WAC 314-70-020 Title 314 WAC: Liquor Control Board

022 (Order 109, Resolution No. 118), § 314-70-020, filed 8/9/82.]

WAC 314-70-030 Purchases by Class H licensee of certain liquor stocks. Notwithstanding any other provision of Title 66 RCW or Title 314 WAC, a Class H licensee in conjunction with a transfer of license may purchase, and place into its regular stock, salable liquor as provided in WAC 314-70-010. Such liquor shall be treated for purposes of Title 66 RCW and Title 314 WAC as if it had been purchased from the board pursuant to RCW 66.24.440. [Statutory Authority: RCW 66.08.030, 66.98.070 and chapter 34.04 RCW. 82-17-022 (Order 109, Resolution No. 118), § 314-70-030, filed 8/9/82.]

WAC 314-70-040 Procedures for board purchase of liquor from governmental agencies. The board may purchase from governmental agencies lawfully seized salable unopened liquor. Such purchases are subject to the following conditions:

(1) The governmental agency shall provide the board with a listing of the liquor and shall make the liquor available for examination and review.

(2) The board will issue a purchase order for the liquor.

(3) When the governmental agency is from within the state of Washington and the liquor was originally purchased from the board, the board will pay the total amount listed in the official board price list then in effect, less the Class H discount and tax exemption expressed as a percent of the total price and the percent of total expenses assigned to the merchandise division to gross sales as reported on the profit and loss statement in the last published annual report of the board. Combined percentages will be rounded up to a whole percent.

(4) When the governmental agency is a federal agency, or when the governmental agency is from within the state of Washington but the liquor was not originally purchased from the board, or the liquor is no longer handled by the board, the board will pay a negotiated amount not to exceed ninety percent of the original approximate cost price from the distillery or manufacturer including federal tax and duty.

(5) After receipt of the board purchase order, the governmental agency who is selling the liquor will invoice the board as per the prices listed on the purchase order. [Statutory Authority: RCW 66.08.030, 66.98.070 and chapter 34.04 RCW. 82-17-022 (Order 109, Resolution No. 118), § 314-70-040, filed 8/9/82.]

Chapter 314-78 WAC OFFICIAL SEAL OF THE BOARD

WAC 314-78-010 Official seal of the board.

WAC 314-78-010 Official seal of the board. Pursuant to the authority of RCW 66.08.030(2)(g) the board adopts the following design as and for its official seal: [1982 WAC Supp—page 1824]
with the month of February in any year, or the preceding business day if that Friday is a holiday. The location and time of each such regular session shall be as follows:

TIME: 10:00 a.m.

LOCATION: Transportation Commission Meeting Room
First Floor
Highways Administration Building
Olympia, Washington

Additional public meetings necessary to discharge the business of the commission may be called from time to time by the chairman or by a quorum of the commission. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-037 (Order 2), § 315-02-020, filed 10/15/82.]

WAC 315-02-030 Address of commission. Unless specifically provided elsewhere in these rules, submission of materials or requests for notice or information of any kind, may be made by addressing correspondence to: Washington State Lottery Commission, P.O. Box 9770, Olympia, Washington 98504. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-038 (Order 3), § 315-02-030, filed 10/15/82.]

WAC 315-02-040 Commission activities exempt from Environmental Protection Act. The commission has reviewed its authorized activities and has found them to be exempt pursuant to WAC 197-10-040(2), 197-10-150 through 197-10-190 and the State Environmental Policy Act, chapter 43.21 RCW. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-038 (Order 3), § 315-02-040, filed 10/15/82.]

WAC 315-02-050 Director of the Washington state lottery. The director of the Washington state lottery, hereinafter called "the director," is the director appointed by the governor pursuant to section 5, chapter 7, Laws of 1982 2nd ex. sess., to be responsible for the supervision and administration of the operation of the lottery in accordance with the provisions of chapter 7, Laws of 1982 2nd ex. sess. and with the rules of the commission. The director may delegate to his or her employees such responsibilities as the director may deem necessary to carry out the duties and responsibilities of this chapter. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-038 (Order 3), § 315-02-050, filed 10/15/82.]

WAC 315-02-060 Address of the office of the director. Unless specifically provided elsewhere in these rules, submission of materials or requests for notice or information of any kind, may be made by addressing correspondence to: Office of the Director, Washington State Lottery, P.O. Box 9770, Olympia, Washington 98504. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-038 (Order 3), § 315-02-060, filed 10/15/82.]

WAC 315-02-070 Office of the director activities exempt from Environmental Protection Act. The director has reviewed his or her authorized activities and has found them to be exempt pursuant to WAC 197-10-040(2), 197-10-150 through 197-10-190 and the State Environmental Policy Act, chapter 43.21 RCW. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-038 (Order 3), § 315-02-070, filed 10/15/82.]

WAC 315-02-100 Definitions. Words and terms used in these rules shall have the same meaning as each has under chapter 7, Laws of 1982 2nd ex. sess., unless otherwise specifically provided in these rules, or the context in which they are used clearly indicates that they be given some other meaning. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-038 (Order 3), § 315-02-100, filed 10/15/82.]

WAC 315-02-110 Bank defined. "Bank" means and includes all commercial banks, mutual savings bank, savings and loan associations, credit unions, trust companies and any other type or form of banking institution organized under the authority of the state of Washington or the United States of America whose principal place of business is within the state of Washington and is designated to perform such functions, activities, or service in connection with the operations of the lottery for the deposit and handling of lottery funds, the accounting thereof and the safekeeping of tickets and records. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-038 (Order 3), § 315-02-110, filed 10/15/82.]

WAC 315-02-120 Depository defined. "Depository" means any person, including a bank or state agency, performing activities or services in connection with the operation of the lottery for the deposit and handling of lottery funds, the accounting thereof, and the safekeeping of tickets. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-038 (Order 3), § 315-02-120, filed 10/15/82.]

WAC 315-02-130 Employee of the commission defined. "Employee of the commission" means the employees or agents of the commission and the director unless the context clearly indicates one or the other. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-038 (Order 3), § 315-02-130, filed 10/15/82.]

WAC 315-02-140 Game defined. "Game" means any individual or particular type of lottery authorized by the commission. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-038 (Order 3), § 315-02-140, filed 10/15/82.]

WAC 315-02-150 General license defined. "General license" means a license issued by the director which authorizes a licensed agent to conduct the routine sale of tickets at a fixed structure or facility. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-038 (Order 3), § 315-02-150, filed 10/15/82.]

WAC 315-02-160 Licensed agent defined. "Licensed agent" means a person licensed by the director or any retail outlet of the state liquor control board. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-038 (Order 3), § 315-02-160, filed 10/15/82.]

[1982 WAC Supp—page 1825]
WAC 315-02-170 Lottery defined. "Lottery" means the lottery established and operated pursuant to chapter 7, Laws of 1982 2nd ex. sess. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-038 (Order 3), § 315-02-170, filed 10/15/82.]

WAC 315-02-180 Person defined. "Person" means an individual, association, corporation, club, trust, estate, society, company, joint stock company, receiver, trustee, assignee, referee, or any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, and any combination of individuals. "Person" does not mean any department, commission, agency, or instrumentality of the state, or any county or municipality or any agency or instrumentality thereof, except for retail outlets of the state liquor control board. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-038 (Order 3), § 315-02-180, filed 10/15/82.]

WAC 315-02-190 Prize defined. "Prize" means any award, financial or otherwise, awarded by the director. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-038 (Order 3), § 315-02-190, filed 10/15/82.]

WAC 315-02-200 Provisional license defined. "Provisional license" means a license issued by the director which temporarily authorizes a licensed agent to conduct the sale of tickets pending processing of the general license application or renewal. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-038 (Order 3), § 315-02-200, filed 10/15/82.]

WAC 315-02-210 Special license defined. "Special license" means a license issued by the director which authorizes a licensed agent to conduct the sale of tickets for specific sporting, charitable, social or other special events. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-038 (Order 3), § 315-02-210, filed 10/15/82.]

WAC 315-02-220 Ticket defined. "Ticket" means a lottery ticket or share issued by the director for sale to the general public. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-038 (Order 3), § 315-02-220, filed 10/15/82.]

Chapter 315-04 WAC
LICENSING PROCEDURE

WAC
315-04-010 Licensed agents.
315-04-020 License application eligibility.
315-04-030 License application.
315-04-040 General license.
315-04-050 Special license.
315-04-060 Provisional license.
315-04-070 License fees.
315-04-080 Bad checks submitted as payment for fees.
315-04-090 License issuance eligibility.
315-04-100 Staggered license renewals.
315-04-110 Duplicate licenses.
315-04-120 Transfer of ownership or location of license prohibited.

[1982 WAC Supp—page 1826]
WAC 315-04-040 General license. The director may issue a general license to an applicant who qualifies for licensure. The general license shall authorize the licensed agent to conduct the routine sale of tickets at the location specified on the general license. An addendum to the general or provisional license may be obtained as provided for in WAC 315-06-050, permitting the licensed agent to sell tickets in locations other than that specified on its license. The general license shall be valid for one year after the date of issuance, except as provided in WAC 315-04-100. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-040, filed 10/15/82.]

WAC 315-04-050 Special license. The director may issue a special license to an applicant for specific sporting, charitable, social, or other special event. A special license is one subject to such conditions or limitations as the director, in his or her discretion, may deem prudent and which is consonant with the dignity of the state, the general welfare of the people, and the operations and integrity of the lottery. These limitations or conditions may include, but are not limited to:

1. Length of license period;
2. Hours or days of sale; and
3. Location of sale. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-050, filed 10/15/82.]

WAC 315-04-060 Provisional license. (1) The director may issue a provisional license to an applicant for a general license after receipt of a person's fully completed licensed agent's application, the authorization of a complete personal background check, and completion of a preliminary background check. The provisional license shall expire at the time of issuance of the general license or ninety days from the date the provisional license is issued, whichever occurs first. The provisional license may be extended by the director for one additional ninety-day period of time.

(2) The director may issue a provisional license to an applicant for renewal of a general license when he or she determines it necessary to authorize a licensed agent to sell tickets pending approval of the application for general license renewal. The provisional license shall expire at the time of the issuance of the general license renewal or ninety days from the date the provisional license is issued, whichever occurs first. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-060, filed 10/15/82.]

WAC 315-04-070 License fees. (1) The fee for a license application shall be $15.00.

(2) The fee for a background check for initial licensure shall be $10.00.

(3) The fee for renewal of a license shall be $15.00.

(4) The fee for late renewal of a license shall be $25.00 in addition to the renewal fee of $15.00.

(5) All fees established in this section or other sections of this title are not refundable.

(6) The fees in this section may be prorated for staggered license renewal periods as provided in WAC 315-04-100. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-070, filed 10/15/82.]

WAC 315-04-080 Bad checks submitted as payment for fees. The payment of a fee with a check which for any reason is not promptly paid by the drawee bank shall be grounds for immediate denial of an application for the license, or for the suspension or revocation of a license issued for which the fee is due. The director shall add $15.00 to each fee when payment of a check originally submitted is denied by the drawee bank, or when the check is required to be resubmitted for payment for any reason. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-080, filed 10/15/82.]

WAC 315-04-090 License issuance eligibility. (1) The director may issue a license to any person to act as a licensed agent who meets the eligibility criteria established by chapter 7, Laws of 1982 2nd ex. sess., and these rules.

(2) Before issuing a license, the director shall consider:

(a) The financial responsibility and security of the person and its business or activity;
(b) the background and reputation of the applicant in the community for honesty and integrity;
(c) the accessibility of the applicant's place of business or activity to the public;
(d) the sufficiency of existing licenses to serve the public convenience;
(e) the volume of expected sales;
(f) the veracity of the information supplied in the application for a licensed agent license; and
(g) the applicant's indebtedness to the state of Washington, local subdivisions of the state and/or the United States government.

(3) The director may condition the issuance of any license upon the posting of a bond in such terms and conditions as the director may require. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-037 (Order 2), § 315-04-090, filed 10/15/82.]

WAC 315-04-100 Staggered license renewals. (1) The director may set staggered dates for license renewal. License fees established shall be prorated for the actual period of licensure. In no event shall a license period established under this provision be longer than two years.

(2) The licensed agent shall apply for renewal of its license on a form approved by the director, at least 45 days prior to the expiration date of the license. Applications for renewal received later than 45 days prior to the expiration date of the license shall be subject to the late renewal fee; except a renewal application shall not be accepted if it is received by the director more than 60 days after the expiration date of the license. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-037 (Order 2), § 315-04-100, filed 10/15/82.]

[1982 WAC Supp—page 1827]
WAC 315-04-110 Duplicate licenses. Upon the loss, mutilation or destruction of any license issued by the director, application for a duplicate must be made on a form approved by the director. A statement signed by the licensed agent which details the circumstances under which the license was lost, mutilated, or destroyed and certifies that such license was, in fact, lost, mutilated or destroyed, shall accompany such application. The fee for the duplicate of a license shall be $10.00. A mutilated license shall be surrendered to the director upon issuance or denial of a duplicate license. A lost license, when found, must be immediately surrendered to the director. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-110, filed 10/15/82.]

WAC 315-04-120 Transfer of ownership or location of license prohibited. (1) Any license issued by the director is personal to the licensed agent and may not be transferred to another person.

(2) If the person to which a license is issued substantially changes its ownership, or changes its location, the license shall be terminated at the date of change and a new application for licensure shall be made. Every such change in ownership or location shall be reported to the director at least twenty days prior to the change. The license shall be surrendered to the director on the date of change. A substantial change in ownership of a business shall mean the transfer of ten percent equity or more of any licensee.

(3) A legal change of name, not involving a change in ownership or location, shall not be considered a transfer of license under this section. Upon request, a license shall be issued in the new name on payment of a $10.00 fee. Every legal change of name, not involving a change in ownership or location, shall be reported to the director at least twenty days prior to the change. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-120, filed 10/15/82.]

WAC 315-04-130 Death or incapacity of licensee. (1) In the event of the proven incapacity, death, receivership, bankruptcy or assignment for benefit of creditors of any licensed agent, upon approval of the director, the license may be transferred to a court appointed or court confirmed guardian, executor or administrator, receiver, trustee, or assignee for the benefit of creditors, who may continue to operate the activity under the license, subject to the provisions of chapter 7, Laws of 1982 2nd ex.s. sess. and these rules.

(2) The person to whom a license is transferred hereunder must be otherwise qualified to hold a license.

(3) The license following transfer shall be subject to regular renewal based upon its original expiration date and shall be void upon that person ceasing to hold such a court appointed or court confirmed position.

(4) The director may condition the transfer of any license under this section upon the posting of a bond in such terms and conditions as the director may require.

(5) The fee for transfer of the license under this rule shall be $10.00. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-130, filed 10/15/82.]

WAC 315-04-140 License not a vested right. (1) The possession of a license issued by the director to any person to act as a licensed agent in any capacity is a privilege personal to that person and is not a legal right.

(2) The possession of a license issued by the director to any person to act as a licensed agent in any capacity does not entitle that person to sell tickets or obtain materials for any particular game or special event.

(3) Every licensed agent may be required to enter into a contract containing such terms and conditions as the director may require to sell tickets or materials for any particular game or special event. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-140, filed 10/15/82.]

WAC 315-04-150 License to be displayed. Every licensed agent shall conspicuously display its license or a copy thereof, to be provided by the lottery, in an area visible to the general public where tickets are being sold. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-150, filed 10/15/82.]

WAC 315-04-160 Display of material. Licensed agents shall display only lottery point-of-sale material approved by the director in a manner which is readily seen by and available to the public. Upon request, the director may make additional point-of-sale materials available to licensed agents at no cost or at such costs as determined by the director. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-160, filed 10/15/82.]

WAC 315-04-170 Tickets convenient to public. (1) Every licensed agent shall make the purchase of tickets convenient and readily accessible to the public.

(2) Each licensed agent shall make tickets available for sale during its normal business hours at the location designated on its license. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-170, filed 10/15/82.]

WAC 315-04-180 Obligations of licensed agents. (1) All tickets accepted by the licensed agent from its assigned depository shall be considered sold to the licensed agent (unless returned to the depository from which they were obtained within the time specified and as permitted by the director). The purchase price shall be paid to the depository, less any commission or deductions authorized by these rules.

(2) All lost or missing tickets are the licensed agent's responsibility.

(3) Each licensed agent shall abide by the law, these rules and all other directives or instructions issued by the director.

(4) Each licensed agent grants to the director and the commission and employees of the commission an irrevocable license to enter upon the premises of the licensed agent in which tickets may be sold or any other location...
under the control of the licensed agent where the director may have good cause to believe lottery materials or tickets are stored or kept in order to inspect said lottery property and the premises.

(5) All property given, except tickets, to a licensed agent remains the property of the director, and, upon demand, the licensed agent agrees to deliver forthwith the same to the director.

(6) All books and records pertaining to the licensed agent's lottery activities shall be made available for inspection and copying, during the normal business hours of the licensed agent and between 8:00 a.m. and 5:00 p.m., Monday through Friday, upon demand by the director or employees of the commission.

(7) All books and records pertaining to the licensed agent's lottery activities shall be subject to seizure by the director or employees of the commission without prior notice.

(8) No licensed agent shall advertise or otherwise display advertising in any part of the licensed agent's premises as a licensed location which may be considered derogatory or adverse to the operations or dignity of the lottery and the licensed agent shall remove any advertising forthwith if requested by the director. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-037 (Order 2), § 315-04-180, filed 10/15/82.]

WAC 315-04-190 Compensation. Licensed agents shall be entitled to a five percent sales commission. The terms and conditions of payment of the sales commission shall be subject to the terms and conditions established by the director for the conduct of a specific game. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-190, filed 10/15/82.]

WAC 315-04-200 Denial, suspension or revocation of a license. The director may deny an application for or suspend or revoke any license issued pursuant to these rules for one or more of the following reasons:

(1) Failure to meet or maintain the eligibility criteria for license application and issuance established by chapter 7, Laws of 1982 2nd ex. sess., or these rules;

(2) Failure to account for lottery tickets received or the proceeds of the sale of tickets or to post a bond if required by the director or to comply with the instructions of the director concerning the licensed activity;

(3) Violating any of the provisions of chapter 7, Laws of 1982 2nd ex. sess., or these rules;

(4) Failure to file any return or report or to keep records required by the director or by these rules;

(5) Failure to pay any federal, state or local tax or indebtedness;

(6) Fraud, deceit, misrepresentation or conduct prejudicial to public confidence in the lottery;

(7) If public convenience is adequately served by other licensees;

(8) Failure to sell a sufficient number of tickets to meet administrative costs;

(9) If there is a history of thefts or other forms of losses of tickets or revenue therefrom;

(10) If there is a delay in accounting or depositing in the designated depository the revenues from the ticket sales;

(11) Has violated, failed or refused to comply with any of the provisions, requirements, conditions, limitations or duties imposed by chapter 9.46 RCW (Gambling Act), or chapter 7, Laws of 1982 2nd ex. sess., or when a violation of any provisions of chapter 7, Laws of 1982 2nd ex. sess., has occurred upon any premises occupied or operated by any such person or over which he or she has substantial control;

(12) Knowingly causes, aids, abets or conspires with another to cause any person to violate any of the laws of this state;

(13) Has obtained a license by fraud, misrepresentation, concealment or through inadvertence or mistake;

(14) Has been convicted of, or forfeited bond upon a charge of, or pleaded guilty to, forgery, larceny, extortion, conspiracy to defraud, willful failure to make required payments or reports to a governmental agency at any level, or filing false reports therewith, or of any similar offense or offenses, or of bribing or otherwise unlawfully influencing a public official or employee of any state or the United States, or of any crime, whether a felony or misdemeanor, involving any gambling activity or physical harm to individuals or involving moral turpitude;

(15) Makes a misrepresentation of, or fails to disclose, a material fact to the commission or director;

(16) Denies the commission or director or their authorized representatives, including authorized local law enforcement agencies, access to any place where a licensed activity is conducted, or fails to promptly produce for inspection or audit any book, record, document or item required by law or these rules;

(17) Is subject to current prosecution or pending charges, or a conviction which is under appeal, for any of the offenses indicated under subsection (14) of this section: Provided, That at the request of an applicant for an original license, the director may defer decision upon the application during the pendency of such prosecution or appeal;

(18) Has pursued or is pursuing economic gain in an occupational manner or context which is in violation of the criminal or civil public policy of this state if such pursuit creates probable cause to believe that the participation of such person in lottery or gambling or related activities would be inimical to the proper operation of an authorized lottery or gambling or related activity in this state. For the purposes of this section, occupational manner or context shall be defined as the systematic planning, administration, management or execution of an activity for financial gain;

(19) Is a career offender or a member of a career offender cartel or an associate of a career offender or career offender cartel in such a manner which creates probable cause to believe that the association is of such a nature as to be inimical to the policy of this state or to the proper operation of the authorized lottery or gambling or related activities in this state. For the purposes of this section, career offender shall be defined as any

[1982 WAC Supp—page 1829]
person whose behavior is pursued in an occupational manner or context for the purpose of economic gain utilizing such methods as are deemed criminal violations of the public policy of this state. A career offender cartel shall be defined as any group of persons who operate together as career offenders;

(20) Failure to follow the instructions of the director for the conduct of any particular game or special event;

(21) Failure to follow security procedures of the director for the handling of tickets or for the conduct of any particular game or special event; or

(22) Makes a misrepresentation of fact to the purchaser, or prospective purchaser, of a ticket, or to the general public with respect to the conduct of a particular game or special event. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-037 and 82-21-068 (Orders 2 and 2A), § 315-04-200, filed 10/15/82 and 10/20/82.]

WAC 315-04-210 Procedure if license is suspended or revoked. Upon revocation or suspension of a licensed agent’s license for any reasons whatsoever, the licensed agent must appear at its assigned depository or before the director or his or her designee, by a date designated by the director for the purpose of rendering a final lottery accounting, the surrender of the licensed agent’s license, his or her identification card and other lottery property as instructed, the depository shall immediately notify the director by telephone and confirm in writing. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-210, filed 10/15/82.]

Chapter 315-06 WAC
GENERAL LOTTERY RULES

WAC 315-06-010 Operation of the lottery. The director shall conduct only those types of games which are authorized by these rules and meet the criteria set forth herein. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-040 (Order 5), § 315-06-010, filed 10/15/82.]

WAC 315-06-020 Authorization to sell tickets. Licensed agents and employees of the commission designated by the director are authorized, as limited by WAC 315-04-140, to sell tickets directly to the public. Employees of the commission designated by the director to sell tickets directly to the public and retail outlets of the state liquor control board are not required to be licensed as licensed agents. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-037 (Order 2), § 315-06-020, filed 10/15/82.]

WAC 315-06-030 Licensed agent’s instructions. Each licensed agent is to conform to the instructions and requirements established by the director for the delivery and return of tickets, the location and display of lottery materials, the conduct of a specific game, or other lottery business. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-040 (Order 5), § 315-06-030, filed 10/15/82.]

WAC 315-06-040 Disclosure of probability of purchasing a winning ticket. (1) The estimated probability of purchasing a winning ticket shall be conspicuously displayed on the back of tickets for a specific game. The estimated average probability of purchasing a winning ticket for each category of prize in a specific game shall be conspicuously displayed on:

(a) All printed promotional and advertising materials for a specific game, including, but not limited to, brochures, posters, billboards, placards, and point-of-sale displays;

(b) A placard to be located on the premises of each licensed agent in close proximity to the display location of the sales license; and

(c) Instructions to licensed agents for the conduct of a specific game.

(2) The disclosure required by this section shall not apply to:

(a) Generic promotional and advertising materials publicizing the Washington state lottery which do not promote a specific game; and

(b) Electronic advertising for a specific game, or other nonprinted advertising mediums for a specific game, for which a printed disclosure is not feasible or practicable. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-040 (Order 5), § 315-06-040, filed 10/15/82.]

WAC 315-06-050 Location of sale. (1) Tickets may be sold by any person who is issued a license to act as a licensed agent at the location specified on the license, subject to the director’s authority as set forth in sections 5 and 7, chapter 7, Laws of 1982 2nd ex. sess.

(2) The director may permit any licensed agent who has been issued a general license to sell tickets in locations other than that specified on its license and to employ persons to make such sales provided that:

(a) The director shall specify the geographical area in which such may be made, and the types of locations in which such sales may be made.
General Lottery Rules

WAC 315-06-070 Purchaser's obligations. In purchasing a ticket, the purchaser agrees to comply with chapter 7, Laws of 1982 2nd ex. sess., these rules, the final decisions of the director, and all procedures established by the director for the conduct of games. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-037 (Order 2), § 315-06-050, filed 10/15/82.]

WAC 315-06-080 Certain purchases of tickets, gratuities, and certain winning of prizes prohibited. Certain purchases of tickets, certain winning and sharing of prizes, and gratuities are prohibited as follows:

(1) A ticket shall not be purchased by, and a prize shall not be paid to any member or employee of the commission or to any spouse, child, brother, sister, or parent residing in the principal place of abode of any member or employee of the commission, or to any assistant attorney general assigned to advise the commission or director.

(2) A prize claimed by a holder of a winning ticket shall not be shared with any member or employee of the commission or any spouse, child, brother, sister, or parent residing as a member of the same household in the principal place of abode of any member or employee of the commission.

(3) A ticket shall not be purchased by, and a prize shall not be paid to any licensed agent. This provision shall not relieve licensed agents for payment of unaccounted tickets pursuant to WAC 315-04-180(1) and (2). Nothing in this provision shall be construed to prohibit the purchase of tickets, or the winning of prizes, by directors, officers, employees, relatives, parent corporations, subsidiaries, or other affiliates of licensed agents.

(4) No gratuities offered by prize winners, vendors, contractors, or others conducting business with the lottery, may be accepted by licensed agents or by any member or employee of the commission or any spouse, child, brother, sister, or parent residing as a member of the same household in the principal place of abode of any member or employee of the commission.

(5) A ticket shall not be purchased by, and a prize shall not be paid to any CPA accounting firm, or its employees, retained by the director of financial management pursuant to sections 31 and 32, chapter 7, Laws of 1982 2nd ex. sess. or any employee of the director of financial management performing a management review or audit of the commission or director.

(6) A ticket shall not be sold to or purchased by any person under the age of eighteen. Nothing in this section shall prohibit the purchase of a ticket for the purpose of making a gift by a person eighteen years of age or older to a person less than that age.

(7) A ticket shall not be purchased with food stamps or coupons and a licensed agent shall not accept as consideration for a ticket food stamps or coupons. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-037 (Order 2), § 315-06-080, filed 10/15/82.]

WAC 315-06-090 Slot machines prohibited. The following coin-operated machines shall not be used in the conduct of games:

(1) Coin-operated, instant video games which pay out prizes, either by skill or chance; and

(2) Coin-operated slot machines which dispense lottery tickets unattended by a licensed sales agent. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-040 (Order 5), § 315-06-090, filed 10/15/82.]

WAC 315-06-100 Data processing terminals for the dispensing of tickets authorized. On-line data-processing ticket vending terminals for use by licensed agents in the issuing of tickets may be used in the conduct of games. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-040 (Order 5), § 315-06-100, filed 10/15/82.]

WAC 315-06-110 Conversion to data processing vending terminals. The director reserves the right upon thirty days' notice to the licensed agent to convert any licensed location from a manual-type operation to an on-line data processing ticket vending terminal operation and from a vending terminal operation on either a rental or purchase basis to a manual-type operation in the sale and distribution of tickets. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-040 (Order 5), § 315-06-110, filed 10/15/82.]

WAC 315-06-130 Prizes payable after death or disability of owner. (1) All prizes or a portion thereof which remain unpaid at the time of the prize winner's death shall be payable to his or her court appointed representative of his or her estate once satisfactory evidence of said representative appointment has been presented to the director, claim forms have been properly filled out, and the director is satisfied that such payment is lawful and proper.

(2) Prize monies will be paid according to the law of descent and distribution, chapter 11.04 RCW, of the state of Washington if the owner thereof dies intestate.

[1982 WAC Supp—page 1831]
WAC 315-06-130 Account for the licensed agent’s transactions. The depository shall be notified of each authorized licensed agent which it will service. Each depository may rely upon such notification in its dealings with the licensed agents until notified to the contrary by the director as long as the licensed agent presents a licensed agent form bearing an authorized signature and his or her licensed agent identification card. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-040 (Order 5), § 315-06-150, filed 10/15/82.]

WAC 315-06-140 Lottery accounts and depositories. (1) The director may make depository arrangements with any person, including a bank, to perform such functions, activities or services in connection with the operation of the lottery as he or she may deem advisable. Such functions, activities and services shall constitute lawful functions, activities and services in behalf of lottery business unless otherwise prohibited by law.

(2) Unless otherwise directed by the director, each depository shall provide the lottery with weekly or other periodic statements of all transactions made during the sales week immediately preceding or for other periods, said accounting to be submitted in writing on forms provided by the director no later than such time as requested by the director. All deposits shall be secured in accordance with applicable state and federal laws. Each depository may be compensated for its services rendered in such manner as the director may determine. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-040 (Order 5), § 315-06-140, filed 10/15/82.]

WAC 315-06-150 Assignment of depository. Each licensed agent may be assigned a designated depository from which to take delivery of tickets, in which to deposit receipts from the sale of tickets, and otherwise to account for the licensed agent’s transactions. The depository shall be notified of each authorized licensed agent which it will service. Each depository may rely upon the director to request and to take delivery of tickets, in which to deposit receipts from the sale of tickets and otherwise to handle the payments due and to become due from the director to be paid directly to the depository by means of a licensed agent’s identification card. 

WAC 315-06-160 Licensed agent’s identification card. (1) The director will issue to each licensed agent an identification card which must be presented by it or its authorized representative when taking delivery of tickets from the authorized depositories. No depository shall issue any tickets until the licensed agent or its authorized representative presents its identification card and fulfills all instructions of the director.

(2) In the event the identification card is lost or otherwise misplaced the licensed agent must immediately notify by telephone its assigned depository and the director, and confirm the loss in writing within 24 hours to the director. The depository shall not, in any way, transact business with any person presenting himself or herself with the reported lost identification card until otherwise notified by the director.

(3) Each licensed agent shall give notice in writing to the licensed agent’s assigned depository and to the director the name and address of each person in his or her business who is authorized to request and to take delivery of tickets, to deposit receipts from the sale of tickets and to otherwise have dealings with the depository. Each authorized person must identify himself or herself to the depository by means of a licensed agent’s identification card received from the director before tickets are delivered. Each licensed agent is restricted to his or her assigned depository for the purpose of conducting lottery business in conformity to law, and these rules, unless otherwise instructed by the director. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-040 (Order 5), § 315-06-160, filed 10/15/82.]

WAC 315-06-170 Deposits of lottery revenues. (1) Each licensed agent shall purchase the tickets distributed to it and the monies for payment of these tickets shall be deposited to the credit of the state lottery fund in a designated depository. Deducted from the total purchase cost to the licensed agent, in such manner as the director may require shall be the amount, if any, which the licensed agent may pay as prizes and which it may retain as compensation for its services in accordance with these rules. The licensed agents shall be required to file with the director periodic reports of their respective receipts and transactions in the sale of tickets in such form as approved by the director.

(2) Each licensed agent shall account to its assigned depository for all proceeds resulting from its sales of tickets within such time as may be specified by the director for any particular type or kind of lottery which may be authorized by the commission. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-040 (Order 5), § 315-06-170, filed 10/15/82.]

[1982 WAC Supp—page 1832]
WAC 315-06-180 Stolen tickets. (1) A licensed agent is responsible for all tickets it receives. If tickets are stolen, the licensed agent shall report the theft immediately to the director and to local or state police authorities. The agent shall pay for the stolen tickets and subsequently file a notarized affidavit stating the facts of the case and ask for a refund in the amount paid for the stolen tickets. The licensed agent shall furnish a copy of the police report covering the theft. Following an investigation by the director and police authorities, the director shall issue a refund to the licensed agent if its claim is verified.

(2) If a licensed agent is found to have been negligent or is unable to provide the director with the series, serial number, drawing date and lottery number of the tickets, then the director shall not reimburse the licensed agent for any losses occasioned therefrom.

(3) In the event reimbursement is granted by the director, the reimbursed party must sign forms holding the director and commission harmless and, in the event said reimbursement exceeds $200.00, the director may demand a bond to indemnify the director and commission for any losses sustained by them. Request for reimbursement shall be made on a form approved by the director. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-040 (Order 5), § 315-06-180, filed 10/15/82.]

WAC 315-06-190 Erroneous or mutilated tickets. (1) Tickets erroneously made out or in any way mutilated when received by a licensed agent are to be returned by the licensed agent immediately to the depository servicing said licensed agent. Credit may be allowed for said tickets but only at the point of original sale to the licensed agent. No credit shall be allowed if the authenticity of the ticket cannot be reasonably determined by the director.

(2) Unless the director is satisfied that a mutilated ticket is authentic, no credit or prize will be issued to the holder of said ticket. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-040 (Order 5), § 315-06-190, filed 10/15/82.]

WAC 315-06-200 Returned tickets. All tickets once returned by a licensed agent may not be reissued without prior approval of the director. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-040 (Order 5), § 315-06-200, filed 10/15/82.]

WAC 315-06-210 Law enforcement. (1) The director shall be the chief law enforcement officer, pursuant to section 33, chapter 7, Laws of 1982 [2nd] ex. sess., for the purposes of enforcing such chapter, and the penal laws of this state relating to the conduct of or participation in lottery activities.

(2) The director shall appoint in accordance with the laws of the state of Washington a sufficient number of competent persons to act as Washington state lottery law enforcement officers, may remove them from a law enforcement capacity without cause, and shall define their rank and duties.

(3) The director may appoint employees to serve as special deputies, with such restricted police authority as the director shall designate as being necessary and consistent with their assignment to duty.

(4) The director shall apply for certification as a criminal justice agency pursuant to WAC 446-20-050 and shall designate specific employees for the collection and dissemination of criminal history record information, and for undercover audit or investigative work or other security operations.

(5) The director shall issue a badge and identification card to each employee designated as a lottery law enforcement officer.

(6) The director shall develop cooperative arrangements with other criminal justice agencies in the state of Washington for enforcement of laws related to lottery activities.

(7) The director shall issue guidelines for the conduct of lottery law enforcement personnel. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-040 (Order 5), § 315-06-210, filed 10/15/82.]

Chapter 315-10 WAC
INSTANT GAME GENERAL RULES

WAC 315-10-010 Instant games—Authorized—Director’s authority. (1) The commission hereby authorizes instant games which meet the criteria set forth in this chapter.

(2) The director is hereby authorized to select, operate and contract relating to and for the operation of instant games which meet the criteria set forth in this chapter. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-038 (Order 3), § 315-10-010, filed 10/15/82.]

WAC 315-10-020 Definitions. (1) Ticket. The ticket purchased for participation in an instant game.

(2) Instant game. A game in which a ticket is purchased and upon removal of a latex covering on the front of the ticket, the ticket bearer determines his or her winnings, if any.

(3) Ticket bearer. The person who has possession of the ticket.

(4) Play numbers. The numbers or symbols appearing in the designated areas under the removable covering on the front of the ticket.

(5) Validation number. The multi-digit number found underneath the "void if removed" area on the ticket and on any ticket stub. There must be a validation number on the ticket or any stub. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-038 (Order 3), § 315-10-020, filed 10/15/82.]
WAC 315-10-030 Instant games criteria. (1) The price of an instant game ticket shall not be less than $1.00 and not more than $5.00.

(2) Winners of an instant game are determined by the matching or specified alignment of the play numbers on the tickets. The ticket bearer must notify the lottery of the win and submit the winning ticket to the lottery as specified by the director. The winning ticket must be validated by the lottery through use of the validation number and any other means as specified by the director.

(3) The total of all prizes available to be won in an instant game shall not be less than forty-five percent of the instant game's projected revenue.

(4) The instant game shall pay out both lower tier prizes and higher tier prizes. Lower tier prizes are of less than $25.00. Higher tier prizes are of $25.00 or more. The director shall determine the number of lower and higher tier prizes.

(5) The length of operation of an instant game shall not exceed fifteen weeks. The start date and closing date of the instant game shall be publicly announced.

(6) There is no required frequency of drawing or method of selection of a winner in an instant game.

(7) At the director's discretion, an instant game may include a grand prize drawing(s). The criteria for the grand prize drawing shall be as follows:

(a) Not more than ten finalists for a grand prize drawing shall be selected in an elimination drawing from redeemed tickets winning certain minimum prizes as determined by the director. Participation in the elimination drawing(s) shall be limited to such tickets which are actually received and validated by the director on or before a date to be announced by the director. The director may reserve the right to place any semi–finalist whose entry was not entered in the elimination drawing(s) and who is subsequently determined to have been entitled to such entry into an elimination drawing of a subsequent instant game, and the determination of the director shall be final.

(b) The prize of the grand prize drawing shall not exceed one million dollars. The number of such prizes shall be determined by the director to correspond with the size and length of the instant game and to comply with (3) above.

(c) The dates and times as well as the procedures for conducting the elimination drawing and grand prize drawing shall be determined by the director.

(8) Procedures for claiming instant prizes are as follows:

(a) To claim an instant prize of less than $25.00, the claimant shall fill out a claim form, as provided in WAC 315-10-040, which shall be obtained from the licensed agent and present the completed form, together with the disputed ticket to the designated claim center. The licensed agent shall deliver one copy of the claim form to the claimant and forward the disputed ticket and a copy of the claim form to the director for validation. If the claim is validated by the director, a check shall be forwarded to the claimant in payment of the amount due. In the event that the claim is not validated by the director, the claim shall be denied and the claimant shall be promptly notified.

(b) To claim an instant prize of $25.00 or more, the claimant shall fill out a claim form, as provided in WAC 315-06-120, which is obtained from the licensed agent or the director and present the completed form together with the winning ticket to the licensed agent or the director. The licensed agent shall deliver one copy of the claim form to the claimant and forward the winning ticket and a copy of the claim form to the director for validation. Upon validation by the director, a check shall be forwarded to the claimant in payment of the amount due, less any applicable federal income tax withholding. In the event that the claim is not validated by the director, the claim shall be denied and the claimant shall be promptly notified.

(c) Any ticket not passing all the validation checks specified by the director is void and ineligible for any prize and shall not be paid. However, the director may, solely at his or her option, replace an invalid ticket with an unplayed ticket (or tickets of equivalent sales price from any other current game). In the event a defective ticket is purchased, the only responsibility or liability of the director shall be the replacement of the defective ticket with another unplayed ticket (or tickets of equivalent sale price from any other current game). [Statutory Authority: 1982 2nd ex.s. c 7. 82–21–038 (Order 3), § 315–10–030, filed 10/15/82.]

WAC 315–10–040 Confidentiality of tickets. No licensed agent or its employees or agents shall attempt to ascertain the numbers or symbols appearing in the designated areas under the removable latex coverings or otherwise attempt to identify winning tickets. [Statutory Authority: 1982 2nd ex.s. c 7. 82–21–038 (Order 3), § 315–10–040, filed 10/15/82.]

WAC 315–10–050 Notification to commission. The director shall provide commission members with written notification within five days of the selection of a specific instant game which meets the criteria set forth in this chapter. The chairman or a quorum of the commission may call a special meeting to review the instant game selection. Any order executed by the director for the operation of a specific instant game shall contain a provision that the order is null and void if the commission disapproves of the instant game selection. The commission may not disapprove of an instant game selection more than five days after receiving written notice of the selection. [Statutory Authority: 1982 2nd ex.s. c 7. 82–21–038 (Order 3), § 315–10–050, filed 10/15/82.]