

Chapter 315-30 WAC

DRAW GAMES—GENERAL RULES

WAC

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DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

315-30-090	On-line retailer credit criteria. [Statutory Authority: RCW 67.70.040, 87-17-012 (Order 103), § 315-30-090, filed 8/10/87; 87-01-058 (Order 97), § 315-30-090, filed 12/16/86; 86-01-060 (Order 83), § 315-30-090, filed 12/16/85; 85-09-004 (Order 72), § 315-30-090, filed 4/5/85; 84-05-008 (Order 51), § 315-30-090, filed 2/7/84.] Repealed by 98-20-013, filed 9/25/98, effective 10/26/98. Statutory Authority: RCW 67.70.040.
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WAC 315-30-010 Draw games—Authorized—Director's authority. The commission hereby authorizes the director to operate draw games which meet the criteria set forth in this chapter. New draw games shall not be made available for sale without approval of the commission.

(1) The director may contract for the development and operation of draw games, and may operate said games subject to the approval of the commission.

(2) Before approving the final draw game specifications, the director shall provide the commission with a description of the proposal, and obtain approval of the proposed game concept by the commission.

(3) The director shall establish and approve the final draw game specifications, as executed in working papers or software requirement specifications, including the determination of winning tickets, after presentation and approval of any new draw game proposal to the commission for a vote of the commission.

(4) All draw game procedures and play criteria shall be made available to the public on the agency internet web site and upon request.

[Statutory Authority: RCW 67.70.040 (1), (3), 09-19-095, § 315-30-010, filed 9/18/09, effective 10/19/09. Statutory Authority: RCW 67.70.040 and 67.70.040 (1), (3), 07-11-037, § 315-30-010, filed 5/8/07, effective 6/8/07. Statutory Authority: RCW 67.70.040, 84-01-005 (Order 44), § 315-30-010, filed 12/8/83.]

WAC 315-30-020 Definitions. (1) Draw game. A lottery game in which a player pays a fee to a lottery retailer and selects a combination of digits, numbers, or symbols; type and amount of play; and drawing date and receives a computer generated ticket with those selections printed on it; or pays for a ticket with predetermined numbers, symbols or characters selected by the lottery terminal; or pays for a raffle ticket. The lottery will conduct a drawing to determine the winning ticket or the winning combination(s) in accordance

(9/18/09)

with the specific draw game procedures and play criteria. Each ticket bearer whose valid ticket includes a winning combination, or is the winning ticket, shall be entitled to a prize if claim is submitted within the specified time period.

(2) Draw game retailer. A lottery retailer authorized by the lottery to sell draw game tickets. All draw game retailers may also sell other lottery game tickets offered by the lottery and approved by the commission.

(3) Draw game ticket. A computer-generated ticket issued by a lottery retailer to a player as a receipt for the combination(s) a player has selected, or as a receipt of the predetermined numbers, symbols or characters selected by the lottery terminal, or a raffle ticket. That ticket shall be the only acceptable evidence of the combination(s) of digits, numbers, or symbols selected. Draw game tickets may be purchased only from a lottery retailer authorized to sell draw game tickets.

(4) Lottery terminal. The computer hardware through which tickets are generated and validated.

(5) Drawing. The procedure determined by the director by which the lottery selects the winning combination in accordance with the rules of the game.

(6) Certified drawing. A drawing about which the lottery and an independent certified public accountant attest that the drawing equipment functioned properly and that a random selection of a winning combination occurred; or the random selection of a winning ticket occurred.

(7) Winning combination. One or more digits, numbers, or symbols randomly selected by the lottery in a drawing which has been certified.

(8) Validation. The process of determining whether a ticket presented for payment is a winning ticket.

(9) Validation number. A unique number printed on each ticket, which is used to determine whether the ticket is a winning ticket.

(10) Ticket bearer. The person who has signed the ticket or who has possession of an unsigned ticket.

(11) Raffle. A draw game variation in which the player receives a computer generated ticket with the numbers, symbols, or characters predetermined on it. The lottery will conduct a drawing to determine the winning combination(s) in accordance with the specific raffle game procedures and criteria. All raffle draw game tickets issued during a specific raffle draw game shall be entered into the drawing for that game. Each ticket bearer whose valid raffle draw game ticket includes a winning combination shall be entitled to a prize if the claim is submitted within the specified time period.

[Statutory Authority: RCW 67.70.040 and 67.70.040 (1), (3), 07-11-037, § 315-30-020, filed 5/8/07, effective 6/8/07. Statutory Authority: RCW 67.70.040, 92-11-033, § 315-30-020, filed 5/15/92, effective 6/15/92; 86-01-060 (Order 83), § 315-30-020, filed 12/16/85; 85-09-004 (Order 72), § 315-30-020, filed 4/5/85; 84-19-045 (Order 64), § 315-30-020, filed 9/17/84; 84-01-005 (Order 44), § 315-30-020, filed 12/8/83.]

WAC 315-30-030 Draw games criteria. (1) The base price of a play shall not be less than \$.50 and not more than \$20.00.

(2) On the average the total of all prizes available to be won in a draw game shall not be less than forty-five percent of the game's projected revenue.

(3) The manner and frequency of drawings may vary with the type of game, except that no draw game shall have a drawing more than once in a twenty-four hour period.

(4) The times, locations, and drawing procedures shall be determined by the director.

(5) A ticket bearer claiming a prize shall submit the apparent winning ticket as specified by the director. The ticket must be validated pursuant to WAC 315-30-050 by the lottery or a lottery retailer through use of the validation number and any other means as specified by the director.

(6) Procedures for claiming prizes are as follows:

(a) To claim a game prize of \$600.00 or less, the claimant shall present the winning ticket to any lottery retailer authorized to sell draw game tickets or to the lottery.

(i) If the ticket is presented to a lottery retailer authorized to sell draw game tickets, the retailer shall validate the ticket and, if determined to be a winning ticket, may make payment of the amount due the claimant. If the retailer cannot validate the ticket, the claimant may submit the disputed ticket to the lottery by mail or in person. Upon determination that the ticket is a winning ticket, the lottery shall pay the prize. If the ticket is determined to be a nonwinning ticket, the claim shall be denied and the claimant shall be promptly notified.

(ii) If the ticket is presented to the lottery, the claimant shall submit the ticket to the lottery by mail or in person. Upon determination that the ticket is a winning ticket, the lottery shall pay the prize. If the ticket is determined to be a nonwinning ticket, the claim shall be denied and the claimant shall be promptly notified.

(b) To claim a prize of more than \$600.00, the claimant shall obtain and complete a claim form or otherwise provide necessary information, as provided in WAC 315-06-120, and submit it with the ticket to the lottery by mail or in person. Upon determination that the ticket is a winning ticket, the lottery shall pay the prize. Prizes greater than \$600.00 are subject to federal income tax withholding requirements according to the Internal Revenue Service publications for state lotteries. If the ticket is determined to be a nonwinning ticket, the claim shall be denied and the claimant shall be promptly notified.

[Statutory Authority: RCW 67.70.040 and 67.70.040 (1), (3), 07-11-037, § 315-30-030, filed 5/8/07, effective 6/8/07. Statutory Authority: RCW 67.70.040, 94-03-020, § 315-30-030, filed 1/7/94, effective 2/9/94; 92-11-033, § 315-30-030, filed 5/15/92, effective 6/15/92; 86-01-060 (Order 83), § 315-30-030, filed 12/16/85; 85-16-031 (Order 77), § 315-30-030, filed 7/30/85; 84-19-045 (Order 64), § 315-30-030, filed 9/17/84; 84-01-005 (Order 44), § 315-30-030, filed 12/8/83.]

WAC 315-30-040 Drawings and end of sales prior to drawings. (1) Drawings shall be conducted in a location and at days and times designated by the director. Each drawing script shall contain the statement, "Digits/numbers/symbols drawn are not official until validated."

(2) The director shall announce for each type of game the time for the end of sales prior to the drawings. Lottery termi-

nals will not process orders for tickets for that drawing after the time established by the director.

(3) The director shall designate the type of equipment to be used and shall establish procedures to randomly select the winning combination for each type of game.

(4) The equipment used to determine the winning combination shall not be electronically or otherwise connected to the central computer or to any tapes, discs, files, etc., generated or produced by the central computer. The equipment shall be tested prior to and after each drawing to assure proper operation and lack of tampering or fraud. Drawings shall not be certified until all checks are completed. No prizes shall be paid until after the drawing is certified.

(5) The director shall establish procedures governing the conduct of drawings for each type of game. The procedures shall include provisions for deviations which include but are not limited to: (a) Drawing equipment malfunction before validation of the winning combination; (b) video and/or audio malfunction during the drawing; (c) fouled drawing; (d) delayed drawing; and (e) other equipment, facility and/or personnel difficulties.

(6) In the event a deviation occurs, the drawing will be completed under lottery supervision. If the drawing was to be broadcast, the drawing shall be video taped for later broadcast, if broadcast time is available. The drawing shall be certified and the deviation documented on the certification form. The winning combination will be provided to the television network for dissemination to the public.

(7) If during any live-broadcast drawing for a game, a mechanical failure or operator error causes an interruption in the selection of all digits, numbers, or symbols, a "foul" shall be called by the lottery drawing official. Any digit/number/symbol drawn prior to a "foul" being called will stand and be deemed official after passing lottery validation tests.

(8) The director shall delay payment of all prizes if any evidence exists or there are grounds for suspicion that tampering or fraud has occurred. Payment shall be made after an investigation is completed and the drawing certified. If the drawing is not certified, another drawing will be conducted to determine the actual winner.

[Statutory Authority: RCW 67.70.040 and 67.70.040 (1), (3), 07-11-037, § 315-30-040, filed 5/8/07, effective 6/8/07. Statutory Authority: RCW 67.70.040, 92-11-033, § 315-30-040, filed 5/15/92, effective 6/15/92; 89-12-042 (Order 116), § 315-30-040, filed 6/1/89; 84-19-045 (Order 64), § 315-30-040, filed 9/17/84; 84-01-005 (Order 44), § 315-30-040, filed 12/8/83.]

WAC 315-30-050 Validation requirements. (1) To be a valid winning on-line ticket, all of the following conditions must be met:

(a) All printing on the ticket shall be present in its entirety, be legible, and correspond, using the computer validation file, to the combination and date printed on the ticket.

(b) The ticket shall be intact.

(c) The ticket shall not be mutilated, altered, or tampered with in any manner.

(d) The ticket shall not be counterfeit or an exact duplicate of another winning ticket.

(e) The ticket must have been issued by an authorized on-line retailer in an authorized manner.

(f) The ticket must not have been stolen.

(g) The ticket must not have been canceled or previously paid.

(h) The ticket shall pass all other confidential security checks of the lottery.

(2) Any ticket failing any validation requirement listed in WAC 315-30-050(1) is invalid and ineligible for a prize. Provided, if a court of competent jurisdiction determines that a claim based on a ticket which has failed to validate solely because of subsection (1)(g) of this section is valid, the claim shall be paid as a prize pursuant to WAC 315-06-120, 315-30-030, and the rules for that specific type of game. The agent that cancelled or paid such ticket shall indemnify the lottery for payment of the prize and from any other claim, suit, or action based on that ticket.

(3) The director may replace an invalid ticket with a ticket for a future drawing of the same game. The director may pay the prize for a ticket that is partially mutilated or is not intact if the ticket can still be validated by the other validation requirements.

(4) In the event a ticket is issued in error or a defective ticket is purchased, the only responsibility or liability of the lottery, its vendors or the lottery retailer shall be the replacement of the erroneous or defective ticket with another ticket for a future drawing of the same game.

[Statutory Authority: RCW 67.70.040 and 67.70.040 (1), (3), 07-11-037, § 315-30-050, filed 5/8/07, effective 6/8/07. Statutory Authority: RCW 67.70.040, 89-12-042 (Order 116), § 315-30-050, filed 6/1/89; 85-22-057 (Order 81), § 315-30-050, filed 11/5/85; 84-01-005 (Order 44), § 315-30-050, filed 12/8/83.]

WAC 315-30-060 Payment of prizes by lottery retailers. (1) A lottery retailer authorized to sell draw games may pay to the ticket bearer prizes of \$600.00 or less for any validated claims presented to that lottery retailer regardless of where the ticket was purchased. These prizes may be paid during all normal business hours of that lottery retailer, provided, the draw game system is operational and claims can be validated. The lottery retailer shall not charge the claimant any fee for payment of the prize or for cashing a business check drawn on the lottery retailer's account.

(2) A lottery retailer may pay prizes in cash or by business check, certified check, or money order. A lottery retailer that pays a prize with a check which is dishonored may be subject to suspension or revocation of its license, pursuant to WAC 315-04-200.

[Statutory Authority: RCW 67.70.040 and 67.70.040 (1), (3), 07-11-037, § 315-30-060, filed 5/8/07, effective 6/8/07. Statutory Authority: RCW 67.70.040, 86-01-060 (Order 83), § 315-30-060, filed 12/16/85; 85-09-004 (Order 72), § 315-30-060, filed 4/5/85; 84-01-005 (Order 44), § 315-30-060, filed 12/8/83.]

WAC 315-30-070 Retailer settlement. (1) Each lottery retailer authorized to sell draw games shall establish an account for deposit of moneys derived from draw games with a financial institution that has the capability of electronic funds transfer (EFT). Funds generated from the sale of draw game tickets shall be held in trust by the retailer for the lottery.

(2) Each lottery retailer shall make a deposit to that account at least once each week. The amount deposited shall be sufficient to cover moneys due the lottery for that weekly accounting period. The lottery will withdraw by EFT the

amount due the lottery on the day specified by the director. In the event the day specified for withdrawal falls on a legal holiday, withdrawal will be accomplished on the following business day.

[Statutory Authority: RCW 67.70.040 and 67.70.040 (1), (3), 07-11-037, § 315-30-070, filed 5/8/07, effective 6/8/07. Statutory Authority: RCW 67.70.040, 89-12-042 (Order 116), § 315-30-070, filed 6/1/89; 86-01-060 (Order 83), § 315-30-070, filed 12/16/85; 84-01-005 (Order 44), § 315-30-070, filed 12/8/83.]

WAC 315-30-075 Lottery retailer agreement. Each lottery retailer shall enter into an agreement with the lottery containing such terms and conditions as the director may require pursuant to WAC 315-30-080. Failure to enter into such an agreement may result in denial of a lottery terminal; immediate discontinuance of a lottery terminal operation, or removal of a lottery terminal from an on-line location.

[Statutory Authority: RCW 67.70.040 and 67.70.040 (1), (3), 07-11-037, § 315-30-075, filed 5/8/07, effective 6/8/07. Statutory Authority: RCW 67.70.040, 89-09-009 (Order 116), § 315-30-075, filed 4/10/89.]

WAC 315-30-080 Retailer selection criteria. (1) The selection and distribution of draw game retailers throughout the state will be based on:

(a) The number of licensed retailers in each of the regions identified in WAC 315-12-030, and then;

(b) The potential for revenue generation, demographics, and public accessibility within that region.

(2) Only a person who possesses a valid provisional or general license may be authorized by the director to sell draw game tickets.

(3) In addition, the director may consider the following factors in the selection of lottery retailers authorized to sell draw games.

(a) Business and security considerations which include but are not limited to: (i) Instant game accounts receivable record, (ii) criminal history of owners and officers, (iii) history of criminal activity at the business establishment, (iv) past security problems, (v) credit rating as defined in WAC 315-04-095, (vi) licensing requirements, and (vii) history of administrative or regulatory actions.

(b) Marketing considerations which include but are not limited to: (i) Instant ticket sales history, (ii) outside vehicle traffic, (iii) retail customer count, (iv) access to location, and (v) management attitude and willingness to promote lottery products.

(4) The director shall determine the total number of lottery terminals to be installed throughout the state and shall establish procedures for draw game site selection. In determining the order in which TDMs will be installed within a given geographic area, an on-line site selection survey will be completed in which, the factors considered will include but not be limited to:

- (a) General information;
- (b) Description of proposed site;
- (c) Proposed lottery terminal location;
- (d) Products sold;
- (e) Services available;
- (f) Store's hours;
- (g) Estimated draw game sales;
- (h) Instant sales per week;

(i) Nearest four draw game lottery retailer sales per week;

(j) District sales representative's assessment; and

(k) Regional sales manager's assessment.

(5) The director may, after a lottery terminal has been in operation for six months, order the removal of a lottery terminal from a low producing retailer location after considering marketing factors which include but are not limited to:

(a) Sales volume not increasing at statewide average;

(b) Weekly sales volume below that of similar businesses with similar market potential;

(c) Sales volume below \$5,000 per week in metropolitan areas;

(d) Public is adequately served by other draw game retailer locations; and

(e) Failure to generate sufficient sales volume to cover the lottery's administrative costs.

(6) The director may immediately discontinue a lottery retailer operation, order removal of a lottery terminal from a draw game lottery retailer location, or take any other action authorized under WAC 315-04-200 in the event that the lottery retailer authorized to sell draw game tickets:

(a) Fails to comply with any rule established by the commission, any instruction issued by the director;

(b) Tampers with or attempts to tamper with the lottery terminal;

(c) Fails to make payment of a prize;

(d) Makes payment with a business check and the check is dishonored for any reason; or

(e) Fails to enter into the uniform agreement with the lottery as required in WAC 315-30-075.

[Statutory Authority: RCW 67.70.040 and 67.70.040 (1), (3). 07-11-037, § 315-30-080, filed 5/8/07, effective 6/8/07. Statutory Authority: RCW 67.70.040. 98-20-013, § 315-30-080, filed 9/25/98, effective 10/26/98; 89-09-009 (Order 116), § 315-30-080, filed 4/10/89; 85-22-057 (Order 81), § 315-30-080, filed 11/5/85; 85-09-004 (Order 72), § 315-30-080, filed 4/5/85; 84-21-013 (Order 66), § 315-30-080, filed 10/5/84; 84-05-008 (Order 51), § 315-30-080, filed 2/7/84.]