

Title 230 WAC

GAMBLING COMMISSION

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Chapter 230-03 WAC

PERMITTING AND LICENSING RULES

WAC

230-03-020	Punch board and pull-tab service business permit.
230-03-080	License approval process.
230-03-210	Applying for a gambling service supplier license.

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 230-03-080 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 230-03-210 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.]

Chapter 230-06 WAC
RULES FOR ALL LICENSEES

WAC

230-06-046 Additional requirements for licensed business premises of class E, F, and house-banked card rooms.

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.]

Chapter 230-07 WAC**CHARITABLE AND NONPROFIT RULES****WAC**

230-07-145 Reporting annual progress.

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.]

Chapter 230-11 WAC**RAFFLES****WAC**

230-11-065 Raffle prizes.
230-11-067 Requesting approval to offer raffle prizes exceeding forty thousand dollars per prize or eighty thousand dollars annually.

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.]

Chapter 230-14 WAC

PUNCH BOARD AND PULL-TAB RULES

WAC

230-14-090 Controlling prizes.

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.]

Chapter 230-15 WAC CARD GAME RULES

WAC

230-15-189	House-banked and Class F card game licensee pilot program on wagering limits for Texas Hold'em poker.
230-15-400	Accounting for player-supported jackpot funds.
230-15-695	Adjusting progressive jackpot amounts.
230-15-720	Deposit and reconciliation requirements for progressive jackpot prizes.

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.]

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 230-15-695 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 230-15-720 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.]