

Chapter 230-06 WAC

RULES FOR ALL LICENSEES

WAC

RULES FOR CONDUCTING A GAMBLING ACTIVITY

230-06-002	"We," "our," and "us" mean the commission and staff.
230-06-003	Defining "cash."
230-06-004	Defining "consecutively numbered," "consecutive," and "consecutively."
230-06-005	Accept checks in gambling activities.
230-06-007	Licensed employees must wear nametags.
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.
230-06-030	Restrictions and conditions for gambling promotions.
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.
230-06-051	Computation of time.
230-06-052	Withdrawing gambling equipment authorization.
230-06-054	Notification of electronic or mechanical gambling equipment malfunctions.

NOTIFYING LAW ENFORCEMENT, POSTING PUBLIC NOTICES, AND RECORDKEEPING

230-06-055	Notify law enforcement of gambling activity.
230-06-065	Displaying of licenses.
230-06-070	Keep monthly records.
230-06-071	Washington state identification and inspection stamps to be called "I.D. stamps."
230-06-074	Assistance required for commission inspections.
230-06-075	Removal of equipment or records for inspection.

REPORTING CHANGES TO APPLICATION INFORMATION

230-06-080	Report changes to application information and submit updated documents and information.
230-06-083	Card game licensees reporting changes in licensed employees.

REPORTING CRIMINAL, ADMINISTRATIVE, AND CIVIL ACTIONS

230-06-085	Report criminal actions filed.
230-06-090	Report administrative and civil actions filed.

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.
230-06-107	Ownership changes—Allowed.
230-06-108	Ownership changes—Prohibited.

SALES AND TRANSFERS OF EQUIPMENT, PRODUCTS, AND SERVICES

230-06-109	Sales invoices for merchandise prizes.
230-06-110	Buying, selling, or transferring gambling equipment.
230-06-120	Selling or transferring gambling equipment when no longer licensed.

LICENSE RENEWALS AND ACTIVITY REPORTS

230-06-124	Online filing and payments required with waivers available upon request for good cause.
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. WSR 06-17-132 (Order 601), § 230-06-001, filed 8/22/06, effective 1/1/08.] Repealed by WSR 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. WSR 06-17-132 (Order 601), § 230-06-060, filed 8/22/06, effective 1/1/08.] Repealed by WSR 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. WSR 06-17-132 (Order 601), § 230-06-115, filed 8/22/06, effective 1/1/08.] Repealed by WSR 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. WSR 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. WSR 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. WSR 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. WSR 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. WSR 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

[Ch. 230-06 WAC p. 2]

(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. WSR 07-21-116 (Order 617), § 230-06-010, filed 10/22/07, effective 1/1/08; WSR 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. WSR 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. WSR 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. WSR 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) 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 and 9.46.0315. WSR 12-19-053 (Order 679), § 230-06-020, filed 9/13/12, effective 10/14/12. Statutory Authority: RCW 9.46.070. WSR 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 CO₂ 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. WSR 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:

(3/24/15)

(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) Except for members-only progressive raffles conducted as authorized in WAC 230-11-091, 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 and 9.46.0277. WSR 14-17-056 (Order 703), § 230-06-030, filed 8/15/14, effective 9/15/14. Statutory Authority: RCW 9.46.070. WSR 08-17-066 (Order 629), § 230-06-030, filed 8/18/08, effective 9/18/08; WSR 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. WSR 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. WSR 07-21-116 (Order 617), § 230-06-035, filed 10/22/07, effective 1/1/08; WSR 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 raffles, 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, 9.46.0277. WSR 14-21-079 (Order 707), § 230-06-045, filed 10/13/14, effective 1/1/15. Statutory Authority: RCW 9.46.070. WSR 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. WSR 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) When you submit gambling equipment, supplies, services, or games for our review to verify compliance with chapter 9.46 RCW and Title 230 WAC, you must pay the application deposit before we perform the review. You must also reimburse us for any additional costs of the review. All costs must be paid in full prior to the completion of the review.

(2) The gambling equipment submitted for review must be identical or substantially similar to what will be marketed, distributed, and deployed in Washington. If the equipment is not sufficient for testing and review, we may require additional equipment or information.

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

(4) You can begin selling or leasing the gambling equipment when you are licensed and the gambling equipment has been approved by the director or director's designee.

(5) We may include security or surveillance requirements as part of gambling equipment approval.

(6) Gambling equipment must operate as approved by the director or director's designee.

(7) We may keep equipment submitted for review to allow for continued testing and training as long as the equipment remains in play in Washington. We are not liable for any damage to equipment while in our possession.

(8) If you do not agree with the director or director's designee's decision, you may file a petition for declaratory order

with the commission according to RCW 34.05.240 and chapter 230-17 WAC.

[Statutory Authority: RCW 9.46.070. WSR 14-09-037 (Order 696), § 230-06-050, filed 4/11/14, effective 7/1/14; WSR 07-21-116 (Order 617), § 230-06-050, filed 10/22/07, effective 1/1/08; WSR 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. WSR 07-21-116 (Order 617), § 230-06-051, filed 10/22/07, effective 1/1/08.]

WAC 230-06-052 Withdrawing gambling equipment authorization. If the director or the director's designee withdraws authorization of gambling equipment:

(1) The director or the director's designee will give the applicant written notice and an opportunity to object to the decision. If the applicant does not agree with the 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.

(2) The director or the director's designee will provide written notice to other impacted licensees who have the gambling equipment after a final decision is made.

[Statutory Authority: RCW 9.46.070. WSR 13-15-040 (Order 689), § 230-06-052, filed 7/11/13, effective 8/11/13.]

WAC 230-06-054 Notification of electronic or mechanical gambling equipment malfunctions. Licensees must notify us, in the format we require, within seventy-two hours of identifying or becoming aware of an electronic or mechanical gambling equipment malfunction.

[Statutory Authority: RCW 9.46.070. WSR 14-09-037 (Order 696), § 230-06-054, filed 4/11/14, effective 7/1/14.]

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.

(3/24/15)

(3) Licensees must not conduct the activity until they have made the notification.

[Statutory Authority: RCW 9.46.070. WSR 07-21-116 (Order 617), § 230-06-055, filed 10/22/07, effective 1/1/08; WSR 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. WSR 07-21-116 (Order 617), § 230-06-065, filed 10/22/07, effective 1/1/08; WSR 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. WSR 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. WSR 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. WSR 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. WSR 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 within thirty days of the effective date of the document or information, including the following:

(a) Articles of incorporation or bylaws, or any other documents which set out the organizational structure and purposes; and

(b) All oral or written contracts and agreements which relate to gambling activities or alter the organizational structure of the licensee's organization or business activities in Washington; and

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

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

[Statutory Authority: RCW 9.46.070. WSR 13-09-047 (Order 686), § 230-06-080, filed 4/15/13, effective 7/1/13; WSR 06-17-132 (Order 601), § 230-06-080, filed 8/22/06, effective 1/1/08.]

[Ch. 230-06 WAC p. 6]

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. WSR 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. WSR 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. WSR 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. WSR 09-19-053 (Order 662), § 230-06-095, filed 9/11/09, effective 1/1/10; WSR 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. WSR 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. WSR 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

(3/24/15)

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. WSR 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. WSR 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. WSR 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. WSR 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.

[Ch. 230-06 WAC p. 8]

(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 preclicensing 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. WSR 08-11-044 (Order 628), § 230-06-110, filed 5/14/08, effective 7/1/08; WSR 07-21-116 (Order 617), § 230-06-110, filed 10/22/07, effective 1/1/08; WSR 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. WSR 07-21-116 (Order 617), § 230-06-120, filed 10/22/07, effective 1/1/08; WSR 06-17-132 (Order 601), § 230-06-120, filed 8/22/06, effective 1/1/08.]

LICENSE RENEWALS AND ACTIVITY REPORTS**WAC 230-06-124 Online filing and payments required with waivers available upon request for good cause.**

(1) All licensees must submit the following online:

(a) Renewal application and fees, as referenced in Title 230 WAC; and

(b) Activity reports, as referenced in Title 230 WAC.

(2) We may waive these requirements if a licensed organization can show good cause. The reasons for good cause include:

(a) You do not have access to the internet using your own computer or similar equipment; or

(b) You do not have a bank account; or

(c) Your bank is unable to send electronic fund transactions; or

(d) Some other circumstance or condition exists that, in our judgment, prevents you from submitting online.

(3) We may waive these requirements if a licensed individual can show good cause. The reasons for good cause include:

(a) You do not have access to the internet using your own computer or similar equipment; or

(b) You do not have a bank account or credit card; or

(c) Your bank is unable to send electronic fund transactions; or

(d) Some other circumstance or condition exists that, in our judgment, prevents you from submitting online.

(4) You must request a waiver, in writing, no later than sixty days before your activity report due date or license expiration date. A waiver will cover subsection (1)(a) and (b) of this section.

[Statutory Authority: RCW 9.46.070. WSR 15-08-017 (Order 712), § 230-06-124, filed 3/24/15, effective 7/1/15.]

WAC 230-06-125 Renew your license in a timely manner. (1) You must renew online, unless you have received a waiver, as outlined in WAC 230-06-124 and allow for enough time to:

(a) Print the license prior to midnight before the license expires; or

(b) Have us print the license and mail it to you so you receive it before your license expires.

(2) If you have a waiver and are not renewing your license online, you 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 the license.

(3) 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.

(4) 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. WSR 15-08-017 (Order 712), § 230-06-125, filed 3/24/15, effective 7/1/15; WSR 08-03-062 (Order 623), § 230-06-125, filed 1/14/08, effective 2/14/08; WSR 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.

(3/24/15)

(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. WSR 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. WSR 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 normally apply to the level of gross gambling receipts actually received during the period less our processing costs.

(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. WSR 15-07-055 (Order 711), § 230-06-140, filed 3/13/15, effective 4/13/15; WSR 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. WSR 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. WSR 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. WSR 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. WSR 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. WSR 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. WSR 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. WSR 08-20-007 (Order 630), § 230-06-175, filed 9/18/08, effective 1/1/09.]