheet or page of the packet; and

(c) The lowest consecutive card, sheet, or packet number for the first packet issued as a receipt; and

(d) The card, sheet, or packet number of the last or highest packet issued as a receipt; and

(e) The number of packets issued as receipts; and

(f) The number of packets returned and not issued; and

(g) Missing packets per the manufacturer's packing record; and

(h) The value of each packet; and

(i) The total gross receipts from all packets issued as receipts; and

(5) Record each disposable card issued for each type of sale separately. When more than one card or sheet number appears on a sheet of cards, licensees must use the manufacturer's designated control system to determine the beginning and ending number sold. Each time the numbering of the sheets breaks in the set, licensees must make a separate entry in the records; and

(6) Consecutively issue each disposable card or sheet or packet of cards from the same set at each individual sales point. Licensees may sell these cards, sheets, or packets not issued during a session only at the next bingo session. Otherwise, licensees must retain these cards, sheets, or packets of cards for at least one year; and

(7) Return unsold cards issued to the operator for a linked bingo prize to the linked bingo prize provider. The linked bingo prize provider must store these cards six months or until we have examined and approved them for destruction, whichever is less. Unopened blocks of two hundred fifty cards may be reissued.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-10-390, filed 10/22/07, effective 1/1/08; 07-10-033 (Order 610), § 230-10-390, filed 4/24/07, effective 1/1/08.]

WAC 230-10-395 Cash register method of receipting for bingo income. Bingo licensees may use a cash register to record bingo income if the cash registers:

(1) Have separate keys to record each type of sale; and

(2) Store and compute a total for each type of sale recorded and is capable of providing the total on request; and

(3) Retain in the memory unit all transactions recorded during a session, regardless of whether or not the cash register power source is interrupted; and

(4) Record all transactions, customer receipt numbers, and control totals on the internal tape retained in the cash register. The licensee must keep the internal tape, showing these transactions, as part of the daily bingo records; and

(5) Assign and imprint on the customer receipt and internal tape a minimum four-digit consecutive number for every sales transaction processed. Only cash register service personnel may reset this numbering system and the numbering system must not return to zero at the conclusion of any period of use or power interruption. If licensees receive written approval from us before use, they may use cash registers that do not meet these requirements but have adequate alternative control features; and

(6) For Class D and above licensees, imprint a minimum three-digit consecutive number on the customer receipt and internal tape to note each time transactions are totaled or when a set of transactions are totaled and closed. If licensees receive written approval from us before use, they may use cash registers that do not meet these requirements but have adequate alternative control features.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-395, filed 4/24/07, effective 1/1/08.]

WAC 230-10-400 Customer receipts for cash register method of receipting for bingo income. Bingo licensees must imprint at least the following on customer receipts:

(1) The date; and

(2) The name of the licensee operating the activity; and

(3) The separate amount of money paid to play each type of game; and

(4) The total amount of money paid; and

(5) The consecutive customer receipt number.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-400, filed 4/24/07, effective 1/1/08.]

WAC 230-10-405 Retaining cash register receipts for cash register method of receipting for bingo income. (1) Bingo licensees must keep all cash register receipts for voids, overrings, returns, "no sales," and any other receipts not issued to a player as part of the daily bingo records.

(2) If a cash register is used to receipt activities other than bingo, licensees must keep the internal cash register tapes for not less than two years and have them available for our review on request.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-405, filed 4/24/07, effective 1/1/08.]

WAC 230-10-410 Electronically generated bingo card method of receipting bingo income. Bingo licensees may use the electronically generated bingo card method of receipting to document bingo income if the sales transaction and issuing cards to players are completed at the same time. Otherwise, licensees must use the combination receipting method.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-410, filed 4/24/07, effective 1/1/08.]

WAC 230-10-415 Electronically generated bingo card method of receipting for bingo income requirements. Bingo licensees using the electronically generated bingo card method of receipting to document bingo income must:

(1) Summarize and print all transactions recorded during a bingo session in a permanent record at the end of each session. This record must provide, at least:

(a) The beginning and ending card number; and

(b) The beginning and ending transaction number; and

(c) The total number of cards sold; and

(d) The total number of sales transactions; and

(e) The total dollar amount of sales for each type of sale; and

(f) The total dollar amount of sales; and

(g) The number and dollar amount of all voids, overrings, or sale returns;

(2) Imprint all electronically generated cards or sheets of cards with a control system that includes, at least:

(a) A card number assigned to each card. Each sheet of cards must be assigned a consecutive transaction number that does not repeat in less than 999,999 transactions; and

(b) The name of the licensee; and

(c) The time and date of the transaction; and

(d) The game number; and

(e) The amount paid for the opportunity to play each game; and

(f) The total amount paid; and

(g) The manufacturer assigned numbers and card number or, if printed for a player selection game, the numbers the player selected; and

(3) Use a computer to store bingo cards and interface with a printer. The computer must:

(a) Retain in memory a record of all transactions occurring during a session until the operator has totaled, printed, and cleared the transactions, regardless of whether the primary power source is interrupted; and

(b) Compute a total of all transactions occurring during the current session and print out the total on request; and

(c) Maintain and control the time and date of sale and transaction number in a manner that prohibits change or resetting except by the manufacturer or qualified service personnel. Licensees must retain a detailed record, supported by service documents for each service call involving a change of the time, date, or transaction number; and

(d) Secure the electronically stored bingo cards in a manner that prevents an operator or player from modifying them. Licensees must not exchange, transfer, refund, or modify the price of cards issued to a player in any way after completion of the sales transaction. Cards must be stored on erasable programmable read only memory (EPROM), compact disc read only memory (CDROM), write once read many disc drives (WORM), or other systems we approve.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-415, filed 4/24/07, effective 1/1/08.]

WAC 230-10-420 Ticket method of receipting bingo income. Bingo licensees may use tickets to document receipts of bingo income. Tickets must be:

(1) Manufactured by a commercial printer and imprinted with:

(a) At least four digit numbers in a consecutive series. Class F and above licensees must use tickets with numbers that do not repeat in at least 99,999 occurrences; and

(b) Each ticket on a roll must represent the same dollar value or amount of money; and

(c) Include the name of the licensee operating Class F and above bingo game; and

(2) If used by Class F or above licensees, purchased from a licensed distributor or manufacturer; and

(3) Issued consecutively from each roll, starting with the lowest numbered ticket; and

(4) Accounted for by the licensee. If purchased from a commercial business or licensed distributor, documentation must be on the sales invoice. This invoice, or a photocopy, shall be maintained on the premises and available for inspection. Document the following information on the sales invoice for each roll of tickets purchased:

(a) Name of distributor; and

(b) Name of purchasing licensee; and

(c) Date of purchase; and

(d) Number of rolls of tickets purchased; and

(e) The color, dollar value, total number of tickets, and beginning ticket number for each roll; and

(5) Recorded in the daily records in the format we require; and

(6) Retained by the licensee as a part of the bingo daily records for those not issued as receipts and that bears a number falling below the highest numbered ticket issued during that session and not be used to receipt for any type of income; and

(7) Not be the same color and imprinted with the same ticket number as any other ticket on the premises.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-10-420, filed 10/22/07, effective 1/1/08; 07-10-033 (Order 610), § 230-10-420, filed 4/24/07, effective 1/1/08.]

WAC 230-10-425 Ticket method of bingo receipting for bingo income restrictions. (1) All bingo licensees may use the ticket method of receipting bingo income for drawings and good neighbor prizes offered at their bingo games.

(2) Class E and below licensees may use the ticket method for games operated with hard cards and for bonus games.

(3) Class F and above licensees may use the ticket method for bonus games as a part of the combination receipting method.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-425, filed 4/24/07, effective 1/1/08.]

WAC 230-10-430 Keeping an inventory record for the ticket method of bingo receipting. (1) Bingo licensees

must keep an inventory record in the format we require for all tickets used for income receipting.

(2) Licensees must enter all ticket information on the inventory record in the format we require before the beginning of the next bingo occasion.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-430, filed 4/24/07, effective 1/1/08.]

WAC 230-10-435 Combination receipting method of receipting bingo income. (1) Bingo licensees may use a receipting method that combines cash register receipting with another approved method of receipting bingo income.

(2) Class F and above licensees must use combination receipting for income from sales of:

(a) Disposable bingo card packets; and

(b) Disposable bingo card sheets from a set of bingo cards divided into subgroups; and

(c) Electronically generated bingo cards, if sales transactions and issuing of cards are not completed and documented at the same time; and

(d) Bonus games.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-435, filed 4/24/07, effective 1/1/08.]

WAC 230-10-440 Combination receipting method for bingo income requirements. (1) Bingo licensees using the combination method of receipting for bingo income must follow all requirements for cash register receipting; and

(2) Licensees may sell similar cards used to play for the same prize at a volume discount, but they must record each separate discount price using a separate cash register or sales identification key to provide an audit trail; and

(3) If receipting for the sale of disposable bingo cards, licensees must:

(a) Follow all requirements for disposable bingo card receipting; and

(b) In addition to those requirements, record the following for each session where sets of cards are sold:

(i) The session number and date; and

(ii) The beginning and ending control numbers of the top page of the packets; and

(iii) Adjustments for any missing packets, compared to the manufacturer's packing record; and

(iv) The number of packets distributed to sales points and returned as unsold; and

(v) Total packets sold; and

(vi) The value of each packet; and

(vii) The extended value obtained by multiplying total packets issued times the value of each packet; and

(viii) The cumulative number of packets issued from the series to date; and

(c) Consecutively issue each disposable card or sheet or packet of cards from the same set at each individual sales point. If sets are divided into subgroups, then licensees must issue packets or sheets of cards within each subgroup consecutively from each subgroup. Licensees may sell these cards, sheets, or packets not issued during a session only at the next bingo session. Otherwise, licensees must retain these cards, sheets, or packets of cards for at least one year; and

(d) Record all required information in the inventory control record; and

(e) Carry forward the totals from the transaction record to the daily bingo summary and reconcile sales against the cash register record; and

(4) If receipting for electronically generated bingo cards, licensees must:

(a) Follow all requirements of electronically generated bingo card receipting; and

(b) Carry forward the totals from the transaction record to the daily bingo summary and reconcile sales against the cash register record; and

(5) If receipting for bonus games, licensees must:

(a) Follow all requirements of ticket receipting; and

(b) Consecutively issue tickets from each sales point. Licensees must retain tickets from each sales point with control numbers lower than the highest ticket issued at that sales point as a part of the daily bingo records; and

(c) Carry forward the totals from the transaction record to the daily bingo summary and reconcile sales against the cash register record.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-10-440, filed 10/22/07, effective 1/1/08; 07-10-033 (Order 610), § 230-10-440, filed 4/24/07, effective 1/1/08.]

LINKED BINGO GAMES AND PRIZES

WAC 230-10-445 Linked bingo games. (1) A linked bingo prize provider must request and receive approval from us before allowing a bingo operator to participate in a game that offers a linked bingo prize.

(2) Operators must not offer more than one linked bingo game per session or no more than three linked bingo games per day.

(3) The linked bingo prize provider must notify us within seven days when an operator stops participating in linked bingo prize games.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-10-445, filed 10/22/07, effective 1/1/08; 07-10-033 (Order 610), § 230-10-445, filed 4/24/07, effective 1/1/08.]

WAC 230-10-446 Defining "linked bingo prize." "Linked bingo prize" means a prize that is awarded to a player who is competing against players from multiple participating bingo halls. The categories of prizes are:

(1) The main prize, which is the prize paid each time the game is played to the first verified winner(s);

(2) The consolation prize, which is the prize paid at each participating licensed bingo hall after the main prize has been determined; and

(3) The bonus prize, which is a prize awarded when a player achieves the winning pattern in a predetermined number of calls or on a specific predetermined number.

[Statutory Authority: RCW 9.46.070. 08-03-062 (Order 623), § 230-10-446, filed 1/14/08, effective 2/14/08.]

WAC 230-10-447 Prizes in linked bingo prize games. (1) Operators may have up to forty-eight hours to award a main or bonus prize to the winner(s); and

(2) Linked bingo prize providers may establish a consolation prize amount paid at each participating location. Participating licensees whose sales volume does not meet the

minimum set out in WAC 230-10-455(2) may pay a consolation prize that is less than this amount; and

(3) For all linked bingo prize games, a winner must be determined at each premises which sells cards to participate in the game.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-10-447, filed 10/22/07, effective 1/1/08.]

WAC 230-10-451 Recordkeeping for linked bingo prize games. (1) Class A, B, or C bingo licensees participating in linked bingo games must maintain all records required for Class D bingo licensees for all their bingo operations; and

(2) For funds contributed to accrued linked bingo prizes, licensees must modify each bingo game daily record to include, at least:

(a) The amount of the contribution; and

(b) The amount of any consolation prize the licensee paid for a linked bingo prize game; and

(c) The name of the linked bingo prize provider to whom the contribution is made.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-10-451, filed 10/22/07, effective 1/1/08.]

WAC 230-10-456 Additional accounting records for linked bingo prize providers. In addition to other accounting records, linked bingo prize providers must keep records in the format we require for:

(1) Each prize offered; and

(2) Equipment installed at participating licensees' locations that includes at least:

(a) The name and address of the licensee where the equipment is installed; and

(b) A physical description of the equipment and its cost; and

(3) All bingo cards purchased or otherwise obtained, where the cards were distributed, and the date the cards were used; and

(4) Video recording of each drawing in the previous one-year period that shows, at least:

(a) The ball selection process, including the numbers drawn; and

(b) All body movements of the caller.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-10-456, filed 10/22/07, effective 1/1/08.]

WAC 230-10-457 Activity reports for linked bingo prize providers. Linked bingo prize providers must submit activity reports to us twice a year for their sales and services. The activity reports must be in the format we require and must:

(1) Cover the periods:

(a) January 1 through June 30; and

(b) July 1 through December 31; 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.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-10-457, filed 10/22/07, effective 1/1/08.]

SHARING BINGO FACILITIES WITH OTHER CHARITABLE OR NONPROFIT ORGANIZATIONS

WAC 230-10-460 Shared bingo facilities. Multiple bingo licensees must enter into a written agreement before sharing a facility. Before operating in a shared facility, licensees must:

(1) Send us written notification of intent to share facilities at least thirty days before operating bingo in a shared facility. The notification must include, at least:

(a) The name of all organizations sharing the facility; and

(b) Names and signatures of the highest ranking officer for each organization involved; and

(c) Copies of any written agreements between organizations; and

(d) The method used to share expenses.

(2) Maintain management over their individual gambling activities.

(3) Be solely responsible for their individual records, inventory, management, equipment, and operation of the gambling activities for which they hold a license.

(4) Complete a separate quarterly activity report according to the gambling receipts and expenses it is responsible for under the terms of the written agreement between the licensees.

(5) Locate their head office or principal location in the same county where they operate bingo, or as otherwise defined in RCW 9.46.0205.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-460, filed 4/24/07, effective 1/1/08.]

WAC 230-10-465 Sharing facilities and using the cash register system of receipting bingo income. Multiple bingo licensees sharing a facility may use a single cash register if the licensees maintain a log of, at least, the following:

(1) Name of the organization using the register; and

(2) Date; and

(3) Beginning and ending transaction numbers; and

(4) Beginning and ending time; and

(5) Name and signature of the cashier at the end of use.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-465, filed 4/24/07, effective 1/1/08.]

WAC 230-10-470 Sharing management and accounting for shared bingo facilities. Before operating under shared management and facilities, bingo licensees must meet the following requirements:

(1) No more than three bingo licensees may share a facility.

(2) Licensees must send us a written notification of the intent to share facilities at least thirty days before operating in a shared facility. The notification must include, at least:

(a) The name of the lead organization and lead manager; and

(b) Name of all organizations sharing the facility; and

(c) Names and signatures of the highest ranking officer for each organization involved; and

(d) Copies of any written agreements between organizations; and

(e) The method for sharing the gross gambling receipts, net income, expenses, and prizes among the licensees.

Management

(3) All managers of the bingo operation must be full and regular members or employees of at least one of the participating organizations.

(4) Nonprofit gambling managers must not participate in the operation of bingo games at more than one bingo facility.

Accounting

(5) The lead organization must maintain the records clearly disclosing the amount of money the bingo operation received and expended. Expense records must make known the purposes for which the organization spent money.

(6) The lead organization must establish and maintain a separate bank account to which it will deposit all proceeds from the bingo operation and from which it will pay all of the expenses in connection with the bingo operation, including at least, all payments of prizes.

(7) Each licensee must keep records of gambling proceeds received from the bingo operation and the use of those proceeds towards the stated purpose of the organization.

(8) Each licensee must complete a separate quarterly activity report according to the percentage of gambling receipts and expenses it is responsible for under the terms of the written contract between the licensees.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-470, filed 4/24/07, effective 1/1/08.]

SHARING BINGO FACILITIES WITH FOR-PROFIT BUSINESSES

WAC 230-10-475 Operating bingo in a for-profit business premises. (1) Bingo licensees may operate bingo in a for-profit business if the:

(a) Bingo portion is separate and apart from the for-profit business portion. A transparent or solid barrier not less than seven feet high with no more than two openings must separate the two portions. Each opening must be no more than six feet in width; or

(b) For-profit business is closed when bingo games are operated.

(2) When the sale, service, or consumption of liquor is permitted in the for-profit business, the liquor licensee or permittee is responsible for complying with liquor laws and regulations.

(3) Commercial stimulant pull-tab licensees must not sell pull-tabs in the bingo portion of the premises. Pull-tab players may take the pull-tabs into the bingo portion. Players must select and purchase the pull-tabs and operators pay prizes in the for-profit business portion.

(4) The owner, manager, or any employee of the for-profit business must not be an officer of the organization or participate in the operation of the bingo games on those premises.

[Statutory Authority: RCW 9.46.070. 07-10-033 (Order 610), § 230-10-475, filed 4/24/07, effective 1/1/08.]

Chapter 230-11 WAC
RAFFLES

WAC

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CONDUCTING A RAFFLE

WAC 230-11-001 Defining "licensees," "licensee," "organizations," and "organization." (1) In this chapter, "licensee" and "licensees" means those charitable or nonprofit organizations which we require to be licensed to conduct raffles.

(2) "Organization" and "organizations" means all bona fide charitable or nonprofit organizations conducting unlicensed raffles authorized by chapter 9.46 RCW, including those authorized by RCW 9.46.0209, 9.46.0315 and 9.46.0321.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-11-001, filed 10/22/07, effective 1/1/08; 06-20-040 (Order 602), § 230-11-001, filed 9/26/06, effective 1/1/08.]

WAC 230-11-005 Display the raffle license. Licensees conducting a raffle must prominently display the raffle license or a copy of the license at the site and time of the drawing.

[Statutory Authority: RCW 9.46.070. 06-20-040 (Order 602), § 230-11-005, filed 9/26/06, effective 1/1/08.]

WAC 230-11-006 Requiring raffle ticket purchase for membership prohibited. Organizations must not require a person to buy a raffle ticket or pay to participate in any gambling activities in order to become a member of the organization.

[Statutory Authority: RCW 9.46.070. 06-20-040 (Order 602), § 230-11-006, filed 9/26/06, effective 1/1/08.]

WAC 230-11-010 Number tickets consecutively. All raffle tickets must:

(1) Be consecutively numbered; or

(2) Be printed with letters or symbols which do not repeat within the population of all tickets sold for a particular raffle.

[Statutory Authority: RCW 9.46.070. 06-20-040 (Order 602), § 230-11-010, filed 9/26/06, effective 1/1/08.]

WAC 230-11-012 Licensees may conduct a joint raffle. Raffle licensees may jointly conduct a raffle if:

(1) Licensees maintain in writing the method by which the income, expenditures for prizes, and all other expenses, received and expended in connection with the raffle will be divided among them; and

(2) One licensee sets up a separate bank account into which all of the proceeds from the raffle are deposited and from which all of the expenses in connection with the raffle, including but not limited to, all payments for prizes, are made; and

(3) Participating licensees keep records which clearly disclose the amount of money received or each licensee expends in connection with the raffle and the purpose(s) for which the money was spent; and

(4) Licensees count all gross receipts that each participating licensee received toward their gross receipts limit.

[Statutory Authority: RCW 9.46.070. 06-20-040 (Order 602), § 230-11-012, filed 9/26/06, effective 1/1/08.]

SELLING TICKETS

WAC 230-11-014 Maximum raffle ticket price. Raffle tickets must not be sold for more than one hundred dollars each.

[Statutory Authority: RCW 9.46.070. 09-19-052 (Order 663), § 230-11-014, filed 9/11/09, effective 10/12/09; 06-20-040 (Order 602), § 230-11-014, filed 9/26/06, effective 1/1/08.]

WAC 230-11-015 Provide rules to participants. At the time of purchase, organizations must inform all participants by either printing on the participant's portion of the ticket or otherwise providing to each participant, in writing, the following:

(1) All rules by which prizes may be won in the raffle; and

(2) The cost of each ticket; and

(3) All prizes available, whether cash or merchandise; and

(4) Date, time, and location of drawing; and

(5) Whether a participant is required to be present at the raffle drawing in order to be eligible to win a prize; and

(6) Name of the organization conducting the raffle.

[Statutory Authority: RCW 9.46.070. 06-20-040 (Order 602), § 230-11-015, filed 9/26/06, effective 1/1/08.]

WAC 230-11-020 Record information on ticket stub. If an organization sells raffle tickets to the general public or conducts raffles that do not require the winner to be present at the drawing, the organization must include a stub or other detachable section bearing a number, letter, or symbol matching the number, letter, or symbol on the ticket or object representing the participant's ticket. The organization's portion must include the participant's name, complete address, telephone number, and other information necessary to notify the winner.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-11-020, filed 10/22/07, effective 1/1/08; 06-20-040 (Order 602), § 230-11-020, filed 9/26/06, effective 1/1/08.]

WAC 230-11-025 Bundling and selling tickets at a discount. (1) Licensees may put tickets together in a bundle and sell them at a discount if they:

(a) Create the discount plan before selling any raffle tickets; and

(b) Do not change the discount plan during the raffle; and

(c) Make single nondiscounted tickets available to all participants; and

(d) Use only one discount plan for each raffle; and

(2) Booklets of bundled discounted tickets must contain the number of tickets named in the discount plan; and

(3) Licensees must not remove tickets from a booklet to sell them individually; and

(4) Each booklet of bundled tickets must have the following information printed on the cover:

(a) A description of the discount plan; and

(b) The number of tickets in the booklet; and

(c) The total cost of the booklet; and

(d) A consecutive number; and

(5) Licensees must establish controls and accounting procedures necessary to determine gross gambling receipts from ticket sales.

[Statutory Authority: RCW 9.46.070. 06-20-040 (Order 602), § 230-11-025, filed 9/26/06, effective 1/1/08.]

WAC 230-11-030 Restrictions on ticket sales. (1) Only the following people, who are at least eighteen years old, may sell raffle tickets:

(a) Members of the organization, except as explained in subsection (2) of this section; and

(b) Volunteers under the supervision of a member.

(2) Organizations may allow members under the age of eighteen to sell tickets when the organization has:

(a) Development of youth as a primary purpose; and

(b) At least three members or advisors who are at least eighteen years old and who supervise the operation of the raffle; and

(c) An adult member or advisor designated as the manager of the raffle.

(3) Organizations must sell tickets for a particular raffle for the same price unless offering an authorized discount plan; and

(4) Organizations must not:

(a) Sell raffle tickets via the internet; or

(b) Require anyone to purchase more than one raffle ticket; or

(c) Give away raffle tickets; or

(d) Give an opportunity to participate in a raffle drawing to a person who has not purchased a ticket.

[Statutory Authority: RCW 9.46.070. 09-09-065 (Order 643), § 230-11-030, filed 4/13/09, effective 7/1/09; 06-20-040 (Order 602), § 230-11-030, filed 9/26/06, effective 1/1/08.]

WAC 230-11-035 Incentives for selling tickets. (1) Organizations must not pay members or volunteers for selling tickets or managing or operating a raffle, unless the person is a full-time or part-time employee of the organization with duties other than selling tickets or managing or operating raffles.

(2) Licensees may provide members or volunteers with noncash incentives for selling tickets if the licensee:

(a) Bases the incentives on the number of tickets sold; and

(b) Gives incentives that do not exceed five percent of the gross gambling receipts of the raffle; and

(c) Maintains a record of the name, address, and telephone number of all persons receiving incentives.

[Statutory Authority: RCW 9.46.070. 06-20-040 (Order 602), § 230-11-035, filed 9/26/06, effective 1/1/08.]

DRAWING TICKETS

WAC 230-11-040 Place ticket stubs in receptacle for drawing. Each person who sells a raffle ticket must give the organization all ticket stubs or other detachable sections of all tickets sold. The organization must place each stub or other detachable section of each ticket sold into a receptacle from which the organization will draw the winning tickets unless they use one of the authorized alternative drawing formats.

[Statutory Authority: RCW 9.46.070. 06-20-040 (Order 602), § 230-11-040, filed 9/26/06, effective 1/1/08.]

WAC 230-11-045 Draw winning tickets randomly. A "drawing" means a random selection process for determining winners in a raffle. To be random, each ticket in the drawing must have an equal and fair chance of being drawn as a win-

ner. Organizations must design the ticket drawing receptacle so that each ticket has an equal opportunity to be drawn.

[Statutory Authority: RCW 9.46.070. 06-20-040 (Order 602), § 230-11-045, filed 9/26/06, effective 1/1/08.]

WAC 230-11-050 Using alternative drawing formats. Licensees may use alternative drawing formats that randomly determine winners if licensees:

(1) Fully disclose to each player the random selection process used in the alternative drawing format before selling tickets; and

(2) Maintain a copy of the disclosure with the permanent raffle records; and

(3) Use controls and accounting procedures that:

(a) Provide the ability to audit gross gambling receipts from ticket sales; and

(b) Have sufficient controls to prevent manipulation of the random selection process; and

(c) Document the random selection process.

[Statutory Authority: RCW 9.46.070. 06-20-040 (Order 602), § 230-11-050, filed 9/26/06, effective 1/1/08.]

WAC 230-11-055 Authorized alternative drawing formats. Licensees may use the following types of alternative drawing formats or similar random selection processes:

Mock races.

(1) The licensee sells participants consecutively numbered tickets that identify a specific corresponding numbered mock animal(s), ball(s), or other similar object(s) that can use natural elements to move the objects (water, gravity, wind) in a race. All objects must be identical in weight, size, and shape, to have an equal opportunity to win. The licensee must release all objects simultaneously at a start line. The first numbered object to cross the finish line wins.

Poker runs.

(2) The licensee sells participants consecutively numbered tickets or poker tally sheets to participants. Participants travel a predetermined course with predetermined drawing stations (typically five drawing stations). At each drawing station, participants draw one playing card for each ticket purchased. Station attendants must verify the card drawn and record the card value on the poker ticket tally sheet. After all participants have completed the course, the participant with the best recorded poker hand wins.

Ball drops.

(3) The licensee sells participants consecutively numbered tickets that identify a specific corresponding numbered ball. All balls must be equal in size, weight, and shape, to have an equal opportunity to win. The licensee suspends all purchased numbered balls in the air and simultaneously releases them over a target zone. The ball, closest or first, to hit the predetermined target wins.

Animal plops.

(4) The licensee sells participants consecutively numbered tickets that identify a specific corresponding square on a numbered grid. The licensee releases the animal into the grid area until the animal has completed its plop. The numbered square containing the plop wins.

Multiple stage drawings.

(5) The licensee sells participants consecutively numbered tickets. The licensee uses multiple drawing phases to eliminate participants until the licensee declares the remaining ticket holder(s) the winner(s). The licensee may use second element of chance plans as long as the plans meet the criteria set out in WAC 230-11-060.

Bucket raffles.

(6) The licensee sells participants consecutively numbered tickets. Participants place their tickets into any number of separate buckets or other receptacles for separate prizes. We consider the multiple drawings one single raffle. If licensees use different tickets for each receptacle, we consider each drawing an individual raffle.

Calendar raffles.

(7) The licensee sells participants consecutively numbered calendars with removable stubs. The licensee places all sold calendar stubs into the drawing receptacle. On predetermined dates identified on the calendar, the licensee conducts drawings. The licensee places all winning stubs back into the drawing receptacle for future drawings.

[Statutory Authority: RCW 9.46.070. 06-20-040 (Order 602), § 230-11-055, filed 9/26/06, effective 1/1/08.]

WAC 230-11-060 Using a second element of chance in alternative drawing format raffles. Licensees may use second elements of chance in alternative drawing format raffles to:

(1) Determine the final prize winner. For example: Ten finalists are drawn and each finalist chooses a key. The finalist with the key that starts the vehicle wins; or

(2) Determine which prize is awarded among a group of prizes. For example: Each winner selects one of three keys and each wins the contents of the safe which the key unlocks; or

(3) Increase the prize award. For example: The winning ticket matches a predetermined sequence of numbers and wins an additional prize.

[Statutory Authority: RCW 9.46.070. 06-20-040 (Order 602), § 230-11-060, filed 9/26/06, effective 1/1/08.]

PRIZES

WAC 230-11-065 Raffle prizes. (1) Organizations must own the prizes offered to winners before the date of the drawing. However, if the winner has an option to receive a cash prize instead of the merchandise, the organization may enter into a contract to purchase the merchandise prize after the winner chooses his or her option. The organization must have the funds to make the purchase on account before the date of the drawing.

(2) At the time and date of any raffle drawing, the organization must have on deposit an unencumbered amount of money that is equal to or greater than all cash prizes being offered in the raffle. The organization must have these funds deposited in the gambling receipts account, if required, or in a recognized Washington state depository authorized to receive funds. The organization must not reduce the balance of funds available from this account below the required amount before awarding the prize(s).

(3) Raffle prizes must:

(a) Be available at the time and place of the drawing; and

(b) If cash, be United States currency or an equivalent amount of negotiable instruments; and

(c) For licensees, not exceed forty thousand dollars per prize or eighty thousand dollars in total raffle prizes in a license year, except as authorized in WAC 230-11-067.

[Statutory Authority: RCW 9.46.070. 10-11-086 (Order 668), § 230-11-065, filed 5/17/10, effective 7/1/10; 06-20-040 (Order 602), § 230-11-065, filed 9/26/06, effective 1/1/08.]

WAC 230-11-067 Requesting approval to offer raffle prizes exceeding forty thousand dollars per prize or eighty thousand dollars annually. The commissioners may vote to approve a licensee to exceed raffle prize limits on specific occasions if a licensee shows good cause in writing.

The licensee must submit a raffle plan to us that includes at least the following information:

(1) The organization's goals for conducting the raffle; and

(2) A brief overview of the licensee's mission and vision including the type of programs supported by the licensee and clients served; and

(3) Specific details of the raffle rules including:

(a) Date of the drawing; and

(b) Cost of raffle tickets; and

(c) Prizes available; and

(d) Security of prizes; and

(e) Plans for selling raffle tickets; and

(f) Description of how the licensee protects the integrity of the raffle; and

(4) An explanation of how the proceeds from the raffle will be used; and

(5) A plan to protect the licensee in the event of low ticket sales and other risks; and

(6) An explanation of how the licensee will purchase the prize(s) for the raffle; and

(7) A projected budget including:

(a) Estimated gross gambling receipts, expenses, and net income for the raffle; and

(b) Minimum number of projected ticket sales to break even; and

(c) Corresponding sales and prize levels with projected revenues and expenses for each level; and

(d) Minimum and maximum prizes available; and

(8) Any other information that we request or any information the licensee wishes to submit.

[Statutory Authority: RCW 9.46.070. 10-11-086 (Order 668), § 230-11-067, filed 5/17/10, effective 7/1/10.]

CONDUCTING A MEMBERS-ONLY RAFFLE

WAC 230-11-070 Defining "members-only" raffles. A "members-only raffle" means a raffle where the organization sells tickets only to full and regular members and a limited number of guests. All aspects of the raffle must take place during the same event at the same location. Winners must be determined from among those members and guests that have purchased tickets.

[Statutory Authority: RCW 9.46.070. 06-20-040 (Order 602), § 230-11-070, filed 9/26/06, effective 1/1/08.]

WAC 230-11-075 Limit number of guests for members-only raffles. The total number of guests participating in a raffle must not exceed twenty-five percent of the total attendance of the meeting. The organization must maintain records to show compliance with this requirement.

[Statutory Authority: RCW 9.46.070. 06-20-040 (Order 602), § 230-11-075, filed 9/26/06, effective 1/1/08.]

WAC 230-11-080 Post rules of play for members-only raffles. Organizations must post a sign at each point where they sell tickets to provide participants with all rules of play or print the required disclosures on the raffle ticket.

[Statutory Authority: RCW 9.46.070. 06-20-040 (Order 602), § 230-11-080, filed 9/26/06, effective 1/1/08.]

WAC 230-11-085 Modified and discounted pricing plans for tickets for members-only raffles. (1) Licensees may use modified ticket pricing plans at members-only raffles when gross revenues do not exceed five thousand five dollars. One type of modified pricing plan is a penny raffle. A penny raffle is a raffle where licensees sell five hundred consecutively numbered tickets. Participants randomly choose tickets and pay the consecutive number of the ticket multiplied by a predetermined cost, for instance, one penny.

(2) In modified pricing plans, licensees may sell tickets to enter a raffle for different values, not to exceed ten dollars for a single ticket, if the licensee:

(a) Discloses to the participants the pricing plan before selling them a ticket to participate. The licensee must disclose to the participant the total number of tickets in the population available and the number of tickets at each price level; and

(b) Allows participants to randomly select their ticket from the population of remaining tickets and pay the amount printed on the ticket they select; and

(c) Establishes records for an adequate audit trail to determine gross gambling receipts; and

(d) Holds no more than two such drawings during a meeting or event; and

(e) Sells multiple tickets to enter one or more drawings as a package and the total price of the package must not exceed twenty-five dollars.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-11-085, filed 10/22/07, effective 1/1/08; 06-20-040 (Order 602), § 230-11-085, filed 9/26/06, effective 1/1/08.]

WAC 230-11-086 Discounted pricing plans for tickets to members-only raffles. In discounted pricing plans, licensees may sell tickets for a discounted price based on the number of tickets a player purchases if:

(1) The amount of the discount is set before any raffle tickets are sold; and

(2) Participants are allowed to purchase a single ticket; and

(3) There is only one discount plan for each raffle; and

(4) The cost of a single ticket, without a discount, does not exceed ten dollars; and

(5) The total cost of a discount package does not exceed twenty-five dollars; and

(6) The cost of a single ticket is printed on each ticket (for example, one dollar each); and

(7) The discounted tickets are identified by a unique ticket audit numbering system; and

(8) The licensee establishes an audit system that includes internal controls and procedures to determine gross gambling

receipts from the sale of tickets using a discounted pricing plan.

[Statutory Authority: RCW 9.46.070. 06-20-040 (Order 602), § 230-11-086, filed 9/26/06, effective 1/1/08.]

WAC 230-11-087 Other pricing plans for members-only raffles. (1) Licensees may sell multiple tickets to enter one or more drawings as a package if the total price of the package does not exceed twenty-five dollars.

(2) Licensees may include tickets to enter a raffle as a part of a package that includes dues, entertainment, or other fund-raising activities if:

(a) The package discloses the value of each component of the package to the purchaser; and

(b) The value of each individual raffle ticket does not exceed twenty-five dollars.

[Statutory Authority: RCW 9.46.070. 06-20-040 (Order 602), § 230-11-087, filed 9/26/06, effective 1/1/08.]

WAC 230-11-090 Authorized alternative drawing formats for members-only raffles. Licensees may use alternative drawing formats set forth in WAC 230-11-055 for members-only raffles as long as the licensee meets all requirements set out in that rule. Licensees also may use the following alternative drawing formats or similar random selection processes for members-only raffles:

Mock animal races.

(1) The licensee sells participants consecutively numbered tickets to wager on a specific mock animal in a field of mock animal racers, typically five to ten racers. The mock animals race in individual lanes divided into equal spaces or squares; for example, bingo boards are sometimes used as race lanes. Animals move forward based on the numbers rolled on dice or balls drawn from a set of bingo balls. The first mock animal to cross the finish line is the winner. All winning ticket holders split the prize pool or the licensee may hold a drawing of winning tickets to determine a single winner.

Video races.

(2) The licensee sells participants consecutively numbered tickets/race forms to wager on the outcome of an unknown videotaped race, typically horse races. The previously taped races must be obtained from an outside source and participants must have no knowledge of the specific race outcome before conducting the video race drawing. Participants wager on the specific racers, identified by numbers, or a specific race lane. All participants holding a winning race number ticket or winning lane number ticket are the winners. All winning ticket holders split the prize pool or the licensee may hold a drawing of winning tickets to determine a single winner.

Paddle wheel raffles.

(3) The licensee sells participants numbered paddles or numbered tickets that correspond to numbered spaces on a balanced, spinning wheel. The licensee spins the wheel at least one full revolution. The ticket that matches the number that the wheel stops on is the winning ticket.

Card deck raffle.

(4) The licensee sells participants a single playing card or similar object. The card is then torn or cut in half and one half is placed in the drawing receptacle. The participant holds the other half until the drawing takes place. The holder of the matching half to that drawn is the winner.

[Statutory Authority: RCW 9.46.070. 06-20-040 (Order 602), § 230-11-090, filed 9/26/06, effective 1/1/08.]

RECORDKEEPING FOR RAFFLES

WAC 230-11-095 Recordkeeping requirements for Class A through D licensees and unlicensed raffles. Class A through D licensed raffles and unlicensed raffles under the authority of RCW 9.46.0315 or 9.46.0321 must keep a record by month of the following:

(1) Gross receipts; and

(2) Prizes paid; and

(3) Net income; and

(4) Documentation of expenses; and

(5) Documentation of how the proceeds were used.

[Statutory Authority: RCW 9.46.070. 06-20-040 (Order 602), § 230-11-095, filed 9/26/06, effective 1/1/08.]

WAC 230-11-100 Recordkeeping requirements for Class E and F licensees and raffles using alternative drawing formats. Licensees conducting Class E or Class F raffles or conducting raffles using alternative drawing formats must prepare a detailed record for each raffle they conduct. Licensees must:

(1) Record all data required in the standard format we provide; and

(2) Maintain the following:

(a) Validated deposit receipts for each deposit of raffle proceeds; and

(b) All winning tickets; and

(c) Name, address, and telephone number of all winners of a prize with a fair market value of more than fifty dollars; and

(d) All ticket stubs for raffles that participants are not required to be present at the drawing; and

(e) All unsold tickets for individual raffles for which gross gambling receipts exceed five thousand dollars; and

(f) Invoices and other documentation recording the purchase or receipt of prizes; and

(g) Invoices and other documentation recording the purchase of tickets and other expenses of the raffle; and

(3) Complete all records no later than thirty days following the drawing.

[Statutory Authority: RCW 9.46.070. 06-20-040 (Order 602), § 230-11-100, filed 9/26/06, effective 1/1/08.]

WAC 230-11-105 Retain and store raffle records. (1) Records for unlicensed raffles must be kept for one year following the date of the raffle drawing.

(2) Records for licensed raffles must be kept for three years from the end of the licensees' fiscal year in which the raffle was completed.

(3) Organizations must keep all records at the main administrative or business office of all organizations that are located in Washington and have the records available for our review or audit.

(4) Organizations that do not have an administrative or business office must have and designate a records custodian that resides in Washington.

(5) We may allow an organization to maintain records outside the state of Washington if the organization submits a written request. We may withdraw this permission at any time.

[Statutory Authority: RCW 9.46.070. 06-20-040 (Order 602), § 230-11-105, filed 9/26/06, effective 1/1/08.]

Chapter 230-13 WAC
AMUSEMENT GAME RULES

WAC

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WAC 230-13-001 Defining "operator." In this chapter, "operator" means the licensee or unlicensed charitable or nonprofit organization operating the amusement game.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-001, filed 7/16/07, effective 1/1/08.]

WAC 230-13-005 Amusement games authorized. (1) We authorize the eleven 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. 07-15-064 (Order 612), § 230-13-005, filed 7/16/07, effective 1/1/08.]

WAC 230-13-010 Approval of new amusement games. (1) Operators may introduce new games that meet the standards of an authorized group without approval of the director as long as they provide the director or his or her designee with a description, the rules of play, and the group number of the game with an explanation of why that group was chosen at least sixty days before introducing the game.

(2) If the director notifies the operator that the proposed game does not meet the standards or otherwise violates the gambling laws or rules, the operator:

(a) May not introduce the game; and

(b) If already introduced, must remove it from play until the operator brings it into compliance with the authorized group.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-010, filed 7/16/07, effective 1/1/08.]

WAC 230-13-015 Group 1—Ball toss or kick amusement game standards. In Group 1 games, players throw or kick balls to win prizes.

(1) In ball toss or kick amusement games:

(a) All balls for each game must be uniform in size and weight; and

(b) All targets for each game must be the same size and weight or the operator must color code the target and advise

the players of the difference in targets if the difference is not visible to players; and

(c) Target weight must not exceed seven and one-half pounds; and

(d) A target must not have a loose or floating weight.

(2) If the goal of the game requires estimating the speed of the ball thrown or kicked, operators must offer the player at least three balls to practice estimating the speed and one ball for the actual throw or kick.

(3) If operators use a ping pong or similar light weight ball in games requiring players to toss the ball into a dish, saucer, cup, or similar container, they must place water in the bottom of each container.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-015, filed 7/16/07, effective 1/1/08.]

WAC 230-13-020 Group 2—Dart amusement game standards. In Group 2 games, players throw darts into a target area to win prizes. If players achieve the predetermined score or pattern, pierce or break a target, or just stick the dart in the target, the player wins a prize.

(1) In dart amusement games:

(a) All darts must be uniform in size and unaltered with the point sharp, or functional if suction-cup darts, and all feathers or tail sections intact; and

(b) The target area for all dart games must be of a material capable of being penetrated and retaining a metal tip dart, or holding a suction-cup dart; and

(c) The target area must be in the rear of the stand and must be at least three feet but not more than fifteen feet from a foul line.

(2) In "add 'em up games," where players must achieve a predetermined score, all darts stuck on the lines of the target must result in another throw by the player. Players have the right to add up the score of the darts thrown.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-020, filed 7/16/07, effective 1/1/08.]

WAC 230-13-025 Group 3—Hoop or ring toss amusement game standards. In Group 3 games, players toss one or more hoops or rings over one or more targets which may consist of bottles, pegs, blocks, prizes, or any item capable of having a ring or hoop tossed over it to win prizes. In hoop or ring toss amusement games:

(1) The operator must advise the player as to the degree that the hoop(s) or ring(s) must go over the target; and

(2) Hoops or rings for each game must be uniform in size and shape and must be capable of going over the target; and

(3) Targets used at an individual stand must be the same size. If not, the operator must post signs or use color codes to point out the different sizes.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-025, filed 7/16/07, effective 1/1/08.]

WAC 230-13-030 Group 4—Coin or token toss amusement game standards. In Group 4 games, players toss one or more coins or tokens onto a surface or into a target area to win a prize. In coin or token toss amusement games:

(1) The game must have a clear and unobstructed thirty-six inch vertical airspace above the target area or surface; and

(2) The target or surface must be level and not altered to give an advantage to the operator; and

(3) Any game which has a target area of four square inches or less must award a prize if any part of the coin or token is within the target area. "Four square inches" means a two-inch by two-inch square; and

(4) If the target does not include a more than two-inch by two-inch square area, such as a rainbow or star, a prize must be awarded if any part of the coin or token lands on any portion of the target area.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-13-030, filed 10/22/07, effective 1/1/08; 07-15-064 (Order 612), § 230-13-030, filed 7/16/07, effective 1/1/08.]

WAC 230-13-035 Group 5—Hand/eye coordination amusement game standards. In Group 5 games, players perform task(s) using hand and eye coordination to win a prize.

(1) Hand and eye coordination amusement games must include one or more of the following:

(a) Striking a moving or fixed object or target including a sequence of moving or fixed objects or targets; or

(b) Launching object(s) at target(s) from a mechanism. Players must aim object(s) so they may land in, on, or go through a target(s), including catching the target(s) or having the object(s) caught in the target(s). In games where players launch, toss, or catapult objects at target(s), the launching machine must respond in an identical manner on repetitive uses when the player applies or selects an equal amount of force; or

(c) Dropping object(s) onto target area(s) or surface(s), including covering the area(s), or surface(s) with the object(s). If a player must cover a spot or specific target area, then the target area must be a circular spot and:

(i) The player must receive at least five circular discs to drop on the target or target area; and

(ii) The diameter of the circular discs used to cover the target or target area must be at least sixty-four percent of the diameter of the target spot or area; and

(iii) The target spot or area must be permanently affixed to a solid surface; or

(d) Capturing, lassoing, hooking, or getting a hold of an object(s) and causing them to move or change position; or

(e) Guiding object(s) or images through a pattern, maze, or task; or

(f) Climbing on, over, through, or around object(s); or

(g) Similar tasks.

(2) For any game requiring a player to perform a task normally associated with playing billiards or pool, operators must allow players to use a regulation billiard table, balls, and cue.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-035, filed 7/16/07, effective 1/1/08.]

WAC 230-13-040 Group 6—Strength test amusement game standards. In Group 6 games, players test their strength by performing task(s) for a predetermined number of times or length of time to win a prize. The tasks must do one or more of the following:

(1) Test hand, arm, or whole body strength; or

(2) Require the player to use a tool to strike an object or target, and cause the object to travel a specific distance; or

(3) Require the object(s) to strike another object(s) to achieve the goal of the game.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-040, filed 7/16/07, effective 1/1/08.]

WAC 230-13-045 Group 7—Crane amusement game standards. In Group 7 games, players maneuver a crane or claw mechanism to attempt to retrieve a prize. All crane amusement games must:

(1) Allow at least twenty seconds playing time per operation; and

(2) Have a crane or claw capable of reaching, picking up, and dispensing all prizes in the machine; and

(3) Have the machine controls clearly labeled as to their function; and

(4) Have prizes loose and not packed, arranged, lodged, or intertwined in the machine in any way that would prevent the crane or claw from picking up and dispensing the prize.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-045, filed 7/16/07, effective 1/1/08.]

WAC 230-13-050 Group 8—Penny fall amusement game standards. In Group 8 games, players insert coins or tokens (coins) into a chute and aim the chute to win a prize. The coins land on a flat surface(s) which has sweeper and/or pusher arm(s) moving across the surface(s). Carefully aimed coins may cause coins on the flat surface(s) to be pushed or swept into holes or chutes which dispense tokens or tickets to the player.

(1) Coin fall games must:

(a) Have level surfaces and contain similar coins; and

(b) Have the outcome of the game determined by player's skill.

(2) Coin fall games may contain obstacles which if properly passed or struck by a coin, award additional tickets.

(3) If coin fall games have obstacles, operators must:

(a) Turn on the obstacles before the player inserts the coin; and

(b) Keep them on long enough to allow the player to attempt to strike or pass the obstacles.

(4) Operators may set merchandise prizes on the coins, tokens, or other surfaces in the game and if the prize is pushed into a hole or chute, then it is awarded to the player. All prizes must fit down the hole or chute.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-050, filed 7/16/07, effective 1/1/08.]

WAC 230-13-055 Group 9—Ball roll amusement game standards. In Group 9 games, players roll balls to a target area to win a prize. Ball roll amusement games may be either:

(1) One player:

(a) Attempting to score a predetermined number of points by landing in a target area; or

(b) Striking and/or knocking down target(s); or

(2) More than one player:

(a) Attempting to score a predetermined number of points; or

(b) Striking and/or knocking down target(s); or

(c) Landing in a target area. The first player to achieve the goal wins a prize.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-055, filed 7/16/07, effective 1/1/08.]

WAC 230-13-060 Group 10—Shooting amusement game standards. In Group 10 games, players use a mechanism to fire projectile(s) to hit target(s) to win prizes. In shooting amusement games:

(1) The game may require a player to:

(a) Destroy or obliterate all or part of the target; or

(b) Hit the target or specific portion of it; or

(c) Hold an electronic beam, light beam, or water stream on the target or portion of it to achieve a specific result.

(2) The projectiles may include pellets, BBs, corks, water, electronic beams, light beams, balls, or suction-cup darts.

(3) The targets may be stationary or mobile.

(4) Operators and players must comply with all safety requirements of the local city or county ordinances.

(5) A short range shooting gallery must give players, at least:

(a) Four shots to shoot out a target which has a diameter of one-quarter inch or less; or

(b) One shot at each target which they must strike. Targets must be at least one-half inch square and may include a bulls-eye section which players must shoot out without touching the outside of the target.

(6) "Shoot-out-the-star" games must give players at least one hundred projectiles in an automatic mechanism to shoot out a star which is no more than one and one-quarter inch from point to point.

(7) Operators may determine a winner and award a prize based on the number of players participating.

(8) If suction-cup darts are used in the game, players must receive another turn if the dart does not stick to the target area.

(9) If targets must be knocked over or off of a shelf, then the bases of the targets must be uniformly shaped front and rear.

(10) If players must destroy or obliterate all or part of a target to win, then the players must have the right to have the target brought to them and to visually inspect it at any time during the game or at the conclusion of the game.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-060, filed 7/16/07, effective 1/1/08.]

WAC 230-13-065 Group 11—Cake walk and fish pond amusement game standards. Group 11 games are:

(1) Cake walk amusement games where players walk on a numbered or color-coded circle while music is played. When the music stops, a player wins a prize depending on the number or color of the portion of the circle the player is standing on; and

(2) Fish pond amusement games where players receive a prize each time they play by:

(a) Either hooking or capturing a fake fish floating in water or similar object with a number or symbol on the bottom. The number or symbol of the fish or object corresponds to a prize; or

(b) Having the operator place a prize directly onto the "line" or catching device of the player from behind a curtain or similar obstruction.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-065, filed 7/16/07, effective 1/1/08.]

OPERATING AMUSEMENT GAMES

WAC 230-13-070 Notifying local law enforcement of amusement game operation. (1) Amusement game operators must notify the local law enforcement agency in writing at least ten days before operating amusement games at any location. The chief officer of the local law enforcement agency may reduce this time limit. The notice must include, at least:

(a) The name and address of the operator; and

(b) The name and address of the person managing the games at the location; and

(c) The date(s) and the location where the operator will conduct the amusement games.

(2) Operators must have all amusement game equipment available for inspection by local law enforcement or us at least the two hours before operating.

(3) Operators may place individual amusement games at locations where amusement games already exist without renotifying local law enforcement.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-070, filed 7/16/07, effective 1/1/08.]

WAC 230-13-075 Assigning and reporting group numbers of authorized amusement games. Amusement game licensees must determine the authorized group number of each game and prepare a list of all games they plan to operate during each license year. They must submit this list to us with their activity report. The list must contain, at least, the name and group number of each game.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-075, filed 7/16/07, effective 1/1/08.]

WAC 230-13-080 Operating coin or token activated amusement games. (1) Coin or token activated amusement games must have nonresetting coin-in meters, certified as accurate to within plus or minus one coin or token in one thousand plays, which stop play of the machine if the meter is removed or disconnected when operating at:

(a) Amusement parks; or

(b) Regional shopping malls; or

(c) Movie theaters; or

(d) Bowling alleys; or

(e) Miniature golf course facilities; or

(f) Skating facilities; or

(g) Family sports complexes.

(i) A "family sports complex" is a facility, at a permanent location, to which people go to play sports. A family sports complex must offer multiple sports activities, such as indoor soccer, outdoor soccer, lacrosse, baseball, Frisbee, and lawn bowling and the gross receipts must be primarily from these sports activities.

(ii) A family sports complex does not include a facility owned or operated by a school or school district; or

(h) Amusement centers; or

(i) Restaurants; or

(j) Grocery or department stores. A "department or grocery store" means a business that offers the retail sale of a full line of clothing, accessories, and household goods, or a full line of dry grocery, canned goods, or nonfood items plus some perishable items, or a combination of these. A department or grocery store must have more than ten thousand square feet of retail and support space, not including the parking areas.

(2) All coin or token activated amusement games must have a coin acceptor capable of taking money for one play and may have an additional acceptor to include paper money.

(3) Operators using amusement games that do not return change must have a change-making bill acceptor or the ability to get change in the immediate vicinity of such games. All amusement games using paper money acceptors must either:

(a) Return change; or

(b) Clearly disclose to players before play that change is not returned and disclose to them where at the location they may get change.

[Statutory Authority: RCW 9.46.070. 09-15-067 (Order 650), § 230-13-080, filed 7/13/09, effective 8/13/09; 08-11-036 (Order 625), § 230-13-080, filed 5/14/08, effective 7/1/08; 07-21-116 (Order 617), § 230-13-080, filed 10/22/07, effective 1/1/08; 07-15-064 (Order 612), § 230-13-080, filed 7/16/07, effective 1/1/08.]

WAC 230-13-085 Control and maintenance of amusement games. Amusement game operators must:

(1) Closely monitor and control all games to ensure they are operated according to all provisions of Title 230 WAC and chapter 9.46 RCW; and

(2) Protect players from fraud and game manipulation; and

(3) Maintain all games or machines in proper condition to ensure they comply with their authorized amusement game group.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-085, filed 7/16/07, effective 1/1/08.]

WAC 230-13-090 Adult supervision of unattended amusement games. (1) Operators must provide adult supervision at all locations where school-aged minors are allowed to play amusement games during all hours of operation.

(a) "School aged minors" means anyone at least six, but not yet eighteen years old.

(b) An "unattended amusement game" means a game that does not require the player to interact with an attendant, for example, a coin activated game.

(2) An adult supervisor must ensure that school-age minors:

(a) Do not enter or play amusement games during school hours at regional shopping centers; and

(b) Do not enter or play amusement games during school hours at and after 10:00 p.m. on any day at any location mentioned in RCW 9.46.0331.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-090, filed 7/16/07, effective 1/1/08.]

WAC 230-13-100 Material degree of skill required in amusement games. Amusement game operators must conduct games in which the outcome depends to a material

degree on the skill of the player. We consider a "material degree of skill" to be present when both of these requirements are met:

(1) The player's physical or mental abilities play an important and integral role in determining the outcome of the game; and

(2) The success rate of the average player would improve with repeated play or practice.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-100, filed 7/16/07, effective 1/1/08.]

WAC 230-13-105 Attended amusement game requirements. (1) Attendants of amusement games must, at least:

(a) Collect payment from the player(s); and

(b) Give equipment or components to the player(s) to participate in the game; and

(c) Award merchandise prize(s) to any winners.

(2) Attendants must not:

(a) Materially assist players; or

(b) Participate in the game.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-105, filed 7/16/07, effective 1/1/08.]

WAC 230-13-110 Charitable or nonprofit amusement game operation and management. (1) Charitable and nonprofit organizations must closely supervise all persons operating their gambling activities according to all provisions of Title 230 WAC and chapter 9.46 RCW.

(2) Only full and regular members of charitable or nonprofit organizations may supervise or manage amusement games.

(3) Organizations may use nonmembers for positions that are not of a supervisory or management nature if the nonmembers are:

(a) Employees of the organization, hired on a regular or part-time basis, and employed primarily for purposes other than to conduct the activities; or

(b) Volunteers under the supervision of a member and not directly or indirectly compensated for their work.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-110, filed 7/16/07, effective 1/1/08.]

WAC 230-13-115 "Limited location" license requirements. Amusement game licensees operating under a "limited location" license must assign each game a number and keep a list of all games and their booth numbers available in the operator's on-site office.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-115, filed 7/16/07, effective 1/1/08.]

WAC 230-13-120 Posting amusement game rules. (1) Amusement game operators must fully inform players of game rules. They must prominently post a sign made of permanent material printed in lettering at least one and one-half inches in height that includes, at least:

(a) Fees charged for play; and

(b) Rules of play; and

(c) Prizes or number of tickets to be won; and

(d) Any variation in the size or weight of objects used in the game which is not readily visible to the player; and

(e) Name of the operator; and

(f) Booth number, if applicable; and

(g) Amusement game group number.

(2) For coin or token activated games, if all aspects of the activity are within four feet of the player, operators may use lettering smaller than one and one-half inches in height as long as they prominently post the sign and make it legible to players. The operator must ensure that the manufacturer either:

(a) Preprints the sign and information on the machine; or

(b) Attaches it to the machine.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-120, filed 7/16/07, effective 1/1/08.]

WAC 230-13-125 Factors affecting skill readily visible for amusement games. If there are physical limitations which affect the degree of skill needed to win a prize, the amusement game operator must make these factors readily visible to the player. For example, if a target, basket, or hoop used in the amusement game has a limiting feature, such as shape or size, the operator must prominently post a duplicate of the target, basket, or hoop which shows the limitation.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-125, filed 7/16/07, effective 1/1/08.]

WAC 230-13-130 Display and exchange of amusement game prizes. (1) Amusement game operators must prominently display a sample of each type of prize available.

(2) Operators must only award prizes that are posted. However, after a player has won two or more prizes, operators may offer that player the opportunity to exchange those prizes for one or more other prizes, but only if that prize was on display during the play of the game.

(3) Operators must not allow winners to forfeit previously won prize(s) in exchange for another play.

(4) Operators may give winners tickets which winners may combine with other tickets won and redeem for a merchandise prize.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-130, filed 7/16/07, effective 1/1/08.]

WAC 230-13-135 Maximum wagers and prize limitations at certain amusement game locations. The maximum wager is three dollars and fifty cents and the maximum cost for a prize is five hundred dollars if school-aged minors are allowed to play amusement games at the following locations:

(1) Regional shopping centers; and

(2) Movie theaters; and

(3) Bowling alleys; and

(4) Miniature golf course facilities; and

(5) Skating facilities; and

(6) Family sports complexes.

(a) A "family sports complex" is a facility, at a permanent location, to which people go to play sports. A family sports complex must offer multiple sports activities, such as indoor soccer, outdoor soccer, lacrosse, baseball, Frisbee,

and lawn bowling and the gross receipts must be primarily from these sports activities.

(b) A family sports complex does not include a facility owned or operated by a school or school district; and

(7) Amusement centers; and

(8) Grocery or department stores. A "department or grocery store" means a business that offers the retail sale of a full line of clothing, accessories, and household goods, or a full line of dry grocery, canned goods, or nonfood items plus some perishable items, or a combination of these. A department or grocery store must have more than ten thousand square feet of retail and support space, not including the parking areas; and

(9) Any business whose primary activity is to provide food service for on premises consumption.

[Statutory Authority: RCW 9.46.070, 9.46.0331, and 9.46.0201. 11-04-004 (Order 674), § 230-13-135, filed 1/20/11, effective 2/20/11. Statutory Authority: RCW 9.46.070. 09-15-067 (Order 650), § 230-13-135, filed 7/13/09, effective 8/13/09; 08-11-036 (Order 625), § 230-13-135, filed 5/14/08, effective 7/1/08; 07-15-064 (Order 612), § 230-13-135, filed 7/16/07, effective 1/1/08.]

WAC 230-13-140 Price to play amusement games must be paid in cash or check. (1) Amusement game operators must charge cash or check for playing.

(2) Operators may accept tokens, scrip, or tickets, but only if:

(a) The equivalent value in cash for each token, scrip, or ticket is printed on the token, ticket, or scrip; and

(b) Tokens, tickets or scrip are not redeemable for cash; and

(c) Tickets or scrip show the name of the operator or sponsor.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-140, filed 7/16/07, effective 1/1/08.]

WAC 230-13-145 Marking the difference between objects thrown in multiple amusement games on the same premises. Amusement game operators must not operate more than one game of a similar type on the same premises using similar objects of a different size or weight unless the difference in each game's objects is readily apparent.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-145, filed 7/16/07, effective 1/1/08.]

AUTHORIZED LOCATIONS AND RENTAL OF AMUSEMENT GAMES OR PREMISES

WAC 230-13-150 Amusement game locations. (1) Amusement game operators must obtain written permission to operate at any location from the person or organization owning the premises or sponsoring the event where the operator will hold the activity.

(2) Operators may only conduct commercial amusement games at:

(a) Locations set out in RCW 9.46.0331; and

(b) Family sports complexes.

(i) A "family sports complex" is a facility, at a permanent location, to which people go to play sports. A family sports complex must offer multiple sports activities, such as indoor soccer, outdoor soccer, lacrosse, baseball, Frisbee, and lawn bowling and the gross receipts must be primarily from these sports activities.

(ii) A family sports complex does not include a facility owned or operated by a school or school district; and

(c) Skating facilities; and

(d) Grocery or department stores. A "department or grocery store" means a business that offers the retail sale of a full line of clothing, accessories, and household goods, or a full line of dry grocery, canned goods, or nonfood items plus some perishable items, or a combination of these. A department or grocery store must have more than ten thousand square feet of retail and support space, not including the parking areas.

(3) Operators must conduct amusement games in conformance with local zoning, fire, health, and similar regulations.

[Statutory Authority: RCW 9.46.070. 09-15-067 (Order 650), § 230-13-150, filed 7/13/09, effective 8/13/09; 08-11-036 (Order 625), § 230-13-150, filed 5/14/08, effective 7/1/08; 07-15-064 (Order 612), § 230-13-150, filed 7/16/07, effective 1/1/08.]

WAC 230-13-155 Contracts for commercial amusement games. (1) Operators must ensure that all contracts are written and specific in terms, setting out the term of the contract, amount of rent or consideration, rent due dates, and all expenses each party must pay.

(2) All contracts become part of the operator's license file. If commercial amusement game operators violate any terms of a contract, it may be grounds for suspension or revocation of their license.

(3) Class B or above licensees may enter into contracts with business owners of any of the following locations to operate amusement games on their premises:

(a) Amusement parks; or

(b) Regional shopping centers; or

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

(d) Movie theaters; or

(e) Bowling alleys; or

(f) Miniature golf course facilities; or

(g) Skating facilities; or

(h) Amusement centers; or

(i) Department or grocery stores having more than ten thousand square feet of retail and support space, not including the parking areas; or

(j) Charitable or nonprofit organizations with a premises licensed for Class A amusement games; or

(k) Any commercial business that provides food service for on premises consumption as its primary activity.

(4) Operators must not place amusement games at a location which does not have a valid license.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-155, filed 7/16/07, effective 1/1/08.]

WAC 230-13-160 Basing rent on a percentage of gross receipts. Class B or above amusement game operators:

(1) May base the rent or consideration paid to a Class A commercial amusement game location on a percentage of revenue the activity generates if the method of distribution is specific.

(2) May not base the rent or consideration paid to a charitable or nonprofit organization on a percentage of revenue the activity generates unless the amount returned to the organization is equal to or exceeds twenty-two percent of the gross gambling receipts. Operators must pay the organization at least once a month.

(3) If located at regional shopping centers, may use a percentage of receipts to pay rental leases. They are also exempt from the profits restrictions of RCW 9.46.120(2).

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-160, filed 7/16/07, effective 1/1/08.]

WAC 230-13-165 Charitable or nonprofit organizations renting amusement game equipment. Charitable or nonprofit organizations may rent or otherwise obtain amusement game equipment as long as the amount paid is:

(1) A reasonable price for the gambling equipment or for use of the gambling equipment; and

(2) A lump sum or hourly rate established in the competitive market; and

(3) Not based on a percentage of the gross receipts, income, or profit.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-165, filed 7/16/07, effective 1/1/08.]

RECORDKEEPING FOR AMUSEMENT GAMES

WAC 230-13-169 Annual activity reports for commercial amusement game licensees. Commercial amusement game licensees must submit an annual activity report to us in the format we require and must:

(1) Cover the license year of one calendar year or less; 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 commercial amusement game licensee or its employee prepares the report, then it must provide the preparer's name and business telephone number; and

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

(5) Complete the report according to the instructions furnished with the report.

[Statutory Authority: RCW 9.46.070. 08-20-007 (Order 630), § 230-13-169, filed 9/18/08, effective 1/1/09; 07-21-116 (Order 617), § 230-13-169, filed 10/22/07, effective 1/1/08.]

WAC 230-13-170 Recordkeeping for commercial amusement games. (1) Amusement game licensees must prepare a detailed record for each location where they operate games. They must retain the records for at least three years. The records must include details necessary to determine:

(a) Gross gambling receipts received from players; and

(b) Value of prizes awarded to winners.

(2) Records must include, at least:

(a) The gross gambling receipts collected from amusement games at each location, with receipting records; and

(b) An entry for each withdrawal of receipts from the games. Coin or token activated amusement games only require an entry of the ending meter reading, the number of plays, and gross gambling receipts at the end of each month; and

(c) A summary of the operation of the activity. This includes, at least, coin-in meter readings and gross gambling receipts. Operators must provide these coin-in meter readings and gross gambling receipts to charitable or nonprofit organizations each time they service a game or disburse money.

(3) Licensees must report at least monthly the number and actual cost of merchandise prizes awarded for each location.

(4) For amusement games that issue tickets for the redemption of prizes, licensees must at least log the beginning and ending nonresettable ticket out meters or ticket numbers during each collection of funds from each game.

(5) Licensees must provide the full details for all amusement game operating expenses.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-170, filed 7/16/07, effective 1/1/08.]

WAC 230-13-175 Recordkeeping for unlicensed charitable and nonprofit amusement games. (1) Unlicensed charitable or nonprofit organizations must keep records according to WAC 230-07-125 which will allow us to:

(a) Determine the amount of gross gambling receipts received from amusement games; and

(b) Identify individuals responsible for receiving and controlling them.

(2) Records must include, at least, the full names, addresses, and phone numbers of employees and members involved in the activity.

[Statutory Authority: RCW 9.46.070. 07-15-064 (Order 612), § 230-13-175, filed 7/16/07, effective 1/1/08.]

Chapter 230-14 WAC
PUNCH BOARD AND PULL-TAB RULES

WAC

PUNCH BOARDS AND PULL-TABS

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PUNCH BOARDS AND PULL-TABS

WAC 230-14-001 Defining "licensee," "licensees," "operator," and "operators." (1) In this chapter, "licensee" and "licensees" mean the business holding the punch board and pull-tab license.

(2) "Operator" and "operators" mean licensees and those operating the gambling activity for the licensees, for example, those selling pull-tabs to players or putting out games for play.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-001, filed 8/10/07, effective 1/1/08.]

WAC 230-14-005 Defining "punch board." A "punch board" means:

(1) A board with a number of openings of uniform size in which the manufacturer placed, at random, slips of paper or other substances (punches) imprinted with numbers or symbols; and

(2) A flare (face sheet) covers the openings and sets out the winning numbers or symbols and which prizes players may win. The punches have specific serial numbers assigned and printed on them; and

(3) After buying a punch, a player may select and remove the punch from the opening of the punch board, and, if the number on the selected punch matches the flare, the specified prize is awarded to the player.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-005, filed 8/10/07, effective 1/1/08.]

WAC 230-14-010 Defining "pull-tab." A "pull-tab" means:

(1) A single folded tab that conceals number(s) or symbol(s) from view; or

(2) A banded tab that conceals number(s) or symbol(s) from view; or

(3) A card with the face covered by perforated window(s) or otherwise hidden to conceal number(s) or symbol(s) from view.

(4) Some of the number(s) in each series of pull-tabs have been selected in advance and at random as prize winners.

(5) After buying a pull-tab, a player opens the pull-tab and, if the numbers or symbols on the pull-tab match the flare, the player wins the prize.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-010, filed 8/10/07, effective 1/1/08.]

WAC 230-14-015 Rules apply to both punch boards and pull-tabs. Commission rules that apply to operators of both punch boards and pull-tabs also apply to operators of only one of these activities.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-015, filed 8/10/07, effective 1/1/08.]

WAC 230-14-020 Washington state identification and inspection stamps to be called "I.D. stamps." Because the agents, manufacturers, and other licensees have long referred to Washington state identification and inspection stamps as "I.D. stamps," we will use this abbreviated name for the stamps throughout the rules.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-020, filed 8/10/07, effective 1/1/08.]

WAC 230-14-025 Punch boards, pull-tabs, and pull-tab dispensers must meet all requirements. Operators must not display or put out for play any punch board, pull-tab series, or pull-tab dispenser that does not comply with chapter 9.46 RCW and Title 230 WAC.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-025, filed 8/10/07, effective 1/1/08.]

WAC 230-14-030 Determining winners or location of winners in advance prohibited. Manufacturers, distributors, operators, and representatives must not possess, display, sell, or otherwise furnish a pull-tab series when they know, or reasonably should have known, that:

(1) The location, or approximate location, of any of the winning pull-tabs can be determined in advance of opening by:

(a) Any pattern in the manufacture, assembly, or packaging of the tabs; or

(b) Any markings on the tabs or container; or

(c) The use of a light; or

(2) The winning tabs have not been distributed and mixed among all other tabs in the series.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-030, filed 8/10/07, effective 1/1/08.]

WAC 230-14-035 Defining "pull-tab series." A "pull-tab series" means all the pull-tabs in a group produced by a manufacturer that offer a single set of prizes specified on the manufacturer's accompanying flare.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-035, filed 8/10/07, effective 1/1/08.]

WAC 230-14-040 Maximum number of pull-tabs in a series. The maximum number of pull-tabs must be no more than:

(1) Twenty-five thousand in a series; or

(2) Ten thousand in a carry-over jackpot series; or

(3) Fifty thousand in progressive jackpot series.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-14-040, filed 10/22/07, effective 1/1/08; 07-17-058 (Order 614), § 230-14-040, filed 8/10/07, effective 1/1/08.]

WAC 230-14-045 Authorized pull-tab dispensers. (1) Authorized pull-tab dispensers must:

(a) Be made by a licensed manufacturer; and

(b) Conspicuously display a stamp, seal, or label identifying the manufacturer, city, and state where manufactured; and

(c) Be stamped with a serial number on the case.

(2) Perforated window type pull-tab dispensers must:

(a) Have a resettable counter visible to the customer indicating the number of pull-tabs left in the dispenser; or

(b) Be made so that players can:

(i) Clearly see each pull-tab in the dispenser, except for that area at the bottom, not more than one inch in height, covered for security or mechanical reasons; and

(ii) Estimate how many pull-tabs remain within the dispenser using permanent markings which divide the pull-tabs remaining into divisions of approximately twenty-five tabs.

(3) "Jar" or "banded" type pull-tab dispensers must:

(a) Have a resettable counter visible to the player indicating the number of jar or banded tabs left in the dispenser; or

(b) Be made so that players can clearly see all jar or banded tabs or jar tab bundles within the dispenser.

(4) Dispensers with bill acceptors or similar mechanisms must inform the player if they do not return change.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-045, filed 8/10/07, effective 1/1/08.]

WAC 230-14-047 Standards for electronic video pull-tab dispensers. Electronic video pull-tab dispensers must be approved by us prior to use, meet the requirements below, and may incorporate only the features below and not perform additional functions.

(1) Electronic video pull-tab dispensers must dispense a paper pull-tab as defined in WAC 230-14-010 and follow the rules for:

(a) Pull-tabs; and

(b) Flares; and

(c) Authorized pull-tab dispensers.

(2) Electronic video pull-tab dispensers that use a reading and displaying function must:

(a) Use a video monitor for entertainment purposes only; and

(b) Open all, or a portion of, the pull-tab in order to read encoded data that indicates the win or loss of the pull-tab if the dispenser is equipped to automatically open pull-tabs; and

(c) Dispense the pull-tab to the player and not retain any portion of the pull-tab; and

(d) Read the correct cash award from the pull-tab either when it is dispensed or when the pull-tab is reinserted into the dispenser; and

(e) Display the cash award from the pull-tab, one pull-tab at a time; and

(f) Provide:

(i) An electronic accounting of the number of pull-tabs dispensed; and

(ii) A way to identify the software version and name; and

(iii) A way to access and verify approved components; and

(iv) Security on the dispenser to prevent unauthorized access to graphic and prize amount displays.

(3) Gift certificates or gift cards used in electronic video pull-tab dispensers must:

(a) Be purchased with cash, check or electronic point-of-sale bank transfer before use in the dispenser; and

(b) Be convertible to cash at any time during business hours; and

(c) Subtract the cash value for the purchase of the pull-tab one pull-tab at a time.

[Statutory Authority: RCW 9.46.070. 08-03-052 (Order 621), § 230-14-047, filed 1/11/08, effective 2/11/08.]

WAC 230-14-050 Operating restrictions for punch boards and pull-tabs. (1) Punch board and pull-tab operators must ensure no unauthorized person buys, plays, or sells punch boards or pull-tab series; and

(2) Licensees must:

(a) Not display or operate any punch board or pull-tab series which may have been marked, defaced, or tampered with in any way that could affect the chances of winning; and

(b) Not change a flare, except to:

(i) Delete prizes won; or

(ii) Correct inadvertently deleted prizes; or

(iii) Add a substitute flare; and

(c) Keep all records, reports, and receipts relating to punch boards or pull-tab series in play on the licensed premises as long as they are in play. They must make all records, reports, and receipts available on demand to law enforcement officers and us; and

(d) Not place out for further play any punch board or pull-tab series that they have permanently removed from play.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-050, filed 8/10/07, effective 1/1/08.]

WAC 230-14-055 Selling pull-tabs. (1) No one may add pull-tabs to a series after the manufacturer has shipped that series.

(2) Pull-tab operators must:

(a) Thoroughly mix all pull-tabs in a series before placing them in a dispenser or clear container and offering them for sale. Operators may assemble pull-tabs into bundles with a sales price of up to twenty dollars as long as they thoroughly mix the bundles before they sell them; and

(b) Sell all pull-tabs from a dispenser we approved or a clear container. Pull-tabs sold from a container must be visible to players so players are able to estimate the number of chances remaining in the series; and

(c) Put out the entire pull-tab series for play. If using a spindle series, licensees may set the spindle on a nearby surface, for example, on the counter; and

(d) Not put a new pull-tab series in a dispenser or a clear container until they completely play out or permanently remove from play the series currently in the dispenser or container. If using a multiple-series dispenser, operators must offer each series independently.

(3) Once put out for play, operators must not remove pull-tabs from the dispenser or container until they are:

(a) Sold; or

(b) Permanently removed from play; or

(c) Removed by us or other law enforcement agencies inspecting the dispenser; or

(d) Temporarily removed during necessary repair or maintenance; or

(e) Removed to be held permanently for a player.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-055, filed 8/10/07, effective 1/1/08.]

WAC 230-14-060 Defining "flare." A "flare" (also known as a "face sheet" for punch boards) means an advertising poster or card listing all the prizes, costs to play, number of pull-tabs, and required manufacturer information for pull-tab series.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-060, filed 8/10/07, effective 1/1/08.]

WAC 230-14-065 Flares for punch board or pull-tab series. (1) Punch board and pull-tab licensees must have in public view only one flare per punch board or pull-tab series. Flares must have an I.D. stamp number and series number on their face.

(2) Cumulative prize pool pull-tab games must have a cumulative prize pool board and a unique flare for each series.

[Statutory Authority: RCW 9.46.070. 09-17-077 (Order 657), § 230-14-065, filed 8/14/09, effective 1/1/10; 07-17-058 (Order 614), § 230-14-065, filed 8/10/07, effective 1/1/08.]

WAC 230-14-070 Displaying flares. (1) Punch board or pull-tab operators must place flares in plain view and in the vicinity of the pull-tab container or dispenser.

(2) If operators do not attach the flare directly to the container or dispenser, they must include a numerical or alphabetical reference directly on the flare and on the container or dispenser indicating which flare corresponds to which series.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-070, filed 8/10/07, effective 1/1/08.]

WAC 230-14-075 Substitute flares. Manufacturers must make all flares. Operators or distributors must not alter flares, except that substitute flares are allowed if:

(1) The manufacturer, distributor, or operator who changes the original flare and attaches the substitute flare is responsible for ensuring that the substitute flare meets all other requirements for flares; and

(2) Manufacturers, distributors, or operators must permanently deface the original manufacturer's flare and attach the substitute flare to the original.

(3) Distributors or operators may apply manufacturer-produced substitute flares to punch boards and pull-tab series; and

(4) Distributors or operators must place substitute flares only on the upper face or the top of the punch board; and

(5) If distributors or operators convert flares from cash-only prizes to combined merchandise and cash prizes, they must offer at least fifty percent of the total value of the prizes in merchandise; and

(6) Distributors or operators may use substitute flares on punch boards and pull-tab series which offer merchandise or combination merchandise-cash prizes. These flares must use numbers, not symbols, to denote winners. Distributors or operators making substitute flares must:

(a) Select winning numbers from the manufacturer's original flare, or from the manufacturer's designated winning numbers on the punch board; and

(b) Assign the highest valued prize(s) to the lowest available winning number(s); and

(c) Assign the second highest valued prize(s) to the next lowest available winning number(s) and repeat that pattern until they have assigned all prizes based on their value to winning numbers. Distributors may select winning numbers sequentially from the manufacturer's original flare; and

(7) Substitute flares must have the I.D. stamp number and series number permanently recorded in ink on its face.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-14-075, filed 10/22/07, effective 1/1/08; 07-17-058 (Order 614), § 230-14-075, filed 8/10/07, effective 1/1/08.]

WAC 230-14-080 Prize limits and percentage of winners required. Punch board or pull-tab operators must not possess, display, put out for play, sell, or otherwise transfer punch boards or pull-tab series that:

(1) Have a total payout of less than sixty percent of the total gross gambling receipts of the board or series, except in cumulative prize pool pull-tab games. In cumulative prize pool pull-tab games, the sixty percent prize payout requirement will be calculated based on the total amount of prizes from the cumulative prize pool board and the instant winners from each series, divided by the number of series contained in the game; and

(2) Offer boards or series, except for progressive series or carry-over jackpots, with a single cash prize that is more than twenty-five hundred dollars; or

(3) Offer a single merchandise prize that is more than twenty-five hundred dollars including markup; or

(4) Have a single pull-tab or punch with multiple winning combinations that are more than the prize limit; or

(5) Offer prizes for purchasing the last pull-tab or last punch (last sale) that are more than:

(a) One hundred dollars cash; or

(b) Merchandise that costs the licensee more than one hundred dollars; or

(c) The highest prize offered, whichever is less; or

(6) Series that have a key to any winning numbers or symbols.

[Statutory Authority: RCW 9.46.070. 09-17-077 (Order 657), § 230-14-080, filed 8/14/09, effective 1/1/10; 08-03-062 (Order 623), § 230-14-080, filed 1/14/08, effective 2/14/08; 07-17-058 (Order 614), § 230-14-080, filed 8/10/07, effective 1/1/08.]

WAC 230-14-085 Calculating markup for merchandise prizes. (1) To calculate sixty percent of total gross for merchandise prizes, operators take the amount actually paid for the prize and add to it no more than fifty percent of that cost as markup.

(2) Gift certificates from a licensee's own establishment may be used as merchandise prizes for pull-tab games but must not be included in the sixty percent payout calculation.

(3) The total cost to the operator for the purchase of a prize must not exceed twenty-five hundred dollars.

[Statutory Authority: RCW 9.46.070. 08-11-044 (Order 628), § 230-14-085, filed 5/14/08, effective 7/1/08; 07-17-058 (Order 614), § 230-14-085, filed 8/10/07, effective 1/1/08.]

WAC 230-14-090 Controlling prizes. Punch board and pull-tab operators must:

(1) Protect players from fraud and game manipulation.

(2) Award all prizes won.

(3) Only award cash or merchandise as prizes. A player who has won a cash prize may make a request to the person redeeming the winning pull-tab that the player be given additional pull-tabs instead of cash. An operator may agree to such a request.

(4) Not offer to pay cash instead of merchandise prizes.

(5) Not award additional punches or tabs as a prize. Prizes, however, may involve the opportunity to advance and win a larger prize on the same punch board or pull-tab series. Operators must award an immediate additional opportunity to advance called a bonus prize when offered in a bonus pull-tab series or a step-up prize when offered on a punch board.

[Statutory Authority: RCW 9.46.070 and 9.46.0273. 10-09-032 (Order 667), § 230-14-090, filed 4/14/10, effective 7/1/10. Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-090, filed 8/10/07, effective 1/1/08.]

WAC 230-14-095 Displaying prizes. Punch board and pull-tab operators must:

(1) Clearly represent cash prizes on the prize flare; and

(2) Display merchandise prizes:

(a) In plain view and in the immediate vicinity of the punch board or pull-tab series. However, operators may wrap merchandise prizes for games that offer "surprise" prizes so players are unable to identify the prize until opened; or

(b) Elsewhere on the premises if size or space constraints do not allow it to be displayed in the immediate vicinity, as long as operators note a specific reference to the prize on the flare; or

(c) Use an accurate description or photograph of the prize in plain view on, or immediately adjacent to, the flare if operators cannot display the prize merchandise on the premises; and

(3) Meet all the requirements of subsections (1) and (2) of this section for combination cash and merchandise prizes.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-095, filed 8/10/07, effective 1/1/08.]

WAC 230-14-100 Removing prizes from flares. (1) After receiving a winning punch or pull-tab for more than twenty dollars or merchandise with a retail value of more than twenty dollars, operators must immediately permanently and conspicuously delete all reference to the prize from the flare and from any other list, sign, or notice. Operators then must pay or deliver the prize to the winner.

(2) On step-up punch boards and bonus pull-tab games, once all chances to win in a section of the flare are won, operators must delete all references to prizes.

(3) Operators may correct an inadvertently deleted prize by noting on the flare that such prize is still available. When they actually award the prize, operators must permanently and conspicuously delete the reference.

(4) If operators elect to delete prizes of less than twenty dollars from flares, they must continue to do so until they remove the games from play.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-100, filed 8/10/07, effective 1/1/08.]

WAC 230-14-105 Paying prizes not deleted from flares. When a player buys out a punch board or pull-tab series, operators must award the player all prizes not deleted from the flare that were required to be deleted, even if the operator failed to delete the prize from the flare when originally won.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-105, filed 8/10/07, effective 1/1/08.]

WAC 230-14-110 Recording winners. When punch board or pull-tab players win more than twenty dollars or merchandise prizes with a retail value over twenty dollars, operators must make a record by:

(1) Having winners print their name and date of birth, in ink, on the side of the winning punch or tab opposite the winning symbol(s) and verifying the winner's identity and recording the current date and initialing the winning punch or tab; or

(2) Recording the required information on a sheet of paper at least three inches by five inches and stapling the winning tab or punch to the paper if the pull-tab or punch is constructed or printed so that recording the information required in a legible manner is not possible.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-110, filed 8/10/07, effective 1/1/08.]

WAC 230-14-115 Defacing winning punches or pull-tabs. Within twenty-four hours after a winning punch or pull-tab over twenty dollars is presented for payment, licensees must permanently deface the pull-tab or punch so that it cannot be presented again for payment.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-115, filed 8/10/07, effective 1/1/08.]

WAC 230-14-120 Permanently reserving punch boards or pull-tab series. Operators may permanently reserve a series for a player who leaves the premises, but intends to return and play the game. The operator must:

(1) Prominently post house rules that are clear in meaning and with criteria for reserving a series and the length of time players may reserve a series; and

(2) Ensure that the player meets the criteria in the house rules; and

(3) Contain all of the reserved series in a secure manner, clearly identifying it as permanently reserved, and store it in the immediate vicinity of the pull-tab area; and

(4) Not reserve a board or series for a player without play for more than seven days and not be more than a total reserve time of fourteen days; and

(5) Not have more than twenty-five boards or series permanently reserved for players at one time; and

(6) Maintain adequate accounting records showing the status of all reserved boards or series; and

(7) Not place reserved boards or series out for public play after the reserving player finishes playing them.

[Statutory Authority: RCW 9.46.070. 08-03-062 (Order 623), § 230-14-120, filed 1/14/08, effective 2/14/08; 07-17-058 (Order 614), § 230-14-120, filed 8/10/07, effective 1/1/08.]

WAC 230-14-125 Temporarily removing punch boards or pull-tab series from play. Operators may temporarily remove punch boards or pull-tab series from play and return them to play later. Operators must clearly identify the punch board or pull-tab series as reserved and prominently post house rules regarding hours of play or other conditions affecting play. Operators may temporarily remove punch boards or pull-tab series if they are:

(1) Reserving a board or series for a player, as long as the operator ensures that the player meets the criteria in the house rules; or

(2) Repairing or maintaining the pull-tab dispenser or container; or

(3) Reserving a punch board or pull-tab series for play during certain hours of operation, for example, a "happy hour" game; or

(4) Complying with the game removal requirements of WAC 230-14-050.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-125, filed 8/10/07, effective 1/1/08.]

WAC 230-14-130 Defining "happy hour punch board or pull-tab games." (1) A "happy hour punch board or pull-tab game" means a series where licensees offer additional prizes to winners during a selected period.

(2) Licensees may increase advertised prizes or add cash or merchandise prizes to punch board or pull-tab series if licensees:

(a) Do not change the manufacturer's flare; and

(b) Disclose to players by permanently attaching an additional sign or notice to the manufacturer's flare:

(i) The requirements to qualify for prizes; and

(ii) The prizes offered; and

(c) Add the increased or additional prizes to every prize within a tier or section of the flare; and

(d) Staple or otherwise permanently attach documentation about all additional prizes to the winning punch or pull-tab. Minimum documentation must include a description of the prize and the name of the winner.

(3) Charitable or nonprofit licensees must only offer one happy hour punch board or pull-tab series at any one time.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-130, filed 8/10/07, effective 1/1/08.]

WAC 230-14-135 Operating spindle, banded, or "jar" type pull-tabs which award only merchandise prizes. (1) Pull-tab series which award only merchandise prizes valued at no more than twenty dollars may use formats with predesignated pull-tabs where:

(a) Some pull-tabs are free; or

(b) Players are reimbursed for the cost of the pull-tabs.

(2) Flares for spindle-type pull-tab series must indicate the total number of pull-tabs and the total number of pull-tabs designated as free or reimbursable.

(3) Free or reimbursable pull-tabs do not constitute prizes. Operators must not include as revenue money collected and later reimbursed when determining gross gambling receipts.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-135, filed 8/10/07, effective 1/1/08.]

SEAL CARD PULL-TAB SERIES

WAC 230-14-140 Defining "seal card pull-tab series." "Seal card pull-tab series" means a pull-tab series that includes a predetermined number of pull-tabs which allow players to advance to the "seal card round."

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-140, filed 8/10/07, effective 1/1/08.]

WAC 230-14-145 Defining "seal card round." (1) "Seal card round" means a secondary element of chance game linked with the pull-tab series.

(2) Seals on the pull-tab flare conceal prizes for the secondary element of chance game.

(3) Winners who advance to the seal card round place their names on the list that matches the winning pull-tab number or symbol.

(4) Players win the prizes behind the seals when the seal card round ends and the operator opens all the seals.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-145, filed 8/10/07, effective 1/1/08.]

WAC 230-14-150 Awarding seal card pull-tab winners. (1) Pull-tab operators using seal card pull-tabs series must:

(a) Award seal card round prizes for all seal card pull-tab series placed out for play; and

(b) Establish and fully disclose the method of selecting alternate winners before placing a game out for play.

(2) When players buy pull-tabs that allow them to enter the seal card round, the operator must:

(a) Enter, or allow the winners to enter, their names on the flare where indicated by the number or symbol on the pull-tab. Players must then turn in their pull-tabs to the operator; and

(b) Gather player contact information and keep it with the records of the series during the record retention period; and

(c) Wait until the series plays out before removing it from play, unless the operator elects to award the seal card round prizes without all pull-tabs being purchased.

(3) After the series is played out, or when they begin to award prizes, operators must:

(a) Contact the seal card round winner within two business days of the end of the series; and

(b) Allow the winner fourteen days after being contacted to redeem their prize; and

(c) Keep all series on premises and available for public inspection for a period of fourteen days after they pull them from play; and

(d) Keep the series until they name a winner for the game if they do not locate the seal card round winner within fourteen days.

(4) If seal card round winners do not redeem their prizes within fourteen days, licensees must select alternate winners.

(5) Licensees must not use substitute flares, bonus pull-tab series, or carry-over jackpots with seal card pull-tab series.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-150, filed 8/10/07, effective 1/1/08.]

PROGRESSIVE JACKPOT PULL-TAB SERIES

WAC 230-14-155 Definitions for "progressive jackpot pull-tab series." (1) "Progressive jackpot pull-tab series" means a pull-tab series in which operators award a progressive jackpot prize to the player who presents the winning pull-tab.

(2) The "progressive jackpot" means the starting jackpot prize, the accrued jackpot prize for that specific series, plus any accrued jackpot prize carried over from previous series.

(3) "Starting jackpot prize" means the base or minimum amount of the progressive jackpot for each series before the operator adds any money based on the jackpot accrual rate.

(4) "Accrued jackpot prize" means the amount of all additions to the progressive jackpot before the progressive jackpot is won or the operator removes the series from play.

(5) "Jackpot accrual rate" means the rate at which a progressive jackpot increases for each pull-tab sold. The rate may be a percentage of gross gambling receipts or a dollar value based on the price of a single pull-tab.

(6) "Instant winners" means all prizes available from a progressive jackpot pull-tab series, except for the progressive jackpot.

(7) "Bank system" means a network of pull-tab dispensers offering progressive jackpot pull-tab series connected by a computer. The computer determines the total gross gambling receipts all the dispensers on the network receive and calculates the amount of the progressive jackpot on the networked dispensers.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-155, filed 8/10/07, effective 1/1/08.]

WAC 230-14-160 Progressive jackpot dispensers with a bank system. (1) Operators may have more than one pull-tab dispenser for a series operating at one time.

(2) Operators may have more than one bank system operating at one time, but one bank system must not have more than ten pull-tab dispensers.

(3) In a bank system, progressive jackpot pull-tab dispensers must be:

(a) Located in close physical proximity on the business premises, so that players may observe all remaining pull-tabs in a series; and

(b) Linked to a computer system which records all sales and the accrual of the progressive jackpot.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-160, filed 8/10/07, effective 1/1/08.]

WAC 230-14-165 Additional operating requirements for progressive jackpot pull-tab series. Operators must conduct progressive jackpot pull-tab series in the same way as other pull-tab series and must follow these requirements:

(1) An owner or licensed commercial or charitable or nonprofit gambling manager must be on the premises at all times when progressive jackpot pull-tab series are operated; and

(2) Only owners and licensed individuals may have access to progressive jackpot pull-tab series and they must store the series in secured locations; and

(3) Licensees must have sufficient funds available to pay all prizes on redemption of winning tabs. Failure to have sufficient funds available is prima facie evidence of defrauding the public; and

(4) The current progressive jackpot total must be clearly displayed near the bank of machines at all times during the sale of progressive pull-tabs; and

(5) Operators must prominently display one flare near the bank of machines; and

(6) Operators must not use:

(a) Substitute flares; or

(b) Merchandise prizes; or

(c) Last sale prizes; and

(7) Operators must disclose the rules for playing out a series or carrying over accrued prizes.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-165, filed 8/10/07, effective 1/1/08.]

WAC 230-14-170 Prizes in progressive jackpot pull-tab series. Manufacturers and operators must offer prizes for progressive jackpot pull-tab series that follow these requirements:

(1) Instant winners must be at least forty percent of total gross gambling receipts available from the series; and

(2) The starting jackpot must, at least, equal the value of the highest instant winner; and

(3) Operators must set the minimum jackpot accrual rate to generate an accrued jackpot prize of at least sixty percent of the total gross gambling receipts available from the series when added to the starting jackpot prize and instant winners; and

(4) The manufacturer must determine the starting jackpot prize and corresponding jackpot accrual rate needed to meet the sixty percent payout requirement. Manufacturers must include this information in the package with each series; and

(5) The maximum contribution to a progressive jackpot for each individual progressive pull-tab series must be five thousand dollars. The contribution amount excludes portions carried over from previous series.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-170, filed 8/10/07, effective 1/1/08.]

WAC 230-14-175 Removing progressive jackpot pull-tab series from play. Operators must not remove a progressive jackpot pull-tab series from play before the progressive jackpot is won. However, operators may remove a series from play if they:

(1) Remove the series before the beginning or at the end of any business day; and

(2) Carry over the accrued jackpot prize from the series and any previously carried over accrued jackpot prize to a new series within twenty-four hours; and

(3) Add the accrued jackpot prize to the starting jackpot amount for the new series when they place it out for play. The amount of the jackpot must not be decreased.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-175, filed 8/10/07, effective 1/1/08.]

WAC 230-14-180 Paying out prizes and defacing tabs in progressive jackpot pull-tab series. Operators must pay out progressive jackpot pull-tab prizes in the same way required for all other pull-tabs and must follow these requirements:

(1) Operators must pay at least the starting jackpot portion of the progressive jackpot with a check. They must record the check number along with all the information required in WAC 230-14-065; and

(2) Operators must immediately deface all jackpot winning tabs when received instead of within twenty-four hours.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-180, filed 8/10/07, effective 1/1/08.]

WAC 230-14-185 Additional recordkeeping for progressive jackpot pull-tab series. In addition to other pull-tab recordkeeping requirements, operators must:

(1) Record progressive jackpot series on a separate monthly record in the format we require; and

(2) Retain progressive jackpot winning tabs, winner information, and the flares for one year from the date they removed the series from play.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-185, filed 8/10/07, effective 1/1/08.]

EVENT PULL-TAB SERIES

WAC 230-14-190 Defining "event pull-tab series" and "event round." Only charitable or nonprofit bingo operators may use event pull-tab series:

(1) "Event pull-tab series" means a pull-tab series that includes a predetermined number of pull-tabs which allow a player to advance to the event round.

(2) "Event round" means a game where the numbers drawn in a bingo game must match pull-tab numbers to determine winners. The winning numbers must be between numbers 1 through 75.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-190, filed 8/10/07, effective 1/1/08.]

WAC 230-14-195 Operating requirements for event pull-tabs. When using event pull-tab series, charitable or nonprofit bingo operators must:

(1) Offer and complete event pull-tabs within one bingo session; and

(2) Disclose when the event round will take place before putting an event pull-tab series into play; and

(3) Offer event pull-tabs for sale until immediately before the event round unless the series sells out; and

(4) Have a licensed manager present at all times an event pull-tab series is in play, including sales of tabs and selection of winners; and

(5) Allow floor workers to sell event pull-tabs (for example, from aprons). Only event pull-tabs may be sold in this way; and

(6) Maintain accounting records in the format we require to track the event pull-tabs issued to each floor worker; and

(7) Meet all the requirements for carry-over jackpots if the event pull-tab series offer a carry-over jackpot; and

(8) Not use substitute flares or bonus pull-tab series with event pull-tab series.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-195, filed 8/10/07, effective 1/1/08.]

BONUS PULL-TAB SERIES

WAC 230-14-200 Defining "bonus pull-tab series." "Bonus pull-tab series" means pull-tab series that include a predetermined number of pull-tabs that allow players the opportunity to advance to a bonus section to determine the prize.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-200, filed 8/10/07, effective 1/1/08.]

WAC 230-14-205 Operating requirements for bonus pull-tab series. Operators of bonus pull-tab series must ensure that:

(1) In addition to all other information required for flares, each flare clearly states:

(a) The number of chances available to advance and win a larger prize; and

(b) The number of winning tabs at each prize level; and

(2) The series uses only guaranteed or minimum prizes in calculating the sixty percent payout required; and

(3) The series does not use:

(a) Substitute flares; or

(b) Merchandise prizes; or

(c) Last sale prizes.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-205, filed 8/10/07, effective 1/1/08.]

WAC 230-14-210 Flares for bonus and step-up prizes. Flares for punch boards or pull-tab series offering bonus or step-up prizes must clearly indicate how players may win bonus or step-up prizes, including the amount of the prizes. Bonus or step-up prizes must not be less than the prize for the initial winning punch or pull-tab.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-210, filed 8/10/07, effective 1/1/08.]

CARRY-OVER JACKPOT PULL-TAB SERIES

WAC 230-14-215 Defining "carry-over jackpot pull-tab series" and "contribution amount." (1) "Carry-over jackpot" means a prize pool of added contributions from carry-over pull-tab series which pass (carry-over) to another carry-over pull-tab series if not won.

(2) "Contribution amount" means the amount from each series added to the carry-over jackpot.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-215, filed 8/10/07, effective 1/1/08.]

WAC 230-14-220 Prize limits for carry-over jackpot pull-tab series. Operators may use pull-tab series which include carry-over jackpots. Operators must use the following calculations for prizes and prize payouts for carry-over jackpots:

(1) Guaranteed prizes must be sixty percent or more of gross gambling receipts available from the pull-tab series. "Guaranteed prizes" means all prizes available, excluding the contribution amount or carry-over jackpot; and

(2) The manufacturer determines the contribution amount and the method of play and discloses both on the flare; and

(3) The contribution amount for each series must not be more than five hundred dollars; and

(4) An accumulated carry-over jackpot must not be more than five thousand dollars; and

(5) If the carry-over jackpot is awarded, the sum of the advance-level prize and the carry-over jackpot prize combined must not be more than five thousand dollars; and

(6) If the operator carries over the jackpot to a new series, the total of the advance-level prize and the consolation prize must not be more than five hundred dollars.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-14-220, filed 10/22/07, effective 1/1/08; 07-17-058 (Order 614), § 230-14-220, filed 8/10/07, effective 1/1/08.]

WAC 230-14-225 Sufficient funds for carry-over jackpot pull-tab prizes. We consider it prima facie evidence of defrauding players if the licensee:

(1) Fails to have sufficient funds available to pay a carry-over jackpot; or

(2) Attempts to use carry-over jackpots for any purpose other than paying winners.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-225, filed 8/10/07, effective 1/1/08.]

WAC 230-14-230 Transferring a carry-over jackpot to another game. (1) If a licensee wants to remove a series from play and the carry-over jackpot has not been won, the operator must carry over the jackpot to a new series within one business day.

(2) Operators must maintain a separate record creating an audit trail for carry-over jackpots in the format we require.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-230, filed 8/10/07, effective 1/1/08.]

WAC 230-14-235 Replacing played out carry-over jackpot series. If no tabs remain to win the carry-over jackpot but tabs to win other prizes still remain, operators must remove the series from play and replace it with a new series within seven business days.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-235, filed 8/10/07, effective 1/1/08.]

WAC 230-14-240 Distributing carry-over pull-tab jackpots. If businesses stop conducting gambling activities, they must:

(1) Transfer the carry-over jackpot to the new owners who bought the business and who have a gambling license. The new licensee must operate the carry-over jackpot game until they award the prize; or

(2) Award the carry-over jackpot to a player by playing out the game before closing; or

(3) Give the carry-over jackpot to the Washington state council on problem gambling; or

(4) Give the carry-over jackpot to a charitable or nonprofit organization we license.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-240, filed 8/10/07, effective 1/1/08.]

WAC 230-14-245 Retaining carry-over jackpot pull-tab series. Operators offering carry-over jackpots must keep all pull-tab series that were used for a specific carry-over jackpot together.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-245, filed 8/10/07, effective 1/1/08.]

WAC 230-14-250 Recording carry-over jackpots on a cash basis. (1) Operators must record carry-over jackpots on a cash basis. "Cash basis" means operators do not record carry-over jackpot contributions until the prize is awarded.

(2) However, punch board and pull-tab licensees who also hold a Class F or above bingo license may record carry-over jackpot contributions on their monthly records if they:

(a) Record contribution amounts, up to the jackpot maximum, as prizes paid on the monthly records; and

(b) When the jackpot is awarded, record only amounts not previously accrued as prizes paid; and

(c) Play no more than five carry-over jackpot series at once; and

(d) Maintain a proper audit trail and adequate security over the funds if the licensee does not deposit the contributions with the net receipts.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-250, filed 8/10/07, effective 1/1/08.]

CHARITABLE OR NONPROFIT ORGANIZATIONS OPERATING PUNCH BOARDS AND PULL-TABS

WAC 230-14-255 Net income and cash flow requirements when operating punch boards and pull-tabs. Charitable or nonprofit punch board and pull-tab licensees must:

(1) When not licensed to operate bingo, ensure that they do not pay excessive expenses and that net income from punch boards and pull-tabs is more than zero when measured over the annual license period; or

(2) When licensed to operate bingo, meet the cash flow requirements.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-255, filed 8/10/07, effective 1/1/08.]

RECORDKEEPING FOR PUNCH BOARDS AND PULL-TABS

WAC 230-14-260 Inventory control. (1) Punch board and pull-tab operators must control and account for each punch board and pull-tab series they obtain. Operators must:

(a) Enter the I.D. stamp numbers for the series in all records; and

(b) Attach the packing slip to the original invoice if the pull-tab series is packed in more than one container; and

(c) Record each pull-tab dispenser they purchase.

(2) Distributors must record every purchase of punch boards or pull-tabs on an invoice. Operators must use this record to account for each series between the time they purchase it and the time they remove it from play. Invoices must include space for the operator to attach:

(a) The I.D. stamp numbers for each board or series; and

(b) The date they placed the punch board or pull-tab series out for play.

(3) When operators receive punch boards or pull-tab series, they must ensure that the manufacturer or distributor recorded all required data by comparing the Washington state identification stamp number attached to each punch board and pull-tab series to the number recorded on the purchase invoice.

(4) Operators may use a separate computerized inventory record as long as they:

(a) Use an I.D. stamp or print a computer generated facsimile of the stamp number on the inventory record; and

(b) Record all other required information.

[Statutory Authority: RCW 9.46.070. 08-03-053 (Order 622), § 230-14-260, filed 1/11/08, effective 2/11/08; 07-17-058 (Order 614), § 230-14-260, filed 8/10/07, effective 1/1/08.]

WAC 230-14-265 Retention requirements for punch boards and pull-tab series. (1) Punch board and pull-tab operators must keep all punch boards or pull-tab series removed from play, including, at least:

(a) All prize flares; and

(b) All unplayed tabs; and

(c) All winning punches or tabs.

(2) Operators must make the items in subsection (1) of this section available on the licensed premises for us, local law enforcement, or local tax agencies to inspect.

(3) If stored off premises, operators must produce the game for inspection on demand.

(4) Operators must retain punch board or pull-tab series removed from play for:

(a) **Charitable or nonprofit operators -** Four months following the last day of the month in which the board or series was removed from play; and

(b) **Commercial operators -**

(i) Two months following the last day of the month in which they removed the board or series from play; and

(ii) Three months following the day they removed the board or series from play for winning punches or pull-tabs over twenty dollars. Operators must also retain the flare for these games; and

(c) **Carry-over jackpot series -** For four months after the last day of the month in which the carry-over jackpot was won; and

(d) **Progressive pull-tab series -** For one year. After the retention period, operators must destroy unsold progressive pull-tab series tabs in such a way that no one may find and use unopened winning tabs later; and

(e) **Cumulative prize pool pull-tab games -** for four months, following the last day of the month, in which the last seal is opened on the cumulative prize pull-tab game board.

[Statutory Authority: RCW 9.46.070. 09-17-077 (Order 657), § 230-14-265, filed 8/14/09, effective 1/1/10; 07-17-058 (Order 614), § 230-14-265, filed 8/10/07, effective 1/1/08.]

WAC 230-14-266 Location of unplayed punch boards and pull-tab series. (1) Punch board and pull-tab operators must retain unplayed punch board and pull-tab series:

(a) On the licensed premises; or

(b) Off premises, if the operator provides them to us when requested.

(2) Operators must make these items available on the licensed premises to those persons listed in RCW 9.46.130 and to local taxing authorities to inspect.

[Statutory Authority: RCW 9.46.070. 08-03-062 (Order 623), § 230-14-266, filed 1/14/08, effective 2/14/08.]

WAC 230-14-270 Additional retention requirements for some commercial stimulant licensees. (1) Punch board and pull-tab licensees who fail to comply with all record-keeping requirements or who misstate gross gambling receipts by more than one percent during any calendar quarter will receive a letter from us requiring them to comply with additional record retention limits.

(2) Licensees receiving the letter must retain all punch boards and pull-tab series for at least four months following the last day of the month during which they were removed from play. Specially authorized games like carry-over jackpots and progressive pull-tab series may require longer retention periods.

(3) After one year, licensees may petition us to remove the increased retention requirement. The petition must include documentation of the steps taken to correct record-keeping errors or misstatements.

(4) To compute gross gambling receipts to determine compliance with recording accuracy requirements, see WAC 230-14-255.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-270, filed 8/10/07, effective 1/1/08.]

WAC 230-14-275 Returning punch boards and pull-tab series to the distributor or manufacturer. (1) If punch board and pull-tab operators return a punch board or pull-tab series for any reason, they must write the date, the invoice or credit memo number, and "returned" on the original purchase invoice or inventory record.

(2) Operators must record each punch board or pull-tab series returned on their monthly record and keep a copy of the quality control report for the retention period required by WAC 230-14-240.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-275, filed 8/10/07, effective 1/1/08.]

WAC 230-14-280 Records review of gross gambling receipts. To meet the gross gambling receipts and license class requirements, punch boards and pull-tab licensees must adjust gross gambling receipts from the operation to comply with commission records review findings.

Licensees must perform the following calculations:

(1) **For unrecorded punch boards and pull-tab series -**

Unadjusted gross gambling receipts
+
Unrecorded punch boards or pull-tab series
(total number of chances multiplied by price)

Adjusted gross gambling receipts*

To account for any unrecorded punch boards and pull-tab series, licensees add the unrecorded punch board or pull-tab series to the unadjusted gross gambling receipts. To get the total of unrecorded punch boards or pull-tab series, licensees multiply the total number of chances available by the price of a single chance to determine the maximum amount that could be generated from the punch board or pull-tab series.

*Licensees must apply this figure to the records for the month in which they purchased the punch board or pull-tab series.

(2) **For recording errors -**

Unadjusted gross gambling receipts
+/–
Adjustment factor
(amount of sample group divided by recorded amount for the licensee)

Adjusted gross gambling receipts for the quarter and the three quarters preceding**

To adjust gross gambling receipts for the results of our records review, licensees divide the amount we determined for a randomly selected sample of punch boards or pull-tab series by the recorded amount for them.

**Licensees apply this figure to the total recorded gross gambling receipts for the calendar quarter from which we took the sample and to the three quarters immediately before.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-280, filed 8/10/07, effective 1/1/08.]

WAC 230-14-284 Activity reports for punch board and pull-tab licensees. Punch boards and pull-tab licensees must submit an activity report to the commission. Licensees must complete the report in the format we require and must:

(1) Cover the periods:

(a) January 1 through June 30; and

(b) July 1 through December 31; 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 punch board and pull-tab licensee or its employee prepares the report, then it must provide the preparer's name and business telephone number; and

(4) Be filed even if they do not renew their license. They must file a report for the period between the previous report filed and the expiration date of the license; and

(5) Unless they are also licensed for Class D or above bingo, charitable and nonprofit licensees must submit a semi-annual activity report for punch boards and pull-tabs; and

(6) Class D or above bingo licensees with a punch board and pull-tab license must report punch board and pull-tab activity, on the combined quarterly report provided by the commission as explained in WAC 230-10-331.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-14-284, filed 10/22/07, effective 1/1/08.]

WAC 230-14-285 Monthly income summary. (1) Punch board and pull-tab licensees must prepare a detailed monthly income summary for punch board and pull-tab series removed from play in the format we require either manually or electronically.

(2) Licensees may store punch board and pull-tab monthly records electronically if they:

(a) Retain all original input control documents supporting the electronic record; and

(b) Generate a monthly paper income summary that organizes the electronic record into the format we require.

(c) Ensure that the income summary:

(i) Does not hinder our review of records; and

(ii) Is available for review no later than thirty days following the end of the month; and

(iii) Is available within three days of a request by us, local law enforcement, or local tax agencies.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-285, filed 8/10/07, effective 1/1/08.]

WAC 230-14-290 Calculating cash over and cash short on the punch board and pull-tab monthly income summary. (1) When preparing their monthly income summary, operators must determine cash over or cash short by:

(a) Subtracting actual cash from net gambling receipts for punch boards and pull-tabs which award cash prizes; and

(b) Subtracting actual cash from gross gambling receipts for punch boards and pull-tabs which award merchandise prizes.

(2) When operators sell more than one series of pull-tabs from a single dispenser and the dispenser has meters to record the number of tabs dispensed from each series, operators may compute the actual cash using the meter readings. If operators use this method, they must:

(a) Play out all series in each dispenser at least once each calendar quarter; and

(b) Reconcile the total cash removed from the dispenser to the total tabs sold from that dispenser to calculate the combined cash over or cash short for all series played from each dispenser during the period. "Reconcile" means the operator must compare the two balances, resolve any differences, and document the comparison and the differences in writing.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-290, filed 8/10/07, effective 1/1/08.]

WAC 230-14-295 Electronic facsimiles of I.D. stamps. Punch board and pull-tab licensees may use a printer interfaced with a computer to create an electronic facsimile of the I.D. stamps, as long as licensees:

(1) Input the I.D. stamp number into the computer; and

(2) Print records on white paper. Facsimiles of the I.D. stamp must be at least one-quarter inch in height with a "quiet zone" of at least one-quarter inch on each side of the bar code; and

(3) Code "interleaved two of five" (USS-ITF-2/5) bar code facsimiles. This is a high-density numeric-only barcode type used in the Automatic Identification and Data Capture industry. It is also called American National Standards Institute/Association for Automatic Identification and Mobility (ANSI/AIM) ITF 2/5. The bar code must have a readability rate of at least ninety-nine percent with a maximum of three passes with our bar code reading equipment. An example is below:

(4) Licensees are responsible for the accuracy of printouts and that bar codes are electronically readable.

[Statutory Authority: RCW 9.46.070. 07-17-058 (Order 614), § 230-14-295, filed 8/10/07, effective 1/1/08.]

WAC 230-14-320 Defining a cumulative prize pool pull-tab game. "Cumulative prize pool pull-tab game" means a pull-tab game that contains two or more series. Each series in the game has a unique serial number.

[Statutory Authority: RCW 9.46.070. 09-17-077 (Order 657), § 230-14-320, filed 8/14/09, effective 1/1/10.]

WAC 230-14-325 Defining a cumulative prize pool pull-tab game board. "Cumulative prize pool pull-tab game board" means the flare for a cumulative prize pool pull-tab game.

[Statutory Authority: RCW 9.46.070. 09-17-077 (Order 657), § 230-14-325, filed 8/14/09, effective 1/1/10.]

WAC 230-14-330 Defining a cumulative prize pool pull-tab series. "Cumulative prize pool pull-tab series" means individually packaged groups of pull-tabs that make up a cumulative prize pool pull-tab game.

[Statutory Authority: RCW 9.46.070. 09-17-077 (Order 657), § 230-14-330, filed 8/14/09, effective 1/1/10.]

WAC 230-14-335 Operating requirements for cumulative prize pool pull-tab games. (1) Operators must conduct cumulative prize pool pull-tab games in the same way as other pull-tab series and must follow these additional requirements:

(a) Cumulative prize pool pull-tab game boards must be displayed until the game is permanently pulled from play.

(b) Once a seal card winner from each series is revealed, the seal card winner will pick one unopened seal from the cumulative prize pool pull-tab game board.

(c) If a player buys out a series, their name will be placed on all remaining empty lines on the list displayed on the series flare.

(d) Must not use substitute flares.

(2) Operators may have more than one series in play at the same time, but may not commingle pull-tab series.

(3) Operators must prominently post house rules of how the winner of a series will be chosen if the operator removes a series from play before the list on the series flare is completed. For example, once the seal is open and a player's name is not on that line, house rules could indicate that the name above the winning line would be declared the winner of the series.

[Statutory Authority: RCW 9.46.070. 09-17-077 (Order 657), § 230-14-335, filed 8/14/09, effective 1/1/10.]

Chapter 230-15 WAC
CARD GAME RULES

WAC

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OPERATING CARD GAMES

WAC 230-15-001 "Public card room" defined. "Public card room" means that area of the business being commercially stimulated set aside for the playing of card games.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-001, filed 4/10/07, effective 1/1/08.]

WAC 230-15-005 Requirements for public card games. At any time public card game licensees are conducting card games, they must:

(1) Have the food and/or drink business being commercially stimulated open to the public; and

(2) For Class E, Class F, or house-banked card games, have a licensed card room employee on duty and in the public card room area.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-005, filed 4/10/07, effective 1/1/08.]

WAC 230-15-010 "Social card games" defined. For the purposes of this chapter, "social card games" means those card games authorized by RCW 9.46.0282. "Card games" and "social card games" mean the same thing in this chapter.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-010, filed 4/10/07, effective 1/1/08.]

WAC 230-15-015 "Charitable and nonprofit social card room" and "guest" defined. "Charitable or nonprofit social card room" means the area of a charitable or nonprofit organization's premises set aside for the playing of social card games by full and regular members and their guests.

"Guests" means persons who are not members of a bona fide charitable or nonprofit organization, but who are allowed to use the facilities of the organization to play card games when accompanied by a regular member of the organization sponsoring the guest. Charitable and nonprofit organizations must not charge guests a fee to play that exceeds the maximum fee set by the commission.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-015, filed 4/10/07, effective 1/1/08.]

WAC 230-15-020 Approving area of premises for card games. Card game licensees must only operate card games in the specific area of the premises we approve.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-020, filed 4/10/07, effective 1/1/08.]

WAC 230-15-025 Hours of play. (1) Licensees must not allow the use of their premises for card playing between the hours of 2:00 a.m. and 6:00 a.m. unless we approve different hours.

(2) Licensees may request, in writing, different hours of operation. Once the request is received, we will consult with the local law enforcement agency having jurisdiction over the licensee's business and with other state agencies involved in regulation of the business. We may allow licensees to adjust closing hours, but licensees must:

(a) Open the food and/or drink business being stimulated to the public for business any time licensees are conducting card games; and

(b) Have a licensed card room employee on duty and in the licensed card game area at all times during the hours of operation of a Class E, Class F, or house-banked card games; and

(c) Observe a four-hour period of closure at the end of at least two business days a week before beginning the next period of operation; and

(d) Comply with any other terms and conditions we require.

(3) We may deny the request for extended hours or revoke hours already approved if:

(a) The local law enforcement agency or a state agency objects; or

(b) We determine that the licensee has violated any provisions of chapter 9.46 RCW, any other commission rule, or any of the terms set forth in subsection (1) of this section.

(4) Licensees must submit all objections to revocations of operating hours in writing.

(5) If requested, we allow the licensee an opportunity for a brief adjudicative proceeding (BAP) before denying or revoking the licensee's authorization for extended card game hours. An administrative law judge hears the BAP, under the provisions of Title 230 WAC and chapter 34.05 RCW.

[Statutory Authority: RCW 9.46.070. 08-09-056 (Order 624), § 230-15-025, filed 4/14/08, effective 7/1/08; 07-09-033 (Order 608), § 230-15-025, filed 4/10/07, effective 1/1/08.]

WAC 230-15-030 Authorized nonhouse-banked card games. (1) Only the following nonhouse-banked card games are authorized:

(a) Poker;

(b) Hearts;

(c) Pinochle;

(d) Cribbage;

(e) Rummy;

(f) Panguingue (Pan);

(g) Pitch; and

(h) Bid Whist.

(2) Card game licensees must operate these games in the manner explained in the most current version of *The New Complete Hoyle, Revised* or *Hoyle's Modern Encyclopedia of Card Games*, or similar authoritative book on card games we have approved. Card game licensees may make immaterial modifications to the games.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-030, filed 4/10/07, effective 1/1/08.]

WAC 230-15-035 Authorizing new games or changing game rules. Card game licensees must operate only the card games the director or the director's designee has specifically authorized. The director or the director's designee authorizes each new card game or changes to existing card games on an individual basis. A list of all authorized games and the rules of play are available at all commission offices and on the commission web site.

(1) Card game licensees must submit:

(a) Requests for authorizing new card games in the format we require; and

(b) Changes to an existing card game in writing.

(2) The director or the director's designee will notify the licensee in writing if the request is denied. The notification will include reasons for the denial and provide the licensee all information necessary to file a petition to the commission for rule making.

[Statutory Authority: RCW 9.46.070. 08-21-086 (Order 632), § 230-15-035, filed 10/14/08, effective 1/1/09; 07-21-116 (Order 617), § 230-15-035, filed 10/22/07, effective 1/1/08; 07-09-033 (Order 608), § 230-15-035, filed 4/10/07, effective 1/1/08.]

WAC 230-15-040 Requirements for authorized card games. (1) In order for a card game to be authorized, the card game must:

(a) Be played with standard playing cards or with electronic card facsimiles approved by the director or the director's designee; and

(b) Offer no more than four separate games with a single hand of cards. However, no more than three of the games may offer a wager that exceeds five dollars each. We consider bonus features and progressive jackpots separate games. If a player does not have to place a separate wager to participate, we do not consider it a separate game. An example of this is an "envy" or "share the wealth" pay out when another player achieves a specific hand; and

(c) Not allow side bets between players.

(2) Card game licensees may use more than one deck of cards for a specific game. They also may remove cards to comply with rules of a specific game, such as Pinochle or Spanish 21.

(3) Players must:

(a) Compete against all other players on an equal basis for nonhouse-banked games or against the house for house-banked games. All players must compete solely as a player in the card game; and

(b) Receive their own hand of cards and be responsible for decisions regarding such hand, such as whether to fold, discard, draw additional cards, or raise the wager; and

(c) Not place wagers on any other player's or the house's hand or make side wagers with other players, except for:

(i) An insurance wager placed in the game of Blackjack; or

(ii) An "envy" or "share the wealth" wager which allows a player to receive a prize if another player wins a jackpot or odds-based wager; or

(iii) A tip wager made on behalf of a dealer.

(4) Mini-Baccarat is authorized when operated in the manner explained for Baccarat in the most current version of *The New Complete Hoyle, Revised* or *Hoyle's Encyclopedia of Card Games*, or similar authoritative book on card games we have approved. However:

(a) Card game licensees may make immaterial modifications to the game; and

(b) Subsection (3) of this section does not apply; and

(c) The number of players is limited under WAC 230-15-055.

(5) A player's win or loss must be determined during the course of play of a single card game.

[Statutory Authority: RCW 9.46.070 and 9.46.0282. 09-17-076 and 09-17-105 (Orders 656 and 656-A), § 230-15-040, filed 8/14/09 and 8/18/09, effective 9/14/09 and 9/18/09. Statutory Authority: RCW 9.46.070. 08-21-086

(Order 632), § 230-15-040, filed 10/14/08, effective 1/1/09; 07-09-033 (Order 608), § 230-15-040, filed 4/10/07, effective 1/1/08.]

WAC 230-15-045 Withdrawing card game authorization. If the director or the director's designee withdraws authorization of a card game:

(1) The director or the director's designee will give licensees written notice and an opportunity to object to the decision. If a licensee files an objection in writing, an administrative law judge will review the decision.

(2) The director or the director's designee will provide written notice to impacted licensees after a final decision is made.

[Statutory Authority: RCW 9.46.070. 08-21-086 (Order 632), § 230-15-045, filed 10/14/08, effective 1/1/09; 07-09-033 (Order 608), § 230-15-045, filed 4/10/07, effective 1/1/08.]

WAC 230-15-050 Minimum cash on hand requirements. (1) Card game licensees must have sufficient cash on hand to redeem all chips issued for play and pay out all prizes.

(2) Within three hours of opening for the business day, at a time included in the internal controls, house-banked card game licensees must have at least the following minimum amount of cash on premises in their cage, safe, and vault combined:

(a) One thousand dollars for each house-banked table on the gambling floor; plus

(b) The amount of the largest single prize available excluding jackpot prizes when WAC rules require a deposit into a separate bank account (for example, player-supported jackpots and progressive jackpots).

For example: If a house-banked card room has fifteen house-banked tables and a largest single prize of twenty-three thousand dollars, before opening, the cage must have at least thirty-eight thousand dollars on hand: 15 tables x $1,000 = $15,000 + largest single prize of $23,000 = $38,000.

(3) Except for the restrictions on player-supported jackpot pay outs in WAC 230-15-405 and progressive jackpot pay outs in WAC 230-15-690, licensees may pay prizes by check if sufficient funds are available on deposit.

(4) Failure to keep funds to cash in chips, pay prizes, or redeem gambling related checks is prima facie evidence of fraud. Meeting the minimum cage cash amount does not relieve the licensee from the requirement to have sufficient funds available to redeem all chips and pay out all prizes.

[Statutory Authority: RCW 9.46.070. 09-03-024 (Order 640), § 230-15-050, filed 1/9/09, effective 2/9/09; 07-23-081 (Order 620), § 230-15-050, filed 11/20/07, effective 1/1/08; 07-09-033 (Order 608), § 230-15-050, filed 4/10/07, effective 1/1/08.]

WAC 230-15-055 Limit on number of players at each table. Card game licensees must only allow:

(1) Up to nine players or areas for wagering at any table in house-banked card games.

(2) Up to ten players at any table in nonhouse-banked card games.

[Statutory Authority: RCW 9.46.070. 08-23-079 (Order 637), § 230-15-055, filed 11/18/08, effective 1/1/09; 07-09-033 (Order 608), § 230-15-055, filed 4/10/07, effective 1/1/08.]

WAC 230-15-060 Posting rules for play. Card game licensees must:

(1) Prominently post:

(a) Wagering limits for each type of game, including the ante; and

(b) Prize pay outs and any prize-related restrictions; and

(c) All fees to play; and

(d) Policies on employees being allowed to play; and

(e) Procedures for resolving player disputes; and

(2) Prominently post any general rules, or a sign stating that these rules are available immediately on request. These rules must include, at least:

(a) Rules of play; and

(b) Methods of making wagers; and

(c) Procedures for misdeals; and

(d) Procedures for betting irregularities; and

(e) Procedures for splitting pots; and

(f) Any rules that may restrict a player's right to win a hand, pot, or jackpot prize; and

(3) Post at the gambling table any aggregate limits, procedures, or restrictions that differ from the general rules of play that have been posted.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-060, filed 4/10/07, effective 1/1/08.]

WAC 230-15-065 Enforcement of card game rules of play. Card game licensees must conduct card games according to the approved rules of play. We enforce rules of play in the following order:

(1) **First priority:** Rules explained in Title 230 WAC; and

(2) **Second priority:** Rules explained by a licensed manufacturer of a patented game that we have approved; and

(3) **Third priority:** House rules card game licensees have developed and we have approved; and

(4) **Fourth priority:** Rules explained in the most current version of *The New Complete Hoyle, Revised* or *Hoyle's Modern Encyclopedia of Card Games*, or a similar authoritative book on card games which we have approved.

[Statutory Authority: RCW 9.46.070. 07-10-034 (Order 611), § 230-15-065, filed 4/24/07, effective 1/1/08.]

WAC 230-15-070 Fee restrictions for nonhouse-banked card games. (1) The licensee must collect the same fee from all players at a table. If the licensee allows free play, then all players at a table must be allowed to play for free. If card game licensees base their fees on a period of time, they may allow card room employees and owners to play without a fee;

(2) Card game licensees must not require players to pay for or purchase any other goods or services as a condition of playing cards; and

(3) Card game licensees may collect an admission fee when providing entertainment, as long as they charge all patrons the fee.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-070, filed 4/10/07, effective 1/1/08.]

WAC 230-15-075 Card game fees for nonhouse-banked card games. Nonhouse-banked card game licensees must:

(1) Not charge, directly or indirectly, fees more than those fees in WAC 230-15-080. Nonprofit or charitable card game licensees may charge their usual membership fee to belong to the organization;

(2) Keep all fees collected separate from all other chips and cash until they are recorded in the daily card room records and then deposit the fees in the cashier's cage (if applicable). All chips and cash in the cashier's cage must be kept separate from all other moneys located on the licensed premises while card games are conducted; and

(3) Keep and record card game fees separately from all other fees and have the records available for audit by commission staff, local law enforcement, and taxing authorities.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-075, filed 4/10/07, effective 1/1/08.]

WAC 230-15-080 Authorized fees and authorized methods of collection. Card game licensees must collect only one type of card game fee at a table at any given time. The following are authorized types of fees, the card game licensees who may use those fee types, and the methods of collection:

Authorized types of fees	Licensees authorized to use the fee types	Authorized methods of collection	Maximum amount to collect
(1) **Period of time -** (a) Licensees must collect the fee at least once per hour at times the licensee chooses, for example, at thirty minute increments; and (b) Licensees must record all fees immediately after collection; or	Class A, B, C, E, F	Direct collection; or Chip rack - only allowed if licensed for three or fewer tables; or Drop box.	Not more than ten dollars per hour, per player.
(2) **Per hand played -** (a) Players must place fees charged on a per-hand basis in a designated area of the table and dealers must collect them before dealing the first round of cards; and (b) After collecting the fees, dealers must deposit all chips or coins in either the drop box or chip rack; or	Class F and house-banked	Drop box; or Chip rack - only allowed if licensed for three or fewer tables.	Not more than one dollar per hand, per player.
(3) **Rake -** (a) Dealers must collect fees charged on the amounts wagered during the play of the hand and place the fees in a designated area of the table; and	Class F and house-banked	Drop box; or Chip rack - only allowed if licensed for three or fewer tables.	Not more than five dollars per hand or ten percent of the total wagers for a hand, whichever is less.

Authorized types of fees	Licensees authorized to use the fee types	Authorized methods of collection	Maximum amount to collect
(b) Once dealers accumulate the maximum fee for a hand, they must spread the chips or coins to allow players and the surveillance system to view the amount collected. After spreading the chips or coins, the dealer deposits them in either the drop box or chip rack.			

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-080, filed 4/10/07, effective 1/1/08.]

WAC 230-15-085 Requirements for authorized methods of collecting fees. (1) **Direct collection -** Card game licensees using the direct collection method must have a licensed card room employee other than the dealer collect fees directly from each player and deposit the fees in the bank area serving the card games.

(2) **Drop box -** Licensees must locate the drop box opening in a place that is isolated from the pot area and in plain view of all players and the surveillance system. Licensees must have:

(a) A licensed dealer; and

(b) A table with a designated area for each type of fee removed from the pot; and

(c) A separate drop box for each type of fee.

(3) **Chip rack -** Licensees using the chip rack method must:

(a) Have a licensed dealer; and

(b) Use a game lay-out with a designated area for player fees; and

(c) Use a chip rack separated into sections for each type of fee collected (example: Time fee collected and fee to enter player-supported jackpot); and

(d) Ensure that dealers temporarily store and control fees in the chip rack until the floor supervisor collects the fees; and

(e) Ensure that the licensed card room employee responsible for that area of the card room removes all chips collected as fees from the dealers' chip racks at least every four hours; and

(f) Have licensed card room employees count chips and coins in the presence of players and immediately record the totals on the record in a format we require; and

(g) Have the dealer and floor supervisor who remove the chips and coin each initial the commission record verifying its accuracy.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-085, filed 4/10/07, effective 1/1/08.]

WAC 230-15-090 Requirements for drop boxes. Drop box means a metal container attached to each gambling table into which the dealer must deposit all chips and cash collected during play and, if required, insert card game inventory control slips. Each drop box must have:

(1) **A box lock -** A lock that secures the contents; and

(2) **A table lock -** A separate lock securing the drop box to the gambling table. Card game licensees must key this lock differently from the lock securing the contents of the drop box; and

(3) **An opening -** An opening through which currency, coin, chips, forms, records, and documents can be inserted into the drop box; and

(4) **A label -** A permanent number clearly visible which corresponds to a permanent number on the gambling table to which the box is attached. The shift during which the box was used must also be included if drop boxes are removed from tables more than once during an operating day. Card game licensees may keep emergency drop boxes if the box has the word "emergency" permanently on it, and, when it is put into use, licensees temporarily mark it with the number of the gambling table.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-090, filed 4/10/07, effective 1/1/08.]

WAC 230-15-100 Providing cards and chips in card games. (1) Card game licensees, except for Class D licensees, must supply all chips and cards and not allow any other chips or cards to be used on their premises.

(2) Card game licensees must not charge additional fees to players for chips and cards except as allowed under WAC 230-15-110.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-100, filed 4/10/07, effective 1/1/08.]

WAC 230-15-105 Only authorized cards or chips may be used. (1) No one may bring a playing card or cards into a licensed card room to introduce or use in authorized card games.

(2) Other than chips purchased from the licensed card room, no one may bring any wagering chip or chips into a licensed card room to introduce or use in authorized card games.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-105, filed 4/10/07, effective 1/1/08.]

WAC 230-15-110 Standards for chips. (1) Chips must be of conventional size and design that maximize the integrity of the card games. Chips must be identifiable as belonging to the licensee and must:

(a) Include the house name or logo; and

(b) Denote the chip value; and

(c) Be made by a licensed manufacturer; and

(d) Be purchased from a licensed manufacturer or distributor.

(2) Class D licensees are exempt from subsection (1) of this section.

(3) Card game licensees must:

(a) Safeguard all chips in their possession; and

(b) Not allow any other person to buy or sell chips for use in card games on their premises.

(4) Class A, B, C, and E licensees with five or fewer tables may use chips without a house name or logo if the chips are identifiable as belonging to the licensee and they prominently post values of the chips in the card room.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-110, filed 4/10/07, effective 1/1/08.]

WAC 230-15-111 Destruction and disposal of gambling chips. Licensees must submit internal controls to us outlining the procedures for destroying or disposing of gambling logo chips.

(1) Licensees' internal controls must set out the method for destroying logo chips that are damaged or worn. The internal controls must include, at least:

(a) That chips must be destroyed or mutilated in such a way that they are unusable for play; and

(b) The two departments, one of which must be the accounting department, that will be responsible for overseeing chip destruction; and

(c) Only licensed employees may perform chip destruction.

(2) Licensees must record all gambling chips they destroyed on a chip destruction log in the format we require.

(3) If a card room closes, the licensee or former licensee must:

(a) Sell or otherwise transfer gambling equipment to a licensed manufacturer or distributor; or

(b) Destroy the chips according to the established internal controls and provide the chip destruction log to us.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-15-111, filed 10/22/07, effective 1/1/08.]

WAC 230-15-115 Standards for cards. (1) Card game licensees must:

(a) Supply cards of conventional size and design to maximize the integrity of the card games; and

(b) Safeguard all cards; and

(c) Not allow cards that have been modified or marked in any manner.

(2) For Class E, Class F, and house-banked games, the cards must:

(a) Be made by a licensed manufacturer; and

(b) Be purchased from a licensed manufacturer or distributor.

(3) Cards with the house name or logo must be used for house-banked card games.

[Statutory Authority: RCW 9.46.070. 09-11-087 (Order 648), § 230-15-115, filed 5/18/09, effective 7/1/09; 07-09-033 (Order 608), § 230-15-115, filed 4/10/07, effective 1/1/08.]

WAC 230-15-120 Fees for decks of cards. (1) Card game licensees may charge a fee to a player asking for a new deck of cards.

(2) In addition, Class D licensees may charge a fee for every deck supplied to a table.

(3) The fee must not be greater than the licensee's actual cost for the deck.

(4) At the time licensees introduce new decks, they must collect the fee in cash directly from the player requesting the deck or the players of the game.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-120, filed 4/10/07, effective 1/1/08.]

WAC 230-15-125 Cutting cards in player-dealt games. In player-dealt games:

(1) After the shuffle, the dealer must offer the cards to a player for a cut. After this initial offer of a cut, the dealer may require any player who asks for a cut to pay a maximum of one dollar; and

(2) Dealers must:

(a) Not cut the cards more than twice during each hand or game; and

(b) Place all the fees for cutting the cards into the pot for that hand or game.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-125, filed 4/10/07, effective 1/1/08.]

WAC 230-15-126 Cutting cards in center dealer-dealt games. In center dealer-dealt games:

(1) After the shuffle, the dealer may offer the cards to a player for a cut. After this initial offer of a cut, the dealer may require any player who asks for a cut to pay a maximum of one dollar; and

(2) Dealers must:

(a) Not cut the cards more than twice during each hand or game; and

(b) Place all the fees for cutting the cards into the pot for that hand or game.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-15-126, filed 10/22/07, effective 1/1/08; 07-10-034 (Order 611), § 230-15-126, filed 4/24/07, effective 1/1/08.]

WAC 230-15-130 Rotating the deal in player-dealt games. If card game licensees offer player-dealt games:

(1) The deal must pass from player to player; and

(2) A player may not deal another game until all of the players at the table have had their turn to deal. Players may voluntarily waive their right to deal any particular game.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-130, filed 4/10/07, effective 1/1/08.]

WAC 230-15-135 Wagering limits for nonhouse-banked card games. Card room licensees must not exceed these wagering limits:

(1) **Poker -**

(a) There must be no more than five betting rounds in any one game; and

(b) There must be no more than four wagers in any betting round, for example, the initial wager plus three raises; and

(c) The maximum amount of a single wager must not exceed forty dollars;

(2) **Games based on achieving a specific number of points -** Each point must not exceed five cents in value;

(3) **Ante -** No more than the maximum wager allowed for the first betting round for any game, except for Panguingue (Pan). The ante may, by house rule:

(a) Be made by one or more players, but the total ante may not exceed the maximum wager allowed for the first betting round; and

(b) Be used as part of a player's wager;

(4) **Panguingue (Pan) -** The maximum value of a chip must not exceed ten dollars. An ante must not exceed one chip. We prohibit doubling of conditions. Players going out may collect no more than two additional chips for going out from each participating player.

[Statutory Authority: RCW 9.46.070, 9.46.0282. 09-21-013 (Order 658), § 230-15-135, filed 10/9/09, effective 11/9/09. Statutory Authority: RCW 9.46.070. 09-09-056 (Order 642), § 230-15-135, filed 4/10/09, effective 7/1/09; 07-21-116 (Order 617), § 230-15-135, filed 10/22/07, effective 1/1/08; 07-09-033 (Order 608), § 230-15-135, filed 4/10/07, effective 1/1/08.]

WAC 230-15-140 Wagering limits for house-banked card games. (1) A single wager or a bonus wager for an odds-based pay out must not exceed three hundred dollars.

(2) A player may make a single wager for each decision before the dealer deals or reveals additional cards. For Blackjack, the player may place an additional wager for doubling down or splitting pairs.

(3) Bonus wagers for progressive jackpots must not exceed manufacturer's rules or limits listed in subsection (1) of this section.

[Statutory Authority: RCW 9.46.070. 08-20-025 (Order 631), § 230-15-140, filed 9/19/08, effective 1/1/09; 07-09-033 (Order 608), § 230-15-140, filed 4/10/07, effective 1/1/08.]

WAC 230-15-141 Additional merchandise or cash prizes for card games.

Nonproprietary games.

(1) Licensees may add additional merchandise or cash prizes to nonproprietary games like Blackjack or Pai Gow. We consider these additional prizes a gambling promotion and they must meet all requirements of WAC 230-06-030.

Proprietary games.

(2) Licensees must not add additional merchandise or cash prizes to proprietary games without the approval of the company that owns the rights to the games.

(3) To indicate their approval, the owner of the rights to a proprietary game must:

(a) Submit an alternative pay-table that includes the additional or revised prize payout to us for review and approval; or

(b) Send an authorization letter to us allowing the addition of gambling promotions to their game.

(4) Once we approve the changes, the revised pay-tables are available to all card game licensees. The prizes become a part of the game rules and we consider them prize payouts on the game. Because of this, we do not consider the prizes a gambling promotion.

[Statutory Authority: RCW 9.46.070. 08-17-066 (Order 629), § 230-15-141, filed 8/18/08, effective 9/18/08; 07-21-116 (Order 617), § 230-15-141, filed 10/22/07, effective 1/1/08.]

WAC 230-15-145 Making wagers with chips or coin. Players in card games must make all wagers and pay fees to play card games with chips, except that:

(1) Players may use half dollars or quarters in house-banked card games; and in nonhouse-banked card games to pay fees.

(2) Players may use dimes and nickels in any game that allows a commission to be charged.

[Statutory Authority: RCW 9.46.070. 09-15-069 (Order 652), § 230-15-145, filed 7/13/09, effective 1/1/10; 08-23-061 (Order 632), § 230-15-145, filed 11/14/08, effective 1/1/09; 07-09-033 (Order 608), § 230-15-145, filed 4/10/07, effective 1/1/08.]

WAC 230-15-150 Selling and redeeming chips. (1) Card game licensees must:

(a) Sell chips and redeem chips at the same value; and

(b) Sell chips for cash at gambling tables; and

(c) Keep all funds from selling chips separate and apart from all other money received; and

(d) Not extend credit to a person purchasing chips, including to card room employees playing cards; and

(2) Licensees may accept checks, if the checks meet the requirements of WAC 230-06-005. They must:

(a) Deposit any check retained after the close of business no later than the second banking day after the close of business. Checks deposited to an armored car service no later than the second banking day after the close of business meet this requirement; and

(b) Count each transaction for the purchase of chips as a separate transaction. (Example: They must not allow a player's check to be altered after it is exchanged for chips.)

[Statutory Authority: RCW 9.46.070. 07-10-034 (Order 611), § 230-15-150, filed 4/24/07, effective 1/1/08.]

WAC 230-15-155 NSF checks. (1) Card game licensees may use a guarantee service to preapprove checks. The bank may send the original nonsufficient funds (NSF) check to the guarantee service.

(2) If card game licensees do not use a guarantee service or choose not to use their guarantee service to preapprove a particular check, licensees must:

(a) Keep records of all NSF checks in the format we require and make the records available to the cashier; and

(b) Prohibit persons who submitted NSF checks from submitting additional checks until the person pays the amount owed in full; and

(c) Have all NSF checks returned directly to them and control the checks.

(3) Card game licensees may immediately redeposit a check that was NSF if they have sufficient reason to believe the check will be honored the second time.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-155, filed 4/10/07, effective 1/1/08.]

WAC 230-15-158 Ensuring card room employees meet license requirements. Card game licensees must not allow any person to perform the duties of card room employee until they have met our licensing requirements.

[Statutory Authority: RCW 9.46.070. 09-11-088 (Order 649), § 230-15-158, filed 5/18/09, effective 7/1/09.]

WAC 230-15-160 Providing dealers. (1) "Dealer" means a licensed card room employee who conducts card games, deals cards, collects or pays off players' bets, or collects fees. Card game licensees:

(a) May provide a dealer in any card game; and

(b) Must have a dealer for all house-banked card games, card games operated with a player-supported jackpot, or card games authorized to charge per-hand fees or take a rake.

(2) Dealers must not play in the games while dealing and must have no financial interest in the outcome of the games, except that we allow tip wagers.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-160, filed 4/10/07, effective 1/1/08.]

WAC 230-15-165 Defining "floor supervisor." "Floor supervisor" means a licensed card room employee who oversees a limited number of card games within a designated area and directly supervises the dealers assigned to those games. The floor supervisor reports to the shift manager.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-165, filed 4/10/07, effective 1/1/08.]

WAC 230-15-170 Photos of card room employees required. Card game licensees must have photographs of their licensed card room employees with the employees' licenses, available for inspection on the premises. The photo must be of a passport type not less than 2" x 3" and clearly show a full facial view of the employee.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-170, filed 4/10/07, effective 1/1/08.]

WAC 230-15-180 Playing for or assisting others prohibited. No person may:

(1) Allow a representative to sit in on a card game on their behalf for any purpose; or

(2) Act as a representative on anyone's behalf; or

(3) Allow anyone to assist any player in the game in a manner which gives that player an advantage over other players.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-180, filed 4/10/07, effective 1/1/08.]

WAC 230-15-185 Preventing cheating in card games. (1) Card game licensees must take necessary steps to prevent cheating and ensure that games are played fairly.

(2) If card game licensees find someone cheating, they must:

(a) Contact the local law enforcement agency immediately in urgent situations; and

(b) Report it to us within three business days.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-185, filed 4/10/07, effective 1/1/08.]

WAC 230-15-189 House-banked and Class F card game licensee pilot program on wagering limits for Texas Hold'em poker. The commission finds it to be in the public's interest to conduct a pilot program to test the regulatory and economic impact of increasing wagering limits for the game of Texas Hold'em poker to one hundred dollars.

(1) The pilot program will commence October 15, 2010, and data collection will continue through March 31, 2012. House-banked or Class F card game licensees who wish to be included in the pilot program must submit a written request to participate to the director or his designee.

(2) Staff will provide a mid-program report at the July 2011 commission meeting, and report final results of the pilot program along with their recommendations at the May 2012 commission meeting. Licensees in the pilot program may continue to operate at the one hundred dollar wager limits until the commission finally approves or disapproves that wager limit, or until December 31, 2012, whichever comes first.

(3) House-banked or Class F card game licensees must notify us of when they plan to conduct higher limit games.

(4) House-banked or Class F card game licensees must document, retain and provide the following information to us monthly, and such further information we may request, in the format we prescribe during the pilot program:

(a) Dates, times, and number of tables operating under the pilot program; and

(b) Number of players at pilot program tables every hour the games are operated; and

(c) Wager limits offered at pilot program games; and

(d) Daily food and beverage sales; and

(e) The number of customers requesting to be self-barred; and

(f) All incidents of suspected cheating occurring at tables offering the higher wager limits.

(5) In the event a licensee fails to attempt to comply with the requirements of the pilot program, the director shall have the authority to remove that licensee from participation in the pilot program. Upon removal from the pilot program, the licensee will return to the wagering limits authorized in WAC 230-15-135. Removal from the pilot program shall not be subject to review or appeal.

[Statutory Authority: RCW 9.46.070, 9.46.0282. 10-19-048 (Order 672), § 230-15-189, filed 9/13/10, effective 10/15/10.]

GENERAL RECORDS AND RECORDKEEPING FOR CARD GAMES

WAC 230-15-190 Preparing card game records. (1) Card game licensees must prepare all records in the format we require. Licensees must record the data in ink, on storage media, or in other permanent form.

(2) Licensees must print, or back up in a permanent form, all the data kept in computer data bases monthly.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-190, filed 4/10/07, effective 1/1/08.]

WAC 230-15-195 Keeping and making daily records available. Card game licensees must:

(1) Keep the daily records of card room operations for at least three years;

(2) Have the past six months of daily card game records on the premises of the card room and available for inspection; and

(3) Make records older than six months available within forty-eight hours if we, local law enforcement, or taxing authorities request the records.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-195, filed 4/10/07, effective 1/1/08.]

WAC 230-15-200 Reporting card game activity semi-annually. Card game licensees, except for Class D, must submit an activity report for their card games to us.

(1) Licensees must complete the report in the format we require; and

(2) We must receive the completed report, or the report must be postmarked, no later than thirty days after the end of the reporting period; and

(3) The highest ranking executive officer or designee must sign the report. 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; and

(4) Licensees must report activities for:

January 1 through June 30; and

July 1 through December 31; and

(5) Licensees must submit a report for any period of time their license was valid. If licensees do not renew, they must submit a report for the period between the previous semiannual report they filed and the date their license expired.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-200, filed 4/10/07, effective 1/1/08.]

CARD TOURNAMENTS

WAC 230-15-205 Card tournament licenses. (1) Class A, B, E, F, or house-banked licensees may conduct a card tournament where a fee or buy-in is charged without getting a card tournament license, but they must only operate those card games approved for their license class.

(2) Class D licensees must obtain a card tournament license to charge a fee for a card tournament.

[Statutory Authority: RCW 9.46.070. 08-21-087 (Order 633), § 230-15-205, filed 10/14/08, effective 1/1/09; 07-09-033 (Order 608), § 230-15-205, filed 4/10/07, effective 1/1/08.]

WAC 230-15-210 Entry fees and buy-ins for card tournaments. (1) Card game licensees must:

(a) Not charge more than one hundred dollars per player for an entry fee; and

(b) Collect all entry fees before the start of play.

(2) The entry fee must include all the separate fees for various phases and events of the tournament, for food and drink, and for promotional material.

(3) Card game licensees may award prizes in excess of entry fees collected.

(4) Card game licensees may require a minimum buy-in of chips. The buy-in may be a single or multiple buy-in, but the total per player may not exceed four hundred dollars per tournament.

(5) Card game licensees must:

(a) Keep a record of the buy-ins for each player in the format we require; and

(b) Return all buy-ins to the players in cash or merchandise prizes.

(6) We do not consider buy-ins gross gambling receipts.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-210, filed 4/10/07, effective 1/1/08.]

WAC 230-15-215 Getting card tournaments approved. (1) Card game licensees must notify us ten days before any card tournament where the single or multiple buy-in(s) are more than fifty dollars. Card game licensees must submit rules for these tournaments for approval in advance.

(2) If a tournament is identical to a previously approved tournament under subsection (1) of this section, no further approval is needed. Notify us ten days in advance of the tournament.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-215, filed 4/10/07, effective 1/1/08.]

WAC 230-15-220 Restricting length of card tournaments. Card game licensees must not conduct a tournament for longer than thirty consecutive calendar days.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-220, filed 4/10/07, effective 1/1/08.]

WAC 230-15-225 Tournament rules and prizes. (1) Before players pay their fees, card game licensees must prominently post on the premises and keep posted until the tournament is complete:

(a) All rules, prizes, and conditions of the tournament; and

(b) The tournament fee; and

(c) Entry and buy-in requirements; and

(d) A description of all of the goods and services they will provide as a part of the tournament.

(2) Licensees must initially provide all tournament entrants with the same number of chips or points and the same opportunity for rebuys.

(3) If there are more players than spots available in the tournament, card game licensees may conduct a drawing to determine which players participate. If there is a fee to enter the tournament, card game licensees must collect it after the drawing has occurred.

(4) After the tournament has begun, card game licensees must not conduct a drawing to decide who will fill an extra seat.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-225, filed 4/10/07, effective 1/1/08.]

WAC 230-15-230 Offering discounted tournament fees as customer appreciation. Card game licensees may offer discounted fees to card tournaments to specific groups of players (such as Ladies' Night) as customer appreciation.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-230, filed 4/10/07, effective 1/1/08.]

WAC 230-15-235 Exclusive tournament entry as customer appreciation. Card game licensees may offer exclusive tournament entry to specific groups as customer appreciation. Card game licensees must include all requirements or restrictions in their tournament rules.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-235, filed 4/10/07, effective 1/1/08.]

WAC 230-15-240 Value of tournament chips. Card game licensees must use chips that have no monetary value and can only be redeemed for prizes posted by the licensee.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-240, filed 4/10/07, effective 1/1/08.]

WAC 230-15-245 Reporting entry fees as gambling receipts. (1) Card game licensees must report all entry fees as gross gambling receipts.

(2) If card game licensees prepare and provide food and drink as a part of the entry fee, they may treat the fair market value of the food and drink as commercial stimulant sales and not include it as gross gambling receipts.

(3) The fair market value of the food and drink must not exceed twenty-five dollars per player or fifty percent of the entry fee, whichever is more. Card game licensees must support these amounts with records.

(4) When determining adjusted net gambling receipts from the entry fees, card game licensees may deduct:

(a) Cost of promotional items; and

(b) Cost of merchandise prizes awarded; and

(c) Cost of merchandise prizes and cash awarded in customer appreciation tournaments; and

(d) Cash prizes awarded, excluding buy-ins.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-245, filed 4/10/07, effective 1/1/08.]

WAC 230-15-250 Recordkeeping for card tournaments. (1) Card game licensees must keep tournament records in the format we require.

(2) On the daily control sheet for the first day of a tournament, card game licensees must include the total gross gambling receipts and attach the record of participants.

(3) Licensees must attach the tournament records to the daily card game records for the date they awarded the majority of the prizes in the tournament.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-250, filed 4/10/07, effective 1/1/08.]

ADDITIONAL RULES FOR CHARITABLE AND NONPROFIT CARD GAMES

WAC 230-15-255 Posting rules for unlicensed card and dice games. Charitable and nonprofit organizations licensed to provide liquor to their members must post house rules for unlicensed social card and dice games. At a minimum, the house rules must include:

(1) General rules of play;

(2) Hours of play;

(3) Portions of the premises to be used for the games; and

(4) The restriction that only their full and regular members may play in the games.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-255, filed 4/10/07, effective 1/1/08.]

WAC 230-15-260 Allowing guests to play social card games. If a charitable or nonprofit organization has a social card game license, the organization may permit guests accompanied by full and regular members to play, as long as the guests comprise twenty-five percent or fewer of the persons playing at any one time.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-260, filed 4/10/07, effective 1/1/08.]

SURVEILLANCE REQUIREMENTS FOR CLASS F AND HOUSE-BANKED CARD GAME LICENSEES

WAC 230-15-265 Closed circuit television system surveillance requirements. Class F and house-banked card game licensees must install and maintain a closed circuit television (CCTV) system. Licensees must use either analog or digital recording equipment. Licensees must record video signals from all required cameras if they are performing any of the following:

(1) Operating gambling tables; or

(2) Storing drop boxes or chip trays on the gambling tables; or

(3) Transporting drop boxes; or

(4) Counting drop box contents.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-265, filed 4/10/07, effective 1/1/08.]

WAC 230-15-267 Remote access of closed circuit television surveillance systems. Licensed gambling service suppliers that install and maintain closed circuit television (CCTV) surveillance systems may remotely access digital CCTV systems for maintenance or repair under the following provisions:

(1) The card room licensee must notify us before the remote access occurs; and

(2) The card room licensee must document any remote access in their surveillance log; and

(3) Remote access will only be enabled for the duration of the maintenance or repair and the connection terminated immediately after.

[Statutory Authority: RCW 9.46.070. 09-15-071 (Order 651), § 230-15-267, filed 7/13/09, effective 1/1/10.]

WAC 230-15-270 Surveillance when operating both Class F and house-banked card games. If licensees are conducting both Class F and house-banked card games, they must meet the surveillance requirements for house-banked card games.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-270, filed 4/10/07, effective 1/1/08.]

WAC 230-15-275 Surveillance requirements for Class F card games. (1) Class F licensees must use a closed circuit television system (CCTV) to record critical activities when:

(a) Operating player-supported jackpots; or

(b) Assessing fees on amounts wagered (rake method).

(2) Class F licensees must have a CCTV that views:

(a) All gambling at each table including, at least, the:

(i) Cards; and

(ii) Wagers; and

(iii) Chip tray; and

(iv) Drop box openings; and

(v) Table number; and

(vi) Players; and

(vii) Dealers; and

(b) When the count is being conducted, at least, the:

(i) Count table; and

(ii) Floor; and

(iii) Drop boxes; and

(iv) Drop box storage shelves/cabinets.

[Statutory Authority: RCW 9.46.070. 07-10-034 (Order 611), § 230-15-275, filed 4/24/07, effective 1/1/08.]

WAC 230-15-280 Surveillance requirements for house-banked card games. House-banked card game licensees must use a closed circuit television system (CCTV) to closely monitor and record all gambling activities and areas, including, at least:

(1) Each table, including:

(a) Cards; and

(b) Wagers; and

(c) Chip tray; and

(d) Drop box openings; and

(e) Table number; and

(f) Card shoe; and

(g) Shuffling devices; and

(h) Players; and

(i) Dealers; and

(2) The designated gambling areas; and

(3) The cashier's cage, including:

(a) Outside entrance; and

(b) Fill/credit dispenser; and

(c) Customer transactions; and

(d) Cash and chip drawers; and

(e) Vault/safe; and

(f) Storage cabinets; and

(g) Fill or credit transactions; and

(h) Floor; and

(4) The count room, including:

(a) The audio; and

(b) Count table; and

(c) Floor; and

(d) Counting devices; and

(e) Trolley; and

(f) Drop boxes; and

(g) Storage shelves/cabinets; and

(h) Entrance and exit; and

(5) The movement of cash, gambling chips, and drop boxes; and

(6) Entrances and exits to the card room.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-280, filed 4/10/07, effective 1/1/08.]

WAC 230-15-285 Camera and monitor requirements for closed circuit television systems. (1) Class F and house-banked licensees' closed circuit television system must consist of light sensitive cameras capable of permitting the viewer to determine card and chip values. Each video camera must be capable of having the images displayed on a video monitor and recorded.

(2) Class F and house-banked licensees must install, at least:

(a) Cameras in a manner that will prevent them from being obstructed, tampered with, or disabled; and

(b) Pan, tilt, zoom (PTZ) cameras behind a smoked dome, one-way mirror, or similar materials that conceal the camera from view; and

(c) One or more fixed camera focused over each gambling table, covering the entire table layout.

(d) In nonhouse-banked games, an additional fixed camera must focus over the dealer area, covering the chip rack, all drop box openings, and the community card area; and

(e) A sufficient number of fixed cameras and/or PTZ cameras to monitor players and dealers at each gambling table. The PTZ cameras must be:

(i) Permanently programmed; and

(ii) Capable of viewing each patron and dealer at each gambling position at least once every five minutes; and

(f) A sufficient number of fixed cameras and/or PTZ cameras in the count area or count room; and

(g) Fixed cameras and/or PTZ cameras in any other location deemed necessary.

(3) In addition, house-banked card game licensees must:

(a) Install a sufficient number of video monitors in their CCTV system to simultaneously view multiple gambling tables, the cashier's cage, and count room activities;

(b) Install a sufficient number of fixed cameras and/or PTZ cameras in the cage(s); and

(c) Install a sufficient number of PTZ cameras having the ability to determine the card and chip values for winning hands.

[Statutory Authority: RCW 9.46.070 and 34.05.353. 08-22-068 (Order 635), § 230-15-285, filed 11/4/08, effective 1/1/09. Statutory Authority: RCW 9.46.070. 07-10-034 (Order 611), § 230-15-285, filed 4/24/07, effective 1/1/08.]

WAC 230-15-290 Analog video recording equipment requirements. Class F and house-banked card game licensees using analog video recording equipment with video cassette recorders, including audio recording where required, must:

(1) Record images at a rate of at least twenty frames per second on standard VHS format; and

(2) Reflect accurately the time and date of the video recording. Licensees using multiple time and date generators must synchronize them to the same time and date.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-290, filed 4/10/07, effective 1/1/08.]

WAC 230-15-295 Digital video recording equipment requirements. Digital recording, including audio recording where required, using a digital recording and storage system, must:

(1) Record all images on a hard drive; and

(2) Lock so that access to the erase and reformat functions and system data files is restricted to persons authorized in the internal controls; and

(3) Provide uninterrupted recording of surveillance, during playback or copying. Licensees may use motion-activated recording; and

(4) Be capable of copying original images maintaining the original native format; and

(5) Be stored at a rate of not less than twenty-five images per second; and

(6) Record images at a minimum resolution of 320 x 240 and display during playback at a minimum resolution of 640 x 480; and

(7) Store images in a format that is readable by our computer equipment; and

(8) Store images in a format that we can verify and authenticate; and

(9) Include the accurate time and date the video was originally recorded on the recorded images; and

(10) Be equipped with an uninterruptible power source to allow a proper system shutdown.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-295, filed 4/10/07, effective 1/1/08.]

WAC 230-15-300 Using multiplex and quad recording devices in required surveillance. (1) Licensees must not use multiplexing and quad recording devices for required surveillance, except that they may use:

(a) Multiplexing or quad recording devices on entrances and exits to the card room; and

(b) Quad recording devices to record the movement of drop boxes between tables and the count room.

(2) "Multiplex recording" means combining multiple video inputs into a single signal by cycling through the separate video inputs with the view rotating among different cameras in a predetermined order, recording each video input consecutively in the cycle. Multiplex recording does not provide continuous recording of each video input because the amount of time lapse in the cycle depends on the number of video inputs.

(3) "Quad recording" means four separate video inputs that record continuously and combine into a single signal displayed on one monitor with a view of each video input.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-15-300, filed 10/22/07, effective 1/1/08; 07-09-033 (Order 608), § 230-15-300, filed 4/10/07, effective 1/1/08.]

WAC 230-15-305 Reporting illegal or suspicious activities. (1) Class F and house-banked card game licensees must report to us within three business days any illegal or suspicious activities within the portion of their business premises required to be under surveillance.

(2) Licensees must:

(a) Make a copy of the entire recorded sequence of the activity; and

(b) Give the original recording to us or other law enforcement when requested; and

(c) Keep the copy for at least thirty days.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-305, filed 4/10/07, effective 1/1/08.]

WAC 230-15-310 Resolving disputes using video recordings. (1) If the video recording of a disputed incident is not clear, we will resolve the dispute in favor of the player unless the Class F or house-banked card game licensee can prove to us that the actions taken were warranted.

(2) Licensees may request a review by commission staff if the licensee feels circumstances warrant, for example, cheating has occurred.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-310, filed 4/10/07, effective 1/1/08.]

WAC 230-15-319 Retaining video recordings. (1) Class F and house-banked card game licensees must label video recordings and audio recordings, as required, to identify the activities recorded.

(2) Licensees must keep:

(a) All recordings for seven gambling days, for example, Monday's gambling day recording may be recorded over on Tuesday of the following week; and

(b) Recordings documenting jackpot pay outs for at least thirty days:

(i) For player supported jackpots, retain recordings of jackpots of five hundred dollars or more; and

(ii) For house-banked games, retain recordings of jackpots of three thousand dollars or more; and

(c) Recordings of evidentiary value for as long as we request.

(3) We may increase these retention requirements by notifying licensees.

[Statutory Authority: RCW 9.46.070. 07-07-056 (Order 607), § 230-15-319, filed 3/14/07, effective 1/1/08.]

WAC 230-15-320 Surveillance room requirements for house-banked card game licensees. House-banked card game licensees must maintain one or more surveillance rooms. They must:

(1) Control access to the surveillance room so that only surveillance department employees use the room. Owners or their approved supervisory or management personnel may also enter the surveillance room to monitor activities. Licensees may allow authorized personnel to escort any other person into the surveillance room for educational, investigative, or maintenance purposes; and

(2) Ensure that surveillance room entrances are not easily observed from the gambling floor; and

(3) Ensure that a surveillance employee is present in the room and monitoring activities using the equipment any time the card room is conducting gambling and during the count process. However, subject to subsection (4) of this section, licensees may operate the surveillance room without staff:

(a) For routine breaks that are less than thirty minutes per shift; or

(b) When only nonhouse-banked card games are operated with wager limits of forty dollars or less and such limits are documented in their internal controls.

(4) Ensure that any time a winning wager, a jackpot, or bonus pay out greater than three thousand dollars is won, they use pan-tilt-zoom (PTZ) cameras to verify:

(a) Winning hands; and

(b) Amounts of the wager; and

(c) Amounts of the pay out; and

(d) Players who won the prize.

[Statutory Authority: RCW 9.46.070. 09-11-093 (Order 645), § 230-15-320, filed 5/18/09, effective 7/1/09; 08-23-080 (Order 638), § 230-15-320, filed 11/18/08, effective 1/1/09; 07-10-034 (Order 611), § 230-15-320, filed 4/24/07, effective 1/1/08.]

WAC 230-15-325 Surveillance room sign-in log. House-banked licensees and Class F licensees, if they operate a surveillance room, must keep a surveillance room sign-in log in the format we require to document anyone entering or leaving the surveillance room. Licensees must make the surveillance sign-in log available to us or to law enforcement personnel when requested.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-325, filed 4/10/07, effective 1/1/08.]

WAC 230-15-330 Keeping a surveillance activities log. Class F and house-banked card game licensees must keep a log of all surveillance activities in the format we require.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-330, filed 4/10/07, effective 1/1/08.]

ADDITIONAL RULES FOR CLASS F CARD GAMES

WAC 230-15-335 Internal controls. Class F licensees must establish internal controls that ensure gambling activities are closely controlled and operated fairly.

(1) The internal controls must require, at a minimum:

(a) Trained personnel; and

(b) Segregation of duties for all employees involved in the operation; and

(c) Fee collection and funds safeguarding procedures; and

(d) Playing card and chip inventory.

(2) Licensees must inform their card room employees of the internal controls related to the employees' respective areas of responsibility.

(3) Licensees and all card room employees must follow the internal controls at all times.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-335, filed 4/10/07, effective 1/1/08.]

WAC 230-15-340 Minimum number of licensed employees required. (1) Class F card game licensees must have at least one floor supervisor for each gambling area. Each supervisor may supervise up to seven tables. We must approve the arrangement of tables in the internal controls.

(2) Licensees must have two licensed card room employees in the card room at all times player-supported jackpots are in play or licensees are using the rake type of fee collection. One of the employees must be a floor supervisor.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-340, filed 4/10/07, effective 1/1/08.]

WAC 230-15-345 Numbering tables. Class F licensees must permanently number each table.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-345, filed 4/10/07, effective 1/1/08.]

WAC 230-15-350 Transporting drop boxes. For Class F licensees using drop boxes, the supervisor or the supervisor's designee must transport drop boxes directly to the count area.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-350, filed 4/10/07, effective 1/1/08.]

WAC 230-15-355 Counting procedures for fees. (1) We do not require Class F licensees using the drop box method to collect fees to have a separate count room if they have a secure location to count and they meet all other commission requirements for surveillance and counting procedures in WAC 230-15-275. Class F licensees must:

(a) Conduct the count at a specific time that licensees have reported to us; and

(b) Count all fees at least once every twenty-four hours; and

(c) Have at least two card room employees count and record the amount on the count slip for each drop box; and

(d) Make an entry in the daily card room record for each type of fee collected at each table. Licensees must retain card game control slips for each table with the daily records.

(2) If Class F licensees using the drop box method do not have a secure location to conduct the count, they must meet the count room requirements of WAC 230-15-605.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-355, filed 4/10/07, effective 1/1/08.]

PLAYER-SUPPORTED JACKPOTS

WAC 230-15-360 Defining "player-supported jackpot." "Player-supported jackpot" (PSJ) means a separate contest of chance directly related to the play or outcome of an authorized nonhouse-banked card game.

(1) Only Class F or house-banked licensees may establish a prize fund to operate a PSJ for nonhouse-banked card games.

(2) In PSJs, licensees:

(a) Collect funds from the players' wagers (the pot) for a separate prize; and

(b) Act only as the custodian of the PSJ funds, including any interest earned on this money; and

(c) Maintain no legal right to the funds, except for administrative fees; and

(d) Must strictly account for all funds.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-360, filed 4/10/07, effective 1/1/08.]

WAC 230-15-365 Getting approval for player-supported jackpots. (1) Class F or house-banked licensees must not operate a player-supported jackpot (PSJ) before we approve it in writing.

(2) To get a PSJ approved, licensees must make a written request, including, at least:

(a) A detailed description of the card game associated with the PSJ; and

(b) All rules of play; and

(c) All internal control procedures associated with the PSJ and accounting for funds and prizes; and

(d) The name of the prize fund custodian.

(3) Licensees must get our written approval before making any changes to the PSJ.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-365, filed 4/10/07, effective 1/1/08.]

WAC 230-15-370 Naming a prize fund custodian for a player-supported jackpot. (1) Class F or house-banked licensees must name at least one prize fund custodian who is responsible and accountable for safeguarding player-supported jackpot funds, and for disbursing funds to winners.

(2) A prize fund custodian may be an owner, partner, officer, or licensed individual named by the licensee.

(3) The custodian must have signature authority for prize fund bank accounts.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-370, filed 4/10/07, effective 1/1/08.]

WAC 230-15-375 Posting rules for a player-supported jackpot. Class F or house-banked licensees must prominently post a sign stating:

(1) How they will distribute player supported jackpot (PSJ) money if they discontinue the PSJ or stop operating the card game; and

(2) Conditions under which prizes may be won; and

(3) Prize amount; and

(4) Cost to participate; and

(5) Administrative fees; and

(6) Any other conditions which may affect the outcome of the game.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-375, filed 4/10/07, effective 1/1/08.]

WAC 230-15-380 Seeding a player-supported jackpot. Class F or house-banked licensees may:

(1) Provide up to five thousand dollars seed money from house funds to start a PSJ. Licensees must issue a check or make an electronic bank transfer from the licensee's business account for the seed money to the PSJ account to start the prize fund; and

(2) Licensees may replenish the PSJ as funds are depleted with up to five thousand dollars at a time; and

(3) Recover seed money by having the custodian issue a check or make an electronic bank transfer from the PSJ account to the licensee's business account.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-380, filed 4/10/07, effective 1/1/08.]

WAC 230-15-385 Collecting funds for a player-supported jackpot. Class F or house-banked licensees may collect up to two dollars per hand or game from the pot for each player-supported jackpot. Licensees:

(1) Must keep these funds separate from all other fees; and

(2) Must use either the chip rack or drop box method to collect these funds.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-385, filed 4/10/07, effective 1/1/08.]

WAC 230-15-390 Collecting an administrative fee on the player-supported jackpot. Class F or house-banked licensees may collect an administrative fee of up to ten percent of the funds collected for a player supported jackpot (PSJ). Licensees must deduct no other expenses from the PSJ account.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-390, filed 4/10/07, effective 1/1/08.]

WAC 230-15-395 House dealer required for a player-supported jackpot. Class F or house-banked licensees must use a house dealer for all card games offering a player-supported jackpot (PSJ). No one playing in the PSJ game may deal.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-395, filed 4/10/07, effective 1/1/08.]

WAC 230-15-400 Accounting for player-supported jackpot funds. Class F or house-banked licensees must:

(1) Maintain a separate bank account in a bank, mutual savings bank, or credit union in Washington state for holding player-supported jackpot (PSJ) funds; and

(2) Deposit only funds from PSJs into the account; and

(3) Not make payouts from the PSJ funds until licensees have first deposited the funds in the PSJ account. However, licensees may pay out prizes won during the gambling day and deduct administrative expenses before licensees deposit the funds; and

(4) Transfer or deposit the PSJ funds into the PSJ account or with an armored car service no later than the second banking day after the close of business; and

(5) Identify all deposits or transfers of PSJ funds by the type of PSJ fund and date of collection. Licensees must keep the validated deposit receipts or transfer information as a part of their required daily records or have on-line access to their player-supported jackpot bank accounts; and

(6) Transfer the amount from the PSJ account to the cage or general account before the end of the month if PSJ prizes are paid from the cage or general account. The licensee must keep the transfer information as part of the written records; and

(7) Reconcile the account balance in their bank statement to the PSJ prize balance on their PSJ fund accrual record each month. "Reconcile" means the licensee must compare the two balances, resolve any differences, and document the comparison and the differences in writing. Licensees must keep the reconciliation as part of their records.

[Statutory Authority: RCW 9.46.070. 10-11-087 (Order 669), § 230-15-400, filed 5/17/10, effective 7/1/10; 09-19-051 (Order 660), § 230-15-400, filed 9/11/09, effective 1/1/10; 07-10-034 (Order 611), § 230-15-400, filed 4/24/07, effective 1/1/08.]

WAC 230-15-405 Paying out prizes on a player-supported jackpot. (1) Class F or house-banked licensees must award all player-supported jackpot funds as prizes; and

(2) Cash prizes of two thousand five hundred dollars or less may be paid in cash or chips; and

(3) Prizes not awarded in cash must be paid within twenty-four hours with a check that provides a duplicate copy; and

(4) Licensees must maintain a record of all prizes paid in the format we prescribe; and

(5) When a player wins a prize of five hundred dollars or more, in view of the surveillance camera, the dealer must:

(a) Display the value and suit of each card in the winning hand; and

(b) Count and put in numerical order by suit the remaining cards in the deck to confirm a complete deck; and

(6) Licensees must collect the hand and seal it with a copy of the prize record. Licensees must keep the winning hand and remaining deck on the business premises for seven days.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-405, filed 4/10/07, effective 1/1/08.]

WAC 230-15-410 Owners, prize fund custodians, and card room employees participating in player-supported jackpots. (1) Class F or house-banked owners, prize fund custodians, and on-duty card room employees may play

in card games that offer a player-supported jackpot (PSJ), but must not share in the winnings of any prize awarded.

(2) Any prizes an owner, prize fund custodian, or on-duty employee may be entitled to under game rules must be divided equally among the other players at the table.

(3) Owners, prize fund custodians, and on-duty card room employees must turn their cards face up at the end of a game so that other players at the table and surveillance may observe their cards if:

(a) They are playing in a game with a PSJ; and

(b) The prize is not based on a predetermined hand, such as four of a kind; and

(c) There is a qualifying hand at the end of a game, such as a "bad beat" hand.

(4) Card room employees that are off duty may win PSJ prizes.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-410, filed 4/10/07, effective 1/1/08.]

WAC 230-15-415 Removing a player-supported jackpot from play. (1) If licensees discontinue a PSJ, they must distribute the balance, less any seed money, to players within sixty days by offering an approved promotion or tournament of the same card game played to fund the PSJ.

(2) If licensees stop operating card games or fail to maintain a valid card game license, they must immediately distribute all PSJ funds to the Washington State Council on Problem Gambling.

(3) If taxing authorities seize a PSJ account, the licensee must immediately stop offering the PSJ and collecting additional funds for the PSJ until all funds have been replaced in the PSJ account.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-415, filed 4/10/07, effective 1/1/08.]

WAC 230-15-420 Resolving disputes over player-supported jackpots. (1) If a dispute arises involving the outcome of a player-supported jackpot (PSJ), Class F or house-banked licensees must:

(a) Preserve the video recording, the winning hand and remaining deck, and all records for the game where the dispute occurred; and

(b) Document all information about the dispute, including:

(i) The names, addresses, and phone numbers of all players, card room staff, and any witnesses involved; and

(ii) The amount of the advertised PSJ; and

(iii) A full description of the circumstances surrounding the dispute; and

(c) Notify us within twenty-four hours.

(2) We will investigate complaints involving PSJ disputes and the director may issue a written decision which is final.

(3) During the course of dispute resolution, we may become the temporary custodian of any prize funds.

(4) Class F or house-banked licensees must not award or advertise the prize amount which is in dispute until it is resolved.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-420, filed 4/10/07, effective 1/1/08.]

ADDITIONAL RULES FOR HOUSE-BANKED CARD GAMES

Internal Controls for House-Banked Card Games

WAC 230-15-425 Internal controls. (1) House-banked card game licensees must:

(a) Adopt internal controls in the format we require; and

(b) Ensure that all games are closely controlled and operated in accordance with gambling laws, our rules, and the house-banked card game licensee's internal controls (ICs); and

(c) Follow all ICs at all times; and

(d) Have all ICs available to us at all times at the licensed business premises; and

(e) Have the ICs available to card room employees for their individual functions; and

(f) Ensure that card room employees are knowledgeable in all accounting and internal control procedures for their individual functions and ensure that employees follow the ICs.

(2) Licensed card room employees must follow the internal control procedures for their individual functions.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-425, filed 4/10/07, effective 1/1/08.]

WAC 230-15-430 Internal control requirements.

General accountability requirements.

(1) House-banked card game licensees must have a system of internal controls including, at least:

(a) **Accounting controls** - Include the licensee's plan, procedures, and records concerned with the safeguarding of assets and the reliability of financial records. Licensees must design these controls to provide reasonable assurance that:

(i) Transactions are executed with management's general and specific authorization; and

(ii) Transactions are recorded so that financial statements are prepared in conformity with generally accepted accounting principles (GAAP), and so that accountability for assets is maintained; and

(iii) Access to assets is permitted only with management's authorization; and

(iv) Records are compared with existing assets at least annually and appropriate action is taken within five working days to correct any differences; and

(b) **Administrative controls** - Include, at least, the licensee's plan, procedures, and records outlining decision-making processes that lead to authorization of transactions. These must provide for:

(i) Competent personnel with an understanding of internal control procedures; and

(ii) Segregation of incompatible functions so that no employee is in a position to commit and conceal errors or wrongdoings in the normal course of his or her duties.

Designating a general manager.

(2) The owner, partners, or board of directors for the licensee must designate an individual with overall responsibility for the business, called the "general manager." The general

manager may also perform the duties of a gambling operations department manager; and

Establish separate departments or functions.

(3) Licensees must establish separate departments or functions which must be independent from each other. At a minimum, these must include:

(a) Surveillance;

(b) Security;

(c) Gambling; and

(d) Accounting.

Surveillance department requirements.

(4) The surveillance department manager must ensure that surveillance employees follow all requirements of the surveillance WACs, including, at least:

(a) Closely and clandestinely observing the operation of the card games, the cashier's cage, and count room; and

(b) Recording video and audio of the activities in the count room; and

(c) Monitoring for cheating, theft, embezzlement, and other illegal activities on the licensed premises; and

(d) Recording video of unusual or suspected illegal activities; and

(e) Notifying appropriate supervisors and us, within three working days, when they detect cheating, theft, embezzlement, or other illegal activities related to gambling; and

(f) Giving our agents or law enforcement personnel immediate access to the surveillance room; and

(g) Ensuring that each dealer is evaluated to determine if he or she follows all required dealer procedures set out in the house-banked card game licensee's approved internal controls; and

(h) Documenting procedures about how winning wagers, jackpots, or bonus pay outs will be verified; and

(i) Ensuring that all surveillance employees have demonstrated a knowledge of:

(i) Operating surveillance systems; and

(ii) Rules of play and procedures for the games being played; and

(iii) Overall procedures relating to the duties of all employees of the house-banked card room, including dealers, shift managers, floor supervisors, cage cashiers and count team members.

Security department requirements.

(5) The security department manager must ensure that security employees control:

(a) Transfer of cash and chips to and from the gambling tables, cage, and count room; and

(b) Dealing shoes and new and used cards, when not in use or when held in evidence; and

(c) Disposing of or destroying used cards and dealing shoes, and observing accounting department employees when they destroy damaged chips when removed from service.

Gambling operations department requirements.

(6) The gambling operations department manager, or general manager, is responsible for house-banked card games and must ensure that:

(a) Dealers operate card games at assigned gambling tables; and

(b) Cards and dealing shoes are properly accounted for when in use on the gambling floor; and

(c) There is adequate supervision on the business premises.

Accounting department requirements.

(7) The accounting department must be supervised by a person who reports directly to the general manager. The accounting department must, at least:

(a) Implement and monitor accounting controls; and

(b) Control processes in the count room and cashier's cage; and

(c) Supervise the count room personnel and cashier's cage personnel; and

(d) Control the inventory of unused forms; and

(e) Reconcile the used and unused forms; and

(f) Prepare, control, and store records and data we require; and

(g) Oversee, with the help of the security department, the destruction of damaged chips removed from service.

[Statutory Authority: RCW 9.46.070. 07-10-034 (Order 611), § 230-15-430, filed 4/24/07, effective 1/1/08.]

WAC 230-15-435 Defining "incompatible functions." (1) "Incompatible functions" means job duties that place an employee or department in a position to commit and conceal errors or wrongdoings in the normal course of his or her duties.

(2) Anyone who records a transaction and has access to the assets related to that transaction is in a position to commit and conceal errors or wrongdoings. (Examples: An employee who writes checks should not reconcile the bank account; an employee who transports funds should not have access to keys for locks securing the funds or to surveillance recordings of the transaction.)

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-435, filed 4/10/07, effective 1/1/08.]

WAC 230-15-440 Modifying internal controls and changing card games offered. (1) House-banked card game licensees must submit proposed changes to their internal controls in writing to us and receive our written approval before making any changes.

(2) Licensees may change the card games they offer by submitting the change to their internal controls in writing and getting an initial verbal or written approval from us. Staff reviews and verifies the changes on their next visit to the card room.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-440, filed 4/10/07, effective 1/1/08.]

WAC 230-15-445 Defining "gambling operations department manager." "Gambling operations department

manager" means a card room employee who is responsible for managing all card game operations.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-445, filed 4/10/07, effective 1/1/08.]

WAC 230-15-450 Defining "shift manager." "Shift manager" means a card room employee who is responsible for all card game operations during a given shift. The shift manager reports to the gambling operations department manager.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-450, filed 4/10/07, effective 1/1/08.]

Operating House-Banked Card Games

WAC 230-15-453 Using match play or similar coupons in gambling promotions. Match play coupons may be offered as gambling promotions with the following restrictions:

(1) The coupons have no value. Players cannot "double down" on the "match play" portion of the wager.

(2) Players may double down on the chip portion of the wager, not to exceed maximum wagering limits.

(3) A match play coupon is not considered part of the player's wager in determining the amount wagered. Match play coupons may be used by players who wager the maximum allowed.

(4) A match play coupon is itself a gambling promotion and cannot be awarded as a prize in a promotional contest of chance, as authorized in RCW 9.46.0356, or as a prize on a card game.

(5) Restrictions on the use of coupons must be disclosed on the coupon.

(6) Expiration dates must be included on the coupon.

(7) Match play and other similar type coupon promotions such as Lucky Bucks and Free Ace, etc., may be given to participants in a card tournament as long as they are given to all participants and are not awarded based on the outcome of the tournament.

[Statutory Authority: RCW 9.46.070. 08-11-044 (Order 628), § 230-15-453, filed 5/14/08, effective 7/1/08.]

WAC 230-15-455 Keeping funds to pay prizes, progressive jackpot prizes, and odds-based wager prizes. (1) House-banked card game licensees must ensure that they have sufficient funds available to pay prizes, progressive jackpot prizes and odds-based wager prizes. An "odds-based wager" means a wager where the player wins an amount over and above the amount he or she wagered if a fixed pattern or combination of cards occurs, for example, a royal flush, four aces, or a pair.

(2) Licensees must not offer card games until they have met all of these requirements:

(a) Progressive jackpot prizes.

(i) Keep a separate bank account for progressive jackpot prizes. The account must be kept in a bank, mutual savings bank, or credit union located in Washington state;

(ii) Deposit all funds accrued for progressive jackpot prizes at least weekly; and

(iii) If the prize bank account is reduced below the level required, licensees must immediately stop operating games until they are in compliance.

(b) Odds-based wager prizes.

(i) Licensees offering more than one individual odds-based wager prize greater than twenty-five thousand dollars must keep an amount equal to the second highest odds-based wager prize offered in a bank, mutual savings bank, or a credit union located in Washington state; or possess a verifiable line of credit from a Washington state financial institution for at least the amount required; and

(ii) Use the highest wager they allow to calculate the individual odds-based wager prize amount to determine the amount for this requirement.

(3) Licensees may limit pay outs by using table and/or individual player aggregates.

(4) A licensee's failure to keep funds as required in this rule is prima facie evidence of defrauding the public and a violation of RCW 9.46.190.

[Statutory Authority: RCW 9.46.070. 09-15-070 (Order 654), § 230-15-455, filed 7/13/09, effective 1/1/10; 07-09-033 (Order 608), § 230-15-455, filed 4/10/07, effective 1/1/08.]

WAC 230-15-460 Supervision requirements for house-banked card rooms. (1) House-banked card game licensees must have at least one floor supervisor for each gambling area. Each supervisor may supervise up to seven tables. We must approve the arrangement of tables in the internal controls.

(2) Licensees must have two levels of supervision present on the business premises if more than ten tables are open. Poker tables operated in a separate gambling area are not included in the calculation of levels of supervision.

(3) A card room employee may act as a dealer and a supervisor during the same shift as long as he or she does not sign forms as both the dealer and the supervisor.

[Statutory Authority: RCW 9.46.070. 08-11-044 (Order 628), § 230-15-460, filed 5/14/08, effective 7/1/08; 07-09-033 (Order 608), § 230-15-460, filed 4/10/07, effective 1/1/08.]

WAC 230-15-465 Dealing all house-banked card games from a dealing shoe. House-banked card game licensees must deal all house-banked card games from a dealing shoe or a shuffling device we have approved.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-465, filed 4/10/07, effective 1/1/08.]

WAC 230-15-470 Numbering gambling tables. House-banked card game licensees must permanently number each gambling table.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-470, filed 4/10/07, effective 1/1/08.]

WAC 230-15-475 Tips from players and patrons to card room employees. (1) House-banked card game licensees may allow selected employees to accept tips from players or patrons.

(2) If licensees allow house-banked card game dealers to accept tips, licensees must ensure that tips are controlled so that only authorized employees receive tips, that tips are

properly accounted for, and that tips are maintained separately from all other gambling funds.

(3) Cage cashiers may accept tips. They must locate their tip containers outside the cage enclosure. Players or patrons must deposit the tips directly into the container. A shift or floor supervisor, security, or an accounting manager who does not work as a cashier must verify the tips cage cashiers receive.

(4) Employees directly concerned with management, supervision, accounting, security, or surveillance must not ask for, accept, or share any tip originating from players or patrons; however, this restriction does not apply to poker "floor supervisors."

(5) House-banked card game licensees must:

(a) Establish and implement procedures for the accounting of tips received by authorized card room employees.

(b) Fully document the procedures in their internal controls and describe in detail any methods used to allocate tips.

(c) Establish procedures necessary to ensure that the floor supervisor and surveillance observe card room employees accepting tips. Procedures must include an overt display of received tips, for example tapping the table with the tip before placing it in the tip container.

(6) Employees must:

(a) Drop all tips into a locked tip container which prevents the removal of tips except by unlocking the container. Tips may be accumulated on the table, exchanged into higher denomination chips, and then deposited into the tip container. Tip containers must remain under camera coverage of the closed circuit television system at all times; and

(b) Keep all tips received or pool them with tips of all card room employees according to the licensee's internal controls; and

(c) Redeem all tips received under surveillance at the cashier's cage; and

(d) Accurately report all tips to their employer as described in the licensee's internal controls.

(7) Licensees may determine whether employees must retain or pool tips among employees. Employees must redeem all pooled tips under surveillance at the cashier's cage, count room, or a gaming table.

[Statutory Authority: RCW 9.46.070. 09-11-083 (Order 644), § 230-15-475, filed 5/18/09, effective 7/1/09; 07-21-116 (Order 617), § 230-15-475, filed 10/22/07, effective 1/1/08.]

WAC 230-15-480 Commissions on winning hands. The only direct or indirect fee (commission) licensees may collect is a maximum of five percent from a winning hand in house-banked card games.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-480, filed 4/10/07, effective 1/1/08.]

WAC 230-15-485 Electronic facsimiles of cards allowed. (1) House-banked card game licensees may use electronic card facsimiles approved by the director or the director's designee in house-banked card games.

(2) Card room employees must operate the system.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-15-485, filed 10/22/07, effective 1/1/08; 07-09-033 (Order 608), § 230-15-485, filed 4/10/07, effective 1/1/08.]

WAC 230-15-490 Limiting pay outs for odds-based wagers. (1) House-banked card game licensees may create pay out limits for odds-based wagers made in card games.

(2) Licensees may limit the pay out for odds-based wagers if we approve all pay out limits and their procedures for computing limits.

(3) Individual players' winnings must not be less than the higher of:

(a) The maximum wager allowed for the game times the highest odds offered up to fifty-to-one (50 to 1). For example: If the maximum wager is one hundred dollars ($100) and the odds are fifty-to-one (50 to 1); then the per player limit is five thousand dollars ($100 x 50 = $5,000); or

(b) The house minimum required wager for the game times the highest odds offered for any wager in the game. The "minimum required wager" means the least amount a player must wager in order to win. For example: If the minimum required wager is ten dollars ($10) and the maximum odds are one-thousand-to-one (1,000 to 1); then the per player limit is ten thousand dollars ($10 x 1,000 = $10,000).

(4) Table limits (aggregate pay out) must not be less than two times the individual player limit, as computed in subsection (3) of this section; and

(5) Licensees must clearly disclose all procedures for computing any per player or table limit (aggregate pay outs). This explanation must be available to players in a brochure or other printed material.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-490, filed 4/10/07, effective 1/1/08.]

WAC 230-15-491 Limiting payouts to dealers for tip or "toke" wagers for odds-based payouts. (1) A "toke" is a wager made by a player as a tip for the dealer and it is treated as a separate bet.

(2) House-banked card game licensees may:

(a) Establish a separate, individual limit on the amount of the payout on a toke for odds-based payouts within the requirements of WAC 230-15-490; and

(b) Restrict the types of wagers tokes are allowed on and the amounts of tokes.

(3) Tokes are not included in the calculation of the player or table aggregate payout limits.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-15-491, filed 10/22/07, effective 1/1/08.]

WAC 230-15-495 Opening tables. Licensees must clearly mark the outside of the chip tray with the gambling table number which it matches. When opening gambling tables, house-banked card game licensees must follow these steps:

(1) A floor supervisor must unlock the table inventory container (chip tray) and take out the table inventory slip (opener); and

(2) The floor supervisor and the dealer assigned to the gambling table must:

(a) Count the contents of the chip tray; and

(b) Verify the count against the opener; and

(3) The dealer and the floor supervisor must then sign the opener, confirming the information on the opener is correct; and

(4) The dealer must immediately deposit the opener in the drop box attached to the gambling table; and

(5) If there is any discrepancy between the amount of gambling chips and coins counted and the amount of the chips and coins recorded on the opener:

(a) The floor supervisor must report immediately to the shift manager, if on duty or when the manager arrives; and

(b) The floor supervisor on duty must complete and sign a notification of error slip; and

(c) The dealer and security must verify and sign the notification of error slip; and

(d) Security must transport the duplicate of the notification of error slip to the accounting department or the cashier's cage; and

(e) The dealer must drop the original notification of error slip in the drop box attached to the gambling table; and

(f) The accounting department must keep a copy of the notification of error slip in a log in the format we require; and

(g) Licensees must notify us within twenty-four hours of errors of two hundred dollars or more, or if there is a pattern of shortages.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-495, filed 4/10/07, effective 1/1/08.]

WAC 230-15-500 Accounting for table inventory. (1) House-banked card game licensees must establish procedures to ensure proper accounting for chips and coins stored at gambling tables, known as the "table inventory."

(2) Licensees must not add or remove chips or coins from the table inventory except:

(a) In exchange for cash from players; or

(b) To pay winning wagers and collect losing wagers made at the gambling table; or

(c) In exchange for chips received from a player having an equal total face value (known as "coloring up" or "coloring down"); or

(d) In compliance with fill and credit procedures.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-500, filed 4/10/07, effective 1/1/08.]

WAC 230-15-505 Selling gambling chips to players. House-banked card game licensees must accurately account for all chips and cash when they sell chips to players. Licensees must sell chips only at the gambling table. The dealer must:

(1) Spread the cash on the top of the gambling table so that the player, floor supervisor, and surveillance have a full view of the sale;

(2) Announce the amount loudly enough to be heard by the player and the floor supervisor assigned to the table;

(3) Have the floor supervisor verify all cash sales of one hundred dollars or more;

(4) Prove the denomination and the number of chips to the player, floor supervisor, and surveillance before giving the chips to the player. Licensees must include their method for proving chips in their internal controls; and

(5) After giving the chips to the player, immediately remove the cash from the table top and put it in the drop box attached to the table.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-505, filed 4/10/07, effective 1/1/08.]

WAC 230-15-510 Transferring chips and coin to the gambling tables. House-banked card game licensees must closely control and document all transfers of chips or coin to the gambling tables in a manner that ensures accountability and provides adequate security.

(1) All transfers of chips or coin must be to or from the cashier's cage.

(2) Chips or coin must not be transferred from one gambling table to another.

(3) All transfers of chips or coin must be made using requests for fill slips and fill slips or request for credit slips and credit slips.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-510, filed 4/10/07, effective 1/1/08.]

WAC 230-15-515 Requirements for request for fill/credit slips. A request for fill/credit slip must be:

(1) A two part form; and

(2) Completed in the format we require; and

(3) Secured so that only a floor supervisor has access to the slip.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-515, filed 4/10/07, effective 1/1/08.]

WAC 230-15-520 Requirements for fill/credit slips. (1) Each fill/credit slip must be a consecutively prenumbered three-part form in the format we require. We may authorize use of a computer based accounting system which includes a nonrepeating consecutive numbering system, which fulfills the controls and safeguards of the manual system. House-banked card game licensees must:

(a) Control and account for each series of fill/credit slips they receive; and

(b) Ensure the fill/credit slip dispenser is secured in the cashier's cage; and

(c) Keep each series of fill/credit slips in a locked dispenser that will permit an individual fill/credit slip in the series and its copies to be written on simultaneously while still located in the dispenser, and will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser; and

(d) Use the forms in consecutive order and account for all forms; and

(e) Assign an accounting department employee to be responsible for controlling and accounting for the unused supply of fill/credit slips, placing fill/credit slips in the dispensers, and removing the triplicate copy from the dispensers. Only the accounting department employee may have access to the forms in the dispenser.

(2) If there is a paper jam, the licensee may allow a security department employee access to the dispenser to clear it.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-15-520, filed 10/22/07, effective 1/1/08; 07-09-033 (Order 608), § 230-15-520, filed 4/10/07, effective 1/1/08.]

WAC 230-15-525 Completing the fill process.

Requesting a fill.

(1) A floor supervisor must prepare a request for fill slip to authorize the cage cashier to perform a fill for the distribution of chips or coin to gambling tables.

(2) The floor supervisor and security must sign the request for fill slip at the gambling table to which the chips or coin are to be delivered.

Transporting requests for fills.

(3) Security must transport the completed original request for fill slip directly to the cashier's cage.

(4) The dealer must place the duplicate copy of the request for fill slip face up on the gambling table. It must remain there until the chips or coin are received.

Filling a request.

(5) The cashier must prepare a fill slip when a request for fill slip is received.

(6) The cashier must sign the fill slip when finished preparing the fill.

(7) A security department employee must compare and verify the request for fill slip to the fill slip and the amount of the fill. Security must sign the fill slip.

(8) Security must transport the chips, coin, and the original and duplicate of the fill slip to the gambling table.

(9) The cashier retains the original of the request for fill slip.

Receiving the fill.

(10) On receiving chips or coin, the dealer verifies the amount of the fill and signs the fill slip.

(11) The floor supervisor verifies the amount of the fill and signs the fill slip.

(12) After the dealer and floor supervisor sign the fill slip, security must observe that the dealer immediately places the duplicate fill slip and the duplicate request for fill slip in the drop box attached to the gambling table.

(13) Security must return the original fill slip to the cashier.

(14) The cashier must attach the request for fill slip to the original fill slip.

(15) If an error is made on a fill slip, the cage cashier must write "VOID" on the original and duplicate of the slip, and sign the slip.

(16) At the end of the day or shift, the cage cashier must forward all slips to either:

(a) The count team for agreement with the duplicate of the fill slip and duplicate of the request for fill slip removed from the drop box. After the count, all fill slips and request for fill slips must be forwarded directly to the accounting department for agreement with the triplicate of the fill slip; or

(b) The accounting department for agreement with the duplicate fill slip and duplicate of the request for fill slip removed from the drop box and the triplicate of the fill slip.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-525, filed 4/10/07, effective 1/1/08.]

WAC 230-15-530 Completing the credit process.

Requesting credit.

(1) The floor supervisor must prepare a request for credit to authorize the cage to prepare a credit slip for removing gambling chips and coin to the cashier's cage.

(2) The floor supervisor and a security employee must sign the request for credit slip at the gambling table from which the gambling chips and coin are being removed.

Transporting requests for credit.

(3) A security department employee verifies the chips and coin to the request for credit and then transports the original of the request for credit and the gambling chips or coin removed from the gambling table directly to the cashier's cage.

(4) The dealer must place the duplicate copy of the request for credit face up on the gambling table. The form must not be removed until a credit slip is received from the cashier's cage.

Filling a request for credit.

(5) The cashier must prepare a credit slip in the format we require whenever gambling chips or coin are removed from the gambling tables to the cashier's cage.

(6) The cashier must compare the request for credit to the chips or coin and sign the credit slip.

(7) A security department employee must compare and verify the request for credit to the credit slip and sign the credit slip.

(8) Security must transport the credit slip to the gambling table.

(9) The cashier retains the original of the request for credit.

Receiving the credit.

(10) On receiving the request for credit slip, the dealer and the floor supervisor verify the amount of the credit slip and sign the credit slip.

(11) After the dealer and floor supervisor sign the credit slip, the security employee must observe that the dealer immediately places the duplicate credit slip and the duplicate request for credit in the drop box attached to the gambling table from which the gambling chips or coin were removed.

(12) The security department employee must return the original credit slip to the cashier's cage. The cage cashiers must keep together and control the original of the credit slip and request for credit.

(13) If an error is made on the credit slip, the cage cashier must write "VOID" on the original and duplicate of the slip and sign the slip.

(14) At the end of the day or shift, the cage cashier must forward all slips to either:

(a) The count team for agreement with the duplicate of the credit slip and duplicate of the request for credit removed from the drop box. After the count, all credit slips and requests for credit must be forwarded to the accounting department for agreement with the triplicate; or

(b) The accounting department for agreement with the duplicate credit slip and duplicate request for credit slip removed from the drop box and the triplicate of the request for credit slip.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-530, filed 4/10/07, effective 1/1/08.]

WAC 230-15-535 Closing tables. When closing tables, house-banked card game licensees must follow these steps:

(1) The floor supervisor and the dealer assigned to the gambling table must count the gambling chips and coins. The surveillance department must monitor and record the entire count and closure process.

(2) The floor supervisor assigned to the gambling table must record the chips and coins counted on a table inventory slip.

(3) Licensees must use consecutively prenumbered three-part forms for table inventory slips. Table inventory slips must be in the format we require and have three parts:

(a) The original (the closer); and

(b) The duplicate (the opener); and

(c) The triplicate (which is transported by security to accounting).

(4) The floor supervisor and the dealer assigned to the gambling table must sign the table inventory slip, confirming the information recorded at the time of closing.

(5) After both the dealer and floor supervisor have signed the closer, the dealer must deposit the closer in the drop box attached to the table. The dealer must place the opener face up in the chip tray, arranged so that it is clearly visible. Then the floor supervisor must lock the clear chip tray cover. The chip trays must be under recorded surveillance at all times.

(6) A security department employee must take the triplicate of the table inventory slip to the accounting department.

(7) If an error is made on the closer, the preparer must write "VOID" on all copies of the form and forward them to the accounting department.

(8) If the locked chip trays are transported to the cashier's cage at the end of each gambling day, a cage cashier must determine that all locked chip trays have been returned to the cage and are adequately secured.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-15-535, filed 10/22/07, effective 1/1/08; 07-09-033 (Order 608), § 230-15-535, filed 4/10/07, effective 1/1/08.]

WAC 230-15-540 Notifying the commission of card game interruptions. House-banked card game licensees must notify us in writing if they interrupt operations of card games for more than seven days. Licensees must:

(1) Notify us within three days of the interruption; and

(2) Include the reason for the interruption; and

(3) Include the estimated date card games will resume.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-540, filed 4/10/07, effective 1/1/08.]

WAC 230-15-545 Interruption of card games for more than seven days. (1) If a house-banked card game licensee interrupts card game operations for more than seven days, we determine whether a preoperational review and evaluation (PORE) is needed. The licensee must receive our written approval before resuming operations.

(2) The PORE determines whether:

(a) The licensee has an organizational structure that can support their proposed accounting and administrative controls; and

(b) Internal accounting and administrative controls ensure that the licensee closely controls the gambling activities and accurately records financial information; and

(c) The licensee has enough trained staff; and

(d) The physical layout of the card room and supporting functions can handle the proposed accounting and administrative controls.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-545, filed 4/10/07, effective 1/1/08.]

Cashier's Cages in House-Banked Card Rooms

WAC 230-15-550 Closely controlling money. House-banked card game licensees must closely control and keep records documenting all receipts and disbursements of cash, cash equivalents, chips, and coin related to the operation of card games.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-550, filed 4/10/07, effective 1/1/08.]

WAC 230-15-553 Defining "cash equivalent." "Cash equivalent" means a:

(1) Treasury check; or

(2) Personal check; or

(3) Traveler's check; or

(4) Wire transfer of funds; or

(5) Money order; or

(6) Certified check; or

(7) Cashier's check; or

(8) Check drawn on the licensee's account payable to the patron or to the licensee; or

(9) Voucher recording cash drawn against a credit card or debit card.

[Statutory Authority: RCW 9.46.070. 08-03-062 (Order 623), § 230-15-553, filed 1/14/08, effective 2/14/08.]

WAC 230-15-555 Cashier's cage design and structure. (1) House-banked card game licensees must:

(a) Locate on, or immediately adjacent to, the gambling floor a physical structure to house the cashier and act as a cashier's cage; and

(b) Design, construct, and operate the cashier's cage to provide maximum security and accountability for funds.

(2) The cage must include, at a minimum:

(a) An enclosed structure with openings through which gambling chips, checks, cash, records, documents, and other such items can be passed;

(b) Manually triggered silent alarm systems connected directly to the surveillance room(s) of the closed circuit television system or an alarm monitoring agency; and

(c) A locked door, which the surveillance department monitors access to with closed circuit television.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-555, filed 4/10/07, effective 1/1/08.]

WAC 230-15-560 Operating the cashier's cage. (1) House-banked card game licensees must have a cashier's cage used for securing and accounting for all chips and moneys in the card room portion of the business premises. Licensees must ensure that their cage cashiers, at least:

(a) Maintain the cage inventory including currency, coin, player checks, gambling chips, forms, documents, and records normally associated with the operation of a cage; and

(b) Receive gambling chips, cash, checks, and other cash equivalents from players in exchange for currency or coin or for check consolidations, total or partial redemptions, or substitutions; and

(c) Receive cash or chips from the count room; and

(d) Perform functions necessary to ensure accurate accountability of funds and chips consistent with these requirements, including, at least:

(i) Reconciling the total closing inventory with the total opening inventory; and

(ii) Receiving request for fill slips in exchange for issuing fill slips and requested chips or coin; and

(iii) Receiving chips or coins removed from gambling tables in exchange for issuing a credit slip; and

(iv) Receiving documents with signatures that ensure the effective segregation of duties; and

(v) Counting and recording the face value of each cage inventory item on a cashier's count sheet, along with the total opening and closing inventories, at the end of each of their outgoing shifts; and

(vi) Signing, at their incoming and outgoing shift, the cashier's count sheet and the cage inventory count sheet, attesting to accuracy of the count; and

(vii) Preparing the overall cage reconciliation and accounting records; and

(viii) Forwarding, at the conclusion of the daily gambling activity, copies of the cashier's count sheet, cage inventory count sheet, and related documents to the accounting department for reconciling the agreement of opening and closing inventories, notification of error slips, and the agreement of amounts on other forms, records, and documents recording transactions.

(2) Licensees may sell merchandise items out of the cashier's cage as long as they have a separate bank and receipting system for the sale and accounting of these items.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-560, filed 4/10/07, effective 1/1/08.]

WAC 230-15-565 Access and entrance to cashier's cage. (1) House-banked card game licensees must limit entry to the cashier's cage to authorized personnel. Licensees must place on file with the accounting department the names of all persons:

(a) Authorized to enter the cage; and

(b) Who have the combination, keys, or the mechanism to open the locks to the entrance of the cage; and

(c) Who have the ability to operate the alarm systems.

(2) Licensees must keep a sign-in log in the format we require of all persons accessing the cashier's cage.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-565, filed 4/10/07, effective 1/1/08.]

WAC 230-15-570 Cashier's cage bank requirements. (1) House-banked card game licensees must keep the cashier's cage on an imprest basis. "Imprest basis" means the cage must replenish funds on a regular basis to maintain exactly the amount of outgoing cash, chips, or coin (expenditures) minus the amount of funds added.

(2) The accounting department must review expenditures and replenishments.

(3) Licensees who have demonstrated the ability to operate cage activities properly may request our approval to operate on a float basis. "Float basis" means the cage may adjust cash inventory as necessary.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-570, filed 4/10/07, effective 1/1/08.]

WAC 230-15-575 Separate imprest bank allowed for nonhouse-banked card games. House-banked card game licensees operating both house-banked and nonhouse-banked games may sell chips for poker games through an imprest bank other than the cashier's cage. The bank must be located within the cashier's cage or another location approved in the internal controls.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-575, filed 4/10/07, effective 1/1/08.]

WAC 230-15-580 Accepting checks at the cashier's cage. (1) House-banked card game licensees may accept checks from players as explained in WAC 230-06-005 and must meet the following additional requirements:

(a) Licensees may only accept checks from players at the cashier's cage; and

(b) Before cashing the check, the cage cashier must examine the player's identification to confirm the player's identity; and

(c) The cage cashier must:

(i) Endorse the check "for deposit only" to the licensee's bank account; and

(ii) Initial the check; and

(iii) Date and time stamp the check; and

(iv) Verify that the player is not listed on the daily returned check report. If licensees use a check guarantee and collection service, the licensee may disregard this subsection; and

(v) Exchange the check for currency and coin in the amount for which the check is drawn, minus any applicable fees; and

(vi) Forward all player checks to the main bank cashier.

(2) Before accepting a traveler's check from a player, the cage cashier must:

(a) Require the player to countersign the traveler's check in the cashier's presence; and

(b) Compare the countersignature with the original signature on the traveler's check; and

(c) Examine the traveler's check for any signs of tampering, forgery, or alteration; and

(d) Perform any other procedures that the issuer of the traveler's check requires in order to indemnify the acceptor against loss.

(3) Licensees must deposit all checks received into their bank account, within two banking days after receipt. Checks deposited to an armored car service within two banking days meet this requirement.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-580, filed 4/10/07, effective 1/1/08.]

Drop Boxes in House-Banked Card Rooms

WAC 230-15-585 Using drop boxes. (1) House-banked card game licensees must use a drop box to collect all cash, chips, coins, requests for fill, fill slips, requests for credit, credit slips, and table inventory forms.

(2) The dealer or the floor supervisor must deposit these items in the drop box.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-585, filed 4/10/07, effective 1/1/08.]

WAC 230-15-590 Transporting drop boxes. (1) When transporting drop boxes, house-banked card game licensees must have one security employee and one gambling operation employee transport all drop boxes removed from the gambling tables directly to the count room and secure them there. The security employee must notify the surveillance department when transport begins.

(2) If drop boxes are removed from gambling tables at times other than the close of the gambling day, the persons removing drop boxes must remove them during a shift change. These persons must prepare a table inventory slip as required in WAC 230-15-535, and the incoming and outgoing supervisors must verify the inventory and sign the table inventory slip.

(3) Count team members may pull and transport the drop boxes to the count room for the count process if:

(a) The gambling operation is closed; and

(b) The card room entrances/exits are locked; and

(c) Security supervises the transport.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-590, filed 4/10/07, effective 1/1/08.]

WAC 230-15-595 Storing drop boxes not attached to tables in the count room. House-banked card game licensees must store all drop boxes not attached to a gambling table in the count room in an enclosed storage cabinet or trolley with two separately keyed locks. The security department must keep and control keys to the first lock and the gambling operation department must keep and control the keys to the second lock.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-595, filed 4/10/07, effective 1/1/08.]

WAC 230-15-600 Storing drop boxes on closed gambling tables. House-banked card game licensees may store drop boxes on closed gambling tables if recorded surveillance covers the entire area.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-600, filed 4/10/07, effective 1/1/08.]

Count Requirements in House-Banked Card Rooms

WAC 230-15-605 Requirements for count rooms. (1) House-banked card game licensees must have a secured area, called a "count room," for counting the contents of drop boxes.

(2) Licensees must design and construct the count room to provide maximum security for the materials housed there and for the activities conducted there. The count room must be fully enclosed with only one entry. Licensees must also have:

(a) A door with at least one lock securing the count room door. The security department must keep and control the key or combination to the door. If a double locking system is used, the gambling operation department must keep the key to the second lock; and

(b) A sign-out procedure for all authorized keys used for the count process; and

(c) An alarm device connected to the entrance of the count room so that opening the door signals the surveillance employees monitoring the closed circuit television system.

(3) In the count room, licensees must have:

(a) A table of clear glass or similar material with a base that does not obstruct viewing for the emptying, counting, and recording of the contents of the drop boxes (the "count"); and

(b) Closed circuit television cameras and microphones that capture effective and detailed video and audio monitoring of the entire count process; and

(c) A sign posted in the count room or at the entrance that states audio recordings are occurring within the count room at all times.

(4) Licensees must keep a count room sign-in log in the format we require.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-605, filed 4/10/07, effective 1/1/08.]

WAC 230-15-610 Preparing to conduct a count. (1) House-banked card game licensees must assign employees to conduct the count. The count team must be made up of three or more licensed employees. The count team must not include anyone who works in the surveillance department or whose duties included preparing, approving, or reviewing records used in that specific count process.

(2) Licensees must accurately count and record the contents of drop boxes to ensure the proper accountability of all gambling chips, coin, and currency. The count must be done at least once each gambling day.

(3) If a cage cashier completes the opener, closer, fills, and credits portions of the master game report, the cashier sends the original master game report to the count team for completion. The cage cashier must immediately send a copy directly to the accounting department.

(4) A count team member must notify the surveillance room observer that the count is about to begin. The surveillance employee must then make a video and audio recording of the entire count process.

(5) Before opening drop boxes, the count team must lock the door to the count room. Licensees must permit no person to enter or leave the count room, except for a normal work break or an emergency, until the count team has completed the entire counting, recording, and verification process for the contents of drop boxes.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-610, filed 4/10/07, effective 1/1/08.]

WAC 230-15-615 Conducting the count. (1) The contents of drop boxes must not be combined before the count team separately counts and records the contents of each box; and

(2) As each drop box is placed on the count table, a count team member must announce the game, table number, and shift, if applicable, loudly enough to be heard by all persons present and to be recorded by the audio recording equipment; and

(3) A count team member must empty the contents onto the count table; and

(4) Immediately after the contents are emptied onto the count table, a count team member must display the inside of the drop box to the closed circuit television camera, and show it to at least one other count team member to confirm that all contents of the drop box have been removed. A count team member must then lock the drop box and place it in the drop box storage area; and

(5) Count team member(s) must separate the contents of each drop box into separate stacks on the count table by denominations of coin, chips, and currency and by type of form, record, or document; and

(6) At least two count team members must count, either manually or mechanically, each denomination of coin, chips, and currency separately and independently. Count team members must place individual bills and coins of the same denomination on the count table in full view of the closed circuit television cameras, and at least one other count team member must observe and confirm the accuracy of the count orally or in writing; and

(7) As the contents of each drop box are counted, a member of the count team must record the total amount of coin, chips, and currency counted (the drop) on the master games report; and

(8) If a cage cashier has recorded the opener, closer, fill slips, and credit slips on the master game report before the count, a count team member must compare the series numbers and totals recorded on the master game report to the fill slips, credit slips, and table inventory slips removed from the drop boxes, confirm the accuracy of the totals, and must record, by game and shift, the totals we require on the master game report. Otherwise, the count team must complete all required information on the master game report; and

(9) The accounting department may complete the win/loss portions of the master game report independently from the count team if this is properly documented in the approved internal controls.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-615, filed 4/10/07, effective 1/1/08.]

WAC 230-15-620 Concluding the count. (1) After the count team finishes their count, the cage cashier or accounting department employee must verify the contents of the drop boxes.

(2) In the presence of the count team and before looking at the master game report, the verifier must recount the cash, either manually or mechanically.

(3) The verifier must sign the master game report verifying that the cash count is accurate.

(4) Each count team member must sign the report attesting to the accuracy of the information recorded.

(5) After the report is signed, the original master game report must be taken directly to the accounting department, along with the requests for fills, the fill slips, the requests for credit, the credit slips, and the table inventory slips removed from drop boxes. The cage cashiers must not be allowed access to any of these records.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-620, filed 4/10/07, effective 1/1/08.]

WAC 230-15-625 Accounting department review of the count. (1) On a daily basis, the accounting department must:

(a) Have a card room employee with no recording responsibilities compare a sample of originals and copies of the day's master game report, requests for fill, fill slips, requests for credit, credit slips and table inventory slips for agreement with each other and, if applicable, to triplicates or stored data; and

(b) Review a sample for the appropriate number and propriety of signatures; and

(c) Account for the originals and copies by series numbers, if applicable; and

(d) Test for proper calculation, summarization, and recording; and

(e) Subsequently record in monthly records; and

(f) Keep and control the originals and copies.

(2) The accounting department must report discrepancies immediately to us for investigation.

(3) If the accounting department does not work on weekends or federal or state holidays, they must complete these reviews on the next day that they work.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-625, filed 4/10/07, effective 1/1/08.]

Securing House-Banked Card Room Keys

WAC 230-15-630 Restricting access and controlling keys. House-banked card game licensees must use keys to control access to restricted areas of the business premises.

(1) Licensees must install and keep key control boxes that, at least:

(a) Are constructed of metal with a minimum of one key-lock mechanism. We permit coded key boxes or combination key boxes; and

(b) Are attached to a permanent structure without the hardware used to attach the key box being visible; and

(c) Are tamper proof; and

(d) Store keys so that they are identifiable, have identification labels, and are displayed in numeric or alphabetic order; and

(2) Licensees may decide the location of key control boxes, but the location must not allow an individual to gain access to a restricted area that he or she would not otherwise be authorized to enter.

(3) If licensees locate key boxes in restricted areas, persons who are not authorized to enter those areas must give their key to the key box to an authorized person. The authorized person must then only open the key box in the presence of the unauthorized person or while under camera coverage.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-630, filed 4/10/07, effective 1/1/08.]

WAC 230-15-635 Electronic key control systems. House-banked card game licensees may use electronic key control systems if we review and approve them in writing.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-635, filed 4/10/07, effective 1/1/08.]

WAC 230-15-640 Keeping individual key control boxes for departments. (1) House-banked card game licensees must keep individual key control boxes for at least these departments:

(a) Gambling operations;

(b) Accounting;

(c) Security; and

(d) Surveillance.

(2) Licensees must:

(a) Document in their approved written internal controls how they will keep the keys or combinations to each key control box secure; and

(b) Limit access to key control boxes to the licensed card room employee(s) responsible for the overall supervision or management of the department for which the box is kept. The employee(s) must keep this key or combination in their possession while gambling is being conducted; and

(c) Keep any duplicate keys to the key control boxes in the master key control box.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-640, filed 4/10/07, effective 1/1/08.]

WAC 230-15-645 Keeping a key control log. House-banked card game licensees must keep a key control log in the format we require to record the use and return of keys used to control access to restricted areas.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-645, filed 4/10/07, effective 1/1/08.]

WAC 230-15-650 Keys for the gambling operations department. In the gambling operations department, the key control box must include, at least, the key(s) to:

(1) Each pit podium; and

(2) Drawers and other locking cabinets located in each designated gambling area podium; and

(3) Remove the cover from the chip trays; and

(4) The second lock on the enclosed storage cabinet or trolley used to store or transport all drop boxes removed from the gambling tables; and

(5) All jackpot pay out boxes included with authorized card games; and

(6) All control boxes used to maintain authorized card games; and

(7) Other areas included in the approved internal controls.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-650, filed 4/10/07, effective 1/1/08.]

WAC 230-15-655 Keys for the security department. In the security department, the key control box must include key(s) to:

(1) The lock to the count room door; and

(2) The lock that secures the drop boxes to the gambling table; and

(3) The first lock on the enclosed storage cabinet or trolley used to store or transport all drop boxes; and

(4) The storage cabinet(s) or other secure facility used to store the card inventory including decks not yet placed in play and decks removed from play and waiting to be canceled or destroyed; and

(5) The main entry or access door of the card room; and

(6) Other areas included in the approved internal controls.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-655, filed 4/10/07, effective 1/1/08.]

WAC 230-15-660 Keys for the accounting department. (1) The accounting department key control box must include the key(s) to:

(a) The lock securing the contents of the drop boxes; and

(b) The rear of the locked dispenser used to store the triplicate of the fill/credit slips in a continuous, unbroken form; and

(c) The door to the cashier's cage; and

(d) Reset the lock to the drop boxes; and

(e) Other areas included in the approved internal controls; and

(2) The cashier's cage key control box must include key(s) to:

(a) Each cashier's window drawer; and

(b) The chip drawer or fill bank; and

(c) The vault and/or the safe; and

(d) The door to the cashier's cage; and

(e) The front of the locked dispenser used to store the triplicate of the fill/credit slips in continuous, unbroken form; and

(f) The dealer tip boxes; and

(g) Other areas included in the approved internal controls.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-660, filed 4/10/07, effective 1/1/08.]

WAC 230-15-665 Keys for the surveillance department. In the surveillance department, the key control box must include keys to:

(1) The surveillance room; and

(2) The storage cabinet(s) or locker(s) used to keep surveillance recordings, cards, or other items of evidentiary value or recordings documenting details of jackpot pay outs.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-665, filed 4/10/07, effective 1/1/08.]

WAC 230-15-670 Keeping a master key control box. (1) House-banked card game licensees may keep a master key control box with access strictly limited to the owner(s), general manager, or other person(s) authorized by the owner.

(2) Keys in this key control box may include:

(a) Extra keys for the department key boxes and restricted areas; and

(b) Other keys included in the licensee's approved internal controls.

[Statutory Authority: RCW 9.46.070. 07-21-116 (Order 617), § 230-15-670, filed 10/22/07, effective 1/1/08; 07-09-033 (Order 608), § 230-15-670, filed 4/10/07, effective 1/1/08.]

WAC 230-15-675 Key control box for the emergency key. For emergency situations, house-banked card game licensees may keep an additional key control box with a key which can be accessed on a limited basis for the safety of

employees. We must preapprove any emergency key control boxes.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-675, filed 4/10/07, effective 1/1/08.]

Progressive Jackpot Prizes for House-Banked Card Games

WAC 230-15-680 Operating progressive jackpot prizes. House-banked card game licensees may operate progressive jackpot prizes with certain approved house-banked card games.

(1) To participate in a progressive jackpot, a player places a separate wager, part of which accrues to the progressively increasing prize.

(2) Manufacturer's game rules determine the winning patterns or combinations of cards.

(3) Licensees must offer a primary jackpot and may have a secondary or reserve jackpot prize.

(4) Licensees must adequately disclose to players the prizes available and how they are won.

(5) Licensees must ensure that they closely control progressive jackpot games and account for all the funds collected.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-680, filed 4/10/07, effective 1/1/08.]

WAC 230-15-685 Restrictions on progressive jackpots. House-banked card game licensees operating progressive jackpots must follow these restrictions and procedures:

(1) Progressive jackpot funds must accrue according to the rules of the game; and

(2) At each gambling table, licensees must prominently post the amount of the progressive jackpot that players can win; and

(3) Licensees must record the beginning amount of each progressive jackpot offered, including explanations for any increases or decreases in the prize amount offered. Licensees must keep this documentation with the progressive jackpot records; and

(4) Licensees may establish a maximum limit on a progressive jackpot prize. If licensees establish a limit, they must make the amount equal to, or greater than, the amount of the jackpot when they imposed the limit. They must prominently post a notice of the limit at or near the game.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-685, filed 4/10/07, effective 1/1/08.]

WAC 230-15-690 Paying out progressive jackpot prizes. (1) House-banked card game licensees must immediately pay out verified prizes of five thousand dollars or less.

(2) For verified prizes over five thousand dollars, licensees must immediately pay out a minimum of five thousand dollars and pay the remaining balance within twenty-four hours by check. The player may request that the licensee pay up to the entire prize balance by check. Licensees must then issue a check for the entire prize balance within twenty-four hours.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-690, filed 4/10/07, effective 1/1/08.]

WAC 230-15-695 Adjusting progressive jackpot amounts. House-banked card game licensees must not reduce the amount of a progressive jackpot prize accrued or displayed except for the following reasons:

(1) To reduce the jackpot and the advertised amount by the amount won; or

(2) To correct an amount displayed incorrectly because of malfunctioning equipment; or

(3) To correct the display when the amount displayed is greater than the predetermined maximum prize limit; or

(4) To reduce a reserve or secondary jackpot as long as they record the funds removed as gross receipts and properly documented that in their records; or

(5) To reduce a reserve or secondary jackpot to recover seed money that was not taken from gross receipts, if they properly document those funds in their records; or

(6) To reduce the jackpot by the dollar amount they paid for merchandise they award as prizes.

(7) To reduce a reserve or secondary jackpot to immediately seed a different progressive jackpot if the licensee properly documents this transfer in their records.

[Statutory Authority: RCW 9.46.070, 9.46.0282. 10-17-089 (Order 671), § 230-15-695, filed 8/16/10, effective 1/1/11. Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-695, filed 4/10/07, effective 1/1/08.]

WAC 230-15-700 Merchandise prizes for progressive jackpots. House-banked card game licensees offering merchandise prizes for progressive jackpots must:

(1) Own the merchandise prizes and pay for them in full, without lien or interest of others, before they award the merchandise as prizes. If the winner has an option to receive a cash prize instead of the merchandise, licensees may enter into a contract to immediately purchase a merchandise prize after the winner chooses their option; and

(2) Disclose that they used a specific portion of the jackpot funds to buy merchandise to be awarded as prizes, as well as the specific merchandise prizes to be awarded; and

(3) Disclose the value of the merchandise they plan to award. This value must be accurate and verifiable; and

(4) Award the merchandise on the specific outcome of a game and include the outcome in the game rules; and

(5) Keep detailed records, including the purchase invoice, on premises and make them available for our review.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-700, filed 4/10/07, effective 1/1/08.]

WAC 230-15-705 Temporarily removing a progressive jackpot from play. House-banked card game licensees may temporarily remove a progressive jackpot game from play if:

(1) The licensee submits a written request for removal with their reasons and we approve in writing; and

(2) The circumstances are beyond the licensee's control or there is other good cause leading to the disruption, for example, remodeling the card room; and

(3) The licensee notifies players of the disruption and the estimated date when the jackpot will continue.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-705, filed 4/10/07, effective 1/1/08.]

WAC 230-15-710 Permanently removing a progressive jackpot or a portion of a progressive jackpot from play. (1) Players have a vested interest in the posted or advertised progressive jackpot prize.

(2) Licensees must:

(a) Submit a detailed distribution plan to us in writing and receive written approval before removing any progressive jackpot prizes from play; and

(b) Prominently post a notice and the distribution plan, including if they plan to close the business, at least ten days before they begin the process of removing the jackpot and distributing the funds; and

(c) Distribute the funds in one or more of the following ways:

(i) Offering the prize on a different house-banked game; or

(ii) Offering the prize in an approved free tournament in which funds must be distributed within sixty days from the date of approval; or

(iii) Donating the money to the Washington State Council on Problem Gambling.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-710, filed 4/10/07, effective 1/1/08.]

WAC 230-15-715 Tax authorities seizing all, or a portion, of a progressive jackpot. If a taxing authority seizes jackpot funds, the house-banked card game licensee must immediately cease operating the progressive jackpot game and collecting funds for the progressive jackpot until the amount that was posted as the prize has been replaced in the bank account. Licensees may either replace reserve or secondary funds that were seized or record the funds as gross receipts.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-715, filed 4/10/07, effective 1/1/08.]

WAC 230-15-720 Deposit and reconciliation requirements for progressive jackpot prizes. (1) House-banked card game licensees must deposit all progressive jackpot funds in a separate bank account at least weekly.

(2) Licensees must:

(a) Keep a record of all deposits; and

(b) For each progressive prize, identify the deposits by game name and number and dates of collection; and

(c) Maintain validated deposit slips as part of their records or have on-line access to their progressive jackpot prize bank accounts.

(3) At the end of the month, licensees must:

(a) Reconcile the account balance with the bank statement to the progressive jackpot fund balances. "Reconcile" means the licensee must compare the two balances, resolve any differences, and document the comparison and the differences in writing; and

(b) Keep the reconciliation as part of their records.

[Statutory Authority: RCW 9.46.070. 10-11-087 (Order 669), § 230-15-720, filed 5/17/10, effective 7/1/10; 07-09-033 (Order 608), § 230-15-720, filed 4/10/07, effective 1/1/08.]

Records and Recordkeeping for House-Banked Card Games

WAC 230-15-725 Keeping all card game records. House-banked card game licensees must keep and maintain all card game records in the format we require.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-725, filed 4/10/07, effective 1/1/08.]

WAC 230-15-730 Keeping an accounting system. (1) House-banked card game licensees must keep and maintain a complete set of accounting records which we have approved before licensure. These records must include all receipts and disbursements of the licensee, including, at least, those related to gambling activities.

Revenue, costs, and expenses.

(2) Licensees must keep legible, accurate, and complete records of all transactions relating to the revenues, costs, and expenses of the gambling operation. Licensees must keep these records in a format that ensures consistency, comparability, and effective disclosure of financial information.

Accounting system.

(3) Licensees must keep an accounting system on a double entry method of accounting with transactions recorded on an accrual basis and in conformity with United States' Generally Accepted Accounting Principles (GAAP).

Recordkeeping.

(4) Licensees must keep detailed, supporting, and subsidiary records including, at least:

(a) Records of all players' checks initially accepted, deposited, and returned as "uncollected," and ultimately written off as "uncollectible"; and

(b) Records of investments in property, including, at least, equipment used directly in connection with the gambling operation; and

(c) Records of amounts payable by the gambling operation; and

(d) Records which identify the purchase, receipt, and destruction of all cards and gambling chips used in wagering; and

(e) Records of services provided for the operation of gambling activities, for example, service provided by gambling service suppliers; and

(f) Master game reports that reflect drop and win amounts for each table, for each game. These records must cover at least each period for which the drop boxes are removed, or at the minimum, the period of each gambling day.

Copies.

(5) Licensees must color code any form, record, or document that requires duplicate or triplicate copies.

(6) If forms, records, and documents are required to be inserted into a locked dispenser, the last copy must remain in a continuous unbroken form in the dispenser.

Storing documents.

(7) All forms, records, documents, and stored data required to be kept and controlled must have the title printed on the item, such as "fill slip," "request for fill slip," "credit slip," "request for credit slip," or "reconciliation."

(8) Licensees must keep all records for a period of not less than three years. At least the last six months of gambling records must be available for inspection on the business premises.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-730, filed 4/10/07, effective 1/1/08.]

WAC 230-15-735 Keeping employee licensing records. (1) Licensees must keep a records system on the business premises that ensures all applicable employees have met licensing requirements. The records must include:

(a) Employees' names;

(b) Gambling license numbers;

(c) Gambling license expiration dates; and

(d) Photocopies of all current employees' licenses.

(2) Licensees must keep copies of the applications of all employees who have applied for, but have not yet been issued, a license. The records must include:

(a) Temporary employment authorization;

(b) Documentation that the employee has made the required license or transfer fee payment; and

(c) Proof that the employee has followed the ten-day waiting period, if applicable.

(3) Licensees must notify us if a card room employee does not receive a license within sixty days of employment.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-735, filed 4/10/07, effective 1/1/08.]

WAC 230-15-740 Preparing required financial statements.

Definitions.

(1) The following definitions apply to all subsections of this rule:

(a) "Financial statements" means documents, including, at least: Balance sheet, statement of income, statement of retained earnings or changes in equity, statement of cash flows, and all required notes or disclosures.

(b) "Card room gross receipts" means all receipts from all house-banked and nonhouse-banked card games offered by the house-banked card room.

(c) "Independent" means there is no relationship that may influence a certified public accountant's impartiality and objectivity in rendering services.

Filing with the commission.

(2) House-banked card game licensees must submit financial statements covering all financial activities of the licensees' business premises for each business year within one hundred twenty days following the end of their business year.

(3) We may authorize a sixty-day extension if a licensee submits a written request explaining the need for the extension.

Audited financial statements - gross receipts of over three million dollars.

(4) Licensees with house-banked card game gross receipts of more than three million dollars for the business year must hire an independent, certified public accounting firm licensed by the Washington state board of accountancy to audit the licensee's financial statements according to Generally Accepted Auditing Standards (GAAS).

Reviewed financial statements - gross receipts of one to three million dollars.

(5) Licensees with house-banked card room gross receipts of one to three million dollars for the business year must hire an independent, certified public accounting firm licensed by the Washington state board of accountancy to review the licensee's financial statements according to the Statements on Standards for Accounting and Review Services (SSARS) or audit the licensee's financial statements according to GAAS.

Compiled financial statements - gross receipts of less than one million dollars.

(6) Licensees with house-banked card room gross receipts of less than one million dollars for the business year must hire an independent, certified public accounting firm licensed by the Washington state board of accountancy to compile the licensee's financial statements according to SSARS or audit the licensee's financial statements according to GAAS. This compilation must include all required notes or disclosures on an accrual basis of accounting.

Financial statement preparation.

(7) Licensees must prepare financial statements on a comparative basis. For the first year of operation only, licensees do not have to submit comparative financial statements. Licensees must report gross revenues from each licensed activity separate and apart from all other revenues.

(8) All financial statements must be prepared in accordance with the United States' Generally Accepted Accounting Principles (GAAP).

Consolidated financial statements.

(9) Commonly owned or operated business premises may present consolidated financial statements. Licensees must include consolidated schedules presenting separate financial statements for each licensed card room location.

Change in business year.

(10) Licensees must notify us in writing within thirty days if they change their business year. Licensees must submit financial statements covering the period from the end of the previous business year to the end of the new business year.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-740, filed 4/10/07, effective 1/1/08.]

WAC 230-15-745 Signature cards. House-banked card game licensees must keep signature cards in the format we require for all licensed card room employees.

(1) The card must be prepared in the presence of a member of the accounting department, who must review a picture identification card and verify the signer's identity.

(2) Licensees must keep completed cards in a signature card file, sorted by department and listed alphabetically by name. Licensees must review and adjust the signature records as needed to reflect changes of personnel.

(3) Licensees must securely store signature cards in the accounting department.

(4) The cashier's cage must keep a copy of each signature card and cage personnel must use it to verify signatures.

(5) Licensees must retain the signature records for a period of at least one year after employment ends.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-745, filed 4/10/07, effective 1/1/08.]

WAC 230-15-750 Signature requirements for documents, records, and forms. (1) House-banked card game licensees must document each transfer of cash, coins, or chips and verify the transfer with the signature(s) of individual(s) responsible for the records.

(2) By signing documents, records, and forms, signers are indicating that they:

(a) Have prepared them according to the requirements of the accounting system and internal controls; and/or

(b) Attest to the accuracy of the information recorded for which they are responsible.

(3) Signers must sign immediately next to, or above, the clearly printed or preprinted title on all forms, records, and documents.

(4) Signatures must, at least, be the signer's first initial and last name, for example, "B. Smith," and the signer's employee number.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-750, filed 4/10/07, effective 1/1/08.]

Chapter 230-16 WAC

MANUFACTURER, DISTRIBUTOR, AND GAMBLING SERVICE SUPPLIER RULES

WAC

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GENERAL RULES FOR MANUFACTURERS, DISTRIBUTORS, AND GAMBLING SERVICE SUPPLIERS

WAC 230-16-001 Manufacturers, distributors, and gambling service suppliers must ensure representatives are licensed. (1) A licensed manufacturer, distributor, or gambling service supplier must not allow an unlicensed person to sell, promote, or provide its gambling equipment, or supplies, or to supervise those who do, and must take all measures necessary to prevent an unlicensed person from doing so.

(2) A licensed manufacturer must notify us in writing before a manufacturer representative begins representing them.

[Statutory Authority: RCW 9.46.070. 09-24-012 (Order 664), § 230-16-001, filed 11/20/09, effective 12/21/09; 07-19-069 (Order 615), § 230-16-001, filed 9/17/07, effective 1/1/08.]

WAC 230-16-005 Transporting, displaying, and selling gambling equipment at trade shows and conventions. Licensed manufacturers and distributors selling gambling equipment authorized by state or federal law may transport, display, and accept orders for the sale or lease of their products at trade shows and conventions as long as:

(1) They notify us in writing of the nature, date, and location ten days before the trade show or convention; and

(2) Their target audience of the trade show or convention are operators of authorized gambling activities in Washington; and

(3) They deliver all gambling equipment purchased or leased at the trade show or convention to the operator's authorized location.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-005, filed 9/17/07, effective 1/1/08.]

PUNCH BOARD AND PULL-TAB REQUIREMENTS

WAC 230-16-010 Manufacturers, distributors, and gambling service suppliers must comply with punch board and pull-tab rules. Manufacturers, distributors, and gambling service suppliers and their representatives must

comply with WAC 230-14-030, 230-14-080, and 230-14-085.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-010, filed 9/17/07, effective 1/1/08.]

WAC 230-16-015 Punch board and pull-tab sales restrictions. (1) Manufacturers, distributors, and manufacturer and distributor representatives must sell or distribute punch boards, pull-tabs, pull-tab dispensers, or related equipment only to other distributor, distributor representative, or punch board and pull-tab licensees.

(2) Distributor and distributor representatives must buy punch boards, pull-tabs, pull-tab dispensers, or related equipment only from other licensed manufacturer, distributor, or distributor representatives.

(3) Manufacturers must not sell any punch board or pull-tab series unless the winning punches or pull-tabs are randomly distributed and mixed among all other punches or pull-tabs in that board or series.

(4) Manufacturers, distributors, and manufacturer and distributor representatives must not make sales promotion statements, demonstrations, or implications that imply:

(a) One portion of a pull-tab series contains more winners than other portions; or

(b) Operators can sell pull-tabs in some manner that would give the operator an advantage in selling more pull-tabs before having to pay out winners.

[Statutory Authority: RCW 9.46.070. 08-03-062 (Order 623), § 230-16-015, filed 1/14/08, effective 2/14/08; 07-19-069 (Order 615), § 230-16-015, filed 9/17/07, effective 1/1/08.]

WAC 230-16-020 Sales to Indian tribes. Licensed manufacturers, distributors, and gambling service suppliers may sell to Indian tribes operating Class II activities that are legal under federal law.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-020, filed 9/17/07, effective 1/1/08.]

WAC 230-16-025 Punch board construction. Manufacturers must design, construct, and manufacture punch boards to eliminate any patterns between punch boards or portions of punch boards from which someone could determine the location or approximate location of winning punches.

(1) Manufacturers must randomly distribute and mix winning punches among all other punches in the punch board. To ensure no patterns exist, manufacturers must:

(a) Mix the form or permanent number sheets before cutting; and

(b) Thoroughly mix all strips after the strips have been crimped and before inserting them into the punch boards; and

(c) When filling punch boards, change the process for filling each separate set to prevent any pattern between sets of punch boards; and

(d) Include no more than eight punch boards from one set of boards in any case shipped to Washington.

(2) Manufacturers must make serial numbers on punch boards nonsequential to ensure no pattern exists which would allow someone to track the boards through serial numbers.

(3) Manufacturers must:

(a) Guarantee that all numbers or symbols listed as winners on the flare are present in the board; and

(b) Seal all punch boards to prevent anyone from using any method, including light or markings, to discover the number or symbol on a punch before punching it out of the board; and

(c) Not allow punch boards with taped sides, corners, or edges.

(4) Manufacturers may place stickers on the back of the punch boards naming additional numbers or symbols they guarantee to be in the board. The additional numbers or symbols must not exceed five percent of the total punches in the board, unless the manufacturer receives written permission from us.

(5) Punch boards are exempt from secondary verification code requirements.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-025, filed 9/17/07, effective 1/1/08.]

WAC 230-16-030 Step up punch board construction. Manufacturers of step up boards must:

(1) Completely seal all cards, strips, or punches to prevent winner identification before the punch is removed from the board; and

(2) Thoroughly mix all cards, strips, or punches that contain the winners to ensure that no pattern of winners exists; and

(3) Have at least twenty-five different face sheets for use on boards with seals covering the winners; and

(4) Randomly distribute face sheets during the manufacturing process.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-030, filed 9/17/07, effective 1/1/08.]

WAC 230-16-035 Pull-tab construction. Manufacturers must:

(1) File their label or trademark with us before printing pull-tabs; and

(2) Construct, glue, seal, or band pull-tabs to prevent the discovery of the winning numbers, symbols, or set of symbols, or game protection before the pull-tab is dispensed or opened by use of:

(a) Markings; or

(b) Difference in size; or

(c) Paper fiber; or

(d) Color; or

(e) Printing; or

(f) Any other method; and

(3) Construct all pull-tabs so that, when offered for sale to the public, they are virtually opaque and free of security defects detectable by:

(a) High intensity lights; or

(b) Peeking; or

(c) Any other method; and

(4) Construct all pull-tabs, except banded and latex covered pull-tabs, using a two or three ply paper stock construction; and

(5) Make winning and losing sheets for each game using the same paper stock; and

(6) For all progressive pull-tab series, make winning and losing sheets for each game using the same paper stock at the same time as the series; and

(7) Conspicuously print the series number and their name, label, or trademark on the pull-tab so both are readily visible before opening the pull-tab; and

(8) Perforate or clean-cut the openings centered over the symbols or numbers to allow players to easily open pull-tabs while preventing pull-tabs from opening prematurely in normal handling. Perforate on both horizontal lines of the opening and either perforate or clean-cut the vertical or elliptical line where players grasp the tab for opening after bending the edge of a ticket down. Manufacturers may include information to show players how to open the pull-tab or remove the latex to determine the symbols or numbers; and

(9) Not repeat series numbers used on that same manufacturer's form number within a three-year period.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-035, filed 9/17/07, effective 1/1/08.]

WAC 230-16-040 Winner protection and secondary verification codes. (1) Each manufacturer must create methods of winner protection for each punch board and pull-tab series, except spindle-type pull-tab series. This protection must allow operators, us, and other law enforcement personnel to distinguish opened winning pull-tabs from nonwinning, altered, or forged pull-tabs, or pull-tabs from another series. Manufacturers must:

(a) Establish a primary winner protection for each pull-tab series; and

(b) Use special numbers, colors, designs, ink, or any combination of these to create the primary winner protection; and

(c) Completely hide the protection from view and ensure it is undetectable before players open the pull-tabs; and

(d) Provide a written explanation of each winner protection method to us. The written explanation must include details and pictures, diagrams, or samples necessary to thoroughly explain the method; and

(e) Notify us in writing of any changes to protection schemes; and

(f) Use winner protection to identify winning pull-tabs after they have been purchased and opened and distinguish them from nonwinning pull-tabs.

(2) Pull-tabs that award prizes greater than twenty dollars must use a secondary verification code to prevent counterfeiting. We must approve all secondary verification methods before manufacturers use them within the state.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-040, filed 9/17/07, effective 1/1/08.]

WAC 230-16-045 Defective punch boards, pull-tabs, or pull-tab dispensers. (1) If we determine that punch boards, pull-tabs, or pull-tab dispensers do not meet our requirements, the director may order manufacturer(s) to recall all defective products and all similarly constructed or printed products.

(2) If the director orders a recall, we immediately notify the manufacturer of the:

(a) Product to be recalled; and

(b) Reason for the recall; and

(c) Effective date of the recall; and

(d) Any other specific requirements.

(3) We follow verbal notice with a written notification.

(4) Immediately upon receiving oral notification, manufacturers must cease shipping affected product in the state and initiate actions to ensure complete compliance with the recall.

(5) Manufacturers must notify all distributors within seventy-two hours of:

(a) The items recalled; and

(b) The effective date of recall; and

(c) The arrangement for the prompt return of the defective items.

(6) Once they've been notified, distributors must immediately stop sales and delivery of the product. We notify each licensed distributor, in writing, of:

(a) The recall; and

(b) The effective dates; and

(c) The products involved; and

(d) Any special instructions.

(7) Before any reintroduction of any recalled or similar item, the manufacturer must first submit the revised or reworked item to us for review, evaluation, and approval. We notify the manufacturer, in writing, of the approval or disapproval.

(8) The manufacturer must send a copy of the approval letter to distributors with the next five shipments of the reworked item.

(9) Manufacturers must reimburse distributors the actual cost the distributor paid for each punch board, pull-tab series, or pull-tab dispenser the director orders recalled. Manufacturers of recalled punch boards, pull-tab series, or pull-tab dispensers must compensate distributors for time and expenses incurred during a recall. Compensation must not exceed fifty cents per punch board or pull-tab series the distributor actually returned to the manufacturer or twenty-five dollars per pull-tab dispenser.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-045, filed 9/17/07, effective 1/1/08.]

WAC 230-16-050 Punch board and pull-tab quality control program. To ensure the integrity of punch boards and pull-tab series, we maintain a quality control program. This program includes a level of inspection and evaluation we deem necessary to ensure punch boards and pull-tabs meet the standards of chapter 9.46 RCW and Title 230 WAC. Manufacturers must pay for administering this program. The program includes at least:

(1) **Special inspections** - We may select any punch board or pull-tab series to examine in any manner for quality or integrity, including punching out or pulling all chances remaining on the board or series. Manufacturers must reimburse distributors or operators for unused games we select for quality control testing purposes. We determine the reimbursement process. We may bill manufacturers for the cost of quality control investigations which exceed forty hours of our staff time.

(2) **Defective punch boards or pull-tab series** - When a punch board or pull-tab series is defective, operators must:

(a) Remove the board or series from play and notify us. We complete a quality control report which operators must

use to return the board or series to the distributor or manufacturer; and

(b) Return punch boards or pull-tab series which have been opened, prepared for play, or placed out for play to the manufacturer or distributor; and

(c) Return defective or recalled boards or series which are unopened to the distributor or manufacturer without a quality control report.

(3) **Credits or reimbursements for defective punch boards or pull-tab series:**

(a) Manufacturers must reimburse distributors or operators for the cost of a replacement board or series which are returned under subsection (2) of this section; and

(b) Manufacturers may, at their discretion, reimburse operators for only actual net losses resulting from the play of a board or series because of its defect; and

(c) For credits and reimbursements for defective punch boards or pull-tab series, manufacturers or distributors:

(i) Must properly record all boards or series returned on a credit memo. WAC 230-16-190 explains requirements for credit memos; and

(ii) May reimburse operators for actual net losses. Manufacturers must keep adequate supporting documentation for all reimbursements.

(4) **Our fees to recover costs for defective punch boards or pull-tab series -** We may assess a fee for each defective punch board or pull-tab series sold to operators for which we complete a quality control report. We do not assess this fee beyond the fifth series of a particular form number with the same defect.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-050, filed 9/17/07, effective 1/1/08.]

WAC 230-16-052 Standards for flares. Flares must clearly display the:

(1) Manufacturer of the punch board or pull-tab series. A stamp, seal or label identifying the manufacturer may be substituted if we have been informed; and

(2) Manufacturer assigned series number; and

(3) I.D. stamp; and

(4) Cost of each punch or pull-tab; and

(5) Total number of punches or pull-tabs in the series. For any newly designed flare or any previously designed flare for pull-tab series with a ticket count over six thousand, which has not yet been packaged, the number of pull-tabs must be printed in one-half inch size lettering; and

(6) Prizes available and the winning number or symbols. For prizes over twenty dollars, the winning numbers or symbols must be printed so each can be permanently and conspicuously deleted off the flare as each prize is won.

(a) A progressive jackpot meter board, for progressive jackpot series, is a supplement to the flare; and

(b) For cumulative prize pool pull-tab games, the seal card prizes from the cumulative prize pool board are not required to be printed on the series flares.

[Statutory Authority: RCW 9.46.070. 09-17-077 (Order 657), § 230-16-052, filed 8/14/09, effective 1/1/10; 08-03-062 (Order 623), § 230-16-052, filed 1/14/08, effective 2/14/08.]

WAC 230-16-055 Bonus or step up flares. In addition to other flare requirements, manufacturers of step up punch board and bonus pull-tab flares must:

(1) Develop and use at least twenty-five randomly distributed versions of flares for each form number of a bonus series; and

(2) Construct flares which contain prizes determined after players receive the corresponding winning chance so that it is impossible to determine the prizes before removing the prize covering; and

(3) Label the middle or advance level with "Advance Section" in at least one-quarter inch lettering; and

(4) Label the top tier level with "Bonus Section" in at least one-quarter inch lettering; and

(5) Clearly state on the flare the number of winners which could be awarded in the top tier level in at least three-eighths inch lettering. In addition, clearly display the number of winners and the number of advances in each advance level; and

(6) Clearly display all prizes for each advance and bonus level so that only the winners within the possible combinations are shown. Where applicable, use the word "OR" to show the possible combinations for winning the bonus prizes; and

(7) Not show duplicate references to prizes on the flare.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-055, filed 9/17/07, effective 1/1/08.]

WAC 230-16-060 Assembly and packaging of pull-tab series. When assembling and packaging a pull-tab series, manufacturers must:

(1) Place each pull-tab series in one packaging container, unless the number of tickets in the series exceeds 10,000. For pull-tab series that contain more than 10,000 tickets, manufacturers may package the pull-tab series in more than one container if they:

(a) Seal all containers with a sticker or seal and shrink wrap them; and

(b) Identically label each container with a referencing system that identifies at least:

(i) The series number; and

(ii) The total boxes per series; and

(iii) The I.D. stamp numbers; and

(c) Mark the cases to identify the contents during shipping, including:

(i) The series number; and

(ii) The total cases per set; and

(d) Package and ship each box or case together; and

(e) Package the packing slip and flare with one box of the series; and

(f) Ensure that no case, package, box or container shall be marked to make it distinguishable from any other case, package, box or container within the series; and

(2) Not assemble the winning and losing pull-tabs in a way that would allow prize manipulation; and

(3) Mix pull-tabs before placing them in their final container to ensure pull-tabs are separated from their original collated row position and dispersed among all rows in the container; and

(4) Place a packing slip inside the container with the name of manufacturer, series number, date of packaging, and

the name or identification of the person who packaged the series. Manufacturers may print this information on the flare or the outside of the container. Manufacturers must have this information readily available if we request it; and

(5) Print on the outside of the container a message stating that operators must remove the pull-tabs from the container and thoroughly mix them before putting them out for play. Manufacturers must:

(a) Print the information on:

(i) A crack-and-peel sticker and place it on the outside of the packaging container; or

(ii) A packing slip placed inside the container; or

(b) Request our approval to exempt packages of jar tickets from this requirement.

[Statutory Authority: RCW 9.46.070. 08-03-053 (Order 622), § 230-16-060, filed 1/11/08, effective 2/11/08; 07-19-069 (Order 615), § 230-16-060, filed 9/17/07, effective 1/1/08.]

PROGRESSIVE JACKPOT PULL-TAB SERIES

WAC 230-16-065 Approvals needed before offering progressive jackpot pull-tab series. (1) For progressive jackpot series, the director approves:

(a) All gambling equipment for use in the series; and

(b) The process used to manufacture the series; and

(c) The secondary win code.

(2) Gambling related software must, at least:

(a) Prevent all persons other than the manufacturer representative from changing data once it is entered; and

(b) Retain in memory a record of transactions for a game until the operator totals, prints, and clears the transactions, even if the unit's primary power source is disrupted.

(3) Those requesting approval must pay all costs related to our review.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-065, filed 9/17/07, effective 1/1/08.]

WAC 230-16-070 Prizes in progressive jackpot pull-tab series. Prizes for progressive jackpot pull-tab series must meet the following requirements:

(1) Manufacturers must determine the starting jackpot prize and corresponding jackpot accrual rate needed to meet the sixty percent payout requirement. Manufacturers must include this information in the package with each series; and

(2) The minimum jackpot accrual rate must generate an accrued jackpot prize of at least sixty percent of the total gross gambling receipts available from the series when added to the starting jackpot prize and instant winners; and

(3) Instant winners must be at least forty percent of total gross gambling receipts available from the series; and

(4) The starting jackpot must, at least, equal the value of the highest instant winner; and

(5) Maximum contribution to a progressive jackpot for each individual progressive pull-tab series must be five thousand dollars. The contribution amount specifically excludes portions carried over from previous series.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-070, filed 9/17/07, effective 1/1/08.]

WAC 230-16-075 Assembly and packaging of progressive pull-tab series. (1) Manufacturers must include the packing slip and flare with the first box of a series.

(2) Manufacturers may package progressive jackpot pull-tab series in more than one container if they:

(a) Shrink wrap all boxes and seal them with a manufacturer sticker or seal; and

(b) Identically label each box with a referencing system that identifies, at least:

(i) Series number; and

(ii) Individual box and total boxes per series (for example, "seven of nine"); and

(iii) I.D. stamp numbers; and

(c) Mark cases to identify the contents during shipping, including:

(i) Series number; and

(ii) Case reference and total cases per set; and

(d) Package and ship each box or case together.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-075, filed 9/17/07, effective 1/1/08.]

EVENT PULL-TAB SERIES

WAC 230-16-080 Event pull-tab series. (1) Manufacturers must ensure that event pull-tab series meet all standards of construction for other pull-tab series; and

(2) Manufacturers must ensure the flare for event pull-tab series meets requirements for flares and substitute flares and explain:

(a) The number of chances available to advance to the event round; and

(b) How the event round winner is determined; and

(c) The number of instant winner pull-tabs, if available; and

(d) The number of winning event round pull-tabs at each level.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-080, filed 9/17/07, effective 1/1/08.]

BONUS PULL-TAB SERIES

WAC 230-16-085 Bonus pull-tab series with carry-over jackpots. Bonus pull-tab series with carry-over jackpots must:

(1) Have not less than one winner out of ten, so the chance of winning the carry-over jackpot is ten percent or higher; and

(2) Have only one advance level on the flare; and

(3) Have at least one guaranteed chance to win the carry-over jackpot; and

(4) Have all chances included on the flare covered to prevent determining the concealed numbers or symbols before the player opens the chance. If perforated windows are used, manufacturers must cover the numbers or symbols with latex, foil, or other approved means; and

(5) Meet all standards for bonus pull-tab flares.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-085, filed 9/17/07, effective 1/1/08.]

CARRY-OVER JACKPOTS

WAC 230-16-090 Secondary win codes for carry-over jackpots. Manufacturers must ensure that secondary win codes on pull-tab series with carry-over jackpots are not repeated within any three-year period.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-090, filed 9/17/07, effective 1/1/08.]

WAC 230-16-095 Prizes in carry-over jackpot pull-tab series. Manufacturers must:

(1) Determine the contribution amount and the method of play and disclose both on the flare; and

(2) Ensure guaranteed prizes are sixty percent or more of gross receipts available from the pull-tab series. "Guaranteed prizes" means all prizes available, excluding the contribution amount or carry-over jackpot; and

(3) Ensure the contribution amount for each series does not exceed five hundred dollars. "Contribution amount" means the amount from each series that is added to the carry-over jackpot.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-095, filed 9/17/07, effective 1/1/08.]

SEAL CARD PULL-TAB SERIES

WAC 230-16-100 Seal card pull-tab series. (1) Manufacturers of seal card pull-tab series must meet all standards of pull-tab construction, including the seals on the flare; and

(2) The seal card pull-tab series must include forms to attach to the pull-tabs. The forms must list enough information to contact the winners of the seal card round; and

(3) Manufacturers must meet all requirements for flares and substitute flares. The flare may include up to two seals. The second seal may be offered as an additional prize, not as an alternative to the original seal prize; and

(4) The flare must clearly state:

(a) The number of tabs available to advance to the seal card round; and

(b) How the seal card round winner is determined; and

(c) The number of instant winner tabs; and

(d) The number of winning seal card round tabs; and

(5) If using perforated windows for the seal on the flare, manufacturers must cover the numbers or symbols to prevent detection of the winner before opening.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-100, filed 9/17/07, effective 1/1/08.]

WAC 230-16-102 Cumulative prize pool pull-tab games. (1) Manufacturers of cumulative prize pool pull-tab games must meet all standards of pull-tab construction, including the seals on the board; and

(2) A cumulative prize pool pull-tab game board must include at a minimum:

(a) All seal card prizes; and

(b) Manufacturer's name or logo; and

(c) Each cumulative prize pool pull-tab series number; and

(d) Form number; and

(e) Cost per play; and

(f) Game name; and

(3) A cumulative prize pool pull-tab game board must have the same number of seals as the number of series in the game.

[Statutory Authority: RCW 9.46.070. 09-17-077 (Order 657), § 230-16-102, filed 8/14/09, effective 1/1/10.]

WAC 230-16-104 Cumulative prize pool pull-tab series flare. A cumulative prize pool pull-tab series flare must meet the requirements of WAC 230-16-052 and include at a minimum:

(1) A perforated window or seal; and

(2) A list for players to write their name on for the chance to open a seal on the cumulative prize pool pull-tab board.

[Statutory Authority: RCW 9.46.070. 09-17-077 (Order 657), § 230-16-104, filed 8/14/09, effective 1/1/10.]

BINGO CARDS

WAC 230-16-105 Disposable bingo cards. (1) Manufacturers of disposable bingo cards must:

(a) Create quality control methods to ensure manufacturing processes, including collating of bingo cards into packets, meet our requirements; and

(b) Document these methods; and

(c) Provide the documentation to us on request.

(2) Manufacturers must collate packets of cards so that each page:

(a) Is from a different set of cards; and

(b) Has consistent skips throughout the entire collation; and

(c) Contains cards that are different when compared to other cards in the packet; and

(d) Has a different color or border pattern.

(3) Manufacturers must prepare and make available a master verification system for each type or product line of bingo cards they make to provide operators and us the ability to verify winning cards. Master verification systems must:

(a) Provide a facsimile of each card within a set of cards by the card number; and

(b) Display the exact numbers and the location or configuration of numbers or symbols on the card.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-105, filed 9/17/07, effective 1/1/08.]

WAC 230-16-110 Duplicate bingo cards. (1) We prohibit duplicate cards within a specific product line. Manufacturers must:

(a) Imprint each card in a specific product line with a unique set of numbers and unique configurations of numbers; and

(b) Ensure that there are no duplicate cards in a set or collation sold to distributors or operators.

(2) Manufacturers may collate duplicate cards into packets if they:

(a) Locate the duplicates at different page levels in the packets; and

(b) Indicate to the buyer that they intend those cards for use only during separate games within a session, including "on-the-way" games.

(3) If manufacturers discover duplicate cards, or we or another licensee notify them of duplicate cards, they must immediately:

(a) Stop marketing the product line containing duplicate cards; and

(b) Recall all sets and collations of packets or books containing duplicate cards at the same page level; and

(c) Take steps to correct manufacturing or collating processes to ensure they do not sell duplicate cards to operators, and inform us in writing about the steps taken; and

(4) When we validate claims, manufacturers must reimburse:

(a) Operators who submit claims for prizes paid because of duplicate cards; and

(b) Us for all of our costs incurred investigating duplicate card complaints.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-110, filed 9/17/07, effective 1/1/08.]

WAC 230-16-120 Bingo card manufacturing control system. (1) In each set of bingo cards, manufacturers must include a control system that:

(a) Identifies each card by a card number printed on the face of the card. However, we exempt "player selection" game cards from this requirement; and

(b) Consecutively numbers each sheet of cards within a set. However, if manufacturers have alternative controls and they disclose those to operators, they do not have to number the sheets; and

(c) Assigns each set of cards manufactured as a specific product line, using the same color and border pattern, and a unique serial number. Manufacturers must print the serial number on each card; and

(d) Identifies that specific set and each specific card within that set; and

(e) Tracks the transfer of cards from the point of manufacture to operators; and

(f) Facilitates sale by the operator to the player.

(2) We approve all new control systems.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-120, filed 9/17/07, effective 1/1/08.]

WAC 230-16-125 Disposable bingo card packing slip and package label. Manufacturers of disposable bingo cards must establish marketing units that are complete and contain the correct number of cards or packets they have chosen. Manufacturers must complete a packing slip for each set of cards or collation of packets and either enclose it inside the shipping container or in an envelope attached to the container. Additionally:

(1) Manufacturers must label each marketing unit in a way that allows the contents to be determined without opening. The label must include, at least:

(a) The I.D. stamp numbers; and

(b) Serial number or, if packets, serial number of the top page; and

(c) Color and border pattern or, if packets, color and border pattern of the top page; and

(d) Number of the carton and the total number of cartons included in the marketing unit.

(2) If the marketing unit contains more than one container, manufacturers must include the packing slip in or attach it to the first container. The packing slip must include:

(a) The manufacturer's name; and

(b) Descriptions of the product, including the "series," "on," "cut," and "up"; and

(c) The records entry label that matches the I.D. stamp; and

(d) The serial number or, if packets, the serial number of the top page; and

(e) The color and border pattern or, if packets, colors and border patterns of all sets and the collation sequence; and

(f) A record of any skips (missing cards, sheets of cards, or packets); and

(g) The number of the carton and the total number of cartons included in the marketing unit.

(3) Manufacturers must mark the specific cards or packets on the marketing unit packing slip. Manufacturers may have a margin of error up to one percent, as long as they document all missing cards, sheets, or packets on the packing slip enclosed in the first container of the marketing unit. We prohibit shipping of marketing units with a margin of error greater than one percent.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-125, filed 9/17/07, effective 1/1/08.]

WAC 230-16-130 Disposable bingo card sales. (1) Manufacturers of disposable bingo cards must sell each set or collation as a single unit.

(2) We allow distributors to open containers for Class E and below operators and operators of authorized unlicensed activities:

(a) At an operator's request to change the "on," "up," and "cut." When a modification is made, the distributor must reseal the carton and note all changes on the packing label; or

(b) To provide cards to individuals for recreational activities; or

(c) To provide cards for "promotional contests of chance."

(3) Subsets must have at least one container, except distributors may open the container and sell cards in smaller quantities described in subsection (2) of this section.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-130, filed 9/17/07, effective 1/1/08.]

WAC 230-16-135 "Player selection" bingo cards. Manufacturers and distributors of "player selection" bingo cards must:

(1) Meet all requirements for disposable bingo cards; and

(2) Print cards on two-part, self-duplicating paper that provides an original and duplicate copy.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-135, filed 9/17/07, effective 1/1/08.]

WAC 230-16-140 "Hidden face" bingo cards. Manufacturers and distributors of "hidden face" bingo cards must:

(1) Meet all requirements for disposable bingo cards; and

(2) Print, fold, and seal each card or sheet of cards so that no one may determine the numbers or configurations of numbers on the card, or the card number until opened; and

(3) Have a separate numbering system for each card or sheet that randomly distributes numbers that is not connected with the card number printed in the "free" space; and

(4) Mix cards or sheets so that:

(a) No relationship exists between the card numbers and separate numbering system within a set or subset; and

(b) No patterns or consistent relationships of location exist between specific card numbers in subsets from different sets; and

(5) Imprint the serial number and the card or sheet number from subsection (3) of this section on the outside of the cards or sheets of cards so that it is visible for recording without opening; and

(6) Make sets of cards that contain at least six thousand unique faces or patterns of numbers. Subsets of "hidden face" bingo cards must contain at least one thousand cards or sheets of cards.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-140, filed 9/17/07, effective 1/1/08.]

WAC 230-16-145 Electronically generated bingo card computer systems. Manufacturers of electronically generated bingo cards for electronic bingo daubers must use a computer to store the bingo cards and interface with a printer. The computer must:

(1) Retain in memory a record of transactions for a session until the operator totals, prints, and clears the transactions, even if the unit's primary power source is disrupted; and

(2) Compute a total of all transactions occurring during the current session and print out the total on request; and

(3) Maintain and control the time and date of sale and transaction number in a manner that prohibits change or resetting except by the manufacturer or qualified service personnel. Operators must retain a detailed record, supported by service documents for each service call involving a change of the time, date, or transaction number; and

(4) Secure the electronically stored bingo cards in a way that prevents an operator or player from modifying them. The system must not allow operators to exchange, transfer, refund, or modify the price of cards issued to a player in any way after the sale is made. The system must store cards on "erasable programmable read only memory" (EPROM), "compact disc read only memory" (CDROM), "write once read many" disc drives (WORM), or other systems we approve.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-145, filed 9/17/07, effective 1/1/08.]

WAC 230-16-150 Control system for electronically generated bingo cards. Manufacturers of electronically generated bingo cards for electronic bingo daubers must imprint their cards with a control system that includes at least:

(1) A card number; and

(2) A consecutive transaction number for each sheet of cards that does not repeat in less than 999,999 transactions; and

(3) The name of the licensee operating the activity; and

(4) The time and date of the transaction; and

(5) The game number; and

(6) The amount paid for the opportunity to play each game. If the operator uses the combination receipting method, they may substitute the customer receipt number; and

(7) The total amount paid; and

(8) The face number and the card number the manufacturer assigned or, if used in "player selection games," the face numbers the player selected.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-150, filed 9/17/07, effective 1/1/08.]

ELECTRONIC CARD FACSIMILES

WAC 230-16-155 Electronic card facsimiles. (1) Manufacturers of electronic card facsimiles must ensure their system:

(a) Produces accurate facsimiles of one or more standard deck(s) of cards; and

(b) Randomly shuffles cards before each round of play or shoe loading; and

(c) Contains a backup system that records and displays at least five previous rounds of play; and

(d) Contains security protocols which prevent unauthorized access; and

(e) Is operated by card room personnel and does not allow players to play solely against the equipment; and

(f) Allows testing of the computer software; and

(g) Operates only under card room internal controls specific to each system.

(2) Manufacturers must have a licensed game testing laboratory test and certify that the system complies with subsection (1) of this section.

(3) Manufacturers must also submit their system to us for testing, as explained in WAC 230-06-050, with the certification from the independent laboratory and receive our approval before operating the system.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-155, filed 9/17/07, effective 1/1/08.]

I.D. STAMPS

WAC 230-16-160 I.D. stamps for gambling equipment. (1) If gambling equipment requires our approval, manufacturers and distributors must not attach I.D. stamps to the equipment until we approve it.

(2) Manufacturers must permanently and prominently attach our I.D. stamps to their gambling equipment. Once attached, no one may remove or tamper with the I.D. stamps. Manufacturers must attach I.D. stamps to:

(a) Punch boards; and

(b) Pull-tab flares; and

(c) Pull-tab dispensers; and

(d) Disposable bingo card packing slips; and

(e) Coin or token activated amusement games operated at locations with a Class A license; and

(f) Electronic bingo card daubers; and

(g) Electronic card facsimile tables; and

(h) Other items specified by the director.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-160, filed 9/17/07, effective 1/1/08.]

WAC 230-16-165 Purchasing I.D. stamps. (1) Manufacturers must purchase I.D. stamps from us and attach them to the equipment specified in this chapter.

(2) Any manufacturer may return damaged stamps to us with a detailed listing of the damaged stamps and must pay a service charge. We will then replace the I.D. stamps.

(3) Owners of gambling equipment which require annual I.D. stamps must purchase I.D. stamps from us and attach them to their gambling equipment. Annual I.D. stamps expire on December 31 each year, even if the equipment was placed out for play mid-year.

(4) Owners of pull-tab dispensers must purchase I.D. stamps to replace worn I.D. stamps on pull-tab dispensers. The owner must send us:

(a) A copy of the invoice for the purchase of the dispenser from the manufacturer, distributor, or operator; or

(b) A complete description of the pull-tab dispenser, serial number, manufacturer, and the previous I.D. stamp number, if known.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-165, filed 9/17/07, effective 1/1/08.]

WAC 230-16-170 I.D. stamps must be visible. (1) I.D. stamps on gambling equipment must be visible to allow inspection.

(2) If equipment is packaged within protective materials, the I.D. stamps must be visible for inspection without removing any of the packaging (for example, shrink wrap).

(3) If more than one piece of gambling equipment is packed in a container, manufacturers must list the I.D. stamp numbers on the outside of the container.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-170, filed 9/17/07, effective 1/1/08.]

WAC 230-16-175 Placing I.D. stamps and records entry labels. (1) Manufacturers must attach I.D. stamps and records entry labels to approved gambling equipment in the following way:

(a) **Punch boards -** On the reverse side of the board in an area that will not obstruct removal of punches. If sufficient space is not available on the reverse side, licensees may wrap the records entry labels around or partially attach them to the edge of the punch board as long as this does not obstruct display of prizes available or other information we require.

(b) **Pull tabs -** On the face or reverse side of the flare. If placed on the face, the I.D. stamps and records entry labels must not obstruct prizes available or other information we require.

(c) **Disposable bingo cards -** On the packing label on the outside of the shipping carton. Manufacturers must attach records entry labels to the packing slip. When they pack a set or collation of cards in more than one shipping container, manufacturers may attach the I.D. stamp to the first container and print the I.D. stamp number on all remaining shipping containers.

(2) **Electronic pull-tab dispensers, electronic bingo card daubers, and electronic facsimile card tables -** Manufacturers or owners must attach I.D. stamps on the outside of the main body, in an area that is not normally removed and replaced, and in a way that does not obstruct the view of the pull-tabs available for play, the bingo cards, or the card facsimiles.

(3) **Electromechanical and mechanical pull-tab dispensers -** Manufacturers or owners must attach I.D. stamps on the outside of the main body, in an area that is not normally removed and replaced, and in a way that does not obstruct the view of the pull-tabs available for play or the card facsimiles. Licensees may discard records entry labels.

(4) **Amusement games -** Owners must attach I.D. stamps on the outside of the main body, in an area that is not normally removed and replaced, and in a way that does not obstruct the view of the amusement game prizes.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-175, filed 9/17/07, effective 1/1/08.]

WAC 230-16-180 Record retention for I.D. stamp records. Manufacturers must keep records that provide an accountability trail for all I.D. stamps purchased.

(1) For I.D. stamps attached to gambling equipment and sold, manufacturers must keep the I.D. stamps records for at least three years and include, at least:

(a) The name of the purchaser;

(b) The date of the sale; and

(c) The invoice number recording the sale.

(2) For all unused or damaged I.D. stamps, manufacturers must indefinitely retain the I.D. stamps or provide records that include enough detail to allow us to account for all I.D. stamps.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-180, filed 9/17/07, effective 1/1/08.]

RECORDKEEPING

WAC 230-16-185 Accounting records for manufacturers and distributors. Manufacturers and distributors must keep and maintain a complete set of records for their licensed activity. They must, at least:

(1) Use the double entry accounting method, update these records at least once a month and provide a monthly balance for each account; and

(2) Maintain their records in accordance with generally accepted accounting principles and ensure the records can be reconciled to the licensee's federal income tax return; and

(3) Keep:

(a) **Cash disbursements book (check register) -** Manufacturers and distributors must document all expenses, both gambling and nongambling related, with invoices or other appropriate supporting documents. They must enter information monthly and include, at least:

(i) The date the check was issued or payment made;

(ii) The number of the check; and

(iii) The name of the payee; and

(iv) Type of expense; and

(b) **Cash receipts -** Manufacturers and distributors must keep a record of cash sales and cash received from all sources. They must enter information for each payment received monthly and include, at least, the:

(i) Date; and

(ii) Name of the person paying; and

(iii) Amount; and

(c) **General ledger -** Manufacturers and distributors whose gambling related sales are greater than five hundred thousand dollars per year must have a general ledger which contains, in addition to all other accounts by month, a separate sales account for each type of sale; and

(d) **Bank reconciliation -** Manufacturers and distributors must reconcile their accounts each month. "Reconcile" means the manufacturer or distributor must compare the two balances, resolve any differences, and document the comparison and the differences in writing; and

(e) **Copies of all financial data -** Manufacturers and distributors must keep copies of all financial data that supports tax reports to governmental agencies; and

(4) Maintain copies of all agreements regarding sales or leasing of gambling equipment and supplies that fully disclose all terms.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-185, filed 9/17/07, effective 1/1/08.]

WAC 230-16-190 Sales invoices for manufacturers and distributors. Manufacturers and distributors must document each sale of equipment or services, any return or refund, or any other type of transfer of punch boards, pull-tabs, pull-tab dispensers, or bingo equipment, including bingo cards, with a standard sales invoice.

Sales invoices and credit memos - These invoices and credit memos must:

(1) Be prenumbered sequentially at the time of purchase, using not less than four digits. Manufacturers and distributors may use computer generated numbering systems if:

(a) The system numbers the invoices and credit memos sequentially; and

(b) The manufacturers and distributors use the same system for all sales; and

(c) The manufacturers and distributors must not use a manual override function; and

(2) Record:

(a) The date of sale. Distributors must also enter the date of delivery if different from the date of sale; and

(b) The customer's name and complete business address; and

(c) A full description of each item sold or service provided, including the I.D. stamp number for each item, if attached; and

(d) The quantity and price of each item, including each merchandise prize for punch boards or pull-tabs; and

(e) The gross amount of each sale, including all discount terms and the total dollar amount of any discount; and

(3) Have three parts including, at least:

(a) The original, which must be given to the customer; and

(b) One which must be filed by customer name; and

(c) One which must be filed by invoice number or in an electronic sales journal, if we approve it.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-190, filed 9/17/07, effective 1/1/08.]

WAC 230-16-195 Additional requirements for sales invoices. (1) In addition to the requirements of WAC 230-16-190, manufacturers and distributors must complete sales invoices that include:

(a) For distributors, a separate line for each I.D. stamp number; and

(b) Space for the operator to either attach a records entry label or enter the I.D. stamp number and the date they placed the equipment out for play, adjacent to the written entry the distributor makes; and

(c) For each punch board or pull-tab, at least:

(i) Trade name of the game; and

(ii) Type of gambling equipment; and

(iii) Form number or other manufacturer-assigned method to specifically identify a board or series, including the size or number of chances; and

(iv) I.D. stamp number; and

(d) For each pull-tab dispenser, at least:

(i) Trade name of the dispenser; and

(ii) Type of dispenser; and

(iii) I.D. stamp number; and

(e) For each set of cards or collation of packets of disposable bingo cards, at least:

(i) Type of product, including product line; and

(ii) Description of product, including the number of cartons, "series," "on," "cut," and "up"; and

(iii) I.D. stamp number; and

(iv) Serial number or, if packets, serial number of the top page; and

(v) Color and border pattern or, if packets, color and border pattern of the top page; and

(vi) The unit or package number when a series or collation has been divided; and

(vii) For disposable bingo cards to be sold for linked bingo prize games the beginning and ending sheet numbers sold to or returned from the operator; and

(f) For merchandise prizes, at least:

(i) The date of purchase; and

(ii) The company's name and complete business address; and

(iii) A full description of each item purchased; and

(iv) The quantity of items purchased; and

(v) The cost per individual items purchased; and

(g) For sequentially prenumbered card game recordkeeping forms, at least:

(i) Type of form; and

(ii) Beginning and ending serial numbers; and

(iii) Quantity of forms; and

(h) For all other gambling equipment, at least:

(i) Trade name of device; and

(ii) Type of device; and

(iii) Serial number or other identification numbers or characteristics; and

(2) Manufacturers and distributors must record and maintain information documenting the sales of progressive jackpot pull-tabs in a separate filing system. They may use a computerized system to separately track this information and provide immediate reports.

[Statutory Authority: RCW 9.46.070 and 34.05.353. 08-22-068 (Order 635), § 230-16-195, filed 11/4/08, effective 1/1/09. Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-195, filed 9/17/07, effective 1/1/08.]

WAC 230-16-200 Sales journals for manufacturers and distributors. Manufacturers and distributors must keep a monthly sales journal containing, at least:

(1) Each date of sale; and

(2) Each sale invoice number; and

(3) The name of the person paying; and

(4) Sales by category, including:

(a) Punch boards that pay out:

(i) Cash; and

(ii) Merchandise prizes; and

(b) Pull-tab series that pay out:

(i) Cash; and

(ii) Merchandise prizes; and

(c) Pull-tab dispensers; and

(d) Merchandise intended for punch boards or pull-tab series prizes; and

(e) Bingo equipment; and

(f) Sales directly related to gambling activities, including pull-tab dispensers, equipment leases, or sales and supplies; and

(5) The total amount of each invoice.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-200, filed 9/17/07, effective 1/1/08.]

WAC 230-16-205 Record retention for manufacturers and distributors. Manufacturers and distributors must retain the following for at least three years after the end of their fiscal year:

(1) All required accounting records; and

(2) Monthly records; and

(3) Sales invoices; and

(4) Sales receipts; and

(5) Sales journals; and

(6) Credit memos.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-205, filed 9/17/07, effective 1/1/08.]

WAC 230-16-210 Alternative formats for recordkeeping. Manufacturers and distributors must receive advanced written approval from us for any alternative format of recording, such as:

(1) Sales invoice numbers explained in WAC 230-16-190 (1)(a); or

(2) Invoice files by customer name and invoice number; or

(3) Tracking progressive jackpot pull-tab series; or

(4) Sales journals; or

(5) Cash disbursements book (check register).

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-210, filed 9/17/07, effective 1/1/08.]

WAC 230-16-215 Accounting records and record retention for gambling service suppliers. Gambling service suppliers (service suppliers) must maintain records that document services they provide and receipts of payments for those services.

(1) Service suppliers must maintain an accounting system that includes, at least:

(a) **Sales invoices -** Sales invoices or detailed monthly billing statements issued to each customer. Service suppliers must maintain copies of these invoices or billing statements on their premises; and

(b) Sales journal - The sales journal must contain, at least, the following by month:

(i) Date of sale; and

(ii) The invoice number; and

(iii) The name of the person paying; and

(iv) Category of each service provided; and

(v) Payment amount; and

(c) **Cash receipts -** Service suppliers must record all cash receipts in an original book of entry like a sales journal, a check register, or a separate cash receipts journal. This record must include cash sales and cash received from all sources and, at least the following, by month:

(i) Date the payment was received; and

(ii) Name of the person paying; and

(iii) Payment amount; and

(d) **Bank statements -** Service suppliers must maintain copies of all deposits, deposit slips, and receipts; and

(e) **General ledger -** Service suppliers whose gambling related activities are greater than five hundred thousand dollars per year must have a general ledger which contains, in addition to all other accounts by month, a separate sales account for each type of activity; and

(f) **Copies of all financial data -** Service suppliers must maintain copies of all financial data that supports tax reports to governmental agencies.

(2) Service suppliers must:

(a) Maintain copies of all contracts they enter into with their customers which fully disclose all terms; and

(b) Keep and maintain required records for three years following the end of their fiscal year.

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-215, filed 9/17/07, effective 1/1/08.]

WAC 230-16-220 Activity reports by manufacturers and distributors. Manufacturers and distributors must submit activity reports to us twice a year for sales and services related to gambling activities. The activity reports must be in the format we require and must:

(1) Cover the periods:

(a) January 1 through June 30; and

(b) July 1 through December 31; 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 manufacturer or distributor or its employee prepares the report, then it must provide the preparer's name and business telephone number; and

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

[Statutory Authority: RCW 9.46.070. 07-19-069 (Order 615), § 230-16-220, filed 9/17/07, effective 1/1/08.]

Chapter 230-17 WAC
HEARING RULES

WAC

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ADJUDICATIVE PROCEEDINGS

WAC 230-17-001 Administrative charges and adjudicative proceedings. If we bring administrative charges against anyone, we give an opportunity for an adjudicative proceeding (hearing). We give the opportunity for a hearing to:

(1) Applicants to determine whether to deny the application; and

(2) Licensees to determine whether to suspend or revoke the license if they held a license at the time we issued charges against them; and

(3) Applicants for approval of pull-tab dispensers to determine whether to deny approval of the dispenser.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-001, filed 10/24/07, effective 1/1/08.]

WAC 230-17-005 Issuing notice of administrative charges. The director or director's designee issues a notice of administrative charges. We serve the applicant, licensee, or permittee with the notice. The notice must include:

(1) A short and plain statement of the matters the agency asserts; and

(2) A request for hearing form; and

(3) A form to request an interpreter at the hearing for persons with limited English skills or hearing impairment; and

(4) The maximum penalty.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-005, filed 10/24/07, effective 1/1/08.]

WAC 230-17-010 Requesting and scheduling a hearing. (1) Applicants, licensees, or permittees may request a hearing using the form we provide.

(2) We must receive the request from the applicant, licensee, or permittee at our administrative office within:

(a) Twenty-three days after we mail by regular mail the notice of administrative charges; or

(b) Twenty days after they receive by certified mail the notice of administrative charges; or

(c) Twenty days after we personally serve the notice of administrative charges.

(3) If applicants, licensees, or permittees do not file requests in the time required, then they waive their right to a hearing. They are in default, as defined in RCW 34.05.440, and the commissioners may take action against them up to the maximum penalty stated in the notice of administrative charges.

(4) The director, director's designee, or the presiding officer of the hearing must issue a notice of hearing which meets the requirements of RCW 34.05.434(2).

[Statutory Authority: RCW 9.46.070. 08-23-077 (Order 636), § 230-17-010, filed 11/18/08, effective 1/1/09; 07-21-156 (Order 615), § 230-17-010, filed 10/24/07, effective 1/1/08.]

WAC 230-17-015 Settlements encouraged. After charges have been issued, we encourage parties' efforts to settle without the need for an adjudicative hearing.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-015, filed 10/24/07, effective 1/1/08.]

WAC 230-17-020 Prehearing conferences. The presiding officer, on his or her own motion or on the motion of one of the parties, may direct the parties to appear at a specified time and place for a prehearing conference to consider:

(1) Identifying and simplifying the issues; and

(2) Amending pleadings, if necessary; and

(3) Obtaining stipulations of facts and of documents; and

(4) Limiting the number of witnesses; and

(5) Setting discovery deadlines or resolving discovery disputes; and

(6) Scheduling a settlement conference before an administrative law judge; and

(7) Scheduling the hearing date; and

(8) Resolving any other matter that may aid in the outcome of the proceeding.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-020, filed 10/24/07, effective 1/1/08.]

WAC 230-17-025 Appointment of administrative law judge or "presiding officer." (1) The commissioners hereby appoint the office of administrative hearings to assign an administrative law judge (ALJ), called the "presiding officer," to preside at all hearings which result from administrative charges, unless:

(a) The commissioners, by their own order, declare their intent to preside at a specific proceeding; or

(b) The proceeding is an appeal of an initial order issued by an ALJ.

(2) All hearings must be conducted in compliance with Title 230 WAC and chapter 34.05 RCW.

(3) The presiding officer is authorized to modify an administrative penalty sought by commission staff against the applicant, licensee, or permittee.

[Statutory Authority: RCW 9.46.070. 09-03-025 (Order 639), § 230-17-025, filed 1/9/09, effective 2/9/09; 07-21-156 (Order 615), § 230-17-025, filed 10/24/07, effective 1/1/08.]

WAC 230-17-030 Methods of service in adjudicative proceedings. Parties must serve all orders, notices, and other documents by:

(1) Personal service; or

(2) First class, registered, or certified mail; or

(3) Telefacsimile (fax) to the commission's legal division, and same-day mailing of a copy of the faxed document; or

(4) Commercial parcel delivery service.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-030, filed 10/24/07, effective 1/1/08.]

WAC 230-17-035 When service of notices, orders, and documents is complete. Service of notices and other documents is complete when served by:

(1) **Personal service** - which means actual, physical delivery to:

(a) The person; or

(b) The designated agent of the person; or

(c) Anyone over the age of eighteen residing at the residence of:

(i) The person; or

(ii) A corporate officer; or

(d) If represented, the attorney representing the person.

(2) **Mail** - which means deposit in the United States mail with proper postage and properly addressed; service is complete on the third day after mailing, excluding the date of mailing; or

(3) **Telefacsimile (fax)** - which means faxing to the commission's legal division, with confirmation of the transmission, and the same day deposit of a copy of the faxed document in the United States mail, with proper postage and properly addressed; service is complete on the third day after mailing, excluding the date of mailing; or

(4) **Commercial parcel delivery service** - which means delivery to the parcel delivery service, when properly addressed and all charges are paid.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-035, filed 10/24/07, effective 1/1/08.]

WAC 230-17-040 Filing documents for adjudicative proceedings. (1) We consider required documents "filed" on receipt of the documents at our administrative office accompanied by proof of service on all parties required to be served.

(2) Delivery to our administrative office when we are not present to receive the documents in person does not constitute lawful service of documents for any matter under our jurisdiction.

(3) When a party is filing a document with the commission, the attorney general's office must also be served.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-040, filed 10/24/07, effective 1/1/08.]

WAC 230-17-045 Who can appear in a representative capacity at hearings. The following persons may appear in a representative capacity at hearings or other legal proceedings:

(1) Individuals representing themselves or their business (*pro se*); and

(2) Attorneys at law duly qualified and entitled to practice before the supreme court of the state of Washington; and

(3) Attorneys entitled to practice before the highest court of record of any other state, if Washington attorneys are permitted to appear before administrative agencies of the other state, and if not otherwise prohibited by our state law; and

(4) Interpreters for persons with a limited understanding of the English language or hearing impaired persons; and

(5) Other persons the commissioners may allow, if a party shows a necessity or a hardship that would make it unduly burdensome to have one of the representatives set out above.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-045, filed 10/24/07, effective 1/1/08.]

WAC 230-17-050 Standards of ethical conduct. (1) Anyone appearing in proceedings before the commission in a representative capacity must conform to the standards of ethical conduct the courts of Washington require of attorneys.

(2) If the person does not conform to these standards, the commission may decline to allow that person to appear before them.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-050, filed 10/24/07, effective 1/1/08.]

WAC 230-17-055 Issuing, quashing, and responding to subpoenas. (1) The commission and the attorney for a party may issue subpoenas according to the requirements of RCW 34.05.446. Unrepresented (*pro se*) parties may request the presiding officer to issue for them such subpoenas as are necessary to enable them to fairly present their case. Every subpoena must:

(a) State the name of the commission; and

(b) State the title of the adjudicative proceeding; and

(c) Command the persons to whom they are addressed to attend and give testimony, produce books, records, documents, or things under their control at a specified time and place.

(2) All parties must serve their subpoenas on all other parties at least ten days before the specified time for appearance or document production.

(3) Any person eighteen years of age or older may serve subpoenas by showing and reading the subpoenas to witnesses, or by giving them a copy of the subpoena, or by leaving a copy at their residence.

(4) When anyone other than an officer authorized to serve process performs service, the server must make proof of service by affidavit or a declaration under penalty of perjury.

(5) If a party makes a motion at or before the time stated for compliance in the subpoena, the presiding officer may:

(a) Quash or modify an unreasonable and oppressive subpoena; or

(b) Order the person who issued the subpoena to pay the reasonable cost of producing the books, papers, documents, or tangible things.

(6) Parties may seek judicial enforcement of subpoenas under RCW 34.05.588.

(7) Witnesses must attend and provide requested testimony or documents at the specified time and place.

(8) During a hearing, if it appears in the public interest or in the interest of justice that further testimony or argument should be received, the presiding officer may at his or her discretion continue the hearing and:

(a) Set the hearing ahead to a certain date; and

(b) Subpoena, or allow a party to subpoena, additional argument or evidence.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-055, filed 10/24/07, effective 1/1/08.]

WAC 230-17-060 Official notice. The commission or the presiding officer may officially notice, on request made before or during a hearing or on its own motion, at least:

(1) **Federal law.** The Constitution; congressional acts, resolutions, records, journals and committee reports, decisions of federal courts and administrative agencies; executive orders and proclamations; and all rules, orders and notices published in the federal register; and

(2) **State law.** The Constitution of the state of Washington, acts of the legislature, resolutions, records, journals and committee reports; decisions of administrative agencies of the state of Washington, executive orders and proclamations by the governor; and all rules, orders and notices filed with the code reviser; and

(3) **Governmental organization.** Organization, territorial limitations, officers, departments, and general administration of the government of the state of Washington, the United States, the several states and foreign nations; and

(4) **Agency organization.** The commission's administration, officers, personnel, official publications, and contents of licenses and certifications; and

(5) **Tribal compact.** A Washington tribe's compact with the state of Washington for Class III gaming and any appendices or amendments to it.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-060, filed 10/24/07, effective 1/1/08.]

WAC 230-17-065 Depositions and interrogatories. (1) Parties may take testimony by deposition on oral examination (deposition) or written questions (interrogatories) for use as evidence in the administrative hearing.

(2) Parties must depose persons in the same manner, and before the same officers, authorized by the Washington civil rules for superior court, unless otherwise agreed in writing by the parties.

(3) Witnesses may be subpoenaed to attend a deposition or produce documents.

(4) Parties may only depose a commissioner, the director, deputy director, or an assistant director if they apply to the presiding officer and show good cause that circumstances prevent the statements or depositions of other staff members from revealing the information, evidence, or details needed.

(5) Unless otherwise ordered, the person being deposed may be examined about any matter to the same extent that the Washington civil rules for superior court allow.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-065, filed 10/24/07, effective 1/1/08.]

WAC 230-17-070 Notice and length of depositions. (1) Parties wishing to depose someone must give notice of at least seven days in writing to all parties.

(2) The notice for the deposition must state:

(a) Time and place of the deposition; and

(b) The name and address of each person to be deposed, if known; or

(c) If the name is not known, a general description sufficient to identify the person or the particular class or group to which he or she belongs (for example: "Records custodian").

(3) If a party makes a motion, the presiding officer may lengthen or shorten the time for notice of the deposition.

(4) If the parties agree in writing, depositions may be taken before any person, at any time or place, on any notice, and in any manner, and may be used as otherwise allowed by these rules.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-070, filed 10/24/07, effective 1/1/08.]

WAC 230-17-075 Protective orders. After notice is served for taking a deposition, upon its own motion or upon motion reasonably made by any party or by the person to be examined and upon notice and for good cause shown, the commission or its designated hearing officer may make an order that the deposition shall not be taken, or that it may be taken only at some designated place other than that stated in the notice, or that it may be taken only on written interrogatories, or that certain matters shall not be inquired into, or that

the scope of the examination shall be limited to certain matters, or that the examination shall be held with no one present except the parties to the action and their officers or counsel, or that after being sealed, the deposition shall be opened only by order of the commission, or that business secrets or secret processes, developments, or research need not be disclosed, or that the parties shall simultaneously file specified documents or information enclosed in sealed envelopes to be opened as directed by the commission, or the commission may make any other order which justice requires to protect the party or witness from annoyance, embarrassment, or oppression. At any time during the taking of the deposition, on motion of any party or of the deponent and upon a showing that the examination is being conducted in bad faith or in such manner as unreasonably to annoy, embarrass, or oppress the deponent or party, the commission or its designated hearing officer may order the officer conducting the examination to cease forthwith from taking the deposition or may limit the scope and manner of the taking of the deposition as above provided. If the order made terminates the examination, it shall be resumed thereafter only upon the order of the agency. Upon demand of the objecting party or deponent, the taking of the deposition shall be suspended for the time necessary to make a motion for an order.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-075, filed 10/24/07, effective 1/1/08.]

WAC 230-17-080 Stipulations. A "stipulation" means an agreement among parties intended to establish one or more operative facts in a proceeding.

(1) Parties may stipulate to all or any portion of the facts of the case.

(2) Parties may file the stipulation in writing or enter it orally into the record.

(3) A stipulation, if the presiding officer accepts it, is binding on the stipulating parties. The parties may present the stipulation as evidence at the hearing.

(4) The presiding officer may reject the stipulation or require proof of the stipulated facts, despite the parties' agreement to the stipulation.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-080, filed 10/24/07, effective 1/1/08.]

WAC 230-17-085 Initial orders. (1) Initial orders must be entered in accordance with RCW 34.05.461(3).

(2) An initial order becomes the final order unless a party files a petition for review of the initial order as explained in WAC 230-17-090.

[Statutory Authority: RCW 9.46.070 and 34.05.353. 08-22-093 (Order 634), § 230-17-085, filed 11/5/08, effective 1/1/09. Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-085, filed 10/24/07, effective 1/1/08.]

WAC 230-17-090 Petitions for review and cross appeals of initial orders. (1) RCW 34.05.464 governs the review of initial orders.

(2) Any party to an adjudicative proceeding may file a petition for review of an initial order. Parties must file the petition for review with us within twenty days of the date of service of the initial order unless otherwise stated. Parties must serve copies of the petition to all other parties or their representatives at the time the petition for review is filed.

(3) Petitions must specify the portions of the initial order the parties disagree with and refer to the evidence in the record on which they rely to support their petition.

(4) Any party to an adjudicative proceeding may file a reply to a petition for review of an initial order. Parties must file the reply with us within thirty days of the date of service of the petition and must serve copies of the reply to all other parties or their representatives at the time the reply is filed.

(5) Any party may file a cross appeal. Parties must file cross appeals with us within ten days of the date the petition for review was filed with us.

(6) Copies of the petition or the cross appeal must be served on all other parties or their representatives at the time the petition or appeal is filed.

(7) After we receive the petition or appeal, the commissioners review it at a regularly scheduled commission meeting within one hundred twenty days and make a final order.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-090, filed 10/24/07, effective 1/1/08.]

WAC 230-17-095 Admissibility criteria for evidence. (1) Subject to the other provisions of these rules, all relevant evidence is admissible which, in the opinion of the presiding officer, is the best evidence reasonably obtainable, having due regard for its necessity, availability and trustworthiness.

(2) If not allowing evidence to be admitted, the presiding officer must give consideration to, but is not bound to follow, the rules of evidence governing civil proceedings, in matters not involving trial by jury in the superior courts of the state of Washington.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-095, filed 10/24/07, effective 1/1/08.]

WAC 230-17-100 Tentative admission, exclusion, discontinuance, and objections to evidence. (1) When an objection is made to the admissibility of evidence, the evidence may be received subject to a later ruling.

(2) The presiding officer may, in his or her discretion, with or without objection, exclude inadmissible evidence or order cumulative evidence discontinued.

(3) Parties objecting to the introduction of evidence must state the precise grounds of such objection at the time such evidence is offered.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-100, filed 10/24/07, effective 1/1/08.]

WAC 230-17-105 Excerpts from documentary evidence. (1) When parties rely only on portions of a document, the offering party must:

(a) Prepare the pertinent excerpts; and

(b) Adequately identify them; and

(c) Supply copies to the presiding officer and the other parties, with a statement indicating the purpose for which the excerpts will be offered.

(2) The offering party must make the whole original document available for examination and for use by all parties. However, only the excerpts must be received in the record.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-105, filed 10/24/07, effective 1/1/08.]

WAC 230-17-110 Documentary evidence. (1) When requested for cause, the presiding officer may:

(a) Require that parties submit all documentary evidence to the other parties sufficiently in advance so that they may study and prepare cross-examination and rebuttal evidence.

(b) Reject documentary evidence not submitted in advance if the party offering it cannot show that there was good cause for failing to submit it sooner.

(2) Unless a party files a written objection before the hearing, the authenticity of all documents submitted in advance is accepted. Parties may later file a challenge of authenticity if they show good cause for failing to file a written objection.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-110, filed 10/24/07, effective 1/1/08.]

WAC 230-17-115 Expert witnesses. (1) The presiding officer, where practicable, must encourage all parties to agree on the identity and number of witnesses who are to give expert testimony by:

(a) Selecting one or more to speak for all parties; or

(b) Limiting the number for each party.

(2) If the parties cannot agree, the presiding officer must require them to submit written statements to all parties with the names, addresses, and qualifications of their respective expert witnesses on a date determined by the presiding officer sufficiently in advance of the hearing to allow the other parties to investigate the witness' qualifications.

(3) The presiding officer must require parties to submit the underlying data for statements and exhibits they provide sufficiently in advance of the hearing to allow the other parties to cross examine the expert witness(es) at the hearing. However, the presiding officer must restrict to a minimum placing the data in the record.

(4) No former employees of our agency may appear, except with the director's or director's designee's permission, as expert witnesses on behalf of other parties in a proceeding involving a matter that was under consideration by the agency when the former employee was employed by the commission.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-115, filed 10/24/07, effective 1/1/08.]

WAC 230-17-120 Written sworn statements by expert witnesses. The presiding officer must encourage all parties to agree that:

(1) For expert testimony, and all testimony based on economic or statistical data, all parties will submit written sworn statements in advance of the hearing by a date the presiding officer sets; and

(2) A party may object to the written statements on any grounds, except that the testimony is not presented orally; and

(3) A party may cross examine witnesses if the party makes a request sufficiently in advance of the hearing to allow the witness(es) to be present.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-120, filed 10/24/07, effective 1/1/08.]

WAC 230-17-125 Noncompliance with rules on expert witnesses or written statements. If expert witnesses or written statements on economic or statistical data do not meet the requirements of WAC 230-17-115 or 230-17-120, the presiding officer may receive them as evidence only if the party can clearly show good cause.

[Statutory Authority: RCW 9.46.070 and 34.05.353. 08-11-037 (Order 626), § 230-17-125, filed 5/14/08, effective 7/1/08. Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-125, filed 10/24/07, effective 1/1/08.]

WAC 230-17-130 Settlement conferences. (1) Any party to an adjudicative proceeding may request a settlement conference, with or without an administrative law judge (ALJ), to discuss a possible settlement of the case.

(2) If a settlement is reached, it must be a written order to be signed by all parties and the presiding officer.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-130, filed 10/24/07, effective 1/1/08.]

WAC 230-17-135 Continuances. (1) "Continuance" means a postponement or an extension of time after a notice of hearing or commission review has been issued.

(2) Parties may agree to a continuance.

(3) If the parties do not agree to a continuance, the person requesting the continuance must:

(a) Notify the presiding officer and the other party why a continuance is needed; and

(b) Present this request as soon as the person:

(i) Receives the notice of the hearing or commission review; or

(ii) Knows the reasons requiring the continuance.

(4) The presiding officer will consider whether the request was made promptly and may grant a continuance for good cause shown, or on his or her own motion.

(5) During a hearing, if it appears consistent with the public interest or in the interests of justice that further testimony or argument should be considered, the presiding officer may continue the hearing and set the date to introduce additional argument or evidence. This oral ruling is final notice of a continued hearing.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-135, filed 10/24/07, effective 1/1/08.]

WAC 230-17-137 Guidelines for imposing penalties in disciplinary actions. (1) Without in any manner limiting the authority granted to the commission under chapter 9.46 RCW or other applicable law to impose the level and type of discipline it may deem appropriate, at the request of any party, the presiding officer may consider the following factors, along with such others as he or she deems relevant, in determining the administrative penalty to be assessed for the violation of a statute or rule:

(a) The risk posed to the public health, safety, or welfare by the violation;

(b) Whether there are special policy implications relating to the violation, for example, those regarding underage gambling;

(c) Whether, and how, the violations impacted players, for example, failure to pay a player, and player-supported jackpot violations;

(d) Whether the applicant, licensee, or permittee:

(i) Knew, or reasonably should have known, the action complained of was a violation of any law, regulation, or condition of their license;

(ii) Previously received a verbal warning, written warning, notice of infraction, notice of violation and settlement (NOVAS), or administrative charges from the commission for similar violations;

(iii) Made, or attempted to make, a financial gain from the violation;

(iv) Had an existing compliance program related to the violation; or

(v) Has subsequently initiated remedial measures to prevent similar violations from reoccurring;

(e) Whether the violations were intentional, willful, or grossly negligent;

(f) Whether requiring the applicant, licensee or permittee to implement a written self-enforcement and compliance program would assist in ensuring future compliance with relevant laws, regulations, and license conditions;

(g) If the violation was caused by an officer or employee of the applicant, licensee, or permittee:

(i) Whether the individual who caused the violation acted within the scope of authority granted to him or her by the applicant, licensee or permittee; or

(ii) Whether the individual violated company policies, procedures, or other standards;

(h) The adequacy of any relevant training programs the applicant, licensee or permittee previously offered or made available to its employees;

(i) Whether and the extent to which the applicant, licensee or permittee cooperated with the commission during the investigation of the violation;

(j) The penalties imposed on other applicants, licensees or permittees for similar violations;

(k) Whether the applicant, licensee, or permittee reasonably relied upon professional advice from an accountant or other recognized professional, which was relevant to the conduct or action resulting in the violation; or

(l) Any other aggravating or mitigating circumstances the presiding officer deems relevant.

(2) A party intending to rely on any aggravating or mitigating factors must raise them at the initial hearing before the presiding officer in order to preserve them for any subsequent hearings before a reviewing officer.

(3) In the spring of 2011, staff will report to the commission on the impacts of this rule, if any.

[Statutory Authority: RCW 9.46.070. 09-17-074 (Order 653), § 230-17-137, filed 8/14/09, effective 9/14/09; 09-05-084 (Order 641), § 230-17-137, filed 2/17/09, effective 3/20/09.]

WAC 230-17-140 Petitions for reconsideration of a final order. (1) A party may file a petition for reconsideration of a final order. The presiding officer administers petitions for reconsideration according to RCW 34.05.470.

(2) A party may file a response to the petition for reconsideration. Parties must file responses with us within ten days of the date the petition was filed with us.

(3) If the petition is received at least fifteen business days before the next regularly scheduled commission meeting, we schedule the petition to be heard at that next meeting.

(4) If the petition is received less than fifteen business days before that next meeting, we schedule the petition at the following regularly scheduled meeting.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-140, filed 10/24/07, effective 1/1/08.]

WAC 230-17-145 Stays of final orders. (1) Any party may petition the commission for a stay of a final order in accordance with RCW 34.05.467.

(2) For purposes of this rule, the commission hereby delegates to the director the authority to deny a stay or issue a temporary stay until the reviewing court can rule on a permanent stay. The decision of the director denying a stay is not subject to judicial review.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-145, filed 10/24/07, effective 1/1/08.]

BRIEF ADJUDICATIVE PROCEEDINGS (BAPs)

WAC 230-17-150 Use of brief adjudicative proceedings (BAPs). (1) Presiding officers must use brief adjudicative proceedings (BAPs) for:

(a) Stays of summary suspension; and

(b) Denying or revoking extended operating hours for:

(i) Card games; and

(ii) Bingo; and

(c) Charitable or nonprofit licensee appealing a denial of a request for waiver of significant progress requirements; and

(d) Failure to pay required gambling taxes, where that is the only alleged violation in the administrative charges; and

(e) When the penalty we are requesting is a suspension of seven days or less; and

(f) When the parties stipulate to using a BAP.

(2) If we conduct a BAP, we may conduct them telephonically and, therefore, the notice of hearing will not set a place of the hearing.

(3) Any party to the BAP may request to appear in person and, in those cases, a place will be set and all parties notified.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-150, filed 10/24/07, effective 1/1/08.]

WAC 230-17-155 Discovery limitations in brief adjudicative proceedings. (1) In all brief adjudicative proceedings, discovery must be limited to requests for written reports and supporting documents relevant to the charges.

(2) Interrogatories and depositions are not allowed.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-155, filed 10/24/07, effective 1/1/08.]

SEIZURE HEARINGS

WAC 230-17-160 Hearings when gambling devices are seized. (1) We follow the processes explained in RCW 9.46.231 when we seize gambling devices.

(2) The item seized is forfeited to the state unless a claimant is able to prove the device is:

(a) Not a gambling device; or

(b) An antique gambling device as defined by RCW 9.46.235.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-160, filed 10/24/07, effective 1/1/08.]

SUMMARY SUSPENSION HEARINGS

WAC 230-17-165 Summary suspensions. (1) "Summary suspension" means immediately taking a license or permit from a person or organization which prevents them from operating or conducting gambling activities.

(2) The commission delegates its authority to the director to issue an order to summarily suspend any license or permit if the director determines that a licensee or permittee has performed one or more of the actions identified in RCW 9.46.075 as posing a threat to public health, safety, or welfare.

(3) The commission deems the following actions of a licensee or permittee constitute an immediate danger to the public safety and welfare:

(a) Failing or refusing to comply with the provisions, requirements, conditions, limitations, or duties imposed by chapter 9.46 RCW or any rules adopted by the commission; or

(b) Knowingly causing, aiding, abetting, or conspiring with another to cause any person to violate any of the laws of this state or the rules of the commission; or

(c) Obtaining a license or permit by fraud, misrepresentation, concealment, or through inadvertence or mistake; or

(d) Being convicted of, or forfeiting of a bond on a charge of, or having pled guilty to:

(i) Forgery; or

(ii) Larceny; or

(iii) Extortion; or

(iv) Conspiracy to defraud; or

(v) Willful 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

(vi) Bribing or otherwise unlawfully influencing a public official or employee of any state or the United States; or

(vii) Any crime, whether a felony or misdemeanor involving any gambling activity or physical harm to individuals or involving moral turpitude; or

(e) Allowing any person who has been convicted of, or forfeited bond on, any of the offenses included under (d) of this subsection, to participate in the management or operation of any activity regulated by the commission without written approval ahead of time from the commission or its director; or

(f) Being subject to current prosecution or pending charges, or appealing a conviction, for any of the offenses included under (d) of this subsection; or

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

(h) Making a misrepresentation of, or failure to disclose, a material fact to the commission; or

(i) Having pursued or 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; or

(j) Being 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 chapter 9.46 RCW or to the proper operation of the authorized gambling or related activities in this state. For the purposes of this section, career offender is 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 is defined as any group of persons who operate together as career offenders; or

(k) If a charitable or nonprofit organization, being deemed to be operating bingo primarily for gambling purposes and continuing to use program funds to subsidize the operation of gambling activities.

(4) An order of summary suspension takes effect immediately on service unless stated otherwise in the order of summary suspension.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-165, filed 10/24/07, effective 1/1/08.]

WAC 230-17-170 Petition and hearing for stay of the summary suspension. (1) When the director summarily suspends a license or permit, the affected licensee or permittee may petition for a "stay of suspension" as explained in RCW 34.05.467 and 34.05.550(1).

(2) We must receive the petition in writing within fifteen days of service of the summary suspension.

(3) Within seven days of receipt of the petition, the presiding officer holds a hearing. If an administrative law judge is not available, the chairperson of the commission designates a commissioner to be the presiding officer. If the parties agree, they may have a continuance of the seven-day period.

(4) At the hearing, the only issues are whether the presiding officer:

(a) Should grant a stay; or

(b) Modify the terms of the suspension.

(5) Our argument at the hearing consists of the information we used to issue the summary suspension and we may add any information we find after we order the suspension.

(6) At the hearing, the licensee or permittee has the burden of demonstrating by clear and convincing evidence all of the following:

(a) The licensee or permittee is likely to prevail upon the merits of the evidence at hearing; and

(b) Without relief, the licensee or permittee will suffer irreparable injury. For purposes of this section, elimination of income from licensed activities must not be deemed irreparable injury; and

(c) The grant of relief will not substantially harm other parties to the proceedings; and

(d) The threat to the public safety or welfare is not sufficiently serious to justify continuation of the suspension, or that modification of the terms of the suspension will adequately protect the public interest.

(7) The initial stay of the summary suspension order whether given orally or in writing takes effect immediately unless stated otherwise.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-170, filed 10/24/07, effective 1/1/08.]

WAC 230-17-175 Review of initial orders to stay a summary suspension. (1) Any party may petition the commissioners for review of an initial order to stay a summary suspension. The commissioners must receive the request for review in writing within twenty days of service of the order. If no party requests a hearing review within twenty days of service, the order becomes final for purposes of RCW 34.05.467.

(2) If we receive a timely petition for review, the commissioners will consider the petition at the next regularly scheduled meeting of the commission.

(a) The matters considered on review are limited to the record of the stay hearing; and

(b) A commissioner who acted as presiding officer is not disqualified from considering the petition for review, unless a party demonstrates grounds for disqualification under the conditions set out in RCW 34.05.425; and

(c) The commissioners' decision is effective immediately, unless otherwise stated, and is final as set out in RCW 34.05.467.

(3) The outcome of the petition for review does not affect any future administrative hearing about their license or permit.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-175, filed 10/24/07, effective 1/1/08.]

PETITIONS FOR DECLARATORY ORDERS

WAC 230-17-180 Petitions for declaratory orders. (1) Any person may petition the commission for a declaratory order with respect to the applicability to specified circumstances of a rule, order, or statute enforceable by the agency. The petition must set forth facts and reasons on which the petitioner relies to show:

(a) That uncertainty necessitating resolution exists; and

(b) That there is actual controversy arising from the uncertainty such that a declaratory order will not be merely an advisory option; and

(c) That the uncertainty adversely affects the petitioner; and

(d) That the adverse effect of uncertainty on the petitioner outweighs any adverse effects on others or on the general public that may likely arise from the order requested.

(2) Within fifteen days after receipt of a petition for a declaratory order, the commission must give notice of the petition to all persons to whom notice is required by law, and may give notice to any other person it deems desirable.

(3) Within thirty days after receipt of a petition for a declaratory order, the commission, in writing, must do one of the following:

(a) Enter an order declaring the applicability of the statute, rule, or order in question to the specified circumstances; or

(b) Set the matter for specified proceedings to be held no more than ninety days after receipt of the petition and give reasonable notification to the person(s) of the time and place for such hearing and of the issues involved; or

(c) Set a specified time no more than ninety days after receipt of the petition by which it will enter a declaratory order; or

(d) Decline to enter a declaratory order, stating the reasons for its action.

(4) The time limits of subsection (3)(b) and (c) of this section may be extended by the commission for good cause.

(5) The commission may not enter a declaratory order that would substantially prejudice the rights of a person who would be a necessary party and who does not consent in writing to the determination of the matter by a declaratory order proceeding.

(6) A declaratory order has the same status as any other order entered by the commission in an adjudicative proceeding. Each declaratory order must contain the names of all parties to the proceeding on which it is based, the particular facts on which it is based, and the reasons for its conclusions.

(7) Any person petitioning the commission for a declaratory order pursuant to RCW 34.05.240 must generally adhere to the following form for such purpose.

(a) At the top of the page must appear the wording "before the Washington state gambling commission." On the left side of the page below the foregoing, the following caption must be set out: "In the matter of the petition of (name of petitioning party) for a declaratory order." Opposite the foregoing caption must appear the word "petition."

(b) The body of the petition must be set out in numbered paragraphs. The first paragraph must state the name and address of the petitioning party. The second paragraph must state all rules or statutes that may be brought into issue by the petition. Succeeding paragraphs must set out the state of facts relied upon in form similar to that applicable to complaints in civil actions before the superior courts of this state. The concluding paragraphs must contain the prayer of the petitioner. The petition must be subscribed and verified in the manner prescribed for verification of complaints in the superior courts of this state.

(c) The original must be filed with the commission. Petitions must be on white paper, either 8-1/2" x 11" or 8-1/2" x 13" in size.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-180, filed 10/24/07, effective 1/1/08.]

RULE-MAKING PROCEDURES

WAC 230-17-185 Petitions for rule making. (1) Any person may petition the commission to adopt, change, or repeal a rule in Title 230 WAC. The petition must contain enough information so the commissioners and the public can understand the proposal.

(2) All persons must follow the requirements explained in RCW 34.05.330 for petitions for rule making.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-185, filed 10/24/07, effective 1/1/08.]

WAC 230-17-190 Information required on a petition. (1) If not submitted on standard forms, petitions for rule making must follow the requirements of RCW 34.05.330(4) and include:

(a) Commission name; and

(b) The reasons for:

(i) Adopting a new rule; or

(ii) Amending an existing rule; or

(iii) Repealing an existing rule.

(2) When someone is:

(a) Proposing a new rule, the petition should include:

(i) The text of the proposed rule; and

(ii) A description of the new rule requirements; and

(iii) A description of the effects of the new rule.

(b) Amending a rule, the petition should include:

(i) Title and number of the rule, for example, "WAC 230-03-040 Signing the application"; and

(ii) The text of your proposed rule change; and

(iii) A description of the effects of changing the rule.

(c) Requesting repeal of a rule, your petition should include:

(i) Title and number of the rule; and

(ii) A description of the effects of repealing the rule.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-190, filed 10/24/07, effective 1/1/08.]

WAC 230-17-195 Locating petition for rule-making form. Petitioners may get a "petition for rule-making form" from:

(1) The office of financial management; or

(2) Our administrative office during regular business hours; or

(3) Our web site at www.wsgc.wa.gov.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-195, filed 10/24/07, effective 1/1/08.]

WAC 230-17-200 Submitting a petition. (1) Petitioners must fax, e-mail, or mail petitions for rule change to the rules coordinator at our administrative office.

(2) We consider a petition submitted when we receive it at our administrative office.

[Statutory Authority: RCW 9.46.070. 07-21-156 (Order 615), § 230-17-200, filed 10/24/07, effective 1/1/08.]

Chapter 230-18 WAC

PROMOTIONAL CONTESTS OF CHANCE NOT LICENSED BY THE WASHINGTON STATE GAMBLING COMMISSION

WAC

230-18-005 Telephone fees deemed "consideration."
230-18-010 Promotional contests of chance similar to bingo.
230-18-015 Promotional game cards used in promotional contests of chance.

WAC 230-18-005 Telephone fees deemed "consideration." Participants may be required to place a telephone call to enter a promotional contest of chance, but additional fees such as those for a 1-900 number are "consideration" and are not authorized.

[Statutory Authority: RCW 9.46.070. 06-22-052 (Order 603), § 230-18-005, filed 10/27/06, effective 1/1/08.]

WAC 230-18-010 Promotional contests of chance similar to bingo. A business may offer a promotional contest of chance (PCOC) that is similar to bingo, commonly referred to as "no fee bingo."

(1) A business must not:

(a) Charge participants a direct or indirect fee to participate in the PCOC. Indirect fees include, but are not limited to, cover charges; and

(b) Operate the PCOC for no more than a total of three hours per day, twice per week. Participants must receive a bingo card immediately before the start of each game.

(2) A business must:

(a) Award only merchandise items, such as food, nonalcoholic beverages, hats, shirts, or other promotional items valued at less than twenty-five dollars each. The business must:

(i) Not substitute cash prizes for merchandise prizes; and

(ii) Not award prizes worth more than one hundred dollars per week or five thousand dollars per year; and

(iii) Record the names of winners and prize(s) won for each game; and

(b) Use recreational bingo cards that are not used in authorized bingo games.

[Statutory Authority: RCW 9.46.070. 06-22-052 (Order 603), § 230-18-010, filed 10/27/06, effective 1/1/08.]

WAC 230-18-015 Promotional game cards used in promotional contests of chance. (1) A business may use promotional game cards similar to pull-tabs as part of a promotional contest of chance (PCOC) if the game cards:

(a) Are readily distinguishable from other pull-tabs sold in the state of Washington; and

(b) Are designed and manufactured for a specific PCOC; and

(c) Clearly display the name of the sponsoring business or the promoted product(s); and

(d) Have no price per play on the card; and

(e) Have the official rules of play, including "no purchase necessary," printed on the back.

(2) We may seize PCOC game cards that violate these restrictions.

[Statutory Authority: RCW 9.46.070. 06-22-052 (Order 603), § 230-18-015, filed 10/27/06, effective 1/1/08.]

Chapter 230-21 WAC
PUBLIC DISCLOSURE

WAC

230-21-001	Purpose.
230-21-005	Types of public records, location, and times available.
230-21-010	Public records officers.
230-21-015	Requests for public records.
230-21-020	Denying public disclosure requests.
230-21-025	Protection of public records.

WAC 230-21-001 Purpose. The purpose of this chapter is to ensure the Washington state gambling commission complies with the Public Records Act, chapter 42.56 RCW.

[Statutory Authority: RCW 9.46.070. 07-19-070 (Order 616), § 230-21-001, filed 9/17/07, effective 1/1/08.]

WAC 230-21-005 Types of public records, location, and times available. All public records of the commission are available for public inspection and copying unless the law provides otherwise. The location of the records and times they are available are:

(1) **Location of public records -** All public records of the commission are located at our administrative office in Lacey.

(2) **Times available -** All public records are available for inspection and copying during normal office hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding legal holidays. Unless someone makes in advance a written request to view them, public records may not be available during the period 12:00 noon to 1:00 p.m.

[Statutory Authority: RCW 9.46.070. 07-19-070 (Order 616), § 230-21-005, filed 9/17/07, effective 1/1/08.]

WAC 230-21-010 Public records officers. The director designates the public records officers in charge of our public records. These persons must be located in our main administrative offices. Public records officers are responsible for:

(1) Implementing our rules regarding the release of public records;

(2) Coordinating the staff of the commission in this regard;

(3) Maintaining, keeping current, and publishing an index of all agency records as chapter 42.56 RCW requires; and

(4) Generally insuring staff complies with chapter 42.56 RCW.

[Statutory Authority: RCW 9.46.070. 07-19-070 (Order 616), § 230-21-010, filed 9/17/07, effective 1/1/08.]

WAC 230-21-015 Requests for public records. According to chapter 42.56 RCW, members of the public may inspect, copy, or get copies of public records if they comply with the following procedures:

(1) Make a request in writing on the form we require and have available at our administrative office; and

(2) Present the form at our administrative office during normal office hours to commission staff designated to receive requests, or send it by mail; and

(3) Commission staff must assist the public in identifying the appropriate public record requested; and

(4) If a person is not specifically authorized by law to obtain lists of names of individuals from public records, that person must complete a statement agreeing not to release or use the public record information for commercial purposes.

[Statutory Authority: RCW 9.46.070. 07-19-070 (Order 616), § 230-21-015, filed 9/17/07, effective 1/1/08.]

WAC 230-21-020 Denying public disclosure requests. With all denials of requests for public records, we provide a written statement explaining the reason for the denial. The statement includes:

(1) The specific exemption that authorizes us to withhold the record; and

(2) A brief explanation of how the exemption applies to the record we withheld.

[Statutory Authority: RCW 9.46.070. 07-19-070 (Order 616), § 230-21-020, filed 9/17/07, effective 1/1/08.]

WAC 230-21-025 Protection of public records. We are a law enforcement and regulatory agency and a licensing agency.

(1) Individuals may inspect the public records at the administrative offices where we file and maintain the records. An authorized member of our staff must accompany and observe the inspection.

(2) We will deny inspection and withdraw the records if the individual inspecting the records:

(a) Is damaging, altering, or substantially disorganizing them; or

(b) Attempts to remove them; or

(c) Is excessively interfering or will unduly interfere with our other essential functions.

[Statutory Authority: RCW 9.46.070. 07-19-070 (Order 616), § 230-21-025, filed 9/17/07, effective 1/1/08.]

If You or Someone You Know Has a Gambling Problem Help is Available

Toll-Free in Washington	(800) 547-6133
Phone	(360) 352-6133
Website	Evergreencpg.org