

AMENDATORY SECTION (Amending WSR 18-05-029, filed 2/9/18, effective 7/1/18)

**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) Has failed to pay a quarterly license fee or submit a quarterly license report or has failed to pay a late fee assessed as a result of failure to pay a quarterly license fee or submit a quarterly license report; or

(6) 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

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

(8) 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

(9) 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

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

AMENDATORY SECTION (Amending WSR 18-05-026, filed 2/9/18, effective 5/1/18)

**WAC 230-03-265 Applying for a card room employee license.** You must apply for a card room employee license:

(1) If you will be involved in the operation of a:

(a) Commercial nonhouse-banked card room((7)) charging a fee to play;

(b) Class F endorsed nonhouse-banked card room((7)); or

(c) House-banked card room; and

(2) 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.

(3) A Class B card room employee license is required to work at a house-banked card room and Class F endorsed nonhouse-banked card room.

(4) A Class A card room employee license is required to work at a nonhouse-banked card room.

**WAC 230-05-112 Defining "gross gambling receipts."** (1) "Gross gambling receipts" means the amount due to any operator of an authorized activity as described in subsection (5) of this section.

(2) The amounts must be stated in U.S. currency.

(3) The value must be before any deductions for prizes or other expenses, such as over/short.

(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."

(5) Gross gambling receipts for authorized activities:

<b>Activity:</b>	<b>Gross gambling receipts include amounts due to any operator for:</b>
<b>(a) Punch board and pull-tab</b>	Purchasing chances to play.
<b>(b) Raffles and enhanced raffles</b>	Purchasing chances to enter.
<b>(c) Bingo</b>	Fees or purchase of cards to participate.
<b>(d) Amusement games</b>	Amounts paid to play amusement games.
<b>(e) Card games</b>	<ul style="list-style-type: none"><li>• "Net win" from house-banked card games;</li><li>• Tournament entry fees;</li><li>• Administrative fees from player-supported jackpots;</li><li>• Fees to participate in nonhouse-banked card games.</li></ul>

<b>Activity:</b>	<b>Gross gambling receipts include amounts due to any operator for:</b>
<b>(f) Manufacturers and distributors</b>	<p>(i) Fees from sales, rentals, leases, royalties, and service fees collected for the following gambling equipment in Washington to include, but not limited to:</p> <ul style="list-style-type: none"> <li>• <u>Bingo paper or bingo cards;</u></li> <li>• Punch boards and pull-tabs;</li> <li>• Devices for dispensing pull-tabs;</li> <li>• Electronic devices for conducting, facilitating or accounting for the results of gambling activities;</li> <li>• Cards;</li> <li>• Dice;</li> <li>• Gambling chips;</li> <li>• Cash exchange terminals;</li> <li>• Progressive meters;</li> <li>• Gambling software;</li> <li>• License agreements;</li> <li>• Card shuffling devices;</li> <li>• Graphical game layouts for table games;</li> <li>• Ace finders or no-peek devices;</li> <li>• Roulette wheels;</li> <li>• Keno equipment;</li> <li>• Tables manufactured exclusively for gambling purposes;</li> <li>• Bet totalizers;</li> <li>• Electronic devices for reading or displaying outcomes of gambling activities;</li> <li>• Tribal lottery systems and components thereof.</li> </ul> <p>(ii) Fees from the service, repair and modification of gambling equipment in Washington to include, but not limited to:</p> <ul style="list-style-type: none"> <li>• Charges for labor and parts for repairing gambling equipment;</li> <li>• Service fees related to gambling operations;</li> <li>• Training or set-up fees;</li> <li>• Maintenance contract fees related to gambling equipment and operations.</li> </ul>

<b>Activity:</b>	<b>Gross gambling receipts include amounts due to any operator for:</b>
<b>(g) Gambling service suppliers</b>	Fees from gambling-related services provided in or to be used in Washington to include, but not limited to: <ul style="list-style-type: none"> <li>• Consulting, advisory or management services related to gambling;</li> <li>• Interest from financing the purchase or lease of gambling equipment, infrastructure or facilities or equipment that supports gambling operations;</li> <li>• Acting as a lending agent, loan services or placement agent;</li> <li>• Assembly of components for gambling equipment to be used under a contract with a licensed manufacturer;</li> <li>• Ongoing financial arrangements for gambling related software with a licensed manufacturer;</li> <li>• Installing, integrating, maintaining, or servicing digital surveillance systems that allow direct access to the operating system;</li> <li>• Training individuals to conduct authorized gambling activities;</li> <li>• Performing testing and certification of tribal lottery systems in meeting requirements specified in the tribal-state compacts;</li> <li>• Providing nonmanagement related recordkeeping or storage services for punch board and pull-tab operators;</li> <li>• Ownership of proprietary games or equipment.</li> </ul>
<b>(h) Punch board/pull-tab service businesses</b>	Providing nonmanagement related recordkeeping or storage services for punch board and pull-tab operators.
<b>(i) Fund-raising event distributors</b>	Fees from contracts to organize and conduct recreational gaming activities.
<b>(j) Fund-raising events and agricultural fairs</b>	Fees received from the operation of bingo, amusement games, raffles, lotteries, contests of chance, and/or net win from table games operated at a fund-raising event.

AMENDATORY SECTION (Amending WSR 18-05-026, filed 2/9/18, effective 5/1/18)

**WAC 230-05-138 Returned payments.** (1) If your bank returns your payment 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) Reimburse our processing costs which would include, but not be limited to, time spent notifying you and seeking payment.
- (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; or
  - (c) Administrative action may be taken against your license(s).
- (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.

AMENDATORY SECTION (Amending WSR 18-05-026, filed 2/9/18, effective 5/1/18)

**WAC 230-05-142 Fees for review of gambling equipment, supplies, services, or games.** (1) You must apply to us if you want to submit gambling equipment, supplies, services, or games for our review.

(2) You must pay the application deposit before we perform the review.

(3) You must also reimburse us for any additional costs of the review.

**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 payouts; 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 payout:

(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 (~~and amusement games~~), at least once a week. This includes those raffles:

(A) With gross gambling receipts over fifty thousand dollars in their initial year;

(B) With gross gambling receipts over fifty thousand dollars in their previous license year (~~, at least once each week~~); and

(C) Offering prizes that require approval per WAC 230-11-067; and

(iii) From amusement games with gross gambling receipts over fifty thousand dollars in their previous license year, at least each week; and

~~((iii))~~ (iv) 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) Bingo, raffle, and amusement game licensees with gross gambling receipts of fifty thousand dollars or less in their previous license year; and
  - (b) Do not have any other license(s) from us.

**WAC 230-11-100 Recordkeeping requirements for raffle licensees (~~(with gross gambling receipts over fifty thousand dollars in their previous license year and raffles using alternative drawing formats)~~).**

(1) Licensees conducting raffles with gross gambling receipts of fifty thousand dollars or less in their previous license year and organizations conducting unlicensed raffles under the authority of RCW 9.46.0315 or 9.46.0321 must keep a record by month of the following:

- (a) Gross receipts; and
- (b) Prizes paid; and
- (c) Net income; and
- (d) Documentation of expenses; and
- (e) Documentation of how the proceeds were used.

(2) Licensees conducting raffles with gross gambling receipts over fifty thousand dollars in their initial license year, with gross gambling receipts over fifty thousand dollars in their previous license year, offering prizes that require approval per WAC 230-11-067, or conducting raffles using alternative drawing formats must prepare a detailed record for each raffle they conduct. Licensees must:

~~((1))~~ (a) Record all data required in the standard format we provide; and

~~((2))~~ (b) Maintain the following:

~~((a))~~ (i) Validated deposit receipts for each deposit of raffle proceeds; and

~~((b))~~ (ii) All winning tickets; and

~~((e))~~ (iii) Name, address, and telephone number of all winners of a prize with a fair market value of more than fifty dollars; and

~~((d))~~ (iv) All ticket stubs for raffles that participants are not required to be present at the drawing; and

~~((e))~~ (v) All unsold tickets for individual raffles for which gross gambling receipts exceed five thousand dollars; and

~~((f))~~ (vi) Invoices and other documentation recording the purchase or receipt of prizes; and

~~((g))~~ (vii) Invoices and other documentation recording the purchase of tickets and other expenses of the raffle; and

~~((3))~~ (c) Complete all records no later than thirty days following the drawing.