

WSR 21-07-062

PROPOSED RULES

GAMBLING COMMISSION

[Filed March 15, 2021, 1:50 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 20-15-158.

Title of Rule and Other Identifying Information: Amending WAC 230-15-030 Authorized nonhouse-banked card games, 230-15-035 Authorizing new games or changing game rules, 230-15-040 Requirements for authorized card games, 230-15-055 Limit on number of players at each table, 230-15-060 Posting rules for play, 230-15-065 Enforcement of card game rules of play, 230-15-140 Wagering limits for house-banked card games, 230-15-141 Additional merchandise of cash prizes for card games, 230-15-455 Keeping funds to pay prizes, progressive jackpot prizes, and odds-based wager prizes, 230-15-490 Limiting pay outs for odds-based wagers, 230-15-491 Limiting payouts to dealers for tip or "toke" wagers for odds-based payouts, 230-15-680 Operating progressive jackpot prizes, 230-15-685 Restrictions on progressive jackpots, 230-15-695 Adjusting progressive jackpot amounts, 230-15-700 Merchandise prizes for progressive jackpots, 230-15-710 Permanently removing a progressive jackpot or a portion of a progressive jackpot from play, 230-15-715 Tax authorities seizing all, or a portion, of a progressive jackpot, and 230-15-720 Deposit and reconciliation requirements for progressive jackpot prizes.

Repealing WAC 230-15-105 Only authorized cards or chips may be used, and 230-15-705 Temporarily removing a progressive jackpot from play.

Adopting WAC 230-15-671 Jackpot prizes.

Hearing Location(s): On May 13, 2021, at 9:00 a.m., at Washington State Gambling Commission, 4565 7th Avenue S.E., Lacey, WA 98503. Public hearings will take place at scheduled commission meetings. The meeting dates, times, and locations are tentative. Visit our website at www.wsgc.wa.gov approximately seven days prior to the meeting, select "The Commission," and then select "Public Meetings" to confirm the hearing date, location, start time, and agenda items.

Date of Intended Adoption: May 13, 2021.

Submit Written Comments to: Ashlie Laydon, P.O. Box 42400, Olympia, WA 98504-2400, email rules.coordinator@wsgc.wa.gov, fax 360-486-3632, by May 3, 2021.

Assistance for Persons with Disabilities: Contact Julie Anderson, phone 360-486-3453, TTY 360-486-3637, email julie.anderson@wsgc.wa.gov, by May 3, 2021.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The gambling commission is considering amending current, and adopting new, house-banked card game rules to address and clarify the offering of jackpot prizes with approved house-banked card games, authorizing new card games, authorizing changes to existing card games, requirements for card games, wagering, adding merchandise and cash to card games, minimum cash on hand requirements, paying out prizes for card games, and maintaining funds to pay prizes.

Reasons Supporting Proposal: Current rules generally allow house-banked card rooms to offer and operate jackpot prizes; however, rules need to be adopted and/or current rules amended to define "jackpot" prizes and outline procedures for operation of these jackpots and current card game procedures.

Statutory Authority for Adoption: RCW 9.46.070.

Statute Being Implemented: RCW 9.46.070.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Washington state gambling commission, governmental.

Name of Agency Personnel Responsible for Drafting: Brian Considine, LLM, 4565 7th Avenue S.E., Lacey, WA 98503, 360-486-3469; Implementation: David Trujillo, Director, 4565 7th Avenue S.E., Lacey, WA 98503, 360-486-3512; and Enforcement: Tina Griffin, Assistant Director, 4565 7th Avenue S.E., Lacey, WA 98503, 360-486-3546.

A school district fiscal impact statement is not required under RCW 28A.305.135.

A cost-benefit analysis is not required under RCW 34.05.328. A cost-benefit analysis is not required per RCW 34.05.328 (5)(a)(i).

This rule proposal, or portions of the proposal, is exempt from requirements of the Regulatory Fairness Act because the proposal:

Is exempt under RCW 19.85.025(3) as the rules only correct typographical errors, make address or name changes, or clarify language of a rule without changing its effect.

The proposed rule does not impose more-than-minor costs on businesses. Following is a summary of the agency's analysis showing how costs were calculated. None of the proposed changes are new requirements nor do they impose new or additional costs to licensees. These changes define terms used in rule and outline and/or clarify operational requirements.

March 15, 2021
Ashlie Laydon
Rules Coordinator

OTS-2933.2

AMENDATORY SECTION (Amending WSR 14-17-053, filed 8/15/14, effective 9/15/14)

WAC 230-15-030 Authorized nonhouse-banked card games. (1) 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 (~~and~~

~~(i) Other games approved by the director or the director's designee).~~

(2) Card (~~game~~) room 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, or when operated as described in the commission approved game rules on our website.

Card (~~(game)~~) room licensees may make immaterial modifications to the games.

(3) Authorization of a nonhouse-banked card game other than those listed in subsection (1) of this section requires approval from the director or director's designee. In order for a nonhouse-banked card game to be authorized, it must:

(a) Be played with standard playing cards. Authorized card games may:

(i) Use more than one deck of cards; and

(ii) Remove cards to comply with rules of a specific game.

(b) Not allow side bets between players; and

(c) Describe player requirements. Players must:

(i) Compete solely as a player in the card game; and

(ii) Compete against all other players on an equal basis; and

(iii) 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.

(d) Require the player's win or loss to be determined during the course of play of a single deal of cards.

(4) Approved game rules under subsection (3) of this section will be posted on the commission's website. Licensee's must operate these games as described in the commission approved game rules on our website.

[Statutory Authority: RCW 9.46.070 and 9.46.0282. WSR 14-17-053 (Order 702), § 230-15-030, filed 8/15/14, effective 9/15/14. Statutory Authority: RCW 9.46.070. WSR 07-09-033 (Order 608), § 230-15-030, filed 4/10/07, effective 1/1/08.]

AMENDATORY SECTION (Amending WSR 08-21-086, filed 10/14/08, effective 1/1/09)

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.))~~ All new card games and changes to existing card games must be approved by the director or director's designee prior to implementation at a card room licensee. 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 website.

(1) ((Card game)) Licensees approved to market, sell, rent, or otherwise supply card games to card room licensees must submit, in the format we require, requests for:

(a) ((Requests for)) Authorizing new card games ((in the format we require)); and

(b) Changes to ((an)) existing card games in writing.

(2) The director or the director's designee will notify the licensee in writing if the request is approved or denied. The notification for denial will include reasons for the denial and provide the licensee all information necessary to file a petition to the commission for rule making.

(3) Card room licensees must operate only the card games the director or the director's designee has specifically authorized.

[Statutory Authority: RCW 9.46.070. WSR 08-21-086 (Order 632), § 230-15-035, filed 10/14/08, effective 1/1/09; WSR 07-21-116 (Order 617), § 230-15-035, filed 10/22/07, effective 1/1/08; WSR 07-09-033 (Order 608), § 230-15-035, filed 4/10/07, effective 1/1/08.]

AMENDATORY SECTION (Amending WSR 14-05-056, filed 2/14/14, effective 3/17/14)

WAC 230-15-040 Requirements for authorized house-banked card games. ~~((1))~~ In order for a house-banked card game to be authorized, it must be approved by the director or the director's designee and must:

~~((a))~~ (1) 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 and no more than three of the "separate games" may offer a wager that exceeds five dollars each).~~

~~((i))~~ Authorized house-banked card games may:

(a) Use more than one deck of cards; and

(b) Remove cards to comply with rules of a specific game; and

(2) Limit the number of wagering areas to nine or less.

(a) "Wagering area" means identified areas on the layout to place wagers;

(b) All wagering areas must be identical to each other; and

(3) Identify all separate games in the card game:

(a) "Separate game" means each individual objective to be achieved within a card game that requires a separate wager and results in a distinct and separate pay out based upon the outcome~~((; and~~

~~((ii) Progressive jackpots are considered "separate games."))~~

(b) Separate games may incorporate bonus features; and

(c) Progressive jackpots and house jackpots are considered separate games; and

(4) Describe player requirements. Players must:

(a) Compete solely as a player in the card game, except as authorized in the approved card game rules for variations of Pai Gow poker where a player may bank the game every other hand; 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 except for separate games that:

(i) Use cards shared by all players (i.e., community cards); or

(ii) Allow players to wager on the outcome of the dealer's hand;

or

(iii) Allow players to win a prize if any players' hand, including the dealer's hand, achieves a predetermined outcome at the same table; and

(5) Identify ~~((; bonus features~~ ~~((;))~~ to be allowed in each ~~((card))~~ separate game:

~~((i))~~ (a) "Bonus feature" means an ~~((added prize and/or variation based on achieving the predetermined specific hand required to win the prize and does not require a separate wager. More than one "bonus feature" may be offered per card game. A "bonus feature" must not be combined with a progressive jackpot. Examples include, but are not limited to, "envy" and "share the wealth" "bonus features" when))~~

opportunity within a separate game whereby a player may win additional prizes. Bonus features must be operated as described below((-)):

~~((ii) A ") (i) A bonus feature(") is not considered a separate game((-~~

~~(d) Operate "envy" and "share the wealth" "bonus features" as follows:~~

~~(i) If a player makes a wager that qualifies for an "envy" "bonus feature" pay out, they are entitled to); and~~

(ii) Players must not place wagers on bonus features. However, players may be required to place a minimum wager on a separate game to qualify for a bonus feature; and

(iii) Players may receive a prize if their hand or another player's hand at the same table achieves ((the)) a predetermined specific hand. If a player is playing more than one wagering area ((or if a hand they are playing is split into two or more hands)) and any one of their hands achieves the predetermined specific hand, their other hand with a qualifying wager is entitled to receive a prize also((-

~~(ii) If a player makes a wager that qualifies for a "share the wealth" pay out, they are entitled to receive a prize if their hand(s) or another player's hand(s) achieves the predetermined specific hand.~~

~~(e)); and~~

(iv) A bonus feature cannot be a progressive jackpot; and

(6) 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 non-house-banked games or against the house for house-banked games. All players must compete solely as a player in the card game, except as authorized in approved card game rules for variations of the game of Pai Gow poker where a player may bank the game every other hand; 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) "Envy" or "share the wealth" "bonus features"; or~~

~~(iii) A tip wager made on behalf of a dealer.~~

~~(4) Mini-Baccarat is authorized when operated as described in the commission approved game rules on our web site. 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)); and~~

(7) Use only authorized gambling equipment; and

(8) A player's win or loss must be determined during the course of ((play of)) a single ((card game,)) deal of cards except for:

(a) A carryover pot game. A carryover pot is an optional pot that accumulates as a dealer and participating players contribute to the pot. The winner of the pot is not necessarily determined after one game and the pot can be carried over to more than one game. Carryover pots must not carryover more than ten games. Participants must include at least one player and the dealer competing for the highest qualifying winning hand. Game rules must state how the pot is distributed. If

the carryover pot has not been won by the tenth game, the dealer will divide it equally between the remaining players still participating in the pot and the house or, if allowed by game rules, only the players still participating in the pot; and

(b) In the game of Mini-Baccarat, a player may make an optional wager on the player hand winning the next three consecutive games, or the banker hand winning the next three consecutive games.

[Statutory Authority: RCW 9.46.070 and 9.46.0282. WSR 14-05-056 (Order 694), § 230-15-040, filed 2/14/14, effective 3/17/14; WSR 14-03-099 (Order 693), § 230-15-040, filed 1/17/14, effective 2/17/14; WSR 12-15-044 (Order 678), § 230-15-040, filed 7/13/12, effective 8/13/12; WSR 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. WSR 08-21-086 (Order 632), § 230-15-040, filed 10/14/08, effective 1/1/09; WSR 07-09-033 (Order 608), § 230-15-040, filed 4/10/07, effective 1/1/08.]

AMENDATORY SECTION (Amending WSR 15-15-065, filed 7/10/15, effective 8/9/15)

WAC 230-15-055 Limit on number of players at each table. Card ((game)) room licensees must only allow:

(1) Up to nine players (~~or areas for wagering~~) at any table in house-banked card games.

(a) Only one player can place a wager in a wagering area.

(b) This section does not apply to Mini-Baccarat when the game is operated without any modification according to the nonpatented approved game rules posted on the agency's website (~~and without any modifications as allowed in WAC 230-15-040~~).

(2) Up to ten players at any table in nonhouse-banked card games.

[Statutory Authority: RCW 9.46.070 and 9.46.0282. WSR 15-15-065 (Order 714), § 230-15-055, filed 7/10/15, effective 8/9/15. Statutory Authority: RCW 9.46.070. WSR 08-23-079 (Order 637), § 230-15-055, filed 11/18/08, effective 1/1/09; WSR 07-09-033 (Order 608), § 230-15-055, filed 4/10/07, effective 1/1/08.]

AMENDATORY SECTION (Amending WSR 07-09-033, filed 4/10/07, effective 1/1/08)

WAC 230-15-060 Posting rules for play. Card ((game)) room licensees must:

(1) Prominently post:

(a) Wagering limits for each type of game, including (~~the ante~~) all fees to play; and

(b) (~~Prize pay outs~~) Jackpot prize amounts and any prize-related restrictions; and

(c) All (~~fees to play~~) odds-based and fixed prizes; 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)) Internal controls related to the operation of card games;~~

and

(c) 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 payout limits, procedures, or restrictions that differ from the general rules of play that have been posted.

[Statutory Authority: RCW 9.46.070. WSR 07-09-033 (Order 608), § 230-15-060, filed 4/10/07, effective 1/1/08.]

AMENDATORY SECTION (Amending WSR 07-10-034, filed 4/24/07, effective 1/1/08)

WAC 230-15-065 Enforcement of card game rules of play. Card ~~((game))~~ room 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))~~ Proprietary and nonproprietary game rules explained on the commission website that we have approved; and
- (3) **Third priority:** House rules card ~~((game))~~ room 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. WSR 07-10-034 (Order 611), § 230-15-065, filed 4/24/07, effective 1/1/08.]

AMENDATORY SECTION (Amending WSR 08-20-025, filed 9/19/08, effective 1/1/09)

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.))~~ Wagers must be placed on the table layout on an approved betting spot, except for:

- (a) In Blackjack games, players may place an additional wager next to their original wager when doubling down or splitting pairs; or
(b) Tip wagers made on behalf of a dealer; or
(c) As authorized in approved card games rules.

[Statutory Authority: RCW 9.46.070. WSR 08-20-025 (Order 631), § 230-15-140, filed 9/19/08, effective 1/1/09; WSR 07-09-033 (Order 608), § 230-15-140, filed 4/10/07, effective 1/1/08.]

AMENDATORY SECTION (Amending WSR 08-17-066, filed 8/18/08, effective 9/18/08)

WAC 230-15-141 Additional merchandise or cash prizes for card games.

Nonproprietary games.

(1) Card room 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) Card room 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.)) Any additional prizes approved by the company that owns the rights to the game will be considered a gambling promotion and they must meet all requirements of WAC 230-06-030.~~

[Statutory Authority: RCW 9.46.070. WSR 08-17-066 (Order 629), § 230-15-141, filed 8/18/08, effective 9/18/08; WSR 07-21-116 (Order 617), § 230-15-141, filed 10/22/07, effective 1/1/08.]

AMENDATORY SECTION (Amending WSR 09-15-070, filed 7/13/09, effective 1/1/10)

WAC 230-15-455 Keeping funds to pay prizes ~~((, progressive jackpot prizes, and odds-based wager prizes))~~. ~~((1))~~ House-banked card ~~((game))~~ room licensees must ensure that they have sufficient funds available to redeem all chips and pay out all prizes ~~((7))~~ including, but not limited to, progressive jackpot prizes, house 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) Failure to keep funds to cash in chips, pay prizes, or redeem gambling related checks is prima facie evidence of fraud and in violation of RCW 9.46.190.~~

[Statutory Authority: RCW 9.46.070. WSR 09-15-070 (Order 654), § 230-15-455, filed 7/13/09, effective 1/1/10; WSR 07-09-033 (Order 608), § 230-15-455, filed 4/10/07, effective 1/1/08.]

AMENDATORY SECTION (Amending WSR 07-09-033, filed 4/10/07, effective 1/1/08)

WAC 230-15-490 ((Limiting pay outs for odds-based wagers.)) Aggregate payout limits for odds-based prizes. ((~~(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 ($\$10 \times 1,000 = \$10,000$).

~~(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.)~~ (1) House-banked card room licensees may impose aggregate payout limits if we approve for odds-based prizes.

(2) "Aggregate payout limit" means the maximum payout by a licensee to one or more players as the result of winning wagers from a single deal of cards.

(3) Aggregate payout limits must not be:

(a) Combined with different types of odds-based prizes; and

(b) Less than the maximum wager allowed for the game times the highest odds offered up to fifty to one. For example, if the maximum wager is three hundred dollars and the highest odds offered are five thousand to one, the aggregate payout limit cannot be less than fifteen thousand dollars (three hundred dollars times fifty); and

(c) Imposed upon any odds-based prize where the highest payoff odds on a winning wager are less than fifty to one; and

(4) All aggregate payout limits must be prominently displayed on the table layout or a sign placed on the table.

[Statutory Authority: RCW 9.46.070. WSR 07-09-033 (Order 608), § 230-15-490, filed 4/10/07, effective 1/1/08.]

AMENDATORY SECTION (Amending WSR 07-21-116, filed 10/22/07, 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~~) room 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 tokens are allowed on and the amounts of tokens.

(3) Tokens are not included in the calculation of the (~~player or table~~) aggregate payout limits.

[Statutory Authority: RCW 9.46.070. WSR 07-21-116 (Order 617), § 230-15-491, filed 10/22/07, effective 1/1/08.]

AMENDATORY SECTION (Amending WSR 07-09-033, filed 4/10/07, effective 1/1/08)

WAC 230-15-680 Operating progressive jackpot prizes. House-banked card (~~game~~) room 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))~~ The company that owns the rights to the approved game rules must determine or establish the:

(a) Winning patterns or combinations of cards to win the progressive jackpot prize(s); and

(b) Pay tables to include a description of any fixed payouts, odds-based payouts, or percentage-based payouts of the total prize amount displayed.

(3) Licensees must offer a primary jackpot prize and may ~~((have a))~~ also offer secondary ~~((or reserve))~~ jackpot prizes.

(4) Licensees must ~~((adequately disclose to players the))~~ conspicuously and prominently disclose at the gaming table all 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.

(6) Licensees may take a portion of each progressive bet to be retained in the progressive account for the purposes of reseeding primary and secondary jackpot prizes after they are won.

[Statutory Authority: RCW 9.46.070. WSR 07-09-033 (Order 608), § 230-15-680, filed 4/10/07, effective 1/1/08.]

AMENDATORY SECTION (Amending WSR 15-21-005, filed 10/8/15, effective 11/8/15)

WAC 230-15-685 Restrictions on progressive jackpots. House-banked card ~~((game))~~ room 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))~~ along with any associated pay tables.

~~(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 ~~((; and))~~.

~~((5))~~ (4) Licensees may connect progressive jackpots. Progressive jackpots are considered "connected" when jackpot prize displays at gaming tables incrementally increase at the same time after players place jackpot wagers. Connected progressive jackpot displays must show the same prize amounts. Licensees may only connect progressive jackpots:

(a) When offered on the same card game on multiple tables within the same licensed location ~~((-~~

~~(6) Licensees may connect progressive jackpots))~~; or

(b) When offered on different card games on multiple tables within the same licensed location when the following requirements are met.

Only one progressive jackpot may be operated on a card game at a time and the card games must have:

- ~~((a))~~ (i) The same probability of winning the jackpot prize;
and
~~((b))~~ (ii) The same winning hand ~~(; and~~
~~(c) A progressive meter on each table that increases incrementally each time a wager is made).~~
~~((7))~~ (5) When gambling equipment will allow a progressive jackpot between different manufacturers, the gambling equipment must be submitted for testing for interoperability in accordance with WAC 230-06-050.

[Statutory Authority: RCW 9.46.070 and 9.46.0282. WSR 15-21-005 (Order 715), § 230-15-685, filed 10/8/15, effective 11/8/15; WSR 13-13-060 (Order 688), § 230-15-685, filed 6/18/13, effective 7/19/13. Statutory Authority: RCW 9.46.070. WSR 07-09-033 (Order 608), § 230-15-685, filed 4/10/07, effective 1/1/08.]

AMENDATORY SECTION (Amending WSR 10-17-089, filed 8/16/10, effective 1/1/11)

WAC 230-15-695 Adjusting progressive jackpot amounts. House-banked card ~~((game))~~ room licensees must not reduce the amount of a progressive jackpot prize accrued or displayed except for the following reasons:

- (1) To reduce the primary or secondary jackpot(s) and the ~~((advertised))~~ displayed 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))~~ the progressive account for nondisplayed prizes 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))~~ the progressive account or displayed amount 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.)~~ Any adjustment to the progressive account or displayed prizes must be properly documented in card room records.

[Statutory Authority: RCW 9.46.070, 9.46.0282. WSR 10-17-089 (Order 671), § 230-15-695, filed 8/16/10, effective 1/1/11. Statutory Authority: RCW 9.46.070. WSR 07-09-033 (Order 608), § 230-15-695, filed 4/10/07, effective 1/1/08.]

AMENDATORY SECTION (Amending WSR 07-09-033, filed 4/10/07, effective 1/1/08)

WAC 230-15-700 Merchandise prizes for progressive jackpots.

House-banked card (~~game~~) room licensees (~~offering merchandise prizes for progressive jackpots~~) may use only nondisplayed progressive jackpot funds to purchase merchandise prizes to be offered on a progressive jackpot game in lieu of fixed prizes as set out in the approved pay table for the card game as posted on the commission's web-site. The merchandise purchased must be of equal or greater value to the fixed prizes offered in approved pay tables. Licensees must:

~~(1) Obtain approval from the company that owns the rights to the progressive jackpot card game to offer merchandise prizes; and~~

~~(2) Submit internal controls for review and approval; and~~

~~(3) 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)~~ (4) Prominently post a notice at the progressive jackpot gaming table describing:

(a) A specific portion of the jackpot funds were used to buy merchandise to be awarded as prizes, as well as the specific merchandise prizes to be awarded; and

~~((3) Disclose)~~ (b) 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)~~ (c) The predetermined designated hand needed to win the merchandise prize; and

(d) Fees or restrictions associated with ownership of the merchandise prize; and

(5) Display merchandise prize or an accurate description or photograph of the merchandise prize for the public to view; and

~~((5))~~ (6) Keep detailed records, including the purchase invoice, on premises and make them available for our review.

[Statutory Authority: RCW 9.46.070. WSR 07-09-033 (Order 608), § 230-15-700, filed 4/10/07, effective 1/1/08.]

AMENDATORY SECTION (Amending WSR 07-09-033, filed 4/10/07, effective 1/1/08)

WAC 230-15-710 Permanently removing a progressive jackpot (~~or a portion of a progressive jackpot~~) game from play. ~~((1))~~ Players have a vested interest in the (~~posted or advertised~~) displayed progressive jackpot prize.

~~((2))~~ (1) House-banked card room licensees must not remove a progressive jackpot game from play without written approval. 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 approved distribution plan at the progressive jackpot gambling table, 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.)~~ Not make any changes to the approved distribution plan after it is posted at the progressive jackpot gambling table without written approval from us.

(2) Licensees must distribute the amount of the posted progressive jackpot prizes using one of these authorized methods:

(a) Transfer the progressive jackpot prize to a different house-banked progressive jackpot game; or

(b) Give away the progressive jackpot prize through an approved gambling promotion within sixty days of the effective date of the distribution plan. Licensees must:

(i) Operate the gambling promotion on the same game the funds were collected on; and

(ii) Receive approval from the owner of the game in accordance with WAC 230-15-141; or

(c) Offer the progressive jackpot prize in an approved free tournament on the same progressive jackpot game the funds were collected on within sixty days of the effective date of the distribution plan; or

(d) Donate the money to a nonprofit gambling organization in Washington state.

[Statutory Authority: RCW 9.46.070. WSR 07-09-033 (Order 608), § 230-15-710, filed 4/10/07, effective 1/1/08.]

AMENDATORY SECTION (Amending WSR 07-09-033, 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))~~ room 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))~~ nondisplayed prizes retained in the progressive account that were seized or record the funds as gross receipts.

[Statutory Authority: RCW 9.46.070. WSR 07-09-033 (Order 608), § 230-15-715, filed 4/10/07, effective 1/1/08.]

AMENDATORY SECTION (Amending WSR 10-11-087, filed 5/17/10, effective 7/1/10)

WAC 230-15-720 Deposit and reconciliation requirements for progressive jackpot prizes. (1) House-banked card ~~((game))~~ room licen-

sees must deposit all progressive jackpot funds in a separate bank account at least weekly. The account must be kept in a bank, mutual savings bank, or credit union located in Washington state. If the progressive bank account is reduced below the progressive jackpot prize posted at the gambling table, licensees must immediately stop operating the progressive game until they are in compliance.

(2) Licensees must:

(a) Keep a record of all deposits; and

(b) For each progressive jackpot 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 online 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) Complete the reconciliation within seven days following the end of the month; and

(c) Keep the reconciliation as part of their records.

[Statutory Authority: RCW 9.46.070. WSR 10-11-087 (Order 669), § 230-15-720, filed 5/17/10, effective 7/1/10; WSR 07-09-033 (Order 608), § 230-15-720, filed 4/10/07, effective 1/1/08.]

REPEALER

The following sections of the Washington Administrative Code are repealed:

- WAC 230-15-105 Only authorized cards or chips may be used.
- WAC 230-15-705 Temporarily removing a progressive jackpot from play.

OTS-2834.2

NEW SECTION

WAC 230-15-671 Jackpot prizes. House-banked card room licensees may offer and operate "jackpot" prizes with approved house-banked card games.

(1) "Jackpot" prizes are cash prizes displayed at house-banked card game tables. Jackpot prizes are won by achieving a predetermined specific hand. There are two types of "jackpot" prize schemes:

(a) **Progressive jackpots:** A jackpot prize which increases in real-time based on each wager placed. Licensees must:

(i) Collect players' wagers to allocate towards a separate progressive jackpot prize. Approved game rules determine how a progressive jackpot accrues; and

(ii) Adjust the master games report in the prescribed format to reflect daily accrued prizes; and

(iii) Act only as the custodian of the progressive jackpot funds; and

(iv) Maintain no legal right to funds collected for the posted progressive jackpot prize or reserve funds which have not been recorded as gross receipts; and

(v) Strictly account for all funds collected.

(b) **House jackpots:** A fixed prize amount funded by the licensee that does not accrue or incrementally increase each time a wager is made to any guaranteed player fund or prize. Licensees must:

(i) Follow approved game rules related to house jackpots; and

(ii) Not adjust the master games report for house jackpot prizes; and

(iii) Award the posted house jackpot prize to each player achieving the predetermined winning hand; and

(iv) Conspicuously post the following at the table:

(A) The fixed prize amount; and

(B) A disclosure defining the jackpot prize as a house jackpot which involves no player funded money; and

(C) A disclosure to the players stating that the house jackpot may be removed without prior notice.

(2) Only progressive jackpots may use approved gambling equipment where the jackpot meter shows a real-time incrementally increasing progressive jackpot prize amount.

(3) House jackpots may use approved gambling equipment. Displayed prize amounts may only be adjusted manually by the licensee.

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