

(4) **Local government entity conditions.** If the notice to comply involves a condition imposed pursuant to WAC 222-20-040(3), then the specific course of action ordered by the department shall include a requirement that the operator obtain approval of the local government entity of the action to be taken.

(5) **The department** shall mail a copy of the notice to comply to the forest landowner and the timber owner at the addresses shown on the application, showing the date of service upon the operator. The department shall also mail a copy to the local government entity if a condition imposed pursuant to WAC 222-20-040(3) is involved.

Such notice to comply shall become a final order of the department: *Provided*, That no direct appeal to the appeals board will be allowed from such final order. Such operator shall undertake the course of action so ordered by the department unless, within fifteen days after the date of service of such notice to comply, the operator, forest landowner, or timber owner, shall request the department in writing to schedule a hearing. If so requested, the department shall schedule a hearing on a date not more than twenty days after receiving such request. The local government entity shall participate in the hearing if a condition imposed pursuant to WAC 222-20-040(3) is involved. Within ten days after such hearing, the department shall issue a final order either withdrawing its notice to comply or clearly setting forth the specific course of action to be followed by such operator. Such operator shall undertake the course of action so ordered by the department unless within thirty days after the date of such final order, the operator, forest landowner, or timber owner appeals such final order to the appeals board. No person shall be under any obligation under this section to prevent, correct, or compensate for any damage to public resources which occurs more than one year after the date of completion of the forest practices operations involved exclusive of reforestation, unless such forest practices were not conducted in accordance with forest practices rules: *Provided*, That this provision shall not relieve the forest landowner from any obligation to comply with forest practices rules and regulations pertaining to providing continuing road maintenance. No action to recover damages shall be taken under this section more than two years after the date the damage involved occurs.

[Statutory Authority: RCW 76.09.040 and chapter 34.05 RCW. 97-24-091, § 222-46-030, filed 12/3/97, effective 1/3/98. Statutory Authority: RCW 76.09.040, 76.09.170 and chapter 34.05 RCW. 94-01-134, § 222-46-030, filed 12/20/93, effective 1/1/94. Statutory Authority: RCW 76.09.040, 76.09.050 and 34.05.350. 91-23-052, § 222-46-030, filed 11/15/91, effective 12/16/91; Order 263, § 222-46-030, filed 6/16/76.]

Chapter 222-50 WAC

RELATIONSHIP TO OTHER LAWS AND REGULATIONS

WAC

222-50-020 Other agency requirements.

WAC 222-50-020 Other agency requirements. (1) Many other laws and regulations apply to the conduct of forest practices. Other agencies administer some of these

other regulatory programs. Permits may be required by such agencies prior to the conduct of certain forest practices. The department will maintain a list for distribution of state, regional and local regulatory programs that apply to forest practice operations. Affected parties are urged to consult with the specified agencies and independent experts with respect to the regulatory requirements shown on the list.

(2) **Hydraulics project approval law, RCW 75.20.100.** A hydraulics project approval must be obtained from the department of fish and wildlife prior to constructing any form of hydraulic project or other work that will use, divert, obstruct, or change the natural flow or bed of any river or stream or that will utilize any of the waters of the state or materials from the stream beds. See RCW 75.20.100 and WAC 232-14-010.

(3) **Compliance with the Shoreline Management Act, chapter 90.58 RCW, is required.** The Shoreline Management Act is implemented by the department of ecology and the applicable local governmental entity. A substantial development permit must be obtained prior to conducting forest practices which are "substantial developments" within the "shoreline" area as those terms are defined by the Shoreline Management Act.

(4) Nothing in these regulations is intended to interfere with any authority of the department of fish and wildlife to protect wildlife under any other statutes or regulations, or under any agreements with landowners.

(5) **Federal Endangered Species Act, 16 U.S.C. 1531 et seq., and other federal laws.** The federal Endangered Species Act and other federal laws may impose certain obligations on persons conducting forest practices. Compliance with the Forest Practices Act or these rules does not ensure compliance with the Endangered Species Act or other federal laws.

[Statutory Authority: RCW 76.09.040 and chapter 34.05 RCW. 97-24-091, § 222-50-020, filed 12/3/97, effective 1/3/98; 93-12-001, § 222-50-020, filed 5/19/93, effective 6/19/93. Statutory Authority: RCW 76.09.040. 88-19-112 (Order 551, Resolution No. 88-1), § 222-50-020, filed 9/21/88, effective 11/1/88. Statutory Authority: RCW 76.09.040 and 76.09.050. 82-16-077 (Resolution No. 82-1), § 222-50-020, filed 8/3/82, effective 10/1/82; Order 263, § 222-50-020, filed 6/16/76.]

Title 230 WAC

GAMBLING COMMISSION

Chapters

- 230-02** General provisions and definitions.
- 230-04** Licensing.
- 230-08** Records and reports.
- 230-12** Rules of general applicability.
- 230-20** Bingo, raffles and amusement games.
- 230-30** Punchboards and pull tabs.
- 230-40** Card games.
- 230-50** Hearings—Practice and procedure.

Chapter 230-02 WAC

GENERAL PROVISIONS AND DEFINITIONS

WAC

- 230-02-020 Time and place of meetings.
- 230-02-205 Gambling services supplier defined.
- 230-02-206 Gambling services supplier representative defined.
- 230-02-520 School-aged minors defined.

WAC 230-02-020 Time and place of meetings.

Regular public meetings of the commission shall normally be held quarterly at the date, time, and place to be set by the commission with at least two weeks advance notice. Additional public meetings necessary to discharge the business of the commission may be called from time to time.

[Statutory Authority: RCW 9.46.050(3) and 9.46.070 (14), (20). 97-03-094 (Order 306), § 230-02-020, filed 1/17/97, effective 7/1/97. Statutory Authority: RCW 9.46.050(3) and 9.46.070 (1), (2) and (11). 86-15-025 (Order 159), § 230-02-020, filed 7/14/86. Statutory Authority: RCW 9.46.020 (20)(d), 9.46.050(3) and 9.46.070 (1), (2), (5), (8), (9), (11) and (12). 85-03-026 (Order 144), § 230-02-020, filed 1/9/85; Order 78, § 230-02-020, filed 11/17/77; Order 62, § 230-02-020, filed 10/15/76; Order 51, § 230-02-020, filed 4/30/76; Order 5, § 230-02-020, filed 12/19/73.]

WAC 230-02-205 Gambling services supplier defined. A "gambling services supplier" is any person who provides gambling related services for compensation, whether direct or indirect, to any licensed operator or Class III tribal gaming facility, and who is not an employee of the operator receiving such services.

(1) Gambling related services include at least the following:

- (a) Providing consulting or advisory services regarding gambling activities;
- (b) Providing gambling related management services;
- (c) Providing storage, counting services, and/or specialized recordkeeping services for the gambling activity (except general recordkeeping services provided by a professional accountant); or
- (d) Providing any other service or activity where influence may be exerted over any gambling activity licensed by the commission.

(2) The term "gambling services supplier" does not include licensed manufacturers or distributors who service and repair pull tab dispensing devices, bingo equipment or any other authorized gambling equipment.

(3) The term "gambling services supplier" does not include professional services, such as those provided by attorneys, accountants, and governmental affairs consultants, that are unrelated to the management or operation of gambling activities.

[Statutory Authority: RCW 9.46.070. 97-24-031, § 230-02-205, filed 11/25/97, effective 1/1/98.]

WAC 230-02-206 Gambling services supplier representative defined. A "gambling services supplier representative" is any natural person who represents a gambling services supplier and who is directly involved in providing a service listed in WAC 230-02-205(1).

[Statutory Authority: RCW 9.46.070. 97-24-031, § 230-02-206, filed 11/25/97, effective 1/1/98.]

WAC 230-02-520 School-aged minors defined.

School-aged minors are defined as persons that are at least six years old and who have not reached an age of eighteen years.

[Statutory Authority: RCW 9.46.070 (1), (3), (8), (9), (11), (13), (14), (20) and 9.46.0331. 97-09-073, § 230-02-520, filed 4/22/97, effective 7/1/97. Statutory Authority: RCW 9.46.070 and 9.46.0331. 91-19-093 (Order 227), § 230-02-520, filed 9/18/91, effective 10/19/91.]

Chapter 230-04 WAC

LICENSING

WAC

- 230-04-110 Licensing of manufacturers.
- 230-04-119 Licensing of gambling services suppliers.
- 230-04-120 Licensing of distributors.
- 230-04-124 Licensing of manufacturer, distributor and gambling services supplier representatives.
- 230-04-125 Distributor or gambling services supplier representative license—Restrictions and procedures for changing employment.
- 230-04-138 Commercial amusement games—Authorized locations.
- 230-04-190 Issuance of license—Expiration—Restrictions.
- 230-04-202 Fees—Bona fide charitable/nonprofit organizations.
- 230-04-203 Fees—Commercial stimulant and other business organizations.
- 230-04-204 Fees—Individuals.
- 230-04-260 Effect of exceeding license class income limit—Procedures—Penalties.

WAC 230-04-110 Licensing of manufacturers.

Except as authorized by WAC 230-04-115, a license must be obtained from the commission prior to manufacturing, selling, or supplying gambling equipment to any person(s) within this state, or for use within this state. The following definitions and requirements apply to certification and licensing of manufacturers:

(1) For purposes of this title, "gambling equipment" includes at least the following devices:

- (a) Punchboards and pull tabs;
- (b) Devices for the dispensing of pull tabs;
- (c) Bingo equipment, as defined by WAC 230-02-250; and

(d) Any gambling equipment, patented or otherwise restricted gaming schemes, or paraphernalia for use in connection with licensed gambling activities, recreational gaming activities, or Class III tribal gaming activities, including table games, chips, cards, and dice.

(2) The applicant shall include upon the application form supplied by the commission, the following information, as well as all other information and materials required elsewhere in these rules:

- (a) The full name and address of the applicant;
- (b) The full name and address of each location where such devices are manufactured or stored;
- (c) The name, home address, and share of ownership of all owners of the manufacturing business if the business is not a corporation. If the business is a corporation, the name, address, and share of ownership of the officers, the directors, and substantial interest holders;

(d) A full description of each separate type of gambling equipment or device that an applicant seeks to manufacture or to market in this state;

(e) The brand name under which each type of gambling device or equipment is sold;

(f) If the applicant is incorporated under laws other than the laws of Washington state, then the full name and business and home address of the resident agent designated by the applicant pursuant to WAC 230-12-300; and

(g) A list of all distributors receiving gambling equipment and all businesses or organizations located within the state of Washington in which the applicant has any financial interest and the details of that financial interest. For the purpose of this subsection, the term financial interest shall include all arrangements through which a person directly or indirectly receives any portion of the profits of the licensed manufacturer and indebtedness between the licensee and any other person, other than a regulated financial institution, in excess of five thousand dollars.

(3) An applicant must demonstrate the ability to comply with all manufacturing, quality control, and operational restrictions imposed on authorized gambling equipment, patented or otherwise restricted gaming schemes, or equipment that it seeks to manufacture or market for use within the state of Washington. The licensing process shall include an on-site review of the applicant's manufacturing equipment and process for each separate type of authorized gambling device, equipment, or scheme to ensure capability to comply with all regulatory requirements of this title and state/tribal compacts;

(4) The following information shall be included as an attachment to the application form:

(a) A list of all affiliated businesses or corporations in which the applicant, officers, directors, or substantial interest holders of the applicant, either directly or indirectly, own or control:

(i) As a sole proprietor; or

(ii) As a partner; or

(iii) More than fifty percent of the voting stock of a privately held or closed corporation; or

(iv) At least five percent of the voting stock of a publicly traded corporation.

(b) A list of all businesses or corporations licensed to conduct gambling activities or to supply gambling-related equipment, supplies, or services in which the applicant, officers, directors, or substantial interest holders of the applicant have any interest;

(c) A list of all jurisdictions in which the applicant or any of the officers, directors, or substantial interest holders of the applicant have been licensed regarding gambling-related activities at any level during the preceding ten years;

(d) A statement regarding whether the applicant or officers, directors, or substantial interest holders have ever had a license for gambling-related activities denied, revoked, or suspended by any jurisdiction for a period longer than thirty days. All details of such must be provided as a part of the application; and

(e) A statement acknowledging that all records related to the ownership or operation of the business shall be made available for review at the time and place requested by commission staff. In addition to other records requested, the following shall be available:

(i) Personal financial records of all substantial interest holders;

(ii) All records related to the scope of activity, including sales of product, purchases of raw materials and parts, and any contracts, franchises, patent agreements, etc., related to sales or purchases; and

(iii) Records related to any financial or management control of or by customers and suppliers.

(5) The applicant shall notify the commission within thirty days of any change in the information submitted on or with the application form; and

(6) The applicant shall comply with all applicable laws of the United States and the state of Washington and all applicable rules of this commission.

[Statutory Authority: RCW 9.46.070 (2), (4), (12) and (20). 97-21-043, § 230-04-110, filed 10/10/97, effective 11/10/97. Statutory Authority: RCW 9.46.070. 95-12-052, § 230-04-110, filed 6/2/95, effective 7/3/95; 94-01-033, § 230-04-110, filed 12/6/93, effective 1/6/94. Statutory Authority: RCW 9.46.070 and 9.46.0331. 91-19-093 (Order 227), § 230-04-110, filed 9/18/91, effective 10/19/91. Statutory Authority: RCW 9.46.070 (4), (11) and (14). 89-24-002 (Order 201), § 230-04-110, filed 11/27/89, effective 12/28/89. Statutory Authority: RCW 9.46.070 (4) and (6). 79-07-019 (Order 90), § 230-04-110, filed 6/14/79; Order 12, § 230-04-110, filed 2/14/74; Order 9, § 230-04-110, filed 12/19/73 at 1:26 p.m.; Order 5, § 230-04-110, filed 12/19/73 at 1:25 p.m.]

WAC 230-04-119 Licensing of gambling services suppliers. Prior to providing any type of gambling related service to any licensed operator or Class III tribal gaming facility, a gambling services supplier shall first obtain a license or certification from the commission. The following requirements and restrictions apply to certification and licensing of gambling services suppliers:

(1) For purposes of this title, a license is required to provide any service related to licensed gambling activities as defined in WAC 230-02-205.

(2) The applicant shall include upon the application form supplied by the commission, sufficient information to determine the types of services provided, personal and financial information to determine applicant identity and qualifications, as well as all other information and materials required elsewhere in these rules.

(3) The applicant shall notify the commission within thirty days of any change in the information submitted on or with the application form.

(4) The applicant shall comply with all applicable laws of the United States and the state of Washington and all applicable rules of the commission.

(5) In no circumstance may a gambling services supplier assume ultimate responsibility for an operator's gambling activity.

(6) License fees for gambling services supplier shall be \$575, plus one hundred twenty-five dollars per contract for gambling related services: *Provided*, That services involving the storage, counting, and/or specialized recordkeeping services for punchboards and pulltabs are exempt from the individual contract fees.

In addition to the annual fee, the commission will assess all applicants the actual costs incurred in conducting the investigation and inspection necessary for initial certification.

[Statutory Authority: RCW 9.46.070. 97-24-031, § 230-04-119, filed 11/25/97, effective 1/1/98.]

WAC 230-04-120 Licensing of distributors. Prior to selling, renting, or otherwise supplying gambling equip-

ment, supplies, or related paraphernalia, including service of such, to any person within the state of Washington or for use within the state of Washington, a distributor shall first obtain a license from the commission. The following definitions and requirements apply to certification and licensing of distributors:

(1) For purposes of this title, a license is required to sell, rent, or otherwise provide to any person the following items and/or services:

- (a) Punchboards and pull tabs;
- (b) Devices for the dispensing of pull tabs;
- (c) Bingo equipment, as defined by WAC 230-02-250;
- (d) Any gambling equipment or paraphernalia for use in connection with licensed gambling activities, recreational gaming activities, or Class III gaming activities, including table games, chips, cards, and dice; and
- (e) Organizing and conducting recreational gaming activities on behalf of persons as defined by WAC 230-02-505.

(2) The applicant shall include upon the application form supplied by the commission, the following information, as well as all other information and materials required elsewhere in these rules:

- (a) The full name and address of the applicant;
- (b) The business name and address of each location operated by the distributor or where records or inventory will be located;
- (c) The name, home address, and share of ownership of all owners of the business if the business is not a corporation. If the business is a corporation, the name, address, and share of ownership of the officers, the directors, and substantial interest holders;
- (d) A full description of each separate type of gambling equipment or related supplies that the distributor intends to market in this state or for use in this state;
- (e) The brand name under which each type of gambling equipment will be sold;
- (f) If the applicant does not maintain a business office within the state or is incorporated in another state or county, then the full name and business and home address of the resident agent designated by the applicant pursuant to WAC 230-12-300; and

(g) A list of all manufacturers of gambling equipment and all businesses or organizations located in the state of Washington in which the applicant has any financial interest and the details of that financial interest. For the purposes of this subsection, the term financial interest shall include all arrangements through which a person directly or indirectly receives any portion of the profits of the licensed distributor and indebtedness between any other person and the applicant, other than a regulated financial institution, in excess of five thousand dollars.

(3) The following information shall be included as an attachment to the application form:

- (a) A list of all affiliated businesses or corporations in which the applicant, officers, directors, or substantial interest holders of the applicant, either directly or indirectly, own or control:
 - (i) As a sole proprietor; or
 - (ii) As a partner; or

(iii) More than fifty percent of the voting stock of a privately held or closed corporation; or

(iv) At least five percent of the voting stock of a publicly traded corporation.

(b) A list of all businesses or corporations licensed to conduct business related to gambling activities in which the applicant, officers, directors, or substantial interest holders of the applicant have any interest;

(c) A list of all jurisdictions in which the applicant or any of the officers, directors, or substantial interest holders of the applicant have been licensed for gambling-related activities at any level during the preceding ten years;

(d) A statement regarding whether the applicant or officers, directors, or substantial interest holders of the applicant have ever had a license for gambling-related activities denied, revoked, or suspended by any jurisdiction for a period longer than thirty days. All details of such must be provided as a part of the application; and

(e) A statement acknowledging that all records related to the ownership or operation of the business shall be made available for review at the time and place requested by commission staff. In addition to other records requested, the following shall be available:

(i) Personal financial records of all substantial interest holders;

(ii) All records related to the scope of activity, including suppliers, customers, and any contracts related to sales or purchases; and

(iii) Records related to any financial or management control of or by customers and suppliers.

(4) The applicant shall notify the commission within thirty days of any change in the information submitted on or with the application form; and

(5) The applicant shall comply with all applicable laws of the United States and the state of Washington and all applicable rules of this commission.

[Statutory Authority: RCW 9.46.070 (2), (4), (12) and (20). 97-21-043, § 230-04-120, filed 10/10/97, effective 11/10/97. Statutory Authority: RCW 9.46.070 (4), (11), (14), (17) and (20). 96-09-071 and 96-11-126, § 230-04-120, filed 4/16/96 and 5/21/96, effective 7/1/96. Statutory Authority: RCW 9.46.070(4) and 9.46.215. 95-19-071, § 230-04-120, filed 9/18/95, effective 1/1/96. Statutory Authority: RCW 9.46.070. 94-01-033, § 230-04-120, filed 12/6/93, effective 1/6/94. Statutory Authority: RCW 9.46.070 and 9.46.0331. 91-19-093 (Order 227), § 230-04-120, filed 9/18/91, effective 10/19/91. Statutory Authority: Chapter 9.46 RCW. 91-15-040 (Order 224), § 230-04-120, filed 7/17/91, effective 8/17/91. Statutory Authority: RCW 9.46.070 (4), (11) and (14). 89-24-002 (Order 201), § 230-04-120, filed 11/27/89, effective 12/28/89. Statutory Authority: RCW 9.46.070 (1), (4), (5), (6), (7), (11), (14) and (17) and 9.46.310. 85-01-065 (Order 145), § 230-04-120, filed 12/18/84; Order 80, § 230-04-120, filed 12/28/77; Order 23, § 230-04-120, filed 9/23/74; Order 14, § 230-04-120, filed 3/27/74; Order 5, § 230-04-120, filed 12/19/73.]

WAC 230-04-124 Licensing of manufacturer, distributor and gambling services supplier representatives. Prior to selling or supplying to any person gambling equipment, paraphernalia or related services for use in connection with licensed gambling activities, a representative or agent of a licensed manufacturer, distributor, or gambling services supplier shall first obtain a license from the commission. The following definitions and restrictions apply:

(1) A sole owner, partner, major officer and/or owner of a substantial interest in an entity licensed as a manufacturer or distributor shall not be required to be additionally licensed

as a representative to engage in the selling or supplying of the manufacturer's, distributor's, or gambling services supplier's products or services. Office, clerical or warehouse personnel who have contact with the public and potential customers occasionally and only by telephone or at the manufacturer's, distributor's, or gambling service supplier's own premises when working under the immediate and direct supervision of the owner, a partner, or major officer of a corporation, shall also be exempt from this licensing requirement. A manager or supervisor who is not a sole owner, partner or a major officer or owner of a substantial interest and whose duties and responsibilities include the supervision of selling, supplying and/or the promotion of products or services shall be licensed as required by this rule prior to performing such functions. A manufacturer, distributor, or gambling services supplier shall not allow an unlicensed person to represent them in such transactions and shall take all measures necessary to prevent an unlicensed person from doing so.

(2) The manufacturer, distributor, or gambling services supplier for which the representative will work shall sign the application of each such representative acknowledging that the applicant will be representing them with their full knowledge and consent.

(3) In addition to the above requirements, an applicant applying for a license as a distributor or gambling services supplier representative shall:

(a) Complete a training course provided by the commission within 30 days after the first day worked; and

(b) Represent only one licensed distributor or gambling services supplier at a time and shall not represent a manufacturer: *Provided*, That this rule shall not bar the distributor's representative from representing his own distributor who is also licensed as a manufacturer.

[Statutory Authority: RCW 9.46.070. 97-24-031, § 230-04-124, filed 11/25/97, effective 1/1/98. Statutory Authority: RCW 9.46.070 and 9.46.0331. 91-19-093 (Order 227), § 230-04-124, filed 9/18/91, effective 10/19/91. Statutory Authority: RCW 9.46.070 (4), (11) and (14). 89-24-002 (Order 201), § 230-04-124, filed 11/27/89, effective 12/28/89.]

WAC 230-04-125 Distributor or gambling services supplier representative license—Restrictions and procedures for changing employment. All licensed distributor or gambling services supplier representatives shall abide by the following restrictions and procedures when changing employers:

What happens if I leave the employment of the distributor or gambling services supplier I represent?

(1) In the event that a licensed distributor or gambling services supplier representative ceases to represent the distributor or gambling services supplier under which a license was granted for any reason, the representative shall immediately notify the commission. Upon termination of employment the license shall immediately become void and shall be returned to the commission.

What steps must I complete prior to beginning employment to represent another distributor or gambling services supplier?

(2) Prior to beginning employment to represent any other distributor or gambling services supplier, a previously

licensed distributor or gambling services supplier representative shall submit a new application. The application shall include a statement that the previous employer has been notified of the change in employment and shall be signed by the distributor or gambling services supplier wishing to employ the distributor or gambling services supplier representative.

Can I begin to represent my new employer prior to receiving my license?

(3) A previously licensed distributor or gambling services supplier representative shall not represent a new employer prior to receiving a license from the commission. Prior to granting a license to a previously licensed individual, the commission may conduct an investigation to determine the continued qualification of the individual. Such investigation may include inquiries to the previous employer.

What is the fee for obtaining a license to represent another distributor or gambling services supplier?

(4) The fee for a license to represent a different distributor or gambling services supplier shall be the same as a license renewal, as set forth in WAC 230-04-204. The expiration date for such license shall be as set forth in WAC 230-04-190.

[Statutory Authority: RCW 9.46.070. 97-24-031, § 230-04-125, filed 11/25/97, effective 1/1/98. Statutory Authority: Chapter 9.46 RCW. 94-24-056 (Order 262), § 230-04-125, filed 12/5/94, effective 1/5/95. Statutory Authority: RCW 9.46.070 (5), (7), (8), (9), (11), (14) and (19). 84-13-038 (Order 140), § 230-04-125, filed 6/15/84; Order 14, § 230-04-125, filed 3/27/74; Order 9, § 230-04-125, filed 12/19/73.]

WAC 230-04-138 Commercial amusement games—Authorized locations. (1) Amusement games may only be conducted by commercial amusement game licensees when operated as a part of, and/or upon the site of:

(a) Any agricultural fair as authorized under chapter 15.76 or 36.37 RCW; or

(b) A civic center of a county, city or town; or

(c) A world's fair or similar exposition which is approved by the Bureau of International Expositions at Paris, France; or

(d) A community-wide civic festival held not more than once annually and sponsored or approved by the city, town, or county in which it is held; or

(e) A commercial exposition organized and sponsored by an organization or association representing the retail sales and service operators conducting business in a shopping center or other commercial area developed and operating for retail sales and service, but only upon a parking lot or similar area located in said shopping center or commercial area for a period of no more than seventeen consecutive days by any licensee during any calendar year; or

(f) An amusement park is a group of activities, at a permanent location, to which people go to be entertained through a combination of various mechanical or aquatic rides, theatrical productions, motion picture and/or slide show presentation with food and drink service. The amusement park must include at least five different mechanical or aquatic rides, three additional activities and the gross receipts must be primarily from these amusement activities; or

(g) Within a regional shopping center. A regional shopping center is a shopping center developed and operated for retail sales and service by retail sales and service operators and consisting of more than six hundred thousand gross square feet not including parking areas. Amusement games conducted as a part of, and upon the site of, a regional shopping center shall not be subject to the prohibition on leases of premises based on a percentage of gambling receipts set forth in RCW 9.46.120; or

(h) Any location that possesses a valid license from the Washington state liquor control board and prohibits minors on their premises; or

(i) Movie theaters, bowling alleys, miniature golf course facilities, skating facilities, and amusement centers. For the purposes of this section an amusement center shall be defined as a permanent location whose primary source of income is from the operation of ten or more amusement devices; or

(j) Any business whose primary activity is to provide food service for on premises consumption; or

(k) Within a department or grocery store whose primary business is the retail sale of a full line of clothing, accessories, and household goods, or a full line of dry grocery, canned goods, or nonfood items plus some perishable items, or a combination of both, and consisting of more than ten thousand gross square feet of retail and support space not including the parking areas; or

(l) Any premise controlled and operated by a bona fide charitable/nonprofit organization that it currently licensed to operate punchboards and pull tabs and/or bingo if the rent or other consideration paid to the charitable/nonprofit organization is equal to or greater than twenty-two percent of the gross gambling receipts of the activity.

(2) No amusement games may be conducted in any location except in conformance with local zoning, fire, health, and similar regulations.

(3) No amusement games may be conducted in any location(s) without first having obtained written permission to do so from the person or organization owning the premises or property where the activity will be operated. If the games are conducted as a part of or in conjunction with any of the activities set out in subsection (1)(a), (b), (c), (d), or (e) of this section, written permission must be obtained from the person or organization sponsoring the activity.

(4) All rental agreements relating to use of a premises or site to conduct amusement games must be submitted to the commission as a part of the application.

(5) Any operator licensed to conduct Class B or above amusement games may enter into a contract with the business owner of any of the locations set out in subsection (1)(f), (g), (h), (i), (j), (k), or with charitable/nonprofit organizations set out in subsection (l) of this section to locate and operate amusement games upon their premises if they are licensed to conduct amusement games. All such contracts must be written and specific in terms, setting out the time of the contract, amount of rent or consideration, rent due dates, and all expenses to be borne by each party.

[Statutory Authority: RCW 9.46.070 (1), (3), (8), (9), (11), (13), (14), (20) and 9.46.0331. 97-09-073, § 230-04-138, filed 4/22/97, effective 7/1/97. Statutory Authority: 1996 c 283 § 314, RCW 9.46.0331, 9.46.070 (1), (3), (5), (7)-(9), (11), (13), (14), (17), (20) and 9.46.090. 96-19-081 (Order 300), § 230-04-138, filed 9/18/96, effective 10/19/96. Statutory Authority:

RCW 9.46.070. 93-19-090 (Order 244), § 230-04-138, filed 9/15/93, effective 10/16/93; 93-01-013, § 230-04-138, filed 12/4/92, effective 1/4/93. Statutory Authority: RCW 9.46.070 and 9.46.0331. 91-19-093 (Order 227), § 230-04-138, filed 9/18/91, effective 10/19/91.]

WAC 230-04-190 Issuance of license—Expiration—Restrictions. The commission may only issue a license to qualified applicants. All licenses are issued subject to the following restrictions:

(1) The commission may issue the following licenses:

(a) **Charitable and nonprofit organizations and agricultural fairs.** The commission may issue a license to qualified bona fide charitable or nonprofit organizations or to qualified agricultural fairs to operate each of the following activities upon a specified location:

- (i) Bingo;
- (ii) Raffles;
- (iii) Amusement games;
- (iv) Punchboards and pull tabs;
- (v) Social card games; and
- (vi) Fund raising events as defined in RCW 9.46.0233:

Provided, That any agricultural fair authorized under the provisions of chapter 15.76 or 36.37 RCW is prohibited from conducting fund raising events.

(b) **Commercial amusement games.** The commission may issue a separate license to any person to operate amusement games at one or more of the locations listed in WAC 230-04-138.

(c) **Commercial stimulant card games.** The commission may issue a license to any person operating a business primarily engaged in the selling of items of food or drink for consumption on the premises to allow a specified portion of a specified premises to be used by persons to play authorized card games.

(d) **Public card room employee.** The commission may issue a license to any person to perform duties in a public card room.

(e) **Commercial stimulant punchboards and pull tabs.** The commission may issue a license to a person operating a business primarily engaged in the selling of items of food or drink for consumption on the premises to operate punchboards and pull tabs upon specified premises.

(f) **Manufacturers and distributors of gambling equipment and paraphernalia.** The commission may issue a separate or combination license to the following:

- (i) Manufacturers of punchboards, pull tabs, devices for the dispensing of pull tabs, bingo equipment, and other gambling equipment, supplies, and paraphernalia; and
- (ii) Distributors of punchboards, pull tabs, devices for the dispensing of pull tabs, bingo equipment, and any gambling equipment, supplies, or paraphernalia for use in connection with authorized activities.

(g) **Representatives of manufacturers or distributors.** The commission may issue a separate license to a representative of a manufacturer or distributor to engage in the sale and distribution of gambling equipment and paraphernalia.

(h) **Recreational gaming activity permit.** The commission may issue a permit to an organization that has been in existence for at least six months to conduct a recreational gaming activity as defined by WAC 230-02-505.

(2) **License expiration.** Each such license shall be valid for the period of time or the level of gross gambling

receipts set forth on the license. In no case shall the time period exceed one year from the date that such license is issued: *Provided*, That license expiration dates may be adjusted by commission staff to schedule workload. Organizations licensed for more than one activity may have all expiration dates adjusted to end on the same day. Whenever license expiration dates are adjusted under this provision, the required fee shall be prorated by the commission. The prorated fees shall be computed on a monthly basis (i.e., one-twelfth of the annual payment per month) and subtracted from the regular annual fee. A prorated fee will be based on the number of whole months remaining upon approval of a license. For purposes of computing fees under this section, any part of a month in which the activity is authorized to be operated shall be deemed to be a whole month. Any difference between the required fee which exceeds twenty dollars, shall be refunded to the applicant. Specific expiration dates are as follows:

(a) Licenses issued to conduct any authorized activity in connection with and upon the site of a qualified agricultural fair, qualified community-wide civic festival, qualified world's fair, or qualified civic center shall be valid only for the duration of the fair or festival, or, in the case of an activity at a civic center, for the seasons during which the civic center is operating and open to the public. In no event shall such license exceed one calendar year.

(b) A license issued to conduct a raffle in connection with a qualified agricultural fair, qualified community-wide civic festival or qualified world's fair shall be in effect from the date the license was issued through the conclusion of the fair or festival;

(c) A license issued to conduct a card tournament shall be valid only for the duration of the tournament, but in no event shall exceed ten consecutive days;

(d) A license issued to conduct a fund raising event shall be valid only for the place and time set forth in the application or otherwise approved by the commission. The number of events permitted under the license in any calendar year is subject to the limitations set out in RCW 9.46.0233 defining a fund raising event: *Provided*, That a fund raising event license shall allow an organization to have possession of gambling equipment authorized for use at a fund raising event for a period of one year beginning on the day of the event and to rent such for up to four occasions per year to other organizations licensed to operate fund raising events;

(e) A license issued to an individual shall be valid for a period not to exceed one year from the date the individual was assigned duties requiring a license, the date the license was actually issued, or as set forth elsewhere in this title, whichever occurs first: *Provided*, That a charitable or nonprofit gambling manager or distributor representative license shall become void upon a change of employer; and

(f) A bingo license that has been limited under the restrictions of WAC 230-20-062 shall expire when the level of authorized gross gambling receipts is reached. A license that expires under this subsection shall not be granted an increase in license class for the current license period until all requirements of WAC 230-04-260 have been met or the commission grants an increase in license class under procedures set forth in WAC 230-20-062.

(3) If any licensee fails to submit a properly completed application and all applicable fees prior to the normal

expiration date, the license shall expire and the operation of the applicable activity must immediately cease. When a license expires, a new application must then be submitted and a precicensing evaluation/investigation to the extent deemed necessary by the director will be completed prior to granting a license: *Provided*, That if a properly completed renewal application and fees are received at the commission headquarters office within the fourteen-day period following the expiration date, the commission may reinstate the license using normal renewal procedures. Reinstating a license under this provision does not, in any case, grant authority to operate the activity during the period between the normal expiration date and the date of reinstatement.

(4) The commission may allow an applicant renewing an annual license or applying for an additional license to pay the license fee in two payments under the following conditions:

(a) The license fee is at least one thousand two hundred dollars;

(b) The applicant pays an administrative processing fee as set forth in WAC 230-04-202 or 230-04-203, plus one-half of the annual license fee at the time of application or renewal;

(c) Licenses issued under the two-payment plan shall be issued with an expiration date as determined by subsection (2) of this section and a second-half payment due date. If the second-half payment is received on or before the due date, the license will remain in effect until the expiration date. If the licensee fails to submit the second-half payment prior to the due date, the license shall expire and all operations of the activity must stop; and

(d) Gross gambling receipts during the first-half payment period must not exceed fifty percent of the authorized class limitation for annual gross gambling receipts. Licensees whose gross gambling receipts exceed fifty percent of the authorized level shall be required to apply for a license at the appropriate license class as required by WAC 230-04-260 and pay the full upgrade fee, plus an administrative processing fee, as set forth in WAC 230-04-202 and 230-04-203.

(5) **Conditions of license issuance.** All activities so licensed are licensed subject to compliance with all of the applicable provisions of chapter 9.46 RCW, including any amendments thereto, all applicable rules and regulations passed by the commission, all other applicable laws of the United States, the state of Washington and all political subdivisions of the state of Washington which include but are not limited to the following:

(a) Business licenses or permits;

(b) Health certificates;

(c) Fire inspections;

(d) Use and occupancy permit; and

(e) Liquor license or permit.

[Statutory Authority: RCW 9.46.070 (1), (2), 97-14-013, § 230-04-190, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070 and 9.46.116, 96-24-007 (Order 304), § 230-04-190, filed 11/21/96, effective 1/1/97. Statutory Authority: RCW 9.46.070, 94-23-007, § 230-04-190, filed 11/3/94, effective 1/1/95. Statutory Authority: RCW 9.46.0331, 91-22-029 (Order 229), § 230-04-190, filed 10/29/91, effective 11/29/91. Statutory Authority: Chapter 9.46 RCW, 91-15-040 (Order 224), § 230-04-190, filed 7/17/91, effective 8/17/91. Statutory Authority: Chapter 34.05 RCW, 90-03-064 (Order 203), § 230-04-190, filed 1/18/90, effective 2/18/90. Statutory Authority: RCW 9.46.070 (4), (11) and (14), 89-24-002

(Order 201), § 230-04-190, filed 11/27/89, effective 12/28/89. Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-04-190, filed 4/18/89, effective 7/1/89. Statutory Authority: RCW 9.46.070 (8), (11) and (14). 88-13-060 (Order 179), § 230-04-190, filed 6/14/88. Statutory Authority: RCW 9.46.070 (1), (2), (3), (4) and (14). 87-21-015 (Order 172), § 230-04-190, filed 10/9/87. Statutory Authority: RCW 9.46.020(23). 81-03-045 (Order 105), § 230-04-190, filed 1/16/81. Statutory Authority: RCW 9.46.070(16). 78-06-066 (Order 85), § 230-04-190, filed 5/25/78. Statutory Authority: RCW 9.46.070(10). 78-05-043 (Order 84), § 230-04-190, filed 4/21/78; Order 78, § 230-04-190, filed 11/17/77; Order 51, § 230-04-190, filed 4/30/76; Order 42, § 230-04-190, filed 9/18/75; Order 23, § 230-04-190, filed 9/23/74; Order 5, § 230-04-190, filed 12/19/73.]

WAC 230-04-202 Fees—Bona fide charitable/nonprofit organizations. Bona fide charitable and nonprofit organizations shall submit the following fees to the commission when applying for gambling licenses, permits, miscellaneous changes, inspection services, or when assessed the cost of special investigation procedures by the commission:

LICENSE TYPE	DEFINITION	FEE
1. AMUSEMENT GAMES (Fee based on annual gross gambling receipts)		
* Class A	Premises only	\$ 54
Class B	Up to \$10,000	\$ 54
Class C	Up to \$25,000	\$ 287
Class D	Up to \$50,000	\$ 460
Class E	Over \$50,000	\$ 803

* Allows a charitable or nonprofit organization to enter into a contract with Class "B" or above commercial amusement game licensee to locate and operate amusement games on their premises.

GROUP	(Fee based on annual gross gambling receipts)	FEE
2. BINGO		
Class A	Up to \$ 15,000	\$ 54
Class B	Up to \$ 50,000	\$ 167
Class C	Up to \$ 100,000	\$ 342
Class D	Up to \$ 250,000	\$ 921
Class E	Up to \$ 500,000	\$ 1,552
Class F	Up to \$1,000,000	\$ 3,117
Class G	Up to \$1,500,000	\$ 4,499
Class H	Up to \$2,000,000	\$ 6,009
Class I	Up to \$2,500,000	\$ 7,508
Class J	Up to \$3,000,000	\$ 9,008
Class K	Up to \$3,500,000	\$10,105
Class L	Up to \$4,000,000	\$11,551
Class M and above	Over \$4,000,000	\$12,997

3. CARD GAMES		
Class A	General (Fee to play charged)	\$ 575
Class B	Limited card games - hearts, rummy, mahjongg, pitch, pinochle, and cribbage (Fee to play charged)	\$ 167
Class C	Tournament only - no more than ten consecutive days per tournament	\$ 54
Class D	General (No fee to play charged)	\$ 54

4. FUND-RAISING EVENT		
Class A	One event - not more than 24 consecutive hours	\$ 342
Class B	One event - not more than 72 consecutive hours	\$ 575
Class C	Additional participant in joint event (not lead organization)	\$ 167
Class D	Fund-Raising Event Equipment	\$ 227

Class E	Distributor - rents or leases, equipment for fund-raising event or recreational gaming activity for no more than ten times per year*	\$ 575
	Fund-Raising Event Equipment	\$ 575
	Distributor - rents or leases equipment for fund-raising event or recreational gaming activity more than ten times per year.	

* Charitable and nonprofit organizations licensed to conduct fund-raising events may rent their equipment up to four occasions during the term of the license without getting licensed as a distributor.

5. PUNCHBOARDS/ PULL TABS (Fee based on annual gross gambling receipts)			
		VARIANCE*	
Class A	Up to \$ 50,000	\$ 5,000	\$ 548
Class B	Up to \$ 100,000	\$ 5,000	\$ 978
Class C	Up to \$ 200,000	\$10,000	\$ 1,845
Class D	Up to \$ 300,000	\$10,000	\$ 2,682
Class E	Up to \$ 400,000	\$10,000	\$ 3,464
Class F	Up to \$ 500,000	\$10,000	\$ 4,182
Class G	Up to \$ 600,000	\$10,000	\$ 4,846
Class H	Up to \$ 700,000	\$10,000	\$ 5,454
Class I	Up to \$ 800,000	\$10,000	\$ 6,009
Class J	Up to \$1,000,000	\$20,000	\$ 6,813
Class K	Up to \$1,250,000	\$25,000	\$ 7,562
Class L	Up to \$1,500,000	\$25,000	\$ 8,259
Class M	Up to \$1,750,000	\$25,000	\$ 8,833
Class N	Up to \$2,000,000	\$25,000	\$ 9,356
Class O	Over \$2,000,000	Nonapplicable	\$10,280

* A licensee will be allowed a one-time variance for each license class without having to upgrade or pay the penalties set forth in WAC 230-04-260: *Provided*, That a licensee utilizing the variance shall be required to upgrade to the higher license class upon renewal.

6. RAFFLES (Fee based on annual gross gambling receipts)		
Class A	Up to \$ 5,000	\$ 54
Class B	Up to \$10,000	\$ 167
Class C	Up to \$25,000	\$ 342
Class D	Up to \$50,000	\$ 575
Class E	Up to \$75,000	\$ 921
Class F	Over \$75,000	\$ 1,379

7. COMBINATION LICENSE		
CLASS A	Allows gross gambling receipts of up to \$25,000 from bingo, \$7,500 from raffles, and \$7,500 from amusement games, not to exceed \$30,000 combined gross gambling receipts from all such activities. Allows general card games where no fee to play is charged.	\$ 104
CLASS B	Allows gross gambling receipts of up to \$60,000 from bingo, \$15,000 from raffles, and \$15,000 from amusement games, not to exceed \$75,000 combined gross gambling receipts from all such activities. Allows general card games where no fee to play is charged.	\$ 270
CLASS C	Allows gross gambling receipts of up to \$125,000 from bingo, \$30,000 from raffles, and \$30,000 from amusement games, not to exceed \$150,000 combined gross gambling receipts from all such activities. Allows general card games where no fee to play is charged.	\$ 624

8. SEPARATE PREMISES		
BINGO	Per occasion (see WAC 230-04-300)	\$ 27

9. PERMITS

AGRICULTURAL FAIR-BINGO RECREATIONAL GAMING ACTIVITY (RGA)	(See WAC 230-04-191)	\$ 27
	(See WAC 230-25-330 and 230-02-505)	\$ 54

10. CHANGES

NAME	(See WAC 230-04-310)	\$ 27
LOCATION	(See WAC 230-04-320)	\$ 27
FRE	(Date or time) (See WAC 230-04-325)	\$ 27
LICENSE CLASS	(See WAC 230-04-260)	\$ 27
DUPLICATE LICENSE	(See WAC 230-04-290)	\$ 27

11. SPECIAL FEES

INVESTIGATION REPLACEMENT IDENTIFICATION STAMPS	(See WAC 230-04-240)	As required
EXCEEDING LICENSE CLASS REVIEW, INSPECTION AND/OR EVALUATION OF EQUIPMENT, PARAPHERNALIA, SERVICES, OR SCHEMES	(See WAC 230-08-017)	\$ 27
	(See WAC 230-04-260)	As required
	(See WAC 230-12-315)	As required

12. SIX-MONTH PAYMENT PLAN (See WAC 230-04-190) \$ 27

[Statutory Authority: RCW 9.46.070(5). 97-23-053, § 230-04-202, filed 11/17/97, effective 6/30/98. Statutory Authority: RCW 9.46.070 (5), (6), (11), (14). 97-14-012, § 230-04-202, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070 and 9.46.116. 96-24-007 (Order 304), § 230-04-202, filed 11/21/96, effective 1/1/97. Statutory Authority: RCW 9.46.070. 95-02-003 and 94-23-093 (Order 260), § 230-04-202, filed 12/22/94 and 11/17/94, effective 1/22/95 and 1/1/95.]

WAC 230-04-203 Fees—Commercial stimulant and other business organizations. All persons seeking to operate gambling activities at business locations shall submit the following fees to the commission when applying for gambling licenses, permits, miscellaneous changes, inspection services, or when assessed the cost of special investigation procedures by the commission:

LICENSE TYPE	DEFINITION	FEE
1. CARD GAMES		
Class B	Limited card games - hearts, rummy, pitch, pinochle, mahjongg, and/or cribbage (Fee to play charged)	\$ 167
Class C	Tournament only, no more than ten consecutive days per tournament.	\$ 167
Class D	General (No fee to play charged)	\$ 54
Class E	General (Fee to play charged)	
E-1	One table only	\$ 401
E-2	Up to two tables	\$ 689
E-3	Up to three tables	\$1,150
E-4	Up to four tables	\$2,303
E-5	Up to five tables	\$3,464

2. COMMERCIAL AMUSEMENT

(Fee based on annual gross gambling receipts)

GAMES

* Class A	Premises only	** \$287/\$131
Class B	Up to \$ 50,000	\$ 401
Class C	Up to \$ 100,000	\$1,032
Class D	Up to \$ 250,000	\$2,303
Class E	Up to \$ 500,000	\$4,041
Class F	Up to \$1,000,000	\$6,931
Class G	Over \$1,000,000	\$8,671

* Allows a business that is qualified under WAC 230-04-138 (1)(f), (g), (h), (i), or (j) to enter into a contract with a class "B" or above commercial amusement game licensee to locate and operate amusement games upon their premises.

** Provides for a fee reduction of \$150 when: Renewing an annual license; applying for an additional license(s) at the same premises; and/or applying for multiple licenses at the same premises.

3. PUNCHBOARDS/ PULL TABS

(Fee based on annual gross gambling receipts)

			VARIANCE*
Class A	Up to \$50,000	\$ 5,000	\$ 548
Class B	Up to \$100,000	\$ 5,000	\$ 978
Class C	Up to \$200,000	\$10,000	\$ 1,845
Class D	Up to \$300,000	\$10,000	\$ 2,682
Class E	Up to \$400,000	\$10,000	\$ 3,464
Class F	Up to \$500,000	\$10,000	\$ 4,182
Class G	Up to \$600,000	\$10,000	\$ 4,846
Class H	Up to \$700,000	\$10,000	\$ 5,454
Class I	Up to \$800,000	\$10,000	\$ 6,009
Class J	Up to \$1,000,000	\$20,000	\$ 6,813
Class K	Up to \$1,250,000	\$25,000	\$ 7,562
Class L	Up to \$1,500,000	\$25,000	\$ 8,259
Class M	Up to \$1,750,000	\$25,000	\$ 8,833
Class N	Up to \$2,000,000	\$25,000	\$ 9,356
Class O	Over \$2,000,000	Nonapplicable	\$10,280

* A licensee will be allowed a one-time variance for each license class without having to upgrade or pay the penalties set forth in WAC 230-04-260: *Provided*, That a licensee utilizing the variance shall be required to upgrade to the higher license class upon renewal.

4. DISTRIBUTOR

(Fee based on annual gross sales of gambling related supplies and equipment)

(a) Class A	Nonpunchboard/pull tab only	\$ 575
Class B	Up to \$ 250,000	\$1,150
Class C	Up to \$ 500,000	\$1,727
Class D	Up to \$1,000,000	\$2,303
Class E	Up to \$2,500,000	\$2,998
Class F	Over \$2,500,000	\$3,693

In addition to the annual fee, the commission will assess all applicants the actual costs incurred in conducting the investigation and inspection necessary for initial certification.

(b) FUND-RAISING

EVENT EQUIPMENT DISTRIBUTOR

Class A	Rents or leases equipment for fund-raising event or recreational gaming activity up to 10 times per year.	\$227
Class B	Rents or leases equipment for fund-raising event or recreational gaming activity more than 10 times per year.	\$575

5. MANUFACTURER (Fee based on annual gross sales of gambling related supplies and equipment)

Class A	Machines only	\$ 575
Class B	Up to \$ 250,000	\$1,150
Class C	Up to \$ 500,000	\$1,727
Class D	Up to \$1,000,000	\$2,303
Class E	Up to \$2,500,000	\$2,998
Class F	Over \$2,500,000	\$3,693

In addition to the annual fee, the commission will assess all applicants the actual costs incurred in conducting the investigation and inspection necessary for initial certification, quality control inspection for additional activities or product lines, and renewal of licenses when travel cost is incurred to complete the investigation.

6. PERMITS

AGRICULTURAL FAIR/ SPECIAL PROPERTY BINGO		
Class A	One location and event only (See WAC 230-04-191)	\$ 27
Class B	Annual permit for specified different events and locations (See WAC 230-04-193)	\$167
RECREATIONAL GAMING ACTIVITY (RGA)	(See WAC 230-02-505 and 230-25-330)	\$ 54

7. CHANGES

NAME	(See WAC 230-04-310)	\$27
LOCATION	(See WAC 230-04-320)	\$27
BUSINESS CLASSIFICATION	(Same owners) (See WAC 230-04-340)	\$54
LICENSE CLASS	(See WAC 230-04-260) New class fee, less previous fee paid, plus	\$27
DUPLICATE LICENSE	(See WAC 230-04-290)	\$27
OWNERSHIP OF STOCK	(See WAC 230-04-340)	\$54
LICENSE TRANSFERS	(See WAC 230-04-125, 230-04-340, and 230-04-350)	\$54

8. SPECIAL FEES

INVESTIGATION	(See WAC 230-04-240)	As required
IDENTIFICATION AND INSPECTION	(See WAC 230-08-017)	As required
SERVICES STAMPS QUALITY CONTROL INSPECTION FEES	(See WAC 230-30-030)	As required
REPLACEMENT OF IDENTIFICATION STAMPS		\$27
EXCEEDING LICENSE CLASS	(See WAC 230-30-017)	As required
REVIEW, INSPECTION AND/ OR EVALUATION OF EQUIPMENT, PARAPHERNALIA, SERVICES, OR SCHEMES	(See WAC 230-12-315)	As required
SPECIAL SALES PERMITS	(See WAC 230-04-115)	As required

**9. SIX-MONTH
PAYMENT PLAN** (See WAC 230-04-190) \$27

[Statutory Authority: RCW 9.46.070(5). 97-23-053, § 230-04-203, filed 11/17/97, effective 6/30/98. Statutory Authority: RCW 9.46.070 (5), (6), (11), (14). 97-14-012, § 230-04-203, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070 and 9.46.116. 96-24-007 (Order 304), § 230-04-203, filed 11/21/96, effective 1/1/97. Statutory Authority: RCW 9.46.070. 95-12-052, § 230-04-203, filed 6/2/95, effective 7/3/95; 95-02-003 and 94-23-007, § 230-04-203, filed 12/22/94 and 11/3/94, effective 1/22/95 and 1/1/95.]

WAC 230-04-204 Fees—Individuals. Individuals shall submit the following fees to the commission when applying for gambling licenses, permits, miscellaneous changes, or when assessed the cost of special investigation procedures by the commission:

LICENSE TYPE	DEFINITION	FEE
1. CHARITABLE OR NONPROFIT		
GAMBLING MANAGER	Original	\$167
	Renewal	\$81
	Change of Employer	\$81
2. COMMERCIAL		
GAMBLING MANAGER	Original	\$167
	Renewal	\$81
	Change of Employer	\$81
3. DISTRIBUTOR'S OR GAMBLING SERVICES SUPPLIER REPRESENTATIVE		
	Original	\$227
	Renewal	\$140
4. MANUFACTURER'S REPRESENTATIVE		
	Original	\$227
	Renewal	\$140
5. PUBLIC CARD CLASS A - NONKEY EMPLOYEES:		
ROOM EMPLOYEE	Original	\$167
	Renewal	\$81
CLASS B - KEY EMPLOYEES* AS DEFINED IN WAC 230-02-425:		
	Original, in-state	\$217
	Original, out-of-state	\$271
	Renewal	\$135
* SUPPORTS CARD ROOMS HAVING SPECIAL APPROVED ACTIVITIES AS SPECIFIED IN WAC 230-04-203(1)		

6. OTHER FEES

CHANGE OF NAME	(See WAC 230-04-310)	\$27
DUPLICATE LICENSE REPLACEMENT	(See WAC 230-04-290)	\$27
OUT-OF-STATE RECORDS INQUIRY	(See WAC 230-04-240)	As required

[Statutory Authority: RCW 9.46.070(5). 97-23-053, § 230-04-204, filed 11/17/97, effective 6/30/98. Statutory Authority: RCW 9.46.070 and 9.46.116. 96-24-007 (Order 304), § 230-04-204, filed 11/21/96, effective 1/1/97. Statutory Authority: RCW 9.46.070. 96-09-070, § 230-04-204, filed 4/16/96, effective 7/1/96; 94-23-007, § 230-04-204, filed 11/3/94, effective 1/1/95.]

WAC 230-04-260 Effect of exceeding license class income limit—Procedures—Penalties. During any annual license period, a licensee shall not exceed the gross gambling receipts limits set forth on the license, except as authorized by this section. The following procedures, limitations, and penalties apply to licensees that exceed limits for any license.

What must I do when it appears I will exceed the gross gambling receipts limits of my license?

(1) Each licensee shall monitor the level of gross gambling receipts received from each gambling activity. When a projection of year-to-date receipts, as applied to the remaining period of the license, indicates that it is reasonably likely that a license will be exceeded, the licensee shall immediately comply with the following:

(a) Apply for a license that authorizes the anticipated level of gross gambling receipts; and

(b) Submit the basic fee required for the new license, less the amount originally submitted for the previous license, plus a change of classification fee required by WAC 230-04-202 or WAC 230-04-203; and, if applicable,

(c) Organizations whose bingo licenses were previously limited pursuant to WAC 230-20-062 shall include with their application, evidence of the ability to maintain net return requirements set forth in WAC 230-20-059, table 1, at or above the minimum level for the class of license sought. Achieving net return at or above the minimum level for the license class sought, for at least the six consecutive months immediately preceding the month in which the application for a license upgrade is submitted, shall be prima facie evidence of the ability to operate at the new license class level. A bingo licensee that is unable to demonstrate the ability to achieve net return requirements for at least six consecutive months preceding the application for upgrade may petition the director for a variance in accordance with the criteria set forth in WAC 230-20-060. If the licensee's petition for a variance is denied, the licensee may petition the commission for review of the director's decision, in accordance with the criteria set forth in WAC 230-20-062.

If I upgrade my license during my normal annual license period, when will my license expire?

(2) Any license upgrade issued by the commission shall be valid only for the remainder of the original term of the license.

What are the penalties for failing to voluntarily apply for a license upgrade when my license has not previously been limited?

(3) Any licensee that fails to comply with the requirements set forth in paragraph (1) above and exceeds the license class limit within a present or previous license year, may be assessed an exceeding class fee not to exceed 50% of the difference between the fees for the present license class and the new license class or \$1,000, whichever is less. Upon written notice by the commission assessing an exceeding class fee, a licensee shall remit the proper fee plus all upgrade fees within 20 days. Failure to remit such fees may result in a summary suspension of all licenses held by the licensee pending a hearing for the suspension or revocation of such licenses.

What are the penalties for failing to voluntarily apply for a license upgrade when my license has been previously limited?

(4) In addition to the penalties set forth in paragraph (3) of this section, any organization that has had its bingo license limited under the restrictions set forth in WAC 230-20-062 and which exceeds its annual gross receipts limits for its assigned class of license, shall have its gambling license summarily suspended.

Can I request a refund of license fees when I do not achieve the level of gross gambling receipts for which I was authorized?

(5) A licensee shall be allowed to apply for a partial refund of its license fee when its annual gross gambling receipts are less than the minimum for the class of license issued. The amount of refund shall be the difference between fees actually paid to operate during the period and those fees that would normally apply to the level of gross gambling receipts actually received during the period. Such request shall be made after the end of any annual license period and prior to the end of the next annual license period.

[Statutory Authority: RCW 9.46.070 (1), (2), 97-14-013, § 230-04-260, filed 6/20/97, effective 7/21/97. Statutory Authority: Chapter 9.46 RCW. 94-24-056 (Order 262), § 230-04-260, filed 12/5/94, effective 1/5/95. Statutory Authority: RCW 9.46.070(14), 88-15-019 (Order 181), § 230-04-260, filed 7/11/88. Statutory Authority: RCW 9.46.070 (5), (6), (8), (10), and (11), 84-01-026 (Order 139), § 230-04-260, filed 12/12/83. Statutory Authority: RCW 9.46.070 (5) and (9), 80-03-060 (Order 99), § 230-04-260, filed 2/25/80; Order 42, § 230-04-260, filed 9/18/75; Order 5, § 230-04-260, filed 12/19/73.]

Chapter 230-08 WAC RECORDS AND REPORTS

WAC

230-08-017	Control of gambling equipment—Use of identification and inspection services stamps.
230-08-025	Accounting records to be maintained by distributors, manufacturers, and gambling services suppliers.
230-08-040	Sales invoices—Minimum information to be recorded for transfer of gambling equipment and merchandise—Retention—Penalties.
230-08-060	Commercial amusement game records.
230-08-270	Transfer of any gambling devices requiring identification and inspection services stamps to be affixed.

WAC 230-08-017 Control of gambling equipment—Use of identification and inspection services stamps. To ensure gambling equipment is used only as authorized, manufacturers, distributors, and operators shall maintain close control over all gambling equipment in their possession. Each transfer of such equipment shall be documented by completing an invoice or other written record setting forth the information required by WAC 230-08-040. Identification and inspection services stamps obtained from the commission shall be used to identify gambling equipment and shall be permanently and conspicuously affixed to all equipment and devices designated by the commission. Once attached, identification and inspection services stamps shall not be removed, disfigured, or otherwise tampered with by any

person. These stamps shall be attached and controlled in the following manner:

(1) Identification and inspection services stamps shall be attached to the following gambling equipment and devices:

- (a) Punchboards and pull tab series;
- (b) Pull tab dispensing devices;
- (c) Disposable bingo cards: *Provided*, That this requirement applies to cards shipped for use in Washington state after December 31, 1993. All inventory on hand at the distributor and operator level at the close of business on December 31, 1993, shall be exempt from this requirement;
- (d) Coin or token-activated amusement games operated at any Class A amusement game license location;
- (e) Electronic bingo card daubers; and
- (f) Other gambling equipment or devices, as determined by the director.

(2) Identification and inspection services stamps shall only be sold to and attached by licensed manufacturers or commission staff: *Provided*, That a licensed owner of controlled gambling equipment may purchase and attach stamps as outlined in subsections (7) and (8) of this section;

(3) The fee charged for identification and inspection services stamps shall be set by the commission at a level sufficient to fund regulation and control of gambling equipment. Fees shall be as set out below:

- (a) Punchboards and pull tabs:
 - (i) Standard - wagers fifty cents and below [-] twenty-seven cents;
 - (ii) Standard - wagers over fifty cents - one dollar;
 - (iii) Progressive jackpot pull tab series - ten dollars per series;
- (b) Pull tab dispensing devices:
 - (i) Mechanical and electro-mechanical - twenty-seven cents;
 - (ii) Electronic - pull tab dispensing devices that require initial and ongoing evaluation of electronic components or functions, such as reading encoded data on pull tabs, accounting for income or prizes, and other functions determined by the director - one hundred dollars annually.
- (c) Disposable bingo cards:
 - (i) Sets of individual cards or sheets of cards - twenty-seven cents;
 - (ii) Collations of cards - one dollar and ten cents.
- (d) Coin or token-activated amusement games operated at any Class A amusement game license location - twenty-five dollars annually;
- (e) Electronic bingo card daubers - ten dollars annually;
- (f) Other equipment or devices - the actual cost of inspection or approval, as determined by the director.

(4) Devices that require identification and inspection services stamps to be installed annually shall have such stamps attached prior to placing any device into play and, on or before December 31 of the year preceding operation for each subsequent year: *Provided*, That annual identification and inspection services stamps shall be purchased and attached to electronic pull tab dispensing devices, coin operated amusement games, and electronic bingo card daubers located in the state on December 31, 1996, prior to the operation of such devices on or after January 1, 1997.

(5) Identification stamps shall only be affixed to gambling equipment or devices in such a manner as to

assure reasonable inspection without obstruction. If equipment is enclosed or packaged within protective materials, the stamps shall be readily visible for inspection without removal of any portion of the protective packaging: *Provided*, That when more than one device is packed in a shipping carton, this requirement shall not apply if the identification and inspection services stamp numbers of all devices contained in the carton are printed or otherwise noted on the outside of the carton. Stamps and records entry labels shall be affixed in the following manner:

(a) Punchboards - on the reverse side in an area that will not obstruct removal of punches: *Provided*, That if sufficient space is not available on the reverse side, the records entry labels may be wrapped around and/or partially attached to the edge of a punchboard in a manner that will not obstruct display of prizes available or other information required by rules of the commission;

(b) Pull tabs - on the face or reverse side of the flare. If placed on the face, then they must be in an area that will not obstruct prizes available or any other information required by rules of the commission;

(c) Pull tab dispensing devices - on the outside of the main body, in an area that is not normally removed and replaced, and in a manner that will not obstruct the view of the pull tabs available for play. The records entry labels shall not be affixed to dispensing devices and may be discarded; and

(d) Disposable bingo cards - on the packing label attached to the outside of the shipping carton. Records entry labels shall be attached to the packing slip: *Provided*, That when a set or collation of cards is packed in more than one shipping carton, the stamp shall be attached to carton number one and the stamp number imprinted on all remaining shipping cartons.

(6) Identification and inspection services stamps shall not be attached to gambling equipment or devices that do not comply with rules of the commission. If a piece of equipment or a device requires specific commission approval, stamps shall not be affixed prior to such approval.

(7) A licensed owner of gambling devices which require annual identifications and inspection services stamps may purchase such from the commission. The licensee shall submit the appropriate fee, along with a form provided by the commission, to obtain the stamps.

(8) A licensed owner of pull tab dispensing devices may obtain a commission identification and inspection services stamp to replace an identification stamp affixed to a pull tab dispensing device that has become unidentifiable due to wear. The fee for replacement of the stamp shall be as required by WAC 230-04-202 and/or 230-04-203. The operator or distributor shall furnish the following information to the commission:

(a) A copy of the invoice from the operator, distributor or manufacturer for the purchase of the dispensing device in question; or

(b) A complete description of the pull tab dispensing device, serial number, manufacturer, and the commission stamp number previously affixed to the device, if known.

(9) Manufacturers shall maintain records that will allow accountability for all identification and inspection services stamps issued to them by the commission for at least three

years after they are affixed to devices and sold. This accountability shall be by indefinite retention of unused or damaged stamps or by records as set out in WAC 230-08-025: *Provided*, That damaged stamps may be returned to the commission and will be replaced with serviceable stamps if they are accompanied by a detailed listing of the damaged stamps and a ten cent per stamp service charge.

[Statutory Authority: RCW 9.46.070 (5), (6), (11), (14). 97-14-012, § 230-08-017, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070 and 9.46.116. 96-24-007 (Order 304), § 230-08-017, filed 11/21/96, effective 1/1/97. Statutory Authority: RCW 9.46.070. 94-23-007, § 230-08-017, filed 11/3/94, effective 1/1/95; 94-01-033, § 230-08-017, filed 12/6/93, effective 1/6/94. Statutory Authority: Chapter 9.46 RCW. 91-21-053 (Order 228), § 230-08-017, filed 10/15/91, effective 11/15/91. Statutory Authority: RCW 9.46.070 (4), (11) and (14). 89-24-002 (Order 201), § 230-08-017, filed 11/27/89, effective 12/28/89. Statutory Authority: RCW 9.46.070 (8), (11) and (14). 88-13-060 (Order 179), § 230-08-017, filed 6/14/88.]

Reviser's note: RCW 34.05.395 requires the use of underlining and deletion marks to indicate amendments to existing rules, and deems ineffectual changes not filed by the agency in this manner. The bracketed material in the above section does not appear to conform to the statutory requirement.

WAC 230-08-025 Accounting records to be maintained by distributors, manufacturers, and gambling services suppliers. Every licensed distributor, manufacturer, and gambling services supplier shall keep and maintain a complete set of records which include all details of all activities of the licensee related to the conduct of the licensed activity.

What system of accounting must I use and how long must I keep my records?

(1) These records shall be recorded using the double entry accounting system and maintained in accordance with generally accepted accounting principles. This system shall be capable of being reconciled to the licensee's federal income tax return. All records shall be maintained for a period of not less than three years following the end of the licensee's fiscal year. These records shall be updated at least once a month and provide a monthly balance for each account.

What are the minimum requirements that must be included in a record system?

(2) Sales invoices - every manufacturer, distributor, and gambling services supplier shall record every sale of equipment or services, any return or refund, or any other type of transfer of punchboards/pull tabs, pull tab dispensing devices or bingo equipment including cards, by completing a standard sales invoice or credit memo. Distributors shall use an invoice in a format prescribed and approved by the commission that includes a separate line for each identification and inspection services stamp number. This invoice shall provide space for the operator to either attach a records entry label or enter the identification and inspection services stamp number and the date the device was placed out for play. These spaces shall be adjacent to the written entry of the identification and inspection services stamp number made by the distributor. These invoices shall set out the following information:

(a) Each invoice must be prenumbered at the time of purchase. The numbering must be consecutive, using not

less than four digits: *Provided*, That a computer generated numbering system may be utilized if the same system is used for all sales and specific numbers can not be input by use of a manual override function;

(b) The date of sale. For distributors only: If the date of delivery is different, then the delivery date must also be entered;

(c) The customer's name and an adequate business address;

(d) A full description of each item sold or service provided, including the identification and inspection services stamp number for each item, if attached, and all information required by WAC 230-08-040;

(e) The quantity and sales price of each individual item, including individual items of merchandise to be used as prizes on punchboards and pull tabs;

(f) The gross amount of each sale to each customer including all discount terms and the total dollar amount of any discount;

(g) The sales invoice shall be prepared in at least three parts. Invoices shall be distributed and maintained as follows:

(i) The original shall be issued to the customer;

(ii) One shall be retained in an invoice file by customer name; and

(iii) One shall be retained in an invoice file by invoice number or in an alternative manner that accounts for each invoice numerically. This provision may be waived if the licensee receives written commission approval.

(h) Information documenting the sales of progressive jackpot pull tabs must be separately tracked, invoiced, and maintained in its own filing system. *Provided*, that a computerized system, which is capable of separately tracking this information and providing immediate output of the data, is sufficient for this requirement.

(i) Credit memos for returned items shall be prepared in the same detail as (a) through (g) of this subsection.

(3) Sales journal - the sales journal shall contain at least, but not be limited to, the following by month:

(a) The date of the sale;

(b) The invoice number of the sale;

(c) The customer name or person remitting a payment;

(d) Sales shall be categorized at least by the following as applicable:

(i) Punchboards that pay out cash prizes;

(ii) Punchboards that pay out merchandise prizes;

(iii) Pull tabs that pay out cash prizes;

(iv) Pull tabs that pay out merchandise prizes;

(v) Pull tab dispensing devices;

(vi) Merchandise that is intended for use as a prize on a punchboard or pull tab series;

(vii) Bingo equipment;

(viii) Other types of sales directly related to gambling activities, including but not limited to, equipment leases or sales, supplies, and gambling related services; and

(ix) Sales and leases of general purpose equipment and supplies indirectly related to gambling activities, including cash registers, scales, tables, chairs, glue sticks, souvenirs, etc.

(e) Total amount of the invoice.

(4) Cash disbursements book (check register) - this record shall include a recording of all checks issued by the

licensee, cash payments made by the licensee, or payments made by any other means. All expenses by the licensee, both gambling and nongambling related, shall be documented by invoices or other appropriate supporting documents. Entries to this record shall contain at least, but not limited to, the following information by month:

- (a) The date the check was issued or payment made;
- (b) The number of the check issued;
- (c) The name of the payee; and
- (d) Each disbursement shall be categorized by type of expense.

(5) Cash receipts - all cash receipts shall be recorded in an original book of entry whether it be a sales journal, a check register, or a separate cash receipts journal, and at a minimum shall include a recording of not only cash sales, but also cash received from all sources, and shall contain at least, but not limited to, the following by month:

- (a) The date the payment was received;
- (b) The name of the person remitting the payment;
- (c) The amount of payment received.

(6) General ledger - each licensee whose gambling related sales exceed \$500,000 per year, shall have a general ledger which shall contain, in addition to all other accounts by month, a separate sales account for each type of sale;

(7) Bank reconciliation - a bank reconciliation shall be performed each month;

(8) Copies of all financial data which support tax reports to any and all governmental agencies;

(9) Copies of all agreements entered into regarding sales or leasing of gambling related services, gambling equipment or paraphernalia. These agreements shall fully disclose all terms and conditions;

(10) Manufacturer shall maintain records that provide an accountability trail for all identification and inspection services stamps purchased. These records shall include enough details to allow audit of all used, unused, and damaged stamps and includes the following minimum items:

- (a) The name of the purchaser;
- (b) The date of the sale; and
- (c) The invoice number recording the sale.

(11) An alternative format may be used for subsections (2)(a), (2)(g)(ii), (2)(g)(iii), (2)(h), (3), and (4), of this section upon advance written approval from the commission.

[Statutory Authority: RCW 9.46.070. 97-24-031, § 230-08-025, filed 11/25/97, effective 1/1/98. Statutory Authority: RCW 9.46.070, 9.46.120, 9.46.0273, 9.46.310 and 34.05.313. 96-24-006 (Order 305), § 230-08-025, filed 11/21/96, effective 1/1/97. Statutory Authority: RCW 9.46.070. 94-01-033, § 230-08-025, filed 12/6/93, effective 1/6/94; 92-19-107 (Order 231), § 230-08-025, filed 9/18/92, effective 10/19/92. Statutory Authority: RCW 9.46.070 (4), (11) and (14). 89-24-002 (Order 201), § 230-08-025, filed 11/27/89, effective 12/28/89. Statutory Authority: RCW 9.46.070 (8), (11) and (14). 88-13-060 (Order 179), § 230-08-025, filed 6/14/88. Statutory Authority: RCW 9.46.070 (8) and (11). 83-10-002 (Order 132), § 230-08-025, filed 4/21/83.]

WAC 230-08-040 Sales invoices—Minimum information to be recorded for transfer of gambling equipment and merchandise—Retention—Penalties. The following requirements apply to sales invoices:

(1) In addition to entries required by WAC 230-08-025, the following information shall be recorded on invoices for sales or transfer of gambling equipment and merchandise:

- (a) Punchboards/pull tabs - for each board or series:

- (i) Trade name of device;
- (ii) Type of device;
- (iii) Form number or other manufacturer-assigned scheme to specifically identify a device, including the size or number of chances; and

- (iv) Identification and inspection services stamp number.

- (b) Pull tab dispensing devices:

- (i) Trade name of device;

- (ii) Type of device; and

- (iii) Identification and inspection services stamp number.

- (c) Disposable bingo cards - for each set of cards or collation of packets:

- (i) Type of product, including product line;

- (ii) Description of product, including the number of cartons, "series," "on," "cut," and "up";

- (iii) Identification and inspection services stamp number;

- (iv) Serial number or, if packets, serial number of the top page;

- (v) Color and border pattern or, if packets, color and border pattern of the top page; and

- (vi) The unit or package number when a series or collation has been divided as authorized in WAC 230-20-192(6).

(d) Merchandise to be used as prizes for any gambling activity, whether purchased from a licensed distributor or from other than a licensed distributor, must be recorded on a sales invoice or receipt. The following information must be on the sales invoice or receipt provided by the seller:

- (i) The date of purchase;

- (ii) The company's name and adequate business address;

- (iii) A full description of each item purchased;

- (iv) The quantity of items purchased; and

- (v) The cost per individual items purchased; and

- (e) All other gambling equipment:

- (i) Trade name of device;

- (ii) Type of device;

- (iii) Serial number or other identification numbers or characteristics; and

- (iv) Identification and inspection services stamp number.

(2) All sales invoices and receipts must be maintained by the operator for at least three years.

(3) Any manufacturer, distributor, or licensed representative of either, who fails to accurately complete any invoice for the sale or return of a punchboard, pull tab series, pull tab dispensing device, disposable bingo cards, related merchandise, or other gambling device may be assessed a fee of up to fifty dollars per incomplete invoice. The fee shall be used to defray extra costs incurred by the commission in tracking transfers or other monitoring procedures as a result of errors or omissions.

[Statutory Authority: RCW 9.46.070 (5), (6), (11), (14). 97-14-012, § 230-08-040, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070. 94-01-033, § 230-08-040, filed 12/6/93, effective 1/6/94.]

WAC 230-08-060 Commercial amusement game records. Licensees for the operation of commercial amusement games shall be required to prepare a detailed record for each location games are operated. These records shall be maintained for a period of not less than three years. These records shall include details necessary to determine the gross gambling receipts received from players, the value of prizes

awarded, and the fact that prizes were awarded to winners. Records shall include the following:

(1) The gross gambling receipts collected from amusement games at each location or concession, supported by proper receipting records. Records shall contain an entry for each withdrawal of receipts from the games: *Provided*, That coin or token activated amusement games that meet standards set forth in WAC 230-20-700 shall only require an entry of the ending meter reading, the number of plays, and gross gambling receipts at the end of each month: *Provided further*, That a summary of the operation of the activity, which includes at least coin-in meter readings and gross gambling receipts, shall be provided to charitable/nonprofit organizations each time a game is serviced and/or moneys disbursed;

(2) The number and actual cost of merchandise prizes awarded for each location reported at a minimum on a monthly basis;

(3) For amusement games that issue tickets for the redemption of prizes the minimum entry shall be a log of the beginning/ending non-resettable ticket out meters or ticket numbers at each collection of funds from each game; and

(4) Full details on all expenses directly related to the conduct of licensed amusement games for each licensee.

[Statutory Authority: RCW 9.46.070 (1), (3), (8), (9), (11), (13), (14), (20) and 9.46.0331. 97-09-073, § 230-08-060, filed 4/22/97, effective 7/1/97. Statutory Authority: RCW 9.46.070. 93-19-090 (Order 244), § 230-08-060, filed 9/15/93, effective 10/16/93. Statutory Authority: RCW 9.46.070 and 9.46.0331. 91-19-093 (Order 227), § 230-08-060, filed 9/18/91, effective 10/19/91. Statutory Authority: RCW 9.46.070 (4), (11) and (14). 89-24-002 (Order 201), § 230-08-060, filed 11/27/89, effective 12/28/89.]

WAC 230-08-270 Transfer of any gambling devices requiring identification and inspection services stamps to be affixed. (1) Persons selling or otherwise furnishing punchboards, pull tabs, pull tab dispensing devices, disposable bingo cards, or other gambling equipment shall account for every such device received and/or transferred.

(2) All transfers shall be made by completing a sales invoice or credit memo, in accordance with WAC 230-08-040 and 230-08-025.

[Statutory Authority: RCW 9.46.070 (5), (6), (11), (14). 97-14-012, § 230-08-270, filed 6/20/97, effective 7/21/97.]

Chapter 230-12 WAC

RULES OF GENERAL APPLICABILITY

WAC

230-12-200	Repealed.
230-12-220	Repealed.
230-12-223	Prohibited practices—Leases and compensation.
230-12-225	Repair or service not to be conditioned upon exclusive supply arrangement.
230-12-230	Agreements restricting freedom to buy and sell—Prohibited.
230-12-300	Resident agent to be appointed by foreign manufacturers, distributors, gambling services suppliers, and commercial amusement game operators.
230-12-315	Request for services related to gambling activities—Fees.
230-12-320	Manufacture and distribution of gambling equipment and services—Prohibited practices—Gifts, promotional activities, and loans—Exceptions.

230-12-330	Availability of gambling equipment and related products and services—Prices—Contracts—Discounts—Restrictions—Exceptions.
230-12-340	Sale of gambling equipment, devices, supplies, paraphernalia, and related services—Credit prohibited—Exceptions.
230-12-350	Use of checks to purchase gambling equipment, products, and services—Restrictions.

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

230-12-200	Prohibited practices—Contracts—Gifts—Rebates, etc. [Order 80, § 230-12-200, filed 12/28/77; Order 5, § 230-12-200, filed 12/19/73.] Repealed by 97-20-026, filed 9/22/97, effective 1/1/98. Statutory Authority: RCW 9.46.070 (14) and (20).
230-12-220	Agreement requiring payment by licensee based upon percentage of receipts from authorized activity—Prohibited. [Statutory Authority: RCW 9.46.070 and 9.46.0331. 91-19-093 (Order 227), § 230-12-220, filed 9/18/91, effective 10/19/91; Order 58, § 230-12-220, filed 8/17/76; Order 42, § 230-12-220, filed 9/18/75; Order 18, § 230-12-220, filed 5/21/74.] Repealed by 97-24-031, filed 11/25/97, effective 1/1/98. Statutory Authority: RCW 9.46.070.

WAC 230-12-200 Repealed. See Disposition Table at beginning of this chapter.

WAC 232-12-220 Repealed. See Disposition Table at beginning of this chapter.

WAC 230-12-223 Prohibited practices—Leases and compensation. (1) No person, association, or organization shall operate or conduct any gambling activity authorized on or within any leased premises if rental under such lease is to be paid wholly or partly on the basis of a percentage of the receipts or net profits derived from the operation of such gambling activity. Nor shall the rental under such lease exceed the usual rental for such premises in the same locality: *Provided*, That amusement games conducted as a part of, and upon the site of, a regional shopping center are exempted from the percentage of receipts or profits restriction of this section and RCW 9.46.120(2).

(2) No charitable or nonprofit organization shall enter into an agreement where the compensation to any person taking part in the management or operation of such activity is based upon a percentage of the receipts or income derived from the operation of such game. The payment to such persons of compensation which is other than reasonable under the local prevailing wage scale for employment of a comparable nature shall create a presumption of a violation of this section.

[Statutory Authority: RCW 9.46.070. 97-24-031, § 230-12-223, filed 11/25/97, effective 1/1/98.]

WAC 230-12-225 Repair or service not to be conditioned upon exclusive supply arrangement. No licensed manufacturer, distributor, or gambling services supplier shall condition repair or service of any device or product upon an agreement by any person to purchase or obtain products or services solely from such manufacturer, distributor, or gambling services supplier or solely from any other person or combination of persons: *Provided*, That

routine maintenance agreements shall not be considered a violation of this section.

[Statutory Authority: RCW 9.46.070, 97-24-031, § 230-12-225, filed 11/25/97, effective 1/1/98; Order 80, § 230-12-225, filed 12/28/77.]

WAC 230-12-230 Agreements restricting freedom to buy and sell—Prohibited. (1) Except as provided in subsections (3) and (4), no person shall enter into any agreement, expressly or implied, with any other person which requires any person to purchase exclusively from, or sell exclusively to, any other person, or which prohibits any person from purchasing from or selling to any other person, any devices, materials, products, equipment or services which are used or offered in any way in connection with a gambling activity.

[(2)] No person shall enter into any agreement, express or implied, wherein any person is prohibited from, or required to, make purchases or sales only within a particular geographic area: *Provided*, That such agreements may be entered into between a licensee and its licensed representative.

(3) For amusement games, a person may enter into an agreement with another person for a period up to three years requiring such person to purchase exclusively from or sell exclusively to such other person, amusement games. The agreement may provide that it shall be automatically renewed for another three year period, or successive three year periods, if neither party gives termination notice of the agreement at least thirty days prior to its termination date.

(4) As related exclusively to amusement games, a person may enter into an agreement with another person for a period up to three years requiring such person to purchase exclusively from or sell exclusively to such other person, devices, materials, products, equipment, or services which are used in connection with a particular amusement game. The agreement may provide that it shall be automatically renewed for another three year period, or successive three year periods, if neither party gives termination notice of the agreement at least thirty days prior to its termination date.

[Statutory Authority: RCW 9.46.070 (1), (3), (8), (9), (11), (13), (14), (20) and 9.46.0331, 97-09-073, § 230-12-230, filed 4/22/97, effective 7/1/97; Order 15, § 230-12-230, filed 4/17/74.]

Reviser's note: RCW 34.05.395 requires the use of underlining and deletion marks to indicate amendments to existing rules, and deems ineffectual changes not filed by the agency in this manner. The bracketed material in the above section does not appear to conform to the statutory requirement.

WAC 230-12-300 Resident agent to be appointed by foreign manufacturers, distributors, gambling services suppliers, and commercial amusement game operators.

(1) All manufacturers, distributors, gambling services suppliers, or class B or above commercial amusement game operators engaged in the following activities within this state, or for use in this state, that do not own or otherwise maintain a business office or licensed premises within this state shall appoint a resident agent for the purpose of receipt and acceptance of service of process and other communications on their behalf from the commission:

(a) Manufacturing, selling or distributing gambling supplies or equipment; and

(b) Selling or providing gambling related services; and

(c) Renting or leasing of commercial amusement games and equipment.

(2) The resident agent shall be a natural person who is a resident and living in the state of Washington and who is eighteen years of age or older.

(3) The name and business address where service of process and delivery of mail can be made, and home address of such designated resident agent shall be filed with the commission and with any other state agency required by law.

[Statutory Authority: RCW 9.46.070, 97-24-031, § 230-12-300, filed 11/25/97, effective 1/1/98. Statutory Authority: Chapter 9.46 RCW, 91-21-053 (Order 228), § 230-12-300, filed 10/15/91, effective 11/15/91; Order 60, § 230-12-300, filed 9/10/76; Order 33, § 230-12-300, filed 2/21/75; Order 5, § 230-12-300, filed 12/19/73.]

WAC 230-12-315 Request for services related to gambling activities—Fees. Any person requesting commission staff review, inspection, and/or evaluation of equipment, paraphernalia, services, or schemes related to licensed gambling activities shall reimburse the commission the cost to conduct such. If the requestor is currently licensed or has applied for a license, there will be no assessment of cost for the first two hours of service: *Provided*, That this two-hour exemption does not apply to any review conducted as part of a precicensing investigation. A deposit of the estimated cost may be required prior to performance of such service. If a deposit is required, it shall be received by the commission prior to the performance of any substantial work on the request.

[Statutory Authority: RCW 9.46.070 (5), (6), (11), (14), 97-14-012, § 230-12-315, filed 6/20/97, effective 7/21/97.]

WAC 230-12-320 Manufacture and distribution of gambling equipment and services—Prohibited practices—Gifts, promotional activities, and loans—Exceptions. Manufacturers and distributors shall not seek to control the distribution of gambling equipment, devices, related supplies or paraphernalia, or services by any means other than those authorized by this title. The following restrictions and procedures apply to the distribution of gambling equipment, devices, related supplies or paraphernalia, and services:

Can licensees offer gifts or similar items to other licensees?

(1) Other than promotional activities as authorized by this section, or trade account terms authorized by WAC 230-12-340, no licensee or employee thereof selling or offering to sell gambling products or services shall directly or indirectly provide or offer any gift, free merchandise or service, credit or loan of money, premium, or rebate to any person or employee thereof who is licensed to purchase or operate such.

Can licensees solicit gifts or similar items from other licensees?

(2) No licensed operator or distributor, or employee thereof, shall directly or indirectly solicit any gift, free merchandise or service, credit or loan of money, premium, or rebate from any licensed manufacturer or distributor, or employee thereof.

What types of activities are allowed for manufacturers to promote their goods or services with operators?

(3) Manufacturers may provide promotional merchandise of nominal value, such as tee shirts, caps, cups, pens, calendars, etc., to licensed operators, and operators shall be allowed to accept such, under the following guidelines:

(a) The cost of such promotions shall not exceed fifteen dollars in value per item. Each manufacturer is responsible for establishing the value of each type of promotional merchandise and shall maintain records supporting such;

(b) Each item shall promote the manufacturer or a specific product or line of products made by the manufacturer;

(c) Such promotions shall not be based on past sales or a level of business; and

(d) Such promotions may not be contingent on the purchase of more than one case of a specific product.

What types of activities are allowed for manufacturers to promote their goods or services with distributors?

(4) Manufacturers may provide promotional merchandise, entertainment, or travel to distributors, and distributors shall be allowed to accept such, under the following guidelines:

(a) Promotional merchandise and services, such as tee shirts, caps, pens, calendars, etc., may be provided to distributors if:

(i) The value is limited to twenty-five dollars for each individual item; and

(ii) The total amount of promotional merchandise and services offered to a distributor and employees thereof shall not exceed a collective value of one thousand dollars during any calendar year;

(b) Entertainment such as meals, recreational or sporting events, etc., may be provided to distributors, or employees thereof, if:

(i) The distributor is accompanied by a licensed manufacturer's representative, owner, partner, officer, or substantial interest holder of a corporate licensee;

(ii) The total amount of entertainment to a distributor and employees thereof shall not exceed a collective value of one thousand dollars during any calendar year;

(iii) The entertainment is provided within the state of Washington; and

(iv) Written documentation of the business purpose of the entertainment is maintained;

(c) Trips to the factory location of a manufacturer, including transportation, meals, and lodging may be provided to distributors and/or their licensed representatives once each calendar year.

What additional requirements apply to authorized "promotional activities"?

(5) The following restrictions and procedures apply to promotional activities between manufacturers and distributors:

(a) All "promotional activities" shall be directly related to promotion of the manufacturer's products and in no way related to past sales;

(b) Promotional activities shall not include the direct or indirect transfer of cash, negotiable instruments, or cancellation or remittance of debts to a licensee or employee thereof. All costs related to "promotional activities" shall be

initially paid for by the manufacturer rather than providing reimbursement to the distributor;

(c) Manufacturers shall be responsible for maintaining detailed records for all "promotional activities" and making such records available to the commission upon request. These records shall include at least the following:

(i) The product or service being promoted;

(ii) The name of the licensed distributor and the name of any person directly or indirectly benefiting from a "promotional activity";

(iii) The value of any gift or service provided. The value shall be based on the cost to the manufacturer to provide such;

(iv) The date a "promotional activity" was provided;

(v) The place the "promotional activity" occurred, if applicable; and

(vi) The name of the owner, partner, officer, or other representative of the manufacturer who authorized the "promotional activity."

Can a manufacturer or distributor loan equipment to a distributor or operator?

(6) A manufacturer or distributor may loan gambling equipment to licensed distributors or operators subject to the following restrictions:

(a) Equipment loans may be made for the following reasons:

(i) To a distributor for displaying the manufacturer's products, limited to one such loan, per product, per calendar year;

(ii) To a licensed distributor or operator for training of employees, limited to one such loan, per calendar year; or

(iii) For use as a replacement by a licensed operator while awaiting delivery of a product that has been purchased, leased, or removed for repair;

(b) Equipment loans shall be limited to ninety days per loan.

(7) This section shall not apply to transactions conducted with tribal governments operating class III casinos under tribal/state compacts or with management companies operating such casinos on the behalf of tribal governments.

[Statutory Authority: RCW 9.46.070 (14) and (20). 97-20-026, § 230-12-320, filed 9/22/97, effective 1/1/98.]

WAC 230-12-330 Availability of gambling equipment and related products and services—Prices—Contracts—Discounts—Restrictions—Exceptions.

Manufacturers and distributors shall make their products and services available to all licensees without discrimination. Except as authorized by this section, gambling equipment, devices, related paraphernalia or supplies, and services shall be offered to any licensee wishing to purchase such, for the same price and terms. The following restrictions, procedures, and exceptions apply to prices and terms related to sales of gambling-related products or services:

What are the restrictions on prices of gambling products and services?

(1) Discriminatory prices are prohibited. Prices are considered discriminatory when identical or similar items or services are offered to different persons for a different price

or under different terms or conditions: *Provided*, That prices set under the following criteria shall not be considered discriminatory:

(a) Prices that are established in advance and available for review by the commission and customers prior to accepting a sales order utilizing such. For purposes of this section, prices are deemed to be established and available when they have been mailed or transmitted by facsimile to the commission at least forty-eight hours prior to completing sales transactions or accepting orders for products or services;

(b) Separate and different price schedules established by manufacturers or distributors for transactions conducted with licensees at different marketing levels when such prices are progressively lower at each marketing level above the operator level;

(c) Prices that are based upon the delivery location of an item or service. If the price of an item or service is based upon "free on board" (FOB) terms at a specific location, such price may be varied based upon delivery at a different location, if such is justified by objective evidence. The burden of proof regarding such price differentiation is borne by the seller. Such prices are subject to all other requirements of this section; and

(d) Short-term price reductions or "sales" by manufacturers or distributors are authorized when every licensee is afforded an opportunity to participate. For purposes of this section licensees will be deemed to have been afforded an opportunity to participate when:

(i) All prices and terms are clearly posted at all sales outlets for the benefit of operators and provided to all customers serviced by mobile sales representatives;

(ii) Manufacturers provide full details of the sale to all licensed distributors, including prices and terms, at least forty-eight hours prior to accepting orders for products or services being offered at a sale price. Such notice shall be by mail or telephone facsimile; and

(iii) Any limitations or conditions of the sale are clearly stated in advertisements or notices for such sale.

Can licensees enter into contracts that either require or restrict use of gambling-related products or services?

(2) Except as set forth in WAC 230-12-230, licensees shall not enter into contracts that directly or indirectly restrict the distribution or use of gambling equipment, devices, paraphernalia, supplies, or services: *Provided*, That holders of proprietary rights to products or services that have been gained through patents, copyrights, trademarks, or other similar rights bestowed by state or federal law or by courts shall be allowed to enter into license agreements with manufacturers that restrict the ability to manufacture or distribute products or services if all other requirements of this section are met. The following transactions are prohibited:

(a) An operator or distributor shall not agree to deal in, purchase, sell, lease, or operate any particular brand or brands of gambling device or equipment to the exclusion of any other brand of gambling device or equipment;

(b) A manufacturer or distributor, or licensed representative or employee thereof, shall not sell or offer to sell, lease, or loan any gambling-related product, service, or merchan-

dise if such is contingent upon the purchase or order of another product, service, or merchandise: *Provided*, That a manufacturer may offer for sale in the state of Washington, pull tab dispensing devices that are designed to use specifically developed pull tab series if the manufacturer has a patent or other exclusive right to protect its distribution; and

(c) Except as set forth in this subsection, no person shall enter into any agreement, express or implied, that prohibits a person from selling or providing any gambling-related product or service within a particular geographic area: *Provided*, That -

(i) Licensed manufacturers, distributors, and service suppliers may enter into such agreements with its licensed representative; and

(ii) An operator may enter into an agreement with a licensed service supplier that is supplying only management or consulting services when such agreement only restricts the service supplier from supplying the same or similar services to other operators within a specified geographic area.

Are discounts allowed?

(3) Manufacturers and distributors may offer discounts of base prices that are authorized by this section when such discounts are nondiscriminatory. For purposes of this title, discounts will be deemed to be nondiscriminatory when:

(a) Offered to all licensees on the same terms;

(b) The scheme upon which the discount is based is in writing and submitted to the commission at least forty-eight hours prior to being offered;

(c) The discount applies only to a single sales transaction and does not relate to a level of sales made over a period of time; and

(d) The level of a discount is based only upon any of the following criteria:

(i) The amount of product sold or the dollar value of the sale;

(ii) Whether the purchaser makes full payment in cash at time of sale;

(iii) Whether the purchaser makes final payment for a transaction within a predetermined time period for sales made under "trade account" terms; and

(iv) Any other structure or terms, subject to preapproval by the director. The manufacturer shall pay for the approval process and any additional requirements necessary to assure compliance with this section.

Can manufacturers or distributors elect to limit their sales to a specific market level?

(4) A licensed manufacturer or distributor may elect to limit sales of products and services to licensees at any marketing level. For purposes of this section, marketing levels are defined as manufacturer, distributor, and operator. If a manufacturer or distributor elects to make sales to any licensee at a marketing level, sales must be made to all licensees at the same level: *Provided*, That transactions between a manufacturer and distributor, when both are owned and operated by the same persons, are considered internal to that business. For purposes of this section, internal transactions are not considered sales at a different marketing level. All other restrictions of this section apply to such sales. For example:

(a) A licensed manufacturer may elect to sell or provide products and services only to distributors; or

(b) A licensed distributor may elect to sell or provide products and services only to operators.

Can manufacturers or distributors establish minimum purchase requirements?

(5) Manufacturers or distributors shall not set minimum purchase requirements for any product or service, except as authorized below:

(a) Minimum purchase requirements are not allowed for purchases made under prepaid or cash on delivery (COD) terms: *Provided*, That manufacturers may establish and charge a reasonable fee for services to handle an order for products or services below a specified level, if such policy is in writing and provided to distributors prior to accepting orders;

(b) Minimum purchase restrictions may be set for transactions between manufacturers and distributors that are conducted using trade account terms, as authorized by WAC 230-12-340;

(c) Discounts may be set based upon a minimum purchase amount as authorized by subsection (3) of this section; and

(d) Minimum purchase restrictions may be placed on products being offered for a bargain or "sale" price if a bargain or "sale" price is established for any and all levels of purchases under such terms.

Are there restrictions on the sale of nongambling products or services sold to licensees by manufacturers or distributors?

(6) A manufacturer or distributor shall not grant licensees, nor shall such licensees accept, more favorable prices, credit terms, or other arrangements than those extended to nonlicensed persons purchasing identical or similar nongambling goods or services. The price of nongambling goods or services sold to licensees shall be in conformity with the open market price in the locality where sold. The terms of such sales shall not exceed those normally granted in accordance with the customary business practice of the particular trade in the locality where such sales are made.

Do the restrictions set forth in this section apply to class III transactions?

(7) This section shall not apply to transactions conducted with tribal governments operating class III casinos under tribal/state compacts or with management companies operating such casinos on the behalf of tribal governments.

[Statutory Authority: RCW 9.46.070 (14) and (20). 97-20-026, § 230-12-330, filed 9/22/97, effective 1/1/98.]

WAC 230-12-340 Sale of gambling equipment, devices, supplies, paraphernalia, and related services—Credit prohibited—Exceptions. The use of credit in the sale of gambling equipment, devices, related supplies or paraphernalia, and services is prohibited. Except as authorized by this section, all sales of such shall be transacted on a cash basis. The following definitions, restrictions, and procedures apply to this section:

What definitions apply to this section?

(1) For purposes of this section, the following definitions apply:

(a) A "cash basis" means full payment is received by the seller on or before actual delivery of the product or service to the purchaser;

(b) A "trade account" is a payment system that allows distributors to place orders for inventory or services from manufacturers or distributors and to make payment for such within a specific period of time after shipment of the product or completion of the service;

(c) "Prescribed time period" is the maximum period of time a distributor has to pay for purchases of goods or services made under trade account terms prior to being restricted to cash basis terms. The time period begins when a product is shipped or service completed and ends on the date payment is actually delivered to the manufacturer or distributor, or if delivered by the U.S. mail, the postmark date of the envelope containing the payment. For purposes of this section, prescribed time period means no later than sixty days after shipment of the products or completion of the services for all sales made on or after January 1, 1998.

What transactions are exempt from the requirements of this section?

(2) For purposes of this WAC title, the following transactions are authorized and shall not be deemed as credit or loans of money when applicable requirements are met:

(a) Purchases of goods and services from manufacturers or distributors when paid for by checks that meet the requirements of WAC 230-12-350;

(b) Purchases of goods or services by distributors from manufacturers or other distributors when utilizing trade account terms and the requirements of subsection (3) of this section are followed;

(c) Promissory notes between manufacturers and distributors for payment of debts incurred prior to the effective date of this section when such notes are issued under the conditions set forth in this section;

(d) Purchases made under capital lease agreements when the requirements of this section are followed;

(e) All transactions between manufacturers or distributors and tribal governments or companies certified to manage class III gambling activities operated under a tribal/state compact are exempt from all provisions of this section; and

(f) The sales of nongambling equipment, fixtures, supplies, or commodities to licensees are exempt from all provisions of this section when the requirements of WAC 230-12-330 are met.

Can distributors purchase gambling-related inventory or services on other than a cash basis?

(3) Manufacturers and distributors may allow distributors to establish "trade accounts" to purchase gambling-related inventory or services without making immediate payment under the following conditions:

What restrictions apply to trade accounts?

(a) Trade account terms, if offered to any distributor, shall be made available to all distributors without discrimina-

tion: *Provided*, That trade accounts may be restricted to distributors that:

(i) Meet objective credit criterion established by a manufacturer or distributor. Such criterion must be in writing, available to the commission for review, and provided to any distributor upon request. A manufacturer or distributor may include a distributor's payment history as a part of the trade account approval criterion;

(ii) Meet minimum purchase requirements established by the manufacturer: *Provided*, That the minimum purchase requirement shall not be greater than five hundred dollars per transaction;

(b) Trade account terms shall not allow a manufacturer or distributor to gain any ownership or financial interest in a licensee. This section is not intended to prohibit or restrict a manufacturer or distributor from gaining a security interest in inventory sold for credit, as authorized by the Uniform Commercial Code: *Provided*, That this section shall not allow a manufacturer to obtain an interest in inventory sold by any other manufacturer under trade account terms;

(c) A distributor shall make full payment for all goods or services purchased under trade account terms within the prescribed time period. Failure to pay within the prescribed time period may be deemed solicitation of credit by the distributor.

What must a manufacturer or distributor do when a distributor fails to make payments for trade account purchases within the prescribed time period?

(4) When a distributor fails to pay for goods or services purchased under trade account terms within the prescribed time period, the creditor manufacturer or distributor shall comply with the procedures set forth below. Failure to comply with these procedures may result in the manufacturer or distributor being deemed to have extended credit to the distributor. The following procedures must be followed when a distributor fails to make required payments:

(a) Notify the delinquent distributor and the commission of failure to pay by telephone no later than the end of the next business day;

(b) Restrict sales of all goods and services to the delinquent distributor no later than the end of the third business day after the default: *Provided*, That sales may be made to a delinquent distributor on a cash basis only;

(c) Notify the commission in writing no later than the end of the fifth business day after default. Written notification shall include at least the following:

(i) The distributor's name;

(ii) The invoice or shipping order numbers involved in the transaction;

(iii) The dollar amount of the delinquent account;

(iv) The date the item was shipped or service was provided;

(v) A statement of whether the distributor has filed a complaint regarding billings and whether the amount owed is in dispute;

(vi) Any agreements between the parties to clear the debt, including terms, payment schedule, and any third party guarantors of the debt;

(vii) The interest rate or service charge, if such is charged;

(viii) Whether a security interest in the inventory or any other assets of the licensed distributor or individual owners of the distributor has been obtained or is in effect; and

(ix) Any other information requested by the commission.

What action will the commission take after being notified in writing that a distributor has failed to make timely payment on a trade account?

(5) If the director does not receive notice that the debtor distributor has corrected the conditions which caused the default prior to the end of the seventh business day after initial notice was received, all licensed manufacturers and distributors will be notified that such distributor has been restricted to cash basis terms. Initial notification shall be by telephone or facsimile on the next business day, followed by written notification within ten days. The manufacturer or distributor shall immediately notify the commission by telephone or facsimile upon receipt of payment. If notified prior to the end of the seventh business day after initially notifying the commission, the director will stop all proceedings and allow the reporting manufacturer or distributor to continue trade account terms without taking further action.

What action shall manufacturers and distributors take after notification by the director that a distributor has been restricted?

(6) Upon receipt of notification from the commission that a distributor has been restricted, manufacturers and distributors shall immediately cease sales, shipments of products, and providing of services to the delinquent distributor on other than a cash basis.

How long will the restrictions last?

(7) Any distributor that has been restricted by the director under this section shall remain restricted until all delinquent accounts with any reporting manufacturer or distributor are current and the director has been notified of such. The director shall utilize the following guidelines and procedures for removing trade account sales restrictions:

(a) First delinquent payment within a calendar year - The director shall notify all manufacturers by telephone or facsimile no later than the next business day after receiving notification that a delinquent distributor is current and that trade account sales may continue. Written notification shall be made within ten days; or

(b) Second and subsequent violations within a calendar year - The director may restrict a distributor to a cash basis for a period not to exceed sixty days beginning on the date of notification that a delinquent distributor is current. In this event, the director shall notify the delinquent distributor and all manufacturers and distributors in writing of the date when trade account terms may be continued.

What are the procedures and restrictions for gambling-related purchases occurring prior to January 1, 1998?

(8) Gambling-related products or services purchased by distributors prior to January 1, 1998, shall be paid in full no later than March 31, 1998. Any distributor failing to comply with this requirement shall be restricted to making purchases on a cash basis until all such accounts are paid in full. The director shall utilize the procedures set forth in subsections (5), (6), and (7) of this section to impose or remove restric-

tions imposed under this subsection: *Provided*, That creditor manufacturers and distributors may convert amounts owed by distributors at January 1, 1998, into a promissory note utilizing the procedures and restrictions set forth in this section.

What are the procedures and restrictions for conversion of trade debt outstanding at the effective date of this section to a promissory note?

(9) Manufacturers and distributors who elect to convert amounts owed from distributors at the effective date of this section to a promissory note shall utilize the following procedures and restrictions:

(a) Written notification of conversion to a promissory note, including a copy of such note, must be received by the commission no later than March 31, 1998;

(b) The promissory note shall not grant the manufacturer the ability to influence the management of the distributor's business: *Provided*, That in the case of legal bankruptcy, the terms and conditions of a bankruptcy order shall govern;

(c) The promissory note shall amortize the balance owed over a certain period that does not exceed sixty months;

(d) Manufacturers or distributors electing to grant promissory notes authorized by this section shall make such provisions available to all distributors with outstanding balances at the effective date of this section under the same conditions and terms;

(e) Terms of the promissory note shall require the following:

(i) Minimum monthly payment of the principal;

(ii) Interest rate, if any is imposed;

(iii) Full description of all collateral; and

(iv) Adequate details of the procedures to be followed for late payments and/or default;

(f) A creditor manufacturer or distributor shall immediately notify the commission if a distributor fails to abide by the terms of the note and the process being pursued to correct the situation. The director may, depending upon circumstances, impose restrictions set forth in subsections (5), (6), and (7) of this section on purchases under trade account terms for the delinquent distributor.

What are the restrictions and procedures governing the use of capital lease agreements?

(10) Licensed manufacturers and distributors may sell gambling equipment such as dispensers, bingo blowers, roulette wheels, etc., and gambling-related support equipment through capital lease agreements or other financing arrangements to operators subject to the following conditions and requirements:

(a) The cost of a single item, or group of similar and related items included in the sale, exceeds one thousand dollars;

(b) The term of the contract does not exceed forty-eight months;

(c) All terms of the contract are in writing and copies of such agreements are provided to the commission within thirty days of execution;

(d) The manufacturer or distributor retains only a security interest in the item sold and cannot obtain any ownership interest in the licensee, or exercise any control over the use of the item in the licensed activity;

(e) The amount of payments is not based on the size or level of gambling activity and is determined by use of a standard amortization schedule for the term and stated interest rate;

(f) The interest rate charged by the contract is set at the time of sale and does not vary during the term of the contract; and

(g) The contract does not require the purchaser to directly or indirectly purchase any other products or services from the seller.

[Statutory Authority: RCW 9.46.070 (14) and (20). 97-20-026, § 230-12-340, filed 9/22/97, effective 1/1/98.]

WAC 230-12-350 Use of checks to purchase gambling equipment, products, and services—Restrictions. Checks may be used by licensed operators and distributors to purchase gambling equipment, devices, related supplies or paraphernalia, and services in lieu of cash under the following conditions:

What are the restrictions on checks utilized for payment of gambling products or services?

(1) Checks must be drawn on the licensee's business account: *Provided*, That personal checks drawn on the account of an owner, partner, or officer or substantial interest holder of a corporate licensee may be accepted.

(2) Checks received by distributors from operators must be negotiable and dated on or before the delivery date of the product or service. Checks shall not be postdated.

When must a check be deposited?

(3) Checks shall not be held and must be presented for payment at the manufacturer's or distributor's bank within the prescribed time frames. Failure to present checks within the prescribed time period shall be prima facie evidence of extension of credit to the drawer licensee by the manufacturer or distributor. Prescribed time frames are as follows:

(a) Checks received from operators shall be deposited within ten calendar days after the date the product or service was delivered; and

(b) Checks received from distributors shall be deposited within ten days of the date received or, if delivered by mail, thirteen days from the postmark of the envelope containing the payment.

What are the procedures for handling a dishonored check presented to a distributor by an operator?

(4) Checks from licensed operators that are initially returned by a bank for lack of sufficient funds may be deposited again if within five banking days after return by the bank. If dishonored by the bank a second time, the distributor shall:

(a) Deliver dishonored checks to an owner, manager, or officer of the licensee within seven banking days after return from the bank and demand payment in cash. If unable to deliver such checks to an owner, manager, or officer of the licensee within seven days, the distributor shall notify the commission; and

(b) Upon being presented with a check returned by the bank, licensees shall immediately replace such check with cash or a cash equivalent such as a money order, certified check, or other guaranteed negotiable instrument; or

(c) Failure of an operator to replace a check returned by a distributor with cash or a cash equivalent shall be prima facie evidence of solicitation of credit and must be reported to the commission by the distributor within seven days.

What are the procedures for handling a dishonored check presented to a manufacturer or distributor by a distributor?

(5) Checks from distributors that are initially returned by a bank for lack of sufficient funds shall be processed by manufacturers or distributors using the following procedures:

(a) Checks received for payment for a prepaid or COD transaction may be deposited again if within five banking days after return by the bank. If dishonored by the bank a second time, the manufacturer or distributor shall:

(i) Contact an owner, manager, or officer of the distributor within seven banking days by telephone or facsimile and demand payment by a certified check, postal money order, or other cash equivalent. If unable to contact an owner, manager, or officer within seven days, the manufacturer shall notify the commission;

(ii) Upon receipt of a cash equivalent to replace the dishonored check, the manufacturer or distributor shall return the check to the distributor by mail;

(iii) If a distributor that is presented a dishonored check does not immediately replace such check, the manufacturer or distributor shall cease all sales to the distributor and notify the commission within seven days. Failure to replace a dishonored check with cash or cash equivalent shall be prima facie evidence of solicitation of credit by the distributor.

(b) If payment is for a transaction completed with trade account terms, the manufacturer:

(i) May deposit the check again if the prescribed time period for payment has not passed; or

(ii) May contact an owner, manager, or officer of the distributor by telephone or facsimile and demand payment by a cash equivalent such as a certified check or postal money order;

(iii) If the bank clears the check or payment is otherwise received prior to the prescribed time period for payment, no further action is required; and

(iv) If the prescribed time period for payment has passed and the dishonored check is not replaced prior to such, the manufacturer shall comply with the procedures set forth in WAC 230-12-340 for failure to make timely payment under trade account terms.

[Statutory Authority: RCW 9.46.070 (14) and (20). 97-20-026, § 230-12-350, filed 9/22/97, effective 1/1/98.]

Chapter 230-20 WAC

BINGO, RAFFLES AND AMUSEMENT GAMES

WAC

230-20-060	Petitioning the director for a variance from net return requirements.
230-20-062	Minimum net return from bingo games—Sanctions.
230-20-070	Regulation of managers, operators, and other employees—Charitable or nonprofit organizations.
230-20-115	Gift certificates—Requirements.
230-20-192	Standards for disposable bingo cards—Definitions.
230-20-240	Bingo equipment to be used.

230-20-242	Activities conducted as a part of bingo games—Authorization—Restrictions.
230-20-247	Keno bingo—Definitions and requirements.
230-20-600	Amusement games—Licensee to give notice to local police jurisdiction prior to conducting—Inspection of equipment by police.
230-20-630	Amusement games—Fees, rules, prizes and variations in objects to be posted—Fees to be paid in cash or scrip—Prizes not to differ from those posted.
230-20-685	Commercial amusement games—Wager and prize limitations.

WAC 230-20-060 Petitioning the director for a variance from net return requirements. [This rule will apply to organizations with measurement periods beginning on or after January 1, 1996.] The director may allow a licensee that is being impacted by one or more factors set forth in this section a variance to return less funds than the requirements set out in Table 1 of WAC 230-20-059. A licensee is impacted by these factors when its license is subject to expiration pursuant to WAC 230-04-190, and/or when a licensee's application to operate at a higher license class may be subject to denial pursuant to WAC 230-04-260. When petitioning the director for such a variance, the licensee bears the burden of clearly setting forth all facts to demonstrate that it qualifies to be granted the variance. The following procedures and limitations apply to requests for variances:

What factors will the director consider before granting a request for a variance?

(1) In determining the scope and period of time for variances, the director shall consider at least the following factors:

(a) The competition from gambling activities within a licensee's impact market area;

(b) Whether the organization has been previously licensed to conduct bingo at any level prior to beginning operations;

(c) Circumstances outside the control of the licensee that directly impact the bingo game;

(d) The impact on the licensee's charitable or nonprofit programs;

(e) The licensee's record of compliance with net return requirements prior to being impacted by any new factors;

(f) The level of prizes being paid by the licensee; and

(g) Other factors defined by the licensee.

What type of variance may be granted?

(2) The director may grant the following variances to the net return requirements set forth in WAC 230-20-059, table 1:

(a) A general variance for conditions that impact a group of licensees under similar circumstances and for a similar period of time; or

(b) A limited variance for conditions that impact a specific licensee[.]

What are the conditions for granting a general variance?

(3) The director may grant a general variance to all licensees that are impacted by conditions that are beyond their control, under the following conditions:

(a) The circumstance that cause the impact are so unusual and unexpected as to prevent planning to mitigate impacts;

(b) The conditions that cause the impact are longer in duration than one week;

(c) The conditions affect all licensees within the area;

(d) The variance granted does not exceed three months; and

(e) Variances granted under this subsection are applied by removing all income and expenses from the equation used to compute net return for the period of time established by the director;

What are the conditions, procedures, and restrictions that apply to a limited variance?

(4) A limited variance may be granted to an individual licensee for any of the conditions set forth in subsection (1) of this section. Such variances shall be limited cumulatively to a total of two percentage points and individually to those set forth below in this subsection. The director may extend or modify a variance at the end of the approval adjustment period if a licensee demonstrates continued impact and a request for an extension is received prior to the end of the adjustment period. The following variances may be authorized:

(a) When a new class E or above or any bingo game not under the jurisdiction of the commission begins operations within the primary market area of an operating class E or above bingo game, and:

(i) The new game operates two or more occasions per week that are common to the currently operating game, the annual minimum net requirements may be decreased by up to a maximum of two percentage points, depending on the size of the game impacting the licensee, for a period not to exceed two annual measurement periods after operation of the new game begins; or

(ii) The new game operates one occasion or less per week that is common to the currently operating game, the annual minimum net return requirement may be decreased by up to a maximum of one percentage point for a periods not to exceed two annual measurement periods after operation of the new game begins.

(b) When a new class E or above or any bingo game not under the jurisdiction of the commission begins operations within the secondary market area of an operating class E or above bingo game and the new game operates on two or more occasions common to the current game, then the minimum net return requirement may be decreased by one percentage point for a period not to exceed one annual measurement period after operation of the new bingo game begins;

(c) When an organization is forced to move its game:

(i) Within its primary market area - the actual cost of the move and expenses incurred during the time period the game is closed for the move shall be factored out of the computation of net return for the period. In addition, the minimum net return requirement may be decreased by one percentage point for a period of six months after beginning operation in the new location;

(ii) Outside its primary market area - the actual cost of the move and expenses incurred during the time period closed for the move shall be factored out of the computation

of net return for the period. In addition, the minimum net return requirement may be decreased by one percentage point for a period not to exceed the first two annual measurement periods of operation in the new location;

(d) When an organization, which has not been previously licensed to conduct bingo at any level, begins operation, the minimum net return requirement may be decreased by two percentage points for the first annual measurement period;

(e) When an organization experiences a temporary interruption in customer flow, the minimum net return requirement may be decreased by no more than two percentage points during the annual measurement period.

(f) When an organization experiences circumstances outside of its control, the minimum net return requirement may be decreased by up to two percentage points for up to two annual measurement periods, depending upon the severity of the impact; and

(g) When an organization experiences other factors within its impact market area, the director shall make a determination on a case-by-case basis. The time allowance for any such variance shall not be longer than two measurement periods.

What do I have to do to request a variance?

(5) A licensee requesting a variance shall bear the burden of clearly setting forth all facts necessary to demonstrate that it qualifies to be granted the variance and shall follow these procedures:

(a) Upon receiving a "Notice of intent to limit license," submit [a] [an] application for a brief adjudicative proceeding along with a written petition for a variance to the director;

(b) The petition shall be detailed and include:

(i) The specific circumstances for which relief is sought;

(ii) Objective evidence regarding the scope of the impact on the organization's charitable or nonprofit programs if a variance is not granted;

(iii) The date the factor causing the impact began and ended. If the conditions continue to impact the licensee during the current period, provide the estimated ending date.

(c) Provide a copy of the most recently issued financial statements if not currently on file with the commission.

How are variances calculated and how do they affect my compliance?

(6) For purposes of this section, variances shall begin on the first day of the next calendar quarter after the impact for which the variance is granted and continue for the number of calendar quarters authorized by the director. Variances that span more than one annual measurement period shall be prorated over all measurement periods by multiplying the variance by the portion of the measurement period for which the variance is authorized.

Example: If a licensee is granted a two percent variance (2.0%) for one year at the beginning of the last quarter of the licensee's annual measurement period, the variance would be prorated as follows: a one-half percent (0.5%) variance in the current measurement period [computed by multiplying the variance factor (.02) times one quarter of a year (.25)]; and one and one-half percent variance (1.5%) in

the subsequent measurement period [computed by multiplying the variance (.02) times three quarters of a year (.75).

What legal procedures will be used for hearings for variances or appeals of the director's decision?

(7) Petitions for variances shall be heard and decisions issued in accordance with the standards for brief adjudicative proceedings, set forth in RCW 34.05.485 and WAC 230-50. Any petition for review of the director's decision shall be made to the commissioners in accordance with WAC 230-20-062(4). The commissioners' review shall be conducted in accordance with the administrative review procedures set forth in RCW 34.05.491.

[Statutory Authority: RCW 9.46.070 (1), (2), 97-14-013, § 230-20-060, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070, 9.46.0209, 9.46.0237, 9.46.0205 and 9.46.075. 96-24-008 (Order 303), § 230-20-060, filed 11/21/96, effective 12/22/96.]

Reviser's note: Some of the brackets and enclosed material in the text of the above section occurred in the copy filed by the agency.

Reviser's note: RCW 34.05.395 requires the use of underlining and deletion marks to indicate amendments to existing rules, and deems ineffectual changes not filed by the agency in this manner. The bracketed material in the above section does not appear to conform to the statutory requirement.

WAC 230-20-062 Minimum net return from bingo games—Sanctions. [This rule will apply to organizations with a measurement period beginning on or after January 1, 1996.] A licensee that fails to comply with the minimum net return provisions of WAC 230-20-059 shall be subject to the following restrictions and procedures:

What happens if I fail to meet minimum net return requirements for my class of license during any calendar quarter?

(1) Any licensee that fails to return the required percentage of its gross gambling receipts for its class of bingo license during any calendar quarter and whose net return is lower than the annual requirement, when measured for its current annual measurement period to-date, shall immediately comply with the following requirements:

(a) When net return is less than one percentage point lower than required, a licensee shall:

(i) Evaluate prices, prize structure, and expenses for bingo and all activities conducted in conjunction with the bingo game; and

(ii) Develop a plan to gain compliance prior to the end of its annual measurement period. The plan and the degree to which the licensee implements the plan will be considered by the director when reviewing a request for a variance under authority of WAC 230-20-060 and/or for recommendations made to the commission regarding actions to limit or suspend the organization's license;

(b) When net return is at least one percentage point lower than required but not more than three percentage points lower, a licensee shall:

(i) Report the condition to commission staff as soon as discovered, but in no case later than thirty days following the end of the quarter; and

(ii) Take immediate steps to increase net return for bingo and all associated activities by either increasing prices, decreasing prizes, decreasing expenses, or a combination of all; and

(iii) Provide to the commission no later than forty-five days following the end of the quarter a written plan of actions to gain compliance. This plan shall be evaluated by commission staff. The plan and the degree to which the licensee implements the plan will be considered by the director when reviewing a request for a variance to a licensee under authority of WAC 230-20-060, and/or for recommendations made to the commission regarding actions to limit or suspend the organization's license; and

(iv) Provide the commission additional reports determined by the staff as necessary to monitor progress toward compliance; and

(v) If requested by the director, a committee of the licensee's management, including the chief executive officer, executive director, or equivalent manager, and the licensed gambling manager responsible of [for] the bingo game shall meet with commission staff to discuss the action plan.

(c) In addition to the requirements in subsection (b) above, when net return is more than three percentage points lower than required, a licensee shall:

(i) Immediately freeze all controllable expenses for bingo and all other activities operated in conjunction with bingo; and

(ii) Reduce expenses for bingo and all other activities operated in conjunction with bingo to a level that does not exceed twenty percent of gross gambling receipts or sales; and

(iii) Reduce prizes to the level set forth as guidelines in Table 1 of WAC 230-20-059 for its class of license; and

(iv) Increase prices and/or decrease expenses for snack bar operations to a level that will result in a profit being earned from this activity.

What happens if I fail to meet the net return requirements for my class of license during my annual measurement period?

[(2)] Any licensee that fails to achieve the minimum net return requirements for its class of license during an annual measurement period, as set forth in WAC 230-20-059, table 1, may be subject to any or all of the following restrictions and/or penalties:

(a) Reduction in the authorized level of gross gambling receipts for the next license period; and/or

(b) Denial of a request for an increase in license class if its license has previously been restricted; and/or

(c) Suspension or revocation of its license.

What if I have not met the net income requirements, but I still maintained a positive cash flow from the bingo operation?

(3) Any licensee that fails to achieve the minimum net return requirement for its class of license, including any variance authorized by the director, during an annual measurement period and which maintains a positive cash flow from the bingo operation for the same period shall have its license limited for the next annual license period subject to the following conditions:

(a) The licensee will be issued a new license which corresponds to the license class that is equal to the level of net return it actually achieved during the applicable annual measurement period;

(b) The license class to which the licensee is reduced must authorize at least one-half of the maximum gross gambling receipts of the license class from which it is being reduced;

(c) The reduction for the first violation shall be a maximum of two license classes; and

(d) A licensee limited under this section must comply with the requirements of WAC 230-04-260 prior to being granted any subsequent increase in its bingo license class;

What if I have not met the net return requirements and I did not maintain a positive cash flow from the bingo operation?

(4) Any licensee that fails to achieve the minimum net return requirement during its most recently completed annual measurement period and does not maintain a positive cash flow from the bingo operation for the same period shall be deemed to be operating primarily for gambling purposes. In this event, the director will review the licensee's most recent three-month operating results and begin appropriate administrative actions based upon net return compliance during that period:

(a) If the licensee has not corrected the condition and continues to subsidize the operation of bingo games with program funds, the director may summarily suspend the organization's bingo license; or

(b) If the licensee is no longer subsidizing the operation of bingo games with program funds, the licensee shall have its license limited pursuant to subsection (3) above.

What if my license has been limited and/or the director has denied my application for a variance to net return requirements?

(5) A licensee that has had its bingo gross gambling receipts restricted by this section and whose petition for a variance has been denied may petition the commissioners for a license to receive more gross gambling receipts. The commissioners' review will be conducted in accordance with the administrative review procedures set forth in RCW 34.05.491 and WAC 230-50, as applicable. Any such petition will be heard at a regular public meeting of the commission. The commission may take testimony from other parties that may be affected by approval or denial of the petition during the hearing. The petitioner must ensure that an officer of the organization and the licensed gambling manager responsible for the bingo operation attend the public meeting and are prepared to answer questions from the commissioners and/or staff regarding the petition and bingo game operations. Any approval granted under this section may be made contingent upon future compliance and/or other factors as determined by the commission. In addition to the requirements set forth in WAC 230-20-060(3), petitions for relief under this section must include the following:

(a) The portion of the organization's programs that are charitable as compared to nonprofit;

(b) Income from other sources available for funding of programs; and

(c) Estimated time that the maximum gross gambling receipts limit for its current license will be reached.

9.46.0209, 9.46.0237, 9.46.0205 and 9.46.075. 96-24-008 (Order 303), § 230-20-062, filed 11/21/96, effective 12/22/96.]

Reviser's note: RCW 34.05.395 requires the use of underlining and deletion marks to indicate amendments to existing rules, and deems ineffectual changes not filed by the agency in this manner. The bracketed material in the above section does not appear to conform to the statutory requirement.

WAC 230-20-070 Regulation of managers, operators, and other employees—Charitable or nonprofit organizations. Charitable or nonprofit organizations shall closely supervise all persons involved in the conduct of all gambling activities operated to ensure all rules of the commission are followed. The following restrictions apply to managers, operators, and other employees:

What restrictions apply to persons involved in the operation of amusement games and raffles?

(1) Amusement games and raffles. No person other than a bona fide member of a qualified charitable or nonprofit organization shall take any part in the management or operation of, including the furnishing of equipment for amusement games, or work as an employee upon, amusement games or raffles conducted by that organization under a license from the commission: *Provided*, That for purposes of this section, performing functions that are not of a supervisory or management nature shall not be considered taking part in the operation of amusement games or raffles if:

(a) Such functions are performed by:

(i) Employees of the organization, who are hired on a regular or part time basis, and who are employed primarily for purposes other than the conduct of such activities; or

(ii) Individuals who are volunteers, when they are under the supervision of a member and are not directly or indirectly compensated for such functions;

(b) The organization keeps records that will allow the commission to determine the amount of gross gambling receipts received from such activities and to identify individuals responsible for receiving and controlling such. Records shall include at least the following:

(i) The full names, addresses, and phone numbers of employees and members involved in the activity; and

(ii) The number of tickets issued, sold, or returned by each employee or member involved in raffle ticket sales.

(c) Any additional cost to administer raffles authorized under authority of this section is paid by the licensee.

What restrictions apply to persons involved in the operation of bingo games?

(2) Bingo.

(a) No person other than a bona fide member or an employee of a charitable or nonprofit organization shall take any part in the management or operation of bingo games conducted under a license issued by the commission, and no licensee shall allow any person not one of its members or employees to do so. No person other than a bona fide member of a charitable or nonprofit organization operating without a license under RCW 9.46.0321 shall take any part in the management or operation of bingo conducted by that organization and no such organization shall allow any person not one of its members to do so.

[Statutory Authority: RCW 9.46.070 (1), (2). 97-14-013, § 230-20-062, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070,

(b) No person who takes any part in the management or operation of a bingo game conducted by one licensee shall take any part in the management or operation of any bingo game conducted by any other organization, or any other branch of the same organization except under the following conditions:

(i) A person participating in the conduct of bingo games by one Class A, B, or C licensee may also participate in the conduct of bingo games by other Class A, B, or C licensees on a voluntary basis only when such person receives no remuneration for services to other licensees and when the requirements of (c) of this subsection are satisfied; or

(ii) A person participating in the operation of bingo games conducted by one licensee under any class of license may also participate in the operation of bingo games conducted by other licensees under any class of bingo license, but only when that person has no managerial or supervisory responsibilities in connection with the operation of bingo activities by any licensee and when the requirements of (c) of this subsection are satisfied. An assistant gambling manager, as defined by WAC 230-04-145(6), shall not be deemed a person having managerial or supervisory responsibilities for the purpose of this section and may participate as an hourly employee in the bingo operations of other bingo licensees.

(c) Any licensee that desires to have any person, who participates in any manner in the conduct of bingo games for another licensee, participate in the conduct of its bingo games shall notify the commission, local police officials, and any other licensees for which the person works, in writing, of the following:

(i) The name and address of that person;

(ii) The name and address of any licensees for which that person is working; and

(iii) The capacity in which that person is working for each licensee prior to the time that person participates in the conduct of the licensee's bingo games.

(d) No licensee shall allow any person to take any part in the management, supervision or operation of a bingo game except in conformance with this rule.

What special exceptions apply to agricultural fairs?

(3) Certain premises excepted. The limitations set forth above in (1) and (2) shall not apply to qualified agricultural fairs conducting amusement games or bingo.

[Statutory Authority: RCW 9.46.070 (1), (11), (14), (17) and (19). 97-11-020, § 230-20-070, filed 5/13/97, effective 7/1/97. Statutory Authority: RCW 9.46.070. 95-09-062 (Order 268), § 230-20-070, filed 4/18/95, effective 5/19/95. Statutory Authority: RCW 9.46.070, 9.46.0205, 9.46.0277, 9.46.0315, 9.46.0321 and 9.46.0331. 93-17-098 (Order 243), § 230-20-070, filed 8/17/93, effective 1/1/94. Statutory Authority: RCW 9.46.070 (8) and (17). 83-23-055 (Order 138), § 230-20-070, filed 11/15/83. Statutory Authority: RCW 9.46.070(10). 80-03-060 (Order 99), § 230-20-070, filed 2/25/80; Order 68, § 230-20-070, filed 4/25/77; Order 65, § 230-20-070, filed 1/7/77; Order 53, § 230-20-070, filed 5/25/76; Order 29, § 230-20-070, filed 1/23/75; Order 14, § 230-20-070, filed 3/27/74; Order 5, § 230-20-070, filed 12/19/73, 1:25 p.m.]

WAC 230-20-115 Gift certificates—Requirements.

Gift certificates may be sold or issued as prizes during bingo games and such shall not be deemed sales of bingo cards for purposes of this title if licensees comply with the following restrictions:

(1) If sold, gift certificates shall be paid for in full at the time they are issued;

(2) Gross receipts from the sale of certificates shall be deposited separately into the gambling account no later than five banking days after receipt. The certificate numbers relating to the funds deposited shall be a part of the deposit record;

(3) For gift certificates awarded as prizes, the value of the certificate is recorded as a bingo prize on the daily bingo records for the sessions in which the certificate was issued. The certificate will be supported by a bingo prize receipt;

(4) Gift certificates shall be purchased from a commercial printer or licensed distributor and shall be prenumbered, consecutively issued, and have a predetermined value with the following information imprinted:

(a) The name of the organization issuing the certificate;

(b) The date issued and an expiration date no later than three months from the date issued for awarded certificates; and one year for sold certificates;

(c) The dollar value of the certificate; and

(d) Any conditions or contingencies related to redemption of the certificate;

(5) Gift certificates may only be awarded as prizes on up to four occasions per year, and no prize shall include more than forty dollars U.S. currency in gift certificates;

(6) Certificates shall only be redeemed for bingo cards, food, drink, merchandise, punchboards or pull tabs upon the licensed premises from which it was issued;

(7) Certificates redeemed shall be applied against bingo activity and daily bingo records shall be modified in the cash reconciliation section of the approved record format to document the number and dollar value of certificates redeemed;

(8) A reconciliation of gift certificate inventory to certificates issued shall be performed on a monthly basis and will include the following control features:

(a) Purchase invoices will be retained for gift certificates and they will include the organization name, date of purchase, and beginning and ending certificate numbers;

(b) Redeemed certificates will be maintained with the corresponding daily sales records;

(c) Certificates not redeemed within the expiration date shall be properly accounted for as a donation; and

(d) A certificate log will be maintained and will include the following:

(i) Certificate number;

(ii) Certificate value;

(iii) Date of issue;

(iv) Expiration date;

(v) Date of redemption; and

(vi) If awarded as a prize, the session and date the prize is awarded.

[Statutory Authority: RCW 9.46.070 (1), (8), (11), (14), (16) and (20). 97-09-072, § 230-20-115, filed 4/22/97, effective 7/1/97. Statutory Authority: RCW 9.46.070 (1), (8) - (11), (14), (16), (20). 96-07-078, § 230-20-115, filed 3/19/96, effective 7/1/96.]

WAC 230-20-192 Standards for disposable bingo cards—Definitions. Disposable bingo cards sold for use in the state of Washington shall be manufactured and controlled using processes and procedures that ensure integrity of the

activity and facilitates regulation by the commission. Manufacturers of disposable bingo cards shall comply with the following requirements:

(1) Manufacturers shall establish quality control procedures necessary to ensure manufacturing processes, including collating of cards into packs or packets, meet the requirements of this section. Quality control procedures shall be documented and provided to commission staff upon request;

(2) For purposes of this title, the following definitions apply:

(a) "Card" or "face" means a unique group and configuration of numbers or symbols imprinted on paper, cardboard, or other materials, and designed to be used to conduct bingo games;

(b) "Card number" means the number assigned by the manufacturer to identify a single card or face. A "card number" may also be referred to as a "face" or "perm" number;

(c) "Collate" means the process of cutting and/or assembling master sheets or precut sheets of cards from one or more sets of cards into packets or books for marketing purposes. "Collate" may also be referred to as "finish" or "finishing";

(d) "Collation" means a group of packets or books of cards assembled from more than one set of cards;

(e) "Consecutively numbered" means a numbering system normally beginning with the number one, increased by one for each individual unit added to the group, and ending with a number identical to the total number of units assigned to that group;

(f) "Cut" means the layout or orientation of cards or sheets of cards subdivided from a master sheet of cards or faces. A "cut" will be either square, horizontal, or vertical;

(g) "Disposable bingo card" means a nonreusable paper bingo card manufactured by a licensed manufacturer;

(h) "Duplicate cards" means two or more cards that are imprinted with the same numbers or symbols, regardless of the configuration or location of such numbers or symbols on the card;

(i) "On" means the number of cards or faces imprinted on a sheet or "cut." The term is normally preceded by the number of cards;

(j) "Pack" or "packet" means a group of cards or sheets of cards collated into a book when each page or sheet in the book is intended for use to play a separate bingo game, including "on-the-way" games, within a session;

(k) "Product line" means a specific type of card, identifiable by features or characteristics that are unique when compared to other types of cards marketed by the manufacturer. A "product line" includes all series and all cards within each series as identified by the manufacturer;

(l) "Serial number" means a number assigned to a set of cards by a manufacturer for identification and tracking purposes when the same number is not used to identify another set of cards from the same product line, color, border pattern, and series in less than 999,999 occurrences or twelve months, whichever occurs first: *Provided*, That if the product line is used as a determining factor for assignment of a serial number, the difference between various product lines must be readily identifiable by observation;

(m) "Series" of cards means a specific group of cards or faces that have been assigned consecutive card or face

numbers by a manufacturer. Series are typically identified by the first and last card number in the group of cards, such as "1 to 9000 series";

(n) "Set" of cards means a specific group of cards from the same product line, which are the same color, border pattern, and imprinted with the same serial number. A "set" of cards may include more than one series of cards or faces;

(o) "Sheet number" means the number assigned by the manufacturer to identify an arrangement of more than one card that results from dividing master sheets of cards to facilitate marketing;

(p) "Skip" means the standard spread or difference between card or sheet numbers at different page levels in packs or packets;

(q) "Subset" means a portion of a set of cards or collation of packets that has been divided by a licensed distributor to facilitate marketing; and

(r) "Up" means the number of pages or sheets collated into each packet or book of cards. The term is normally preceded by the number of pages or sheets.

(3) Each card or face in a particular type or product line must be imprinted with a unique set of numbers or symbols and configuration of numbers or symbols. Duplicate cards within a specific product line are prohibited. Manufacturers of disposable bingo cards are responsible for ensuring that there are no duplicate cards in a set or collation of cards sold to distributors or operators: *Provided*, That duplicate cards can be collated into packets if they are located at different page levels in the packets and intended only for use during separate games, including "on-the-way" games, within a session. If a manufacturer discovers a duplicate card error or is notified of such by the commission staff or a licensee, it shall immediately comply with the following steps:

(a) Stop marketing the product line containing duplicate cards in Washington;

(b) Recall all sets of cards and/or collations of packets or books containing duplicate cards at the same page level;

(c) Take steps to correct manufacturing or collating processes necessary to ensure duplicate cards are not sold to operators, and inform the commission in writing regarding steps taken;

(d) Reimburse all operators who submit a claim for prizes paid as a result of selling sets or collations containing duplicate cards when such claim has been validated by commission staff; and

(e) Reimburse the commission for all cost incurred investigating duplicate card complaints that result in findings that the error was caused by manufacturers.

(4) Packets of cards must be collated so that each page of the packet:

(a) Is from a different set of cards;

(b) Has skips that are consistent throughout the entire collation and contains cards that are different when compared to other cards or faces in the pack or packet; and

(c) Has a different color or border pattern.

(5) Each set must include an audit system that allows identification of that specific set and each specific card within that set, allows tracking of the transfer of cards from the point of manufacture to operators, and facilitates sale by the operator to the player: *Provided*, That audit systems that accomplish regulatory requirements using alternative controls

may be approved by the commission staff. The audit system shall meet the following requirements:

(a) Each set of cards manufactured as a specific product line, using the same color and border pattern, will be assigned a unique serial number by the manufacturer. The serial number must be imprinted on each card or face;

(b) Each card or face must be identified by a card number imprinted on the face of the card: *Provided*, That cards used in "player selection" games, authorized by WAC 230-20-241 and "keno bingo" games, authorized by WAC 230-20-247, are exempted from this requirement; and

(c) Each sheet of cards within a set must be consecutively numbered: *Provided*, That sheets of cards do not have to be numbered if alternative audit controls are available and disclosed to the operator.

(6) Each set of cards or collation of packets of cards shall be sold intact as a single unit: *Provided*, That for ease of marketing to Class E and below operators and to operators of authorized unlicensed activities, distributors may divide sets or collations as authorized below:

(a) Cartons or packages assembled by manufacturers can not be opened prior to sale to an operator, except that distributors may open cartons or packages as authorized below:

(i) At an operator's request to change the "on," "up," and "cut." When such modification is made, the distributor shall be responsible for resealing the carton and noting all changes on the packing label;

(ii) To provide cards to Class A or B bingo games and for unlicensed activities authorized by RCW 9.46.0321 or 9.46.0355; and

(iii) To provide cards to individuals for noncommercial recreational activities.

(b) Subsets must contain at least one carton or package: *Provided*, That cartons or packages may be broken and cards sold in smaller quantities under conditions described in subsection (6)(a)(i) and (ii) of this section; and

(c) Subsets of cards used for "hidden face" bingo games must contain at least one thousand cards or sheets of cards.

(7) In addition to the requirements of subsections (1) through (6) of this section, cards sold to operators for use in the operation of "hidden face" bingo games, authorized by WAC 230-20-243, must meet the following requirements:

(a) Each card or sheet of cards must be printed, folded, and sealed in a manner that prohibits determination of numbers or symbols, configurations of such on the card, or the card number prior to opening by the player;

(b) Each card or sheet of cards must have a separate numbering system that is randomly distributed when compared to the card number imprinted in the "free" space. Manufacturers must utilize procedures that mix cards or sheets of cards in a manner that ensures no consistent relationship exists between the "card numbers" and separate numbering system within a set or subset and that there are no patterns or consistent relationships of the location of a specific card number between subsets from different sets;

(c) The serial number and the additional card or sheet number, required by (b) of this subsection, must be imprinted on the outside of the cards or sheets of cards and visible for recording without opening the card or sheet of cards; and

(d) Each set of cards must contain at least six thousand unique faces or patterns of numbers or symbols.

(8) In addition to the requirements of subsections (1) through (6) of this section, cards sold to operators for use in "player selection" bingo games, authorized by WAC 230-20-241, must be printed on two-part, self-duplicating paper that provides an original and duplicate copy;

(9) A packing record must be completed for each set of cards or collation of packets and either enclosed inside or in an envelope attached to the carton or package. If the marketing unit contains more than one carton or package, the packing record must be located on carton or package number one. The packing record must include at least the following:

(a) Name of manufacturer;

(b) Description of product, including the "series," "on," "cut," and "up";

(c) Records entry labels that match the identification and inspection services stamp attached to the packing label on the outside of the carton or package;

(d) Serial number or, if packets, serial number of the top page;

(e) Color and border pattern or, if packets, colors and border patterns of all sets and the sequence they are collated in the packet; and

(f) A record of any missing cards, sheets of cards, or packets.

(10) Each separate packing or marketing unit containing a set of cards or collation of packets of cards must be identified in a manner that allows determination of the contents without opening the package. If the marketing unit contains more than one case or carton, each unit shall be labeled and numbered. Minimum information to be disclosed on each carton or package:

(a) The identification and inspection services stamp number;

(b) Serial number or, if packets, serial number of the top page;

(c) Color and border pattern or, if packets, color and border pattern of the top page; and

(d) Number of the carton and the total number of cartons included in the marketing unit.

(11) Sets of cards, collations of packets, or any other marketing units established by a manufacturer shall be complete and contain the correct number of cards or packets and the specific cards or packets noted on the packing slip: *Provided*, That up to one percent of the cards in the set may be missing if all missing cards, sheets, or packets are documented on the packing record enclosed in carton or package number one of the marketing unit; and

(12) To provide the commission and operators the ability to verify the authenticity of winning cards, each manufacturer shall prepare and make available a master verification system for each type or product line of cards it manufactures. This master verification system shall provide a facsimile of each card within a set of cards by the card number. The master verification system shall display the exact numbers or symbols and the location or configuration of numbers or symbols on the card.

[Statutory Authority: RCW 9.46.070, 97-19-079, § 230-20-192, filed 9/16/97, effective 1/1/98; 94-01-033, § 230-20-192, filed 12/6/93, effective 1/6/94.]

WAC 230-20-240 Bingo equipment to be used. The conduct of bingo must include the following required items:

(1) A mechanical device that uses air flow for mixing and randomly withdrawing balls to determine the letters and numbers or symbols to be called must be utilized by all Class D and above operators. This device shall be constructed in the following manner:

(a) It will allow participants full view of the mixing action of the balls; and

(b) The operation cannot be interrupted to change the random placement of the balls at the exit receptacle of the device, except when the device is shut off as allowed by WAC 230-20-246;

(2) A set of seventy-five balls bearing the numbers one through seventy-five and the letters B, I, N, G, or O. *Provided*, That the letters B, I, N, G, O need not appear if the balls are used for speed or hidden face bingo games. The following additional requirements regarding bingo balls must be met:

(a) The entire set of balls shall be available for inspection by the players before a bingo session begins to determine that all are present and in operating condition;

(b) Each numbered ball shall be the same weight as each of the other balls and free from any defects; and

(c) Each set of balls in play must be distinguishable from all other sets of balls in play;

(3) Flashboards shall be utilized to display numbers called at all Class D and above bingo games. They must be visible to all players and clearly indicate all numbers that have been called: *Provided*, That malfunctions occurring during a bingo occasion need not be repaired during that occasion, but must be repaired before use on any other occasion;

(4) Bingo cards must be preprinted, manufactured cards that meet the following standards:

(a) Have twenty-five spaces, one of which may be a free space, arranged in five even columns headed with the letters B, I, N, G, and O, and except for the free space, imprinted with numbers and symbols: *Provided*, That bingo cards used for conducting player selection games are exempt from the requirements of this subsection if the requirements of WAC 230-20-241 are followed: *Provided further*, That bingo cards used for conducting keno bingo games are exempt from the requirements of this subsection if the requirements of WAC 230-20-247 are followed;

(b) Be manufactured by a licensed manufacturer: *Provided*, That electronically generated bingo cards authorized by WAC 230-20-106 may be produced by the operator using a printer interfaced with an electronic data base system: *Provided further*, That cards used in player selection games and keno bingo games may be manufactured by unlicensed manufacturers if:

(i) The primary activity of such manufacturer is producing nongambling products;

(ii) Cards must meet the requirements of WAC 230-20-192 and 230-20-241 or 230-20-247. The licensee that initially purchases such cards from the unlicensed manufacturer shall assume responsibility for compliance with all commission requirements;

(iii) In addition to the requirements set out in WAC 230-08-024 and 230-08-040, the invoice transferring these cards must include the beginning card number. If an operator purchases such cards directly from an unlicensed manufacturer, the operator shall assume responsibility for compliance with this requirement.

(c) All disposable bingo cards must meet the requirements of WAC 230-20-192;

(d) No licensed operator shall have disposable bingo cards with the same serial number, color/border pattern, and card number on the premises. This includes player selection and keno bingo cards; and

(e) Electronically generated cards and supporting equipment must meet the requirements of WAC 230-20-106;

(5) Effective January 1, 1997, all Class F and above bingo licensees shall conduct bingo games using disposable bingo cards or electronically generated cards. All income must be receipted for by using the audit system required by WAC 230-20-192 in conjunction with appropriate receipting system required by WAC 230-20-106, 230-20-107, or 230-20-108;

(6) Duplicate cards, as defined in WAC 230-20-192, are prohibited in the operation of bingo games conducted by Class D or above licensees. Operators are advised that conducting games using cards manufactured by different manufacturers may result in duplicate cards being placed in play and that the majority of cards in the "1 to 9000 series" are duplicate, regardless of the manufacturer. Duplicate card violations that result from use of cards from different manufacturers shall be the responsibility of the operator: *Provided*, That this section shall not apply to braille cards, authorized by WAC 230-20-246(4), if the operator takes steps to prevent duplicate cards and informs players regarding limitations to prizes when winners have duplicate cards because braille cards are being played;

(7) If duplicate cards are inadvertently sold at bingo games conducted by Class D or above licensees, the following procedures and restrictions apply:

(a) If all winners with duplicate cards are paid the entire prize amount that would be due if there were no duplicate cards, the licensee shall not be deemed to be in violation of this section;

(b) The amount of the prize for games with winners having duplicate cards shall be computed and paid using the following guidelines:

(i) Games that provide a bonus for a single winner - If all winners have duplicate cards then all winners shall be paid the bonus;

(ii) Games that result in multiple winners, some of which are players with duplicate cards - The split of the prize pool will be computed by counting all duplicate card winners as one. After the prize pool split is computed using this method, all winners will be paid according to the computed prize split;

(iii) If the prize pool contains noncash or merchandise prizes, the amount added to the prize pool for computing the split shall be the licensee's cost or retail value, whichever is posted in the game schedule: *Provided*, That manufacturers [manufacturers] shall not be responsible for increases to the prize pool required by this subsection; and

(iv) If the prize is greater than one thousand dollars, the operator shall not be required to increase the total prize pool

by more than fifty percent or five thousand dollars, whichever is less: *Provided*, That this limitation shall only be authorized once within a twelve-month period. If this limitation has been used within the last twelve months, the full prize amount shall be paid to all holders of duplicate cards;

(c) Increases to prize pools as a result of duplicate card errors, for which the manufacturer is responsible, may be deducted from prize payouts for computing compliance with WAC 230-20-064;

(d) Details of circumstances that resulted in duplicate cards being sold shall be documented and maintained as a part of the daily bingo record for the session;

(e) The commission shall be notified within forty-eight hours after discovery of a duplicate card error if:

(i) Caused by manufacturer printing, packaging, or collation errors; or

(ii) Any player winning with a duplicate card was not paid the entire prize amount;

(f) Licensees shall pursue reimbursement of all prizes paid due to errors from the manufacturer responsible for such errors.

[Statutory Authority: RCW 9.46.070. 97-19-079, § 230-20-240, filed 9/16/97, effective 1/1/98. Statutory Authority: RCW 9.46.070 (1), (4), (20). 97-05-056, § 230-20-240, filed 2/19/97, effective 7/1/97. Statutory Authority: RCW 9.46.070 (1), (8) - (11), (14), (20). 96-13-067 (Order 293), § 230-20-240, filed 6/18/96, effective 7/19/96. Statutory Authority: RCW 9.46.070. 95-19-070, § 230-20-240, filed 9/18/95, effective 1/1/96; 94-01-033, § 230-20-240, filed 12/6/93, effective 1/6/94; 90-24-005 (Order 218), § 230-20-240, filed 11/26/90, effective 12/27/90. Statutory Authority: RCW 9.46.070 (11) and (14). 88-17-050 (Order 182), § 230-20-240, filed 8/16/88. Statutory Authority: RCW 9.46.020 (1) and (10) and 9.46.070 (3), (11) and (14). 86-09-036 (Order 157), § 230-20-240, filed 4/11/86. Statutory Authority: RCW 9.46.070 (5), (6), (8), (10) and (11). 84-01-026 (Order 139), § 230-20-240, filed 12/12/83. Statutory Authority: RCW 9.46.070 (8), (11) and (14). 83-13-050 (Order 134), § 230-20-240, filed 6/14/83.]

WAC 230-20-242 Activities conducted as a part of bingo games—Authorization—Restrictions.

What activities are authorized for consideration as part of a bingo game?

(1) The following activities are authorized:

(a) *Drawings.*

(b) *Creativity and originality contests.* A competition to determine the best costume, flower arrangement, cake decorating, ugliest tie, or other activities requiring skill or original thought.

(c) *"Good neighbor" schemes.* Prizes are awarded based upon the seating location of a player(s) in regards to the winner of a bingo game.

(d) *Second element of chance schemes.* An additional chance is offered to win an increased minimum bingo game after the winner(s) of the game has been determined by calling numbers and symbols.

(e) *Birthday bonus schemes.* Prizes are awarded to a player who wins a bingo game during the same calendar week in which the player's birthday occurs.

What general restrictions apply to the awarding of prizes for these activities?

(2) Bingo licensees may award prizes to winners of activities authorized by this section when such activities are

conducted as a part of bingo games. Such activities shall be deemed to be bingo games if all players paying to participate are allowed to compete equally and all prizes awarded are treated as bingo game prizes for purposes of compliance with WAC 230-20-059.

What additional restrictions apply to drawings?

(3) Drawings. Each licensee shall be allowed to award prizes that are determined by a random drawing of tickets or by other random selection methods involving the numbering system on such tickets if the requirements of WAC 230-20-105 are followed, and:

(a) All rules regarding these drawings, including requirements to qualify for participation, time and date of the drawing, and whether a player must be present to win, are clearly posted and distinctly explained to the players;

(b) Tickets or other facsimiles used to enter such drawings are awarded only to players purchasing cards to play in bingo games;

(c) Tickets, from which the winners of any such drawing are selected, shall not be accumulated for a period that is longer than thirty days. Drawings may be conducted using tickets that accumulate during any bingo occasion, week, or any other period that does not exceed thirty consecutive days;

(d) Players may only be awarded or otherwise receive tickets to participate in drawings at bingo games by meeting the following criteria:

(i) Pay an amount not to exceed one dollar per ticket. If a licensee elects to charge for entry into drawings, such drawings shall not be combined with other means of entry allowed by this subsection, and the gross gambling receipts, prizes, and expenses shall be recorded and reported as bingo activities: *Provided*, that if players are required to purchase tickets to enter the drawing, they shall not be required to be present to win if the drawing is not held at the same session as tickets are purchased;

(ii) Be a winner of a bingo game during the session;

(iii) Be a "good neighbor" winner, as defined by subsection (5) of this section; or

(iv) Meet other specific and predetermined criterion that has been approved by the director;

(e) The criterion for granting tickets, and the number of tickets awarded during each session, shall be recorded in the daily bingo record for each session. All winning tickets and other records shall be maintained as a part of the daily bingo records.

What additional restrictions apply to creativity and originality contests?

(4) Creativity and originality contests. A bingo licensee may conduct contests in which players may demonstrate their creativity and originality skills on up to eight occasions annually. The following rules must be observed in conducting these contests:

(a) The total value of prizes shall not exceed five hundred dollars during any occasion;

(b) Only players who have paid to participate in bingo games during the current session may participate in the contest; and

(c) A record shall be completed for each contest setting out the criterion for selecting the winners, the number of

participants in the contest, and all details required by WAC 230-08-080 and 230-20-102. Such records shall be maintained as a part of the daily bingo records.

What additional restrictions apply to "good neighbor" schemes?

(5) "Good neighbor" prize schemes. A licensee may award prizes based upon the seating location of a player or players in regards to a winner of a bingo game. The following requirements must be observed prior to awarding "good neighbor" prizes:

(a) All rules regarding these prizes, including the amount to be awarded to each "good neighbor" or group of "good neighbors" and all requirements to qualify for a prize, must be clearly posted and distinctly explained to the players; and

(b) A record shall be completed setting out the criterion for awarding such prizes, the number of such prizes awarded during each session, and all details required by WAC 230-08-080 and 230-20-102. Such record shall be maintained as a part of the daily bingo records.

What additional restrictions apply to second element of chance schemes?

(6) Second element of chance schemes. Licensees may use these schemes to increase the minimum prize for a bingo game after the winner(s) of the game has been determined by calling numbers and symbols if:

(a) The schemes do not involve the use of gambling devices specifically prohibited by public policy or commission rules;

(b) A player's minimum odds of winning the highest prize is equal to or greater than one winner out of one hundred twenty-five chances or the probability of winning the highest prize is .008 or greater;

(c) The scheme does not require the player to risk any portion of a prize already won;

(d) Every possible outcome of the scheme provides the player with an additional prize;

(e) All rules regarding play of the game are clearly posted and distinctly explained to the players. At least the following information shall be disclosed:

(i) The players minimum odds of winning the highest prize;

(ii) How a winner is determined;

(iii) Any contingencies or special requirements that may affect the outcome;

(iv) The cash value of the highest prize available; and

(v) Any financial burden that must be borne by the winner, such as taxes or registration fees.

(f) All requirements of WAC 230-20-010 are met before cards are purchased; and

(g) The scheme and supporting records contain control factors necessary for commission audit.

What additional restrictions apply to birthday bonus prizes?

(7) Birthday bonus prizes. Licensees may offer birthday bonus prizes subject to the following restrictions:

(a) The maximum bonus prize is fifty dollars;

(b) The player's birthday must be within the calendar week that the winning combination occurred and the bonus is paid;

(c) A licensee may award only one birthday bonus to any player during any calendar year;

(d) In addition to all requirements of WAC 230-20-102, the prize receipt for such prizes must include:

(i) The address of the winner;

(ii) The player's date of birth; and

(iii) The type of identification provided by the player to verify the winner's date of birth.

[Statutory Authority: RCW 9.46.070 (1), (2). 97-14-013, § 230-20-242, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070, 9.46.0209, 9.46.0237, 9.46.0205 and 9.46.075. 96-24-008 (Order 303), § 230-20-242, filed 11/21/96, effective 12/22/96. Statutory Authority: RCW 9.46.070 (1), (8) - (11), (14), (20). 96-13-067 (Order 293), § 230-20-242, filed 6/18/96, effective 7/19/96. Statutory Authority: Chapter 9.46 RCW. 94-24-055 (Order 263), § 230-20-242, filed 12/5/94, effective 1/5/95. Statutory Authority: RCW 9.46.070. 93-13-062 (Order 240), § 230-20-242, filed 6/17/93, effective 7/18/93.]

WAC 230-20-247 Keno bingo—Definitions and requirements. Beginning August 1, 1996, Bingo licensees may play "keno bingo" games in which the players compete for portions of a prize pool based on matching the player selected bingo numbers with a specified number of balls called. The following definitions and requirements apply to keno bingo games:

(1) Definitions:

(a) A "way" is defined as a grouping of the numbers selected by players and documented on a single keno bingo card. Each "way" is a different possible winning combination;

(b) "Low tier prizes" are prizes worth fifty dollars or less;

(c) "Middle tier prizes" are prizes worth more than fifty dollars, but not more than \$1,000; and

(d) "High tier prizes" are prizes worth more than one thousand dollars.

(e) A "player selection form" is a single copy of a keno bingo card which displays all seventy-five numbers. The player utilizes this form to select their numbers. In no case shall the player selection form be substituted for a completed keno bingo card.

(2) Keno bingo card requirements:

(a) Keno bingo cards must be printed on two-part, self-duplicating paper that provides for an original and a duplicate copy;

(b) The standards for disposable bingo cards as defined in WAC 230-20-192 are followed; and

(c) Cards must have seventy-five spaces numbered one to seventy-five.

(3) Operational restrictions:

(a) Licensees may offer a maximum of six different priced keno bingo card sets for play at any one time;

(b) Keno bingo players may play a maximum of five "ways" per card. Each way must be clearly distinguishable and noted by an alphabetical reference. Each number picked cannot be used in more than two ways.

(c) Players must pick a minimum of two and a maximum of eight numbers per card;

(d) Maximum price per way is three dollars; and

(e) Maximum total price per keno bingo card is fifteen dollars.

(4) **Receipting requirements:** The licensee must use combination receipting as set forth in WAC 230-20-108 (3) and (4), in addition to the following requirements:

(a) The time and date of sale must be recorded on the cash register receipt;

(b) Voided keno bingo cards must have the word "void" stamped or written on the bingo card and must be signed by a bingo worker and the bingo manager and retained with the daily keno bingo records for that keno bingo session; and

(c) If electronically-generated bingo cards are used, the electronic bingo card must include the time and date the card was issued.

(d) All receipting records shall be totaled and closed out before starting sales for the next keno bingo game.

(5) **Manner of conducting keno bingo:**

(a) Players shall mark the numbers they select on a player selection form. The player selection form shall be given to a bingo worker along with the dollar amount of the card purchased. A bingo worker shall complete a keno bingo card using the numbers selected on the player selection form. The original bingo card shall then be placed in a separate lock box designated for that series. The duplicate copy shall be returned to the player along with the corresponding cash register receipt. Upon receiving the keno bingo card from the bingo worker, the player shall be responsible for determining the accuracy of the card.

(b) At least five minutes before the drawing of the keno bingo number, card sales shall cease and cash registers shall be subtotaled. The bingo licensee shall make an announcement notifying players when sales have been closed for each game. The time sales are closed and the cash register subtotals shall be recorded immediately on the daily keno bingo record for each keno bingo game.

(c) All keno bingo cards shall be placed in a lock box before the first keno bingo number is drawn. The gambling manager shall then close the box and record the time on the daily bingo record for the keno bingo session.

(d) Operators shall draw twenty of the seventy-five bingo balls.

(e) Refunds shall not be allowed: *Provided*, that a one-for-one exchange may be made by the operator in cases where errors are discovered before the lock box is closed. The procedures to be followed when making such exchanges include:

(i) The player must initial the card; and

(ii) The operator must follow the voided card requirements.

(6) **Determining winners, awarding and receipting prizes:** Upon determination of a winning card, the player shall present their duplicate copy of the original winning card and the cash register receipt to a bingo worker. The original bingo card shall be retrieved from the lock box and reviewed to determine if it is a winner. Upon determination of a winner, the prize shall be computed and the winner positively identified as set forth under WAC 230-20-246 (14)(b). Winning cards must be presented and prizes paid as follows:

(a) Prize payouts may not exceed amounts listed on a director approved keno bingo payout schedule available from any commission office upon request.

(b) Low tier prizes shall be paid before the end of the keno bingo session. An announcement shall be made notifying players of their last opportunity to turn in winning low tier cards.

(c) All middle and high tier prizes shall be claimed before the start of the next game and paid before the end of the keno bingo session. The licensee shall set a time limit for middle and high tier winners to present their winning cards and cash register receipts in order to determine whether the maximum total prize pool will be exceeded. An announcement shall be made notifying players of their last opportunity to turn in winning middle and high tier cards.

(d) The maximum total middle and high tier prizes that may be awarded per game is twenty thousand dollars. If this limit is exceeded, middle and high tier winners shall divide the prize as provided by WAC 230-20-246(9).

(e) A prize receipt shall be prepared and issued for all prizes awarded over ten dollars.

(f) Prize winners shall print their name and date of birth on all winning cards and the bingo worker shall initial the card.

(g) All high tier winning cards shall be verified by a neutral player and a licensed gambling manager. Upon verification, the manager and neutral player shall sign the winning card.

(7) **Keno bingo record keeping requirements:** A separate bingo daily record shall be maintained for keno bingo games. In addition to the requirements of WAC 230-08-080, the licensee must also:

(a) Maintain a call record for every game which includes the time the first number was drawn, the numbers called, and the sequence numbers were called;

(b) Make a separate deposit for keno bingo receipts. The deposit receipt shall be maintained with keno bingo session records;

(c) Use a separate series of prize receipts that indicate keno bingo and meet the requirements of WAC 230-20-102;

(d) Retain winning cards and cash register receipts for all prizes awarded; and

(e) If a shift change is made during a keno bingo session, a bank reconciliation must be performed and signed by the workers.

(8) **Required disclosures to players:** Operators shall develop and post house rules that disclose at a minimum the following information:

(a) A keno bingo schedule, including when the keno bingo session begins and ends;

(b) Time limits on claiming prizes, including what constitutes the end of the session;

(c) That the player is responsible to ensure the accuracy of the numbers recorded on their card;

(d) That the player is responsible to ensure cards are purchased before the start of the game; and

(e) Prizes offered and prize limitations.

(f) The player selection forms shall include the players' responsibility to ensure the accuracy of the numbers recorded on the bingo card and all house rules relating to keno bingo.

[Statutory Authority: RCW 9.46.0205 and 9.46.070 (1), (8), (11), (14), (20), 97-05-061, § 230-20-247, filed 2/19/97, effective 7/1/97. Statutory Authority: RCW 9.46.070 (1), (11), (13), (14), (20), 96-15-064 (Order 298), § 230-20-247, filed 7/17/96, effective 8/1/96.]

WAC 230-20-600 Amusement games—Licensee to give notice to local police jurisdiction prior to conducting—Inspection of equipment by police. No person licensed to conduct amusement games shall conduct any such games at any location within the state of Washington without having first given notice to the local police agency of the jurisdiction within which the amusement games are to be conducted. Such notice shall be in writing, addressed to the head of the local police agency, and shall be delivered no less than ten days in advance of the date upon which the amusement games are to be conducted: *Provided*, That this time may be reduced by the chief officer of the local law enforcement agency for good cause shown.

Such notice shall include the following information:

- (1) The name and address of the licensee, and the name and local address of the person exercising managerial authority over the conduct of the games at that location;
- (2) The date or dates the amusement games will be conducted;
- (3) The location at which the amusement games will be conducted.

The licensee shall not utilize any equipment in the conduct of the amusement games unless the equipment has been available for inspection by the local police agency for a period of two hours immediately preceding such utilization.

- (4) The requirements in this section shall not apply to locating individual commercial amusement games at an existing location.

[Statutory Authority: RCW 9.46.070 (1), (3), (8), (9), (11), (13), (14), (20) and 9.46.0331. 97-09-073, § 230-20-600, filed 4/22/97, effective 7/1/97; Order 55, § 230-20-600, filed 6/25/76.]

WAC 230-20-630 Amusement games—Fees, rules, prizes and variations in objects to be posted—Fees to be paid in cash or scrip—Prizes not to differ from those posted. Amusement game operators shall fully inform players regarding all aspects of the activity, including at least the following:

(1) No person shall conduct any amusement game at any location within the state of Washington unless players are notified of the cost to play, rules of play, and prizes available. Notification shall be by posting of a sign that is readily visible, unobstructed from view, made of permanent material, such as wood, poster board, metal or plastic, and all required information is imprinted by use of lettering at least one and one-half inches in height: *Provided*, That if the activity is a coin or token activated game and all aspects of the activity are within four feet of the player, the sign and information required by this subsection may either be preprinted on the machine by the manufacturer or by a sign attached to the machine. The lettering for such signs may be smaller than one and one-half inches in height as long as the sign is conspicuous and legible to players. The following information shall be imprinted on signs required by this section:

- (a) Fees charged for playing;
- (b) The rules by which the game is to be played;
- (c) Prizes or numbers of tickets to be won;
- (d) Any variation in the size or weight of objects utilized in the game which is not readily visible to the player;

(e) The name of the operator and an assigned concession number, if applicable; and

(f) The group number of the game being conducted.

(2) All licensees operating amusement games under a "limited location" license shall assign each concession a number and a list of all concessions and their assigned numbers shall be kept available in the concession office.

(3) No amusement games shall be conducted wherein the price charged for playing said game is paid other than in cash, or in an amount other than that posted upon the premises of said game. The term "cash" as used herein shall include checks. In addition, the operator may accept as consideration, tokens, scrip [script] or tickets, but only under the following conditions:

(a) The value of each token, ticket or item of scrip, as measured by the equivalent amount of cash which a player would have to present in lieu of said token, ticket or scrip, must be indicated on the face thereof;

(b) Said tokens, tickets or scrip [script] are not redeemable for cash;

(c) Said tickets or scrip shall bear the name of the operator or sponsor.

(4) No amusement games shall be conducted within the state of Washington wherein the prize to be given to a prospective winner is other than that posted upon the premises of said game: *Provided, however*, That after an individual player has won two or more prizes, an operator may offer said player the opportunity to exchange said prizes for one or more other prizes, but only if the prize to be received by the player in exchange was on display during the play of the game. Any prize system which requires forfeiture of previously won prize(s) in exchange for another play is prohibited. Operators of amusement games may utilize a scheme for distribution of prizes wherein the winners of individual prizes receive tickets, which are subsequently redeemable in combination with other tickets won for a merchandise prize.

[Statutory Authority: RCW 9.46.070 (1), (3), (8), (9), (11), (13), (14), (20) and 9.46.0331. 97-09-073, § 230-20-630, filed 4/22/97, effective 7/1/97. Statutory Authority: RCW 9.46.070. 95-12-051, § 230-20-630, filed 6/2/95, effective 7/3/95; 94-01-036, § 230-20-630, filed 12/6/93, effective 1/6/94. Statutory Authority: RCW 9.46.070 and 9.46.0331. 91-19-093 (Order 227), § 230-20-630, filed 9/18/91, effective 10/19/91. Statutory Authority: RCW 9.46.070 (4), (11) and (14). 89-24-002 (Order 201), § 230-20-630, filed 11/27/89, effective 12/28/89. Statutory Authority: RCW 9.46.070 (8), (11) and (14). 88-07-059 (Order 175), § 230-20-630, filed 3/15/88; Order 55, § 230-20-630, filed 6/25/76.]

WAC 230-20-685 Commercial amusement games—Wager and prize limitations. For locations authorized under WAC 230-04-138 (1)(g), (i), (j), or (k) where school-aged minors are allowed to play, the following limitations shall apply.

(1) Prize limitations. No prize offered shall exceed a cost to the operator of two-hundred fifty dollars.

(2) Consideration. The maximum wager for play shall not exceed fifty cents.

[Statutory Authority: RCW 9.46.070 (3), (11), (14) and (20). 97-11-021, § 230-20-685, filed 5/13/97, effective 7/1/97. Statutory Authority: RCW 9.46.070(2) and 9.46.0331(2). 93-12-082, § 230-20-685, filed 5/28/93, effective 7/1/93. Statutory Authority: RCW 9.46.070 (3)(11)(14). 92-19-106 (Order 230), § 230-20-685, filed 9/18/92, effective 10/19/92.]

**Chapter 230-30 WAC
PUNCHBOARDS AND PULL TABS**

WAC

- 230-30-015 Repealed.
- 230-30-016 Repealed.
- 230-30-018 Repealed.
- 230-30-025 Progressive jackpot pull tab series—Definitions—Restrictions—Operating procedures.
- 230-30-030 Punchboard and pull tab quality control program—Special inspections, defective devices, reimbursements, and fees.
- 230-30-040 Bonus pull tab—Definitions—Restrictions.
- 230-30-045 Pull tab series with carry-over jackpots—Definitions—Requirements.
- 230-30-050 Punchboard and pull tab operating restrictions and dispensing limitations.
- 230-30-055 Standards for construction of punchboards.
- 230-30-060 Repealed.
- 230-30-065 Repealed.
- 230-30-070 Control of prizes—Restrictions—Bonus prizes—Displaying—Procedures for awarding.
- 230-30-072 Punchboard and pull tab inventory control—Retention requirements—Audit adjustments.
- 230-30-075 Repealed.
- 230-30-080 Punchboard and pull tab series restrictions—Prizes, size of game, and location of winners.
- 230-30-100 Repealed.
- 230-30-102 Pull tab series assembly and packaging.
- 230-30-103 Standards for construction of pull tabs.
- 230-30-104 Possession or sale of pull tab series in which winners or location of winners may be determined in advance—Prohibited.
- 230-30-105 Repealed.
- 230-30-106 Punchboard and pull tab flares restrictions—Standards—Substitute flares.
- 230-30-110 Repealed.
- 230-30-130 Repealed.
- 230-30-200 Repealed.
- 230-30-210 Sales restrictions.
- 230-30-215 Repealed.
- 230-30-300 Recall of defective punchboards, pull tabs or pull tab dispensing devices.

230-30-060

230-30-065

230-30-075

230-30-100

**DISPOSITION OF SECTIONS FORMERLY
CODIFIED IN THIS CHAPTER**

- 230-30-015 Substitute flares. [Statutory Authority: RCW 9.46.070 (8), (11) and (14). 88-13-060 (Order 179), § 230-30-015, filed 6/14/88. Statutory Authority: RCW 9.46.070 (5), (7), (8), (9), (11), (14) and (19). 84-13-038 (Order 140), § 230-30-015, filed 6/15/84. Statutory Authority: RCW 9.46.070 (6) and (11). 81-21-033 (Order 114), § 230-30-015, filed 10/15/81. Statutory Authority: RCW 9.46.070(5). 81-13-032 (Order 109), § 230-30-015, filed 6/15/81; 79-07-019 (Resolution No. 90), § 230-30-015, filed 6/14/79; Order 48, § 230-30-015, filed 3/23/76; Order 21, § 230-30-015, filed 8/20/74; Order 9, § 230-30-015, filed 12/19/73.] Repealed by 97-14-015, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070 (14), (20).
- 230-30-016 Replacement of commission identification stamps on pull tab dispensing devices. [Statutory Authority: Chapter 9.46 RCW. 94-24-056 (Order 262), § 230-30-016, filed 12/5/94, effective 1/5/95. Statutory Authority: RCW 9.46.070 (5), (7), (8), (9), (11), (14) and (19). 84-13-038 (Order 140), § 230-30-016, filed 6/15/84; Order 48, § 230-30-016, filed 3/23/76.] Repealed by 97-14-015, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070 (14), (20).
- 230-30-018 Transfer of any gambling devices requiring identification and inspection services stamps to be affixed—Requirement

for documentation. [Statutory Authority: RCW 9.46.070 (8), (11) and (14). 88-13-060 (Order 179), § 230-30-018, filed 6/14/88. Statutory Authority: RCW 9.46.070 (5), (7), (8), (9), (11), (14) and (19). 84-13-038 (Order 140), § 230-30-018, filed 6/15/84; Order 23, § 230-30-018, filed 9/23/74.] Repealed by 97-14-015, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070 (14), (20).

Punchboard restrictions. [Statutory Authority: RCW 9.46.070. 94-07-084 (Order 250), § 230-30-060, filed 3/16/94, effective 4/16/94; 93-12-082, § 230-30-060, filed 5/28/93, effective 7/1/93. Statutory Authority: Chapter 9.46 RCW. 87-03-023 (Order 164), § 230-30-060, filed 1/13/87. Statutory Authority: RCW [9.46.]070 (1), (2) and (11) and [9.46.]110. 85-21-046 (Order 154), § 230-30-060, filed 10/14/85. Statutory Authority: RCW 9.46.070 (5), (7), (8), (9), (11), (14) and (19). 84-13-038 (Order 140), § 230-30-060, filed 6/15/84; Order 5, § 230-30-060, filed 12/19/73.] Repealed by 97-14-015, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070 (14), (20).

Punchboard/pull tab price per play to be posted. [Statutory Authority: RCW 9.46.070 (1)-(4), (7), (8), (11), (12), (14), (20) and 9.46.110 (3), (4). 95-23-109, § 230-30-065, filed 11/22/95, effective 1/1/96. Statutory Authority: RCW 9.46.070(11). 82-13-054 (Order 121), § 230-30-065, filed 6/14/82.] Repealed by 97-14-015, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070 (14), (20).

Punchboard and pull tab prize restrictions—Minimum percentage of prizes available. [Statutory Authority: RCW 9.46.070, 9.46.120, 9.46.0273, 9.46.310 and 34.05.313. 96-24-006 (Order 305), § 230-30-075, filed 11/21/96, effective 1/1/97. Statutory Authority: Chapter 9.46 RCW. 94-24-054 (Order 261), § 230-30-075, filed 12/5/94, effective 1/5/95. Statutory Authority: RCW 9.46.070. 93-04-007 (Order 236), § 230-30-075, filed 1/22/93, effective 2/22/93. Statutory Authority: RCW [9.46.]070 (1), (2), and (11) and [9.46.]110. 85-21-046 (Order 154), § 230-30-075, filed 10/14/85. Statutory Authority: RCW 9.46.070(11). 82-06-007 (Order 119), § 230-30-075, filed 2/19/82. Statutory Authority: RCW 9.46.070(10). 79-09-029 (Order 91), § 230-30-075, filed 8/14/79; Order 70, § 230-30-075, filed 5/24/77; Order 43, § 230-30-075, filed 11/28/75.] Repealed by 97-14-015, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070 (14), (20).

Punchboards and pull tabs to display name of its licensed manufacturer. [Statutory Authority: RCW 9.46.070. 93-12-082, § 230-30-100, filed 5/28/93, effective 7/1/93. Statutory Authority: RCW 9.46.070(13). 79-07-019 (Order 90), § 230-30-100, filed 6/14/79; Order 55, § 230-30-100, filed 6/25/76; Order 43, § 230-30-100, filed 11/28/75; Order 27, § 230-30-100, filed 11/15/74; Order 23, § 230-30-100, filed 9/23/74; Order 18, § 230-30-100, filed 5/21/74; Order 12, § 230-30-100, filed 2/14/74.] Repealed by 97-14-015, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070 (14), (20).

Only one flare may be used with a punchboard or pull tab series. [Order 43, § 230-30-105, filed 11/28/75.] Repealed by 97-14-015, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070 (14), (20).

Possession of duplicate numbered-color coded pull tab series prohibited. [Order 27, § 230-30-110, filed 11/15/74.] Repealed by 97-14-015, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070 (14), (20).

Flare to display pull tab series number. [Order 48, § 230-30-130, filed 3/23/76; Order 23, § 230-30-130, filed 9/23/74.] Repealed by 97-14-015, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070 (14), (20).

Punchboard and pull tab business restrictions. [Statutory Authority: RCW 9.46.070. 92-19-107 (Order 231), § 230-30-200, filed 9/18/92, effective 10/19/92. Statutory Authority: RCW 9.46.070(13). 81-13-033 (Order 110), § 230-30-200, filed 6/15/81; Order 18, § 230-30-200, filed 5/21/74; Order 5, § 230-30-200, filed 12/19/73.] Repealed

230-30-215 by 97-20-026, filed 9/22/97, effective 1/1/98. Statutory Authority: RCW 9.46.070 (14) and (20).
Trade-in of used pull tab dispensing devices permitted provided certain records are maintained. [Order 15, § 230-30-215, filed 4/17/74.] Repealed by 97-14-015, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070 (14), (20).

WAC 230-30-015 Repealed. See Disposition Table at beginning of this chapter.

WAC 230-30-016 Repealed. See Disposition Table at beginning of this chapter.

WAC 230-30-018 Repealed. See Disposition Table at beginning of this chapter.

WAC 230-30-025 Progressive jackpot pull tab series—Definitions—Restrictions—Operating procedures. For purposes of this title, the following definitions, restrictions, operating procedures, and recordkeeping requirements apply to progressive jackpot pull tab series[.]

(1) The following definitions apply to this section:

(a) ["Progressive jackpot"] means a prize awarded to the player who presents a pull tab designated as the winning progressive jackpot pull tab. The progressive jackpot is comprised of the starting jackpot prize and the accrued jackpot prize for that specific series, plus any accrued jackpot prize carried over from previous series;

(b) ["Jackpot accrual rate"] means the rate at which a progressive jackpot increases for each pull tab sold. The rate may be expressed as a percentage of gross gambling receipts or as a dollar value based on the price of a single pull tab;

(c) "Starting jackpot prize" means the base or minimum amount of a progressive jackpot for each series prior to any additions that are based on the jackpot accrual rate;

(d) "Accrued jackpot prize" means the dollar value of all additions to a progressive jackpot that relate to the number of pull tabs sold prior to the progressive jackpot being won or the series being removed from play;

(e) "Instant winners" means all prizes that are available from a progressive jackpot pull tab series, excluding the progressive jackpot;

(f) "Bank system" means a group of pull tab dispensing devices that are connected by an electronic computer network. This computer network determines the total gross gambling receipts received by all the devices in the network and calculates the level of a progressive jackpot associated with a pull tab series being played in the networked devices.

What are the operating conditions governing dispensing devices used for progressive jackpot pull tabs?

(2) Progressive jackpot pull tab dispensing devices may be operated under the following conditions:

(a) All machines in a bank system must be located in the same physical proximity on the license premises, so that players can observe all remaining pull tabs in a series;

(b) Each bank system must be linked to a computer system which records all sales and the accumulation of the progressive jackpot;

(c) A licensee may have more than one bank system operating at one time, but at no time shall a bank system exceed ten machines;

[(d) From the effective date of this rule, the number of progressive pull tab dispensing devices per location shall be limited to ten machines for commercial stimulant licensees and twenty machines for charitable or nonprofit licensees. The director may approve an increase in the number of machines upon receipt of a written request by the licensee if the director determines that the licensee is in compliance with all regulations and approval would not be detrimental to the interests of the commission and/or the public;]

What are the additional requirements for operating progressive jackpot pull tab series?

(3) Progressive jackpot pull tab series shall be conducted in the same manner as other pull tab series. In addition, the following requirements apply:

(a) An owner or licensed commercial or charitable or non-profit gambling manager shall be on the premises at all times during the operation of progressive jackpot pull tab series;

(b) Pull tabs shall be stored in secured locations with access limited to owners and licensed individuals only;

(c) The licensee shall have sufficient funds available to pay all prizes upon redemption of winning tabs. Failure to have sufficient funds available shall be *prima facie* evidence of defrauding the public in violation of RCW 9.46.190;

(d) The current progressive jackpot total must be clearly displayed near the bank of machines at all times during the sale of progressive pull tabs;

(e) One flare shall be prominently displayed near the bank of machines;

(f) The following are prohibited for use with progressive jackpot pull tab series:

(i) Substitute flares;

(ii) Merchandise prizes;

(iii) Last sale prizes;

(g) The operator must disclose the operating procedures regarding playing out a series or carrying over accrued prizes, as set forth in (4)(e) below; and

(h) After the retention period, unsold tabs shall be destroyed in such a manner that unopened winning tabs may not be found and used later.

What are the operating conditions governing prizes?

(4) The following conditions apply to prizes for progressive jackpot pull tab series:

(a) The instant winners shall be equal to or greater than forty percent of total gross gambling receipts available from the series;

(b) The starting jackpot must be at least equal to the value of the highest level instant winner;

(c) The minimum jackpot accrual rate shall be set at a level that will generate an accrued jackpot prize which, when added to the starting jackpot prize and instant winners, will equal or exceed sixty percent of the total gross gambling receipts available from the series;

[(d)] The manufacturer shall determine the starting jackpot [needed to meet the sixty percent payout requirement;] prize and corresponding jackpot accrual rate needed to meet the sixty percent payout requirement in (4)(a) and (b) above. This information shall be packaged with each series;

(e) For each progressive individual pull tab series, the maximum contribution to a progressive jackpot shall be five thousand dollars. This contribution amount shall specifically exclude any portion carried over from a previous series;

(f) Operators shall not remove a progressive jackpot pull tab series from play prior to the progressive jackpot being won: *Provided*, That operators may elect to remove a series from play only under the following conditions:

(i) The series is removed only prior to the beginning or at the end of any business day;

(ii) The accrued jackpot prize from the series and any previously carried over accrued jackpot prize shall be carried over to a new series within twenty-four hours;

(iii) The accrued jackpot prize shall be added to the starting jackpot amount from the new series when it is placed out for play; and

(iv) The starting jackpot of the subsequent series must be equal to or greater than the starting jackpot amount of the previous series.

How must winning tabs be redeemed?

(5) Winning tabs shall be redeemed in the same manner as required by WAC 230-30-070. The following requirements also apply:

(a) For jackpot prizes six hundred dollars and over, the winner's full name, address, and social security number shall be recorded on a separate form for purposes of compliance with federal tax provisions;

(b) At least the starting jackpot portion of the progressive jackpot shall be paid by check. The licensee shall record the check number in addition to the information required in WAC 230-30-070(5). These checks may not be cashed on the licensed premises; and

(c) All jackpot winning tabs must be defaced immediately upon receipt instead of within twenty-four hours.

What records must I keep, and for how long must they be retained?

(6) The following recordkeeping requirements apply to progressive jackpot pull tab series:

(a) All recordkeeping requirements outlined in WAC 230-08-010 must be followed. Licensees shall record progressive jackpot series on a separate monthly record, in a format prescribed by the commission. The following additional information must be recorded for each series:

(i) The starting jackpot amount;

(ii) The jackpot accrual rate;

(iii) The number of pull tabs sold out of each dispensing device;

(iv) If the progressive jackpot was awarded, the progressive jackpot amount;

(v) If the series was removed from play prior to the jackpot being won, the ending progressive jackpot amount;

(vi) All regular prizes awarded, excluding the progressive jackpot; and

(vii) Prizes paid by check;

(b) In addition to the retention requirements in WAC 230-30-072, progressive jackpot winning tabs and winner information, along with the flares, must be retained for one year from the date in which the series was removed from play.

What aspects of a progressive pull tab system require agency approval and what standards are applicable to this approval process?

(7) The director shall approve all progressive jackpot pull tab series, progressive jackpot dispensing devices, and computer software used to link dispensing devices, accrue jackpot prizes, and store data used in preparing records. Procedures for approval are as follows:

(a) Any costs related to this approval shall be billed to the persons requesting approval;

(b) The following progressive jackpot pull tab series requirements shall be approved prior to sale in Washington:

(i) The process used to manufacture the progressive jackpot series; and

(ii) The secondary win code system; and

(c) Computer software requiring the approval of the director shall be subject to the following standards;

(i) For each game, no person other than the maker of the software shall be able to alter data once it is input into the system; and

(ii) A record of transactions for a game must be retained in memory until the transactions have been totaled, printed, and cleared by the operator regardless of whether the unit's primary power source is interrupted.

[Statutory Authority: RCW 9.46.070 (1), (2), (4), (8), (11) and (14). 97-11-019, § 230-30-025, filed 5/13/97, effective 6/13/97. Statutory Authority: RCW 9.46.070, 9.46.120, 9.46.0273, 9.46.310 and 34.05.313. 96-24-006 (Order 305), § 230-30-025, filed 11/21/96, effective 1/1/97.]

Reviser's note: RCW 34.05.395 requires the use of underlining and deletion marks to indicate amendments to existing rules, and deems ineffectual changes not filed by the agency in this manner. The bracketed material in the above section does not appear to conform to the statutory requirement.

WAC 230-30-030 Punchboard and pull tab quality control program—Special inspections, defective devices, reimbursements, and fees. In order to ensure the integrity of punchboards and pull tab series, the commission shall establish and maintain a quality control program. This program shall include a level of inspection and evaluation deemed necessary by commission staff to assure standards set forth in this title are met. The cost of administering this program shall be borne by licensed manufacturers. The quality control program shall include at least the following:

(1) Special inspections - the commission shall have the authority to select any punchboard or pull tab series, whether held by an operator, storage service, distributor, or manufacturer and to examine the quality and/or integrity of the punchboard or pull tab series in any manner, including punching out or pulling all chances remaining thereon. Manufacturers shall be responsible for reimbursing distributors or operators for unused games selected by the commission for quality control testing purposes. The reimbursement process shall be determined by commission policy. Manufacturers may be billed for the cost of quality control

investigations which exceed forty hours of commission staff time.

(2) Defective punchboards or pull tab series - each punchboard or pull tab series which is deemed to be defective or unplayable shall be treated as follows, based on the status of the game:

(a) No punchboard or pull tab series which has been placed out for play and for which punches or tabs have been sold shall be returned to the distributor or manufacturer without commission approval. Upon discovery of a defect, the operator shall remove the board or series from play and notify the commission. The commission shall complete a quality control report which shall be used to return the board or series to the distributor or manufacturer; and

(b) Defective or recalled boards or series which have not yet been opened may be returned to the distributor or manufacturer without a quality control report.

(3) Credits or reimbursements for defective punchboards or pull tab series:

(a) Manufacturers shall reimburse distributors or operators for the cost of a replacement board or series which comply with subsection (2) of this section;

(b) Manufacturers may, at their discretion, reimburse operators for only actual net losses resulting from the play of a board or series due to its defect; and

(c) Credits and reimbursements for defective punchboards or pull tab series shall be handled as follows:

(i) All boards or series returned to a distributor or manufacturer shall be properly recorded on a credit memo in accordance with WAC 230-08-025; and

(ii) Reimbursements of actual net losses incurred from manufacturers to operators may be given through a credit memo to a distributor or a check to the operator. Adequate supporting documentation for all reimbursements must be retained by the manufacturer.

(4) Commission fees to recover costs for defective punchboards or pull tab series - the commission may assess a fee not to exceed one hundred dollars for each defective punchboard or pull tab series sold to operators for which a quality control report is completed. In addition, this fee shall not be assessed beyond the fifth series of a particular form number with the same defect.

[Statutory Authority: RCW 9.46.070 (5), (6), (11), (14). 97-14-012, § 230-30-030, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070(6). 89-21-069 (Order 198), § 230-30-030, filed 10/17/89, effective 11/17/89. Statutory Authority: RCW 9.46.070 (1), (4), (5), (6), (7), (11), (14) and (17) and 9.46.310. 85-01-065 (Order 145), § 230-30-030, filed 12/18/84. Statutory Authority: RCW 9.46.070 (5), (7), (8), (9), (11), (14) and (19). 84-13-038 (Order 140), § 230-30-030, filed 6/15/84; Order 5, § 230-30-030, filed 12/19/73.]

WAC 230-30-040 Bonus pull tab—Definitions—Restrictions. For purposes of this title, the following definition and requirements apply to bonus pull tab series:

(1) Bonus pull tab series definition - A pull tab series that includes a predetermined number of pull tabs which allow a player the opportunity to advance to a bonus section to determine the prize.

What are the requirements of bonus pull tab games?

(2) Bonus pull tab series must comply with the following:

(a) Each flare shall clearly set out the following:

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(i) All prizes available, in accordance with WAC 230-30-106;

(ii) The number of chances available to advance and win a larger prize; and

(iii) The number of winning tabs at each prize level;

(b) Only guaranteed or minimum prizes may be used in calculating the sixty percent payout required by WAC 230-30-080.

(c) The following are prohibited for use with bonus pull tab series:

(i) Substitute flares;

(ii) Merchandise prizes; and

(iii) "Last sale" prizes.

[Statutory Authority: RCW 9.46.070 (5), (6), (11), (14). 97-14-012, § 230-30-040, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070, 9.46.120, 9.46.0273, 9.46.310 and 34.05.313. 96-24-006 (Order 305), § 230-30-040, filed 11/21/96, effective 1/1/97.]

WAC 230-30-045 Pull tab series with carry-over jackpots—Definitions—Requirements. Operators may utilize pull tab series that are specifically designed to include carry-over jackpots. The following definitions and requirements shall apply to these series:

What definitions apply?

(1) Definitions which apply to pull tab series with carry-over jackpots:

(a) "Carry-over jackpot" means a prize pool that is composed of accumulated contribution amounts from pull tab series which, if not won, are carried over to other pull tab series;

(b) "Contribution amount" means the amount from each series which is added to the carry-over jackpot; and

(c) "Guaranteed prizes" means all prizes available to be won, excluding the contribution amount or carry-over jackpot;

What are the requirements that apply to prizes and prize payout calculations?

(2) The following requirements apply to carry-over jackpot prizes and prize payout calculations:

(a) Guaranteed prizes must be 60% or more of gross receipts available from the pull tab series;

(b) The contribution amount for each series may not be more than five hundred dollars;

(c) The contribution amount and the method of play shall be determined by the manufacturer and disclosed on the flare;

(d) At no time shall an accumulated carry-over jackpot exceed two thousand dollars. Once it reaches this amount, the two thousand dollars accumulated carry-over jackpot shall be carried over to subsequent series until won; and

(e) The carry-over jackpot must be awarded. Failure to have sufficient funds available, or any attempt by an operator to utilize carry-over jackpots for personal or organizational purposes, shall be *prima facie* evidence of defrauding the players in violation of RCW 9.46.190;

What additional requirements apply?

(3) The following additional requirements apply to pull tab series with carry-over jackpots:

(a) If bonus pull tab series are used:

(i) The odds of winning the carry-over jackpot shall not exceed one winner out of ten chances, or the probability of winning the carry-over jackpot shall be .10 or higher, at the jackpot level;

(ii) There may only be one advance level on the flare;

(iii) There shall be at least one guaranteed chance to win the carry-over jackpot;

(iv) All chances that are included on the flare shall be covered in a manner that prevents determination of the concealed numbers or symbols prior to being opened by the player. If perforated windows are used, the numbers or symbols must be covered by latex, foil, or other approved means; and

(v) Standards for bonus pull tab flares, as set forth in WAC 230-30-106, shall apply;

(b) The maximum ticket count for pull tab series with carry-over jackpots shall be six thousand tickets; and

(c) The secondary win codes on pull tab series with carry-over jackpots must not repeat within a three-year period;

What operating and recordkeeping requirements apply?

(4) The following operating and recordkeeping requirements apply to pull tab series with carry-over jackpots:

(a) If the chances of winning the carry-over jackpot are obtained and the carry-over jackpot is not won, the series shall be removed from play within seven operating days;

(b) If a carry-over jackpot is not won prior to removing a series from play, it shall be carried over to a new series within one operating day from when the series was removed from play. The accrued contribution amounts from all previous series shall be added to the contribution amount from the new series, up to two thousand dollars;

(c) The following additional records must be maintained for pull tab series with carry-over jackpots:

(i) For carry-over jackpots six hundred dollars and over, the winner's full name, address, and Social Security number shall be recorded on a separate form for income tax purposes;

(ii) Each pull tab series contributing to a specific carry-over jackpot must be retained as one series. The retention period for these series shall be as required by WAC 230-30-072(3): *Provided*, That the retention period shall start on the last day of the month in which the carry-over jackpot was awarded rather than when the series was removed from play; and

(iii) Operators are required to maintain a separate record documenting the flow of carry-over jackpots from one game to another in a format prescribed by the commission; and

What aspects of games must be approved prior to sale?

(5) The director shall approve the following aspects of all pull tab games with carry-over jackpots prior to sale in Washington state:

(a) The design, payout, method of play, and flare for each pull tab series;

(b) The manufacturing process for the pull tab series and flares; and

(c) The secondary win code system for the pull tab series.

(6) The fee charged for identification and inspection services stamps shall be set at one dollar for pull tab series with carry-over jackpots.

[Statutory Authority: RCW 9.46.070 (2), (11) and (14). 97-19-083, § 230-30-045, filed 9/16/97, effective 1/1/98.]

WAC 230-30-050 Punchboard and pull tab operating restrictions and dispensing limitations. The following operating restrictions and dispensing limitations apply to punchboards and pull tabs:

(1) No person under the age of eighteen years and no person visibly intoxicated or visibly under the influence of any narcotic, shall be allowed to play or sell any punchboard or pull tab series. It shall be the responsibility of both the licensee and the person physically operating the punchboard or pull tab series to determine and ensure that no unauthorized person is allowed to play or sell.

(2) No operator shall permit the display or operation of any punchboard or pull tab which may have in any manner been marked, defaced, tampered with or otherwise placed in a condition, or operated in a manner, which may deceive the public or which affects the chances of winning or losing upon the taking of any chance thereon.

(3) No punchboard or pull tab series shall be placed out for play unless it meets the requirements of WAC 230-30-080.

(4) Once placed out for play, a punchboard or pull tab series flare may not be modified or otherwise changed, except for the deletion of prizes as required by WAC 230-30-070.

(5) All records, reports and receipts relating to a punchboard or pull tab series in play must be retained on the licensed premises so long as the series or punchboard is in play and be made available on demand to law enforcement officers and representatives of the commission.

(6) Pull tab dispensing limitations:

(a) No pull tab shall be added to a series of pull tabs after that series has been shipped from its place of manufacture;

(b) All pull tabs must be sold from a commission approved dispensing device or a transparent container. If sold from a transparent container, the pull tabs must be visible to the players so that the players are able to estimate the number of chances remaining in the series;

(c) All pull tabs in a series must be thoroughly mixed prior to being placed in a dispensing device or clear container and being offered for sale. Failure to mix may result in a minimum five-day suspension of license for each series not mixed;

(d) Licensees may assemble pull tabs into bundles with a sales price of up to twenty dollars: *Provided*, That the bundles must be thoroughly mixed prior to sale to the public;

(e) No person shall put out any pull tab series for play unless the series of pull tabs is wholly contained within the device or container used for dispensing that series. In cases where a spindle is used, the series of pull tabs may sit upon the device or container used for dispensing that series: *Provided*, That progressive jackpot pull tab games, as authorized by WAC 230-30-025, may utilize more than one machine for a series;

(f) No pull tab series, or any portion thereof, shall be placed in any pull tab dispensing device or container until any other series of pull tabs previously in the device or container has been played out or permanently removed from play: *Provided*, That in the use of a multiple series dispensing device, each series shall be played independently and in accordance with this provision;

(g) Once placed out for play, no pull tab shall be removed from the dispensing device or container until it is sold or the series is permanently removed from play, except only:

(i) Those pull tabs removed by commission representatives or other law enforcement agency inspecting the device; or

(ii) Those tabs temporarily removed during necessary repair or maintenance of the dispensing device or container; and

(7) Any punchboard or pull tab series that is permanently removed from play shall not be placed out for further play under any circumstances: *Provided*, That boards or series may be temporarily removed from play for any of the following reasons and returned to normal play at a later time:

(a) Pull tab series removed under authority of subsection (6)(g);

(b) To reserve a game for a specific player when:

(i) The licensee has established house rules for reserving games that include reasons or conditions for reserving such games and the maximum time for which a game may be reserved;

(ii) The house rules are clear in meaning and posted in a manner that players can observe; and

(iii) The board or series is clearly identified as reserved;

(c) A board or series is designated to be played during certain hours of the licensee's operation, such as "happy hour." Such games shall be clearly identified and house rules shall be posted regarding hours of play and/or other conditions affecting play.

[Statutory Authority: RCW 9.46.070 (5), (6), (11), (14). 97-14-012, § 230-30-050, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070 (1)-(4), (7), (8), (11), (12), (14), (20) and 9.46.110 (3), (4). 95-23-109, § 230-30-050, filed 11/22/95, effective 1/1/96. Statutory Authority: RCW 9.46.070. 94-11-095 (Order 251), § 230-30-050, filed 5/17/94, effective 7/1/94. Statutory Authority: RCW 9.46.070 and chapter 34.05 RCW. 90-21-053, § 230-30-050, filed 10/15/90, effective 11/15/90. Statutory Authority: RCW 9.46.070 (4), (8), (11) and (14). 86-07-037 (Order 155), § 230-30-050, filed 3/14/86. Statutory Authority: RCW 9.46.020 (1) and (23) and 9.46.070(1). 85-11-023 (Order 150), § 230-30-050, filed 5/13/85. Statutory Authority: RCW 9.46.070(8). 81-21-033 (Order 114), § 230-30-050, filed 10/15/81; Order 5, § 230-30-050, filed 12/19/73.]

WAC 230-30-055 Standards for construction of punchboards. All punchboards sold for use in the state of Washington must comply with the following standards:

(1) **Patterns:** The punchboard shall be designed and manufactured with special care so as to eliminate any patterns between punchboards, or portions of punchboards, from which the location or approximate location of winning punches may be determined. Winning punches shall be randomly distributed and mixed among all other punches in the punchboard. Manufacturers shall employ at least the following steps to insure that no pattern exists.

(a) The form or permanent number sheets shall be mixed prior to cutting;

(b) After the strips (straws) have been crimped, all strips shall be thoroughly mixed prior to insertion in punchboards;

(c) When filling punchboards, workers shall alter the procedures for filling each separate set, so as to prevent any pattern between sets of punchboards; and

(d) No more than eight punchboards from any one set of boards shall be included in any case of punchboards for shipment to Washington.

(2) **Serial numbers:** Serial numbers set forth on the form or permanent number sheets shall be nonsequential so as to ensure that no pattern is created which would permit the tracking of boards through the serial number.

(3) **Guaranteed numbers:** All numbers or symbols designated as winners on the flare must be guaranteed by the manufacturer as being present in the board. The manufacturer may at their option place a sticker or equivalent on the back of each punchboard setting forth additional numbers or symbols that are guaranteed to be in the board. The additional numbers or symbols on the back of the board shall not exceed 5% of the total punches in the board without the written permission of the commission.

(4) **Security:** All punchboards must be sealed so it is impossible to determine the number or symbol of any punch prior to being punched out of the board by any method or device including but not limited to the use of markings or light. Punchboards which have taped sides, corners, or edges are prohibited.

(5) **Step-up boards:**

(a) All cards, straws, or punches that contain the winners in the step-up portion of any punchboard shall be completely sealed so as to prevent premature winner identification and such items shall be thoroughly mixed so as to ensure that no pattern of winners exists.

(b) Step-up boards that contain winners covered by seals must have at least twenty-five different face sheets for use on that specific step-up board. Face sheets shall be utilized in such a manner so as to ensure random distribution during the manufacturing process.

[Statutory Authority: RCW 9.46.070 (5), (6), (11), (14). 97-14-012, § 230-30-055, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070 (11) and (14). 87-24-016 (Order 173), § 230-30-055, filed 11/23/87.]

WAC 230-30-060 Repealed. See Disposition Table at beginning of this chapter.

WAC 230-30-065 Repealed. See Disposition Table at beginning of this chapter.

WAC 230-30-070 Control of prizes—Restrictions—Bonus prizes—Displaying—Procedures for awarding. Punchboard and pull tab prizes shall be closely controlled to ensure players are not defrauded.

What may be awarded as a punchboard or pull tab prize?

(1) All prizes from the operation of punchboards and pull tabs shall be awarded in cash or in merchandise.

(a) No licensee shall offer to pay cash in lieu of merchandise prizes which may be won.

(b) For purposes of this rule, the retail value of a merchandise prize shall be the amount actually paid by the licensed operator plus 50 percent of that actual cost.

(2) Additional chances on a punchboard or pull tab game may not be awarded as a prize. Provided, That prizes may involve the opportunity to advance and win a larger prize on the same punchboard or pull tab game as set forth in subsection (4) of this section.

What is a bonus prize?

(3) A bonus prize is a prize offered in a bonus pull tab game, defined in WAC 230-30-040(1). A step-up prize is a prize offered on a punchboard. The awarding of these prizes involves an immediate, additional opportunity to advance to a section of the game to determine the prize.

What additional requirements apply to the offering of bonus or step-up prizes?

(4) On games where players advance, the bonus or step-up prizes may not be less than the highest prize available, which might otherwise have been won by the punch or pull tab for which the opportunity was awarded. Each punchboard or pull tab game offering bonus or step-up prizes must clearly indicate on its flare the terms and conditions under which the bonus or step-up prize may be won, including the amount of the bonus or step-up prize.

How must prizes be displayed?

(5) The licensee shall display prizes so that a customer can easily determine which prizes are available from any particular punchboard or pull tab series or device operated or located upon the premises. In addition, the following requirements apply.

(a) Merchandise prizes shall be displayed as follows:

(i) In the immediate vicinity of the punchboard or pull tab series and in plain view;

(ii) If size or space constraints do not allow the prize to be displayed as provided in (a)(i) of this subsection, the merchandise prize may be displayed elsewhere on the premises provided that a specific reference to that actual prize is noted on the flare; or

(iii) If the merchandise prize cannot be displayed on the premises, an accurate description and/or photograph of the prize must be displayed in plain view on or immediately adjacent to the flare.

(b) Cash prizes shall be clearly represented on the prize flare;

(c) Combination cash and merchandise prizes must meet the requirements of both (a) and (b) of this subsection;

What is the procedure for removing prizes from flares and presenting prizes to winning players?

(6) The following procedures apply to the removal of prizes from the game flare and the presentation of prizes to winning players:

(a) Upon determination of a winner of a merchandise prize, the licensee shall immediately remove that prize from the flare and present the prize to the winner upon demand;

(b) Upon determination of a winner of any cash prize over twenty dollars, or of any merchandise prize with a retail value over twenty dollars, the licensee shall permanently and conspicuously delete all references to that prize from any

flare, punchboard, or pull tab dispensing device upon which such reference may appear, and from any other list, sign, or notice which may be posted, in such a manner that all future customers will know the prize is no longer available. On step-up punchboards and bonus pull tab games, once all opportunities in a section of the flare have been won, all references to prizes no longer available to be won must be deleted on the flare. Operators may correct an inadvertently deleted prize by noting on the flare that such prize is still available. Such reference shall be permanently and conspicuously deleted when the prize is actually awarded. Failure to permanently and conspicuously delete a prize from the flare may result in the director initiating actions to revoke a license for violation of RCW 9.46.190 (defrauding a participant). The prize shall be paid or delivered to the winner only after all reference to such prize has been deleted from the flare.

What must I do if someone buys out a punchboard or pull tab game?

(7) Payment of prizes. The licensee must pay or award to the customer or player playing the punchboard or pull tab series all such prizes that are required to be, but have not been, deleted from the flare when the punchboard or pull tab series is completely played out.

What is the procedure for redemption of winning pull tabs or punches?

[(8)] Record of winners. When any person wins a cash prize of over twenty dollars or wins a merchandise prize with a retail value of more than twenty dollars from the play of any punchboard or pull tab series, the licensee or licensee's representative shall make a record of the win. The record of the win shall be made in the following manner:

(a) The winners shall be required to print their name and date of birth, in ink, upon the side of the winning punch or tab opposite the winning symbol(s);

(b) The licensee or their representative shall then verify the winner's identity and record the date and initial the winning punch or tab; and

(c) If the pull tab or punch is constructed or printed in such a manner as to preclude recording the information required in (a) and (b) of this subsection in a legible manner, the licensee may record the required information on a sheet of paper not less than three inches by five inches and staple the winning tab or punch thereto.

[(9)] Defacing winning punches or tabs. The licensee shall, within twenty-four hours after a winning pull tab or punch of twenty dollars or more has been presented for payment, mark or perforate the winning symbols in such a manner that the pull tab or punch cannot be presented again for payment.

What special operating conditions apply to spindle, banded, or jar type pull tab games which award merchandise prizes only?

(10) Spindle, banded, or "jar" type pull tabs played in a manner which awards merchandise prizes only. Pull tab series which award only merchandise prizes valued at no more than twenty dollars, are hereby permitted to employ schemes whereby certain predesignated pull tabs are free or

the player is otherwise reimbursed the actual cost of said pull tabs. Flares for spindle-type pull tabs operated in this manner shall designate the total number of pull tabs in the series and the total number of pull tabs designated as free or reimbursable. Free or reimbursable pull tabs in these types of pull tab series shall not constitute a prize or prizes nor shall moneys collected and later reimbursed constitute revenue for the purposes of determining gross gambling receipts.

[Statutory Authority: RCW 9.46.070 (5), (6), (11), (14). 97-14-012, § 230-30-070, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070, 9.46.120, 9.46.0273, 9.46.310 and 34.05.313. 96-24-006 (Order 305), § 230-30-070, filed 11/21/96, effective 1/1/97. Statutory Authority: RCW 9.46.070 (1)-(4), (7), (8), (11), (12), (14), (20) and 9.46.110 (3), (4). 95-23-109 and 95-24-048, § 230-30-070, filed 11/22/95 and 11/30/95, effective 1/1/96. Statutory Authority: RCW 9.46.070. 94-23-094, § 230-30-070, filed 11/17/94, effective 1/1/95. Statutory Authority: Chapter 9.46 RCW. 91-21-053 (Order 228), § 230-30-070, filed 10/15/91, effective 11/15/91. Statutory Authority: RCW 9.46.070. 90-24-005 (Order 218), § 230-30-070, filed 11/26/90, effective 12/27/90. Statutory Authority: RCW 9.46.070 (11) and (14). 90-11-058, § 230-30-070, filed 5/15/90, effective 6/15/90. Statutory Authority: RCW 34.05.220(4), [34.05].230 and 9.46.070 (11) and (14). 90-05-032 (Order 205), § 230-30-070, filed 2/14/90, effective 3/17/90. Statutory Authority: RCW 9.46.070 (11) and (14). 89-17-056 (Order 196), § 230-30-070, filed 8/15/89, effective 9/15/89. Statutory Authority: RCW 9.46[.070] (8), (14). 87-17-052 (Order 171), § 230-30-070, filed 8/18/87. Statutory Authority: Chapter 9.46 RCW. 87-03-023 (Order 164), § 230-30-070, filed 1/13/87. Statutory Authority: RCW [9.46.]070 (1), (2) and (11) and [9.46.]110. 85-21-046 (Order 154), § 230-30-070, filed 10/14/85. Statutory Authority: RCW 9.46.070 (8), (11) and (14). 85-03-024 (Order 142), § 230-30-070, filed 1/9/85. Statutory Authority: RCW 9.46.070 (8) and (11). 82-01-065 and 82-03-033 (Order 115 and 116), § 230-30-070, filed 12/18/81 and 1/18/82; 81-21-033 (Order 114), § 230-30-070, filed 10/15/81. Statutory Authority: RCW 9.46.070(10). 79-09-029 (Order 91), § 230-30-070, filed 8/14/79; Order 43, § 230-30-070, filed 11/28/75; Order 29, § 230-30-070, filed 1/23/75; Order 27, § 230-30-070, filed 11/15/74; Order 23, § 230-30-070, filed 9/23/74; Order 14, § 230-30-070, filed 3/27/74; Order 12, § 230-30-070, filed 2/14/74; Order 5, § 230-30-070, filed 12/19/73.]

Reviser's note: RCW 34.05.395 requires the use of underlining and deletion marks to indicate amendments to existing rules, and deems ineffectual changes not filed by the agency in this manner. The bracketed material in the above section does not appear to conform to the statutory requirement.

WAC 230-30-072 Punchboard and pull tab inventory control—Retention requirements—Audit adjustments. Each punchboard and pull tab series purchased or otherwise obtained by an operator shall be controlled and accounted for. Each operator shall closely monitor punchboard and pull tab series purchased to assure that Washington state identification and inspection service stamp numbers are correctly entered in all records and each device purchased is properly recorded. The following control procedures apply:

(1) The delivery/receipt of punchboards and pull tab series shall be recorded as follows:

(a) All purchases of punchboards or pull tab series shall be recorded on a standard distributor's invoice, which will be used by the operator as a record to account for the punchboard or pull tab series between the time it is purchased and removed from play. Each invoice shall include space for the operator to attach the records entry label from the device and the date the device was placed out for play: *Provided*, That in lieu of the distributor's invoice recording system, licensees utilizing a computerized recordkeeping system may use a separate inventory record to account for purchases and uses of punchboards and pull tabs as long as

all necessary information is recorded. For these records, a computer generated facsimile of the stamp number may be imprinted on the inventory record in lieu of a records entry label.

(b) At the time a punchboard or pull tab series is delivered, each operator will assure that all required data is correctly recorded by the distributor by comparing the actual Washington state identification and inspection services stamp number attached to each punchboard and pull tab series to the number recorded on the purchase invoice;

(2) At the time a punchboard or pull tab series is placed into play, each operator shall record in the allotted space on the distributor's invoice or the inventory record the following:

(a) Date placed into play; and

(b) Washington state identification and inspection services stamp number by attaching a records entry label.

(3) Each punchboard or pull tab series which is removed from play, together with the prize flare, all unplayed tabs, and all winning punches or tabs, shall be retained by the operator and made available for inspection, on the licensed premises, by commission agents and/or local law enforcement and taxing agencies. If devices are stored off premises, they must be produced for inspection upon demand. The minimum retention time for devices removed from play shall be:

(a) Charitable or nonprofit licensees - at least four months following the last day of the month in which the device was removed from play;

(b) Commercial stimulant licensees - at least two months following the last day of the month in which the device was removed from play: *Provided*, That all winning punches or pull tabs in excess of twenty dollars shall be retained for at least ninety days following the day the device was removed from play: *Provided further*, That any commercial stimulant licensee who fails to comply with all recordkeeping requirements of this title or who misstates gross gambling receipts by more than one percent during any calendar quarter shall be required, after written notification by the director, to retain all devices for at least four months following the last day of the month in which it was removed from play. Any licensee so restricted may petition the director to remove the increased retention requirement imposed after a minimum of one year. Any such petition shall include documentation of the steps taken to correct recordkeeping deficiencies. For purposes of computing gross gambling receipts for determining compliance with the recording accuracy requirement, the procedures in subsection (6) of this section apply; and

(c) In addition to (a) and (b) of this subsection, additional retention requirements may apply to specially authorized pull tab series;

(4) Each punchboard or pull tab series which is not placed out for play or returned to the distributor or manufacturer from whom it was originally purchased, must be retained on the licensed premises and made available for inspection by the commission and/or local law enforcement and taxing agencies: *Provided*, That devices may be stored off premises if they are produced for inspection upon demand;

(5) Each punchboard or pull tab series which has been placed out for play and is subsequently returned to a

distributor or manufacturer is exempt from the retention requirements in subsection (3) of this section. The operator must retain a copy of the quality control report for the retention period normally applicable and must record each game on its monthly record required by WAC 230-08-010. If a device is returned to a distributor for any reason, including commission required recall, the operator shall record the date, invoice or credit memo number, and "returned" on the original purchase invoice or inventory record on the corresponding entry for the device;

(6) For purposes of compliance with the requirements of this section and license class compliance, gross gambling receipts from the operation of punchboards and pull tabs shall be adjusted for commission staff audit findings by using the following procedures:

(a) Unrecorded devices - gross gambling receipts shall be increased to account for any unrecorded devices purchased by an operator by adding the maximum amount that could be generated from the device, as determined by multiplying the total number of chances available by the price of a single chance. The adjustment shall be made to the records for the month in which the device was purchased; and

(b) Recording errors - gross gambling receipts shall be increased or decreased by an adjustment factor that is based upon the results of an audit of a sample of at least five devices randomly selected by the commission staff. The adjustment factor shall be determined by dividing the audited amount for the sample group of devices by the recorded amount for the same devices. The resulting product of this equation shall be applied to the total recorded gross gambling receipts for the calendar quarter from which the sample was taken and to the immediately preceding three quarters.

[Statutory Authority: RCW 9.46.070 (5), (6), (11), (14). 97-14-012, § 230-30-072, filed 6/20/97, effective 7/21/97. Statutory Authority: Chapter 9.46 RCW. 94-24-054 (Order 261), § 230-30-072, filed 12/5/94, effective 1/5/95. Statutory Authority: RCW 9.46.070. 94-07-084 (Order 250), § 230-30-072, filed 3/16/94, effective 4/16/94. Statutory Authority: RCW 9.46.070 (7), (8), (9) and (17). 93-13-063 (Order 241), § 230-30-072, filed 6/17/93, effective 7/18/93. Statutory Authority: RCW 9.46.070(6). 89-21-069 (Order 198), § 230-30-072, filed 10/17/89, effective 11/17/89. Statutory Authority: RCW 9.46.070 (8), (11) and (14). 88-13-060 (Order 179), § 230-30-072, filed 6/14/88.]

WAC 230-30-075 Repealed. See Disposition Table at beginning of this chapter.

WAC 230-30-080 Punchboard and pull tab series restrictions—Prizes, size of game, and location of winners. No operator, distributor, or manufacturer, or representative thereof shall possess, display, put out for play, sell, or otherwise transfer to any person in this state, or for use in this state, any punchboard or pull tab series which:

(1) Does not offer prizes that are equal to or greater than sixty percent of the total gross receipts available from the punchboard or pull tab series. The following applies to the sixty percent calculation:

(a) For the purposes of determining the percentage of prizes offered on any punchboard, or in any pull tab series, total merchandise prizes shall be computed at the amount actually paid by the licensed operator plus fifty percent of that actual cost; and

(b) Prize and percentage requirements for progressive pull tab series shall be calculated as set forth in WAC 230-30-025;

(2) Offers a single prize that exceeds:

(a) Five hundred dollars in cash: *Provided*, That progressive jackpot pull tab prizes, as authorized in WAC 230-30-025 shall be exempt from this requirement and shall be subject to the limits defined in those rules; or

(b) A merchandise prize, or combination cash-merchandise prize, for which the operator has expended more than five hundred dollars;

(3) Has multiple winners on an individual pull tab or punch that combined values exceed the single cash or merchandise prize limit in subsection (2) of this section;

(4) Offers prizes for purchasing the last ticket or last punch that exceeds:

(a) One hundred dollars cash; or

(b) Merchandise for which the licensee has expended more than one hundred dollars; or

(c) The highest prize offered, whichever is less;

(5) Contains more than ten thousand individual pull tabs: *Provided*, That progressive jackpot pull tab series, as authorized by WAC 230-30-025, may contain up to fifty thousand individual pull tabs;

(6) Utilizes a flare which does not meet the requirements of WAC 230-30-106;

(7) The winning punches or tabs have not been randomly distributed and mixed among all other punches or tabs in the board or series;

(8) The location, or approximate location, of any winning punches or tabs can be determined in advance of punching the punchboard or opening the tabs in any manner or by any device, by markings on the board, tabs, or container, or by use of a light;

(9) There exists a key to any winning numbers or symbols; or

(10) Does not conform in any other respect to the requirements of WAC rules as to the manufacture, assembly, or packaging of punchboards or pull tabs.

[Statutory Authority: RCW 9.46.070 (5), (6), (11), (14). 97-14-012, § 230-30-080, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070, 9.46.120, 9.46.0273, 9.46.310 and 34.05.313. 96-24-006 (Order 305), § 230-30-080, filed 11/21/96, effective 1/1/97. Statutory Authority: RCW 9.46.070 (1)-(4), (7), (8), (11), (12), (14), (20) and 9.46.110 (3), (4). 95-23-109, § 230-30-080, filed 11/22/95, effective 1/1/96. Statutory Authority: RCW 9.46.070. 93-12-082, § 230-30-080, filed 5/28/93, effective 7/1/93. Statutory Authority: RCW 9.46.070(11). 91-10-004 (Order 222), § 230-30-080, filed 4/18/91, effective 5/19/91. Statutory Authority: Chapter 9.46 RCW. 91-05-047 (Order 220), § 230-30-080, filed 2/14/91, effective 3/17/91. Statutory Authority: RCW 9.46.030 (2) and (3) and 9.46.070 (11) and (14). 83-19-024 (Order 136), § 230-30-080, filed 9/13/83. Statutory Authority: RCW 9.46.070(14). 81-19-073 (Order 112), § 230-30-080, filed 9/15/81. Statutory Authority: RCW 9.46.070(10). 79-07-019 (Order 90), § 230-30-080, filed 6/14/79; Order 55, § 230-30-080, filed 6/25/76; Order 43, § 230-30-080, filed 11/28/75; Order 15, § 230-30-080, filed 4/17/74; Order 9, § 230-30-080, filed 12/19/73, 1:26 p.m.; Order 5, § 230-30-080, filed 12/19/73, 1:25 p.m.]

WAC 230-30-100 Repealed. See Disposition Table at beginning of this chapter.

WAC 230-30-102 Pull tab series assembly and packaging. (1) Manufacturers of pull tabs shall assemble and package each pull tab series in one container: *Provided*,

That progressive jackpot pull tab games, as authorized by WAC 230-30-025, may be packaged in more than one container under the following conditions;

(a) All boxes are shrink wrapped and sealed with a sticker or seal of the manufacturer;

(b) Each individual box must be identically labeled with a manufacturer designed referencing system to include:

(i) Individual box reference and total boxes per series;

(ii) Series number; and

(iii) Identification and inspection services stamp number;

(c) Each case must be labeled to include:

(i) Case reference and total cases per set; and

(ii) Series number; and

(d) Each box and/or case must be packaged and shipped together. Cases must be specially marked to easily identify the contents during shipping.

(2) Winning pull tabs shall be randomly distributed and mixed among all other pull tabs in a series so as to eliminate any pattern as between series, or portions of series, from which the location or approximate location of any of the winning tabs may be determined. The pull tab series must be assembled so that no placement of winners or losers exist that allows the possibility of prize manipulation or "pick out."

(3) Manufacturers will mix pull tabs prior to placing them in their final packing container. The mix shall insure that pull tabs are separated from the original collated row position and dispersed amongst all rows in the final packing container.

(4) Each series of pull tabs shall contain a packing slip placed inside the package containing the name of manufacturer, series number, date the series was packaged, and the name or identification of the person who packaged the series: *Provided*, That this information may be printed on the flare or the outside of the package, box or container in which the pull tabs are packed. This information must be readily available to commission staff from the manufacturer upon request. For progressive jackpot pull tab games, the packing slip and flare must be packaged with the first box of the series.

(5) Manufacturers of pull tabs shall print on the outside of the box, package, or other container of pull tabs the message that pull tabs must be removed from the packaging container and thoroughly mixed prior to sale to the public: *Provided*, That the above information may be printed on a crack and peel sticker and placed on the outside of the box, package, or other container of pull tabs or on a packing slip placed inside the package of pull tabs. *Provided further*, That packages of jar tickets may be exempt from this requirement upon the director's approval.

[Statutory Authority: RCW 9.46.070 (5), (6), (11), (14). 97-14-012, § 230-30-102, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070, 9.46.120, 9.46.0273, 9.46.310 and 34.05.313. 96-24-006 (Order 305), § 230-30-102, filed 11/21/96, effective 1/1/97. Statutory Authority: RCW 9.46.070. 94-07-084 (Order 250), § 230-30-102, filed 3/16/94, effective 4/16/94. Statutory Authority: Chapter 9.46 RCW. 91-21-053 (Order 228), § 230-30-102, filed 10/15/91, effective 11/15/91. Statutory Authority: RCW 9.46.070 and chapter 34.05 RCW. 90-21-053, § 230-30-102, filed 10/15/90, effective 11/15/90. Statutory Authority: RCW 9.46.070 (8), (11) and (14). 85-03-024 (Order 142), § 230-30-102, filed 1/9/85; Order 78, § 230-30-102, filed 11/17/77; Order 43, § 230-30-102, filed 11/28/75.]

WAC 230-30-103 Standards for construction of pull tabs. (1) Determination of winners prohibited.

(a) Pull tabs shall be constructed and glued, sealed, or banded so that it is impossible to determine the covered or concealed numbers, symbol, set of symbols, or game protection on the pull tab until it has been dispensed to and opened by the player, by any method or device, including but not limited to, markings, variance in size, variance in paper fiber, color or printing variations or light.

(b) All pull tabs will be constructed to insure that, when offered for sale to the public, the pull tab is virtually opaque and free of security defects wherein winning pull tabs cannot be determined prior to being opened through the use of high intensity lights, peeking, or any other method.

(2) All pull tabs, except banded and latex covered pull tabs, will be constructed using a two or three ply paper stock construction. Winning and losing sheets for each game must be manufactured using the same paper stock and must be manufactured at the same time for all progressive pull tab series, as authorized in WAC 230-30-025.

(3) The manufacturer shall conspicuously print on the pull tab the series number and the name of the manufacturer or label or trademark identifying the manufacturer so both are readily visible prior to opening the pull tab. The label or trademark must be filed with the commission prior to the printing of the pull tab.

(4) The cover sheet will contain perforated and/or clean-cut openings centered over the symbols or numbers on the back of the face sheet in such a manner as to allow easy opening by the consumer after purchase of the pull tabs, while at the same time, not permitting pull tabs to be opened prematurely in normal handling. Perforation should exist on both horizontal lines of the opening with either perforated or clean-cut on the vertical or elliptical line where the tab must be grasped for opening after bending the edge of ticket down. The tab may contain information to show the consumer how to open the pull tab or remove the latex to determine the symbols or numbers.

(5) No series numbers used on a series shall be repeated on that same manufacturer's form number within a three-year period.

(6) Each manufacturer shall establish methods of winner protection for each punchboard and pull tab series. Such protection shall afford operators, the commission, and other law enforcement personnel the ability to distinguish winning pull tabs [after they have been purchased and opened,] from those that are nonwinning, altered [or] [,] forged, or from another series. Such protection shall be completely hidden from view and undetectable by any means prior to a pull tab being opened.

(a) Each manufacturer shall establish its own primary game protection for each pull tab series. This game protection shall be a method of identifying winning pull tabs, after they have been purchased and opened, so as to distinguish them from non-winning pull tabs. The manufacturer may use special numbers, colors, designs, ink[,], or any combination thereof to establish the primary game protection. Manufacturers shall provide a written explanation of each protection scheme to the commission. Such notification shall be detailed and include pictures, diagrams, and/or samples necessary to thoroughly explain the scheme. The commis-

sion shall be notified in writing of any changes to protection schemes.

(b) All pull tabs manufactured for use in the state of Washington after January 1, 1992, shall utilize a secondary verification code to prevent counterfeiting on tabs that award prizes greater than twenty dollars. Such codes shall be approved by the director prior to use within the state. Punchboards are exempt from the secondary verification code requirements.

(c) Spindle-type pull tab series when played in the manner set out in WAC [230-30-070] [230-30-078](8) are exempt from this requirement.

[Statutory Authority: RCW 9.46.070 (5), (6), (11), (14). 97-14-012, § 230-30-103, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070, 9.46.120, 9.46.0273, 9.46.310 and 34.05.313. 96-24-006 (Order 305), § 230-30-103, filed 11/21/96, effective 1/1/97. Statutory Authority: RCW 9.46.070. 94-07-084 (Order 250), § 230-30-103, filed 3/16/94, effective 4/16/94. Statutory Authority: Chapter 9.46 RCW. 91-21-053 (Order 228), § 230-30-103, filed 10/15/91, effective 11/15/91; 87-15-052 (Order 169), § 230-30-103, filed 7/14/87. Statutory Authority: RCW 9.46.070 (1), (2), and (11) and 9.46.110. 85-21-046 (Order 154), § 230-30-103, filed 10/14/85. Statutory Authority: RCW 9.46.070 (5), (7), (8), (9), (11), (14) and (19). 84-13-038 (Order 140), § 230-30-103, filed 6/15/84; Order 78, § 230-30-103, filed 11/17/77; Order 43, § 230-30-103, filed 11/28/75.]

Reviser's note: RCW 34.05.395 requires the use of underlining and deletion marks to indicate amendments to existing rules, and deems ineffectual changes not filed by the agency in this manner. The bracketed material in the above section does not appear to conform to the statutory requirement.

WAC 230-30-104 Possession or sale of pull tab series in which winners or location of winners may be determined in advance—Prohibited. (1) No operator, distributor, or manufacturer, or representative thereof, with knowledge or in circumstances under which he/or she reasonably should have known, shall possess, display, put out for play, sell, or otherwise furnish to any person any pull tab series or pull tab from any series:

(a) In which the winning tabs have not been distributed and mixed among all other tabs in the series; or

(b) In which the location, or approximate location, of any of the winning tabs can be determined in advance of opening the tabs in any manner or by any device, including but not limited to, any pattern in the manufacture, assembly, or packaging of the tabs by the manufacturer, by any markings on the tabs or container, or by the use of a light; or

(c) Which does not conform in any other respect to the requirements of these rules as to manufacture, assembly, or packaging of pull tabs.

[Statutory Authority: RCW 9.46.070 (5), (6), (11), (14). 97-14-012, § 230-30-104, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070 and chapter 34.05 RCW. 90-21-053, § 230-30-104, filed 10/15/90, effective 11/15/90. Statutory Authority: RCW 9.46.070 (8), (11) and (14). 85-03-024 (Order 142), § 230-30-104, filed 1/9/85; Order 78, § 230-30-104, filed 11/17/77.]

WAC 230-30-105 Repealed. See Disposition Table at beginning of this chapter.

WAC 230-30-106 Punchboard and pull tab flares restrictions—Standards—Substitute flares. The following

restrictions, standards, and procedures apply to the use of flares and substitute flares:

(1) Except as set forth in subsection (6) of this section, the flare advertising prizes available from the operation of any punchboard, or any series of pull tabs[,] shall be made by the manufacturer only and shall not be altered by any operator or distributor;

(2) No person shall place or have out in public view more than one flare advertising the prizes available from the operation of any punchboard, or from any series of pull tabs;

(3) Flares shall be placed as follows:

(a) Only upon the upper face, or on the top of any punchboard; or

(b) In plain view and in the vicinity of any pull tab dispensing device or container. If the flare is not attached to the dispensing device or container, a numerical or alphabetical reference shall be included directly on the flare and dispensing device or container clearly indicating which flare corresponds to which series.

(4) Standards for flares:

(a) Flares must clearly set out each of the prizes available and the numbers or symbols which win each prize. For progressive jackpot series, the progressive jackpot meter board shall be considered a supplement to the flare. Reference to such shall be made on the flare;

(b) Flares must set out the winning numbers or symbols for prizes of twenty dollars or more in cash, or merchandise worth twenty dollars or more at retail, in such a manner that each may be easily and clearly deleted or marked off as each prize is won and awarded. For the purposes of this subsection the retail value of a merchandise prize shall be the amount actually paid by the licensed operator plus 50 percent of that actual cost;

(c) The cost to the player for each punch or pull tab shall be clearly posted on the flare;

(d) The manufacturer shall clearly set out on the flare the series number assigned to that punchboard or pull tab series by the manufacturer. For pull tab series, this number shall be clearly displayed on the face of the flare. This series number shall not be altered by the distributor or operator;

(e) The flare shall contain the Washington state identification and inspection services stamp number assigned to the board or series, as required by WAC 230-08-017;

(f) For pull tab series, the total number of pull tabs originally in the series shall be clearly disclosed on the face of the flare. Effective July 1, 1997, the following flares shall prominently display the ticket count in one-half inch size lettering on the flare;

(i) Any newly designed flare;

(ii) Any previously designed flare for pull tab series with a ticket count over six thousand, which has not yet been packaged;

(g) Flares must contain the manufacturer of the board or series. A stamp, seal, or label which identifies the manufacturer may be substituted if the commission has been informed of such prior to its use.

(5) Additional standards for bonus pull tab flares:

(a) The manufacturer shall develop and use at least twenty-five different versions of flares for each form number of a bonus series. Face sheets shall be utilized in such a

manner so as to ensure random distribution during the manufacturing and packing process;

(b) The middle or advance level shall be labeled with the term "ADVANCE SECTION" with a minimum one-quarter inch size lettering;

(c) The top tier level shall be labeled with the term "BONUS SECTION" with a minimum one-quarter inch size lettering;

(d) The number of winners which could be awarded in the top tier level shall be clearly noted on the flare with a minimum three-eighths inch size lettering. In addition, the number of winners and the number of advances in each advance level shall be clearly displayed;

(e) All prizes for each advance and bonus level shall be clearly displayed so that only the winners within the possible combinations are shown. Where applicable, the word "OR" shall be used to illustrate the possible combinations in which the bonus prizes can be won. Duplicate references to prizes shall not be shown on the flare.

(6) Substitute flares:

(a) A substitute flare may be utilized on punchboards or pull tabs, unless otherwise restricted by commission rules, provided all the requirements of this subsection are met.

(i) Distributors may apply manufacturer-produced substitute flares to punchboards and pull tab series;

(ii) Licensed operators or distributors may make and use substitute flares on punchboards and pull tab series which offer merchandise or combination merchandise-cash prizes.

(iii) The responsibility for ensuring the substitute flare meets the requirements set forth in this section shall rest with the manufacturer, distributor, or operator who changes the original flare and attaches the substitute flare.

(b) Substitute flare requirements:

(i) All substitute flares must comply with the requirements of subsections (4) and (5) of this section;

(ii) All substitute flares shall have the Washington state identification and inspection services stamp number and series number assigned to the punchboard or pull tab series permanently recorded in ink on the face of the substitute flare;

(iii) The original manufacturer's flare shall be permanently defaced so it is unusable and the substitute flare shall be attached to the original manufacturer's flare so that the original Washington state identification and inspection services stamp and series number can be accessed for inspection;

(iv) For flares converted from cash prizes to combination merchandise-cash prizes, at least fifty percent of the total value of prizes offered shall be merchandise; and

(v) Substitute flares which offer merchandise, or combination merchandise-cash, must utilize numbers, not symbols, to denote winners. The winning numbers on the substitute flare shall be selected from the winning numbers on the flare made by the manufacturer, or from the optional numbers placed on the back of the board by the manufacturer. Prizes must be assigned to the winning numbers consecutively, starting with the highest value prize being assigned the lowest available winning number.

(7) In addition to prizes established by manufacturers, commercial stimulant licensees may increase prizes or add additional prizes to punchboards or pull tab series if:

(a) Such prizes are cash or merchandise;

(b) The manufacturer's flare shall not be changed;

(c) Full details of the prizes, including requirements to qualify, shall be disclosed to players by means of an additional sign or notice that is permanently attached to the manufacturer's flare;

(d) The increase or additional prizes must be added to every prize that is within a tier or section of the flare; and

(e) Documentation regarding all additional prizes shall be stapled or otherwise permanently attached to the winning punch or pull tab for which such a prize is awarded. Minimum documentation shall include a description of the prize awarded and the name of the winner.

[Statutory Authority: RCW 9.46.070 (5), (6), (11), (14). 97-14-012, § 230-30-106, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070 (1)-(4), (7), (8), (11), (12), (14), (20) and 9.46.110 (3), (4). 95-23-109, § 230-30-106, filed 11/22/95, effective 1/1/96. Statutory Authority: RCW 9.46.070(8), 9.46.0325 and 9.46.070. 93-10-005 (Order 238), § 230-30-106, filed 4/21/93, effective 7/1/93. Statutory Authority: RCW 9.46.070 (8), (11) and (14). 89-11-048 (Order 192), § 230-30-106, filed 5/16/89. Statutory Authority: RCW 9.46.070 (11) and (14). 87-24-016 (Order 173), § 230-30-106, filed 11/23/87. Statutory Authority: RCW 9.46.070(10). 79-09-029 (Order 91), § 230-30-106, filed 8/14/79; Order 43, § 230-30-106, filed 11/28/75.]

Reviser's note: RCW 34.05.395 requires the use of underlining and deletion marks to indicate amendments to existing rules, and deems ineffectual changes not filed by the agency in this manner. The bracketed material in the above section does not appear to conform to the statutory requirement.

WAC 230-30-110 Repealed. See Disposition Table at beginning of this chapter.

WAC 230-30-130 Repealed. See Disposition Table at beginning of this chapter.

WAC 230-30-200 Repealed. See Disposition Table at beginning of this chapter.

WAC 230-30-210 Sales restrictions. (1) No manufacturer, distributor or distributor's representative, shall sell or otherwise make available to any person any punchboards, pull tabs, pull tab dispensing devices or related equipment in this state unless it has first determined that such person has a valid license issued by the commission to sell or otherwise distribute such equipment within this state, or to operate such activity on a particular premise within this state.

(2) No operator, distributor or distributor's representative, shall purchase or otherwise obtain from any person any punchboard, pull tab, device for the dispensing of pull tabs or related equipment in this state until it has first determined that the person selling or otherwise offering such equipment has a valid license issued by the commission to sell the equipment in this state or has been registered with the commission as required.

(3) No operator shall put out for play and no distributor shall sell or otherwise furnish, any punchboard or series of pull tabs unless the manufacturer of punchboards or series of pull tabs has been licensed by the commission.

(4) No manufacturer or distributor or representative thereof shall use as a sales promotion any statement, demonstration, or implication that any certain portion of a series of pull tabs contains more winners than other portions of the series or that any series of pull tabs may be sold by

the operator in a particular manner that would give the operator any advantage in selling more of the pull tabs before having to pay out winners.

(5) Manufacturers shall not offer for sale in Washington any punchboard or pull tab series in which the winning punches or pull tabs are not randomly distributed and mixed among all other punches or pull tabs in that board or series.

(6) This rule shall not prohibit licensed distributors from selling to Indian tribes operating Class II activities which are legal under federal law.

[Statutory Authority: RCW 9.46.070 (5), (6), (11), (14). 97-14-012, § 230-30-210, filed 6/20/97, effective 7/21/97; Order 5, § 230-30-210, filed 12/19/73.]

WAC 230-30-215 Repealed. See Disposition Table at beginning of this chapter.

WAC 230-30-300 Recall of defective punchboards, pull tabs or pull tab dispensing devices. (1) Upon a determination that punchboards, pull tabs or pull tab dispensing devices for sale in Washington do not meet commission standards, the director may order all defective products and all similarly constructed or printed products be recalled by the manufacturer(s).

(2) If the director orders such a recall, the manufacturer of the product shall be immediately notified regarding the items to be recalled, reason for the recall, effective date of the recall, and any other specific requirements. Verbal notification shall be followed by written notification. Immediately upon oral notification, manufacturers shall cease shipping affected product in the state and initiate actions to ensure complete compliance with the recall. Manufacturers shall notify all distributors within seventy-two hours of the items recalled, effective date of recall, and arrange for the prompt return of the defective items.

(3) Distributors, once notified of the recall by either the manufacturer or the commission, shall immediately stop sales and/or delivery of the product. The commission shall notify, in writing, each licensed distributor of gambling paraphernalia of the recall, effective dates thereof, the products involved, and of any special instructions if applicable.

(4) The commission shall notify, in writing, each licensed operator who has received the product as to the items recalled, effective date and special instructions, if applicable. Operators shall not utilize any defective punchboards, pull tabs or pull tab dispensing devices after receiving written notification from the commission.

(5) Prior to any reintroduction in the state of any recalled or similar item, the manufacturer must first submit the revised or reworked item to commission staff for review, evaluation and approval. The manufacturer will be notified in writing, of the approval or disapproval. A copy of the approving letter shall be sent by the manufacturer to the distributor with the next five shipments of the reworked item.

(6) Manufacturers shall reimburse distributors the actual cost paid by the distributor for each punchboard, pull tab series or pull tab dispensing device recalled by order of the director. Manufacturers of recalled punchboards, pull tab series or pull tab dispensing devices shall compensate

distributors for time and expenses incurred during a recall. Such compensation shall not exceed fifty cents per punchboard or pull tab series actually returned by the distributor to the manufacturer or twenty-five dollars per pull tab dispensing device.

[Statutory Authority: RCW 9.46.070 (5), (6), (11), (14). 97-14-012, § 230-30-300, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070(8), 9.46.0325 and 9.46.070. 93-10-005 (Order 238), § 230-30-300, filed 4/21/93, effective 7/1/93. Statutory Authority: RCW 9.46.070 (8), (11) and (14). 88-07-059 (Order 175), § 230-30-300, filed 3/15/88.]

Chapter 230-40 WAC CARD GAMES

WAC

230-40-900
230-40-999

Public card room enhancement program—Pilot study.
Repealed.

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

230-40-999

Public card room enhancement program—Pilot study and test. [Statutory Authority: RCW 9.46.0281, 9.46.070 (1), (2), (4)-(8), (11), (12), (14) and (20). 96-17-011 (Order 299), § 230-40-999, filed 8/12/96, effective 9/12/96.] Repealed by 97-21-043, filed 10/10/97, effective 11/10/97. Statutory Authority: RCW 9.46.070 (02), (04), (12) and (20).

WAC 230-40-900 Public card room enhancement program—Pilot study. The 1996 and 1997 legislature enacted changes to the definition of a social card game, set forth in RCW 9.46.0281. The commission finds it to be in the public interest to continue and expand the pilot study enacted in 1996 to test and develop regulatory provisions implementing the recent legislative changes. The statutory changes authorized: An increase in the number of card tables from five to fifteen; player-supported progressive prize contests; the collection of fees through the rake and per hand methods; player funded banked card games; and house banked card games. In order to utilize the above referenced changes, a public card room licensee must participate in the study subject to the following terms and conditions:

(1) The study commenced July 1, 1996, shall continue and will conclude when permanent rules are adopted. The staff shall brief the commission on a monthly basis on the progress of the study and shall develop rules for formal implementation by January 1, 1999, or such earlier or later date to be determined by the commission.

(2) The licensee must have been operating a class "E-1" through "E-5" card room for at least six months before implementing test scope of activities; and a tribal operation must have been operating at class 2 or class 3 level for at least six months before implementing test scope of activities: *Provided*, That the director can waive the six-month requirement in this section based on demonstrable experience.

(3) Each new agreement shall be submitted to the commission for a review and approval prior to commencing operations. In addition, each agreement that allows for player funded and/or house banked card games, shall be accompanied by a satisfactory preoperation inspection report.

(4) If the agreement is approved by the commission, the terms and conditions of the agreement shall be binding on the licensee.

(5) The licensee shall pay an annual preliminary nonrefundable license fee deposit required to participate in the study. The amount of the deposit shall be based on the commission's cost to conduct the study. During the study, participants may be assessed additional amounts to cover the costs incurred by the commission. As part of the application to participate in the study, the licensee shall make the following deposits:

(a) The deposit for an increased number of tables shall be those set forth in WAC 230-04-203 (three thousand three hundred thirty dollars), plus:

(i) Six through ten tables: One thousand two hundred dollars per table; or

(ii) Eleven through fifteen tables: Six thousand dollars, plus one thousand five hundred dollars per table;

(b) The deposit for player-supported progressive prize contests shall be one thousand twenty dollars plus:

(i) One through three prize contest: Two hundred forty dollars per contest; or

(ii) Greater than three contests: Seven hundred twenty dollars plus one hundred twenty dollars per contest;

(c) The deposit to study fee collection methods other than fees based on a period of time shall be one thousand twenty dollars plus:

(i) One through five tables: One hundred twenty dollars per table;

(ii) Six through ten tables: Six hundred dollars plus two hundred forty dollars per table; or

(iii) Greater than ten tables: One thousand eight hundred dollars plus three hundred sixty dollars per table;

(d) The deposit for studying player banked and house banked card games shall be equal to the amount set forth in (a) of this subsection plus five thousand dollars;

(e) In addition to the deposit set forth above, the licensee shall be responsible for all costs incurred by the commission involving investigations for violations of the agreement and/or any complaints by players resulting in investigations of the agreement;

(f) Deposits submitted pursuant to WAC 230-40-999, shall remain in effect through December 31, 1997. A new deposit shall be submitted on or before January 1, 1998, in accordance with the deposit schedule set forth in this section.

(6) In the event a licensee violates the terms of its agreement or fails to pay additional assessments within seven days of billing, the director shall have the authority to remove that licensee from participation in the study. Upon removal from the study, the licensee will return to its prestudy scope of activities.

(7) The director's decision to remove a licensee from participation shall be subject to review by the commission at the next regularly scheduled commission meeting. The decision of the commission shall be final and not be subject to further review.

[Statutory Authority: RCW 9.46.070 (02), (04), (12) and (20). 97-21-043, § 230-40-900, filed 10/10/97, effective 11/10/97.]

WAC 230-40-999 Repealed. See Disposition Table at beginning of this chapter.

Chapter 230-50 WAC

HEARINGS—PRACTICE AND PROCEDURE

WAC

230-50-005	Seizures—Hearings.
230-50-010	Adjudicative proceedings—Hearings.
230-50-012	Summary suspensions.

WAC 230-50-005 Seizures—Hearings. In addition to the provisions of RCW 9.46.231, the following procedures apply to the seizure of gambling devices.

(1) For purposes of this rule, gambling devices are defined in RCW 9.46.0241 and includes, but is not limited to, slot machines, video poker, and other electronic games of chance.

(2) Upon seizure of a gambling device, any person claiming ownership or right to possession of the seized gambling device must notify the seizing agency in writing within 45 days of the seizure. Notification after 45 days will be deemed insufficient and result in forfeiture of the seized item.

(3) If a hearing is timely requested, such hearing will be held within 90 days of the agency's receipt of the request for a hearing.

(4) At a seizure hearing, the only issues to be determined are:

(a) Whether the item seized is a gambling device; and

(b) Whether the item seized is an antique device as defined by RCW 9.46.235.

If a claimant is unable to prove (a) and (b) above, the item seized shall be summarily forfeited to the state.

[Statutory Authority: RCW 9.46.231 and 9.46.070 (14), (20). 97-03-095 (Order 307), § 230-50-005, filed 1/17/97, effective 2/17/97.]

WAC 230-50-010 Adjudicative proceedings—Hearings. (1) Adjudicated proceedings shall be commenced for any and all matters wherein the commission is causing administrative charges to be brought against any applicant, licensee or permittee within the limitations to chapter 34.05 RCW as applicable.

(2) The commission shall afford an applicant for a license an opportunity for an adjudicated proceeding prior to denying such application, and shall afford a licensee the opportunity for an adjudicated proceeding prior to suspending or revoking a license.

(3) The commission will afford a person applying to the commission for approval of a pull tab dispensing device under WAC 230-30-095 an opportunity for an adjudicated proceeding prior to denying approval of such device.

(4) No hearing will be conducted with respect to any adjudicated proceeding unless an application for an adjudicated proceeding and request for hearing is timely filed by the applicant or licensee with the commission in compliance with WAC 230-50-210. The application must be made upon a form to be obtained from the commission, or facsimile thereof, and must be received within 20 days following service upon the party affected by the commission or the director of a notice of administrative charges and opportunity for an adjudicated proceeding. Said document shall contain the maximum penalty that may be assessed should an application not be filed by the party affected. An application

for an adjudicated proceeding and request for hearing shall accompany all notices of administrative charges.

(5) If an application for an adjudicated proceeding is not timely filed, then the party affected shall have waived the right to a hearing on the allegations set forth in the notice of administrative charges. The party shall be deemed to be in default pursuant to RCW 34.05.440 and the commission and director may take action against the party not to exceed the maximum penalty as stated in the notice of administrative charges and opportunity for an adjudicated proceeding, which action shall be final.

(6) The procedures of RCW 34.05.485, brief adjudicative proceedings, shall be used for the following purposes:

(a) All hearings in which the penalty sought by the commission is for a suspension of seven days or less;

(b) Hearings held pursuant to WAC 230-50-015 (stay of summary suspension);

(c) Hearings held pursuant to WAC 230-04-400(3) (failure to pay required gambling taxes);

(d) Hearings held pursuant to WAC 230-04-190 (10)(c) (two part payment plan: Failure to make second payment);

(e) Hearings in which the parties have stipulated to facts or the parties have stipulated to charges, and the hearing is limited to a determination of whether facts constitute violations as charged and/or determination of appropriate penalty to be imposed;

(f) Denial of an application to operate at a higher bingo license class when the licensee has been restricted by WAC 230-20-062;

(g) Petitions for a variance to bingo net return requirements authorized by WAC 230-20-060; or

(h) Where the parties have stipulated to the use of brief adjudicative proceedings.

[Statutory Authority: RCW 9.46.070 (1), (2), 97-14-013, § 230-50-010, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070, 95-13-030, § 230-50-010, filed 6/13/95, effective 7/14/95; 92-19-107 (Order 231), § 230-50-010, filed 9/18/92, effective 10/19/92. Statutory Authority: Chapter 34.05 RCW, 89-24-003 (Order 200), § 230-50-010, filed 11/27/89, effective 12/28/89. Statutory Authority: RCW 9.46.070(13), 80-03-059 (Order 98), § 230-50-010, filed 2/25/80; Order 45, § 230-50-010, filed 12/30/75; Order 9, § 230-50-010, filed 12/19/73.]

WAC 230-50-012 Summary suspensions. (1)

Pursuant to RCW 34.05.422(4), the director may exercise the commission's authority to summarily suspend any license or permit issued to such licensee or permittee upon a determination that one or more of the actions identified in subsection (2) of this section have occurred and that immediate cessation of the licensed or permitted activities is necessary for the protection or preservation of the safety and welfare of the public. Suspension of a license under this provision shall take effect immediately upon service of the summary suspension order unless otherwise provided in the order.

(2) The commission deems the following actions of a licensee or permittee to constitute an immediate danger to the public safety and welfare which may require the immediate cessation of licensed or permitted activities:

(a) Failure or refusal to comply with the provisions, requirements, conditions, limitations, or duties imposed by chapter 9.46 RCW and any amendments thereto, or any rules adopted by the commission pursuant thereto;

(b) Knowingly causing, aiding, abetting, or conspiring with another to cause any person to violate any of the laws of this state or the rules of the commission;

(c) Obtaining a license or permit by fraud, misrepresentation, concealment, or through inadvertence or mistake;

(d) Conviction of, or forfeiture of a bond upon a charge of, or having pled 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;

(e) Allowing any person who has been convicted of, or forfeited bond upon, any of the offenses included under (d) of this subsection, to participate in the management or operation of any activity regulated by the commission without prior written approval of the commission or its director;

(f) Licensee is subject to current prosecution or pending charges, or a conviction which is under appeal, for any of the offenses included under (d) of this subsection;

(g) Denying the commission or its authorized representatives, including authorized local law enforcement agencies, access to any place where a licensed activity is conducted or failure to promptly produce for inspection or audit any book, record, document, or item required by law or commission rule;

(h) Making a misrepresentation of, or failure to disclose, a material fact to the commission;

(i) Licensee 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 gambling or related activities would be inimical to the proper operation of an authorized 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;

(j) Licensee 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 chapter 9.46 RCW or to the proper operation of the authorized gambling or related activities in this state. For the purposes of this section, career offender shall be defined as any 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; and

(k) A charitable or nonprofit organization has been deemed to be operating bingo primarily for gambling purposes and continues to utilize program funds to subsidize the operation of such activities.

(3) When a license or permit has been summarily suspended by the director, an adjudicated proceeding shall be

commenced and the licensee or permittee shall be afforded an opportunity for a hearing before an Administrative Law Judge or the commission, upon the question of the suspension or revocation of the license or permit, or upon the renewal of the license or permit should it expire during the period of summary suspension. If an application for an adjudicated proceeding and request for hearing is timely filed by the licensee or permittee, then a hearing shall be held within ninety days of the effective date of the summary suspension ordered by the director.

[Statutory Authority: RCW 9.46.070 (1), (2), 97-14-013, § 230-50-012, filed 6/20/97, effective 7/21/97. Statutory Authority: RCW 9.46.070, 92-19-107 (Order 231), § 230-50-012, filed 9/18/92, effective 10/19/92. Statutory Authority: RCW 34.05.422(4), 90-07-018 (Order 207) § 230-50-012, filed 3/13/90, effective 4/13/90. Statutory Authority: Chapter 34.05 RCW, 89-24-003 (Order 200), § 230-50-012, filed 11/27/89, effective 12/28/89; Order 29, § 230-50-012, filed 1/23/75.]

Title 232 WAC FISH AND WILDLIFE, DEPARTMENT OF (WILDLIFE)

Chapters

- 232-12** Permanent regulations.
232-16 Game reserves.
232-28 Seasons and limits.

Chapter 232-12 WAC PERMANENT REGULATIONS

WAC

232-12-001	Definition of terms.
232-12-011	Wildlife classified as protected shall not be hunted or fished.
232-12-014	Wildlife classified as endangered species.
232-12-018	Definitions—Landlocked chinook and coho.
232-12-061	Tagging requirements.
232-12-068	Nontoxic shot requirement for waterfowl, coot, and snipe hunting.
232-12-069	Transport tag fees for black bear and cougar.
232-12-141	Wild animal trapping.
232-12-191	Suspension of licensing privileges—Reinstatement.
232-12-194	Repealed.
232-12-197	Repealed.
232-12-207	Repealed.
232-12-227	Hunter education training program requirements.
232-12-275	Wildlife rehabilitation permits.
232-12-619	Permanent Washington state-wide game fish regulations.

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

232-12-194	Procedure—Petitions for reissuance of hunting license—Time period for petition—Juvenile applicants. [Statutory Authority: RCW 77.12.040, 81-12-029 (Order 165), § 232-12-194, filed 6/1/81. Formerly WAC 232-12-435.] Repealed by 98-02-018 (Order 97-255), filed 12/30/97, effective 1/30/98. Statutory Authority: RCW 77.12.040.
232-12-197	Procedures to review administrative license decisions. [Statutory Authority: RCW 77.12.040, 81-12-029 (Order 165), § 232-12-197, filed 6/1/81.] Repealed by 98-02-018 (Order 97-255), filed 12/30/97, effective 1/30/98. Statutory Authority: RCW 77.12.040.
232-12-207	Petitions—Consideration by commission. [Statutory Authority: RCW 77.12.040, 81-12-029 (Order 165), § 232-12-207, filed 6/1/81. Formerly WAC 232-12-470.] Repealed by 98-02-018 (Order 97-255), filed 12/30/97, effective 1/30/98. Statutory Authority: RCW 77.12.040.

WAC 232-12-001 Definition of terms. Definitions used in rules of the commission are defined in RCW 77.08.010. In addition, unless otherwise provided:

(1) "Snagging" means an effort to take fish with a hook and line in a manner such that the fish does not take the hook voluntarily in its mouth.

(2) "Gaffing" means an effort to take fish by impaling the fish with a hook attached directly to a pole or other device.

(3) "Spearing" and "spear fishing" means an effort to take fish by impaling the fish on a shaft, arrow, or other device.

(4) A "valid" license, permit, tag, stamp or catch record card means a license, permit, tag, stamp, or catch record card that was issued to the bearer for the current season and is required to hunt, fish or possess wildlife and has not been altered except as provided by rule of the commission.

(5) "Hook" means one single, double, or treble hook. A "single hook" means a hook having a single point; a "double hook" means a hook having two points on a common shank; and a "treble hook" means a hook having three points on a common shank. "Barbless hook" means a hook on which all barbs have been deleted when manufactured, filed off, or pinched down.

(6) "Falconry" means possession, control, or use of a raptor for the purpose of hunting and free flight training.

(7) "Anadromous game fish" means:

(a) Steelhead trout, *Oncorhynchus mykiss*, defined as any searun rainbow trout over twenty inches in length

(b) Searun cutthroat, *Oncorhynchus clarkii*

(c) Searun Dolly Varden, *Salvelinus malma*

(8) "Handgun" means any pistol, revolver or short firearm with a barrel length of less than sixteen inches and does not have a shoulder stock.

(9) "Lure" means a manufactured article constructed of feathers, hair, fiber, wood, metal, glass, cork, leather, rubber or plastic which does not use scent and/or flavoring to attract fish. "Nonbuoyant lure" means a lure, complete with hooks, swivels or other attachments, that does not float in freshwater.

(10) "Bait" means any substance which attracts fish or wildlife by scent and/or flavor. Bait includes any device made of feathers, hair, fiber, wood, metal, glass, cork, leather, rubber or plastic which uses scent and/or flavoring to attract fish or wildlife.