

Title 230 WAC

GAMBLING COMMISSION

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Chapter 230-02 WAC

GENERAL PROVISIONS AND DEFINITIONS

WAC

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230-02-125	Adjusted net gambling receipts defined. [Statutory Authority: RCW 9.46.070. 94-11-095 (Order 251), § 230-02-125, filed 5/17/94, effective 7/1/94; 88-19-038 (Order 183), § 230-02-125, filed 9/13/88. Statutory Authority: Chapter 9.46 RCW. 86-19-056 (Order 161), § 230-02-125, filed 9/15/86, effective 1/1/87.] Repealed by 95-09-061 (Order 267), filed 4/18/95, effective 5/19/95. Statutory Authority: RCW 9.46.070 and 9.46.0217.
230-02-150	Immediate family defined. [Order 5, § 230-02-150, filed 12/19/73.] Repealed by 89-11-048 (Order 192), filed 5/16/89. Statutory Authority: RCW 9.46.070 (8), (11) and (14).

230-02-400 Card game. [Statutory Authority: RCW 9.46.070, 9.46.0281 and 9.46.0325. 93-17-098 (Order 243), § 230-02-400, filed 8/17/93, effective 1/1/94; Order 78, § 230-02-400, filed 11/17/77; Order 23, § 230-02-400, filed 9/23/74.] Repealed by 00-09-052 (Order 383), filed 4/14/00, effective 5/15/00. Statutory Authority: RCW 9.46.070.

230-02-425 Key employee defined. [Statutory Authority: RCW 9.46.070(5). 98-04-023, § 230-02-425, filed 1/28/98, effective 7/1/98.] Repealed by 00-09-052 (Order 383), filed 4/14/00, effective 5/15/00. Statutory Authority: RCW 9.46.070.

WAC 230-02-010 Washington state gambling commission—Purpose and organization. (1) Purpose - The Washington state gambling commission, hereinafter called "the commission," is created pursuant to RCW 9.46.040 as the licensing and regulatory agency charged with the authority and duty to control statutorily authorized nonprofessional gambling. Where appropriate, the term "commission" also refers to the staff and employees of the commission. In order to carry out the assigned duties and responsibilities, the legislature designated the commission as a law enforcement agency with the powers to investigate all gambling and associated activities and enforce the provisions of chapter 9.46 RCW.

(2) Organization - The commission is comprised of five part-time members, four ex officio members, and a full time staff.

(a) Commission members - Five citizens, all appointed by the governor with the consent of the state senate for six-year staggered terms. One member is annually elected as chairperson. Commissioners serve part-time as necessary and otherwise as directed by the chairperson.

(b) Ex officio members - Two members each from the senate and the house of representatives, one each from the majority and minority political parties. Members are appointed for two year terms by the president of the senate and speaker of the house of representatives, respectively. Ex officio members do not vote on matters before the commission for review.

(c) Staff - The commission staff is organized under a director, a deputy director, and three assistant directors pursuant to RCW 9.46.080. The director, the deputy director, the assistant directors, and all staff required to perform undercover duties are exempt from the provisions of chapter 41.06 RCW. Staff duties and responsibilities are as follows:

(i) Director - The director is appointed by the commission as its administrator for carrying out its powers and duties. The director ensures that staff and other resources are available to carry out the purposes and provisions of chapter 9.46 RCW. The director is directly responsible for matters pertaining to public relations, research, contracts, agreements, and legal problems.

(ii) Deputy director - The deputy director is appointed by the director with responsibilities of making decisions and carrying out duties delegated by the director: Provided, That those duties specifically enumerated in WAC 230-12-900 may not be delegated to the deputy director.

(iii) Assistant directors - Assistant directors are appointed by the director with the responsibilities for the day-to-day management of the various operational sections of the commission and advising the director regarding mat-

ters necessary to carry out the provisions of chapter 9.46 RCW.

[Statutory Authority: RCW 9.46.070. 95-07-095, § 230-02-010, filed 3/17/95, effective 7/1/95. Statutory Authority: Chapter 34.05 RCW. 90-03-064 (Order 203), § 230-02-010, filed 1/18/90, effective 2/18/90. Statutory Authority: RCW 9.46.070(13). 79-07-019 (Order 90), § 230-02-010, filed 6/14/79; Order 42, § 230-02-010, filed 9/18/75; Order 5, § 230-02-010, filed 12/19/73.]

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 230-02-022 Cost defined. "Cost" means the monetary value paid or owed by the purchaser, for any gambling or nongambling product or service, at the time of the transaction and documented on the sales receipt/transfer document. "Cost" excludes all sales taxes paid by the purchaser. "Cost" does not include any markup or value added by the purchaser.

[Statutory Authority: RCW 9.46.070 (1)(16). 90-10-007, § 230-02-022, filed 4/19/90, effective 7/1/90. Statutory Authority: RCW 9.46.070 (4), (11) and (14). 89-24-002 (Order 201), § 230-02-022, filed 11/27/89, effective 12/28/89.]

WAC 230-02-030 Normal commission operations—Administrative office address and business hours. (1) The administrative office of the commission is located in Lacey, Washington. Services available are administration, information, licensing, investigation, activity report processing, and public records. Unless specifically provided elsewhere in these rules, applications for licenses, submission of materials or requests for notices or information of any kind, may be made by addressing correspondence to:

Mailing Address	Location Address
Washington State Gambling Commission P.O. Box 42400 Olympia, WA 98504-2400	Washington State Gambling Commission 649 Woodland Square Loop S.E. Lacey, WA 98503

(2) Normal business hours for the administrative office, unless specifically provided elsewhere in these rules, shall be 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding legal holidays.

[Statutory Authority: RCW 9.46.070. 94-11-095 (Order 251), § 230-02-030, filed 5/17/94, effective 7/1/94. Statutory Authority: RCW 9.46.070(18). 90-15-044, § 230-02-030, filed 7/16/90, effective 8/16/90. Statutory Authority: RCW 9.46.070(14). 89-13-059 (Order 193), § 230-02-030, filed 6/20/89. Statutory Authority: RCW 9.46.030 (2), (3) and 9.46.070 (11), (14). 83-19-024 (Order 136), § 230-02-030, filed 9/13/83. Statutory Authority: RCW 9.46.070(13). 80-09-067 (Order 103), § 230-02-

030, filed 7/17/80; Order 51, § 230-02-030, filed 4/30/76; Order 23, § 230-02-030, filed 9/23/74; Order 5, § 230-02-030, filed 12/19/73.]

WAC 230-02-035 Field offices and operations. The administrative office of the commission and its staff is located at 649 Woodland Square Loop, S.E., Lacey, WA 98503-8121. The mailing address is: P.O. Box 42400, Olympia, WA 98504-2400. Commission offices located in other cities are as follows:

City		Telephone Number
Eastern Region	N 901 Monroe, Rm. 240 Spokane 99201	(509) 456-3167
	502 W. Nob Hill Blvd. Suite #1, Yakima 98902	(509) 575-2820
	P.O. Box 2067, Wenatchee 98801	(509) 662-0435
Northwest Region	Fisher Business Center 3500 188th St. SW, Suite 601, Lynnwood 98037	(206) 776-6751
	851 Coho Way #201 Bellingham 98225	(360) 738-6203
Southwest Region	Tacoma Mall Office Building - 4301 Pine St. #307 Tacoma 98409-7206	(206) 593-2227

[Statutory Authority: RCW 9.46.070 and chapter 34.05 RCW. 96-13-068 (Order 294), § 230-02-035, filed 6/18/96, effective 7/19/96. Statutory Authority: RCW 9.46.070. 93-06-011 (Order 237), § 230-02-035, filed 2/19/93, effective 3/22/93. Statutory Authority: Chapter 34.05 RCW. 89-24-003 (Order 200), § 230-02-035, filed 11/27/89, effective 12/28/89.]

WAC 230-02-040 Commission activities exempt from Environmental Protection Act. The commission has reviewed its authorized activities and has found them to be exempt pursuant to WAC 197-10-040(2), 197-10-150 through 197-10-190 and the State Environmental Policy Act, chapter 43.21C RCW.

[Order 55, § 230-02-040, filed 6/25/76.]

WAC 230-02-100 Definitions. Words and terms used in these rules and regulations shall have the same meaning as each has under chapter 9.46 RCW unless otherwise specifically provided in these rules, or the context in which they are used in these rules clearly indicates that they be given some other meaning.

[Order 42, § 230-02-100, filed 9/18/75; Order 5, § 230-02-100, filed 12/19/73.]

WAC 230-02-102 Bingo occasion defined. A bingo occasion is a period of time beginning when the first number in the first session is called and ending when the last winning number on the final winning bingo card of the last session has been verified.

[Statutory Authority: RCW 9.46.070 (1), (8), (9), (11), (13), (14), (20). 95-23-091, § 230-02-102, filed 11/20/95, effective 1/1/96.]

(2001 Ed.)

WAC 230-02-104 Bingo session defined. A bingo session means a continuous series of bingo games with no breaks other than short intermission breaks.

[Statutory Authority: RCW 9.46.070 (1), (8), (9), (11), (13), (14), (20). 95-23-091, § 230-02-104, filed 11/20/95, effective 1/1/96.]

WAC 230-02-105 Annual measurement period—Defined. "Annual measurement period" means the licensee's fiscal year as set forth in the license application.

[Statutory Authority: RCW 9.46.070, 9.46.0209, 9.46.0237, 9.46.0205 and 9.46.075. 96-24-008 (Order 303), § 230-02-105, filed 11/21/96, effective 12/22/96.]

WAC 230-02-108 Gambling proceeds defined. For purposes of this title, "gambling proceeds" means all moneys remaining from the operation of any gambling activity after payment of prizes and necessary expenses.

(1) Expenses are deemed to be necessary when they are required to operate an activity (such as taxes and license fees) or they improve the overall profitability of the activity by increasing gross gambling receipts more than the corresponding increase in expenses.

(2) All assets of the organization are presumed to be obtained with gambling proceeds unless the organization maintains complete separation of funds generated from non-gambling sources from funds generated from gambling activities.

[Statutory Authority: RCW 9.46.070. 00-07-140 (Order 381), § 230-02-108, filed 3/22/00, effective 7/1/00. Statutory Authority: RCW 9.46.070, 9.46.0261 and 9.46.0209. 94-01-035, § 230-02-108, filed 12/6/93, effective 1/6/94.]

WAC 230-02-109 Net win defined. "Net win" means gross wagers received by a licensee from the operation of house-banked card games or fund-raising events, less the amount paid to players for winning wagers, accrual of prizes for progressive jackpot contests, and repayment of amounts used to seed guaranteed progressive jackpot prizes.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-02-109, filed 4/14/00, effective 5/15/00.]

WAC 230-02-110 Gross gambling receipts defined. "Gross gambling receipts" means the monetary value, stated in U.S. currency, due to any operator of a gambling activity for purchase of a chance to play a punch board or pull-tab series; purchase of a chance to enter a raffle; fees or purchase of cards to participate in bingo games; fees for participation in an amusement game, including rent or lease payments paid to licensees or franchisers for allowing operation of an amusement game on their premises; and any fee to participate in, or net win from, any card games or fund-raising events as defined in WAC 230-02-109. The value shall be before any deductions for prizes or other expenses.

Fees from players for entry into a player-supported jackpot held in conjunction with card games are not gross gambling receipts: Provided, That any portion of wagers deducted for any purpose other than increasing current prizes or repayment of amounts used to seed such prizes shall be treated as gross gambling receipts.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-02-110, filed 4/14/00, effective 5/15/00. Statutory Authority: Chapter 9.46 RCW. 91-21-053 (Order 228), § 230-02-110, filed 10/15/91, effective 11/15/91; 86-19-056 (Order 161), § 230-02-110, filed 9/15/86, effective 1/1/87; Order 5, § 230-02-110, filed 12/19/73.]

WAC 230-02-120 Net gambling receipts defined.

"Net gambling receipts" means all gross gambling receipts from any gambling activity, less the monetary value or, in the case of merchandise, the actual cost, of any prizes that were awarded.

[Statutory Authority: Chapter 9.46 RCW. 86-19-056 (Order 161), § 230-02-120, filed 9/15/86, effective 1/1/87; Order 5, § 230-02-120, filed 12/19/73.]

WAC 230-02-123 Charitable or nonprofit organizations—Net return defined. "Net return" is the total percentage returned from the operation of bingo games after payment of reasonable prizes and necessary expenses.

(1) Net return is computed by dividing bingo gross gambling receipts into the combined net income from bingo games, punch boards/pull-tabs, amusement games, raffles conducted in conjunction with bingo games, food, drink, or other retail sales activities conducted in conjunction with bingo games, and allowable income from rental of the gaming facility.

(2) For purposes of computing net return, local gambling taxes for bingo, punch boards/pull-tabs, and amusement games, whether paid or accrued, will be added to the accounting net income.

[Statutory Authority: RCW 9.46.070. 00-07-140 (Order 381), § 230-02-123, filed 3/22/00, effective 7/1/00. Statutory Authority: RCW 9.46.070, 9.46.0209, 9.46.0237, 9.46.0205 and 9.46.075. 96-24-008 (Order 303), § 230-02-123, filed 11/21/96, effective 12/22/96.]

WAC 230-02-130 Net gambling income defined. "Net gambling income" means net gambling receipts, less all other expenses related to the operation of a licensed activity paid out during the same period of time: Provided, That expenses must be reported on the accrual basis if the records are normally maintained on that basis.

[Statutory Authority: RCW 9.46.070 and 34.05.230. 01-01-016 (Order 396), § 230-02-130, filed 12/6/00, effective 1/6/01. Statutory Authority: Chapter 9.46 RCW. 86-19-056 (Order 161), § 230-02-130, filed 9/15/86, effective 1/1/87; Order 5, § 230-02-130, filed 12/19/73.]

WAC 230-02-135 Gross sales defined. "Gross sales" means the monetary value actually received for all nongambling goods and services, sold or occurring on the licensed gambling premises. The value shall be stated in U.S. currency and net of any sales taxes or discounts. Income received from sales made on behalf of others or in partnership with third parties, commission income, or income splitting schemes, shall be recorded at the net monetary value actually realized by the licensed business.

[Statutory Authority: Chapter 9.46 RCW. 86-19-056 (Order 161), § 230-02-135, filed 9/15/86, effective 1/1/87.]

WAC 230-02-137 Excessive reserves defined. An organization has excessive reserves if the total amount of the organization's cash, cash equivalents, or other assets that

would not normally be associated with providing programs or fund-raising activities is greater than the sum of:

(1) The licensee's current liabilities (debts due within one year); plus

(2) Total functional expenses during the most recently completed fiscal year; plus

(3) The average net income or loss from combined gambling and retail sales conducted in conjunction with gambling activities for a three-month period, calculated by dividing annual net gambling and retail sales income or loss by four: Provided, That funds reserved to start or expand specific programs will be excluded from the computation of excessive reserves, as authorized by WAC 230-08-255(3), with approval by the commission's director.

[Statutory Authority: RCW 9.46.070 (1), (8-11), (14), (16), (20). 96-07-075, § 230-02-137, filed 3/19/96, effective 7/1/96.]

WAC 230-02-138 Positive cash flow from the bingo operation—Defined. "Positive cash flow from the bingo operation" means operating bingo games and associated activities at an income and expense level that does not require the use of the licensee's cash or investment resources to sustain the bingo game operation. A licensee will be deemed to have a "positive cash flow" from the bingo operation during any measurement period when the combined gross income of the operation during that same measurement period, less all prizes and expenses, whether paid or accrued, is greater than zero. For purposes of computing total expenses for this section, the use of resources that do not require a current use of funds, such as amortization and depreciation of assets shall not be considered an expense of the bingo operation.

[Statutory Authority: RCW 9.46.070, 9.46.0209, 9.46.0237, 9.46.0205 and 9.46.075. 96-24-008 (Order 303), § 230-02-138, filed 11/21/96, effective 12/22/96.]

WAC 230-02-140 Person defined. "Person" means and includes any individual, firm or partnership, corporation or other association of individuals either natural or legal. The use of the masculine pronoun in these rules includes the feminine and the neuter.

[Order 5, § 230-02-140, filed 12/19/73.]

WAC 230-02-145 Promotional marketing gifts. Promotional marketing gifts are merchandise items that either promote the game of bingo or a specific bingo licensee. Promotional marketing gifts include, but are not limited to, items used in connection with playing bingo or items with a licensee's name or logo permanently imprinted thereon.

[Statutory Authority: RCW 9.46.070. 99-11-078 (Order 371), § 230-02-145, filed 5/18/99, effective 7/1/99.]

WAC 230-02-155 Bona fide charitable organization defined. A bona fide charitable organization is an organization that meets all of the requirements of RCW 9.46.0209 and is organized and operated primarily to provide charitable services as defined by WAC 230-02-160. Each charitable organization shall provide evidence of its charitable status by submitting documentation setting forth the progress it has made toward accomplishing its charitable purpose(s) during its pre-

vious fiscal year. This statement and other evidence such as articles of incorporation, bylaws, and the fact that donations to such organization qualify as tax deductible contributions for federal income tax purposes, shall be taken into account when determining charitable organization status.

[Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-02-155, filed 4/18/89, effective 7/1/89.]

WAC 230-02-160 Charitable defined. For the purposes of this title, charitable, eleemosynary and benevolent are synonymous and mean: The relief of poverty, indigence and/or personal distress; help for disadvantaged persons; treatment and prevention of physical or mental distress. Services must be provided free of charge or for a fee which does not exceed the cost of providing the service. Any organization that requires a fee must utilize the revenue collected to continue its program services. In accordance with all state and federal law on discrimination, there can be no discrimination in providing services among those recipients chosen by the licensee. Corporations which have been incorporated under Title 36, U.S.C. for the principal purposes of furnishing volunteer aid to members of the armed forces of the United States and to carry on a system of national relief of suffering caused by pestilence, famine, fire, floods, and other national calamities or undertakes measures to prevent such are deemed to be charitable under this section. Charitable encompasses at least the following activities:

(1) Relief of the aged and disadvantaged in the form of food, clothing, shelter, or health care;

(2) Services or material assistance that will enable persons to maintain an adequate standard of living and/or improve their quality of life by raising their standard of living above the federal poverty level;

(3) Programs for youths, 17 years old or younger, that assists them in learning and practicing the cultural and social skills necessary to:

(a) Integrate them into society;

(b) Improve their physical fitness; or

(c) Prevent delinquency;

(4) Advancement of education and learning which benefit and improve the quality of life of the general public or the community at large;

(5) Advancement of a religion; and

(6) Activities which reduce the burdens of government.

[Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-02-160, filed 4/18/89, effective 7/1/89.]

WAC 230-02-161 Bona fide nonprofit organization defined. A bona fide nonprofit organization is a organization that meets all of the requirements of RCW 9.46.0209 and is organized and operated primarily to provide one or more of the following nonprofit services:

(1) Educational;

(2) Civic;

(3) Patriotic;

(4) Political;

(5) Social;

(6) Fraternal;

(7) Athletic;

(8) Agricultural;

(9) Church and religious societies under chapter 24.12 RCW;

(10) Fraternal societies under chapter 24.20 RCW;

(11) Granges under chapter 24.28 RCW; and

(12) Agricultural fairs under chapter 15.76 RCW or chapter 36.37 RCW.

Each nonprofit organization shall provide evidence of its nonprofit status by submitting documentation setting forth the progress it has made toward accomplishing its nonprofit purposes during its previous fiscal year. The fact that an organization is not exempt from payment of federal income taxes on income from its primary activities shall be prima facie evidence that the organization is not a nonprofit organization for purposes of conducting gambling activities.

(13) Credit unions organized and operating under state or federal laws are bona fide nonprofit organizations for purposes of RCW 9.46.0315 and 9.46.110 only.

[Statutory Authority: RCW 9.46.070. 00-21-067 (Order 392), § 230-02-161, filed 10/16/00, effective 11/16/00. Statutory Authority: RCW 9.46.0209. 94-07-084 (Order 250), § 230-02-161, filed 3/16/94, effective 4/16/94. Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-02-161, filed 4/18/89, effective 7/1/89.]

WAC 230-02-162 Functional expenses defined. Functional expenses are those an organization incurs toward accomplishing its stated purposes. For purposes of calculation, this includes program service expenses, as defined by WAC 230-02-278, and supporting service expenses, as defined by WAC 230-02-279.

[Statutory Authority: RCW 9.46.070 (1), (8-11), (14), (16), (20). 96-07-075, § 230-02-162, filed 3/19/96, effective 7/1/96.]

WAC 230-02-163 Educational defined. Educational means providing instruction or training to individuals for the purpose of improving or developing their capabilities, or providing instruction to the public on subjects useful to individuals and beneficial to the community.

[Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-02-163, filed 4/18/89, effective 7/1/89.]

WAC 230-02-166 Civic defined. Civic means promoting social welfare for the common good of the community by bringing about civic betterment and social improvements.

[Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-02-166, filed 4/18/89, effective 7/1/89.]

WAC 230-02-169 Patriotic defined. Patriotic means promoting patriotism, Americanism, loyalty, support, and love of country. Normal activities conducted by veteran groups would be included in this definition.

[Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-02-169, filed 4/18/89, effective 7/1/89.]

WAC 230-02-173 Political defined. Political means the process of electing candidates to public or party offices. Activities conducted with the goal of influencing executive action, legislation or WAC rules are considered lobbying activities and not included under this definition.

[Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-02-173, filed 4/18/89, effective 7/1/89.]

WAC 230-02-176 Religious defined. Religious means advancement of a sincerely held theological philosophy. Included are the practices and rituals associated with the beliefs or creed of those groups of people which form a church, religious society, congregation, or religious denomination, when such practices or rituals are not illegal or against public policy. Corporations sole, as set out in chapter 24.12 RCW; are encompassed in this definition.

[Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-02-176, filed 4/18/89, effective 7/1/89.]

WAC 230-02-179 Social defined. Social means providing recreation, recreational facilities, and/or other activities when solely for the pleasure of a membership.

[Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-02-179, filed 4/18/89, effective 7/1/89.]

WAC 230-02-182 Fraternal defined. Fraternal means promoting and carrying on activities for the common interests of a membership and is organized under the lodge system which is comprised of local self-governing branches, chartered by a parent organization. Incorporated fraternal societies, as set out in chapter 24.20 RCW, are also encompassed under this definition.

[Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-02-182, filed 4/18/89, effective 7/1/89.]

WAC 230-02-183 Active member defined. For purposes of this title, "active member" means an individual who is a "bona fide member," as defined by RCW 9.46.0261, and meets all of the requirements set out below:

Reason for joining the organization.

(1) Did not join the organization specifically to participate in, or be an operator or manager of, gambling activities;

Ability to vote.

(2) Is authorized to vote in the election of officers or board members who determine the policies of the organization;

Length of membership.

(3) Has been a member for at least twelve months preceding an application for a gambling license, or has been accepted as a member according to guidelines set out in the organization's bylaws and such acceptance recorded in the official minutes of a regular membership meeting: Provided, That the minimum time provision does not apply to board members or directors if the organization's membership consists entirely of board members or directors elected or appointed for a limited term;

Membership criteria.

(4) Complies with membership criteria, as set out in the organization's bylaws;

Location of residence and meeting attendance.

(5) Lives within the boundaries of Washington state or, if outside the state boundaries, lives within one hundred miles of the main administrative offices of the organization which is located within Washington state or attends seventy-five percent of board meetings: Provided, That the director may waive the requirements of this subsection for organizations applying for a license to conduct raffles only;

Age limit.

(6) Is at least eighteen years old: Provided, That the director may waive this provision when:

(a) The organization's primary purpose is the development of youth;

(b) The organization is applying for a license to conduct only raffles or amusement games;

(c) The organization has at least three members or advisors that are at least eighteen years of age who supervise the operation of the activity; and

(d) One of the adult members or advisors shall be designated as the manager of the activity. This member shall be responsible for ensuring that all activities are operated in accordance with all requirements of the commission and shall attend training required by WAC 230-04-020;

Member participation.

(7) Has participated directly in the activities conducted by the organization over the past twelve months. For purposes of this section, participation by a member in any of the following activities during the twelve-month period immediately preceding an application for certification shall be prima facie evidence of direct participation:

(a) Attended at least one regular membership meeting; or

(b) Voted in person or, if authorized by the organization's bylaws, by proxy at a meeting at which officers and/or board members were elected; or

(c) Has been actively involved in policy setting for the organization by serving as a member of the board of directors or a similar policy setting position; or

(d) Has paid dues imposed by the organization; or

(e) Has served as a volunteer providing services or raising funds from nongambling sources; or

(f) Has maintained a level of communications with the organization that would allow them to demonstrate in-depth knowledge regarding the activities of the organization. In-depth knowledge would include:

(i) The types of program services provided;

(ii) The scope of program services provided;

(iii) Sources and levels of funding available to the organization; and

(iv) Key plans, including major programs and capital projects.

Cities and towns exempted.

(8) Incorporated towns or cities applying for a license to conduct gambling activities are exempted from all requirements of this section. The citizens of an incorporated town or city, who are registered to vote in the election for the mayor or governing body of such town or city, are deemed to be "active members" of such towns and cities.

[Statutory Authority: RCW 9.46.070. 00-07-140 (Order 381), § 230-02-183, filed 3/22/00, effective 7/1/00; 95-07-093, § 230-02-183, filed 3/17/95, effective 7/1/95. Statutory Authority: RCW 9.46.070, 9.46.0261 and 9.46.0209. 94-01-035, § 230-02-183, filed 12/6/93, effective 1/6/94.]

WAC 230-02-185 Athletic defined. Athletic means activities which provide entertainment/pleasure or which promote physical fitness, sportsmanship, and development of amateur athletes through the conducting of athletic contests and training programs. For purposes of this title, athletic is further defined in the following categories:

(1) Educational - The training of youth 17 years old and younger to enhance normal physical and social development and to prevent juvenile delinquency;

(2) Patriotic - Fostering and promoting national and international amateur competition; and

(3) Recreational - Providing recreational activities for adults.

[Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-02-185, filed 4/18/89, effective 7/1/89.]

WAC 230-02-188 Agricultural defined. Agricultural means promoting the art or science of cultivating land, harvesting crops or aquatic resources, or raising livestock. Incorporated granges as set out in chapter 24.28 RCW are encompassed within this definition.

[Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-02-188, filed 4/18/89, effective 7/1/89.]

WAC 230-02-191 Agricultural fair defined. Agricultural fair means those activities authorized by chapter 15.76 RCW and chapter 36.37 RCW and includes the exhibition of livestock, agricultural produce of all kinds, products of the farm home and educational contests, and displays and demonstrations designed to train youth and promote the welfare of farm and rural living.

[Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-02-191, filed 4/18/89, effective 7/1/89.]

WAC 230-02-200 Operator defined. An "operator" is any person who purchases or otherwise receives equipment for use in authorized gambling activities, including but not limited to punch boards or pull-tabs, with or without any merchandise to be awarded as prizes in connection with the operation of said equipment, from a manufacturer or distributor, and who operates or displays said equipment for use upon payment of a consideration.

[Order 5, § 230-02-200, filed 12/19/73.]

WAC 230-02-205 Gambling service supplier defined. A "gambling service supplier" is any person who provides gambling related services for compensation, whether directly or indirectly.

(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 financing for purchases or leases of gambling equipment or for providing infrastructure that supports

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gambling operations for more than one licensee. For purposes of this section, financing by any bank, mutual savings bank, or credit union regulated by the department of financial institutions or any federally regulated commercial lending institution shall not be deemed as providing gambling related services;

(d) Providing any other service or activity where influence may be exerted over any gambling activity licensed by the commission;

(e) Providing assembly of components for gambling equipment under a contract with a licensed manufacturer; or

(f) Training individuals to conduct authorized gambling activities.

(2) The term "gambling services supplier" does not include the following:

(a) Universities and colleges that are regulated by the Washington state board of community and technical colleges and the higher education coordinating board which train individuals to conduct authorized gambling activities;

(b) Licensed manufacturers or distributors who service and repair pull-tab dispensing devices, bingo equipment or any other authorized gambling equipment;

(c) Attorneys, accountants, and governmental affairs consultants whose primary business is providing professional services that are unrelated to the management or operation of gambling activities; and

(d) Persons that only provide nonmanagement related recordkeeping services for punch board and pull-tab operators, when the combined total gross billings from such services does not exceed twenty thousand dollars during any calendar year.

[Statutory Authority: RCW 9.46.070. 00-05-102 (Order 380), § 230-02-205, filed 2/16/00, effective 7/1/00; 98-19-133 (Order 361), § 230-02-205, filed 9/23/98, effective 1/1/99; 97-24-031, § 230-02-205, filed 11/25/97, effective 1/1/98.]

WAC 230-02-206 Gambling service supplier representative defined. A "gambling service supplier representative" is any natural person who:

(1) Represents a licensed gambling service supplier and who is directly involved in providing a service listed in WAC 230-02-205(1);

(2) Instructs card room activities to students enrolled in a university or college regulated by the Washington state board of community and technical colleges, and the higher education coordinating board when such instruction covers dealer procedures as opposed to general casino management.

[Statutory Authority: RCW 9.46.070. 00-05-102 (Order 380), § 230-02-206, filed 2/16/00, effective 7/1/00; 97-24-031, § 230-02-206, filed 11/25/97, effective 1/1/98.]

WAC 230-02-207 Linked bingo prize provider defined. A "linked bingo prize provider" is any person who provides bingo licensees the means to link bingo prizes. This person may provide the licensees equipment, linked bingo prize management, and distribute necessary gambling equipment and supplies.

A "linked bingo prize provider" is not a "distributor" if the only gambling equipment and supplies they furnish to

bingo operators is to be used exclusively for bingo games that are played to win the linked bingo prize.

In no circumstances may a linked bingo prize provider assume ultimate responsibility for an operator's bingo game operation.

[Statutory Authority: RCW 9.46.070. 98-24-090 (Order 369), § 230-02-207, filed 12/1/98, effective 1/1/99.]

WAC 230-02-208 Punch board and pull-tab service business defined. "Punch board and pull-tab service business" is defined as a person that provides recordkeeping services for punch board and pull-tab operators for compensation and:

- (1) The individuals are not employees of the operator;
- (2) The recordkeeping services do not include recommendations or advice of a management nature;
- (3) The combined total gross billings for such services during any calendar year does not exceed twenty thousand dollars; and
- (4) The records completed are normally the responsibility of the operator. For purposes of this section, recordkeeping duties that are normally the responsibility of the operator include at least the following:

(a) Reconciling sales, prizes, and cash on hand for punch boards and pull-tab series;

(b) Completing mandatory records required by WAC 230-08-010: Provided, That recordkeeping services provided by a professional accounting business are exempt from these requirements when:

- (i) The business performs services other than punch board and pull-tab records for the licensee;
 - (ii) The business has clients other than punch board and pull-tab licensees; and
 - (iii) The recordkeeping service only includes transcribing entries from the licensee into the required format; and/or
- (c) Storing boards and series removed from play.

[Statutory Authority: RCW 9.46.070. 98-19-130 (Order 362), § 230-02-208, filed 9/23/98, effective 1/1/99.]

WAC 230-02-210 Distributor defined. A "distributor" is any person who purchases or otherwise obtains a completed piece of equipment for use in authorized gambling activities, including but not limited to punch boards or pull-tabs, from any person and sells or otherwise furnishes such equipment, with or without merchandise to be awarded as prizes in connection therewith, to another person for the resale of or the display or operation of that equipment. A manufacturer who sells or otherwise furnishes such equipment not manufactured by him to any other person for resale or for display or operation of that equipment is also a "distributor."

As used in these rules, the term "distributor" shall include a person who services and repairs pull-tab dispensing devices, bingo equipment, or any other authorized gambling equipment and makes no addition, modification or alteration of the device.

The term "distributor" does not include persons that perform routine maintenance, such as lubrication, cleaning, replacement of electrical fuses or bulbs, or other activities that are not directly related to the operation of the equipment.

[Statutory Authority: RCW 9.46.070(4) and 9.46.215. 95-19-071, § 230-02-210, filed 9/18/95, effective 1/1/96. Statutory Authority: RCW 9.46.070. 94-01-033 § 230-02-210, filed 12/6/93, effective 1/6/94. Statutory Authority: RCW 9.46.070(4). 81-09-055 (Order 106), § 230-02-210, filed 4/17/81; Order 80, § 230-02-210, filed 12/28/77; Order 5, § 230-02-210, filed 12/19/73.]

WAC 230-02-218 Linked bingo prize provider representative defined. A "linked bingo prize provider representative" is any natural person who represents a "linked bingo prize provider" in any of their activities in connection with the management of a linked bingo prize game or distribution of linked bingo prize game supplies.

[Statutory Authority: RCW 9.46.070. 98-24-090 (Order 369), § 230-02-218, filed 12/1/98, effective 1/1/99.]

WAC 230-02-220 Distributor's representative defined. A "distributor's representative" is any natural person who represents a distributor in any of his activities in connection with the sale or furnishing of equipment for use in authorized gambling activities, including but not limited to punch boards and pull-tabs.

[Order 5, § 230-02-220, filed 12/19/73.]

WAC 230-02-225 Manufacturer's representative defined. A "manufacturer's representative" is any natural person who represents a manufacturer in any one of the manufacturer's activities in connection with the sale or furnishing of equipment for use in authorized gambling activities, including but not limited to, punch boards and pull-tabs.

[Order 9, § 230-02-225, filed 12/19/73.]

WAC 230-02-230 Manufacturer defined. A "manufacturer" is any person who fabricates or assembles, from raw materials or subparts, a completed piece of equipment or pieces of equipment for use in authorized gambling activities, including but not limited to punch boards and pull-tabs and bingo equipment, and who sells or otherwise furnishes the same to any distributor, operator, or retail outlet.

The term shall include, but not be limited to, any person who converts, modifies, combines, adds to, or removes parts or a portion from any item, device, or assembly to further its promotion, sale, or use as a gambling device or gambling record in this state: Provided, That a person adding only promotional flares to punch boards or pull-tab series to advise the public of the prizes available, the rules of play, and the consideration required shall not be deemed a manufacturer.

The term "manufacturer" shall not include a licensed distributor or distributor's representative who services or repairs pull-tab dispensing devices or bingo equipment, so long as no addition to, or modification or alteration of, the device is made: Provided, That distributors may perform modifications provided by manufacturers to upgrade equipment to current technology or to remove and install general purpose equipment for trade-in purposes.

[Statutory Authority: RCW 9.46.070. 94-01-033 § 230-02-230, filed 12/6/93, effective 1/6/94; Order 80, § 230-02-230, filed 12/28/77; Order 14, § 230-02-230, filed 3/27/74; Order 5, § 230-02-230, filed 12/19/73.]

WAC 230-02-240 Commercial gambling manager defined. A "commercial gambling manager" is a person, whether compensated or not, who is responsible for operating and controlling authorized commercial gambling activities, and who has the authority to make decisions regarding the operation of such gambling activities. The gambling manager supervises and directs all other persons directly or indirectly involved in the conduct of such activities. A gambling manager may be: An owner; partner; officer of a corporation; or a person designated by any of the above. A gambling manager's duties include, but are not limited to the following: Hiring, firing, and evaluating gambling personnel; supervising and controlling the conduct of gambling activities; preparing or supervising the preparation of gambling records; controlling cash generated by gambling activities and making bank deposits; and purchasing gambling supplies. A commercial gambling manager is required to be licensed if they are responsible for supervising the operation of progressive jackpot pull-tab games as authorized in WAC 230-30-025.

[Statutory Authority: RCW 9.46.070, 9.46.120, 9.46.0273, 9.46.310 and 34.05.313, 96-24-006 (Order 305), § 230-02-240, filed 11/21/96, effective 1/1/97. Statutory Authority: RCW 9.46.070, 95-09-062 (Order 268), § 230-02-240, filed 4/18/95, effective 5/19/95. Statutory Authority: RCW 9.46.070 (7)(14), 91-07-021, § 230-02-240, filed 3/13/91, effective 4/13/91.]

WAC 230-02-250 Bingo equipment. Bingo equipment includes all equipment that is actually used, made for use, or sold for the purpose of use, in bingo games for which consideration is charged to participate and prizes are awarded to winners. Bingo equipment includes, but is not limited to:

- (1) Blowers or other devices from which balls are mixed and randomly withdrawn to determine the letters and numbers to be called;
- (2) Reusable and disposable bingo cards;
- (3) Electronic flashboards that interface with the mixing and selection device;
- (4) Electronic bingo card daubers, including software or equipment interfaced with such; and
- (5) Any other device commonly used in the direct operation of the game: Provided, That general purpose equipment and supplies that are only indirectly involved in the conduct of the game shall not be deemed bingo equipment. The following equipment and supplies will not be deemed bingo equipment for purposes of this title:
 - (a) Tables, chairs, or card stands;
 - (b) Audio or video equipment used only to communicate progress of the game to players;
 - (c) Computer or cash register equipment used to record sales or act as a storage medium for records;
 - (d) General supplies, such as glue sticks, daubers, and other items for resale to players; and
 - (e) Bingo games manufactured and sold for recreational purposes.

[Statutory Authority: RCW 9.46.070, 95-19-070, § 230-02-250, filed 9/18/95, effective 1/1/96; 94-01-033 § 230-02-250, filed 12/6/93, effective 1/6/94. Statutory Authority: RCW 9.46.070 (8), (11), and (14), 83-13-050 (Order 134), § 230-02-250, filed 6/14/83; Order 29, § 230-02-250, filed 1/23/75.]

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WAC 230-02-255 Linked bingo prize defined. A linked bingo prize is a prize that is awarded to a player who is competing against players from multiple participating licensed bingo halls. Categories of prizes include:

- (1) The main prize, which is the prize paid each time the game is played to the first verified winner(s);
- (2) The consolation prize, which is the prize paid at each participating licensed bingo hall after the main prize has been determined; and
- (3) The bonus prize, which is a prize awarded when a player achieves the winning pattern in a predetermined number of calls or on a specific predetermined number.

[Statutory Authority: RCW 9.46.070, 98-24-090 (Order 369), § 230-02-255, filed 12/1/98, effective 1/1/99.]

WAC 230-02-260 Pull-tab defined. A "pull-tab" is a single folded or banded ticket or is a card, the face of which is initially covered or otherwise hidden from view to conceal a number, symbol or set of symbols, a few of which numbers or symbols out of every set of pull-tabs have been designated in advance and at random as prize winners, when, for the opportunity to obtain each such folded or banded ticket or card, view the numbers or symbols thereon and possibly obtain a prize winning pull-tab, a person pays some consideration to an operator.

[Order 5, § 230-02-260, filed 12/19/73.]

WAC 230-02-270 Punch board defined. "Punch board" means a board or device containing a number of receptacles of uniform size in which are placed, at random, punches (slips of paper or other substance, imprinted with numbers or symbols) and which:

- (1) A specific serial number is assigned to the punch board and printed on each punch;
- (2) A flare or face sheet covers the receptacles and sets out the winning numbers or symbols and prizes which may be won;
- (3) Upon the payment of consideration, a player may select and remove a punch from a receptacle; and
- (4) A prize is awarded if the number or symbol, set out on the selected punch, matches a symbol on the flare or face sheet.

[Statutory Authority: RCW 9.46.070, 93-12-082, § 230-02-270, filed 5/28/93, effective 7/1/93. Statutory Authority: Chapter 9.46 RCW, 86-19-056 (Order 161), § 230-02-270, filed 9/15/86; Order 5, § 230-02-270, filed 12/19/73.]

WAC 230-02-278 Program service expenses defined. Program service expenses are those relating to providing care, support, or assistance to individuals, and/or sponsoring or conducting activities that directly relate to the organization's stated purposes. These expenses are allocated as set forth in WAC 230-08-095. The following will be considered program service expenses:

- (1) Services directly provided to the public or the organization's members through programs operated by the organization; or
- (2) Services indirectly provided by:
 - (a) Making contributions to individuals or to other service-providing organizations;

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(b) Funding scholarships; or

(c) Sponsoring activities directly related to any organizational purposes set out in WAC 230-04-024 (1)(b).

[Statutory Authority: RCW 9.46.070 (1), (8-11), (14), (16), (20), 96-07-075, § 230-02-278, filed 3/19/96, effective 7/1/96. Statutory Authority: RCW 9.46.070, 9.46.0261 and 9.46.0209, 94-01-035, § 230-02-278, filed 12/6/93, effective 1/6/94.]

WAC 230-02-279 Supporting service expenses defined. Supporting service expenses are those related to activities that are essential to the general operation of the organization's programs, but which are not directly identifiable to a specific program. These expenses are allocated as set forth in WAC 230-08-095. Supporting service expenses typically include management, general overhead, and any expenses related to the solicitation of contributions: Provided, That supporting service expenses do not include extraordinary items which are unusual and infrequent in nature. The following expenditures shall be considered supporting service expenses:

- (1) Wages and benefits for general operation of the organization such as executive directors and other management or support personnel (secretarial, reception, bookkeeping, etc.);
- (2) Expenses related to providing an administrative office, including rent, depreciation, interest, utilities, taxes, insurance, and supplies;
- (3) General management functions of the organization such as planning (budget, etc.), recruiting and training staff, and procuring and distributing materials;
- (4) Scheduling and conducting board, committee, and membership meetings;
- (5) Publicizing the organization: Provided, That solicitation of new members or volunteers, or announcements and publications intended to educate the public regarding services provided by the organization, shall be deemed to be program service expenses;
- (6) Outside supporting services such as accounting, audit, legal, etc.;
- (7) General expenses related to the solicitation of contributions or grants; and
- (8) Any net loss from nongambling fund-raising activities.

[Statutory Authority: RCW 9.46.070 (1), (8-11), (14), (16), (20), 96-07-075, § 230-02-279, filed 3/19/96, effective 7/1/96.]

WAC 230-02-280 Identification and inspection services stamps. Identification and inspection services stamps are printed under the control of the commission for purposes of identifying and controlling gambling devices within the state of Washington. Each stamp is preglued and imprinted with the seal of the commission and an unique number or combination of alpha characters and numbers.

[Statutory Authority: RCW 9.46.070 (8), (11) and (14), 88-13-060 (Order 179), § 230-02-280, filed 6/14/88.]

WAC 230-02-290 Records entry labels. Record entry labels are a set of removable, preglued labels, attached to identification and inspection services stamps and imprinted with the same unique number or combination of alpha characters and numbers as the stamp, plus an electronically iden-

tifiable bar code equivalent of the identification number. These labels are attached to a punch board or pull-tab series flare by the manufacturer of the punch board or pull-tab at the same time the identification and inspection services stamp is attached. These labels may only be removed and used as record entries as prescribed by other rules of this section.

[Statutory Authority: RCW 9.46.070 (8), (11) and (14), 88-13-060 (Order 179), § 230-02-290, filed 6/14/88.]

WAC 230-02-300 Substantial interest holder defined. Substantial interest holder means a person who has actual or potential influence over the management or operation of any organization, association or other business entity. Evidence of substantial interest includes, but is not limited to, one or more of the following:

- (1) Directly or indirectly owning, operating, managing or controlling an entity or any part of an entity; or
- (2) Directly or indirectly profiting from or assuming liability for debts of the entity; or
- (3) Is an officer or director of the entity; or
- (4) Owning ten percent or more of any class of stock in a privately or closely held corporation, or five percent or more of any class of stock in a publicly traded corporation; or
- (5) Furnishing ten percent or more of the capital, whether in cash, goods, or services, for the operation of the business during any calendar year; or
- (6) Directly or indirectly receiving a salary, commission, royalties or other form of compensation from the gambling activity in which an entity is or seeks to be engaged.

[Statutory Authority: RCW 9.46.070 (1)-(4), (7), (8), (11), (12), (14), (20) and 9.46.110 (3), (4), 95-23-109, § 230-02-300, filed 11/22/95, effective 1/1/96; Order 23, § 230-02-300, filed 9/23/74; Order 12, § 230-02-300, filed 2/14/74; Order 5, § 230-02-300, filed 12/19/73.]

WAC 230-02-310 Bona fide newspaper or magazine defined. A newspaper or magazine shall be "bona fide" only if:

- (1) To conduct, or participate in conducting, the contest or drawing of which the coupon or entry blank is a part is not a primary purpose underlying the publication; and
- (2) The price of the publication is consistent with the price of similar publications sold in the state which contain no such coupons or entry blanks; and
- (3) The publication has been published regularly and continuously for a period of at least three months prior to any such coupon or entry blank appearing therein; and
- (4) At least three regularly scheduled issues have been published prior to any such coupon or entry blank appearing therein.

[Order 42, § 230-02-310, filed 9/18/75; Order 14, § 230-02-310, filed 3/27/74.]

WAC 230-02-350 Commercial stimulant defined. "Commercial stimulant" means a licensed gambling activity operated by an established food and/or drink business with the purpose of increasing the volume of food and/or drink sales for "on-premises" consumption.

[Statutory Authority: RCW 9.46.070 and 9.46.0217, 95-07-094, § 230-02-350, filed 3/17/95, effective 7/1/95. Statutory Authority: Chapter 9.46

RCW 87-07-038 (Order 165), § 230-02-350, filed 3/16/87; 86-24-025 (Order 163), § 230-02-350, filed 11/24/86; 86-17-057 (Order 160), § 230-02-350, filed 8/18/86. Statutory Authority: RCW 9.46.020(5). 82-23-050 (Order 125), § 230-02-350, filed 11/15/82. Statutory Authority: RCW 9.46.020(5) and section 1(5), chapter 326, Laws of 1977 ex. sess. and RCW 9.46.070(4). 78-03-061 (Order 81), § 230-02-350, filed 2/22/78; Order 78, § 230-02-350, filed 11/17/77; Order 29, § 230-02-350, filed 1/23/75; Order 23, § 230-02-350, filed 9/23/74.]

WAC 230-02-360 Licensed premises defined.

"Licensed premises" means the physical building and property, upon which the licensed gambling activity occurs, as set out on the license application and approved by the commission: Provided, That when only a portion of a building is utilized for purposes of operating a food and/or drink business or for conducting gambling or related activities, only that portion set out in the application on file with the commission, shall be considered the licensed premises.

[Statutory Authority: RCW 9.46.070 and 9.46.0217. 95-07-094, § 230-02-360, filed 3/17/95, effective 7/1/95. Statutory Authority: Chapter 9.46 RCW. 86-19-056 (Order 161), § 230-02-360, filed 9/15/86, effective 1/1/87.]

WAC 230-02-362 Primary market area defined. "Primary market area" means the area that starts at the premises of an operating Class E or above bingo game and extends to a radius that is located ten miles from such premises.

[Statutory Authority: RCW 9.46.070, 9.46.0209, 9.46.0237, 9.46.0205 and 9.46.075. 96-24-008 (Order 303), § 230-02-362, filed 11/21/96, effective 12/22/96.]

WAC 230-02-364 Secondary market area defined.

"Secondary market area" means the area that starts at a radius that is located ten miles from the premises of an operating Class E or above bingo game and extends to a radius that is located twenty-five miles from the premises.

[Statutory Authority: RCW 9.46.070, 9.46.0209, 9.46.0237, 9.46.0205 and 9.46.075. 96-24-008 (Order 303), § 230-02-364, filed 11/21/96, effective 12/22/96.]

WAC 230-02-366 Impact market area defined.

"Impact market area" means the area that starts at the premises of an operating Class E or above bingo game and extends to a radius that is located fifty miles from such premises.

[Statutory Authority: RCW 9.46.070, 9.46.0209, 9.46.0237, 9.46.0205 and 9.46.075. 96-24-008 (Order 303), § 230-02-366, filed 11/21/96, effective 12/22/96.]

WAC 230-02-370 Food and/or drink business defined. "Food and/or drink business" means any business which is primarily engaged in the sale of food and/or drink items, to persons other than owners, employees, or substantial interest holders, for consumption on the licensed premises.

[Statutory Authority: RCW 9.46.070 and 9.46.0217. 95-07-094, § 230-02-370, filed 3/17/95, effective 7/1/95. Statutory Authority: Chapter 9.46 RCW. 86-19-056 (Order 161), § 230-02-370, filed 9/15/86, effective 1/1/87.]

WAC 230-02-380 Established business defined.

"Established business" means any business that has applied for and received all licenses or permits required by any state

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or local jurisdictions and has been open to the public for a period of not less than ninety days: Provided, That the commission may grant "established" status to a business that:

(1) Has completed all construction and is ready to conduct business;

(2) Has obtained all required licenses and permits;

(3) Provides the commission a planned operating schedule which includes estimated gross sales from each separate activity to be conducted on the proposed premises, including but not limited to the following:

(a) Food and/or drinks for on-premises consumption;

(b) Food and/or drinks "to go"; and

(c) All other business activities.

(4) Passes an inspection by the commission.

[Statutory Authority: RCW 9.46.070 and 9.46.0217. 95-07-094, § 230-02-380, filed 3/17/95, effective 7/1/95. Statutory Authority: Chapter 9.46 RCW. 86-19-056 (Order 161), § 230-02-380, filed 9/15/86, effective 1/1/87.]

WAC 230-02-405 Specific authorized card games.

These games include, and are limited to, each card game authorized by the commission under WAC 230-40-010 when played as permitted by that rule.

[Statutory Authority: RCW 9.46.070(10). 81-09-055 (Order 106), § 230-02-405, filed 4/17/81; Order 29, § 230-02-405, filed 1/23/75.]

WAC 230-02-410 Public card room.

A public card room is that area of the premises of a profit seeking retail business which has been specifically set aside or designated by the licensee and approved by the commission for the playing of cards by members of the public as a commercial stimulant to that business in accordance with state law and the rules of the commission.

[Order 23, § 230-02-410, filed 9/23/74.]

WAC 230-02-412 Gambling equipment defined.

For purposes of this title, gambling equipment means any device, expendable supply or any other paraphernalia used in conjunction with or to facilitate gambling. Gambling equipment includes, but is not limited to:

(1) Amusement games;

(2) Punch boards and pull-tabs;

(3) Devices for dispensing pull-tabs;

(4) Electronic devices for conducting, facilitating or accounting for the results of gambling activities, including:

(a) Components of a tribal lottery system;

(b) Electronic devices for reading and displaying outcomes of pull-tabs defined by WAC 230-02-260; and

(c) Accounting systems that are a part of, or directly connected to, a gaming system including:

(i) Bet totalizers; or

(ii) Progressive jackpot meters;

(5) Bingo equipment, as defined in WAC 230-02-250;

(6) Equipment or machinery utilized for the manufacture of gambling equipment when such equipment is designed primarily for such purpose;

(7) Devices and supplies used to conduct card games, fund-raising events, recreational gaming activities, or Class III gaming activities, as defined in the Indian Gaming Regu-

latory Act at U.S.C. 25 chapter 29 § 2703 and in Tribal-State compacts, including, but not limited to:

- (a) Gaming chips;
- (b) Cards;
- (c) Dice;
- (d) Card shuffling devices;
- (e) Graphical game layouts for table games;
- (f) Ace finders or no-peak devices;
- (g) Roulette wheels; and
- (h) Tables manufactured exclusively for gaming purposes.

[Statutory Authority: RCW 9.46.070. 00-15-039 (Order 385), § 230-02-412, filed 7/14/00, effective 1/1/01.]

WAC 230-02-415 Card room employee defined. A "card room employee" is any person who is involved in the operation of social card games conducted by a card room when such games involve the collection of fees.

Individuals who only perform duties of bartenders, waitresses or similar functions limited to providing food and drink service within the card room portion of the licensed premises are not "card room employees." Persons performing at least the following functions shall be designated as card room employees:

- (1) Collecting fees;
- (2) Dealing;
- (3) Supervising any card game or card room employee, such as acting as a pit boss, floor person, section supervisor, etc.;
- (4) Cashier duties such as selling or redeeming chips;
- (5) Surveillance of dealers and card games to detect cheating or control functions;
- (6) Controlling card room funds including keys to secure locations;
- (7) Facilitating any part of the operation of a card game.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-02-415, filed 4/14/00, effective 5/15/00. Statutory Authority: RCW 9.46.070(5). 98-04-023, § 230-02-415, filed 1/28/98, effective 7/1/98. Statutory Authority: RCW 9.46.070(16). 78-06-066 (Order 85), § 230-02-415, filed 5/25/78.]

WAC 230-02-418 Charitable or nonprofit gambling manager defined. A "charitable or nonprofit gambling manager" is any member or employee of a charitable or nonprofit organization who has the ability to, directly or indirectly, exercise a material degree of control over the operation of any gambling activity or the disbursement of funds generated from gambling activities. This definition includes all persons compensated to advise the board and/or officers regarding specific aspects of operating any gambling activity, whether as a consultant or any other short-term contract basis: Provided, That charitable or nonprofit organizations currently licensed to operate gambling activities, or their members or employees, may provide nonspecific advice to any other charitable/nonprofit organization, without being deemed a gambling manager for the receiving organization, if they are not directly or indirectly compensated for such advice. This section is not intended to restrict actions regarding the operation of any gambling activity that are initiated by the board and/or officers, if such actions are implemented

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through a gambling manager appointed by the board and/or officers.

For purposes of this title, the following individuals shall be deemed to be charitable or nonprofit gambling managers:

(1) Any member or employee who has the primary responsibility to supervise the operation of any gambling activity;

(2) Any employee of the organization who has been assigned the responsibility of supervising another gambling manager by the governing board or officers; or

(3) The employee who the officers or governing board of directors has delegated the highest level of authority over the day-to-day affairs of the organization and who is responsible for disbursement of funds generated from gambling activities and/or safeguarding assets purchased with funds generated from gambling activities.

[Statutory Authority: RCW 9.46.070. 95-09-062 (Order 268), § 230-02-418, filed 4/18/95, effective 5/19/95. Statutory Authority: RCW 9.46.070 (7), (17), (8) and (9). 91-13-070 (Order 223), § 230-02-418, filed 6/17/91, effective 7/18/91. Statutory Authority: RCW 9.46.070(17). 81-21-032 (Order 113), § 230-02-418, filed 10/15/81.]

WAC 230-02-420 Social card room. A social card room is that area of the premises of a bona fide charitable or nonprofit organization which has been specifically set aside or designated by the licensee and approved by the commission for the playing of cards by bona fide members of that organization and their guests only, in accordance with state law and the rules of the commission.

[Order 23, § 230-02-420, filed 9/23/74.]

WAC 230-02-430 Guest. The term guest shall include only those persons not a member of a bona fide charitable or nonprofit organization, who are allowed to use the facilities of the organization to play card games, only when accompanied by the regular member of the organization sponsoring the guest and for a fee not to exceed the maximum fee for the playing of cards as set by the commission: Provided, That persons holding a valid "guest" card in accordance with Washington state liquor control board regulation 106 (WAC 314-04-040), need not be accompanied by a member.

If a person is charged, directly or indirectly, more than the maximum fee set by the commission to enter the facility and play cards, he is not a guest for the purpose of these rules.

[Order 23, § 230-02-430, filed 9/23/74.]

WAC 230-02-440 Calendar day defined. "Calendar day" means a twenty-four hour period commencing at 12:01 a.m. and ending at 12 o'clock midnight.

[Order 78, § 230-02-440, filed 11/17/77.]

WAC 230-02-450 Three consecutive days defined. "Three consecutive days" shall include any period of up to seventy-two consecutive hours.

[Order 78, § 230-02-450, filed 11/17/77.]

WAC 230-02-455 Social pastime defined. "Social pastime" means a gambling activity conducted primarily for

entertainment. Charitable or nonprofit organizations are deemed to be conducting bingo as a social pastime when licensed to receive \$250,000 gross gambling receipts or less annually or operating under the provisions of RCW 9.46.0321: Provided, That any licensee that pays wages or rent to conduct bingo shall be deemed to be operating bingo for purposes of fundraising and must comply with net return requirements for their class of license, as set forth in Table 1 of WAC 230-20-059.

[Statutory Authority: RCW 9.46.070, 9.46.0209, 9.46.0237, 9.46.0205 and 9.46.075. 96-24-008 (Order 303), § 230-02-455, filed 11/21/96, effective 12/22/96.]

WAC 230-02-500 Drawing defined. A drawing is defined as an approved random selection process for determining winners in a raffle. To be random, each ticket in the drawing must have an equal chance of selection.

[Statutory Authority: RCW 9.46.070 (11), (14) and 9.46.0218 [9.46.0281]. 89-05-024 (Order 186), § 230-02-500, filed 2/13/89.]

WAC 230-02-503 Fund raising defined. "Fund raising" means a gambling activity conducted for purposes of obtaining funds for a charitable or nonprofit organization's programs and which is operated with a profit motive. Organizations are deemed to be conducting bingo for fund raising to support the purposes of the organization when licensed to receive more than \$250,000 gross gambling receipts.

[Statutory Authority: RCW 9.46.070, 9.46.0209, 9.46.0237, 9.46.0205 and 9.46.075. 96-24-008 (Order 303), § 230-02-503, filed 11/21/96, effective 12/22/96.]

WAC 230-02-504 Fund-raising event defined. "Fund-raising event," as set forth in RCW 9.46.0233, is an event conducted by a charitable or nonprofit organization to raise money for the organization's stated goals and purposes. During these limited duration events, bingo, amusement games, contests of chance, lotteries, and raffles may be conducted.

[Statutory Authority: RCW 9.46.070. 00-15-048 (Order 387), § 230-02-504, filed 7/17/00, effective 8/17/00.]

WAC 230-02-505 Recreational gaming activity—Defined. A recreational gaming activity is a nongambling activity utilizing gambling devices authorized for use in fund raising events, conducted no more than two times per year, by or on behalf of an organization that has been in existence for at least six months. Only members and guests of the sponsoring organization may participate and such activity shall be subject to the requirements of WAC 230-25-330.

[Statutory Authority: Chapter 9.46 RCW. 91-15-040 (Order 224), § 230-02-505, filed 7/17/91, effective 8/17/91.]

WAC 230-02-510 Amusement device defined. An amusement device is any mechanical, electro-mechanical, or electronic device through which the operation results in a game or contest which:

- (1) Is played only for entertainment;
- (2) Allows the player to actively participate;
- (3) The outcome of the game or contest depends in a material degree upon the skill of the player; and

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(4) The outcome is not in control of any person other than the player or players.

[Statutory Authority: RCW 9.46.070 and 9.46.0331. 91-19-093 (Order 227), § 230-02-510, filed 9/18/91, effective 10/19/91.]

WAC 230-02-511 Attended amusement game defined. Any amusement game conducted in a manner requiring the presence or assistance of any natural person as an attendant in the regular operation of the game shall be considered an attended amusement game.

[Statutory Authority: RCW 9.46.070. 96-07-076, § 230-02-511, filed 3/19/96, effective 7/1/96; 94-01-036, § 230-02-511, filed 12/6/93, effective 1/6/94.]

WAC 230-02-512 Commercial amusement game operator defined. A commercial amusement game operator is any person or organization, other than a charitable or nonprofit organization, that receives revenue from the operation, rental, or lease, or otherwise shares in the proceeds of approved amusement games.

[Statutory Authority: Chapter 9.46 RCW. 91-21-053 (Order 228), § 230-02-512, filed 10/15/91, effective 11/15/91.]

WAC 230-02-514 Coin or token activated amusement games defined. Any amusement game consisting of a mechanical, electronic, or electro-mechanical machine or device which allows the player to activate the game by means of inserting one or more coins or tokens, and which dispenses a merchandise prize - or coupons, tickets or tokens which are redeemable for a merchandise prize - upon successfully achieving the stated goal of the game, shall be considered a coin or token activated amusement game. Any such game shall be conducted in accordance with all other rules of the gambling commission and provisions of chapter 9.46 RCW.

[Statutory Authority: RCW 9.46.070. 94-01-036, § 230-02-514, filed 12/6/93, effective 1/6/94.]

WAC 230-02-515 School hours defined. School hours are defined as 8:00 a.m. through 3:00 p.m., Monday through Friday, using the operating schedule of the public school district in which the activity is located. Provided, That upon written permission of the commission director, school hours may be adjusted to allow participants in school sponsored activities to utilize amusement games at licensed locations.

[Statutory Authority: RCW 9.46.070 and 9.46.0331. 91-19-093 (Order 227), § 230-02-515, filed 9/18/91, effective 10/19/91.]

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.]

WAC 230-02-530 Circumstances outside the control of the licensee—Defined. "Circumstances outside the control of the licensee" means any factors that impact an organization's ability to operate bingo games that are not directly or

indirectly under the control of the board of directors. The following examples of such circumstances may be considered by the director:

- (i) Premises destroyed or condemned;
- (ii) Lease for the premises expires without an option to renew;
- (iii) Unanticipated increases to rent that would put the licensee in jeopardy of being in violation of net return requirements;
- (iv) Significant nonbingo gambling activities operated within a licensee's impact market area by organizations outside the jurisdiction of the commission;
- (v) Closure of arterial exit ramps if within five miles of the premises;
- (vi) Loss of customer parking;
- (vii) Cancellation of public transportation; or
- (viii) Other permanent factors demonstrated by a licensee.

[Statutory Authority: RCW 9.46.070, 9.46.0209, 9.46.0237, 9.46.0205 and 9.46.075. 96-24-008 (Order 303), § 230-02-530, filed 11/21/96, effective 12/22/96.]

WAC 230-02-535 Permanent interruption of customer flow—Defined. "Permanent interruption of customer flow" means a decrease in the customers available to a licensee for longer than a six-month time period, when the circumstances which caused the interruption are outside the control of the licensee.

[Statutory Authority: RCW 9.46.070, 9.46.0209, 9.46.0237, 9.46.0205 and 9.46.075. 96-24-008 (Order 303), § 230-02-535, filed 11/21/96, effective 12/22/96.]

WAC 230-02-540 Temporary interruption of customer flow—Defined. "Temporary interruption of customer flow" means a decrease in the normal customers available to a licensee for a period of six months or less when the circumstances that caused the decrease are outside the control of the licensee. Examples of such interruptions are street repairs, damage to premises, inclement weather, etc.

[Statutory Authority: RCW 9.46.070, 9.46.0209, 9.46.0237, 9.46.0205 and 9.46.075. 96-24-008 (Order 303), § 230-02-540, filed 11/21/96, effective 12/22/96.]

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WAC

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230-04-405	Commission will seek reimbursement for costs incurred in pursuing license revocation for failure to pay gambling taxes.	230-04-195	Agricultural fairs to obtain permits for each person to conduct each authorized activity under a fair's license. [Order 5, § 230-04-195, filed 12/19/73.] Repealed by Order 23, filed 9/23/74.
230-04-410	Return of license suspended or revoked.	230-04-197	Permits for raffles on separate premises. [Statutory Authority: RCW 9.46.070 (5), (7), (8), (9), (11), (14) and (19). 84-13-038 (Order 140), § 230-04-197, filed 6/15/84; Order 9, § 230-04-197, filed 12/19/73.] Repealed by 88-07-059 (Order 175), filed 3/15/88. Statutory Authority: RCW 9.46.070 (8), (11) and (14).
230-04-450	Display of licenses.	230-04-198	Reduction of license fees. [Statutory Authority: RCW 9.46.070. 98-21-010 (Order 366), § 230-04-198, filed 10/9/98, effective 11/9/98.] Repealed by 99-24-099 (Order 377), filed 11/30/99, effective 12/31/99. Statutory Authority: RCW 9.46.070.
230-04-455	Employees to wear identification tags.	230-04-199	Class R recreational card games conducted by a bona fide charitable or bona fide nonprofit organization. [Statutory Authority: RCW 9.46.070 (11) and (14). 88-17-050 (Order 182), § 230-04-199, filed 8/16/88. Statutory Authority: RCW 9.46.070 (10) and (13). 79-05-026 (Order 89), § 230-04-199, filed 4/18/79.] Repealed by 94-23-007, filed 11/3/94, effective 1/1/95. Statutory Authority: RCW 9.46.070.
230-04-500	Local gambling prohibitions.	230-04-200	License fees. [Statutory Authority: RCW 9.46.070(5). 82-15-009 (Order 124), § 230-04-200, filed 7/9/82; 81-21-032 (Order 113), § 230-04-200, filed 10/15/81; 81-19-073 (Order 112), § 230-04-200, filed 9/15/81; 81-13-032 (Order 109), § 230-04-200, filed 6/15/81; 81-03-045 (Order 105), § 230-04-200, filed 1/16/81; 80-03-059 (Order 98), § 230-04-200, filed 2/25/80; 79-12-057 (Order 94), § 230-04-200, filed 11/28/79; 79-05-026 (Order 89), § 230-04-200, filed 4/18/79; 79-01-026 (Order 88), § 230-04-200, filed 12/18/78. Statutory Authority: RCW 9.46.070(11). 78-06-066 (Order 85), § 230-04-200, filed 5/25/78; Order 78, § 230-04-200, filed 11/17/77; Order 51, § 230-04-200, filed 4/30/76; Order 45, § 230-04-200, filed 12/30/75; Order 42, § 230-04-200, filed 9/18/75; Order 40, § 230-04-200, filed 6/26/75; Order 23, § 230-04-200, filed 9/23/74; Order 12, § 230-04-200, filed 2/14/74; Order 9, § 230-04-200, filed 12/19/73 at 1:26 p.m.; Order 5, § 230-04-200, filed 12/19/73 at 1:25 p.m.] Repealed by 84-01-026 (Order 139), filed 12/12/83. Statutory Authority: RCW 9.46.070 (5), (6), (8), (10), and (11).
DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER			
230-04-050	Qualified bona fide charitable and nonprofit organization qualifications. [Statutory Authority: RCW 9.46.070 (1), (7), (11), (14), and (17). 83-21-073 (Order 137), § 230-04-050, filed 10/18/83. Statutory Authority: RCW 9.46.070(1). 82-04-009 (Order 117), § 230-04-050, filed 1/22/82; Order 42, § 230-04-050, filed 9/18/75; Order 23, § 230-04-050, filed 9/23/74; Order 5, § 230-04-050, filed 12/19/73.] Repealed by 89-09-047 (Order 190), filed 4/18/89, effective 7/1/89. Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20).	230-04-201	Fees. [Statutory Authority: RCW 9.46.070. 93-19-090 (Order 244), § 230-04-201, filed 9/15/93, effective 10/16/93; 92-21-056 (Order 233), § 230-04-201, filed 10/19/92, effective 11/19/92. Statutory Authority: RCW 9.46.070 and 9.46.0331. 91-19-093 (Order 227), § 230-04-201, filed 9/18/91, effective 10/19/91. Statutory Authority: Chapter 9.46 RCW. 91-15-040 (Order 224), § 230-04-201, filed 7/17/91, effective 8/17/91. Statutory Authority: RCW 9.46.070 (4), (11) and (14). 89-24-002 (Order 201), § 230-04-201, filed 11/27/89, effective 12/28/89. Statutory Authority: RCW 9.46.070(5). 89-21-070 (Order 199), § 230-04-201, filed 10/17/89, effective 1/1/90. Statutory Authority: RCW 9.46.070 (8), (11) and (14). 89-11-048 (Order 192), § 230-04-201, filed 5/16/89; 88-13-060 (Order 179), § 230-04-201, filed 6/14/88. Statutory Authority: RCW 9.46.070(5). 88-11-071 (Order 177), § 230-04-201, filed 5/18/88. Statutory Authority: RCW 9.46.070 (1), (2), (3), (4) and (14). 87-21-015 (Order 172), § 230-04-201, filed 10/9/87. Statutory Authority: RCW 9.46.070 (1), (2), (4), (5), (6), (11), (14) and (17). 86-13-055 (Order 158), § 230-04-201, filed 6/13/86. Statutory Authority: RCW 9.46.070 (1), (2), (4), (5), (6), (9), (11), (14) and (17) and 9.46.020 (19) and (23). 85-17-015 (Order 153), § 230-04-201, filed 8/12/85. Statutory Authority: RCW 9.46.070 (8), (11) and (14). 85-03-024 (Order 142), § 230-04-201, filed 1/9/85. Statutory Authority: RCW 9.46.070 (5), (7), (8), (9), (11), (14) and (19). 84-13-038 (Order 140), § 230-04-201, filed 6/15/84. Statutory Authority: RCW 9.46.070 (5), (6), (8), (10) and (11). 84-01-026 (Order 139), § 230-04-201, filed 12/12/83.] Repealed by 94-23-007, filed 11/3/94, effective 1/1/95. Statutory Authority: RCW 9.46.070.
230-04-060	Required information. [Statutory Authority: Chapter 9.46 RCW. 86-17-057 (Order 160), § 230-04-060, filed 8/18/86. Statutory Authority: RCW 9.46.070 (1), (7), (11), (14), and (17). 83-21-073 (Order 137), § 230-04-060, filed 10/18/83. Statutory Authority: RCW 9.46.070(7). 82-15-009 (Order 124), § 230-04-060, filed 7/9/82. Statutory Authority: RCW 9.46.070(6). 78-06-066 (Order 85), § 230-04-060, filed 5/25/78; Order 67, § 230-04-060, filed 3/11/77; Order 60, § 230-04-060, filed 9/10/76; Order 51, § 230-04-060, filed 4/30/76; Order 48, § 230-04-060, filed 3/23/76; Order 42, § 230-04-060, filed 9/18/75; Order 23, § 230-04-060, filed 9/23/74; Order 12, § 230-04-060, filed 2/14/74; Order 5, § 230-04-060, filed 12/19/73.] Repealed by 89-09-047 (Order 190), filed 4/18/89, effective 7/1/89. Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20).	230-04-206	Fees—Linked bingo prize providers and linked bingo prize provider representatives. [Statutory Authority:
230-04-061	Required information, bona fide charitable and nonprofit organizations. [Statutory Authority: RCW 9.46.070 (5), (6), (8), (10), and (11). 84-01-026 (Order 139), § 230-04-061, filed 12/12/83.] Repealed by 89-09-047 (Order 190), filed 4/18/89, effective 7/1/89. Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20).		
230-04-100	Registration of certain foreign manufacturers of punch boards and pull-tabs. [Order 5, § 230-04-100, filed 12/19/73.] Repealed by Order 12, filed 2/14/74.		
230-04-121	Distributor's representatives to represent only one distributor at a time. [Order 80, § 230-04-121, filed 12/28/77.] Repealed by 85-01-065 (Order 145), filed 12/18/84. Statutory Authority: RCW 9.46.070 (1), (4), (5), (6), (7), (11), (14) and (17) and 9.46.310.		
230-04-122	Distributor's representative shall not represent manufacturers—Exception. [Order 80, § 230-04-122, filed 12/28/77.] Repealed by 85-01-065 (Order 145), filed 12/18/84. Statutory Authority: RCW 9.46.070 (1), (4), (5), (6), (7), (11), (14) and (17) and 9.46.310.		
230-04-123	Licensing of distributor's representatives. [Statutory Authority: Chapter 9.46 RCW. 87-09-043 (Order 167), § 230-04-123, filed 4/14/87. Statutory Authority: RCW 9.46.070 (1), (4), (5), (6), (7), (11), (14) and (17) and 9.46.310. 85-01-065 (Order 145), § 230-04-123, filed 12/18/84.] Repealed by 89-24-003 (Order 200), filed 11/27/89, effective 12/28/89. Statutory Authority: Chapter 34.05 RCW.		
230-04-130	Licensing of manufacturer's representatives. [Statutory Authority: RCW 9.46.070 (1), (4), (5), (6), (7), (11), (14) and (17) and 9.46.310. 85-01-065 (Order 145), § 230-04-130, filed 12/18/84; Order 80, § 230-04-130, filed 12/28/77; Order 12, § 230-04-130, filed 2/14/74.] Repealed by 89-24-003 (Order 200), filed 11/27/89, effective 12/28/89. Statutory Authority: Chapter 34.05 RCW.		
230-04-141	Public card room employee licenses may be reissued when changing employment. [Statutory Authority: RCW 9.46.070(16). 78-06-066 (Order 85), § 230-04-141, filed 5/25/78.] Repealed by 79-09-029 (Order 91), filed 8/14/79. Statutory Authority: RCW 9.46.070(16).	230-04-205	Person holding, or having held, Class A raffle licenses may convert to new class of raffle license in same year. [Order 21, § 230-04-205, filed 8/20/74.] Repealed by Order 51, filed 4/30/76.
230-04-150	Supplemental information. [Order 5, § 230-04-150, filed 12/19/73 at 1:25 p.m.] Repealed by Order 9, filed 12/19/73 at 12:26 p.m. See WAC 230-04-151, Emergency Order 11 for readoption.		

	RCW 9.46.070. 98-24-090 (Order 369), § 230-04-206, filed 12/1/98, effective 1/1/99.] Repealed by 99-24-099 (Order 377), filed 11/30/99, effective 12/31/99. Statutory Authority: RCW 9.46.070.
230-04-250	Effect of temporary license—Fees. [Order 5, § 230-04-250, filed 12/19/73.] Repealed by Order 14, filed 3/27/74.
230-04-305	Change of class. [Statutory Authority: RCW 9.46.070 (5) and (9). 80-03-060 (Order 99), § 230-04-305, filed 2/25/80.] Repealed by 84-01-026 (Order 139), filed 12/12/83. Statutory Authority: RCW 9.46.070 (5), (6), (8), (10), and (11).
230-04-332	Change of employee or agent in the operation of a card room, punch boards or pull-tabs. [Order 48, § 230-04-332, filed 3/23/76.] Repealed by 78-08-055 (Order 86), filed 7/20/78. Statutory Authority: RCW 9.46.070(13).
230-04-452	Pictures to be posted with employee licenses. [Statutory Authority: RCW 9.46.070 (10) and (13). 78-08-055 (Order 86), § 230-04-452, filed 7/20/78.] Repealed by 83-06-077 (Order 127), filed 3/2/83. Statutory Authority: RCW 9.46.070 (4), (7), (8) and (11).
230-04-900	Test for optional payment plan for annual licenses. [Statutory Authority: RCW 9.46.070 (1), (2), (4), (5), (6), (11), (14) and (17). 86-13-055 (Order 158), § 230-04-900, filed 6/13/86.] Repealed by 87-21-015 (Order 172), filed 10/9/87. Statutory Authority: RCW 9.46.070 (1), (2), (3), (4) and (14).

WAC 230-04-005 Gambling license certification program. The gambling license certification program is an investigative licensing process in which all applicants are assessed and evaluated against the standards and requirements contained in chapter 9.46 RCW. All applicants that meet the qualifications for licensing will be certified by the commission for an initial license and are subject to recertification by the commission on an annual basis.

[Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-04-005, filed 4/18/89, effective 7/1/89.]

WAC 230-04-010 Certification procedure—Application forms. Each application for a license from the commission shall be submitted on the license application form approved by the commission. These application forms may be obtained from any office of the commission.

[Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-04-010, filed 4/18/89, effective 7/1/89; Order 5, § 230-04-010, filed 12/19/73.]

WAC 230-04-020 Certification procedure—General requirements—Mandatory training required. Applicants for license from the commission shall submit all applications, including the proper fee, as established by WAC 230-04-202, 230-04-203 or 230-04-204 to the administrative office of the commission in Lacey. The application process is as follows:

(1) The application shall be made using a form provided by the commission. The application form must be completed in every respect, containing all the information and attachments requested;

(2) The application shall be signed under oath by an individual attesting that the information set forth in the application and any accompanying materials is true, accurate and complete and that they assume full responsibility for the fair and lawful operation of all licensed activities that the applicant conducts. The following person(s) shall sign the application:

(a) The highest ranking officer/official of a charitable, nonprofit or profit seeking corporation;

(b) The principal owner of a sole proprietorship;

(c) All partners of a partnership or general partner of a limited partnership; and

(d) The mayor or the mayor's designated representative if the application is being submitted by or on behalf of an incorporated city or town.

(e) The director may also require the following persons to sign the application:

(i) The chairman of the board of directors or trustees;

(ii) The person in charge of financial records; and/or

(iii) Persons with a substantial interest in the applicant business or charitable/nonprofit organization.

(3) The commission will consider only those applications that have been fully completed. Failure to respond to written notification of an incomplete application, within twenty days of such notice, shall be cause for administrative closure of the application. The following reasons will cause an application to be incomplete:

(a) Failure to provide all information requested on the application form and/or attachments;

(b) Failure to provide supplemental information requested during the licensing investigation;

(c) Failure to attend mandatory precertification training;

(d) Failure to provide fingerprints or samples of handwriting; and

(e) Failure to submit proper fees.

(4) The commission may disclose to the public or discuss at a public meeting all information set forth in the application and all supplemental information submitted subject to the exemptions in chapter 42.17 RCW and other applicable laws including, but not limited to, chapter 10.97 RCW: Provided, That consistent with chapter 10.97 RCW, the commission may disclose conviction data of an applicant or licensee.

(5) The commission shall not issue a license until it is satisfied that the applicant is completely qualified to operate the activity for which a license is requested. Prior to issuing a license, the commission will:

(a) Conduct a review and investigation of all information available, whether submitted as a part of the application or otherwise obtained, to the degree deemed necessary to attest to the qualification of the applicant and the gambling premises; and

(b) Require all persons who sign the application, as set out in subsection (2) of this section, plus the manager or other designated person(s) responsible for conducting the gambling activity or completing records, to complete a training course as established and provided by the commission: Provided, That mandatory training shall not be required for manufacturers; manufacturers representatives; or applicants or licensees with special circumstances as approved by the director. Mandatory training shall be completed within the following time lines:

(i) New applicants - Within sixty days of application and prior to being granted a license: Provided, That cardroom employees and bingo managers must attend training no later than thirty days after the first day of work;

(ii) Annual recertification - no later than sixty days after the effective date of the license: Provided, That only those

person(s), as set out in subsection (2) of this section, which are newly designated to sign the application since the last license application shall be required to attend training if they have not attended within the previous three years; and

(iii) Changes to managers or other designated persons responsible for conducting gambling activities or completing records - no later than sixty days after the first day of work.

[Statutory Authority: RCW 9.46.070. 99-18-003 (Order 376), § 230-04-020, filed 8/18/99, effective 9/18/99. Statutory Authority: Chapter 9.46 RCW. 94-24-056 (Order 262), § 230-04-020, filed 12/5/94, effective 1/5/95. Statutory Authority: RCW 9.46.070. 92-22-058, § 230-04-020, filed 10/29/92 effective 11/29/92. Statutory Authority: Chapter 34.05 RCW. 90-03-064 (Order 203), § 230-04-020, filed 1/18/90, effective 2/18/90. Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-04-020, filed 4/18/89, effective 7/1/89. Statutory Authority: RCW 9.46.070 (1), (2), (3), (4) and (14). 87-21-015 (Order 172), § 230-04-020, filed 10/9/87. Statutory Authority: Chapter 9.46 RCW. 87-09-043 and 87-10-017 (Orders 167 and 167A), § 230-04-020, filed 4/14/87 and 4/30/87. Statutory Authority: RCW 9.46.070 (1), (7), (11), (14), and (17). 83-21-073 (Order 137), § 230-04-020, filed 10/18/83; Order 60, § 230-04-020, filed 9/10/76; Order 42, § 230-04-020, filed 9/18/75; Order 12, § 230-04-020, filed 2/14/74; Order 5, § 230-04-020, filed 12/19/73.]

WAC 230-04-022 Certification procedure—Information required from all applicants. In addition to other information required by the commission, each applicant shall provide the following information on or attached to the application:

Articles of incorporation and bylaws.

(1) Copy of corporate applicants' articles of incorporation and bylaws; or, if not a corporation, a copy of any bylaws and other documents which set out the organizational structure and purposes of the organization;

IRS tax exemption letter.

(2) A copy of a nonprofit or charitable applicant's Internal Revenue Service tax exemption letter if one has been obtained;

Lease or rental agreements.

(3) Details and copies of all lease or rental arrangements, whether oral or written, between the applicant and the owner of premises upon which the gambling activity will be conducted, if such premises are leased or rented;

Franchise agreements.

(4) Details and copies of any and all franchise agreements or other agreements, whether written or oral, if any, between the applicant and distributors or manufacturers of equipment or between the applicant and any other person where those agreements relate to gambling activities or gambling equipment;

Management agreements.

(5) Details and copies of all proposed management agreements or contracts between the applicant and any gambling service supplier involved in providing services defined in WAC 230-02-205. All such agreements or contracts shall be reviewed by commission staff prior to the effective dates of the agreements to assure compliance with this title. No

financing or management services shall be provided prior to commission approval of the contracts;

Paid employees or agents.

(6) The name, address, date of birth, and Social Security number of each paid employee or agent who will work in the activity for which the license is sought and a schedule of the proposed number of employees, job descriptions, and a proposed pay schedule;

Substantial interest holders.

(7) Sufficient personal information to ensure each substantial interest holder as defined by WAC 230-02-300 is qualified to hold a license or participate in a licensed or authorized gambling activity;

Report changes to application.

(8) If any information required on the application, changes or becomes inaccurate in any way, the commission shall be notified prior to issuance of a license. Failure to notify the commission of any changes affecting an application may constitute grounds for suspension or revocation of all licenses.

Exceptions for cities and towns.

(9) Subsections (1), (2), and (7) of this section shall not apply to applications by or on behalf of an incorporated city or town in the state of Washington.

[Statutory Authority: RCW 9.46.070 and 34.05.230. 01-01-016 (Order 396), § 230-04-022, filed 12/6/00, effective 1/6/01. Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-04-022, filed 4/14/00, effective 5/15/00. Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-04-022, filed 4/18/89, effective 7/1/89.]

WAC 230-04-024 Bona fide charitable or nonprofit organizations—Minimum qualifications—Restrictions—Definitions. All organizations requesting to be certified to conduct gambling activities for charitable or nonprofit purposes must provide conclusive evidence that they are qualified under the requirements of RCW 9.46.0209 and formed and operated for purposes other than to conduct gambling activities. Each applicant shall comply with all of the following requirements and restrictions:

(1) An organization must be a bona fide charitable or nonprofit organization and have been formed and operated for the following purposes in order to conduct gambling activities:

(a) Any organization duly existing under the provisions of chapters 24.12, 24.20, or 24.28 RCW;

(b) Any organization, whether incorporated or not, which has been formed and operating exclusively for one or more of the purposes set out in WAC 230-02-155 and/or 230-02-161;

(c) Any corporation which has been incorporated under Title 36 U.S.C. and whose principal purposes are to furnish volunteer aid to members of the Armed Forces of the United States and to carry on a system of national and international relief to reduce the suffering caused by pestilence, famine, fire, floods, and other national calamities;

(d) An incorporated city or town in the state of Washington; or

(e) A branch or chapter of a parent organization, when such parent organization is itself eligible for licensure. A branch or chapter must demonstrate to the satisfaction of the commission that it has not been formed and operated for purposes of conducting gambling activities and is in its own right qualified to obtain the license sought. The director may require an affidavit signed by the chief executive officer of the parent organization certifying that the branch or chapter is a bona fide subdivision of the parent organization.

(2) An organization must have been organized and continuously operating for at least twelve months prior to submitting a request to be certified. For purposes of this section, "continuously operating" means that during the immediate twelve months preceding the request, the organization has provided services to members or the public which directly relate to its stated purposes: Provided, That if the organization's sole function during the immediate twelve months has been fund-raising for purposes of providing future services, it may be deemed to have been "continuously operating" for purposes of this section;

(3) An organization must have at least fifteen active members as defined by WAC 230-02-183, each with an equal vote in elections of officers or board members who determine the policies of the organization;

(4) An organization must have demonstrated that it has made significant progress, measured as set forth in WAC 230-08-255, toward meeting its stated purposes during the twelve consecutive month period preceding a request to be certified;

(5) An organization must ensure that salaries or wages, if paid, are:

(a) Necessary to economically conduct the activities of the organization; and

(b) Reasonable when compared to the local prevailing wage scale for similar positions. For purposes of this section, "similar position" means a type or classification of position that has a predominance of characteristics, duties, and/or responsibilities that closely approximate those of the position being compared and which the scope of duties and responsibilities are at the same approximate level. Organizations that pay salaries or wages, that are not reasonable when compared to similar positions in the general area of employment, shall be deemed as paying salaries and wages that are directly or indirectly based on gambling receipts received.

(6) An organization must take positive steps to ensure the assets of the organization are protected from misuse, dedicated solely to the purposes of the organization, and do not inure to the benefit of private individuals;

(7) An organization must provide in its bylaws or, if incorporated, in its articles of incorporation, a statement that upon dissolution all assets of the organization remaining after satisfaction of all its debts must be distributed to another bona fide nonprofit or charitable organization qualified under RCW 9.46.0209;

(8) An organization shall not accumulate excessive reserves, as defined in WAC 230-02-137. Organizations accumulating excessive reserves may be deemed as organized primarily for purposes of gambling. Reserves shall be

computed by utilizing the most recently filed financial data, as required by WAC 230-08-122. Funds transferred to an endowment or specifically restricted trust fund will not be treated as reserves for purposes of this section if the following restrictions are observed:

(a) The endowment or specifically dedicated trust fund is either legally irrevocable or restricted in a manner that approval is required by a majority of the membership prior to use or transfer of the principal or corpus;

(b) The funds are expressly dedicated for funding new programs, capital projects, or to endow service-providing activities;

(c) The funds are saved according to a plan that includes the amount to be reserved, the purpose for which the funds are being reserved, and the estimated time the reserves will be used;

(d) The plan is approved by the organization's officers or board of directors and documentation pertaining to the endowment or trust fund is submitted to the commission for review and approval; and

(e) The total amount of net gambling income that is transferred to endowment or trust funds, in combination, does not exceed two million dollars: Provided, That an organization may petition the director to exceed this limitation. The director may approve the petition as requested, disapprove with written comments, or approve a modified level based on facts presented. The director's decision may be appealed to the commission. Appeal of this decision will be heard at a regular public meeting of the commission under the requirements of WAC 230-50-850. The commission's decision shall be final. Petitions for relief under this section shall include: The reason for the request, including whether the increased reserves are for charitable or nonprofit purposes and planned time-lines for use; the total amount of reserves requested; the impact on programs if the petition is denied; and alternative sources of funding available;

(9) An organization must maintain records to support compliance with the requirements of this section. Such records shall be completed per WAC 230-08-010, and include details necessary to allow reasonable confirmation of compliance by commission staff. At least the following records shall be maintained:

(a) Official minutes of all membership and board meetings including issues discussed, decisions made, and members in attendance;

(b) A listing of the names of all members. Full names, addresses, telephone numbers, and the dates they became a member must be provided for all "active members";

(c) A copy of the most recently approved articles of incorporation and bylaws; and

(d) All correspondence with the Internal Revenue Service and the secretary of state regarding the organization's status as a nonprofit organization.

(10) Incorporated cities or towns, authorized by subsection (1)(d) of this section, are exempted from the requirements of subsections (5), (6), (7), (8), and (9) of this section.

[Statutory Authority: RCW 9.46.070 (1), (8-11), (14), (16) and (20), 96-07-075, § 230-04-024, filed 3/19/96, effective 7/1/96. Statutory Authority: RCW 9.46.070, 9.46.0261 and 9.46.0209, 94-01-035, § 230-04-024, filed 12/6/93, effective 1/6/94. Statutory Authority: RCW 9.46.070 (7), (8), (9),

(10), (14), (19) and (20). 89-09-047 (Order 190), § 230-04-024, filed 4/18/89, effective 7/1/89.]

WAC 230-04-026 Ownership of a commercial gambling establishment by charitable and nonprofit organizations. A charitable or nonprofit organization that takes any part in the management, operation, or ownership of any authorized gambling activity conducted pursuant to a license issued by the commission shall not take any part in the management, operation, or ownership of any commercial gambling activity authorized under chapter 9.46 RCW.

[Statutory Authority: RCW 9.46.070 and 9.46.120. 00-21-069 (Order 388), § 230-04-026, filed 10/16/00, effective 11/16/00.]

WAC 230-04-030 Commission may post public notice of license application on premises. The commission may, at its discretion, place, or require to be conspicuously placed, a notice upon each premises upon which a gambling activity is to be conducted under a license for which application has been made. The notice shall advise the public that such license has been requested and that any comments persons wish to make concerning the license application, or the propriety of granting such a license to the applicant(s), or for those premises, may be made to the commission prior to a date certain.

The applicant(s) shall take all reasonable measures to insure that the notice remains posted thereafter until the last day set forth thereon for making comment and shall report to the commission forthwith if said notice has been removed prior to that date.

[Order 9, § 230-04-030, filed 12/19/73.]

WAC 230-04-035 Certification procedure—Charitable and nonprofit organizations—Classification of purpose. (1) Each organization requesting a license to conduct gambling shall be classified as either a "charitable organization" or a "nonprofit organization." The classification will be based upon an organization's primary purpose as set forth below:

(a) If an organization is classified as a "charitable organization," its primary purpose shall be charitable as defined in WAC 230-02-160.

(b) If an organization is classified as a "nonprofit organization," it will be assigned one or more of the purposes set forth in WAC 230-02-161 as its primary purpose(s).

For the purposes of this classification, the term primary purpose shall mean the lawful purpose to which a majority of an organization's fiscal year income was spent or dedicated. If an organization did not use a majority of its income for any single purpose, the purpose to which the greatest percentage of its income was devoted shall be an organization's primary purpose.

(2) In determining an organization's primary purpose, the commission staff shall review the organization's declaration of purpose, reported achievements, and expenditures made during the preceding twelve months.

(3) An organization may challenge its assigned purpose, by submitting to the director additional evidence supporting its choice. The director shall then issue a written decision as

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to the organization's primary purpose. The director's decision may be reviewed by the commission upon written request.

[Statutory Authority: RCW 9.46.0209. 94-07-084 (Order 250), § 230-04-035, filed 3/16/94, effective 4/16/94. Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-04-035, filed 4/18/89, effective 7/1/89.]

WAC 230-04-040 Certification procedure—Charitable and nonprofit organizations—Additional information required. Any organization not currently licensed to conduct gambling activities and requesting to be certified to conduct gambling activities in Group III, IV, or V, or planning to pay premises rent exceeding two thousand dollars per month, including all terms, shall submit a pro forma plan of operations, including a market study. The plan shall be detailed enough to allow commission staff the ability to assess the profitability of the planned gambling activity and potential for compliance with WAC 230-20-059 and 230-30-052. The plan shall include at least the following information, if applicable:

- (1) Research procedures and planning assumptions used;
- (2) Planned number of customers or attendance;
- (3) Days and hours of operations;
- (4) If planned activities include bingo, the following must be provided:

(a) Anticipated market area and map of competing organizations that operate similar gambling activities, along with their days of operation;

(b) Number of bingo sessions;

(c) Bingo card prices and estimated sales per player;

(d) Bingo prize payouts and game schedules;

(5) Estimated gross gambling receipts from each activity;

(6) Estimated expenses and net income;

(7) Details of income generating activities planned in conjunction with the gambling activity, such as snack bar operations or other retail sales and the anticipated net income from such activities; and

(8) Other information requested by commission staff.

[Statutory Authority: RCW 9.46.070 and 34.05.230. 01-01-016 (Order 396), § 230-04-040, filed 12/6/00, effective 1/6/01. Statutory Authority: RCW 9.46.070 (1), (8-11), (14), (16) and (20). 96-07-075, § 230-04-040, filed 3/19/96, effective 7/1/96. Statutory Authority: RCW 9.46.070. 93-13-062 (Order 240), § 230-04-040, filed 6/17/93, effective 7/18/93. Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-04-040, filed 4/18/89, effective 7/1/89.]

WAC 230-04-064 Certification procedure—All licenses—Formal commission approval. The commission shall review and make a determination regarding the qualification of all persons or organizations requesting to operate gambling activities authorized by chapter 9.46 RCW. The following review procedures apply to applicants for a license:

(1) Charitable and nonprofit organizations - To ensure that only bona fide charitable or nonprofit organizations are granted the privilege of raising funds from authorized gambling activities, the commission shall annually review the qualifications of each organization requesting a license to conduct such activities. As a part of this process, each organization shall clearly demonstrate that progress has been

made in meeting its purpose(s) by submitting required information and answering such inquiries as deemed necessary by commission staff. The certification process shall be completed as follows:

(a) All organizations requesting to be certified to conduct any gambling activities in Group I, II, or III shall be reviewed by commission staff and forwarded to the commission for review and approval at a public meeting: Provided, That for any organization requesting to be certified to conduct gambling activities in Group III, the director may direct the staff to prepare a summary of qualifications, as required by subsection (1)(b) of this section, and provide such to the commission for review;

(b) Any organization requesting to be certified to conduct gambling activities in Group IV or V shall be reviewed by commission staff and a summary of the organization's qualifications shall be prepared and provided to the commission for review and approval. At the request of the director, at least one representative from the organization shall be present at the public meeting at which the summary of their qualification is presented;

(c) In addition, any organization requesting approval or an upgrade to conduct gambling activities in Group V shall be scheduled for formal review as a condition of licensure and periodically thereafter as determined by the director or the commission. The formal review shall be at a scheduled open meeting of the commission and, when possible, held in the general area which encompasses the organization's service area. The review will cover the organization's most recent annual financial report as required by WAC 230-08-122. If an organization desires to submit additional information, it must be submitted at least twenty days prior to the date of its scheduled review. The organization must be represented by at least three members of its board of directors, its chief executive officer, and the primary gambling manager. The organization may solicit testimony from clients, local social and welfare providing agencies, public agencies, and other charitable or nonprofit organizations. The commission may solicit information from the public or any other interested parties and shall notify local law enforcement agencies of the time and location of the review. The formal review will include a brief session for the organization to inform the commission on the progress made during its previous fiscal year in achieving its purposes, including the extent to which gambling income was used for charitable as opposed to nonprofit services and planned uses for any gambling income remaining from the previous fiscal year;

(d) At the conclusion of the review of qualifications for a charitable or nonprofit organization, the commission will approve the organization requested or:

(i) Require the organization to submit additional information;

(ii) Return the application to the staff for further investigation; or

(iii) Grant a temporary or conditional license;

(2) Commercial, individual and all other applicants - After the staff has completed its review of an application, a recommendation shall be made to the commission. The commission shall review each application at a public meeting. Each applicant found to be qualified will be issued the

license requested. If the commission does not approve the application, it shall be returned to commission staff for further investigation;

(3) If an organization is currently licensed and the commission does not approve the application, the application shall be returned to commission staff for further investigation. A temporary or conditional license will be issued pending completion of the review process.

[Statutory Authority: RCW 9.46.070. 98-15-073 (Order 358), § 230-04-064, filed 7/15/98, effective 1/1/99. Statutory Authority: RCW 9.46.070 (1), (8-11), (14), (16) and (20). 96-07-075, § 230-04-064, filed 3/19/96, effective 7/1/96. Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-04-064, filed 4/18/89, effective 7/1/89.]

WAC 230-04-065 Certification procedure—Bona fide charitable and nonprofit organizations—Lower volume—Simplified application. (1) The director may prepare a simplified license application form for at least the following activities:

(a) Fund raising events (All classes);

(b) Bingo (Classes A, B, and C);

(c) Raffles (Classes A, B, C, and D); and

(d) Amusement games (Classes A, B, C, and D); and

(e) Card games (Classes C and D).

(2) The simplified application form shall follow the same procedure as required by WAC 230-04-020.

(3) At the minimum, the following information and documents shall be submitted with the application:

(a) Copy of a corporate applicant's articles of incorporation and bylaws or, if not incorporated, a copy of any bylaws and other documents which set out the organizational structure and purposes for which a noncorporate organization applicant was formed and operates. If the above documents are not available, an affidavit of the chief officer or responsible person with the organization setting out the purpose for which the organization exists and operates;

(b) A copy of the tax exemption letter from the United States Internal Revenue Service or information as to whether such exemption has been applied for and denied;

(c) The name, address and date of birth of each employee who will participate in the operation of, and of each person who will participate in the management of, the activity for which the license is sought;

(d) The name, address and date of birth of each person who has any interest in the gambling activity for which the license is sought, the building within or premises upon which the activity will occur or the equipment to be used for such gambling activity;

(4) Refer to WAC 230-20-400 for certain other exemptions subsequent to issuance of license(s). These exemptions and those referred to in WAC 230-08-015, do not apply to fund raising events.

[Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-04-065, filed 4/18/89, effective 7/1/89. Statutory Authority: RCW 9.46.070 (8), (11) and (14). 88-13-060 (Order 179), § 230-04-065, filed 6/14/88. Statutory Authority: RCW 9.46.070 (5), (7), (8), (9), (11), (14) and (19). 84-13-038 (Order 140), § 230-04-065, filed 6/15/84. Statutory Authority: RCW 9.46.070 (4), (7), (8) and (11). 83-06-077 (Order 127), § 230-04-065, filed 3/2/83. Statutory Authority: RCW 9.46.070(7). 82-15-009 (Order 124), § 230-04-065, filed 7/9/82; Order 53, § 230-04-065, filed 5/25/76; Order 42, § 230-04-065, filed 9/18/75; Order 29, § 230-04-

065, filed 1/23/75; Order 23, § 230-04-065, filed 9/23/74; Order 14, § 230-04-065, filed 3/27/74.]

WAC 230-04-070 Activities not to be conducted without a license or permit. No activity for which a license or permit from the commission is required under chapter 9.46 RCW or commission rule shall be conducted or performed, or allowed to be conducted, played or performed, on any premises unless the operator of, or person conducting or performing, the activity first obtains the appropriate license or permit from the commission.

[Statutory Authority: RCW 9.46.070(13). 79-05-026 (Order 89), § 230-04-070, filed 4/18/79; Statutory Authority: RCW 9.46.070(13). 78-06-066 (Order 85), § 230-04-070, filed 5/25/78; Order 51, § 230-04-070, filed 4/30/76; Order 23, § 230-04-070, filed 9/23/74.]

WAC 230-04-075 No license required for certain bingo, raffles, and amusement games. Bona fide charitable or bona fide nonprofit organizations organized primarily for purposes other than the conduct of gambling activities, are hereby authorized to conduct the following gambling activities without obtaining a license to do so from the commission:

(1) Raffles when:

(a) Held in accordance with all other requirements of chapter 9.46 RCW, other applicable laws, and rules of the commission; and

(b) Gross revenues from all such raffles held by the organization during the calendar year do not exceed \$5000; and

(c) Tickets to such raffles are sold only to, and winners are determined only from among, the regular members of the organization conducting the raffle: Provided, That the term members for this purpose shall mean only those persons who have become members prior to the commencement of the raffle and whose qualification for membership was not dependent upon, or in any way related to, the purchase of a ticket, or tickets, for such raffles; and

(2) Bingo, raffles, and amusement games when:

(a) Such activities are held in accordance with all other requirements of chapter 9.46 RCW as now or hereafter amended, other applicable laws, and rules of the commission; and

(b) Said activities are, alone or in any combination, conducted no more than twice each calendar year and over a period of no more than twelve consecutive days each time, notwithstanding the limitations of RCW 9.46.0205 as now or hereafter amended: Provided, That a raffle conducted under this subsection may be conducted for a period longer than twelve days; and

(c) Only bona fide members of that organization, who are not paid for such services, participate in the management or operation of the activities; and

(d) Gross revenue to the organization from all the activities together does not exceed five thousand dollars during any calendar year; and

(e) All revenue therefrom, after deducting the cost of prizes and other expenses of the activity, is devoted solely to the purposes for which the organization qualifies as a bona fide charitable or nonprofit organization; and

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(f) The organization gives notice at least five days in advance of the conduct of any of the activities to the local police agency of the jurisdiction within which the activities are to be conducted of the organization's intent to conduct the activities, the location of the activities, and the date or dates they will be conducted; and

(g) The organization conducting the activities maintains records for a period of one year from the date of the event which accurately show at a minimum the gross revenue from each activity, details of the expenses of conducting the activities, and details of the uses to which the gross revenue therefrom is put.

(3) An organization may exceed the separate limits set forth in (1) and (2) above only if it first obtains a license to conduct the appropriate gambling activity from the commission, with the classification and fee to be computed, including but not limited to, all income from the activity or activities already conducted during that calendar year. The duration of the license issued shall be one year from the date of the first gross receipts received for the particular activity during the calendar year.

[Statutory Authority: RCW 9.46.070. 95-12-051, § 230-04-075, filed 6/2/95, effective 7/3/95. Statutory Authority: RCW 9.46.0209. 94-07-084 (Order 250), § 230-04-075, filed 3/16/94, effective 4/16/94. Statutory Authority: RCW 9.46.030 (2), (3) and 9.46.070 (11), (14). 83-19-024 (Order 136), § 230-04-075, filed 9/13/83; Order 23, § 230-04-075, filed 9/23/74.]

WAC 230-04-080 Certain activities to be operated as a commercial stimulant only—Licensing of food and/or drink businesses. The commission may issue a license to operate punch boards and pull-tabs or public card rooms as commercial stimulants to any established business primarily engaged in the sale of food and/or drink items for consumption on the licensed premises. Such activities shall not be operated other than as a commercial stimulant and the food and/or drink business shall be open and providing service to the general public at all times gambling activities are operated. The following requirements apply to applicants for a license to use gambling activities to stimulate food and/or drink sales:

(1) For purposes of chapter 9.46 RCW and these rules, a business shall be presumed to be a "food and/or drink business" as defined by WAC 230-02-370 if:

(a) It is licensed by the liquor control board to sell alcohol beverages at retail to the public for on-premises consumption and:

(i) It is a tavern that holds a valid Tavern - No Persons Under 21 Allowed License (formerly referred to as a Class "B" liquor license); or

(ii) It is a restaurant with a cocktail lounge that holds a valid Spirits, Beer and Wine Restaurant License (formerly referred to as a Class "H" liquor license).

(b) It sells food and/or drink items at retail to the public and:

(i) All food is prepared and served for consumption on the licensed premises: Provided, That food may be prepared at other locations and served on the premises if the food is:

(A) Prepared by the licensed business; or

(B) Purchased from caterers by the licensed business as a wholesale transaction and resold to customers at retail.

(ii) The total gross sales of food and/or drink, for on-premises consumption, is equal to or greater than all other combined nongambling gross sales, rentals, or other income producing activities which occur on the licensed premises when measured on an annual basis. Applicants seeking qualification for a license under this subsection shall submit data necessary to evaluate compliance with these requirements as a part of their application. For purposes of determining total gross sales of food and drink for on-premises consumption, meals furnished to employees, free of charge, shall be treated as sales only if:

(A) Detailed records are maintained;

(B) The sale is recorded at estimated cost or menu price, but not more than five dollars per meal; and

(C) No more than one meal per employee is recorded during any four-hour work shift.

(2) When an individual, partnership, or corporation operates two or more businesses within the same building or building complex and such businesses meet the requirements of subsection (1)(a) or (b) of this section, one of the businesses may be designated as a "food and/or drink business" if all of the following conditions are met:

(a) The business being stimulated is physically isolated from all other businesses by walls and doors that clearly demonstrate the business is separate from other business being transacted at that location;

(b) All business transactions conducted by the applicant business are separated from the transactions conducted by all other businesses:

(i) Legally in the form of a separate corporation or partnership; or

(ii) By physical separation of all sales and accounting functions, and the methods of separation are approved by the commission;

(c) All gambling activities are located and occur upon the licensed premises, as defined in the license application and approved by the commission; and

(d) All gambling activities occur only when the food and/or drink business is open for customer service.

[Statutory Authority: RCW 9.46.070, 99-18-002 (Order 375), § 230-04-080, filed 8/18/99, effective 9/18/99. Statutory Authority: RCW 9.46.070 and 9.46.0217, 95-07-094, § 230-04-080, filed 3/17/95, effective 7/1/95; Order 23, § 230-04-080, filed 9/23/74.]

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 requirements apply to certification and licensing of manufacturers:

Information required on an application.

(1) The following information shall be submitted on an application form supplied by the commission:

(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.

Information to be included with an application.

(2) 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;

(ii) As a partner;

(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.

Additional information may be required from applicant.

(3) The following records shall also be available for inspection by commission staff:

- (a) Personal financial records of all substantial interest holders;
- (b) 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
- (c) Records related to any financial or management control of or by customers and suppliers.

Applicant to demonstrate ability to comply with rules.

(4) 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 (also referred to as proprietary games), 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;

Notifying commission staff of changes on an application.

(5) The applicant shall notify the commission within thirty days of any change in the information submitted on or with the application form, including changes that occur after the license has been issued; and

Applicant to comply with all laws and rules.

(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. 00-15-039 (Order 385), § 230-04-110, filed 7/14/00, effective 1/1/01. 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 230-04-115 Licensing of manufacturers—Exception—Special sales permit. The director may grant a special sales permit authorizing a manufacturer to sell to a licensee or a tribal government, on a limited basis, authorized gambling equipment, patented or otherwise restricted gaming scheme, or paraphernalia.

Criteria for a special sales permit.

(1) A special sales permit may be issued when demand for a particular type of equipment, scheme, or paraphernalia is anticipated to be below the level of economic feasibility of obtaining a license.

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Information required on an application.

(2) The following information shall be submitted on an application form supplied by the commission:

- (a) Description of product(s), including trade name(s);
- (b) Anticipated scope of sales, in quantity and dollar value;
- (c) The name and address of the licensee(s) that will broker the equipment;
- (d) All information necessary to determine the qualification of the manufacturer; and
- (e) A list of all jurisdictions in which the applicant business or any of the officers, directors, or substantial interest holders is currently licensed to conduct business related to gambling.

Initial investigation by staff.

(3) Upon receipt of all moneys requested by the commission, a limited investigation shall be initiated, the scope of which shall be established using the following criterion:

- (a) Anticipated demand for such equipment;
- (b) The nature of the equipment, including other sources of such equipment;
- (c) The availability of information from appropriate sources to verify the qualification of such manufacturer;
- (d) Annual sales compared to the anticipated cost of a comprehensive licensing investigation;
- (e) Whether the equipment, after installation, will require an ongoing relationship with the manufacturer;
- (f) Security issues related to the manufacturing, installation, and ongoing service of the equipment; and
- (g) Other factors deemed relevant.

Requirements not met for a special sales permit.

(4) At any time during the investigation process, the director may determine that a license is required under WAC 230-04-110. Upon notification of such, the applicant may withdraw their permit application without prejudice. If the applicant elects to proceed with an application for a manufacturer's license, all fees will be credited toward the appropriate license fee.

Duration of a special sales permit.

(5) A special sales permit shall be valid for a period of one year from the date of issuance: Provided, That the director may void a permit upon written notice and require a license be obtained under WAC 230-04-110 prior to further sales.

Fee for a special sales permit.

(6) The fee for a special sales permit shall be as set forth in WAC 230-04-203.

[Statutory Authority: RCW 9.46.070. 00-15-039 (Order 385), § 230-04-115, filed 7/14/00, effective 1/1/01; 95-12-052, § 230-04-115, filed 6/2/95, effective 7/3/95.]

WAC 230-04-119 Licensing of gambling service suppliers. Prior to providing any type of gambling related service, a gambling service supplier shall first obtain a license or certification from the commission. The following require-

ments and restrictions apply to certification and licensing of gambling service suppliers:

License required.

(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.

License not required.

(2) A sole owner, partner, major officer and/or owner of a substantial interest in a corporation licensed as a gambling service supplier shall not be required to be additionally licensed as a gambling service supplier representative to perform duties in connection with the gambling service supplier's business. Except as provided in this section, a gambling service supplier shall not employ any unlicensed person to perform duties for which a license is required and shall take measures necessary to prevent an unlicensed person from doing so.

Application for license or certification.

(3) The applicant shall complete the application form supplied by the commission. The applicant shall provide, on the application form or attached thereto, a full description of all services provided or planned to be provided to each licensee of the commission. Such description shall be in writing and include details necessary for commission staff to determine the scope of services provided to each licensee and the responsibilities of each party under the agreement.

Changes to the application.

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

Limit of responsibility.

(5) In no circumstance may a gambling service supplier assume ultimate responsibility for a licensee's activity.

License fees.

(6) License fees for gambling service suppliers shall be as set forth in WAC 230-04-203.

Gambling service supplier holding an interest in a pull-tab manufacturer or distributor business.

(7) A licensed gambling service supplier or substantial interest holder thereof that provides services to punch board and pull-tab operators shall not hold a substantial interest in a licensed manufacturer or distributor of punch boards and pull-tabs: Provided, That for purposes of this section only, the director may determine that the spouse of an individual that is a substantial interest holder in a licensed gambling service supplier business will not be considered a substantial interest holder in the gambling service supplier business. In making such a determination, the director will assess the potential for involvement and/or influence in the gambling service supplier business and the manufacturer or distributor business and whether any potential influence is material. The director may impose additional requirements on either the

gambling service supplier business and/or the manufacturer or distributor business. Such limitations may include, but are not limited to, prohibiting sales or providing services to an operator by the affected gambling service supplier business, or manufacturer or distributor business. At least the following documents may be considered by the director in a determination of potential influence:

- (a) Community or marital property agreements;
- (b) Separate property agreements;
- (c) Prenuptial agreements; and
- (d) Wills and codicils.

[Statutory Authority: RCW 9.46.070. 00-05-102 (Order 380), § 230-04-119, filed 2/16/00, effective 7/1/00; 98-19-130 (Order 362), § 230-04-119, filed 9/23/98, effective 1/1/99; 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 equipment, 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 requirements apply to certification and licensing of distributors:

Information required on an application.

(1) The following information shall be submitted on an application form supplied by the commission:

- (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.

Information to be included with an application.

(2) 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;
- (ii) As a partner;
- (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.

Additional information may be required from applicant.

(3) The following records shall also be available for inspection by commission staff:

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

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

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

Notifying commission staff of changes on an application.

(4) The applicant shall notify the commission within thirty days of any change in the information submitted on or with the application form, including changes that occur after the license has been issued.

Applicant to comply with all laws and rules.

(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. 00-15-039 (Order 385), § 230-04-120, filed 7/14/00, effective 1/1/01. 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-

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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, gambling service supplier, and linked bingo prize provider representatives—Exceptions. Except as allowed by this section, all individuals representing or acting as an agent of a licensed manufacturer, distributor, gambling service supplier or linked bingo prize provider shall be licensed by the commission prior to selling, promoting or providing any person gambling equipment, paraphernalia or related services. This includes individuals that manage or supervise individuals selling, promoting, or providing products or services for which a license is required. A licensed manufacturer, distributor, gambling service supplier or linked bingo prize provider shall not allow an unlicensed person to represent them in transactions restricted by this section and shall take all measures necessary to prevent an unlicensed person from doing so. The following restrictions, procedures and exceptions apply to representative licenses:

Exceptions - representative license not required.

(1) The following individuals do not require a separate representative's license:

(a) A sole owner, partner, major officer or board member and/or owner of a substantial interest in an entity;

(b) Office, clerical or warehouse personnel who have contact with customers or potential customers only by telephone at the manufacturer's, distributor's, gambling service supplier's, or linked bingo prize provider's own premises when working under the immediate and direct supervision of an owner, partner, major officer, or a licensed manager or supervisor; and

(c) Resident agents required by WAC 230-12-300 when such agents are not involved in selling or providing products or services for which a license is required.

Signature of employer required.

(2) The manufacturer, distributor, gambling service supplier, or linked bingo prize provider for which the representative will work shall sign the application acknowledging that the applicant will be representing them with their full knowledge and consent.

Requirements.

(3) An applicant for a license as a distributor representative, gambling service supplier representative, or linked bingo prize provider representative shall:

Training.

(a) Complete a training course for any activity being managed, as required and provided by the commission within thirty days after the first day worked; and

Represent only one employer at a time - exceptions.

(b) Represent only one licensed manufacturer, distributor, gambling service supplier, or linked bingo prize provider

at a time and shall not represent a manufacturer: Provided, That this rule shall not prevent a licensed representative from representing a manufacturer, distributor, and/or linked bingo prize provider when all businesses are owned by the same person: Provided further, That this rule shall not bar the distributor's representative from representing his own distributor who is also licensed as a manufacturer.

Conflict of interest.

(4) If a licensed gambling service supplier representative has any interest in a licensed manufacturer or distributor and they provide services to any punch board, pull-tab, or bingo operator, they shall inform the commission, the operator, and the manufacturer or distributor of the relationship. Such manufacturer or distributor shall be prohibited from selling punch boards, pull-tabs, or disposable bingo cards to such operator.

[Statutory Authority: RCW 9.46.070. 00-15-039 (Order 385), § 230-04-124, filed 7/14/00, effective 1/1/01; 98-24-090 (Order 369), § 230-04-124, filed 12/1/98, effective 1/1/99; 98-19-130 (Order 362), § 230-04-124, filed 9/23/98, effective 1/1/99; 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 230-04-126 Licensing of linked bingo prize providers. Prior to providing any type of gambling related service, gambling related equipment, or gambling related supplies to any licensed bingo operator, a linked bingo prize provider shall first obtain a license from the commission. The following requirements and restrictions apply to licensing of linked bingo prize providers:

(1) For purposes of this title, a license is required to manage a linked bingo prize or provide bingo game operators with the equipment and supplies to offer linked bingo prize games to their customers;

(2) The applicant shall include upon the application form supplied by the commission, sufficient information to determine the types of services and equipment provided, personal and financial information to determine applicant identity and qualifications, evidence of the obtainment of a bond to cover all linked bingo prize jackpots, as well as all other information and materials required elsewhere in these rules;

(3) The applicant shall comply with all applicable laws of the United States, the state of Washington, and all applicable rules of the Washington state gambling commission; and

(4) If the applicant does not maintain a business office within the state or is incorporated in another state or country, then the applicant must disclose the full name and business and home address of the resident agent designated by the applicant pursuant to WAC 230-12-300.

[Statutory Authority: RCW 9.46.070. 98-24-090 (Order 369), § 230-04-126, filed 12/1/98, effective 1/1/99.]

WAC 230-04-133 Punch board and pull-tab service business—Registration required—Procedures—Restrictions. It is in the public's interest to closely control gambling devices and records relating to the operation of a gambling activity. The commission must identify all individuals and businesses that have control over gambling devices, including punch boards and pull-tabs, and all records relating to the operation of gambling activities. Businesses that provide punch board and pull-tab record services, as defined by WAC 230-02-208, shall register with the commission and receive a permit prior to providing services to a licensee. The

following procedures and restrictions apply to punch board and pull-tab service businesses:

(1) Each business seeking to register as a punch board and pull-tab service business shall submit a permit application on a form provided by the commission. Such application shall be complete in every respect, accompanied by proper fees, and signed by the applicant. The application shall include at least the following:

(a) A complete description of the services provided; and
 (b) Personal and criminal history forms for all individuals involved in providing services.

(2) The permit shall be valid for a period not to exceed one year from the date approved.

(3) Any changes in information provided with the application must be submitted to the commission within thirty days of change.

(4) The permit becomes void and the business must apply for a gambling service supplier license to continue providing services if any of the conditions listed below occur:

(a) The nature of the business being provided changes to include services defined in WAC 230-02-205(1); or

(b) The combined total gross billings from providing services exceeds twenty thousand dollars during the permit period.

(5) The permit may be revoked by the director at any time for the following reasons:

(a) Reasons set forth in WAC 230-04-400 or RCW 9.46.075; or

(b) The permit holder has acted with gross negligence or intentionally misstated or manipulated a licensee's records or punch board/pull-tab games; or

(c) Failure to produce an operator's record or copies thereof, or punch board or pull-tab games when requested by a commission agent.

(6) Immediately upon request, a punch board and pull-tab service business shall provide the commission or any of its representatives a complete list of customers and the location where records of each are maintained.

(7) If a punch board and pull-tab service business or associate of such business has any interest in a licensed manufacturer or distributor, they shall inform the commission, any operator to which they provide services, and the manufacturer or distributor of the relationship. The director may restrict the manufacturer or distributor from selling punch boards or pull-tabs to such operator.

(8) Punch board and pull-tab service business permit holders shall follow the records requirements of WAC 230-08-026 (1)(a), (c), (d), (2), and (3). In addition, such businesses shall be familiar with minimum recordkeeping requirements and availability of records for services they provide, including but not limited to WAC 230-08-010, 230-12-010 and 230-30-072.

[Statutory Authority: RCW 9.46.070, 99-24-099 (Order 377), § 230-04-133, filed 11/30/99, effective 12/31/99; 98-19-130 (Order 362), § 230-04-133, filed 9/23/98, effective 1/1/99.]

WAC 230-04-135 Commercial amusement games—License required. Prior to operating, renting, leasing, or otherwise sharing in the proceeds of amusement games operated at any location, commercial amusement game operators

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shall first obtain a license from the commission. The following requirements apply to commercial amusement game operators:

(1) Class A commercial amusement game licensees may allow a Class B and above licensee to operate amusement games at their business premises.

(2) Class B and above commercial amusement game licensees may locate and operate amusement game at any location authorized by WAC 230-04-138 or rent, lease, or sell amusement devices or amusement game equipment on a time basis to any licensed amusement game operator.

(3) In addition to the requirements for certification as set out in WAC 230-04-020 and all other sections of this title, applicants must provide the following additional information for each operating locations:

(a) All locations:

(i) A list of all locations and time and dates at which the activity will be operated;

(ii) When operated at a location not owned, rented, or leased by the applicant, written permission from the person, organization, county, city or town, or an authorized agent thereof, to locate and operate amusement games at that location;

(iii) Sufficient information to determine the identity and personal qualifications for all "adult supervisors," as required by WAC 230-20-680(2);

(iv) A copy of any rental/lease agreement which allows operation of commercial amusement games at any location not owned or otherwise controlled by a licensee. The document must disclose full details of the rental/lease agreement, including any revenue sharing provisions, all costs to be shared, and any restrictions regarding the number of amusement games to be operated; and

(v) Copies of any contract related to rental, lease, or purchase agreement of amusement game equipment.

(b) Permanent locations. In addition to the information required by (a) of this subsection, all applicants requesting to operate amusement games at locations authorized by WAC 230-04-138 (1)(f), (g), (h), (i), (j), (k), or (l) must provide details necessary to determine qualification of the location for operation of the activity and include the following minimum details:

(i) Amusement parks, as authorized by WAC 230-04-138 (1)(f): The number of mechanical or aquatic rides, theatrical productions, motion pictures, and slide show presentations available for the public;

(ii) Regional shopping center, as authorized by WAC 230-04-138 (1)(g): The size of the shopping center, in gross square feet not including parking areas;

(iii) Taverns and restaurant with cocktail lounges, as authorized by WAC 230-04-138 (1)(h): Washington state liquor control board license number and expiration date, and a statement of whether minors are prohibited from all portions of the premises;

(iv) Movie theaters, bowling alleys, miniature golf course facilities, skating facilities, and amusement centers, as authorized by WAC 230-04-138 (1)(i): A complete description of the business activities conducted; and if an amusement center, the number of amusement devices and income derived from such devices and all other business

activities conducted by the licensee during the last twelve months;

(v) Family entertainment restaurants, as authorized by WAC 230-04-138 (1)(j): The number of amusement devices, theatrical productions, mechanical rides, motion pictures, and slide show presentation available for customers on a daily basis; and the amount of gross income generated from the entire business and that portion of gross income generated from food service for on-premises consumption; and

(vi) Grocery stores as authorized by WAC 230-04-138 (1)(k): The type of retail products sold and size of the store premises, in gross square feet not including parking areas.

(c) Limited duration locations. In addition to the information required by (a) of this subsection, all applicants requesting to operate commercial amusement games must receive written permission from the sponsor of any activity authorized by WAC 230-04-138 (1)(a), (d), or (e) and submit an itinerary that includes planned operating dates for all locations at which the applicant plans operations during the year. This itinerary must be updated any time the dates of operation change.

[Statutory Authority: RCW 9.46.070 and 34.05.230. 01-01-016 (Order 396), § 230-04-135, filed 12/6/00, effective 1/6/01. Statutory Authority: RCW 9.46.070, 93-19-090 (Order 244), § 230-04-135, filed 9/15/93, effective 10/16/93. Statutory Authority: Chapter 9.46 RCW. 91-21-053 (Order 228), § 230-04-135, filed 10/15/91, effective 11/15/91.]

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. 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 punch boards 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. Statu-

tory 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 230-04-140 Licensing of public card room employees—Procedures—Exceptions. Except as provided for in this section, no person shall act as a public card room employee in a Class E, F, or house-banked card room unless such person has received a license from the commission and operators shall not employ any unlicensed person to perform duties for which a license is required. The following procedures and exceptions apply to public card room employee licenses:

(1) Individuals may perform card room duties prior to receiving an employee license if:

(a) They have properly submitted a completed card room employee application to the commission and met all the requirements set forth in this subsection. For purposes of this section, an application shall be deemed complete when all requested data has been entered on the form, all questions are fully and truthfully answered, all attachments are included and the application is accompanied by the required fees. An application shall be deemed received when delivered to the commission's headquarters office during normal business hours or deposited in the U.S. mail properly addressed to the commission;

(b) The commission has performed basic criminal background procedures prior to any duties being performed. To assure adequate time for such investigation, applicants shall not be allowed to perform card room duties until at least fifteen days has elapsed from the date of application: Provided, That commission staff may waive the fifteen-day waiting period. Such a waiver shall only be granted if:

(i) An employer can demonstrate an urgent and unexpected need for such employee;

(ii) The failure to grant such waiver would result in business closure or weaken the control structure of the activity;

(iii) The circumstances causing the need for a waiver was beyond the control of the licensee;

(iv) Commission staff is able to complete expedited review procedures; and

(v) The fee for such waiver is paid per WAC 230-04-204; and

(c) They are not restricted by subsection (2) of this section.

(2) An individual shall not be allowed to work prior to receiving an employee license if:

(a) The commission has previously revoked a license or denied an application by that individual; or

(b) They have been convicted of, or forfeited bond upon a charge of, or pleaded guilty to certain offenses set forth in RCW 9.46.075, 9.46.158, and WAC 230-04-400; or

(c) The applicant:

(i) Has administrative or criminal charges pending;

(ii) Is awaiting results of an administrative hearing, criminal trial or appeal;

(iii) Is serving a period of probation or otherwise under court supervision; or

(iv) Is subject to an arrest warrant.

(3) Once the commission notifies a card room operator that an employee is not qualified to work without a license,

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the operator shall immediately suspend the applicant employee from all card room related duties.

(4) If an applicant elects to perform the duties of a card room employee prior to receiving a license as authorized under the provisions of this section, the commission shall retain the entire application fee regardless of the disposition of the application.

(5) A sole owner, partner, major officer and/or owner of a substantial interest in a corporation licensed to operate a public card room shall not be required to be additionally licensed as a public card room employee to perform duties in connection with the card room.

(6) The operator of a public card room or partner or officer of the entity operating the card room for which the applicant will work shall sign the application of each such public card room employee acknowledging that the applicant will be working for that operator with the operator's knowledge and consent.

(7) A card room employee license shall be valid for a period not to exceed one year from the date a license is issued or the date of the application if the applicant works prior to receiving a license.

(8) A licensed operator shall maintain a photocopy of each employee's license, or application if a license has not been issued, on the licensed premises at all times. Such photocopy shall be available for inspection by commission staff or other law enforcement personnel upon request.

(9) A card room employee may work for an additional employer or change employers by submitting a transfer or change of employer application. Such application shall be maintained by the employing organization as required by subsection (8) of this section. The fee for changing employers shall be as set forth in WAC 230-04-204.

(10) A certified Class III gaming employee may apply for a license conversion to work as a card room employee by submitting a transfer or change of employer application. The fee for a conversion shall be as set forth in WAC 230-04-204.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-04-140, filed 4/14/00, effective 5/15/00. Statutory Authority: RCW 9.46.070 and 9.46.116. 96-24-007 (Order 304), § 230-04-140, filed 11/21/96, effective 1/1/97. Statutory Authority: Chapter 9.46 RCW. 87-09-043 (Order 167), § 230-04-140, filed 4/14/87. Statutory Authority: RCW 9.46.070 (1), (7), (11), (14), and (17). 83-21-073 (Order 137), § 230-04-140, filed 10/18/83. Statutory Authority: RCW 9.46.070(16). 80-03-059 (Order 98), § 230-04-140, filed 2/25/80; 79-09-029 (Order 91), § 230-04-140, filed 8/14/79; 78-08-055 (Order 86), § 230-04-140, filed 7/20/78, effective 9/1/78; 78-06-066 (Order 85), § 230-04-140, filed 5/25/78, effective 9/1/78.]

WAC 230-04-142 Notification to the commission upon beginning, terminating, or changing employment—Public card room employees. A licensed public card room operator shall notify the commission in writing when a card room employee has begun work in the card room or has terminated employment for any reason.

The notification shall include the full name, sex and birthdate of the employee, and among other things, the date the employee began to work for the card room operator, with an acknowledgement that he or she has done so with the operator's knowledge and consent, or the date employment termi-

nated. The report shall be made immediately and must reach the commission's Olympia office not later than 5 p.m. on the tenth day following the employee's first day of work or last day of work, as applicable. If the tenth day falls on a Saturday, Sunday or state holiday, it shall be due upon the next following business day.

This rule shall not apply to persons operating a public card room under a Class B or Class D license only.

[Statutory Authority: RCW 9.46.070(7), 79-09-029 (Order 91), § 230-04-142, filed 8/14/79.]

WAC 230-04-143 Licensing of commercial gambling managers. *What application procedures must I complete prior to working as a commercial gambling manager?*

(1) On or before the first day he or she actually performs work as a commercial gambling manager, a person shall submit an application for a license to the commission. Such application shall not be deemed complete and properly submitted for the purposes of this rule unless and until all questions on the commission's application form and attachments are fully and truthfully answered and the form, with all attachments, together with the required fee, has been delivered to the commission office during regular business hours (or actually deposited in the United States mail properly addressed to the commission). In addition, the applicant must complete a training course as provided by the commission within 30 days after the first day worked.

(2) If an applicant elects to perform the duties of a commercial gambling manager prior to receiving a license, as authorized under provisions of paragraph (5)(a) and (5)(b) below, the commission shall retain the entire application fee regardless of the disposition of the application.

(3) A sole owner, partner, major officer and/or owner of a substantial interest in a corporation licensed to operate a progressive jackpot pull-tab game shall not be required to be additionally licensed as a commercial gambling manager to perform duties in connection with the activity.

(4) The operator of a progressive jackpot pull-tab game or partner or officer of the entity operating activity for which the applicant will work shall sign the application of each such commercial gambling manager acknowledging that the applicant will be working for that operator with the operator's knowledge and consent.

When can I begin working as a commercial gambling manager?

(5) No person shall act as a commercial gambling manager for the operation of progressive jackpot pull-tab games unless he or she has either received a license to do so from the commission or, if:

(a) The commission has not previously revoked a license or denied an application by that person for such a license; and

(b) He or she has properly applied for such license. If there has been such a previous denial or revocation, or if the applicant has been convicted of, or forfeited bond upon a charge of, or pleaded guilty to certain offenses set forth in RCW 9.46.158, that person shall not act as a commercial gambling manager unless he or she has been issued a license by the commission.

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[Statutory Authority: RCW 9.46.070, 9.46.120, 9.46.0273, 9.46.310 and 34.05.313. 96-24-006 (Order 305), § 230-04-143, filed 11/21/96, effective 1/1/97.]

WAC 230-04-145 Licensing of charitable or non-profit gambling managers—Application procedures.

Each charitable or nonprofit organization licensed to conduct gambling activities shall designate gambling managers who will be responsible to the officers or board of directors for the proper conduct of the activity and safeguarding of all funds generated by such. An individual may be designated as the gambling manager for more than a single activity if so noted on the application for each activity. No person shall perform the duties of a gambling manager, as set out in WAC 230-12-079, unless they have been approved by the commission. Applicants for a license to perform duties of a gambling manager shall comply with the following procedures:

Who must apply for a charitable or nonprofit gambling manager license?

(1) Gambling managers responsible for the following functions of a charitable or nonprofit organization shall be licensed by the commission:

(a) Primary manager of Class D and above bingo games;

(b) Primary manager of Class C and above punch boards and pull-tabs;

(c) Any employee responsible for supervision of gambling managers required to be licensed by (a) or (b) of this subsection;

(d) The employee assigned the highest level of authority by the officers or governing board of directors to manage the day-to-day affairs of the organization and who is responsible for safeguarding assets purchased with gambling funds or managing the disbursement of gambling funds when:

(i) The organization is licensed to receive more than three hundred thousand dollars in gross gambling receipts; or

(ii) The organization has an established trust and/or endowment fund and gambling receipts in excess of one hundred thousand dollars have been contributed to such funds; and

(e) An employee responsible for supervision of the operation of progressive jackpot pull-tab games, as authorized in WAC 230-30-025.

What must I do if I wish to begin work as a gambling manager before I have received my permanent license?

(2) Prior to performing duties as a licensed gambling manager, each applicant shall:

(a) Submit a completed application to the commission on or before the first day the applicant begins working: Provided, That an applicant shall not perform any of the duties of a gambling manager prior to issuance of a license by the commission if one or more of the following conditions exist:

(i) The applicant has been previously denied a license or had a license suspended or revoked by the commission;

(ii) The applicant has been served administrative or criminal charges and such charges are pending at the time of the application;

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(iii) The applicant has been convicted of, or forfeited bond upon a charge of, or pleaded guilty to any offense set forth in RCW 9.46.158; or

(iv) The applicant has violated, failed, or refused to comply with provisions, requirements, conditions, limitations, or duties imposed by chapter 9.46 RCW or any rules of the commission.

(b) Complete a training course provided by the commission within thirty days after the first day worked as required by WAC 230-04-020. Individuals that have been performing duties or assigned responsibilities that require a gambling manager license under this section, for at least ninety days prior to the effective date of this section, may be exempted from such training by the director. Types of training required:

(i) Individuals applying for a license under the provisions of subsection (1)(a), (b), or (c) of this section shall attend training for each gambling activity for which they have been assigned primary or secondary oversight responsibility; and

(ii) Individuals applying for a license under the requirements of subsection (1)(d) of this section shall attend training related to safeguarding assets and proper uses of gambling funds.

(3) If an applicant elects to perform the duties of a charitable or nonprofit gambling manager prior to receiving a permanent license as authorized under the provisions of subsection (2) above the commission shall retain the entire application fee regardless of the disposition of the application.

What must the application contain?

(4) Each application shall be submitted as specified in WAC 230-04-020, and signed by both the applicant and the highest ranking executive officer of the organization;

For how long will a gambling manager license be valid?

(5) A gambling manager license shall be valid for a period not to exceed one year beginning on the date of issuance or the date the application was submitted if the applicant began working prior to licensure, as authorized by subsection (2)(a) of this section, whichever occurs first: Provided, That should a licensed gambling manager's employment with the organization listed on the license application be terminated, for any reason, the license shall become immediately void. This individual must reapply for a license prior to performing gambling manager duties for any other charitable or nonprofit organization. Prior to granting a license to a previously licensed gambling manager, the commission shall conduct an investigation to determine the continued qualification of the individual. Such investigation may include inquiries to the previous employer;

What are the fees governing this type of license?

(6) The fee for this license shall be as required by WAC 230-04-204: Provided, That if an applicant is changing employment from one licensee to another prior to the expiration date as specified in subsection (4) of this section, the fee shall be as required for license renewal;

Can an organization have more than one gambling manager?

(7) An organization may appoint more than one gambling manager who is responsible for supervising bingo games or punch board and pull-tab operations. The manager assigned the highest level of authority for each specific activity shall be designated on the application as the "primary gambling manager" and all others as "assistant gambling managers."

[Statutory Authority: RCW 9.46.070, 9.46.120, 9.46.0273, 9.46.310 and 34.05.313, 96-24-006 (Order 305), § 230-04-145, filed 11/21/96, effective 1/1/97. Statutory Authority: RCW 9.46.070, 95-09-062 (Order 268), § 230-04-145, filed 4/18/95, effective 5/19/95. Statutory Authority: Chapter 9.46 RCW, 94-24-056 (Order 262), § 230-04-145, filed 12/5/94, effective 1/5/95; 87-15-052 (Order 169), § 230-04-145, filed 7/14/87; 87-09-043 (Order 167), § 230-04-145, filed 4/14/87; 87-07-038 (Order 165), § 230-04-145, filed 3/16/87. Statutory Authority: RCW 9.46.070 (1), (7), (11), (14), and (17), 83-21-073 (Order 137), § 230-04-145, filed 10/18/83. Statutory Authority: RCW 9.46.070(17), 81-21-032 (Order 113), § 230-04-145, filed 10/15/81.]

WAC 230-04-147 Notification to the commission upon beginning, terminating, or changing responsibilities of charitable or nonprofit gambling managers. A charitable or nonprofit organization shall notify the commission in writing when a gambling manager has been assigned primary responsibility for the operation of any gambling activity or disbursement of funds, or has terminated employment and/or responsibilities for any reason. Individuals required to be licensed shall immediately submit an application for a license, as required by WAC 230-04-020 and 230-04-145. The following procedures shall be followed for notification of changes in responsibilities of gambling managers that do not require an application:

(1) The notification shall be in writing and include:

- (a) The full name and date of birth of the gambling manager;
- (b) The date the gambling manager was assigned new responsibilities or the date employment and/or responsibilities terminated; and
- (c) A full description of the change in duties and/or responsibilities;

(2) The notification shall be signed by the highest ranking elected officer or the individual assigned the responsibility of supervising the gambling manager;

(3) The notification shall be made immediately and must reach the commission's headquarters office in Lacey not later than 5:00 p.m. on the tenth day following the person's first day of work or last day of work, as applicable. If the tenth day falls on a Saturday, Sunday, or state holiday, it shall be due upon the next following business day.

[Statutory Authority: RCW 9.46.070, 95-09-062 (Order 268), § 230-04-147, filed 4/18/95, effective 5/19/95. Statutory Authority: RCW 9.46.070(14), 81-21-032 (Order 113), § 230-04-147, filed 10/15/81.]

WAC 230-04-151 Supplemental information. In addition to the application form the applicant or licensee shall submit any supplemental information requested by the commission to the commission within thirty days following the date of issuance of the request or within such other time as the commission may direct. Failure to timely submit any of the requested supplemental information to the commission shall

be grounds for denial of the license sought, and for revocation of any licenses held.

[Order 12, § 230-04-151, filed 2/14/74.]

WAC 230-04-170 Applicants—Qualifications. When a married person maintains a marital community and applies for, or holds, a license to operate gambling activities, their spouse must also meet the qualifications to hold a gambling license. This includes, but is not limited to, owners of commercial gambling establishments and officers of charitable/nonprofit organizations. However, the spouse of an employee that works for a gambling operation is not required to meet the licensing qualifications.

[Statutory Authority: RCW 9.46.070 and 34.05.230. 01-01-016 (Order 396), § 230-04-170, filed 12/6/00, effective 1/6/01. Statutory Authority: RCW 9.46.070(13), 78-06-066 (Order 85), § 230-04-170, filed 5/25/78; Order 5, § 230-04-170, filed 12/19/73.]

WAC 230-04-175 License does not grant vested right. The issuance of any license by the commission shall not be construed as granting a vested right in any of the privileges so conferred.

[Order 25, § 230-04-175, filed 10/23/74; Order 12, § 230-04-175, filed 2/14/74; Order 5, § 230-04-175, filed 12/19/73.]

WAC 230-04-180 Fingerprinting and background checks. The commission may require as a condition precedent to the issuance of any license or any permit, fingerprinting and background checks on any person seeking a license or for whom a permit is sought, or employees thereof, of any person holding an interest in any gambling activity, building or equipment to be used therefor, or of any person participating as an employee in the operation of any gambling activity. Such fingerprints as are required by the commission may be submitted to the identification division of the federal bureau of investigation and to the Washington state bureau of criminal identification in order that these agencies may search their records for prior arrests and convictions of the individuals fingerprinted.

The applicant, or the person for whom a permit is requested, shall give full cooperation to the commission and shall assist the commission in all aspects of its investigation.

[Order 5, § 230-04-180, filed 12/19/73.]

WAC 230-04-187 Recreational gaming activity—Permit or license required. Any organization wanting to conduct or sponsor a recreational gaming activity must either:

- (1) Complete the appropriate form and secure a recreational gaming permit from the commission at least fourteen days prior to commencement; or
- (2) Contract with a licensed distributor to organize and conduct the recreational gaming activity on their behalf.

The fee for such activity or a distributor's license shall be as required by WAC 230-04-202 or 230-04-203.

[Statutory Authority: RCW 9.46.070 (4), (11), (14), (17) and (20). 96-09-071, § 230-04-187, filed 4/16/96, effective 7/1/96. Statutory Authority: Chapter 9.46 RCW. 91-15-040 (Order 224), § 230-04-187, filed 7/17/91, effective 8/17/91.]

[Title 230 WAC—p. 32]

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) Punch boards 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 punch boards 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 punch boards 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 punch boards, pull-tabs, devices for the dispensing of pull-tabs, bingo equipment, and other gambling equipment, supplies, and paraphernalia; and
- (ii) Distributors of punch boards, 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 non-profit 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 expira-

tion 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 precensing 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 230-04-191 Permits required for persons conducting bingo at agricultural fairs. Before bingo is conducted at an agricultural fair, by a person or persons other than members of the licensee, or employees or volunteers working solely for the licensee, the licensee shall obtain, in addition to its own license, the approval of the commission of, and a permit from the commission for, each such person to operate said games.

Permits shall be applied for by the licensee by fully completing and returning to the commission its application form entitled "application for permit to conduct activity at agricultural fair," together with the fee required for each permit. The licensee is responsible for the operation of each activity conducted under the authority of its license and any violation by any one of the operators of the licensed activities within the fair or any of the provisions of chapter 9.46 RCW, or any amendments thereto, or of the rules of this commission, shall be grounds for the suspension or revocation of both the license and any permits issued thereunder.

No activity for which a license is required shall be conducted other than by the licensee, its members or employees or volunteers working solely for the licensee without the required permit having been first obtained and being prominently displayed as required elsewhere in these rules.

Permits issued by the commission under this rule shall be for the duration of the fair but in no event shall exceed one calendar year.

[Order 53, § 230-04-191, filed 5/25/76; Order 23, § 230-04-191, filed 9/23/74.]

WAC 230-04-192 Person to hold one bingo license and one amusement game license at a time. No licensee shall hold more than one license to conduct bingo, nor more than one license to conduct amusement games. Each such license shall authorize the conduct of the activity only upon the premises shown on the license.

[Order 9, § 230-04-192, filed 12/19/73.]

WAC 230-04-193 Persons may obtain an annual permit to conduct bingo at agricultural fairs only. (1) An operator of bingo games may apply to the commission for a permit approving that operator to conduct bingo games at licensed agricultural fairs only. Such a permit shall be valid only when such games are conducted under an agreement with a fair holding a bingo license from the commission.

(2) It shall not be necessary for a licensed fair to obtain a permit on behalf of an operator under WAC 230-04-191 when the operator possesses a permit including the applicable

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event and location which has been obtained under this rule. However, the management of each agricultural fair licensee shall not be relieved from full and concurrent responsibility for the fair and lawful operation of bingo conducted under the authority of its license and any violation by any one of the permittees of any of the provisions of chapter 9.46 RCW, or any amendments thereto, or of the rules of the commission, shall be grounds for the suspension or revocation of the license.

(3) Applications for these annual permits shall be submitted by the operator upon the application forms provided by the commission, and accompanied by the required fee. All information required by the commission or its staff shall be submitted in accordance with the procedures and subject to the same conditions as an application for a license under these rules. A change in the information furnished to the commission shall be made known to the commission in writing by the owner or chief executive officer of the operator within ten days of the change.

(4) Persons holding these permits who have contracted with a licensee to operate bingo shall notify, in writing, the county sheriff of each county, or the chief of police of each city, in which he will operate these games, of the times and locations at which they will be operated not later than ten days prior to operating any such games in that jurisdiction. The employment records of the permittee shall be made available to such local law enforcement officers upon demand.

[Statutory Authority: RCW 9.46.070 (5), (7), (8), (9), (11), (14) and (19). 84-13-038 (Order 140), § 230-04-193, filed 6/15/84; Order 53, § 230-04-193, filed 5/25/76; Order 23, § 230-04-193, filed 9/23/74; Order 15, § 230-04-193, filed 4/17/74.]

WAC 230-04-194 Denial or revocation of annual operator permit for special locations—Grounds and effect. Permits granting approval obtained under WAC 230-04-191 or 230-04-193 may be denied or revoked by the commission for the same reasons as set forth under WAC 230-04-400. However, denial or revocation of such an annual permit shall not bar an application being submitted to the commission by a licensee on behalf of that operator for the commission's approval of, and permit for, the operator to conduct bingo at a particular event under WAC 230-04-191. The commission will again consider its reasons for denying or revoking the annual permit at the time it considers a subsequent application on behalf of that operator to conduct bingo games at a particular agricultural fair or other location.

[Order 53, § 230-04-194, filed 5/25/76; Order 23, § 230-04-194, filed 9/23/74; Order 21, § 230-04-194, filed 8/20/74; Order 15, § 230-04-194, filed 4/17/74.]

WAC 230-04-196 The commission may issue Class A or B bingo operator's licenses authorizing the conduct of the games at up to three separate locations. The commission may issue Class A and B licenses to operate bingo games at up to three specific separate locations to a qualified organization.

[Order 35, § 230-04-196, filed 3/14/75.]

WAC 230-04-202 Fees—Bona fide charitable/non-profit 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	\$ 53
Class B	Up to \$ 10,000	\$ 53
Class C	Up to \$ 25,000	\$ 285
Class D	Up to \$ 50,000	\$ 457
Class E	Over \$ 50,000	\$ 797

* 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.

2. BINGO GROUP		(Fee based on annual gross gambling receipts)		VARIANCE *	FEE
Class A	Up to \$ 15,000	\$ 1,000	\$		53
Class B	Up to \$ 50,000	\$ 1,000	\$		166
Class C	Up to \$ 100,000	\$ 2,000	\$		339
Class D	Up to \$ 250,000	\$ 4,000	\$		915
Class E	Up to \$ 500,000	\$ 8,000	\$		1,541
Class F	Up to \$ 1,000,000	\$ 15,000	\$		3,095
Class G	Up to \$ 1,500,000	\$ 23,000	\$		4,467
Class H	Up to \$ 2,000,000	\$ 30,000	\$		5,967
Class I	Up to \$ 2,500,000	\$ 38,000	\$		7,455
Class J	Up to \$ 3,000,000	\$ 45,000	\$		8,945
Class K	Up to \$ 3,500,000	\$ 53,000	\$		10,034
Class L	Up to \$ 4,000,000	\$ 60,000	\$		11,470
Class M and above	Over \$ 4,000,000	Not applicable			12,906

* 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.

3. CARD GAMES		
Class A	General (Fee to play charged)	\$ 571
Class B	Limited card games - hearts, rummy, mahjongg, pitch, pinochle, and cribbage (Fee to play charged)	\$ 166
Class C	Tournament only - no more than ten consecutive days per tournament	\$ 53
Class D	General (No fee to play charged)	\$ 53

4. FUND-RAISING EVENT		
Class A	One event - not more than 24 consecutive hours	\$ 339
Class B	One event - not more than 72 consecutive hours	\$ 571
Class C	Additional participant in joint event (not lead organization)	\$ 166
Class D	Fund-Raising Event Equipment Distributor - rents or leases, equipment for fund-raising event or recreational gaming activity for no more than ten times per year*	\$ 226

4. FUND-RAISING EVENT		
Class E	Fund-Raising Event Equipment Distributor - rents or leases equipment for fund-raising event or recreational gaming activity more than ten times per year.	\$ 571

* 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. PUNCH BOARDS/PULL-TABS				
(Fee based on annual gross gambling receipts)				
			VARIANCE*	FEE
Class A	Up to \$ 50,000	\$ 5,000	\$	544
Class B	Up to \$ 100,000	\$ 5,000	\$	971
Class C	Up to \$ 200,000	\$ 10,000	\$	1,832
Class D	Up to \$ 300,000	\$ 10,000	\$	2,663
Class E	Up to \$ 400,000	\$ 10,000	\$	3,440
Class F	Up to \$ 500,000	\$ 10,000	\$	4,153
Class G	Up to \$ 600,000	\$ 10,000	\$	4,812
Class H	Up to \$ 700,000	\$ 10,000	\$	5,416
Class I	Up to \$ 800,000	\$ 10,000	\$	5,967
Class J	Up to \$ 1,000,000	\$ 20,000	\$	6,765
Class K	Up to \$ 1,250,000	\$ 25,000	\$	7,509
Class L	Up to \$ 1,500,000	\$ 25,000	\$	8,201
Class M	Up to \$ 1,750,000	\$ 25,000	\$	8,771
Class N	Up to \$ 2,000,000	\$ 25,000	\$	9,290
Class O	Over \$ 2,000,000	Non-applicable	\$	10,208

* 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	\$ 53
Class B	Up to \$ 10,000	\$ 166
Class C	Up to \$ 25,000	\$ 339
Class D	Up to \$ 50,000	\$ 571
Class E	Up to \$ 75,000	\$ 915
Class F	Over \$ 75,000	\$ 1,370

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.	\$ 103
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.	\$ 268

7. COMBINATION LICENSE

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.	\$ 619
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8. SEPARATE PREMISES

BINGO	Per occasion (see WAC 230-04-300)	\$ 26
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9. PERMITS

AGRICULTURAL FAIR-BINGO	(See WAC 230-04-191)	\$ 26
RECREATIONAL GAMING ACTIVITY (RGA)	(See WAC 230-25-330 and 230-02-505)	\$ 53

10. CHANGES

NAME	(See WAC 230-04-310)	\$ 26
LOCATION	(See WAC 230-04-320)	\$ 26
FRE	(Date or time) (See WAC 230-04-325)	\$ 26
LICENSE CLASS	(See WAC 230-04-260)	\$ 26
DUPLICATE	(See WAC 230-04-290)	\$ 26
LICENSE		

11. SPECIAL FEES

INVESTIGATION REPLACEMENT	(See WAC 230-04-240) (See WAC 230-08-017)	As required \$ 26
IDENTIFICATION STAMPS		
EXCEEDING LICENSE CLASS REVIEW,	(See WAC 230-04-260)	As required
INSPECTION AND/OR EVALUATION OF EQUIPMENT, PARAPHERNALIA, SERVICES, OR SCHEMES	(See WAC 230-12-315)	As required

12. SIX-MONTH	(See WAC 230-04-190)	\$ 26
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PAYMENT PLAN

[Statutory Authority: RCW 9.46.070. 99-24-099 (Order 377), § 230-04-202, filed 11/30/99, effective 12/31/99; 98-21-010 (Order 366), § 230-04-202, filed 10/9/98, effective 11/9/98. 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 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:

<u>LICENSE TYPE</u>	<u>DEFINITION</u>	<u>FEE</u>
1. CARD GAMES		
Class B	Up to five tables of limited card games - hearts, rummy, pitch, pinochle, and/or cribbage (Fee to play charged)	\$ 166
Class C	Tournament only, no more than ten consecutive days per tournament.	
C-5	Up to five tables	\$ 166
C-10	Up to ten tables	\$ 300
C-15	Up to fifteen tables	\$ 500
Class D	General - Up to five tables (No fee to play charged)	\$ 53
Class E	*General (Fee to play charged)	
E-1	One table only	\$ 398
E-2	Up to two tables	\$ 685
E-3	Up to three tables	\$ 1,142
E-4	Up to four tables	\$ 2,287
E-5	Up to five tables	\$ 3,440
Additional tables up to a maximum of fifteen may be authorized for an additional per table fee of \$1000.		
*In addition to the above initial license fee, the commission will assess all applicants/licensees the actual costs that exceed the license fee for conducting the initial investigation and inspection, any follow-up reviews or investigations involved in the approval of activities and schemes.		
Class F	Enhanced cardroom activities endorsement - Includes alternative fee collections (per hand; pot rake) and use of player-supported jackpot schemes.	Annual license fee \$1,500
2. CARD GAMES - HOUSE-BANKED		
All tables within a card room operating any house-banked card game shall be licensed under this license class.		
		*Annual license fee \$6,000
		Per table fee (up to fifteen tables) \$1,500
*The commission will assess all applicants the actual costs for conducting the initial license investigation and premises inspection. Any post licensing follow-up reviews, inspections, internal control evaluations or subsequent phases of operation shall also be charged actual costs. Licensees will be evaluated and charged for these additional authorizations/phases on an individual case by case basis.		
3. COMMERCIAL AMUSEMENT GAMES		
(Fee based on annual gross gambling receipts)		
* Class A	Premises only	** \$ 285/\$ 130
Class B	Up to \$ 50,000	\$ 398
Class C	Up to \$ 100,000	\$ 1,024
Class D	Up to \$ 250,000	\$ 2,287
Class E	Up to \$ 500,000	\$ 4,012
Class F	Up to \$1,000,000	\$ 6,883
Class G	Over \$1,000,000	\$ 8,610
* 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 \$155 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.		
4. PUNCH BOARDS/ PULL-TABS		
(Fee based on annual gross gambling receipts)		
		VARIANCE*
Class A	Up to \$ 50,000	\$5,000 \$ 544
Class B	Up to \$ 100,000	\$5,000 \$ 971
Class C	Up to \$ 200,000	\$10,000 \$ 1,832
Class D	Up to \$ 300,000	\$10,000 \$ 2,663
Class E	Up to \$ 400,000	\$10,000 \$ 3,440
Class F	Up to \$ 500,000	\$10,000 \$ 4,153

LICENSE TYPE	DEFINITION	FEE
Class G	Up to \$ 600,000	\$10,000 \$ 4,812
Class H	Up to \$ 700,000	\$10,000 \$ 5,416
Class I	Up to \$ 800,000	\$10,000 \$ 5,967
Class J	Up to \$ 1,000,000	\$20,000 \$ 6,765
Class K	Up to \$ 1,250,000	\$25,000 \$ 7,509
Class L	Up to \$ 1,500,000	\$25,000 \$ 8,201
Class M	Up to \$ 1,750,000	\$25,000 \$ 8,771
Class N	Up to \$ 2,000,000	\$25,000 \$ 9,290
Class O	Over \$ 2,000,000	Nonapplicable \$ 10,208

* 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.

5. PUNCH BOARD AND PULL-TAB SERVICE BUSINESS	(See WAC 230-04-133) *Initial application fee	\$ 206
	Additional associate Renewal	\$ 129 \$ 51
*Includes up to two associates.		

6. DISTRIBUTOR	(Fee based on annual gross sales of gambling related supplies and equipment)	
(a) Class A	Nonpunch board/pull-tab only	\$ 571
Class B	Up to \$ 250,000	\$ 1,142
Class C	Up to \$ 500,000	\$ 1,715
Class D	Up to \$1,000,000	\$ 2,287
Class E	Up to \$2,500,000	\$ 2,977
Class F	Over \$2,500,000	\$ 3,667

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.	\$ 226
Class B	Rents or leases equipment for fund-raising event or recreational gaming activity more than 10 times per year.	\$ 571

7. GAMBLING SERVICE SUPPLIER	(See WAC 230-04-119)	\$ 594
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.		
An annual fee of \$129 shall be charged for each new contract initiated by the gambling service supplier.		

8. LINKED BINGO PRIZE PROVIDER	(See WAC 230-04-126)	\$ 3,815
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9. MANUFACTURER	(Fee based on annual gross sales of gambling related supplies and equipment)	
Class A	Pull-tab dispensing devices only	\$ 571
Class B	Up to \$ 250,000	\$ 1,142
Class C	Up to \$ 500,000	\$ 1,715
Class D	Up to \$1,000,000	\$ 2,287
Class E	Up to \$2,500,000	\$ 2,977
Class F	Over \$2,500,000	\$ 3,667

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, compliance suitability evaluations, and renewal of licenses when travel cost is incurred to complete the investigation.

10. PERMITS		
AGRICULTURAL FAIR/SPECIAL PROPERTY BINGO		
Class A	One location and event only (See WAC 230-04-191)	\$ 26

LICENSE TYPE	DEFINITION	FEE
Class B	Annual permit for specified different events and locations (See WAC 230-04-193)	\$ 166
RECREATIONAL GAMING ACTIVITY (RGA)	(See WAC 230-02-505 and 230-25-330)	\$ 53
MANUFACTURER'S SPECIAL SALES PERMIT	(See WAC 230-04-115)	*\$ 200

*The two hundred dollar fee is nonrefundable, whether the sales permit is approved or not. In addition, an applicant may be assessed additional fees incurred to process and determine suitability.

11. CHANGES		
NAME	(See WAC 230-04-310)	\$ 26
LOCATION	(See WAC 230-04-320)	\$ 26
BUSINESS CLASSIFICATION	(Same owners) (See WAC 230-04-340)	\$ 53
LICENSE CLASS	(See WAC 230-04-260) New class fee, less previous fee paid, plus	\$ 26
DUPLICATE LICENSE	(See WAC 230-04-290)	\$ 26
OWNERSHIP OF STOCK	(See WAC 230-04-340)	\$ 53
LICENSE TRANSFERS	(See WAC 230-04-125, 230-04-340, and 230-04-350)	\$ 53

12. SPECIAL FEES		
INVESTIGATION	(See WAC 230-04-240)	As required
IDENTIFICATION AND INSPECTION SERVICES STAMPS	(See WAC 230-08-017)	As required
QUALITY CONTROL INSPECTION FEES	(See WAC 230-30-030)	As required
REPLACEMENT OF IDENTIFICATION STAMPS	(See WAC 230-30-017)	\$ 26
EXCEEDING LICENSE CLASS	(See WAC 230-04-260)	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

13. SIX-MONTH PAYMENT PLAN	(See WAC 230-04-190)	\$ 26
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[Statutory Authority: RCW 9.46.070. 00-15-039 (Order 385), § 230-04-203, filed 7/14/00, effective 1/1/01; 99-24-099 (Order 377), § 230-04-203, filed 11/30/99, effective 12/31/99; 98-21-010 (Order 366), § 230-04-203, filed 10/9/98, effective 11/9/98. 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 NON-PROFIT GAMBLING MANAGER	Original	\$ 166
	Renewal	\$ 80
	Change of Employer	\$ 80
2. LINKED BINGO PRIZE PROVIDER REPRESENTATIVE	Original	\$226
	Renewal	\$139
3. COMMERCIAL GAMBLING MANAGER	Original	\$ 166
	Renewal	\$ 80
	Change of Employer	\$ 80
4. DISTRIBUTOR'S OR GAMBLING SERVICES SUPPLIER REPRESENTATIVE	Original	\$ 226
	Renewal	\$ 139
5. MANUFACTURER'S REPRESENTATIVE	Original	\$ 226
	Renewal	\$ 139
6. PUBLIC CARD ROOM EMPLOYEE	CLASS A - Performs duties as defined in WAC 230-02-415 in a class E card room.	
CLASS B - Performs duties as defined in WAC 230-02-415 in enhanced and house-banked card rooms.	Original	\$ 166
	Renewal	\$ 80
	Original, in-state	\$ 224
	Original, out-of-state	\$ 279
	Renewal	\$ 139
7. OTHER FEES	Transfer/Additional Employee/Conversion/Emergency Waiver Request	\$55
	CHANGE OF NAME	(See WAC 230-04-310) \$26
	DUPLICATE LICENSE	(See WAC 230-04-290) \$26
	OUT-OF-STATE RECORDS INQUIRY	(See WAC 230-04-240) As required

[Statutory Authority: RCW 9.46.070. 99-24-099 (Order 377), § 230-04-204, filed 11/30/99, effective 12/31/99; 98-21-010 (Order 366), § 230-04-204, filed 10/9/98, effective 11/9/98. 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 230-04-207 Additional requirements—House-banked card games. Prior to being granted a license, each applicant for a house-banked card room license shall demonstrate their ability to comply with commission requirements for operation of house-banked card games. In order to demonstrate this capability, an applicant shall provide such information as the commission staff may require. Such information shall be reviewed and any discrepancies corrected prior to the granting of a license. At least the following shall be submitted as a part of their application:

(1) A detailed description of its planned system of internal accounting and administrative controls in the standard

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format prescribed by commission staff. Such information shall meet all requirements set forth in WAC 230-40-815 and be presented in both a narrative and diagrammatic form;

(2) A detailed diagram of the planned physical layout of the card room and all supporting installations. Such diagram shall include at least the following:

- (a) The location of all gaming tables;
 - (b) The location of all surveillance cameras;
 - (c) The count room;
 - (d) The surveillance room; and
 - (e) The cashier's cage;
- (3) A detailed description of:
- (a) Card games to be played, including rules of play; and
 - (b) Type of gaming tables, including table layouts.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-04-207, filed 4/14/00, effective 5/15/00.]

WAC 230-04-210 Withdrawal of application. An application for any license may be withdrawn by the applicant by submitting to the commission a written notice of withdrawal of the application. To be effective, such written notices must be actually received in the office of the commission in Olympia by 5:00 p.m. the day prior to issuance or denial of the license by the commission or its delegate.

The fact that an application for a license has previously been withdrawn shall not prejudice any future application for a license from the commission.

[Order 5, § 230-04-210, filed 12/19/73.]

WAC 230-04-220 Prorating and refunding of fees. (1) Unless otherwise provided by law, there will be no prorating or refunding of any license fee subsequent to issuance of a license or permit for the following actions:

- (a) Discontinuation of business;
- (b) Voluntary surrender of a license or permit; and
- (c) When a license or permit has been suspended, revoked, or otherwise canceled.

(2) Upon denial, voluntary withdrawal or administrative closure of an application for license, adoption or change of trade name, or change of location, the commission shall retain that portion of the fee tendered therewith as is necessary to offset its costs of processing and investigating the application: Provided, That the commission shall retain the entire fee when an individual license applicant performs any or all portions of the duties for which a permanent license is sought.

[Statutory Authority: RCW 9.46.070 and 34.05.230. 01-01-016 (Order 396), § 230-04-220, filed 12/6/00, effective 1/6/01. Statutory Authority: RCW 9.46.070 and 9.46.116. 96-24-007 (Order 304), § 230-04-220, filed 11/21/96, effective 1/1/97. Statutory Authority: RCW 9.46.070. 92-22-058, § 230-04-220, filed 10/29/92, effective 11/29/92; Order 51, § 230-04-220, filed 4/30/76; Order 46, § 230-04-220, filed 2/13/76; Order 5, § 230-04-220, filed 12/19/73.]

WAC 230-04-230 Intentionally understating anticipated revenue—Prohibited. It shall constitute grounds for revocation or suspension of a license if any applicant intentionally understates the anticipated gross or net receipts from a licensed activity for any purpose.

[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), § 230-04-230, filed 1/9/85. Statutory Authority: RCW 9.46.070 (5), (6), (8), (10), and (11). 84-01-026 (Order 139), § 230-04-230, filed 12/12/83; Order 42, § 230-04-230, filed 9/18/75; Order 5, § 230-04-230, filed 12/19/73.]

WAC 230-04-240 Special investigation fee. In addition to the basic license or permit fees, the commission may require payment of such additional license fees as are necessary to defray the costs of background investigations of applicants for whom adequate background information sources are not readily available, including, but not limited to, applicants who have not resided in the state of Washington for at least one year. The commission may require payment of the estimated additional license fee in advance as a condition precedent to beginning the investigation.

The commission shall notify the applicant as soon as possible after it makes the determination that such additional fee is necessary and shall further notify the applicant of the commission's best estimate of what such additional license fee will be: Provided, That such estimate shall not be binding upon the commission. Any applicant may then withdraw his application if he so chooses, as provided under WAC 230-04-210 and 230-04-220.

[Order 5, § 230-04-240, filed 12/19/73.]

WAC 230-04-255 Director may issue temporary licenses—Procedures—Restrictions. The director may issue a temporary license upon the administrative approval of the application. The following procedures and restrictions apply to temporary licenses:

- (1) The director shall not issue temporary licenses to:
 - (a) Manufacturers; and
 - (b) Applicants to operate house-banked card games;
- (2) Temporary licenses shall allow an applicant to conduct such activity for a period not to exceed sixty days.
- (3) If the application is not approved by the commission during the sixty day period, the temporary license shall become void: Provided, That if the commission does not conduct a meeting within the sixty-day period, the director may approve an additional temporary license to expire no later than the day following the next scheduled public meeting;
- (4) Once approved by the commission, a temporary license will be replaced with the issuance of a license to expire one year from the initial date of the temporary license.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-04-255, filed 4/14/00, effective 5/15/00; Order 12, § 230-04-255, filed 2/14/74.]

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?

(2001 Ed.)

(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.]

WAC 230-04-270 Bad checks submitted as payment of fees. The payment of a license fee by a check, which for any reason is not promptly paid by the drawee bank, shall be grounds for immediate administrative closure of a new application, voiding of a temporary license, or revocation of a continuing license. If an application or license is administratively closed, voided or revoked under this section, a new application must be submitted with fees payable only by certified check, money order, or cash. Upon notification that a check is not negotiable or when a check must be resubmitted for payment for any reason, the commission shall:

(1) Add a processing fee of fifteen dollars to the required license fee; and

(2) Notify the applicant by phone or in writing that payment in full, by certified check, money order, or cash, must be remitted within five days of the notification date. If the proper fee is not received within five days, the commission will proceed with appropriate administrative action.

[Statutory Authority: Chapter 34.05 RCW 90-03-064 (Order 203), § 230-04-270, filed 1/18/90, effective 2/18/90; Order 5, § 230-04-270, filed 12/19/73.]

WAC 230-04-280 Notification to law enforcement. Each licensee for the operation of an authorized gambling activity, within ten days after issuance of the license and before initially conducting any activity under the license, shall notify, in writing, the law enforcement agencies set forth below of the name and address of the licensee, the address where the activity will be conducted, the type of activity licensed, the date the activity shall first be conducted, and if the activity is planned to be conducted on a regular basis, the proposed schedule for the operation of the activity.

When the activity is to be conducted within a city or town, the local police agency shall be notified, and when the

activity is to be conducted within a county, then the sheriff's office shall be notified.

No activity shall be initially conducted until such notification has been made.

[Order 5, § 230-04-280, filed 12/19/73.]

WAC 230-04-290 Loss or destruction of licenses or permits. Upon the loss or destruction of any license or permit granted by the commission to conduct gambling activities in the state of Washington, application for a duplicate copy of the license or permit must be made to the commission upon a form to be supplied by the commission. Such application shall include an affidavit signed by the licensee, chief executive officer of a corporation, or by each of the owners of a profit making business which details the circumstances under which the license was lost or destroyed. The fee for replacement of a license shall be as required by WAC 230-04-202, 230-04-203, and/or 230-04-204.

[Statutory Authority: Chapter 9.46 RCW 94-24-056 (Order 262), § 230-04-290, 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), § 230-04-290, filed 6/15/84. Statutory Authority: RCW 9.46.070(13), 78-06-066 (Order 85), § 230-04-290, filed 5/25/78; Order 5, § 230-04-290, filed 12/19/73.]

WAC 230-04-300 One annual change of premises allowed for bingo. A bona fide charitable or nonprofit organization, except agricultural fairs, which has obtained an annual license from the commission to conduct bingo games upon a specified premise may, not more often than once during each annual period for which it is licensed, make written application to the commission for permission to conduct bingo, not to exceed three consecutive days, and not to exceed sixteen consecutive hours each day, at a location other than is authorized under its license.

Such application may be by letter, signed by the chief executive officer of the organization. The letter shall set out the name and address of the location upon which the bingo occasion would be conducted, the desired inclusive dates, the names and addresses of all persons who have an interest of any kind in those premises, the amount of rent, if any, that would be paid for the use of the premises, the basis upon which that rent was computed, and a detailed explanation of why the change of location is being requested.

The application shall be made not less than fifteen calendar days prior to the date of the bingo occasion, and shall be accompanied by the required fee.

If the commission approves, the applicant will be notified by mail and provided with a permit for the event by the commission. The permit shall be prominently displayed upon the premises during the event.

[Statutory Authority: RCW 9.46.070 (5), (7), (8), (9), (11), (14) and (19), 84-13-038 (Order 140), § 230-04-300, filed 6/15/84; Order 29, § 230-04-300, filed 1/23/75; Order 5, § 230-04-300, filed 12/19/73.]

WAC 230-04-310 Change of name. No licensee shall adopt or make a change in his or her given name or a trade or corporate name without notifying the commission at least thirty days prior to the effective date of such change. Each such change shall be made subject to the approval of the commission. The fee for such adoption or change of name shall be

as required by WAC 230-04-202, 230-04-203, and/or 230-04-204.

[Statutory Authority: Chapter 9.46 RCW. 94-24-056 (Order 262), § 230-04-310, 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), § 230-04-310, filed 6/15/84. Statutory Authority: RCW 9.46.070(13). 78-06-066 (Order 85), § 230-04-310, filed 5/25/78; Order 5, § 230-04-310, filed 12/19/73.]

WAC 230-04-315 Change of schedule. No bingo licensee shall change the days and times of operation of the gambling activity from those indicated on the application or otherwise filed with the commission without first notifying the commission in writing at least 10 days prior to the planned change. This notification shall be deemed properly submitted when it has been delivered to the commission office: Provided, That this rule shall not apply to changes in the schedule for holidays or changes caused by inclement weather or emergencies affecting the health and safety of the public.

[Statutory Authority: RCW 9.46.070 (1), (4), (5), (6), (7), (11), (14) and (17) and 9.46.310. 85-01-065 (Order 145), § 230-04-315, filed 12/18/84.]

WAC 230-04-320 Change of location. No change of location of licensed premises shall be made without the written consent of the commission. The fee for such change will be as required by WAC 230-04-202 or 230-04-203: Provided, That persons operating amusement games under a commercial amusement game license issued pursuant to WAC 230-04-135 (2)(c) shall pay no fee for adding to or deleting from the list of locations for which that license was issued.

[Statutory Authority: Chapter 9.46 RCW. 94-24-056 (Order 262), § 230-04-320, filed 12/5/94, effective 1/5/95; 91-21-053 (Order 228), § 230-04-320, filed 10/15/91, effective 11/15/91. Statutory Authority: RCW 9.46.070 (5), (7), (8), (9), (11), (14) and (19). 84-13-038 (Order 140), § 230-04-320, filed 6/15/84; Order 60, § 230-04-320, filed 9/10/76; Order 21, § 230-04-320, filed 8/20/74; Order 5, § 230-04-320, filed 12/19/73.]

WAC 230-04-325 Cancellation, change of time, date, or location of fund raising event. A cancellation or a change in time, date, and/or location of a fund raising event as defined in RCW 9.46.020 requires:

(1) For cancellation, the licensee shall notify the commission and the appropriate law enforcement agency in advance of the date upon which the event is scheduled.

(2) For change of time, date, or location, the licensee shall:

(a) Give at least ten days written notice to the commission in advance of the new time, date, or location change, together with a signed statement from the chief executive officer that the appropriate law enforcement agency has been notified of the change;

(b) Pay a fee as required by WAC 230-04-202 to the commission for each such time, date, or location change.

(3) For a cancellation or change in time, date, and/or location, the license authorizing the event for the specific time, date, or location shall be returned to the commission.

[Statutory Authority: Chapter 9.46 RCW. 94-24-056 (Order 262), § 230-04-325, filed 12/5/94, effective 1/5/95. 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), § 230-04-325, filed 1/9/85. Statutory Authority: RCW 9.46.070 (5), (7), (8), (9), (11), (14) and (19). 84-13-038 (Order 140), § 230-

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04-325, filed 6/15/84. Statutory Authority: RCW 9.46.070 (5), (14) and 9.46.020(23). 81-19-073 (Order 112), § 230-04-325, filed 9/15/81.]

WAC 230-04-330 Change of management. Changes made to an organization's management, directors, officers, or any other person holding a position that makes any management decision directly affecting the operation of any licensed gambling activity shall be reported to commission staff in writing.

Notification.

(1) **Commercial business licensees.** Within thirty days, after making the following management changes:

(a) Board of directors, if any;

(b) Officers; and

(c) All persons, whether licensed or not, designated as the overall manager of one or more of the following licensed gambling activities:

(i) Amusement games;

(ii) Punch boards/pull-tabs; or

(iii) Public card room.

(d) Persons that have applied for or hold a current card room employee license are not required to notify commission staff if they change positions, unless they perform one or more of the managerial duties listed in (c) of this subsection.

(2) **Charitable or nonprofit organization licensees.** When renewing their annual license, after making the following management changes:

(a) Highest ranking officer or official; and

(b) Treasurer or equivalent.

(3) Each notice shall be submitted on forms provided by the commission. The forms and all attachments must be completed fully and submitted in accordance with the time periods listed above.

[Statutory Authority: RCW 9.46.070. 00-23-129 (Order 392), § 230-04-330, filed 11/22/00, effective 1/1/01; Order 67, § 230-04-330, filed 3/11/77; Order 40, § 230-04-330, filed 6/26/75; Order 5, § 230-04-330, filed 12/19/73.]

WAC 230-04-340 Transfer of licenses—Conditions. Transfers of licenses issued by the commission shall be permitted only under the following circumstances and conditions and those set out in WAC 230-04-350, upon approval by the director or the commission. Otherwise, no transfer of any license issued by the commission shall be permitted.

(1) If the licensee is a corporation, except as provided in subsection (2) below, a change in ownership of stock shall not be deemed a transfer of a license: Provided, That any change in the ownership of any stock in such corporation which results in any person or organization becoming the owner of a substantial interest therein who was not the owner of a substantial interest immediately preceding the transaction, or which involves ten percent or more of any class of stock, shall be reported to the commission, in writing, within ten days of the close of such transaction, together with such information concerning the person or persons receiving such stock as the director may require.

(2) Where a change in the ownership of the stock of any corporate licensee results in any person, together with any members of his or her immediate family, or results in any

organization, becoming the owner of a majority of the voting shares of that corporation who or which had not held a substantial interest in the corporation immediately prior to the change in ownership, gambling licenses held by that corporation shall immediately terminate and be void. In such cases a new license must be obtained from the commission prior to the operation of any gambling activity requiring a license.

(3) Licenses issued to other than bona fide charitable or bona fide nonprofit organizations may be transferred to a business entity wholly owned by the same person or persons who owned the business entity to which the license was originally issued, or by their spouses or children under the age of eighteen and residing at the family home or by others possessing less than a substantial interest in the business to which the license transfer is sought, but only when the licensed activity will be conducted on the same premises as that for which the license was issued.

(4) Transfers will not be permitted when any person owning or holding a substantial interest in any of the entities to which transfer is sought is not qualified to hold a gambling license.

(5) The license or licenses of any corporation in which a person holds or acquires a substantial interest will be revoked when such person is not qualified to hold a gambling license.

(6) The fee for transfer of the license under this rule shall be as required by WAC 230-04-202.

[Statutory Authority: Chapter 9.46 RCW. 94-24-056 (Order 262), § 230-04-340, 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), § 230-04-340, filed 6/15/84. Statutory Authority: RCW 9.46.030 (2) and (3) and 9.46.070 (11) and (14). 83-19-024 (Order 136), § 230-04-340, filed 9/13/83; Order 68, § 230-04-340, filed 4/25/77; Order 40, § 230-04-340, filed 6/26/75; Order 5, § 230-04-340, filed 12/19/73.]

WAC 230-04-350 Death or incapacity of licensee. In the event of the proven incapacity, death, receivership, bankruptcy or assignment for benefit of creditors of any licensee, upon approval of the director or commission the license may be transferred to a court appointed or court confirmed guardian, executor or administrator, receiver, trustee, or assignee for the benefit of creditors, who may continue to operate the activity under the license, subject to the provisions of chapter 9.46 RCW and the commission's rules.

The person to whom a license is transferred hereunder must be otherwise qualified to hold a gambling license.

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

The fee for transfer of the license under this rule shall be as required by WAC 230-04-202 or 230-04-203.

[Statutory Authority: Chapter 9.46 RCW. 94-24-056 (Order 262), § 230-04-350, 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), § 230-04-350, filed 6/15/84; Order 68, § 230-04-350, filed 4/25/77; Order 5, § 230-04-350, filed 12/19/73.]

WAC 230-04-400 Denial, suspension or revocation of licenses. The commission may deny a license or permit to any applicant, or may suspend or revoke any and all licenses

or permits of any holder, when the applicant or holder, or any other person with any interest in the applicant or holder:

(1) Commits any act that constitutes grounds under RCW 9.46.075 for denying, suspending, or revoking licenses or permits;

(2) Has been convicted of, or forfeited bond upon a charge of, or pleaded guilty to, any form of criminal assault, any crime involving a threat of physical harm against another person, or any crime involving an intention to inflict physical harm on another person, whether any of these crimes is a misdemeanor or felony;

(3) Has demonstrated willful disregard for complying with ordinances, statutes, administrative rules, or court orders, whether at the local, state, or federal level. This includes, but is not limited to, failure to make required gambling tax payments to local taxing authorities, as supported by a petition submitted by the local taxing authority;

(4) Is serving a period of probation or community supervision imposed as a sentence for any criminal offense, whether juvenile, misdemeanor, or felony, and whether or not the offense is covered under RCW 9.46.075(4): Provided, That each case will be individually analyzed to determine the extent to which the probationary or supervisory status affects the person's qualifications to hold a license or permit;

(5) Is the subject of an outstanding gross misdemeanor or felony arrest warrant;

(6) Poses a threat to the effective regulation of gaming or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gaming activities, as demonstrated through the person's prior activities, criminal record, reputation, habits, or associations;

(7) When other than a charitable or nonprofit organization operates punch boards or pull-tabs, or operates or allows card games at any time other than as a commercial stimulant;

(8) Fails to provide at the office of the commission any information required under the commission's rules within the time required therefor by applicable rule, or if no maximum time has been established respecting the particular kind of information by other rule then within thirty days after receiving a written request therefor from the commission or its staff;

(9) Allows any person to participate in the management or operation of any activity regulated by the commission without prior written approval of the commission or its director when that person:

(a) Has been convicted of, pleaded guilty to, or forfeited bond upon any of the offenses set out in RCW 9.46.075(4);

(b) Has violated any other provisions of chapter 9.46 RCW or Title 230 WAC; or

(c) Would otherwise be subject to denial or revocation under the provisions of this section.

(10) If a supplier, manufacturer, financier, or management company knowingly provides or provided goods or services to an entity that is illegally operating gambling activities or was illegally operating gambling activities at the time such goods or services were provided; and

(11) Commits any other act that the commission determines constitutes a sufficient reason in the public interest for denying, suspending, or revoking licenses or permits.

[Statutory Authority: RCW 9.46.070. 95-17-065, § 230-04-400, filed 8/15/95, effective 9/15/95. Statutory Authority: RCW 9.46.075. 93-12-082, § 230-04-400, filed 5/28/93, effective 7/1/93; Order 51, § 230-04-400, filed 4/30/76; Order 45, § 230-04-400, filed 12/30/75; Order 42, § 230-04-400, filed 9/18/75; Order 33, § 230-04-400, filed 2/21/75; Order 23, § 230-04-400, filed 9/23/74; Order 14, § 230-04-400, filed 3/27/74; Order 12, § 230-04-400, filed 2/14/74; Order 5, § 230-04-400, filed 12/19/73.]

WAC 230-04-405 Commission will seek reimbursement for costs incurred in pursuing license revocation for failure to pay gambling taxes. Pursuant to WAC 230-04-400(3), upon referral from a local taxing authority, the commission may initiate license revocation actions for failure to pay gambling taxes. The commission will seek reimbursement for costs incurred in pursuing these gambling tax actions from the delinquent licensee.

[Statutory Authority: RCW 9.46.070. 95-13-031, § 230-04-405, filed 6/13/95, effective 7/14/95.]

WAC 230-04-410 Return of license suspended or revoked. Upon suspension or revocation of any license issued by the commission, the licensee shall immediately surrender and return the license to the commission. If such license is not received by the commission by the effective date of such suspension or revocation, the authorized representatives of the commission may enter the premises of the licensee and may enter the premises for which the license is issued for the purpose of retrieving said license: Provided, That the commission has notified the licensee in writing of the suspension or revocation of the license not less than five days prior to any such attempt to enter such premises to recover the license.

[Order 33, § 230-04-410, filed 2/21/75; Order 5, § 230-04-410, filed 12/19/73.]

WAC 230-04-450 Display of licenses. All licenses or permits granted by the commission shall be prominently displayed in the licensee's gaming area and available for inspection by commission staff, law enforcement agents and the public at all times: Provided, That individual licenses, as set forth in WAC 230-04-204, shall not be required to be on display but must be available to the public upon request.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-04-450, filed 4/14/00, effective 5/15/00. Statutory Authority: RCW 9.46.070(7). 79-09-029 (Order 91), § 230-04-450, filed 8/14/79. Statutory Authority: RCW 9.46.070(13). 78-06-066 (Order 85), § 230-04-450, filed 5/25/78; Order 5, § 230-04-450, filed 12/19/73.]

WAC 230-04-455 Employees to wear identification tags. Each employee required to obtain a license from the commission shall wear an identification tag at all times while working or playing in the gambling activity on the employer's premises. The identification tag shall be a minimum of 3" X 2" and shall display the employee's name and the name of the gambling operator or establishment. All information on the identification tag shall be clear and easily visible to the players in the gambling activity. The identification tag shall be worn on the employee's chest. It shall be furnished to the employee by the operator, who shall be equally responsible with the employee to insure the identification tag is displayed as required by this rule.

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While playing cards off-duty on the employer's premises the licensed employee must wear the identification tag unless a sign is clearly posted in the card room as follows: "Employees of this card room may participate in the card games while off-duty as players. Upon your request, the card room floor person will identify any employee playing cards."

[Statutory Authority: RCW 9.46.070 (11) and (14). 88-17-050 (Order 182), § 230-04-455, filed 8/16/88. Statutory Authority: RCW 9.46.070 (10) and (13). 78-08-055 (Order 86), § 230-04-455, filed 7/20/78.]

WAC 230-04-500 Local gambling prohibitions. The commission shall issue no license to engage in any gambling activity in a county or city after the commission has been adequately notified in writing by the governing body of such county or city that the activity has been prohibited.

[Order 23, § 230-04-500, filed 9/23/74; Order 5, § 230-04-500, filed 12/19/73.]

Chapter 230-08 WAC RECORDS AND REPORTS

WAC

230-08-010	Monthly records.
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230-08-017	Control of gambling equipment—Use of identification and inspection services stamps.
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230-08-060	Commercial amusement game records.
230-08-070	Raffle records.
230-08-080	Daily records—Bingo.
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230-08-105	Disposable bingo cards—Inventory control record.
230-08-110	Prize inventory control procedures—Records required—Charitable or nonprofit organizations.
230-08-120	Quarterly activity report by operators of bingo games (license Class D and above).
230-08-122	Annual progress and financial report—All nonprofit and charitable organizations.
230-08-125	Annual activity reports—Certain activities operated by charitable or nonprofit organizations.
230-08-130	Quarterly activity reports by operators of punch boards and pull-tabs.
230-08-140	Quarterly activity reports by distributors.
230-08-150	Quarterly activity reports by manufacturers.
230-08-160	Quarterly activity reports by operators of social and public card rooms.
230-08-165	Quarterly activity reports by linked bingo prize providers.
230-08-180	Annual activity reports by commercial amusement game operators.
230-08-200	All records subject to commission audit.
230-08-250	Annual activity reports by agricultural fairs and other bona fide charitable or nonprofit organizations with special location licenses to conduct bingo, raffles, and amusement games.
230-08-255	Bona fide charitable or nonprofit organizations—Significant progress required—Procedures—Exception.
230-08-260	Fund raising events—Activity report required.
230-08-270	Transfer of any gambling devices requiring identification and inspection services stamps to be affixed.

[Title 230 WAC—p. 43]

**DISPOSITION OF SECTIONS FORMERLY
CODIFIED IN THIS CHAPTER**

230-08-020	Distributor's records. [Statutory Authority: RCW 9.46.070 (7) and (13). 80-03-059 (Order 98), § 230-08-020, filed 2/25/80; Order 21, § 230-08-020, filed 8/20/74; Order 18, § 230-08-020, filed 5/21/74; Order 9, § 230-08-020, filed 12/19/73, 1:26 p.m.; Order 5, § 230-08-020, filed 12/19/73, 1:25 p.m.] Repealed by 83-10-002 (Order 132), filed 4/21/83. Statutory Authority: RCW 9.46.070 (8) and (11).
230-08-030	Manufacturer's records. [Order 14, § 230-08-030, filed 3/27/74; Order 9, § 230-08-030, filed 12/19/73, 1:26 p.m.; Order 5, § 230-08-030, filed 12/19/73, 1:25 p.m.] Repealed by 83-10-002 (Order 132), filed 4/21/83. Statutory Authority: RCW 9.46.070 (8) and (11).
230-08-100	Political contributions of licensees to be reported. [Statutory Authority: RCW 9.46.070 (1), (2), (4), (5), (6), (11), (14) and (17). 86-13-055 (Order 158), § 230-08-100, filed 6/13/86; Order 23, § 230-08-100, filed 9/23/74.] Repealed by 00-07-140 (Order 381), filed 3/22/00, effective 7/1/00. Statutory Authority: RCW 9.46.070.
230-08-170	Punch board and pull-tab retention. [Statutory Authority: RCW 9.46.[070] (8), (14). 87-17-052 (Order 171), § 230-08-170, filed 8/18/87. Statutory Authority: RCW 9.46.070 (5), (7), (8), (9), (11), (14) and (19). 84-13-038 (Order 140), § 230-08-170, filed 6/15/84. Statutory Authority: RCW 9.46.070(11). 81-21-033 (Order 114), § 230-08-170, filed 10/15/81; Order 72, § 230-08-170, filed 7/26/77; Order 23, § 230-08-170, filed 9/23/74; Order 14, § 230-08-170, filed 3/27/74; Order 5, § 230-08-170, filed 12/19/73, 1:25 p.m.] Repealed by 88-13-117 (Order 180), filed 6/22/88. Statutory Authority: RCW 9.46.[070] (8), (11) and (14).
230-08-230	Report required of certain sales. [Order 5, § 230-08-230, filed 12/19/73, 1:25 p.m.] Repealed by Order 14, filed 3/27/74.
230-08-240	Annual activity reports by commercial amusement game operators Class A and B. [Statutory Authority: RCW 9.46.070 and 9.46.0331. 91-19-093 (Order 227), § 230-08-240, filed 9/18/91, effective 10/19/91. Statutory Authority: RCW 9.46.070 (8) and (9). 85-06-002 (Order 147), § 230-08-240, filed 2/22/85; Order 74, § 230-08-240, filed 8/17/77.] Repealed by 92-21-021, filed 10/13/92, effective 11/13/92. Statutory Authority: RCW 9.46.070.

WAC 230-08-010 Monthly records. Every person or organization licensed to operate any gambling activity shall maintain permanent monthly records of all financial transactions directly or indirectly related to gambling activities. Each record shall include, but not necessarily be limited to, all details of the following:

(1) All financial transactions completed by the licensee and contain enough detail to determine compliance with the requirements of WAC 230-04-024, 230-04-080, and 230-08-122;

(2) Each licensed activity shall be recorded separately and include all transactions occurring during a calendar month. These records shall be complete in every detail and available for audit or inspection by agents of the commission or other law enforcement personnel no later than thirty days following the end of each month: Provided, That businesses licensed to operate punch boards and pull-tabs as commercial stimulants shall complete monthly records no later than fifteen days following the end of each month and such shall be available for audit or inspection the next day;

(3) The gross gambling receipts from the conduct of each of the activities licensed;

(4) Full details on all expenses related to each of the activities licensed;

(5) The total cost of all prizes paid out for each of the activities licensed;

(6) With respect to those organizations licensed as qualified bona fide charitable or nonprofit organizations, except agricultural fairs, records shall clearly show in detail how the proceeds from each licensed activity obtained by the licensee were used or disbursed by that licensee. These records shall provide an audit trail satisfactory to allow verification that the funds were used for the organization's purpose(s). These records will include, but not be limited to, canceled checks for the subject disbursements;

(7) With respect to commercial stimulant licensees, records shall include at least the following details:

(a) Gross sales of food and drink for consumption on their licensed premises;

(b) Gross sales of food and drink for consumption off the licensed premises; and

(c) Gross sales from all other business activities occurring on the licensed premises.

(8) In addition to any other requirement set forth in these rules, licensees for the operation of punch boards and pull-tabs shall be required to prepare a detailed monthly record for punch boards and pull-tab series removed from play during that month. This detailed monthly record shall be recorded in a standard format prescribed by the commission: Provided, That punch board and pull-tab monthly records may be stored in computer data bases if:

(a) Computer data base records are not the primary storage medium and all original input control documents supporting data maintained in computer data bases are retained by the licensee;

(b) A "hard copy" report organizing the data maintained in the computer data base is generated for each month. This report must be completed and available for review no later than thirty days following the end of the month;

(c) An up-to-date "hard copy" report is provided within three days upon request of commission agents, law enforcement personnel, or local tax authorities;

(d) Reports generated from the computer data base provide all data required by subsection (9) of this section; and

(e) Reports generated from the computer data base organize the required data in an order that approximates the standard format and does not impede audit.

(9) Monthly records for punch boards and pull-tabs shall disclose for each punch board and pull-tab series the following information:

(a) The name of the punch board or pull-tab series;

(b) The Washington state identification and inspection services stamp number recorded by attaching a records entry label: Provided, That in lieu of the records entry label, licensees may use a facsimile of the bar coded Washington state identification and inspection services stamp number which is generated by a printer interfaced with a computer data base, if the following standards and procedures are followed:

(i) The Washington state identification and inspection services stamp number must be electronically input into the data base by scanning the stamp with a bar code reader;

(ii) Records must be printed on white paper. Facsimiles of the bar coded Washington state identification and inspection stamp numbers must be at least one-quarter inch in

height with a "quiet zone" on at least one-quarter inch of each side of the bar code;

(iii) Bar code facsimiles must be code "interleaved two of five" (USS-12/5) with a readability rate of at least 99.0% with a maximum of three passes with commission bar code reading equipment. Each licensee will be responsible for the accuracy of printouts and ensuring that bar codes are electronically readable. It is recommended that specifications of a printer be reviewed for capability to meet minimum standards prior to purchase or lease and that the printer be equipped with a serviceable ribbon.

(c) The date removed from play;

(d) The total number of tabs in each pull-tab series or the total number of punches in each punch board;

(e) The number of pull-tabs or punches remaining after removal from play;

(f) The number of pull-tabs or punches played from the pull-tab series or punch board;

(g) The cost to the players to purchase one pull-tab or one punch;

(h) The gross gambling receipts as defined in WAC 230-02-110;

(i) The total prizes paid, including both cash and merchandise (calculated by the cost to the licensee) prizes;

(j) The net gambling receipts (gross gambling receipts less total prizes paid);

(k) The cash over or short determined by:

(i) Subtracting actual cash from net gambling receipts for punch boards and pull-tabs which award cash prizes; and

(ii) Subtracting actual cash from gross gambling receipts for punch boards and pull-tabs which award merchandise prizes.

(l) The actual cash received from the operation of each pull-tab series or punch board: Provided, That when more than one series of pull-tabs is sold from a single dispensing device and the dispensing device is equipped with recording devices or meters which provide an accounting of the number of tabs dispensed from each individual series, the actual cash received may be computed by use of the meter readings. If this method is used to account for actual cash, all series in each dispensing device shall be played out at least once each calendar quarter and the combined cash over or short calculated for all series played from each dispensing device during the period by reconciling the total cash removed from the dispensing device to the total tabs sold from that dispensing device. The combined cash over or short shall be recorded as required by (k) of this subsection;

(m) With written commission approval, licensees operating pull-tabs to stimulate food and drink sales may record (k) and (l) of this subsection in total on a daily, weekly, or monthly basis, if their recordkeeping procedures meet commission standards.

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

(11) Each of these records shall be maintained by the licensee for a period of not less than three years from the end of the fiscal year for which the record is kept unless released by the commission from this requirement as to any particular record or records.

(2001 Ed.)

[Statutory Authority: RCW 9.46.070 (8), (9), 95-19-069, § 230-08-010, filed 9/18/95, effective 1/1/96. Statutory Authority: Chapter 9.46 RCW 94-24-054 (Order 261), § 230-08-010, filed 12/5/94, effective 1/5/95. Statutory Authority: RCW 9.46.070 (7), (8), (9) and (17), 93-13-063 (Order 241), § 230-08-010, filed 6/17/93, effective 7/18/93. Statutory Authority: RCW 9.46.070, 92-19-107 (Order 231), § 230-08-010, filed 9/18/92, effective 10/19/92. Statutory Authority: RCW 9.46.070 (7), (17), (8) and (9), 91-13-070 (Order 223), § 230-08-010, filed 6/17/91, effective 7/18/91. Statutory Authority: RCW 9.46.070 (4), (11) and (14), 89-24-002 (Order 201), § 230-08-010, filed 11/27/89, effective 12/28/89. Statutory Authority: RCW 9.46.070 (8), (11) and (14), 88-13-060 (Order 179), § 230-08-010, filed 6/14/88. Statutory Authority: RCW 9.46[.070] (8) and (14), 87-17-052 (Order 171), § 230-08-010, filed 8/18/87. Statutory Authority: Chapter 9.46 RCW, 86-19-056 (Order 161), § 230-08-010, filed 9/15/86, effective 1/1/87. Statutory Authority: RCW 9.46.070 (4), (8), (11) and (14), 86-07-037 (Order 155), § 230-08-010, filed 3/14/86. Statutory Authority: RCW 9.46.070 (8), (11), and (14), 83-13-050 (Order 134), § 230-08-010, filed 6/14/83. Statutory Authority: RCW 9.46.070(8), 82-01-065 and 82-03-033 (Order 115 and 116), § 230-08-010, filed 12/18/81 and 1/18/82; Order 74, § 230-08-010, filed 8/17/77; Order 18, § 230-08-010, filed 5/21/74; Order 9, § 230-08-010, filed 12/19/73, 1:26 p.m.; Order 5, § 230-08-010, filed 12/19/73, 1:25 p.m.]

WAC 230-08-015 Certain lower volume licensees may meet reduced recordkeeping requirements. Notwithstanding the provisions of WAC 230-08-010, persons holding licenses issued under the classes and circumstances set out in WAC 230-04-065 and persons operating without a license under RCW 9.46.0315 and 9.46.0321 need only keep a set of permanent records of all of the activities of the licensee related to conducting the licensed activity which includes the following, by month:

(1) The gross receipts from the conduct of each licensed activity;

(2) The total amount of cash prizes actually paid out and the total of the cost to the licensee of all merchandise prizes actually paid out for each licensed activity;

(3) A summary of all expenses related to each of the activities licensed; and

(4) The net income received by the licensee from the licensed activity with a designation of the purposes for which the net income was raised and the amount paid each recipient of any part of the net income.

These records shall be maintained by the licensee for a period of not less than three years from the end of the license year for which the record is kept unless released by the commission from this requirement as to any particular record. Persons operating under RCW 9.46.0315 and 9.46.0321 without a license shall maintain the above records for a period of one year.

[Statutory Authority: RCW 9.46.070, 94-07-084 (Order 250), § 230-08-015, filed 3/16/94, effective 4/16/94. Statutory Authority: RCW 9.46.070 (4), (7), (8) and (11), 83-06-077 (Order 127), § 230-08-015, filed 3/2/83; Order 70, § 230-08-015, filed 5/24/77; Order 53, § 230-08-015, filed 5/25/76; Order 29, § 230-08-015, filed 1/23/75; Order 21, § 230-08-015, filed 8/20/74; Order 14, § 230-08-015, filed 3/27/74.]

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, linked bingo prize providers, 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) Punch boards 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) Punch boards 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;

(iv) Pull-tab series with carry-over jackpots - one dollar;

(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;

(iii) Cards used to play for linked bingo prizes - forty cents per two hundred fifty cards.

(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) Punch boards - 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 punch board 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 oper-

ator 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. 98-24-090 (Order 369), § 230-08-017, filed 12/1/98, effective 1/1/99; 98-15-074 (Order 359), § 230-08-017, filed 7/15/98, effective 1/1/99. 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.]

WAC 230-08-025 Accounting records to be maintained by distributors and manufacturers. Every licensed distributor and manufacturer 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.

(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.

(2) Sales invoices - every manufacturer and distributor shall record every sale of equipment or services, any return or refund, or any other type of transfer of punch boards/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 punch boards 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) Punch boards that pay out cash prizes;

(ii) Punch boards 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 punch board 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 and supplies; 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 five hundred thousand dollars 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 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. 98-19-130 (Order 362), § 230-08-025, filed 9/23/98, effective 1/1/99; 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 230-08-026 Accounting records to be maintained by gambling service suppliers. Gambling service suppliers shall maintain records that document services they

provide and receipts for payment for such services. The following records shall be maintained and procedures followed:

(1) A minimum accounting system must be maintained that includes at least the following records:

(a) Sales invoices - sales invoices or a detailed monthly billing statement shall be issued to each customer. Copies of each invoice or billing statement must be maintained on the premises;

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

- (i) The date of the sale;
- (ii) The invoice number of the sale;
- (iii) The customer name or person remitting a payment;
- (iv) Sales shall be categorized at least by the type of service or activity provided; and

(v) Total amount of the invoice.

(c) 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:

- (i) The date the payment was received;
- (ii) The name of the person remitting the payment;
- (iii) The amount of payment received.

(d) Bank statements which show all deposits along with copies of bank deposit slips and receipts;

(e) General ledger - each licensee whose gambling related activities exceed five hundred thousand dollars 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 activity;

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

(2) If the gambling service(s) supplier enters into contracts with their customers, copies of such agreements which fully disclose all terms must be maintained.

(3) Records must be maintained for a period of three years following the end of the licensee's fiscal year.

[Statutory Authority: RCW 9.46.070. 98-19-130 (Order 362), § 230-08-026, filed 9/23/98, effective 1/1/99.]

WAC 230-08-027 House-banked card games—General accounting records to be maintained. Every licensee authorized to offer house-banked card games shall keep and maintain a complete set of records, which have been approved by commission staff. Such records shall include all details of activities related to the conduct of the licensed activity. The following requirements shall apply:

Revenue and expenses.

(1) Each licensee shall maintain legible, accurate and complete records of all transactions relating to the revenues and costs of the gaming operation. These records shall be maintained in a format to ensure consistency, comparability, and effective disclosure of financial information.

General accounting records.

(2) General accounting records shall be maintained on a double entry system of accounting with transactions recorded on an accrual basis, to include detailed, supporting, subsidiary records, sufficient to meet the requirements below.

Recordkeeping.

(3) The detailed, supporting and subsidiary records shall include, but not necessarily be limited to:

(a) Records of all patrons' checks initially accepted, deposited, and returned as "uncollected," and ultimately written off as "uncollectible";

(b) Statistical game records to reflect drop and win amounts for each table, for each game, and for at least each period for which the drop boxes are removed, which shall be at the minimum, the end of each gaming day;

(c) Records of investments in property, including, but not limited to, equipment used directly in connection with the gaming operation;

(d) Records of amounts payable by the gaming operation;

(e) Records which identify the purchase, receipt, and destruction of all cards and gaming chips used in wagering; and

(f) Records of services provided for the operation of gaming activity.

Copies.

(4) Whenever duplicate or triplicate copies are required of a form, record or document:

(a) The original, duplicate, and triplicate copies shall be color-coded;

(b) If under these standards, forms, records, and documents are required to be inserted in a locked dispenser, the last copy shall remain in a continuous unbroken form in the dispenser; and

(c) If under these standards, forms or serial numbers of forms are required to be accounted for or copies of forms are required to be compared for agreement and exceptions noted, such exceptions shall be reported immediately to the commission for investigation.

Storing documents.

(5) All forms, records, documents and stored data required to be prepared, maintained and controlled shall:

(a) Have the title of the form, record, document, or stored data such as "fill slip," "request for fill," "credit slip," "request for credit," "reconciliation," etc., imprinted or pre-printed thereon or therein; and

(b) Be located at the licensed premises for three years: Provided, That the director or the director's designee may waive parts of this section if requested by the licensee.

Employee records.

(6) Licensees shall maintain a records system that ensures all applicable employees have met licensing requirements. The system shall include employee names, license numbers and expiration dates. In addition, photocopies of all current employees' licenses must be maintained on the pre-

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mises. If an employee license has not yet been issued, the licensee shall maintain a copy of the temporary employment authorization, documentation that the required payment has been made, and whether the employee has adhered to the ten-day waiting period, if applicable. The licensee shall ensure the commission is notified if an employee license has not been received within sixty days of employment.

[Statutory Authority: RCW 9.46.070 and 34.05.230, 01-01-016 (Order 396), § 230-08-027, filed 12/6/00, effective 1/6/01. Statutory Authority: RCW 9.46.070, 00-09-052 (Order 383), § 230-08-027, filed 4/14/00, effective 5/15/00.]

WAC 230-08-035 Records to be maintained by linked bingo prize providers. In addition to the accounting records to be maintained by distributors and manufacturers as required by WAC 230-08-025, a linked bingo prize provider must also maintain the following records:

(1) A complete and accurate record for each linked prize offered that includes at least the following:

(a) The date and time the prize was played for;

(b) A complete list of names and addresses of each participating licensee;

(c) The serial number, color, and beginning and ending sheet numbers sold by each licensee;

(d) The dollar amount of sales for each licensee;

(e) A reconciliation of the number of bingo cards issued to each participating licensee and the number of cards sold or returned;

(f) The dollar amount that each licensee contributed to the prize fund;

(g) The total amount contributed to the prize fund;

(h) The dollar amount of prizes paid from the prize fund; and

(i) The dollar amount accrued for a bonus prize;

(2) A record of assets installed at participating licensees' locations that includes the following:

(a) The name and address of the licensee where the asset is installed; and

(b) A physical description of the asset and its cost;

(3) A complete and accurate record that shows where all bingo cards purchased or otherwise obtained have been distributed and the date the cards were used; and

(4) Video tapes must be maintained for at least one year which record at least the following activities:

(a) The ball selection process that clearly shows the numbers drawn; and

(b) All body movements of the caller.

[Statutory Authority: RCW 9.46.070, 98-24-090 (Order 369), § 230-08-035, filed 12/1/98, effective 1/1/99.]

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, merchandise, and card room forms:

(a) Punch boards/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;
 - (vi) The unit or package number when a series or collation has been divided as authorized in WAC 230-20-192(6); and
 - (vii) For disposable bingo cards to be sold for linked bingo prizes the beginning and ending sheet numbers sold to or returned from the operator.
 - (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) Card room forms - all required serially prenumbered forms:
 - (i) Type of form;
 - (ii) Beginning and ending serial numbers; and
 - (iii) Quantity of forms.
 - (f) 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 licensee for at least three years.
- (3) Any manufacturer, distributor, linked bingo prize provider, or licensed representative of the above, who fails to accurately complete any invoice for the sale or return of a punch board, 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. 00-09-052 (Order 383), § 230-08-040, filed 4/14/00, effective 5/15/00; 98-24-090 (Order 369), § 230-08-040, filed 12/1/98, effective 1/1/99. 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 230-08-070 Raffle records. A detailed record shall be prepared for each raffle conducted. Unless otherwise noted in this section, organizations licensed to conduct raffles at Class "D" or below and organizations conducting unlicensed raffles under the authority of RCW 9.46.0315 or 9.46.0321 are authorized to use reduced recordkeeping requirements as set out in WAC 230-08-015. Organizations licensed to conduct raffles at or above Class "E" or conducting raffles under any class of license by utilizing alternative drawing formats, as authorized by WAC 230-20-325, shall comply with the following recordkeeping procedures:

(1) All data required shall be recorded in a standard format prescribed by the commission;

(2) At least the following data shall be recorded:

(a) Beginning and ending ticket numbers;

(b) The total number of unsold tickets with ticket numbers that are below the highest ticket number sold;

(c) Total gross gambling receipts;

(d) A description of each prize including the cost, or if contributed to the organization, the fair market value;

(e) The name, address, and telephone number of each winner of a prize with a cost or fair market value in excess of twenty dollars;

(f) Except as authorized by WAC 230-20-335, details of disbursement to and return of tickets from sellers. Minimum details shall include:

(i) The name of the person receiving the tickets;

(ii) The number of tickets disbursed;

(iii) The number of tickets returned; and

(iv) All funds returned;

(3) In addition to the prescribed format, the following records shall be maintained:

(a) Validated deposit receipts for each deposit of raffle proceeds;

(b) All winning tickets;

(c) All ticket stubs for raffles that participants are not required to be present at the drawing;

(d) All unsold tickets for individual raffles for which gross gambling receipts exceed five thousand dollars;

(e) Invoices and other documentation recording the purchase or receipt of prizes; and

(f) Invoices and other documentation recording the purchase of tickets and other expenses of the raffle;

(4) Except as authorized by WAC 230-20-335, these records shall be maintained for a period of not less than three years from the end of the licensee's fiscal year in which the raffle was completed;

(5) Records for each individual raffle shall be completed and available for review by commission staff and local law enforcement or taxing authorities no later than thirty days following the drawing: Provided, That this subsection shall not restrict commission staff or local law enforcement authorities from review of any required records prior to the allowed completion date; and

(6) Records shall be maintained at the main administrative or business office of the organization that is located within Washington state and available for commission review or audit upon request. Organizations that do not have an administrative or business office located within Washington state structured to include more than one chapter or other subdivided unit that conducts raffles under the parent organization's license, shall designate records custodians that reside in Washington state. Such custodians shall be responsible for retaining all original records and making such available for review or audit at any reasonable location within seven days of a request by commission staff: Provided, That the director may authorize an organization to maintain records at alternative locations if the organization has demonstrated the ability and desire to comply with all commission requirements. Records maintained under such an agreement shall be made available for commission review and audit at any designated location within seven days. The director may revoke this authority at any time by providing written notice. A request to maintain records at alternative locations shall include at least the following:

(a) The conditions that preclude or restrict compliance with normal records maintenance requirements of this subsection, including costs;

(b) The address of the location where all records will be maintained;

(c) If such records are retained outside the state of Washington, the name, address, and telephone number of a resident of the state of Washington who is authorized by the organization to accept a request for records;

(d) The name, address, and telephone number of a primary and alternate records custodian; and

(e) A notarized statement by the chief executive officer of the organization acknowledging responsibility for providing records and that failure to comply with a request for records within the allotted time may result in suspension or revocation of all licenses held by the organization.

[Statutory Authority: RCW 9.46.070. 95-07-093, § 230-08-070, filed 3/17/95, effective 7/1/95. Statutory Authority: RCW 9.46.070 (11) and (14), 89-07-045 (Order 188), § 230-08-070, filed 3/14/89. Statutory Authority: RCW 9.46.070 (8) and (11), 83-11-034 (Order 133), § 230-08-070, filed 5/16/83.]

WAC 230-08-080 Daily records—Bingo. In addition to any other requirement set forth in these rules, licensees for the operation of bingo shall be required to prepare a detailed record covering each bingo session as defined in WAC 230-02-104: Provided, That operators of bingo games conducted at qualified agricultural fairs and other special locations shall be exempt from this rule, but will be required to keep all operator records by location in order to properly report all information as required by WAC 230-08-250. This detailed daily record shall disclose the following information for each separate session conducted during a bingo occasion:

Gross gambling receipts.

(1) The gross gambling receipts collected for each separate type of sale, of any kind, for bingo games including, but not limited to, regular games, early bird games, blackout games, special games, or pick up games. These gross gambling receipts shall be supported by receipting records required by WAC 230-20-101 and inventory control records required by WAC 230-08-105. Licensees using the combination receipting method shall reconcile the extended value of all disposable cards, packets of cards, and electronically generated cards sold to the amount of sales recorded per the cash register;

Prizes paid.

(2) The amount paid out or accrued for prizes awarded for each bingo game. Each session record shall contain the following minimum information regarding prizes awarded:

(a) The game number;

(b) The dollar amount or the actual cost of each prize;

(c) A complete description of all noncash prizes;

(d) The consecutive number of the prize receipt issued for each prize;

(e) The duplicate copy of the prize receipt issued for all prizes awarded during the session or the merchandise prize receipt log as allowed by WAC 230-20-102(4);

(f) The check number of all checks used to pay winners of bingo games: Provided, That if the payment must be made by check under the guidelines of WAC 230-20-102 (1)(c), the duplicate copy must be maintained as a part of the session records;

(g) Full details of prizes accrued; and

(h) For accrued prizes contributed to a linked bingo prize:

(i) The amount of the contribution;

(ii) The amount of any consolation prize paid by the licensee for a linked bingo prize game; and

(iii) The name of the linked bingo prize provider to whom the contribution is made;

Net gambling receipts.

(3) The net gambling receipts from each bingo session;

Cash on hand.

(4) The cash on hand at the commencement and the conclusion of each session;

Reconciliation of bank deposits.

(5) A reconciliation of cash on hand, net gambling receipts, and the bank deposit of net revenue for each session. The bank deposit shall be supported by a validated copy of the bank deposit receipt. Steps taken to reconcile overages and/or shortages that exceed twenty dollars for any session must be documented;

Attendance.

(6) An attendance record indicating the number of people participating;

Numbers or symbols selected.

(7) All bingo numbers or symbols selected and called during any game that offers a prize exceeding two hundred dollars. The numbers or symbols shall be recorded in the sequence selected. A computer generated "call sheet" may be used in lieu of a manual record if a print-out of results is made;

Winning cards or face numbers.

(8) The winning card or face number(s) for each individual prize awarded that exceeds two hundred dollars: Provided, That if the game is played using disposable bingo cards, the winning card or sheet of cards may be retained in lieu of the card numbers;

Schedule of games to be played.

(9) A copy of the schedule of the games to be played and prizes available for the session: Provided, That if the record is annotated with the effective dates of each game schedule, it may be maintained separately and updated only when a change occurs. Any changes to the advertised and printed game and prize schedule, that occur during a session, must be noted in the session records and verified by the signature of the gambling manager assigned primary responsibility for supervising the session and another bingo worker on duty during the session;

Review of records by gambling manager required.

(10) The gambling manager assigned primary responsibility for supervising the bingo session(s) must review all session records for accuracy, determine that required information is provided, and confirm the required deposit amount(s). After satisfactory completion of this review, the records must be signed by the gambling manager responsible for supervising the session before the gambling manager leaves the premises on the day(s) the session(s) was conducted; and

Format of records and length of retention.

(11) All records required by this section shall be:

(a) Recorded in a standard format prescribed by the commission;

(b) Recorded during the course of each session; and

(c) Retained for a period of not less than twenty-four months, with the exception of the session summary which shall be retained for a period of not less than three years.

[Statutory Authority: RCW 9.46.070. 00-07-140 (Order 381), § 230-08-080, filed 3/22/00, effective 7/1/00; 98-24-090 (Order 369), § 230-08-080, filed 12/1/98, effective 1/1/99. Statutory Authority: RCW 9.46.070 (1), (11), (14). 98-04-024, § 230-08-080, filed 1/28/98, effective 7/1/98. Statutory Authority: RCW 9.46.070 (1), (8) - (11), (14), (20). 96-13-067 (Order 293), § 230-08-080, filed 6/18/96, effective 7/19/96. Statutory Authority: RCW 9.46.070 (1), (8), (9), (11), (13), (14), (20). 95-23-091, § 230-08-080, filed 11/20/95, effective 1/1/96. Statutory Authority: RCW 9.46.070. 94-01-034, § 230-08-080, filed 12/6/93, effective 1/6/94. Statutory Authority: Chapter 9.46 RCW. 91-21-053 (Order 228), § 230-08-080, filed 10/15/91, effective 11/15/91. Statutory Authority: RCW 9.46.020 (1) and (10) and 9.46.070 (3), (11) and (14). 86-09-036 (Order 157), § 230-08-080, filed 4/11/86. Statutory Authority: RCW 9.46.070 (8), (11), and (14). 83-13-050 (Order 134), § 230-08-080, filed 6/14/83; Order 74, § 230-08-080, filed 8/17/77; Order 43, § 230-08-080, filed 11/28/75; Order 15, § 230-08-080, filed 4/17/74; Order 5, § 230-08-080, filed 12/19/73, 1:25 p.m.]

WAC 230-08-090 Daily records—Card games. In addition to any other requirements set forth in these rules, persons licensed to operate card rooms at which a fee is charged to play or which operates a player-supported jackpot (PSJ) or house-banked card games shall be required to prepare a detailed record covering each day of operation. Each separate record shall be maintained continuously during hours of operation and entries made as required by this section. The format for such records shall be as prescribed by the commission. The records shall include information to be placed in a form, record or document, or in stored data which shall be annotated in ink or other permanent form. Data maintained in computer data bases must be printed on a periodic basis. Daily card room records shall be maintained as follows:

(1) Separate records shall be prepared for each day social card games are played and fees collected or house-banked card games are operated. Such records shall be completed for each table and each PSJ for which fees are collected from players. The minimum daily records shall include the following information:

(a) The date and time period during which fees were collected or house-banked card games were operated.

(b) The assessment method and the fee charged per assessment method for each table.

(c) The names and time of play for each nonpaying house player (which may only include licensed card room employees and the licensee);

(d) The amount of fees collected at each table at each collection interval;

(e) The gross amount received from fees collected on each operating day by table and by assessment method.

(f) The number of players at the time of fee collection when fees are assessed based on a period of time;

(g) A record of card room employees and hours worked; and

(h) The total drop which includes all cash placed in drop boxes and the net win or loss by the table and game type from house-banked card games.

(2) Fees for tournaments shall be recorded as set forth in WAC 230-40-055.

(3) PSJ records shall include the following information in addition to the information required by subsection (1) of this section:

(a) A separate entry for each type of PSJ for which fees were collected to include:

(i) Table number;

(ii) Prize fund number; and

(iii) Assessment rate.

(b) PSJ fund accrual record.

(4) A daily summary record that includes a reconciliation of all fees collected during an operating day shall be prepared for each day card games are operated and fees collected. This record shall include at least the following:

(a) The name of the licensee;

(b) The date of the activity. If the activity spans two days, the day that the activity begins shall be recorded;

(c) Card room hours of operation;

(d) The beginning and ending balances of all chips and cash in the cage;

(e) The printed name and signature of person(s) preparing the record; and

(f) Such other daily records as required for specific card room activities.

(5) All detailed records prepared shall be maintained for a period of not less than three years. At least the past six months of records must be available on premises. All other records shall be available within forty-eight hours upon request by commission staff, local law enforcement or taxing authorities.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-08-090, filed 4/14/00, effective 5/15/00. Statutory Authority: RCW 9.46.070(8), 9.46.0325 and 9.46.070. 93-10-005 (Order 238), § 230-08-090, filed 4/21/93, effective 7/1/93. Statutory Authority: RCW 9.46.070 (8) and (17). 83-23-055 (Order 138), § 230-08-090, filed 11/15/83. Statutory Authority: RCW 9.46.070(8) and (14). 82-11-028 (Order 120), § 230-08-090, filed 5/11/82; Order 23, § 230-08-090, filed 9/23/74.]

WAC 230-08-095 Minimum standards for monthly and annual accounting records—Charitable or nonprofit organizations. Each charitable or nonprofit organization licensed to conduct bingo at Class D or above or authorized to receive more than five hundred thousand dollars gross gambling receipts from combined gambling activities during any calendar year shall maintain accounting records necessary to document all receipts and disbursements of the licensee, including but not limited to those related to gambling activities.

and

(1) This accounting system shall be double entry and conform to generally accepted accounting principles (GAAP), except as modified by other commission rules and instructions for activity reports.

(2) The accrual method of accounting shall be mandatory and all income shall be recorded when earned and all expenses recorded when incurred: Provided, That the cash, modified cash, or tax basis accounting methods may be allowed if such method accurately represents the licensee's financial position and results of operations and the licensee does not have substantial liabilities or expenses not requiring a current outlay of cash, such as depreciation or amortization expenses.

(3) Organizations shall adopt a capitalization policy that is based on materiality and expected life of operating assets. Licensees shall use the following guidelines for determining a minimum level for capitalizing assets:

(a) Assets exceeding two thousand dollars and having a useful life that exceeds one year shall be capitalized and depreciated or amortized over the useful life of the asset;

(b) Preoperating start-up costs related to bingo games that exceed six thousand dollars shall be capitalized and amortized over sixty months, beginning with the first month that bingo games are conducted; and

(c) Leasehold improvements related to gambling activities, and activities conducted in conjunction with gambling activities, which exceed six thousand dollars shall be amortized over a period that does not exceed the life of the lease: Provided, That the amortization period may be extended to include any lease option periods if the organization's management states a reasonable expectation that the option will be exercised. All unamortized leasehold improvements shall be charged as an expense of the gambling activities in the year that the lease expires.

(4) The minimum accounting records required shall include:

(a) A cash disbursements journal and/or check register;

(b) A cash receipts and/or sales journal;

(c) A listing of all assets for which the organization paid or, if donated, valued at more than two hundred fifty dollars. If donated to the organization, the fair market value at the time of donation will be used as the determining value. Items shall be added to the listing no later than thirty days after receipt and removed only when the organization no longer has legal ownership. Regardless of whether an item has become obsolete or completely depreciated, it shall be removed only after appropriate management review has been completed and documented. A depreciation schedule shall suffice for this requirement for all capitalized items. Items converted from gambling merchandise prize inventory, required by WAC 230-08-110, to be used by the organization shall be added to this listing when converted. This listing shall include at least the following:

(i) A description of the item;

(ii) The date purchased, acquired by donation, or converted from the gambling prize pool;

(iii) The cost at the time of purchase or, if donated, the fair market value at the time received; and

(iv) The date and method of disposition of the item;
 (d) A listing of all liabilities;
 (e) A complete general ledger system must be maintained if the licensee has substantial assets and/or liabilities or if licensed to receive more than \$300,000 in gross gambling receipts; and

(f) Bank statements, related deposit slips, and cancelled checks.

(5) All expenditures by the licensee relating to gambling activities, shall be sufficiently documented. Cancelled checks and bank statements are not sufficient documentation without further support. Additional support for expenditures shall be provided in the following manner:

(a) Invoices or other appropriate supporting documents from commercial vendors or service agencies should contain at least the following details:

(i) The name of the person or entity selling the goods or providing the service;

(ii) A complete description of goods or services purchased;

(iii) The amount of each product sold or service provided;

(iv) The price of each unit;

(v) The total dollar amount billed; and

(vi) The date of the transaction.

(b) Disbursements, in excess of twenty-five dollars, made directly to individuals, who do not furnish normal, business type, invoices or statements, shall be made by check and supported by other written documentation indicating at least the following details:

(i) The name of the person receiving the payment;

(ii) The amount;

(iii) The date; and

(iv) The purpose.

(6) All expenditures by the licensee relating to nongambling activities shall be sufficiently documented to provide an audit trail satisfactory to allow verification that the funds were used for the organization's purpose(s) and conforms to generally accepted accounting principles.

(7) Expenditures that relate to more than one function shall be allocated to the various functions, for example program service expenses, supporting service expenses, etc. Methods of allocation shall be documented and available for commission staff review.

[Statutory Authority: RCW 9.46.070 (1), (8-11), (14), (16), (20). 96-07-075, § 230-08-095, filed 3/19/96, effective 7/1/96. Statutory Authority: RCW 9.46.070 (8), (9). 95-19-069, § 230-08-095, filed 9/18/95, effective 1/1/96. Statutory Authority: RCW 9.46.070. 93-13-062 (Order 240), § 230-08-095, filed 6/17/93, effective 7/18/93. Statutory Authority: RCW 9.46.070 (7), (17), (8) and (9). 91-13-070 (Order 223), § 230-08-095, filed 6/17/91, effective 7/18/91. Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-08-095, filed 4/18/89, effective 7/1/89. 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), § 230-08-095, filed 1/9/85; Order 45, § 230-08-095, filed 12/30/75.]

WAC 230-08-105 Disposable bingo cards—Inventory control record. All disposable bingo cards purchased or otherwise obtained must be controlled and accounted for by the licensee. This control function shall be accomplished by maintaining an inventory control record prepared in a for-

mat prescribed by the commission for Class D and above licensees: Provided, That alternative formats, including electronically generated formats, accomplishing regulatory requirements may be approved by commission staff.

Purchase invoices.

(1) All purchase invoices, or a photocopy thereof, for disposable bingo cards received must be maintained on the bingo premises;

Packing slips.

(2) Manufacturer packing records, required by WAC 230-20-192, shall be maintained as a part of the inventory control record;

Information to be recorded for disposable bingo cards.

(3) The following information must be recorded for disposable bingo cards immediately after purchase or before the next bingo occasion:

(a) The identification and inspection services stamp number;

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

(c) The number of cards or card packets in the series;

(d) The type of card or card packet;

(e) The purchase invoice number;

(f) The purchase invoice date;

(g) Date and session first placed into play; and

(h) The dollar value assigned each sheet or card packet when placed into play;

Combination receipting method.

Information to be recorded for disposable bingo cards.

(4) In addition to the information required in subsection (3) of this section, licensees using the combination receipting method, per WAC 230-20-108, shall record the following for each session sets or collations of cards are sold:

(a) The session number and date;

(b) The beginning and ending audit control numbers of the top page of the packets;

(c) Adjustments for any missing packets, per the manufacturer's packing record;

(d) The number of packets distributed to sales points and returned as unsold;

(e) Total packets issued;

(f) The value of each packet;

(g) The extended value obtained by multiplying total packets issued times the value of each packet. This total shall be carried forward to the "Daily Bingo Summary" and reconciled to the amount of sales per the cash register record; and

(h) The cumulative number of packets issued from the collation, session-to-date;

Dividing cards into subgroups.

(5) Licensees using the combination receipting method may divide sets or collations of cards into no more than ten subgroups only if the information required by subsections (3) and (4) of this section are recorded for each subgroup.

[Statutory Authority: RCW 9.46.070. 00-07-140 (Order 381), § 230-08-105, filed 3/22/00, effective 7/1/00. Statutory Authority: RCW 9.46.070 (1), (8) - (11), (14), (20). 96-13-067 (Order 293), § 230-08-105, filed 6/18/96, effective 7/19/96. Statutory Authority: RCW 9.46.070. 95-19-070, § 230-08-105, filed 9/18/95, effective 1/1/96; 94-01-034, § 230-08-105, filed 12/6/93, effective 1/6/94.]

WAC 230-08-110 Prize inventory control procedures—Records required—Charitable or nonprofit organizations. Charitable or nonprofit organizations shall safeguard and prevent misuse or misappropriation of all assets, including items purchased or otherwise obtained with an intent for use as prizes in conjunction with gambling activities. An inventory control record shall be maintained for each item purchased or otherwise obtained with an intent to use such as prizes for gambling activities. The inventory control record shall provide at least the following details:

- (1) A description and quantity of the items purchased;
- (2) The per-unit cost;
- (3) The date purchased;
- (4) The vendor's name (or reference number) and invoice number;
- (5) The date, number of items, and reasons for items being removed from the inventory (issued as prize, returned to the vendor, converted for use by the organization, etc.); and
- (6) Cumulative quantity of items remaining in inventory.

[Statutory Authority: RCW 9.46.070 (8), (9). 95-19-069, § 230-08-110, filed 9/18/95, effective 1/1/96.]

WAC 230-08-120 Quarterly activity report by operators of bingo games (license Class D and above). Each organization licensed to conduct bingo games in Class D and above shall submit an activity report to the commission concerning the licensed activity and other matters set forth below during each of the following periods of the year:

- January 1st through March 31st
- April 1st through June 30th
- July 1st through September 30th
- October 1st through December 31st

If the licensee does not renew its license, then it shall file a report for the period between the previous report filed and the expiration date of its license.

The report form shall be furnished by the commission and the completed report shall be received in the office of the commission or postmarked no later than 30 days following the end of the period for which it is made.

The report shall be signed by the highest ranking officer or his/her designee. If the report is prepared by someone other than the licensee or an employee, then the preparer shall print his/her name and phone number on the report.

The report shall be completed in accordance with the related instructions furnished with the report. The report shall include, among other items, the following:

- (1) The gross gambling receipts from bingo.
- (2) The total amount of cash prizes actually paid out and the total of the cost to the licensee of all merchandise prizes actually paid out. Donated prizes will be recorded at the fair market value of the prize at the time they were received by the organization.

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(3) The net gambling receipts.

(4) Full details on all expenses directly related to bingo, including at least the following:

(a) Wages, monies, or things of value paid or given to each person connected with the management, promotion, conduct or operation of the bingo game together with an attachment setting out the following:

- (i) Name;
- (ii) Duties performed;
- (iii) Hours worked; and

(iv) Wages, monies or things of value paid or given for conducting bingo activities. When an employee works in more than one activity, the total hours worked and total wages shall also be reported;

(b) A statement describing the allocation method used in allocating common use expenses; and

(c) A detailed listing of all items included under "other."

(5) The net income.

(6) The total number of customers participating.

(7) The total number of sessions held.

(8) Net income from the operation of retail sales activities operated in conjunction with bingo games.

[Statutory Authority: RCW 9.46.070. 94-11-095 (Order 251), § 230-08-120, filed 5/17/94, effective 7/1/94. Statutory Authority: RCW 9.46.070 (1)(16). 90-10-007, § 230-08-120, filed 4/19/90, effective 7/1/90. Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-08-120, filed 4/18/89, effective 7/1/89. Statutory Authority: RCW 9.46.070 (8) and (9). 85-06-002 (Order 147), § 230-08-120, filed 2/22/85. 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), § 230-08-120, filed 1/9/85. Statutory Authority: RCW 9.46.070 (4), (7), (8) and (11). 83-06-077 (Order 127), § 230-08-120, filed 3/2/83; Order 70, § 230-08-120, filed 5/24/77; Order 46, § 230-08-120, filed 2/13/76; Order 42, § 230-08-120, filed 9/18/75; Order 29, § 230-08-120, filed 1/23/75; Order 23, § 230-08-120, filed 9/23/74; Order 15, § 230-08-120, filed 4/17/74; Order 5, § 230-08-120, filed 12/19/73, 1:25 p.m.]

WAC 230-08-122 Annual progress and financial report—All nonprofit and charitable organizations. Each charitable or nonprofit organization licensed to conduct gambling activities shall report annually the progress made toward accomplishment of its stated purposes. This report shall be made on a standard form provided by the commission and explain the type and scope of activities that were conducted during the organization's last annual fiscal accounting period. If any applicant has provided such information on an application within the preceding twelve months, only those items that have changed must be reported. This report shall include at least the following information:

(1) A brief history of the organization, including its purpose(s): Provided, That only changes in the purposes and organizational structure need to be reported after the initial application;

(2) A written statement setting out the progress made in meeting its organizational purpose(s) during the period and its goals for the future;

(3) Number of membership meetings conducted;

(4) Number of active members, as defined by WAC 230-02-183;

(5) Number of voting members;

(6) The nature, type, or kind of programs provided to members or the public;

(7) The scope of the organization's programs, including:
 (a) Number of persons served;
 (b) The primary geographical service area; and
 (c) Number of volunteer workers and estimation of hours worked;

(8) A list of contributions, scholarships, grants, or sponsorships made during the period. The list must include the following:

(a) The name of each organization or individual receiving a contribution. In the alternative, if a contribution was made to an individual for charitable purposes, the term "individual contribution" may be used instead of the individual's name. If individual names are omitted, the organization must maintain necessary records to verify and identify the recipient for each individual contribution;

(b) The amount(s);

(c) Date(s) made; and

(d) Whether funds awarded were from gambling income or other funds;

(9) Gross income from all nongambling activities, including the source;

(10) Total expenses for both charitable and nonprofit services;

(11) The percentage or extent to which net gambling income was used for charitable as distinguished from nonprofit purposes;

(12) Revenue and expenses for any nongambling sales activities must be presented separately when conducted primarily in conjunction with gambling activities;

(13) Details of any loans, contracts, or other business transactions with related parties that accumulatively exceed one thousand dollars during the period. "Related parties" is defined as officers, board members, key employees, or members of the organization, including spouses, parents, children, and brothers or sisters of each;

(14) The names, duties performed, total hours worked, and total compensation paid for the following employees:

(a) All employees paid more than forty thousand dollars annually;

(b) Part-time employees paid more than twenty dollars per hour; and

(c) All officers receiving compensation for services rendered;

(15) In addition to information required in subsection (1) of this section, any organization licensed to conduct gambling activities in Group III, IV, or V must submit complete financial statements prepared in accordance with generally accepted accounting principles and all required disclosures or footnotes. Any organization licensed to conduct gambling activities in Groups IV and V must submit financial statements prepared by a licensed certified public accountant. This information must be submitted no later than one hundred twenty days following the end of the organization's fiscal year. The financial statements must include:

(a) A statement of financial position;

(b) A statement of activities. This statement may be presented in a consolidated form if details of each component are provided as supplemental information. Revenue and expenses for each activity must be presented separately as follows:

(i) Each gambling activity;

(ii) Retail sales conducted in conjunction with gambling activities;

(c) A statement of cash flows;

(d) A statement of functional expenses;

(e) In addition to all disclosures required by generally accepted accounting principles, the financial statements must disclose the following:

(i) Loans to or from officers, board members, and employees: Provided, That employee salary advances of five hundred dollars or less will not be considered as loans. Details of all terms, including interest rates and payment schedules, must be disclosed;

(ii) All civil penalties, fines, bribes, or embezzlements incurred or discovered during the period; and

(iii) An explanation of any adjustments made to prior period capital accounts or net asset balances;

(f) An explanation of material differences between amounts reported on gambling activity reports and the financial statements;

(16) The commission may require additional information to ensure completeness of the information reported including selected information covering the period from the end of the fiscal year reported and the license renewal date;

(17) The commission may grant an organization additional time to submit the information required if a written request is received prior to the due date. Any request for additional time shall be signed by the president, include a statement setting out the hardship necessitating the delay, and the expected date the required report(s) will be submitted;

(18) The commission may request any organization licensed to conduct gambling activities in Group II to submit financial statements and other information required by this rule in order to evaluate the organization's qualification.

[Statutory Authority: RCW 9.46.070. 98-15-073 (Order 358), § 230-08-122, filed 7/15/98, effective 1/1/99. Statutory Authority: RCW 9.46.070 (1), (8-11), (14), (16), (20). 96-07-075, § 230-08-122, filed 3/19/96, effective 7/1/96. Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-08-122, filed 4/18/89, effective 7/1/89.]

WAC 230-08-125 Annual activity reports—Certain activities operated by charitable or nonprofit organizations. Each charitable or nonprofit organization licensed to operate raffles, amusement games, Class A, B, or C bingo games, or combination license shall submit to the commission an annual summary of all such activities. The annual report shall be completed as follows:

(1) The report form shall be furnished by the commission, and the completed report shall be received in the office of the commission or postmarked no later than thirty days following the expiration of such organization's license year.

(2) The report shall be signed by the highest ranking officer or his/her designee. If the report is prepared by someone other than this officer, then the preparer shall include his/her name and phone number on the report;

(3) The report shall be completed in accordance with the related instructions furnished with the report. The report shall include, among other items, the following:

(a) The gross gambling receipts from the conduct of each licensed activity;

(b) The total amount of cash prizes actually paid out, and the total of the cost to the licensee of all merchandise prizes actually paid out for each licensed activity. Donated prizes will be recorded at the fair market value of the prize at the time they were received by the organization;

(c) The net gambling receipts for each activity;

(d) Full details on all expenses directly related to each activity, including all compensation paid by the licensee to each person for any work connected with the management, promotion, conduct or operation of each of the licensed activities, including a description of the work performed by that person: Provided, That RCW 9.46.0277 and WAC 230-20-070 are observed in relation to the restriction against employing persons to conduct or otherwise take part in the operation of a raffle;

(e) The net income from each activity;

(f) The total number of sessions conducted during the year; and

(g) The total number of players participating in bingo games.

(4) In addition, organizations that operate retail sales activities in conjunction with bingo games shall report the net income from such.

[Statutory Authority: RCW 9.46.070 and 9.46.116. 96-24-007 (Order 304), § 230-08-125, filed 11/21/96, effective 1/1/97. Statutory Authority: RCW 9.46.070 (1)(16), 90-10-007, § 230-08-125, filed 4/19/90, effective 7/1/90. Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20), 89-09-047 (Order 190), § 230-08-125, filed 4/18/89, effective 7/1/89. Statutory Authority: RCW 9.46.070 (8) and (9), 85-06-002 (Order 147), § 230-08-125, filed 2/22/85. Statutory Authority: RCW 9.46.070 (4), (7), (8) and (11), 83-06-077 (Order 127), § 230-08-125, filed 3/2/83.]

WAC 230-08-130 Quarterly activity reports by operators of punch boards and pull-tabs. Each licensee for the operation of punch boards and pull-tabs shall submit an activity report to the commission concerning the operation of the licensed activity and other matters set forth below:

(1) Reports shall be submitted detailing activities occurring during each of the following periods of the year:

- (a) January 1st through March 31st;
- (b) April 1st through June 30th;
- (c) July 1st through September 30th; and
- (d) October 1st through December 31st.

(2) A report shall be submitted for any period of time the activity was operated or a license was valid. If a license is not renewed, a report for the period between the previous report filed and the expiration date shall be submitted;

(3) The report form shall be furnished by the commission and the completed report shall be received in the office of the commission or postmarked no later than thirty days following the end of the period for which it is made;

(4) The report shall be signed by the highest ranking executive officer or their designee. If the report is prepared by someone other than the licensee or an employee, the preparer shall print his/her name and phone number on the report;

(2001 Ed.)

(5) The report shall be completed in accordance with the related instructions furnished with the report. The report shall include the following:

(a) Gross gambling receipts from punch boards and from pull-tabs;

(b) Total amount of cash prizes paid out and the cost to the licensee of all merchandise prizes paid out for punch boards and for pull-tabs;

(c) Full details of all expenses related to the purchase and operation of punch boards and pull-tabs;

(d) Total net gambling income;

(e) The number of punch boards and the number of pull-tab series removed from play during the period; and

(f) The number of punch boards and the number of pull-tab series purchased during the period, less all unplayed devices returned for credit during the period.

[Statutory Authority: RCW 9.46.070 and 9.46.0217. 95-07-094, § 230-08-130, filed 3/17/95, effective 7/1/95. Statutory Authority: RCW 9.46.070, 94-11-095 (Order 251), § 230-08-130, filed 5/17/94, effective 7/1/94. Statutory Authority: RCW 9.46.070 (8), (11) and (14), 88-13-060 (Order 179), § 230-08-130, filed 6/14/88. Statutory Authority: Chapter 9.46 RCW. 86-19-056 (Order 161), § 230-08-130, filed 9/15/86, effective 1/1/87. Statutory Authority: RCW 9.46.070 (8) and (9), 85-06-002 (Order 147), § 230-08-130, filed 2/22/85. Statutory Authority: RCW 9.46.070(8), 82-04-010 (Order 118), § 230-08-130, filed 1/22/82; Order 80, § 230-08-130, filed 12/28/77; Order 70, § 230-08-130, filed 5/24/77; Order 46, § 230-08-130, filed 2/13/76; Order 29, § 230-08-130, filed 1/23/75; Order 14, § 230-08-130, filed 3/27/74; Order 5, § 230-08-130, filed 12/19/73, 1:25 p.m.]

WAC 230-08-140 Quarterly activity reports by distributors. Each licensed distributor shall submit an activity report to the commission concerning sales and services relating to gambling activities each quarter by completing a report form furnished by the commission. The following requirements shall be followed for completion and filing of activity reports:

(1) Quarterly reporting periods are defined as:

- (a) January 1st through March 31st;
- (b) April 1st through June 30th;
- (c) July 1st through September 30th; and
- (d) October 1st through December 31st.

(2) The completed report shall be received in the office of the commission or postmarked no later than thirty days following the end of the period for which it is made;

(3) The report shall be signed by the highest ranking executive officer or their designee. If the report is prepared by someone other than the licensee or their employee, then the preparer's name and business telephone number must be provided;

(4) The report shall include, among other items, the following:

(a) The gross sales of gambling related supplies or equipment or merchandise of any kind which could be used to operate, or in connection with, punch boards, pull-tabs, pull-tab dispensing devices, bingo, or amusement games, where such sales are made in the state of Washington or for use or distribution within this state;

(b) The quantity of each specific type of device, equipment or merchandise sold within this state or for distribution and use within this state by the licensee;

(c) A listing of the name and address of each person who was a distributor's representative for the licensee during the

three month period or who attempted to solicit sales of such devices, equipment or merchandise, either within the state of Washington or for use or distribution within the state; and

(d) The number of employees in the state of Washington other than those listed in (c) of this subsection.

(5) Each distributor with an active license must submit a report regardless of the level of activity. If no activity was conducted during the period, a report stating "no activity" shall be submitted;

(6) If a licensee does not renew their license, then they shall file a report for the period between the previous report filed and the expiration date of the license.

[Statutory Authority: RCW 9.46.070. 94-01-033, § 230-08-140, filed 12/6/93, effective 1/6/94. Statutory Authority: RCW 9.46.070 (4), (11) and (14). 89-24-002 (Order 201), § 230-08-140, filed 11/27/89, effective 12/28/89. Statutory Authority: RCW 9.46.070 (8) and (9). 85-06-002 (Order 147), § 230-08-140, filed 2/22/85. Statutory Authority: RCW 9.46.070(7), 79-09-029 (Order 91), § 230-08-140, filed 8/14/79; Order 70, § 230-08-140, filed 5/24/77; Order 46, § 230-08-140, filed 2/13/76; Order 29, § 230-08-140, filed 1/23/75; Order 5, § 230-08-140, filed 12/19/73, 1:25 p.m.]

WAC 230-08-150 Quarterly activity reports by manufacturers. Each licensed manufacturer shall submit an activity report to the commission concerning all sales and services relating to gambling activities each quarter by completing a report form furnished by the commission. The following requirements shall be followed for completion and filing of activity reports:

(1) Quarterly reporting periods are defined as:

- (a) January 1st through March 31st;
- (b) April 1st through June 30th;
- (c) July 1st through September 30th; and
- (d) October 1st through December 31st.

(2) The completed report shall be received in the office of the commission or postmarked no later than thirty days following the end of the period for which it is made;

(3) The report shall be signed by the highest ranking executive officer or their designee. If the report is prepared by someone other than the licensee or their employee, then the preparer shall print his/her name and phone number on the report;

(4) The report shall include, among other items, the following:

(a) The gross sales of gambling related supplies or equipment, or merchandise of any kind which could be used to operate, or in connection with, punch boards, pull-tabs, pull-tab dispensing devices, bingo, or amusement games, when such sales are made in the state of Washington or for distribution or use within the state of Washington;

(b) The quantity of each specific type of such device, equipment, or merchandise sold within the state or for distribution or use within the state of Washington by the licensee;

(c) A listing of the name and address of each person who was a manufacturer's representative for the licensee or who solicited sales of such devices or equipment for or on behalf of the licensee within the state of Washington or for use or distribution within the state; and

(d) The number of employees in the state of Washington other than those listed in (c) of this subsection.

(5) Each manufacturer with an active license must submit a report regardless of the level of activity. If no activity was conducted during the period, a report stating "no activity" shall be submitted;

(6) If a licensee does not renew their license, then they shall file a report for the period between the previous report filed and the expiration date of the license.

[Statutory Authority: RCW 9.46.070. 94-11-095 (Order 251), § 230-08-150, filed 5/17/94, effective 7/1/94; 94-01-033, § 230-08-150, filed 12/6/93, effective 1/6/94. Statutory Authority: RCW 9.46.070 (4), (11) and (14). 89-24-002 (Order 201), § 230-08-150, filed 11/27/89, effective 12/28/89. Statutory Authority: RCW 9.46.070 (8) and (9). 85-06-002 (Order 147), § 230-08-150, filed 2/22/85; Order 70, § 230-08-150, filed 5/24/77; Order 46, § 230-08-150, filed 2/13/76; Order 29, § 230-08-150, filed 1/23/75; Order 14, § 230-08-150, filed 3/27/74; Order 5, § 230-08-150, filed 12/19/73, 1:25 p.m.]

WAC 230-08-160 Quarterly activity reports by operators of social and public card rooms. Each licensee for the operation of social or public card rooms shall submit an activity report to the commission concerning the operation of the licensed activity and other matters set forth below: Provided, That persons licensed under Class "D" - general, no fee charged, are exempt from all portions of this section:

(1) Reports shall be submitted detailing activities occurring during each of the following periods of the year:

- (a) January 1st through March 31st;
- (b) April 1st through June 30th;
- (c) July 1st through September 30th; and
- (d) October 1st through December 31st.

(2) A report shall be submitted for any period of time the activity was operated or a license was valid. If a license is not renewed, a report for the period between the previous report filed and the expiration date shall be submitted;

(3) The report form shall be furnished by the commission and the completed report shall be received in the office of the commission or postmarked no later than thirty days following the end of the period for which it is made;

(4) The report shall be signed by the highest ranking executive officer or their designee. If the report is prepared by someone other than the licensee or an employee, the preparer shall print his/her name and phone number on the report;

(5) The report shall be completed in accordance with the related instructions furnished with the report. The report shall include the following:

- (a) Gross gambling receipts;
- (b) Full details of all compensation paid by the licensee to each person for any work connected with the management, promotion, conduct or operation of the card room;
- (c) Full details of all other expenses related to the operation of the card room;
- (d) Net gambling income or loss from the operation of the card room for the reporting period;
- (e) The normal days and times of operation of the card room; and
- (f) The total hours the card room was open during the period.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-08-160, filed 4/14/00, effective 5/15/00. Statutory Authority: RCW 9.46.070

and 9.46.0217. 95-07-094, § 230-08-160, filed 3/17/95, effective 7/1/95. Statutory Authority: RCW 9.46.070. 94-11-095 (Order 251), § 230-08-160, filed 5/17/94, effective 7/1/94. Statutory Authority: Chapter 9.46 RCW. 86-19-056 (Order 161), § 230-08-160, filed 9/15/86, effective 1/1/87. Statutory Authority: RCW 9.46.070 (8) and (9). 85-06-002 (Order 147), § 230-08-160, filed 2/22/85. Statutory Authority: RCW 9.46.070 (4), (7), (8) and (11). 83-06-077 (Order 127), § 230-08-160, filed 3/2/83; Order 80, § 230-08-160, filed 12/28/77; Order 70, § 230-08-160, filed 5/24/77.]

WAC 230-08-165 Quarterly activity reports by linked bingo prize providers. Each licensed linked bingo prize provider shall submit an activity report to the commission concerning sales and services relating to gambling activities each quarter by completing a report form furnished by the commission. The following requirements shall be followed for completion and filing of activity reports:

(1) Quarterly reporting periods are defined as:

- (a) January 1st through March 31st;
- (b) April 1st through June 30th;
- (c) July 1st through September 30th; and
- (d) October 1st through December 31st;

(2) The completed report shall be received in the office of the commission or postmarked no later than thirty days following the end of the period for which it is made;

(3) The report shall be signed by the highest ranking executive officer or their designee. If the report is prepared by someone other than the licensee or their employee, then the preparer's name and business telephone number must be provided;

(4) The report shall include, among other items, the following:

(a) The gross sales of gambling related supplies or equipment or merchandise of any kind which could be used to operate, or in connection with bingo games where such sales are made in the state of Washington or for use or for distribution within this state;

(b) The quantity of each specific type of device, equipment or merchandise sold within this state or for distribution and use within this state by the licensee;

(c) A listing of the name and address of each person who was a linked bingo prize provider's representative for the licensee during the three-month period or who attempted to solicit sales of such devices, equipment or merchandise, either within the state of Washington or for use or distribution within the state;

(d) The number of employees in the state of Washington other than those listed in (c) of this subsection;

(e) The gross prizes disbursed for all linked bingo prizes managed;

(f) The balance of linked bingo prizes accrued; and

(g) A list of bingo licensees participating in linked bingo prizes managed;

(5) Each linked bingo prize provider with an active license must submit a report regardless of the level of activity. If no activity was conducted during the period, a report stating "no activity" shall be submitted; and

(6) If a licensee does not renew their license, then they shall file a report for the period between the previous report filed and the expiration date of the license.

[Statutory Authority: RCW 9.46.070. 98-24-090 (Order 369), § 230-08-165, filed 12/1/98, effective 1/1/99.]

(2001 Ed.)

WAC 230-08-180 Annual activity reports by commercial amusement game operators. (License Class B and above) (1) Each licensee for the operation of commercial amusement games Class B and above shall submit an activity report to the commission concerning the operation of the licensed activity and other matters set forth below.

(2) The report form shall be furnished by the commission and the completed report shall be received in the office of the commission or postmarked no later than sixty days following the license expiration date.

(3) The report shall be signed by the highest ranking executive officer or their designee. If the report is prepared by someone other than the licensee or their employee, then the preparer's name and business telephone number must be provided.

(4) The report shall be completed in accordance with the related instructions furnished with the report. The report shall include the following:

- (a) The total gross gambling receipts;
- (b) The total cost to the licensee of all prizes awarded;
- (c) Full details of all expenses related to the purchase and operation of amusement games;
- (d) Total net gambling income;

(5) In addition to the above, commercial amusement game licensees operating amusement games at locations on a temporary basis set forth in WAC 230-04-138 (1)(a), (d), or (e) or as authorized by WAC 230-20-670(2) shall provide for each separate location:

- (a) The name and address of the business and/or event;
- (b) The total gross gambling receipts received; and
- (c) The amount of funds distributed to the premise/location owner.

[Statutory Authority: RCW 9.46.070. 92-21-021, § 230-08-180, filed 10/13/92, effective 11/13/92. Statutory Authority: RCW 9.46.070 and 9.46.0331. 91-19-093 (Order 227), § 230-08-180, filed 9/18/91, effective 10/19/91. Statutory Authority: RCW 9.46.070 (4), (11) and (14). 89-24-002 (Order 201), § 230-08-180, filed 11/27/89, effective 12/28/89.]

WAC 230-08-200 All records subject to commission audit. (1) Any person involved in a gambling activity is subject to a commission audit. This includes any:

- (a) Person, entity or organization licensed by the gambling commission;
- (b) Person operating an unlicensed gambling activity authorized by RCW 9.46.0321;
- (c) Commission permittee; and
- (d) Employee or member that directly participates in the management, operation or promotion of an authorized gambling activity.

(2) Any and all gambling records are subject to an audit by the commission and any of its authorized representatives without notice. This includes, but is not limited to, records which are required to be kept or relate in any manner to the conduct of a gambling activity.

(3) Unless otherwise provided for elsewhere in these rules, a commission audit must begin at the premises of the licensee where the records are located. The audit must begin:

- (a) Between the hours of 8:00 a.m. and 5:00 p.m. on a weekday, other than a holiday; or

(b) During the hours in which the gambling activity is actually being operated.

(4) In the event of an audit by the commission or any of its authorized representatives, the person or business under audit shall immediately provide:

(a) All requested records;

(b) A safe place with adequate space where such audit may be performed; and

(c) Reasonable assistance to the commission and its representatives in inspecting such records as may be requested.

[Statutory Authority: RCW 9.46.070 and 34.05.230, 01-01-016 (Order 396), § 230-08-200, filed 12/6/00, effective 1/6/01; Order 53, § 230-08-200, filed 5/25/76; Order 15, § 230-08-200, filed 4/17/74; Order 5, § 230-08-200, filed 12/19/73, 1:25 p.m.]

WAC 230-08-250 Annual activity reports by agricultural fairs and other bona fide charitable or nonprofit organizations with special location licenses to conduct bingo, raffles, and amusement games. Each bona fide charitable or nonprofit licensee for the operation of bingo, raffles, and amusement games conducted only at agricultural fairs and other special locations shall submit an activity report to the commission concerning the operation of the licensed activities and other matters set forth below for the period of their license.

The report form shall be furnished by the commission and the completed report shall be received in the office of the commission or postmarked no later than 30 days following the expiration date of the license. All persons operating by virtue of a permit issued by the commission shall furnish to the licensee in conjunction with whom the permit is used, all information with respect to their own operation which is needed by the licensee to complete its report not less than ten days prior to the time the licensee is required to file his report with the commission.

The report shall be signed by the highest ranking executive officer or his designee. If the report is prepared by someone other than the licensee or his employee, then the preparer shall also sign the report.

The report shall include, among other items, the following:

(1) The gross receipts from each separate gambling activity;

(2) The total cash prizes actually paid out and the total of the cost to the licensee of all merchandise prizes actually paid out for each separate gambling activity;

(3) The net receipts for each separate gambling activity;

(4) Full details on all expenses directly related to each separate gambling activity;

(5) The net income from each separate gambling activity; and

(6) The gross receipts from the rental or leasing of space for licensed gambling activities.

[Statutory Authority: RCW 9.46.070 (8) and (9), 85-06-002 (Order 147), § 230-08-250, filed 2/22/85; Order 74, § 230-08-250, filed 8/17/77.]

WAC 230-08-255 Bona fide charitable or nonprofit organizations—Significant progress required—Procedures—Exception. A charitable or nonprofit organization requesting to be certified to conduct gambling activities must

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demonstrate it has made significant progress toward its stated purposes during the period under review. The following definitions and procedures will apply:

Progress toward stated purpose.

(1) An organization will be deemed to have made progress toward its stated purposes when it:

(a) Complies with all requirements set forth in its bylaws and articles of incorporation;

(b) Actively engages in providing services to the public or its members during the entire period under consideration, and such services directly relate to the stated purposes of the organization;

(c) Has held elections to select officers at least once in the previous two years; and

(d) Has held a general membership meeting to conduct the business of the organization at least once in the previous two years.

Available resources for stated purpose.

(2) An organization's progress towards its stated purpose will be deemed significant when a substantial portion of its available resources are used for providing program services during the period under review.

For purposes of this section, available resources:

(a) Include the income generated by or from the following sources for the period under review:

(i) All net fund-raising activities, including net gambling income;

(ii) Grants, gifts, and contributions from private sources; and

(iii) Public support.

(b) Does not include:

(i) Funds generated in periods other than the period under review;

(ii) Funds that are raised or contributed from outside the organization for purposes of purchasing land or capital assets or to endow future operations when such funds are specifically identified by the board or contributors as restricted and separately recorded in the organization's records;

(iii) Fees paid by members or the public to receive services or to participate in specific activities. Such fees shall be classified as a reduction to both program service and supporting service expenses on a pro rata basis and as a reduction to resources available for providing services in the current period; or

(iv) Net income from the sale of assets.

Groups IV and V - Significant progress.

(3) In addition to the criteria outlined above, any organization requesting to be certified to operate gambling activities at Group IV or V levels, as defined in WAC 230-12-076, shall demonstrate it has made significant progress by providing evidence that:

(a) It has expended at least sixty percent of net gambling income earned in the organization's most recently completed fiscal year on functional expenses to operate the organization's programs. Functional expenses consist of both program and supporting services; and

(b) Available resources were utilized in an efficient manner during the period. Available resources will be deemed to be utilized in an efficient manner when no more than thirty-five percent of total functional expenses are utilized to provide supporting services as defined by WAC 230-02-279: Provided, That if more than fifty percent of total program services expenses was utilized to provide program services through indirect methods (those which are external to the organization) such as grants, contributions, and/or scholarships, then supporting services expenses shall not exceed twenty percent of functional expenses.

Gambling income not separate from other income.

(4) When an organization does not keep gambling income separate from all other income of the organization, the amount of net gambling income required to provide functional expenses in the year under review shall be the pro rata portion of net gambling income compared to the total net revenue from all sources.

Waivers.

(5) An organization that is unable to demonstrate it has made significant progress by complying with the financial standards and procedures set forth elsewhere in this section may request the director to waive all or portions of the requirements. The following requirements and procedures shall be used to evaluate waivers:

(a) In determining whether to grant such a waiver, the director may consider the following:

(i) Whether the organization's inability to comply is temporary and due to unusual circumstances;

(ii) Whether the organization is reserving funds to start or expand specific programs in the future;

(iii) Whether the organization utilizes a substantial amount of capital assets that are not subject to depreciation or amortization to provide program services. Examples are: Fully depreciated building or equipment; fully amortized leasehold improvements; assets which are not normally depreciated such as land used for athletic fields, riding areas, parks, etc.; and

(iv) Whether the organization conducts a substantial portion of its services through volunteers.

(b) In order for the director to consider a waiver, the organization shall meet the following requirements:

(i) The organization's board shall acknowledge in writing that they are aware of the circumstances, have taken steps to correct the situation which prevented compliance, and have approved a plan that addresses delivery of program services in the future; and

(ii) The organization must expend at least twenty-five percent of its net gambling income to provide program services in the current period; however, the purchase of nondepreciable assets for program purposes may be considered as part of this percentage.

(c) The director will provide the licensee a hearing pursuant to WAC 230-50-010(6), if a waiver will be denied.

[Statutory Authority: RCW 9.46.070. 00-23-077 (Order 393), § 230-08-255, filed 11/17/00, effective 12/31/00; 98-19-132 (Order 363), § 230-08-255, filed 9/23/98, effective 1/1/99. Statutory Authority: RCW 9.46.070 (1), (8-11), (14), (16), (20). 96-07-075, § 230-08-255, filed 3/19/96, effective

7/1/96. Statutory Authority: RCW 9.46.070, 9.46.0261 and 9.46.0209. 94-01-035, § 230-08-255, filed 12/6/93, effective 1/6/94.]

WAC 230-08-260 Fund raising events—Activity report required. Each licensee for the operation of fund raising events shall submit an activity report to the commission concerning the operation of the licensed activities and other matters set forth below for the period of each event.

The report form shall be furnished by the commission and the completed report shall be received in the office of the commission no later than 30 days following the authorized operating days or day.

The report shall be signed by the highest ranking executive officer or his designee. If the report is prepared by someone other than the licensee or his employee, then the preparer shall print his/her name and phone number on the report.

The report shall include, among other items, the following information:

(1) The gross receipts from each separate gambling activity;

(2) Total cash prizes actually paid out and the total of the cost to the licensee of all merchandise prizes actually given out for each separate gambling activity. Donated prizes will be recorded at the fair market value of the prize at the time they were received by the organization;

(3) The net receipts for each separate gambling activity;

(4) The total net receipts;

(5) Full details of all expenses directly related to each event.

[Statutory Authority: RCW 9.46.070. 94-11-095 (Order 251), § 230-08-260, filed 5/17/94, effective 7/1/94. Statutory Authority: RCW 9.46.0355 and [9.46.]070(14). 90-13-022, § 230-08-260, filed 6/11/90, effective 7/31/90. Statutory Authority: RCW 9.46.070(14). 88-15-019 (Order 181), § 230-08-260, filed 7/11/88. Statutory Authority: RCW 9.46.070 (8) and (9). 85-06-002 (Order 147), § 230-08-260, filed 2/22/85. Statutory Authority: RCW 9.46.010 and 9.46.070 (8) and (14). 85-03-025 (Order 143), § 230-08-260, filed 1/9/85; Order 78, § 230-08-260, filed 11/17/77.]

WAC 230-08-270 Transfer of any gambling devices requiring identification and inspection services stamps to be affixed. (1) Persons selling or otherwise furnishing punch boards, 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

230-12-005

Effective dates for commission rule making orders.

230-12-010

Inspection of premises, records and devices.

230-12-020

Gambling receipts deposit required by all bona fide charitable and nonprofit organizations—Exemptions.

230-12-027

Age limit to participate in gambling activities—Bingo advertisements directed to minors.

230-12-030

No beer, wine or spirits as prizes.

230-12-040

No firearms as prizes—Exceptions.

230-12-050	Extension of credit, loans, or gifts prohibited—Limited exception.
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230-12-079	Duties and responsibilities of a charitable or nonprofit gambling manager.
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230-12-210	Prices charged by manufacturers, distributors and operators for goods and services not to be fixed by agreement.
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.
230-12-250	No division of territories allowed.
230-12-280	Suspension of licenses, certificates, and permits for various purposes for premises upon which violations occur.
230-12-300	Resident agent to be appointed by out-of-state licensees.
230-12-305	Licensee required to submit updated documents or information.
230-12-310	Licensees to report to the commission civil, criminal and administrative actions filed against them.
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.
230-12-335	Control of gambling equipment—Sales and purchases by and to licensees only—Authorized transfers of gambling equipment.
230-12-340	Sale of gambling equipment, devices, supplies, paraphernalia, and related services—Credit prohibited—Exceptions.
230-12-345	Leases, rentals, and license agreements—Requirements—Restrictions.
230-12-350	Use of checks to purchase gambling equipment, products, and services—Restrictions.
230-12-900	Deputy director.

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

230-12-060	Charitable or nonprofit—Bingo—Special review. [Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-12-060, filed 4/18/89, effective 7/1/89.] Repealed by 98-15-073 (Order 358), filed 7/15/98, effective 1/1/99. Statutory Authority: RCW 9.46.070.
230-12-075	Commercial stimulant compliance. [Statutory Authority: Chapter 9.46 RCW. 86-24-025 (Order 163), § 230-12-075, filed 11/24/86.] Repealed by 95-09-061 (Order 267), filed 4/18/95, effective 5/19/95. Statutory Authority: RCW 9.46.070 and 9.46.0217.
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.

230-12-400	License expiration extension. [Order 5, § 230-12-400, filed 12/19/73.] Repealed by Order 23, filed 9/23/74.
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WAC 230-12-005 Effective dates for commission rule making orders. Commission rule making orders shall specify effective dates as follows:

(1) Rule making orders passed during the months of January through June shall be effective during the month of July.

(2) Rule making orders passed during the months of July through December shall be effective during the month of January.

(3) The commission may specify earlier or later effective dates for rule making orders and shall specify its reasons for such adoptions as required by RCW 34.05.350 (emergency rule adoptions) and RCW 34.05.380(3) (establishing effective dates earlier than 30 days after filing).

[Statutory Authority: Chapter 34.05 RCW and RCW 9.46.070. 96-17-012 (Order 299), § 230-12-005, filed 8/12/96, effective 1/1/97.]

WAC 230-12-010 Inspection of premises, records and devices. All premises licensed, or any premises in any way connected physically or otherwise with a licensed business, including vehicles used in connection therewith, shall at all times be open to inspection by the commission or its authorized representatives.

At any time during which a licensed gambling activity is being operated upon a premises, the commission, and any authorized representative of the commission, may enter upon the premises without advance notice and:

(1) Make a count of all monies received during the operation of the licensed activity located on the premises, inspect all receipts for income, and for prizes which have been awarded by the licensee.

(2) Inspect any of the other records of the licensee, or of any member that directly participates in the management, operation or promotion of a licensed activity, or of any employee of the licensee, or of any operator of the licensed activity.

(3) Inspect, including the dismantling of, all pieces of equipment or parts thereof, or devices of any nature, which are being used to conduct the licensed activity.

(4) When the commission, or its authorized representative, finds cause to believe that there is a reasonable probability that the provisions of chapter 9.46 RCW, including any amendments thereto, or any of the rules passed by the commission, have been or are being violated by the licensee, or its employees or operators, remove to another location or locations for further inspection and investigation, any and all records and any and all equipment, parts thereof, and devices of any nature located upon the premises related to the operation of the licensed activity, or any other gambling activity: Provided, That records may be removed, for inspection purposes, from the licensee's premises or control in the case of an inadequate working environment.

A receipt shall be issued to the licensee or operator of the activity which shall list and describe each record and each piece of equipment, or part thereof, and device which has been removed from the premises.

Each such record, piece of equipment, part thereof, and device so removed shall be returned to the premises or to the

address of the licensee within a reasonable period of time after its removal subsequent to notification of settlement of the case, in as good a condition as it was in when removed, unless the commission or the director determines that the record, equipment or devices so removed are necessary for an ongoing investigation of possible violations of statutes or rules of the commission by the licensee, by employees of the licensee, or by operators of the licensed activity. Copies of retained records and reports will be provided to the licensee upon written request within ten working days after the receipt of the request, unless good cause is shown for an additional extension.

[Statutory Authority: RCW 9.46.140, 94-07-084 (Order 250), § 230-12-010, filed 3/16/94, effective 4/16/94. Statutory Authority: RCW 9.46.070 (8), (11) and (14), 89-15-039 (Order 194), § 230-12-010, filed 7/18/89, effective 8/18/89. Statutory Authority: RCW 9.46.070(8), 9.46.20(14) [9.46.020(14)] and 9.47.130, 81-21-033 (Order 114), § 230-12-010, filed 10/15/81; Order 57, § 230-12-010, filed 7/9/76; Order 42, § 230-12-010, filed 9/18/75; Order 5, § 230-12-010, filed 12/19/73.]

WAC 230-12-020 Gambling receipts deposit required by all bona fide charitable and nonprofit organizations—Exemptions. Licensed bona fide charitable or nonprofit organizations shall protect all funds generated from gambling activities and keep such separate and apart from the licensee's general funds. Funds shall be controlled as follows:

(1) Each licensee shall keep a separate account in a recognized Washington state depository for purposes of depositing gambling receipts: Provided, That if such activities are conducted on the United States' portion of the Point Roberts Peninsula, Washington, the deposit may be made in a British Columbia branch of a Canadian bank: Provided further, That the licensee conducting the activities must provide the commission and its Canadian bank a written release for commission staff to have unrestricted access to the licensee's Canadian bank records and the Canadian bank must provide written confirmation of its intent to honor the licensee's release. Licensees are not limited to a single gambling receipts account as long as a minimum of one separate account is maintained;

(2) Only receipts from gambling activities shall be deposited into the gambling receipts account: Provided, That a licensee may deposit receipts from nongambling activities, operated in conjunction with bingo games, into the gambling receipts account if such receipts are supported by detailed receipting records and all other requirements of this section are followed;

(3) No expenditures, other than for prizes, shall be made from the receipts of any licensed gambling activity until such receipts have first been deposited in the gambling receipts account: Provided, That bingo receipts may be withheld from deposits for jar, pig, or other similar special game prizes if:

(i) The total of all such prize funds does not accumulate to exceed two hundred dollars;

(ii) The amount withheld each session is entered in the bingo daily record; and

(iii) A reconciliation of the special game fund is made of the bingo daily record;

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(4) All net gambling receipts from the operation of bingo which are being held pending disbursement shall be deposited in the licensee's gambling receipts account not later than the second banking day following receipt thereof;

(5) All net gambling receipts from the operation of card rooms, raffles (Class E and above), and amusement games (Class D and above) shall be deposited in the licensee's gambling receipts account at least once each week;

(6) Funds received from commercial amusement game operators that relate to the operation of amusement games on their premises shall be deposited in the licensee's gambling receipts account no later than the second banking day following receipt;

(7) Net gambling receipts from the operation of each punch board and pull-tab series, including cost recovery for merchandise prizes awarded, shall be deposited in the licensee's gambling receipts account no later than two banking days after a board or series is removed from play. The Washington state identification number assigned to the punch board or pull-tab series and the amount of net gambling receipts shall be recorded on the deposit slip/receipt each time a deposit is made: Provided, That licensees may record the Washington state identification stamp numbers and the net gambling receipts on a separate record if the record is identified with the bank validation number and maintained with the deposit slip/receipt;

(8) All deposits of net gambling receipts from each activity shall be made separately from all other deposits, and the validated deposit receipt shall be kept as a part of the records required by Title 230 WAC. Deposit receipts are a part of the applicable daily or monthly records and shall be available for inspection by commission representatives; and

(9) Bona fide charitable or nonprofit organizations that conduct only one or more of the following activities and do not possess any other licenses issued by the gambling commission are exempt from this rule:

(a) Raffles under the provisions of RCW 9.46.0315;

(b) Bingo, raffles, or amusement games under the provisions of RCW 9.46.0321;

(c) Class A, B, or C bingo game;

(d) Class A, B, C, or D raffle; or

(e) Class A, B or C amusement game.

(10) Bona fide charitable or nonprofit organizations that conduct only fund-raising events or membership raffles and have no other gambling licenses are exempt from having a separate gambling receipts account, but must meet the following conditions of deposit:

(a) No expenditures other than for prizes shall be made until such receipts have first been deposited in the licensee's bank account;

(b) All net gambling receipts shall be deposited within two banking days following receipt thereof; and

(c) The validated deposit receipt shall be kept with the licensee's gambling records.

[Statutory Authority: RCW 9.46.070 (1), (8) and (14), 96-09-073, § 230-12-020, filed 4/16/96, effective 7/1/96. Statutory Authority: RCW 9.46.070 (8), (9), 95-19-069, § 230-12-020, filed 9/18/95, effective 1/1/96. Statutory Authority: RCW 9.46.070, 93-19-090 (Order 244), § 230-12-020, filed 9/15/93, effective 10/16/93. Statutory Authority: RCW 9.46.070 (7), (17), (8) and (9), 91-13-070 (Order 223), § 230-12-020, filed 6/17/91, effective 7/18/91. Statutory Authority: RCW 9.46.070 (11) and (14), 89-17-056

(Order 196), § 230-12-020, filed 8/15/89, effective 9/15/89. Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-12-020, filed 4/18/89, effective 7/1/89. 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), § 230-12-020, filed 1/9/85. Statutory Authority: RCW 9.46.070 (9), (12) and (14). 83-08-051 (Order 130), § 230-12-020, filed 4/1/83. Formerly WAC 230-20-150.]

WAC 230-12-027 Age limit to participate in gambling activities—Bingo advertisements directed to minors.

Minors shall not participate in gambling activities.

(1) Persons under the age of eighteen shall not wager in, nor participate in the operation of any gambling activity. Exceptions to this restriction are set forth in subsection (2) of this section:

Exceptions for minors to participate in gambling activities.

(2) Persons under the age of eighteen may:

(a) Play in licensed bingo games if accompanied by an adult member of his/her immediate family or a guardian, who is at least eighteen years old. For purposes of this section, "immediate family" means and is limited to, the spouse, parents, or grandparents of an individual. "Guardian" means and is limited to an individual appointed by a court of law as the legal guardian of an individual;

(b) Play bingo at agricultural fairs or school carnivals;

(c) Play amusement games, pursuant to the provisions set forth in RCW 9.46.0331 (4) and (5); and

(d) Sell raffle tickets, pursuant to the provisions set forth in WAC 230-02-183.

Bingo advertisements directed to minors.

(3) All bingo advertisements that are directed to minors shall include language indicating that all minors must be accompanied by a member of their immediate family or a guardian, who is at least eighteen years old.

Enforcement of age restrictions.

(4) The licensee and those persons operating gambling activities are responsible for assuring that persons under the age of eighteen are not playing in or participating in the operation of any gambling activity.

[Statutory Authority: RCW 9.46.070. 00-01-002 (Order 379), § 230-12-027, filed 12/1/99, effective 1/1/00.]

WAC 230-12-030 No beer, wine or spirits as prizes.

Alcohol shall not be offered as a prize.

(1) Pursuant to the restrictions of the liquor control board, beverages that contain alcohol, including but not limited to beer, wine or spirits, shall not be offered or awarded as a prize or in lieu of a prize for winning at any gambling activity. Exceptions to this restriction are set forth in subsection (2) of this section.

Exceptions for alcohol to be offered as a prize.

(2) Alcohol may be offered and awarded as a prize in:

(a) Dice or coin contests for music, food, or beverage payment as authorized by RCW 9.46.0305 (Dice or coin contests for music, food, or beverage payment);

(b) Unlicensed members-only raffles as authorized by RCW 9.46.0315 (Raffles—No license required, when), but only if the appropriate permit has been granted by the liquor control board; and

(c) Other gambling activities that the liquor control board has authorized alcohol to be given away.

[Statutory Authority: RCW 9.46.070. 00-01-002 (Order 379), § 230-12-030, filed 12/1/99, effective 1/1/00. Statutory Authority: RCW 9.46.070, 9.46.0315 and 9.46.0321. 93-17-098 (Order 243), § 230-12-030, filed 8/17/93, effective 1/1/94; Order 51, § 230-12-030, filed 4/30/76; Order 12, § 230-12-030, filed 2/14/74; Order 5, § 230-12-030, filed 12/19/73.]

WAC 230-12-040 No firearms as prizes—Exceptions.

No firearms, air guns, or other mechanical devices which are capable of discharging dangerous projectiles, including but not limited to, BB or CO₂ guns, rifles, shotguns, pistols or revolvers, or crossbows, shall be offered or awarded as a prize for any of the activities authorized by chapter 9.46 RCW: Provided, That bona fide charitable or nonprofit organizations licensed to conduct a raffle, may award any legal firearm or air gun as a prize for such raffles. Any firearm for which the transfer is restricted by state or federal law shall be awarded by providing the winner a certificate for such prize which is redeemable by a licensed firearms dealer.

[Statutory Authority: RCW 9.46.070. 95-07-093, § 230-12-040, filed 3/17/95, effective 7/1/95; 94-13-099 (Order 253), § 230-12-040, filed 6/15/94, effective 7/16/94. Statutory Authority: RCW 9.46.070 (1), (2), (4), (5), (6), (11), (14) and (17). 86-13-055 (Order 158), § 230-12-040, filed 6/13/86; Order 51, § 230-12-040, filed 4/30/76; Order 12, § 230-12-040, filed 2/14/74.]

WAC 230-12-050 Extension of credit, loans, or gifts prohibited—Limited exception.

No licensee, member or employee thereof shall extend credit, make a loan, or grant a gift to any person playing in an authorized activity, or which enables a person to play in an authorized activity. The consideration required to participate in the activity shall be collected in full, by cash, check, or electronic point-of-sale bank transfer, prior to participation: Provided, That this prohibition shall not apply to the following situations:

Punch boards/pull-tabs.

(1) The consideration paid for the opportunity to play a punch board or pull-tab series may be collected immediately after the play is completed only when such consideration is ten dollars or less;

Charitable/nonprofit organization's billing system for members.

(2) When a bona fide charitable or bona fide nonprofit organization conducting any of the activities authorized by chapter 9.46 RCW or commission rules has a regular billing system for all of the activities of its members with such organization, such billing system may be utilized in connection with the playing of any of the activities authorized hereunder if:

(a) The playing of such activity is limited to regular members of such organization who have become regular members prior to the commencement of such activity and whose qualifications for membership were not dependent upon, or in any way related to, the playing of such activity; and

(b) The commission has given its prior written consent to the use of such billing system in connection with the conduct of activities authorized under these rules.

Raffle tickets purchased with credit cards.

(3) Charitable or nonprofit organizations utilizing credit cards, issued by a state and/or federally regulated financial institution, for payment to participate in raffles; and

Promotional gifts.

(4) Promotional gifts detailed below:

(a) The providing of free or discounted food, drink, or merchandise to card players at a public card room;

(b) Promotional activities conducted as a part of bingo games and authorized by WAC 230-20-125;

(c) Performances as authorized by WAC 230-20-111;

(d) Free play for card playing as authorized by WAC 230-40-050(7);

(e) "Free roll" or customer appreciation tournaments as authorized by WAC 230-40-055(2); and

(f) Promotional game cards meeting the standards of WAC 230-46-070(1).

Food and drink to bingo players.

(5) Free or discounted food or nonalcoholic drink to bingo players.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-12-050, filed 4/14/00, effective 5/15/00; 00-07-140 (Order 381), § 230-12-050, filed 3/22/00, effective 7/1/00. Statutory Authority: RCW 9.46.070, 9.46.0209, 9.46.0237, 9.46.0205 and 9.46.075. 96-24-008 (Order 303), § 230-12-050, filed 11/21/96, effective 12/22/96. Statutory Authority: RCW 9.46.070. 94-13-099 (Order 253), § 230-12-050, filed 6/15/94, effective 7/16/94. Statutory Authority: RCW 9.46.070 (11), (14) and 9.46.0218 [9.46.0281]. 89-05-024 (Order 186), § 230-12-050, filed 2/13/89; Order 51, § 230-12-050, filed 4/30/76; Order 15, § 230-12-050, filed 4/17/74; Order 5, § 230-12-050, filed 12/19/73.]

WAC 230-12-053 Acceptance of checks—Requirements. (1) A licensee, member, or employee thereof may accept a check in lieu of cash from a player for activities authorized by chapter 9.46 RCW, when the following requirements are met:

(a) The check is not a third party check drawn on an individual's personal account or a counter check offered by the licensed establishment;

(b) Any personal check must be dated the same day it is offered to the licensee and fully negotiable upon acceptance by the licensee; and

(c) The check is not from a player who has a balance owed to the licensee from a previous returned personal check. Provided: This shall not apply to a licensee who utilizes a check guarantee and collection service.

(2) If a licensee, member or employee thereof accepts a check that does not comply with the requirements set forth

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above, the licensee shall be deemed to have extended credit in violation of WAC 230-12-050.

[Statutory Authority: RCW 9.46.070 (11), (14) and 9.46.0218 [9.46.0281]. 89-05-024 (Order 186), § 230-12-053, filed 2/13/89.]

WAC 230-12-070 Conduct of gambling activity. No person operating any activity authorized by chapter 9.46 RCW shall, directly or indirectly, in the course of such operation:

(1) Employ any device, scheme or artifice to defraud;

(2) Make any untrue statement of a fact, or omit to state a fact necessary in order to make a statement not misleading, in consideration of the circumstance under which such statement was made;

(3) Engage in any act, practice, or course of operation as would operate as a fraud or deceit upon any person.

[Statutory Authority: RCW 9.46.070. 94-13-099 (Order 253), § 230-12-070, filed 6/15/94, effective 7/16/94; Order 53, § 230-12-070, filed 5/25/76; Order 5, § 230-12-070, filed 12/19/73.]

WAC 230-12-072 Player-supported jackpot funds—Deposit requirements. Each licensee authorized to conduct player-supported jackpots (PSJs) shall protect and ensure proper accountability of all funds collected from players. Funds shall be controlled as follows:

(1) Each licensee shall maintain a bank account for holding PSJ funds. The account shall be kept separate from all other accounts of the entity and be maintained in a recognized Washington state depository for purposes of depositing PSJ funds.

(2) Only receipts from PSJs shall be deposited into the account.

(3) No expenditures shall be made from the receipts of any PSJ until such receipts have first been deposited in the PSJ: Provided, That licensees may pay out prizes won during the operating day and deduct administrative expenses prior to deposit.

(4) Receipts from the operation of PSJs, which are being held pending disbursement, shall be deposited in the licensee's PSJ account within two banking days of the date of collection: Provided, That funds deposited within two days to an armored car service shall meet this requirement.

(5) All deposits of PSJ funds shall be specifically identified by type of fund and dates of collection. The validated deposit receipt shall be kept as a part of the records required by WAC 230-08-090.

(6) At the end of each month, the account balance per the bank statement shall be reconciled to the PSJ fund balances. The reconciliation shall be kept as a part of the records required by WAC 230-08-090.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-12-072, filed 4/14/00, effective 5/15/00.]

WAC 230-12-073 House-banked card games—Prizes—Deposit requirements. Each organization licensed to conduct house-banked card games shall ensure sufficient funds are available to pay prizes offered. Funds shall be controlled as follows:

(1) Each licensee shall maintain a bank account for holding jackpot prizes accrued at house-banked card games. The

account shall be separate from all other accounts of the entity and be maintained in a recognized Washington state depository for purposes of depositing prize funds.

(2) Amounts accrued for any house-banked game which offers a progressive jackpot shall be deposited into the jackpot prize account at least weekly for all disclosed and reserve jackpot funds.

(3) In addition to any progressive jackpot prize funds required to be maintained in the bank account, licensees shall also deposit and maintain in the account an amount equal to the total of all individual prizes offered which exceed twenty-five thousand dollars. For games in which the prize is based on the amount wagered, the highest wager allowed by the licensee shall be used in computing the individual prize amount for purposes of determining the deposit requirement.

(4) No game shall be offered for play until the above conditions have been met. At anytime that the prize account is reduced below the level required, the licensee shall immediately cease operating games until they are in compliance. At no time shall the account go below the total amount of progressive jackpots and individual prizes offered over twenty-five thousand dollars. Failure to maintain funds as required above shall be prima facie evidence of defrauding the public in violation of RCW 9.46.190.

(5) A record of all deposits shall specifically identify by game name and number and dates of collection for progressive prizes. The validated deposit slip shall be kept as part of the records required by WAC 230-08-090.

(6) At the end of each month, the account balance per the bank statement shall be reconciled to the jackpot prize balances. The reconciliation shall be kept as part of the records required by WAC 230-08-090.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-12-073, filed 4/14/00, effective 5/15/00.]

WAC 230-12-074 Sales on licensed premises only—Exceptions. (1) All gambling activities must be under the complete control of the licensed operator and conducted on the premises set forth in the license application as approved by the commission, with the following exceptions:

(a) Raffle ticket sales; and

(b) Amusement games operated on a Class A licensed premises.

(2) A bona fide charitable or nonprofit organization licensed to conduct bingo and punch board/pull-tab games may sell punch boards/pull-tabs to customers of a licensed card room provided that the following conditions are met:

(a) The premises of the nonprofit licensee and the card room licensee share a common wall;

(b) Any door, counter or window allowing customer access through the common wall between the two premises is under the control of the nonprofit licensee and must be capable of being securely closed and locked;

(c) All punch board/pull-tab games shall be maintained and sold only on the premises of the nonprofit licensee, however, pull-tab players may take purchased punch boards/pull-tabs into the card room area;

(d) Punch board/pull-tab sales shall only be conducted by employees of the bingo/punch board/pull-tab licensee; and

(e) Signs shall conspicuously be posted at the door, window or counter separating the two premises clearly notifying the customers of the identity of the licensee selling the punch board/pull-tabs.

(3) A licensed operator shall not be deemed to have violated this rule solely because the pull-tab players may take pull-tabs from the licensee's premises, if the pull-tabs are selected and purchased and prizes determined and paid on the licensed operator's premises.

[Statutory Authority: RCW 9.46.070. 00-15-038 (Order 386), § 230-12-074, filed 7/14/00, effective 8/14/00.]

WAC 230-12-076 Regulation of charitable and non-profit organizations—Assignment to regulatory groups. Each charitable or nonprofit organization shall comply with licensing and operating requirements applicable to the scope of activity it has been authorized to conduct. Each organization will be assigned to a regulatory group that is based upon the authorized gambling gross receipts of all combined licenses issued to the organization. The following regulatory groups are established:

(1) Group I - Any organization requesting to be certified to conduct gambling activities with combined annual gross receipts up to three hundred thousand dollars;

(2) Group II - Any organization requesting to be certified to conduct gambling activities with combined annual gross receipts up to one million dollars;

(3) Group III - Any organization requesting to be certified to conduct gambling activities with combined annual gross receipts up to three million dollars;

(4) Group IV - Any organization requesting to be certified to conduct gambling activities with combined annual gross receipts up to five million dollars; and

(5) Group V - Any organization requesting to be certified to conduct gambling activities with combined annual gross receipts that exceed five million dollars.

[Statutory Authority: RCW 9.46.070 (1), (8-11), (14), (16), (20). 96-07-075, § 230-12-076, filed 3/19/96, effective 7/1/96.]

WAC 230-12-078 Bona fide charitable or nonprofit organizations—Responsibilities—Independent management control structure required. It shall be the affirmative responsibility of each charitable or nonprofit organization licensed to conduct gambling activities, and its officers or board of directors, to ensure the legislative intent regarding gambling activities is met.

Independent management control system for all charitable/nonprofit organizations.

(1) This responsibility shall be fulfilled by developing and maintaining an independent management control system that ensures the following:

(a) Gambling activities are closely supervised and operated according to commission guidelines;

(b) Gambling proceeds are used solely to advance the purposes of the organization;

(c) All assets of the organization are protected from misuse or defalcation; and

(d) An operating environment that facilitates implementation of the officers' or board of directors' policies is maintained.

Group III, IV or V management control system.

(2) Each charitable or nonprofit organization licensed to conduct gambling activities in Groups III, IV or V, as defined in WAC 230-04-040, shall fulfill its responsibilities by:

(a) Developing and implementing a management control system which:

(b) Will be overseen by an independent slate of officers or board of directors, that has been elected by a process in which all active members have a single vote;

(c) Includes written policies which set the responsibilities of officers, board of directors, and employees;

(d) Includes written policies establishing the scope of authority delegated to officers, board of directors, and employees;

(e) Includes affirmative management and accounting controls that ensure that all funds and other assets directly or indirectly obtained with gambling proceeds are protected from misuse, dedicated solely to the purposes of the organization, and do not inure to the private use of any person. For purposes of this section, the following uses of gambling proceeds shall not be deemed inurement:

(i) Providing program services to members or the public; or

(ii) Expenditures for necessary expenses, including salaries or wages for services to perform the purposes of the organization. Salaries or wages paid to members, officers, board of directors, or direct family members of any of the preceding, shall not be deemed inurement if they are necessary, reasonable, and the decision to pay such is made in an independent management control environment.

(f) Includes a planning process that sets goals regarding uses of gambling proceeds and allows the officers or board of directors to monitor progress toward meeting such goals: Provided, That organizations reserving funds in endowments or trust funds under limitations in WAC 230-04-024 (8)(b) and (c) must have a formal business plan or budget outlining uses of such;

(g) Includes a system of internal accounting controls that is designed to reduce errors, minimize risk of defalcations, and safeguard assets. The organization's officers or board of directors shall implement procedures to monitor established controls for compliance. The internal accounting control system shall include at least the following controls:

(i) Management approval for expenditures;

(ii) Procedures that restrict access to assets to only those individuals authorized by management;

(iii) Procedures to ensure all transactions are recorded in accordance with generally accepted accounting principles. Transactions shall be recorded with enough detail to maintain accountability of assets; and

(iv) Periodic comparison of recorded assets to physical assets and reconciliation of all differences.

(h) Will be documented and available for commission staff review.

(2001 Ed.)

Independent operating environment - conflicts of interest.

(3) Maintaining an independent operating environment. An organization's operating environment will be independent when its officers, board members, and supervisory level employees completely separate their personal interests and the interest of the organization: Provided, That an organization shall not be in violation of this section if individual officers or board members acknowledge potential conflicts of interest and abstain from voting on issues that directly or indirectly affect their personal interest. Any potential conflicts of interest situations involving supervisor level employees must be reviewed and approved by the governing board of the organization. All discussions or balloting regarding potential conflicts of interest shall be recorded in the official meeting minutes. Any of the following actions by officers, board members, or supervisory level employees that are not approved by the board of directors and documented in the official minutes shall provide a presumption of the lack of an independent operating environment:

(a) They directly or indirectly receive financial or personal benefit from the organization or share in gambling proceeds of the organization; or

(b) They are directly or indirectly responsible for supervision of, or have decision-making authority over transactions that may result in direct or indirect financial or personal benefit to: Their direct relatives, including spouses, parents, children, siblings, and similar relationships, whether by blood, adoption, or marriage; persons with whom they maintain a common household; or persons with whom they have a business relationship; or

(c) They directly or, through lack of action, indirectly allow others to receive or share in the gambling proceeds of the organization.

[Statutory Authority: RCW 9.46.070. 00-07-140 (Order 381), § 230-12-078, filed 3/22/00, effective 7/1/00. Statutory Authority: RCW 9.46.070, 9.46.0261 and 9.46.0209. 94-01-035, § 230-12-078, filed 12/6/93, effective 1/6/94.]

WAC 230-12-079 Duties and responsibilities of a charitable or nonprofit gambling manager. Charitable or nonprofit gambling managers shall be knowledgeable of all provisions of Title 230 WAC and chapter 9.46 RCW that relate to the operation of gambling activities they manage and restrictions regarding the use of funds generated from gambling activities for which they have been assigned responsibility. Such managers shall be responsible for supervising the operation of the gambling activity, including all ancillary activities conducted in conjunction with gambling activities, and for safeguarding funds or other assets generated from gambling activities which are under their control. This responsibility shall be fulfilled by ensuring that:

(1) The public is protected from fraud;

(2) The licensed premises is maintained in a safe condition and persons participating in the activity are reasonably protected from physical harm;

(3) Activities are conducted in a manner that ensures fair and equal participation by players and all provisions of Title 230 WAC and chapter 9.46 RCW are followed;

(4) The organization is reasonably protected from illegal acts committed by players or workers;

(5) All records are completed and correct;

(6) All moneys derived from the gambling and ancillary activities are safeguarded until transferred to a guardian designated by the board and/or officers or directly deposited in the organization's bank account;

(7) All assets of the organization, for which the gambling manager is responsible, are protected from misuse or theft; and

(8) All funds generated from gambling activities, for which the gambling manager is responsible, are disbursed or invested in accordance with the directions of the officers or governing board of the organization and used solely to further the purposes of the organization.

[Statutory Authority: RCW 9.46.070, 95-09-062 (Order 268), § 230-12-079, filed 4/18/95, effective 5/19/95.]

WAC 230-12-080 Licensee to maintain copy of commission's rules on premises. Each licensee for the operation of a gambling activity shall obtain, maintain and keep current, a copy of the rules of the commission, which shall be located upon each premises used for the conduct of a licensed activity by a licensee at all times the activity is there conducted. The rules shall be produced by the licensee and shown to any person upon demand. The fact that a licensee may not have a current copy of each of the rules of the commission shall not in any way diminish the licensee's obligation to abide by these rules.

[Statutory Authority: RCW 9.46.070(13), 78-06-066 (Order 85), § 230-12-080, filed 5/25/78; Order 12, § 230-12-080, filed 2/14/74.]

WAC 230-12-090 Problem gambling informational sign must be posted. The legislature recognizes that some individuals in Washington state are problem or compulsive gamblers. Because the state promotes and regulates gambling through the activities of the lottery commission, horse racing commission and gambling commission, the state has the responsibility to continue to provide resources for the support of services for problem and compulsive gamblers. RCW 9.46.071 requires that the lottery commission, horse racing commission and gambling commission shall jointly develop informational signs concerning problem and compulsive gambling, and the signs shall be placed in establishments of gambling licensees, horse racing licensees and lottery retailers.

All gambling commission licensees shall prominently post the problem gambling informational signs at each entrance and exit of their establishments. The informational signs will be provided to the licensee by the gambling commission and will contain the toll-free hotline number for the Washington state council on problem gambling. Brochures to patrons containing the toll-free hotline number meet the posting requirement and will be supplied by the gambling commission: Provided, That licensees may develop signs in compliance with this rule and the provision of RCW 9.46.071, but the signs must be reviewed and approved by the gambling commission.

If a licensee fails to prominently post the problem gambling informational signs in their establishments, they may

be subject to a suspension of two days for the first violation, seven days for the second violation and fourteen days for each violation noted thereafter.

[Statutory Authority: RCW 9.46.070, 94-23-007, § 230-12-090, filed 11/3/94, effective 1/1/95.]

WAC 230-12-210 Prices charged by manufacturers, distributors and operators for goods and services not to be fixed by agreement. No manufacturer, distributor or operator shall by agreement, either express or otherwise, with any other manufacturer, distributor or operator, fix the price at which any device, paraphernalia, machine, equipment, punch board or pull-tab, prize or any other item used in connection with any of the activities authorized by chapter 9.46 RCW, as now or hereafter amended, shall be sold, or for which services in connection therewith shall be rendered. The price of these items in the competitive market place shall be established by each manufacturer, distributor or operator for the products and services offered by each and shall not be established, directly or indirectly, in concert with one another.

[Order 29, § 230-12-210, filed 1/23/75; Order 23, § 230-12-210, filed 9/23/74; Order 14, § 230-12-210, filed 3/27/74.]

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), (4), (5), and (6) of this section, 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.

(5) A licensed linked bingo prize provider may require a licensee to utilize particular bingo cards for conduct of a game with a linked bingo prize if such requirement is agreed to in a contract between a licensed linked bingo provider and licensed bingo operator, which is approved by the director.

(6) A linked bingo prize provider may enter into an exclusive agreement with a manufacturer to provide the bingo paper used in the linked bingo game.

[Statutory Authority: RCW 9.46.070, 98-24-090 (Order 369), § 230-12-230, filed 12/1/98, effective 1/1/99. 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.]

WAC 230-12-250 No division of territories allowed. No manufacturer or distributor shall make or have an agreement or understanding with any licensee that either of them shall be restricted in the operation and carrying on of business to a specific geographic area, or areas, and such a restriction shall not be a condition of any sales between a manufacturer or distributor and any other licensee: Provided, That this shall not prevent a distributor or manufacturer from assigning sales territories among its bona fide representatives.

(2001 Ed.)

[Order 21, § 230-12-250, filed 8/20/74; Order 5, § 230-12-250, filed 12/19/73.]

WAC 230-12-280 Suspension of licenses, certificates, and permits for various purposes for premises upon which violations occur. When a violation of any provision of chapter 9.46 RCW, or any amendment thereto, or any of the rules or regulations passed by the commission has occurred on any premises upon which gambling activities are conducted, for which any other license, permit or certificate issued for any purpose by any agency of the state, or political subdivision of the state, is in effect, then all such licenses, permits or certificates may be voided by the issuing agency or body pursuant to RCW 9.46.150(2), and any amendments thereto, and no license, permit or certificate so voided shall be issued or reissued for such premises for a period of up to sixty days thereafter.

[Order 53, § 230-12-280, filed 5/25/76; Order 42, § 230-12-280, filed 9/18/75; Order 5, § 230-12-280, filed 12/19/73.]

WAC 230-12-300 Resident agent to be appointed by out-of-state licensees. (1) All licensees that do not own or otherwise maintain a business office or licensed premises within Washington 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.

(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.

[Statutory Authority: RCW 9.46.070 and 34.05.230, 01-01-016 (Order 396), § 230-12-300, filed 12/6/00, effective 1/6/01. 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 230-12-305 Licensee required to submit updated documents or information. In addition to any other requirements set forth in these rules, the persons licensed by the commission shall be required to submit any changes in the following documents or information on file with the commission:

(1) Articles of incorporation or by laws, or any other documents which set out the organizational structure and purposes;

(2) Internal Revenue Service tax exemption status (charitable/nonprofit organizations only);

(3) All leases, rental, consignment, franchise, or other agreements relating to gambling activities or altering the commercial stimulant business, whether oral or written; and

(4) All loans, from other than recognized financial institutions, which individually or collectively exceed a total of \$2,000.00 during any calendar year.

The new or updated documents and/or information shall be submitted to the commission by notation on the next quarterly activity report filed, and by attaching all details con-

cerning each transaction: Provided, That licensees not required to submit quarterly activity reports shall submit the required information no later than 60 days following the transaction(s) date.

[Statutory Authority: RCW 9.46.070. 94-07-084 (Order 250), § 230-12-305, filed 3/16/94, effective 4/16/94. Statutory Authority: RCW 9.46.070 (7)(14). 91-07-021, § 230-12-305, filed 3/13/91, effective 4/13/91. Statutory Authority: Chapter 9.46 RCW. 87-09-043 (Order 167), § 230-12-305, filed 4/14/87.]

WAC 230-12-310 Licensees to report to the commission civil, criminal and administrative actions filed against them. (1) Each licensee shall report to the commission within fourteen days, all criminal actions filed against the licensee or the licensee's president, chief executive officer, chairman of the board, treasurer (chief financial officer), partner, person holding a substantial interest or manager of the licensed gambling activity. The final disposition of the case must be attached with the next quarterly activity report filed with the commission. Organizations not required to submit quarterly activity reports shall send the report to the commission within thirty days after the final disposition.

(2) Each licensee shall report to the commission civil and administrative actions filed by or against persons listed in subsection (1) of this section that involve ownership or control of the business, dissolutions, actions significantly affecting business interests, such as patent or copyright infringement and all administrative actions from other gambling regulatory agencies, including those from other countries and Indian tribes. This report shall be attached to the next quarterly activity report filed with the commission. Organizations not required to submit quarterly reports shall send the report to the commission within thirty days of their receipt of notice of the action filed and within thirty days after the final disposition.

(3) The report shall consist of a complete copy of the original documents filed. The licensee shall notify the commission of the final disposition of the case and include a copy of the final documents filed including, but not limited to, settlement agreements.

(4) The director may exempt reporting specific types of civil actions upon written request and for good cause shown.

[Statutory Authority: RCW 9.46.070. 00-09-051 (Order 382), § 230-12-310, filed 4/14/00, effective 5/15/00. Statutory Authority: Chapter 9.46 RCW. 86-21-060 (Order 162), § 230-12-310, filed 10/14/86; Order 15, § 230-12-310, filed 4/17/74.]

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 prelicensing 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?

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(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 merchandise if such is contingent upon the purchase or order of another product, service, or merchandise; 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 licenses, 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(11), 98-08-011, § 230-12-330, filed 3/18/98, effective 7/1/98. Statutory Authority: RCW 9.46.070 (14) and (20), 97-20-026, § 230-12-330, filed 9/22/97, effective 1/1/98.]

WAC 230-12-335 Control of gambling equipment—Sales and purchases by and to licensees only—Authorized transfers of gambling equipment. It shall be the responsibility of all licensees to ensure that gambling equipment is closely controlled and possessed only by authorized persons. Gambling equipment possessed by unauthorized persons is subject to seizure and forfeiture. It shall be the responsibility of all licensees to report all unauthorized possession of such equipment to the commission. The following restrictions and exceptions apply to the transfer of gambling equipment:

Restrictions.

(1) Prior to selling gambling equipment to or purchasing such from any person, a licensee shall ensure that the person receiving or selling the equipment possesses a valid gambling license: Provided, That Class F and house-banked card room applicants may possess gambling equipment during the prelicensing process after receiving written approval from commission staff.

Authorized transfers of gambling equipment.

(2) In addition to normal business transactions between manufacturers, distributors and operators, the following transfers of gambling equipment are authorized:

(a) Gambling equipment may be transferred as a part of a sale of a business when such sale is contingent on the buyer receiving a gambling license prior to the completion of the transaction. A complete record shall be made of all gambling equipment transferred in this manner, including commission identification and inspection services stamp numbers. Such

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transfers, including a copy of the inventory record, shall be reported to the commission.

(b) Licensed operators or distributors whose license has been revoked, expired, or voluntarily surrendered may sell or otherwise transfer gambling equipment to a licensed manufacturer or distributor. Transfers of gambling equipment in this manner are subject to the following requirements:

(i) Such transfer shall be completed within thirty days of the date the license became invalid;

(ii) The transaction is for cash or credit against amounts owed a manufacturer by a distributor;

(iii) A complete inventory of all gambling equipment transferred in this manner, including commission identification and inspection services stamp numbers, shall be reported to the commission within ten days of the transaction by the operator or distributor selling the equipment; and

(iv) The licensed manufacturer or distributor receiving the equipment shall prepare a credit memorandum as required by WAC 230-08-025(2). A copy of the inventory record and notice of sale reported to the commission shall be attached and maintained as a part of this record.

(c) A bona fide charitable or nonprofit organization may sell or otherwise transfer gambling equipment used for fundraising events to another charitable or nonprofit organization authorized to possess such equipment. Such transfers shall be limited as set forth in WAC 230-25-110. A complete inventory of all gambling equipment transferred in this manner shall be reported to the commission within ten days of the transaction by the charitable or nonprofit organization selling or transferring the equipment.

[Statutory Authority: RCW 9.46.070, 00-15-039 (Order 385), § 230-12-335, filed 7/14/00, effective 1/1/01.]

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:

(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.

(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;

(f) Charitable or nonprofit organizations licensed to conduct bingo may purchase bingo cards and bingo supplies from distributors and/or manufacturers and receive such without making immediate payment if payment is made, by check or cash, no later than thirty days after delivery of the product. If the distributor or manufacturer does not receive payment within thirty days, they must immediately restrict the licensee to sales on a cash on delivery basis until payment is received. Licensees paying for bingo supplies on terms other than a cash basis must document on the purchase invoice the date paid and the check number; and

(g) 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.

(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:

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

mercial 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.

(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.

(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.

(6) Upon receipt of notification from the commission that a distributor has been restricted, manufacturers and dis-

tributors shall immediately cease sales, shipments of products, and providing of services to the delinquent distributor on other than a cash basis.

(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.

(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 restrictions 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.

(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

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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.

(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. 98-21-009 (Order 365), § 230-12-340, filed 10/9/98, effective 1/1/99. Statutory Authority: RCW 9.46.070 (14) and (20). 97-20-026, § 230-12-340, filed 9/22/97, effective 1/1/98.]

WAC 230-12-345 Leases, rentals, and license agreements—Requirements—Restrictions. Manufacturers and distributors may lease or rent gambling equipment, other than punch boards, pull-tabs, bingo paper, bingo supplies, playing cards, and other consumable gambling-related equipment or devices to operators. In addition, manufacturers may enter into license agreements with operators permitting them to use their patented, copyrighted, or trademarked card games. All operating leases, rentals, or license agreements must be transacted on a cash basis only, except as provided in subsection (2) of this section. The following requirements and procedures shall apply:

(1) For purposes of this section, lease, rental, or license fees must be received by the manufacturer or distributor in advance of the period in which the equipment, device, or card game is to be used. Agreements shall be constructed so that regularly scheduled payments comply with this condition: Provided, That fees from electronic bingo equipment may be based on the amount of usage a device receives, as outlined in subsection (2) of this section.

(2) Fee structures for electronic bingo equipment may be based on usage, under the following circumstances:

(a) Fees may be determined by the number of times a device is used or the number of bingo sessions in which devices are utilized;

(b) Fees may not be determined by a percentage of sales, the number of bingo cards sold through the device, or the average amount a player spends on a device;

(c) Fees must be billed at least every thirty days and invoices must be dated within fifteen days from the end of each thirty-day period; and

(d) Fees must be received by the manufacturer or distributor within thirty days of the invoice date.

(3) When an operator fails to pay regularly scheduled payments in accordance with subsection (1) or (2) of this section, the following procedures shall apply:

(a) If payment is not received within ten days of the payment due date, the manufacturer or distributor shall notify the delinquent operator and the commission by the end of the next business day. The following information shall be reported:

(i) Operator's name;

(ii) Delinquent amount and due date; and

(iii) Any relevant information about the account if it is delinquent.

(b) If payment is not received within twenty days, the manufacturer shall notify the operator that it must cease using or operating the equipment, device, or card game immediately.

(c) If payment is still not received within thirty days, the manufacturer or distributor shall remove any equipment, device, or card game materials provided under the agreement from the licensed premises within five days. The commission shall be notified of the date and time removal is to occur.

(d) When a manufacturer or distributor receives an operator's delinquent payment, it shall notify the commission by the end of the next business day.

(4) Any freight, delivery, installation, or other set up fees must be paid within thirty days of the delivery date.

(5) Operators that fail to pay for lease, rental, or license fees by the date due may be deemed to have solicited credit.

(6) Manufacturers or distributors that fail to comply with the procedures noted above may be deemed to have extended credit.

(7) All capital leases for the sale of gambling equipment shall comply with WAC 230-12-340.

[Statutory Authority: RCW 9.46.070, 99-12-082 (Order 372), § 230-12-345, filed 5/28/99, effective 7/1/99.]

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.]

WAC 230-12-900 Deputy director. The deputy director appointed by the director is hereby authorized to make any kind of decision or perform any kind of duty or function, which has by the commission rules been delegated to or required of the director, when authorized to do so by the director: Provided, That the deputy director shall not be empowered to:

(1) Summarily suspend a license pursuant to WAC 230-50-012;

(2) Impose any penalty under WAC 230-50-010(6); but the deputy director or any other designee of the director or the commission, may issue a summary of the charges or complaint against an applicant or licensee, pursuant to WAC 230-50-010 (1) (2) (3) (4); or

(3) Designate public records officers pursuant to WAC 230-60-030.

[Statutory Authority: RCW 9.46.070 and chapter 34.05 RCW. 90-21-053, § 230-12-900, filed 10/15/90, effective 11/15/90. Statutory Authority: RCW 9.46.070(13), 81-01-063 (Order 104), § 230-12-900, filed 12/15/80.]

Chapter 230-20 WAC

BINGO, RAFFLES AND AMUSEMENT GAMES

WAC

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230-20-015	Prize limits for raffles.
230-20-050	Use of proceeds.
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230-20-055	Use of proceeds from authorized activities by charitable or nonprofit organizations.
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230-20-620	Amusement games—Objects to be thrown to be uniform—Similar games not to use different objects unless designated.
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.
230-20-640	Amusement games—Sample of prizes to be displayed.
230-20-650	Amusement games—Coin toss games.
230-20-660	Amusement games—Target shoot—Target to be brought to contestant on demand.
230-20-670	Commercial amusement games—Operating restrictions.
230-20-680	Commercial amusement games—Operation restrictions.
230-20-685	Commercial amusement games—Wager and prize limitations.
230-20-700	Coin or token activated amusement games—Standards.

DISPOSITION OF SECTIONS FORMERLY
CODIFIED IN THIS CHAPTER

230-20-030	Award to actual winners only. [Order 5, § 230-20-030, filed 12/19/73, 1:25 p.m.] Repealed by 80-03-060 (Order 99), filed 2/25/80. Statutory Authority: RCW 9.46.070(10).	230-20-180	Sale and use of bingo cards. [Order 12, § 230-20-180, filed 2/14/74; Order 5, § 230-20-180, filed 12/19/73.] Repealed by 83-19-024 (Order 136), filed 9/13/83. Statutory Authority: RCW 9.46.030 (2) and (3) and 9.46.070 (11) and (14).
230-20-061	Temporary prize limits for bingo. [Statutory Authority: RCW 9.46.030 (2) and (3) and 9.46.070 (11) and (14). 83-19-024 (Order 136), § 230-20-061, filed 9/13/83.] Repealed by 84-01-026 (Order 139), filed 12/12/83. Statutory Authority: RCW 9.46.070 (5), (6), (8), (10) and (11).	230-20-200	Use of numbered balls of various weights prohibited. [Order 9, § 230-20-200, filed 12/19/73, 1:26 p.m.; Order 5, § 230-20-200, filed 12/19/73, 1:25 p.m.] Repealed by 83-19-024 (Order 136), filed 9/13/83. Statutory Authority: RCW 9.46.030 (2) and (3) and 9.46.070 (11) and (14).
230-20-063	Limits on bingo gross receipts and prize payouts and requirements for net income. [Statutory Authority: RCW 9.46.070 (5), (6), (8), (10) and (11). 84-01-026 (Order 139), § 230-20-063, filed 12/12/83.] Repealed by 85-13-041 (Order 151), filed 6/14/85. Statutory Authority: RCW 9.46.070 (7), (13) and (18).	230-20-205	Numbers called to be displayed at bingo games. [Order 5, § 230-20-205, filed 12/19/73, 1:25 p.m.] Repealed by 83-19-024 (Order 136), filed 9/13/83. Statutory Authority: RCW 9.46.030 (2) and (3) and 9.46.070 (11) and (14).
230-20-064	Maximum receipts, prizes, and expenses for bingo games—Net income required. [Statutory Authority: RCW 9.46.070 (1), (8-11), (14), (16), (20). 96-07-075, § 230-20-064, filed 3/19/96, effective 7/1/96. Statutory Authority: RCW 9.46.070 (1), (8), (11), (14) and (20). 96-05-011, § 230-20-064, filed 2/9/96, effective 2/9/96. Statutory Authority: Chapter 9.46 RCW. 94-24-056 (Order 262), § 230-20-064, filed 12/5/94, effective 1/5/95. Statutory Authority: RCW 9.46.070. 94-07-084 (Order 250), § 230-20-064, filed 3/16/94, effective 4/16/94; 93-13-062 (Order 240), § 230-20-064, filed 6/17/93, effective 7/18/93. Statutory Authority: RCW 9.46.070 (1)(16). 90-10-007, § 230-20-064, filed 4/19/90, effective 7/1/90. Statutory Authority: RCW 9.46.070 (7), (8), (9), (10), (14), (19) and (20). 89-09-047 (Order 190), § 230-20-064, filed 4/18/89, effective 7/1/89. Statutory Authority: RCW 9.46.070 (8), (11) and (14). 88-07-059 (Order 175), § 230-20-064, filed 3/15/88. Statutory Authority: Chapter 9.46 RCW. 87-13-045 (Order 168), § 230-20-064, filed 6/16/87. Statutory Authority: RCW 9.46.070 (7), (13) and (18). 85-13-041 (Order 151), § 230-20-064, filed 6/14/85.] Repealed by 96-24-008 (Order 303), filed 11/21/96, effective 12/22/96. Statutory Authority: RCW 9.46.070, 9.46.0209, 9.46.0237, 9.46.0205 and 9.46.075.	230-20-210	Age limit for bingo. [Statutory Authority: RCW 9.46.070(10). 80-05-060 (Order 101), § 230-20-210, filed 4/21/80; Order 63, § 230-20-210, filed 12/3/76; Order 15, § 230-20-210, filed 4/17/74; Order 9, § 230-20-210, filed 12/19/73, 1:26 p.m.; Order 5, § 230-20-210, filed 12/19/73, 1:25 p.m.] Repealed by 00-01-002 (Order 379), filed 12/1/99, effective 1/1/00. Statutory Authority: RCW 9.46.070.
230-20-080	No person working on a bingo game for one licensee shall be allowed to work on a game operated by another licensee. [Order 9, § 230-20-080, filed 12/19/73, 1:26 p.m.] Repealed by Order 14, filed 3/27/74.	230-20-245	Manner of conducting bingo—Equipment to be used. [Order 58, § 230-20-245, filed 8/17/76.] Repealed by 83-19-024 (Order 136), filed 9/13/83. Statutory Authority: RCW 9.46.030 (2) and (3) and 9.46.070 (11) and (14).
230-20-100	Receipting required for income and prizes in bingo games. [Statutory Authority: RCW 9.46.070 (11) and (14). 88-17-050 (Order 182), § 230-20-100, 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), § 230-20-100, filed 4/11/86. Statutory Authority: RCW 9.46.070 (8), (11) and (14). 83-13-050 (Order 134), § 230-20-100, filed 6/14/83. Statutory Authority: RCW 9.46.070 (7) and (8). 78-11-049 (Order 87), § 230-20-100, filed 10/20/78; Order 74, § 230-20-100, filed 8/17/77; Order 29, § 230-20-100, filed 1/23/75; Order 25, § 230-20-100, filed 10/23/74; Order 15, § 230-20-100, filed 4/17/74; Order 5, § 230-20-100, filed 12/19/73, 1:25 p.m.] Repealed by 90-24-005 (Order 218), filed 11/26/90, effective 12/27/90. Statutory Authority: RCW 9.46.070.	230-20-250	Bingo income limitations. [Order 60, § 230-20-250, filed 9/10/76; Order 53, § 230-20-250, filed 5/25/76; Order 45, § 230-20-250, filed 12/30/75; Order 9, § 230-20-250, filed 12/19/73, 1:26 p.m.] Repealed by Order 65, filed 1/7/77.
230-20-110	Prohibited practices. [Statutory Authority: RCW 9.46.070 (1), (10) and (13). 80-03-059 (Order 98), § 230-20-110, filed 2/25/80; Order 5, § 230-20-110, filed 12/19/73, 1:25 p.m.] Repealed by 00-07-140 (Order 381), filed 3/22/00, effective 7/1/00. Statutory Authority: RCW 9.46.070.	230-20-251	Comprehensive financial information to be filed. [Order 65, § 230-20-251, filed 1/7/77.] Repealed by 84-01-026 (Order 139), filed 12/12/83. Statutory Authority: RCW 9.46.070 (5), (6), (8), (10) and (11).
230-20-120	No free food or beverages to be provided at bingo games—Exceptions. [Statutory Authority: RCW 9.46.070, 9.46.0209, 9.46.0237, 9.46.0205 and 9.46.075. 96-24-008 (Order 303), § 230-20-120, filed 11/21/96, effective 12/22/96; Order 12, § 230-20-120, filed 2/14/74.] Repealed by 00-07-140 (Order 381), filed 3/22/00, effective 7/1/00. Statutory Authority: RCW 9.46.070.	230-20-310	Raffle tickets—Consecutive numbering. [Order 5, § 230-20-310, filed 12/19/73, 1:25 p.m.] Repealed by 83-11-034 (Order 133), filed 5/16/83. Statutory Authority: RCW 9.46.070 (8) and (11).
230-20-150	Gambling receipts deposit required by all bona fide charitable and nonprofit organizations. [Order 74, § 230-20-150, filed 8/17/77; Order 57, § 230-20-150, filed 7/9/76; Order 42, § 230-20-150, filed 9/18/75; Order 38, § 230-20-150, filed 5/9/75; Order 23, § 230-20-150, filed 9/23/74; Order 5, § 230-20-150, filed 12/19/73, 1:25 p.m.] Repealed by 83-08-051 (Order 130), filed 4/1/83. Statutory Authority: RCW 9.46.070 (9), (12) and (14). Later promulgation, see WAC 230-12-020.	230-20-320	All raffle tickets sold to be available for drawing. [Order 5, § 230-20-320, filed 12/19/73, 1:25 p.m.] Repealed by 83-11-034 (Order 133), filed 5/16/83. Statutory Authority: RCW 9.46.070 (8) and (11).
		230-20-330	Presence requirement at raffle drawing. [Order 5, § 230-20-330, filed 12/19/73, 1:25 p.m.] Repealed by 83-11-034 (Order 133), filed 5/16/83. Statutory Authority: RCW 9.46.070 (8) and (11).
		230-20-340	No more than \$1.00 per ticket may be charged to enter raffle. [Order 60, § 230-20-340, filed 9/10/76.] Repealed by 83-11-034 (Order 133), filed 5/16/83. Statutory Authority: RCW 9.46.070 (8) and (11).
		230-20-380	Persons obtaining a special amusement game license to conduct activities only at limited locations. [Statutory Authority: Chapter 9.46 RCW. 87-07-038 (Order 165), § 230-20-380, filed 3/16/87. Statutory Authority: RCW 9.46.020 (1) and (23) and 9.46.070(1). 85-11-023 (Order 150), § 230-20-380, filed 5/13/85; Order 51, § 230-20-380, filed 4/30/76.] Repealed by 91-19-093 (Order 227), filed 9/18/91. Statutory Authority: RCW 9.46.070 and 9.46.0331.
		230-20-605	Types of amusement games authorized. [Statutory Authority: RCW 9.46.070 and 9.46.0331. 91-19-093 (Order 227), § 230-20-605, filed 9/18/91, effective 10/19/91. Statutory Authority: RCW 9.46.070 (4), (11) and (14). 89-24-002 (Order 201), § 230-20-605, filed 11/27/89, effective 12/28/89. Statutory Authority: RCW 9.46.070 (8), (11) and (14). 88-07-059 (Order 175), § 230-20-605, filed 3/15/88. Statutory Authority: RCW 9.46.070 (3), (8) and (11). 85-09-040 (Order 149), § 230-20-605, filed 4/15/85. Statutory Authority: RCW 9.46.070 (4), (7), (8) and (11). 83-06-077 (Order 127), § 230-20-605, filed 3/2/83. Statutory Authority: RCW 9.46.070(11). 82-13-054 (Order 121), § 230-20-605, filed 6/14/82.] Repealed by 94-01-036, filed 12/6/93, effective 1/6/94. Statutory Authority: RCW 9.46.070.

230-20-698 Electronic crane amusement games—Special authorization. [Statutory Authority: RCW 9.46.070, 90-24-005 (Order 218), § 230-20-698, filed 11/26/90, effective 12/27/90. Statutory Authority: RCW 9.46.070 (3)(11)(14) and 9.46.0201. 90-05-033 (Order 206), § 230-20-698, filed 2/14/90, effective 3/17/90.] Repealed by 91-19-093 (Order 227), filed 9/18/91. Statutory Authority: RCW 9.46.070 and 9.46.0331.

230-20-699 Special amusement game license—Test at limited locations. [Statutory Authority: RCW 9.46.070 (11) and (14), 89-17-056 (Order 196), § 230-20-699, filed 8/15/89, effective 9/15/89. Statutory Authority: RCW 9.46.070 (11), (14) and 9.46.0218 [9.46.0281], 89-05-024 (Order 186), § 230-20-699, filed 2/13/89. Statutory Authority: RCW 9.46.070 (8), (11) and (14), 88-09-021 (Order 176), § 230-20-699, filed 4/13/88.] Repealed by 91-03-063 (Order 219), filed 1/16/91, effective 2/16/91. Statutory Authority: RCW 9.46.070 and chapter 34.05 RCW.

WAC 230-20-010 Disclosure of prizes and rules. All licensees shall inform all persons contemplating participation in bingo or amusement games of the cost to play, rules of play, and prizes available. Notification must be prior to requiring the player to make any payment for the opportunity to take part in the activity.

(1) Information that must be disclosed:

(a) All costs to participate;

(b) A complete list and description of all prizes available, and including any extra cost or conditions of ownership related to prizes;

(c) The licensee's cost or the retail value for all noncash prizes that exceed five hundred dollars. If the retail value is disclosed, it must be identified as such by including an explanation such as "retail value" or "MSRP."

(d) All rules by which such prizes may be won (house rules). If a bingo is determined to be valid, the operator must pay a prize which is equal to the prize set forth for that game. Disputes will be resolved in favor of the player if the bingo is valid;

(e) Any contingencies that may change the cost to play or prizes available; and

(f) Whether duplicate cards are in play.

(2) Disclosure shall be made by conspicuously posting or displaying signs upon the premises where the activity is operated. Disclosure may be made by signs or by printed flyers or handouts available at the premises;

(3) Any broadcast or published advertisements or other printed information distributed to the public which pertains to game schedules, prizes to be awarded at bingo games, or cost related to play must disclose if there are any contingencies which may result in changes to these terms: Provided, That advertised bingo prizes and game formats may be changed in case of inclement weather, natural disaster, or other unforeseen emergencies, if players are so informed prior to purchasing cards;

(4) In those cases where persons are able to pay for the opportunity to participate in the activity after the winner of any one of the prizes offered has been determined, the licensee shall remove each prize won from any display of prizes, and from any list of prizes which have been posted or displayed upon the premises where the activity is conducted, immediately upon the determination of the winner of that particular prize: Provided, That during a bingo session, play-

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ers may be informed by use of the public address system and prominent display of the game name or number.

[Statutory Authority: RCW 9.46.070 and 9.46.120. 00-23-076 (Order 394), § 230-20-010, filed 11/17/00, effective 1/1/01. Statutory Authority: RCW 9.46.070. 93-13-062 (Order 240), § 230-20-010, filed 6/17/93, effective 7/18/93. Statutory Authority: RCW 9.46.070 (11) and (14), 88-17-050 (Order 182), § 230-20-010, 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), § 230-20-010, filed 4/11/86. Statutory Authority: RCW 9.46.070 (3), (8) and (11), 85-09-040 (Order 149), § 230-20-010, filed 4/15/85. Statutory Authority: RCW 9.46.070 (8) and (11), 83-11-034 (Order 133), § 230-20-010, filed 5/16/83; Order 42, § 230-20-010, filed 9/18/75; Order 23, § 230-20-010, filed 9/23/74; Order 5, § 230-20-010, filed 12/19/73, 1:25 p.m.]

WAC 230-20-015 Prize limits for raffles. (1) No single raffle prize may exceed \$40,000. No group of raffle prizes given during any twelve month period may exceed \$80,000.

(2) The commission may permit a licensee to exceed these limits on specific occasions for good cause shown. Requests to exceed the limits shall be submitted to the commission in writing along with the application for licensing.

[Statutory Authority: RCW 9.46.070 (8) and (11), 83-10-002 (Order 132), § 230-20-015, filed 4/21/83.]

WAC 230-20-050 Use of proceeds. No part of the proceeds of any bingo game, raffle, or amusement game conducted by a bona fide charitable or bona fide nonprofit organization, except qualified agricultural fairs, shall be used for the benefit of any person other than the organization conducting the activity; except that if the activity is conducted by a licensee for the charitable benefit of a specific person or persons who have been listed as recipients of the proceeds, or a specified portion thereof, on the application for a license to conduct the activity, then the proceeds or specified portion thereof, may be used for the benefit of such specific person or persons so designated if commission approval has been obtained prior to the organization conducting the activity for that purpose: Provided, That for the purposes of this section, a licensee providing transportation to bingo players under the guidelines of WAC 230-20-052 shall not be deemed in violation of this rule.

[Statutory Authority: RCW 9.46.070 (1), (8) - (11), (14), (16), (20), 96-07-078, § 230-20-050, filed 3/19/96, effective 7/1/96; Order 53, § 230-20-050, filed 5/25/76; Order 42, § 230-20-050, filed 9/18/75; Order 23, § 230-20-050, filed 9/23/74; Order 5, § 230-20-050, filed 12/19/73, 1:25 p.m.]

WAC 230-20-052 Transportation provided to bingo players. Licensed bingo operators may provide transportation to players on one occasion per week from locations outside Washington state boundaries for the purpose of allowing players to attend and participate in Washington state bingo operations. Costs associated with transporting players will be treated as a bingo activity expense.

[Statutory Authority: RCW 9.46.070 (1), (8) - (11), (14), (16), (20), 96-07-078, § 230-20-052, filed 3/19/96, effective 7/1/96.]

WAC 230-20-055 Use of proceeds from authorized activities by charitable or nonprofit organizations. All proceeds remaining after paying the necessary expenses of operating an activity authorized by RCW 9.46.0311 shall be used by the organization conducting the activity only for

those purposes which are set out in RCW 9.46.0209 and as it may be amended and, if a commission licensee, only for those purposes disclosed to the commission in the application for a license.

[Statutory Authority: RCW 9.46.070, 96-07-076, § 230-20-055, filed 3/19/96, effective 7/1/96; Order 53, § 230-20-055, filed 5/25/76; Order 23, § 230-20-055, filed 9/23/74.]

WAC 230-20-058 Temporary moratorium for complying with net return requirements. In order to study the possible impacts of factors beyond a charitable/nonprofit licensee's control, which may affect its ability to meet net return requirements and requirements set forth in WAC 230-20-059, the commission imposes a moratorium on the mandatory license class reduction requirement of WAC 230-20-062 and the variance requirement of WAC 230-20-060, as set forth below:

(1) Any charitable/nonprofit licensee that fulfills the following requirements shall be allowed to operate at its current bingo license class if:

- (a) The licensee informs the commission in writing that:
 - (i) It meets the requirements of this section;
 - (ii) It wishes to participate in the study; and
 - (iii) It outlines the steps it is taking to meet its license class requirements;

(b) The licensee is within five percent of the annual net return requirements for its license class during its measurement period ending on or after December 31, 1998, to the end of the moratorium; and

(c) Licensees operating at license class levels that provide for an annual minimum net return below five percent as set out in WAC 230-20-059 shall be required to maintain a positive cash flow as defined in WAC 230-02-138 for the measurement period.

(2) Licensees not fulfilling the requirements outlined in subsection (1) of this section are subject to penalties and reductions in license class as set forth in WAC 230-20-062 (3) and (4), respectively.

(3) A licensee that does not fall within five percent of its net return requirements will receive a "notice of license limitation" and may petition the commission for additional relief from the requirements.

(4) If any licensee requests an upgrade pursuant to WAC 230-04-260, the percentages set forth in WAC 230-20-059 less five percentage points would apply. However, the licensee must maintain a positive cash flow as defined in WAC 230-02-138 for the measurement period.

(5) The moratorium as set forth in this section applies to licensees with measurement periods ending December 31, 1998, and thereafter to the end of the moratorium. The moratorium will conclude February 29, 2000, or on such date to be determined by the commission. The moratorium applies only to those licensees meeting the requirements set forth in subsection (1) of this section. It does not apply to any other licensee requirements.

[Statutory Authority: RCW 9.46.070, 99-03-103 (Order 370), § 230-20-058, filed 1/20/99, effective 2/20/99.]

WAC 230-20-059 Minimum net return required for bingo games—Prize and expense limitations—Maximum gross gambling receipts. Bingo shall be conducted only as a social pastime or for fund raising to support the purpose(s) of a charitable or nonprofit organization. Organizations licensed to conduct bingo games shall comply with the following procedures and limitations:

(1) Gross gambling receipts from the sale of bingo cards shall not exceed the limits by class of license for the organization's license year as set out in WAC 230-04-202 or as restricted by the commission under WAC 230-20-062;

(2) To ensure that organizations licensed to conduct bingo games meet the intent of RCW 9.46.010 and retain funds adequate to promote charitable and nonprofit programs, such organizations shall not award prizes or pay expenses to conduct bingo games that are excessive. Organizations that fail to retain at least the minimum net return for their class of license, as set forth in Table 1 of this section and as adjusted by the director, may be deemed to have paid excessive prizes or unnecessary expenses from the operation of bingo games. As a result, the commission may restrict the organization's gross gambling receipts, prizes, and/or expenses from bingo games or the organization may be subject to other enforcement actions recommended by the director.

(3) This rule will apply to organizations with measurement periods beginning on or after January 1, 1996.

Table 1

License Class Requirements**/**	Annual Gross Gambling Receipts	Maximum Prize Payout Limits*	Annual Minimum Net Return
A	Up to \$ 15,000	No Limits	No Limits***
B	\$15,000- 50,000	No Limits	No Limits****
C	50,001- 100,000	No Limits	No Limits****
D	100,001- 250,000	No Limits	No Limits****
E	250,001- 500,000	Max of 85.0%	At least 2.0%
F	500,001- 1,000,000	Max of 84.0%	At least 4.0%
G	1,000,001- 1,500,000	Max of 82.0%	At least 6.0%
H	1,500,001- 2,000,000	Max of 80.0%	At least 8.0%
I	2,000,001- 2,500,000	Max of 78.0%	At least 10.0%
J	2,500,001- 3,000,000	Max of 76.0%	At least 12.0%
K	3,000,001- 3,500,000	Max of 74.0%	At least 14.0%

License Class Requirements**/**	Annual Gross Gambling Receipts	Maximum Prize Payout Limits*	Annual Minimum Net Return
L	3,500,001- 4,000,000	Max of 72.0%	At least 15.0%
M	4,000,001- 4,500,000	Max of 72.0%	At least 16.0%
N	4,500,001- 5,000,000	Max of 72.0%	At least 16.0%
O	5,000,001- 5,500,000	Max of 72.0%	At least 16.0%
P	5,500,001- 6,000,000	Max of 72.0%	At least 16.0%
Q	Over 6,000,000	Max of 72.0%	At least 16.0%

* = Applies only to licensees restricted by WAC 230-20-062.

** = Combined net income from punch boards/pull-tabs, bingo, amusement games, raffles (when conducted in conjunction with the bingo game), and sales of food, drink, or other retail items, if applicable, plus local gambling taxes, as a percent of bingo gross gambling receipts.

*** = When a licensee is required to upgrade its license class in the last quarter of its annual license period, compliance with net return requirements will be measured at the lower license class.

**** = Combined net return must be equal to or greater than zero if wages or rent is paid to operate the activity. Local gambling taxes are not considered an expense for computing net return.

NOTE 1: The minimum net return requirements set forth in this table may be adjusted by the director.

NOTE 2: Net income requirements for charitable or nonprofit organizations that operate pull-tabs, but do not operate bingo, are detailed in WAC 230-30-052.

[Statutory Authority: RCW 9.46.070, 9.46.0209, 9.46.0237, 9.46.0205 and 9.46.075, 96-24-008 (Order 303), § 230-20-059, filed 11/21/96, effective 12/22/96.]

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;

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(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 period 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 pro-

gram 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.

[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, 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 230-20-065 Licensed bingo manager required on premises. All licensed bingo games must be operated under the supervision of a licensed bingo manager. The bingo manager must be on the premises at which the bingo game is licensed for operation, during all hours bingo games are conducted; however, a bingo manager is not required for bingo games operated:

- (1) At an authorized agricultural fair;
- (2) At a special event authorized by the commission;
- (3) Under RCW 9.46.0321; or
- (4) Under a Class A, B, or C bingo license.

[Statutory Authority: RCW 9.46.070 and 34.05.230. 01-01-016 (Order 396), § 230-20-065, filed 12/6/00, effective 1/6/01. Statutory Authority: RCW 9.46.070 (11) and (17), 81-21-032 (Order 113), § 230-20-065, filed 10/15/81.]

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.

(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 230-20-090 Limits on compensation paid to members or employees. Compensation paid to persons employed to manage, operate or otherwise work at licensed bingo games shall not be in excess of that which is reasonable under the local prevailing wage scale.

Compensation paid to any person, including but not limited to, members and regular employees, shall not be in excess of that which is reasonably based upon the local prevailing wage scale, or local salary scale for a similar position.

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Provided, That this rule shall not be construed to allow the payment of any wages in unlicensed bingo games conducted pursuant to chapter 9.46 RCW.

[Statutory Authority: RCW 9.46.070, 95-12-051, § 230-20-090, filed 6/2/95, effective 7/3/95; Order 53, § 230-20-090, filed 5/25/76; Order 5, § 230-20-090, filed 12/19/73, 1:25 p.m.]

WAC 230-20-101 Income from bingo games—Receipting required. All income from bingo games shall be accounted for by the licensee at the time the income is received. Each individual player shall be issued a receipt at the time of payment for the amount paid to participate in each game or set of games. This receipt shall be retained by the player as evidence that the number of cards being played have been properly purchased. Authorized methods of receipting bingo income are specific to certain license classes as follows:

(1) Class A, B, and C bingo licensees, organizations conducting bingo under the provisions of RCW 9.46.0321, and bingo activities conducted at a qualified agricultural fair may utilize the method set forth in WAC 230-08-015 or any method set forth in subsection (2) of this section; and

(2) Class D and above shall utilize the methods set forth in WAC 230-20-104, 230-20-105, 230-20-106, 230-20-107, or 230-20-108, as applicable.

[Statutory Authority: RCW 9.46.070 (1), (8) - (11), (14), (20), 96-13-067 (Order 293), § 230-20-101, filed 6/18/96, effective 7/19/96. Statutory Authority: RCW 9.46.070, 94-01-034, § 230-20-101, filed 12/6/93, effective 1/6/94; 90-24-005 (Order 218), § 230-20-101, filed 11/26/90, effective 12/27/90.]

WAC 230-20-102 Bingo prizes—Record of winners. All payments of prizes for bingo games shall be accounted for and documented in a manner that affords independent verification of the amount paid and the fact of distribution to winners: Provided, That Class A and B bingo licensees, organizations conducting bingo under the provisions of RCW 9.46.0321, and bingo activities conducted at a qualified agricultural fair are exempt from all portions of this rule if the requirements of WAC 230-08-015 are followed. Payment of all prizes shall be documented using the following procedures:

(1) A prize receipt shall be completed for each prize awarded at bingo games: Provided, That merchandise prizes with a cost or fair market value of fifteen dollars or less may be receipted on a single log sheet as allowed in subsection (4) of this section. The following minimum information shall be recorded for each prize awarded:

(a) The date;

(b) The game number;

(c) The complete name and address of the winner. The following provision does not apply to linked bingo prizes: Provided, That an address of the winner is not required if prizes greater than \$300 are paid by check or a combination of cash or check and:

(i) Checks are drawn on the licensee's gambling bank account;

(ii) Checks are made payable only to the winner: Provided, That checks for prizes won by players under age eigh-

teen may be made payable to the guardian or immediate family member accompanying the player;

(iii) The game number and prize receipt number are notated on the check;

(iv) Checks used are of a type that provides a duplicate copy. The copies become a part of the daily bingo records and must be maintained as such;

(v) All original checks are returned by the bank to the licensee. Original checks shall be available for inspection upon demand by the commission; and

(vi) Checks drawn on the licensee's gambling account are not cashed or otherwise redeemed by the licensee or on the licensee's premises.

(d) The dollar amount of the prize or the licensee's cost of noncash prizes;

(e) A full description of all noncash prizes;

(f) The check number, if any portion of the prize is paid by check; and

(g) The initials of the bingo worker making the payout and the cashier making the payment.

(2) Prize receipts shall be consecutively issued in an ascending order. Prize receipts bearing a number below the highest number issued during a session shall be voided and retained with the daily records.

(3) The original of each prize receipt shall be given to the winner and a duplicate copy shall be retained by the licensee as a part of its records for a period of not less than three years.

(4) Merchandise prizes with a cost or fair market value of fifteen dollars or less may be receipted on a merchandise prize receipt log. A separate merchandise prize receipt log shall be maintained for each session used, and retained as a part of the bingo daily records. At a minimum, the following information must be recorded on the log:

(a) The date and session;

(b) The game number;

(c) The complete name of the winner printed;

(d) The cost of the prize or fair market value of the prize if donated;

(e) A full description of the prize;

(f) The initials of the person distributing the prize; and

(g) The criteria for awarding the prizes.

(5) Prize receipts shall be printed by a commercial printer and meet the following standards:

(a) Manufactured of two-part, self-duplicating paper that provides for an original and a duplicate copy;

(b) Imprinted with the name of the licensee and a consecutive ascending number that does not repeat in at least 100,000 occurrences: Provided, That Class E and smaller licensees may utilize receipts that are not imprinted with the licensee's name and which the consecutive number does not repeat in at least 1,000 occurrences; and

(c) Provide space for the licensee to record the information required by subsection (1) above.

(6) All prize receipts purchased or otherwise obtained must be accounted for by the licensee. Prize receipts purchased or otherwise obtained by the licensee shall be documented on a vendor's invoice. This invoice, or a photo-copy thereof, shall be maintained on the premises and available

for inspection by commission staff. The following information shall be documented on the purchase invoice:

(a) Name of the vendor;

(b) Name of the purchasing organization;

(c) Date of purchase;

(d) Number of receipts purchased; and

(e) The beginning and ending receipt number.

(7) Licensees may establish an accrued prize fund for any game or set of games that have a progressive prize or offer a jackpot prize if special conditions are met during the game. Contributions to the accrued prize fund shall be treated as prizes awarded during the current session if the following conditions are met:

(a) Each game or set of games that offers a prize included in the accrued prize fund must be identified by the licensee prior to making contributions for such games;

(b) The licensee shall maintain a record, in an approved format, of all such games with at least the following information:

(i) The name of the game or set of games;

(ii) The sessions at which the game or set of games is played;

(iii) The game number(s) at each of the sessions the game or set of games is played;

(iv) The amount that will be added to the accrued prize fund each time the game or set of games is played;

(v) A description of how the contribution amount was determined;

(vi) The maximum accrued prize fund balance that will be reached for all games; and

(vii) The date of the most recent changes to this record;

(c) Prize receipts will be issued only when the prize is actually awarded;

(d) Once an election is made to accrue prizes for a particular game or set of games, the predetermined contribution amount must be added to the accrued prize fund each time the game or set of games is played, until the accrued prize fund reaches the maximum balance;

(e) Once the maximum is reached, no contributions will be made until the accrued prize fund balance has been decreased for a prize paid;

(f) Full details of accrued prizes outstanding at the end of each calendar quarter will be furnished on the licensee's activity report;

(g) A reconciliation of the prize fund shall be made on each "Daily summary - Cash control" record;

(h) The amount of prize accrued shall be deposited in the gambling receipts account per WAC 230-12-020;

(i) The balance of the gambling receipts banking account shall not be reduced at any time below the amount of prizes accrued and currently being offered: Provided, That accrued prizes may be transferred to a special bank account, for this purpose, if the balance is maintained at a level equal to or greater than the amount of prizes accrued and currently being offered;

(j) At no time shall the total accrued prize balance exceed two times the total amount of prizes available on the games identified in (a) of this subsection; and

(k) The accrued prize fund shall not be utilized for any purpose other than accumulating bingo prizes and the balance

shall not be reduced except under the following circumstances:

- (i) When prizes are actually awarded;
- (ii) If management elects to discontinue games for which prizes were accrued. In this event, the operator shall amend all activity reports and tax returns that are affected by the action and which have been filed.

(8) Contributions made to an approved linked bingo prize shall be deposited into a separate account from the licensee's main gambling receipts account and shall be treated as prizes awarded during the session accrued.

(9) Linked bingo main and bonus prizes awarded during a session may not be treated as a prize awarded during the current session.

[Statutory Authority: RCW 9.46.070. 98-24-090 (Order 369), § 230-20-102, filed 12/1/98, effective 1/1/99; 98-19-131 (Order 364), § 230-20-102, filed 9/23/98, effective 1/1/99. Statutory Authority: RCW 9.46.070 (1), (11), (14). 98-04-024, § 230-20-102, filed 1/28/98, effective 7/1/98. Statutory Authority: RCW 9.46.070, 9.46.0209, 9.46.0237, 9.46.0205 and 9.46.075. 96-24-008 (Order 303), § 230-20-102, filed 11/21/96, effective 12/22/96. Statutory Authority: Chapter 9.46 RCW. 91-21-053 (Order 228), § 230-20-102, filed 10/15/91, effective 11/15/91. Statutory Authority: RCW 9.46.070. 90-24-005 (Order 218), § 230-20-102, filed 11/26/90, effective 12/27/90.]

WAC 230-20-103 Bingo cards to be sold upon the premises—Exceptions. Bingo cards shall be sold upon the licensed premises during or immediately preceding the session for which the cards are intended for play: Provided, That licensees may sell an entry guarantee to persons desiring to reserve the right to participate in special bingo games. Such shall not be deemed sales of bingo cards for purposes of this title if licensees comply with the following restrictions:

(1) Tickets shall not be sold prior to sixty days in advance of the event;

(2) Tickets must be used to document the sale of an entry guarantee. The following procedures and requirements apply to tickets used to document sale of entry guarantees:

(a) All requirements of WAC 230-20-101 (2)(a), (b), (c), and (d) shall be followed; and

(b) The following information must be imprinted on the tickets:

- (i) The name of the organization sponsoring the event;
- (ii) The time, date, and location of the event;
- (iii) The total number of tickets available for the event;
- (iv) The value of the ticket; and

(v) Any conditions or contingencies related to redemption of the ticket, refunds, or cancellation of the event;

(3) The licensee shall record the name, mailing address, and phone number of each person purchasing an entry guarantee;

(4) The number of tickets sold shall not exceed the seating capacity of the premises;

(5) The value of an entry guarantee ticket shall not exceed fifty percent of the minimum "buy-in" for the event;

(6) Entry guarantee tickets shall be controlled as follows:

(a) All unaccounted for tickets shall be treated as a cash shortage at the redemption value;

(b) A record shall be maintained of all ticket disbursements;

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(c) Tickets shall only be redeemed for bingo cards upon the licensed premises during the session noted on the ticket;

(d) Tickets redeemed for bingo cards shall be immediately cancelled by use of a hand stamp that imprints "REDEEMED" on each ticket;

(e) Tickets redeemed shall be treated as gross gambling receipts for bingo at the session they are redeemed, and the daily bingo records shall be modified in the cash reconciliation section of the approved record format to document the number and dollar value of tickets redeemed; and

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

(7) An event may be cancelled any time prior to the start of the scheduled bingo session. When an event is cancelled, the following procedures must be followed:

(a) The entire purchase price of the tickets must be refunded to the customer;

(b) All refunds must be made by check payable to the ticket purchaser. The ticket number must be recorded on the check; and

(c) The check must be mailed to the customer no later than three days following cancellation of the event;

(8) Licensees must refund the entire purchase price to a customer requesting such prior to the start of the scheduled bingo session. The following procedures and restrictions apply to refunds:

(a) Refunds must be made no later than thirty days following the event. After thirty days, all unredeemed tickets shall be considered void and recorded as contributions to the organization;

(b) All refunds must be made by check payable to the ticket purchaser. The ticket number must be recorded on the check;

(c) The person receiving the refund shall sign the back of the ticket; and

(d) All refunded tickets shall be retained as a part of the records for the event.

(9) Bingo licensees may sell gift certificates to persons desiring to give them to a potential player for use at a future date. The requirements set forth in WAC 230-20-115 apply when selling gift certificates.

[Statutory Authority: RCW 9.46.070 (1), (8) - (11), (14), (16), (20). 96-07-078, § 230-20-103, filed 3/19/96, effective 7/1/96. Statutory Authority: RCW 9.46.070. 94-16-008 (Order 254), § 230-20-103, filed 7/20/94, effective 8/20/94.]

WAC 230-20-104 Cash register method of receipting bingo income. A cash register receipt may be used to document receipt of bingo income as long as the following requirements and standards are met:

(1) Cash registers used must perform the following functions or meet the following standards:

(a) Have sufficient keys to record separately each type of sale as required by WAC 230-08-080;

(b) Store and compute a total for each type of sale recorded and must be capable of providing such upon request;

(c) The memory unit of electronic cash registers must retain all transactions recorded during a session, regardless of whether or not its power source is interrupted;

(d) Record all transactions, customer receipt numbers, and control totals on the internal tape retained in the cash register. The internal tape, showing these transactions, shall be retained with the daily records of the licensee for a period of not less than three years; and

(e) The cash register must assign and imprint on the customer receipt and internal tape a minimum four-digit consecutive number for every sales transaction processed. This numbering system must be of a type that can only be reset by service personnel and does not return to zero at the conclusion of any period of use or power interruption: Provided, That a cash register not meeting the requirements of this subsection but having adequate alternative control features may be used if written commission approval is received before use; and

(f) Cash registers used to record receipts for Class D and above licensees shall also imprint a minimum three-digit consecutive number on the customer receipt and internal tape to notate each time transactions are totaled or when a set of transactions are totaled and closed: Provided, That a cash register not meeting the requirements of this subsection but having adequate alternative control features may be used if written commission approval is received before use;

(2) The customer receipt must be imprinted with the following information:

(a) The name of the licensee operating the activity;

(b) The date;

(c) The amount of money paid for the opportunity to play each type of game;

(d) The total amount of money paid; and

(e) The consecutive customer receipt number;

(3) All cash register receipts for voids, overings, returns, "no sales" and any other receipts not issued to a player must be retained with the daily bingo records;

(4) The internal cash register tapes from all uses other than bingo income receipting shall be retained by the licensee for not less than three years and be available for commission staff review upon request.

[Statutory Authority: RCW 9.46.070 (1), (8) - (11), (14), (20). 96-13-067 (Order 293), § 230-20-104, filed 6/18/96, effective 7/19/96.]

WAC 230-20-105 Ticket method of receipting bingo income. Tickets may be used for receipting of bingo income received under the following conditions:

(1) All tickets must be manufactured by a commercial printer and imprinted with the following information:

(a) A consecutive number of at least four digits: Provided, That Class F and above licensees must utilize tickets with numbers that do not repeat in at least 99,999 occurrences;

(b) The dollar value or the amount of money represented by each ticket on a roll shall represent the same specific amount of money; and

(c) Class F and above bingo licensees - The name of the licensee operating the bingo game;

(2) Use of tickets for receipting bingo income is restricted as follows:

(a) Any class of licensee - Tickets may be used to receipt for games authorized by WAC 230-20-242(1);

(b) Class E and below licensees - Tickets may be used to receipt for the following games:

(i) Games utilizing hard cards; and

(ii) Bonus games as described in WAC 230-20-246 (8)(c); and

(c) Class F and above licensees - Tickets may be used to receipt for bonus games as described in WAC 230-20-246 (8)(c) when a part of a combination receipting method set forth in WAC 230-20-108;

(3) All tickets utilized by Class F or above licensees must be purchased from a licensed distributor or manufacturer;

(4) Tickets shall be issued consecutively from each roll, starting with the lowest numbered ticket;

(5) All tickets purchased or otherwise obtained must be accounted for by the licensee. If purchased from a commercial business or licensed distributor, documentation must be on the sales invoice. This invoice, or a photo-copy, shall be maintained on the premises and available for inspection. The following information shall be documented on the sales invoice for each roll of tickets purchased:

(a) Name of distributor;

(b) Name of purchasing licensee;

(c) Date of purchase;

(d) Number of rolls of tickets purchased; and

(e) The color, dollar value, total number of tickets, and beginning ticket number for each roll;

(6) An inventory record, in a format prescribed by the commission, shall be maintained for all tickets on the premises used for income receipting of any type or for conducting bingo games authorized by WAC 230-20-242. All information regarding any tickets received by a licensee shall be entered in the inventory record before the beginning of the next bingo occasion. The following information must be recorded for each roll of tickets:

(a) The date each roll of tickets is purchased or obtained by the licensee;

(b) The purchase invoice number;

(c) The color;

(d) The dollar value of the tickets;

(e) The beginning ticket number;

(f) The total number of tickets on each roll; and

(g) The initials of the individual making the entry into the inventory record;

(7) The licensee shall record the following information for each separate roll of tickets in the daily records for each bingo session:

(a) The color;

(b) The value of each ticket;

(c) The lowest numbered ticket issued as a receipt;

(d) The highest numbered ticket issued as a receipt; and

(e) The total gross receipts from the game;

(8) Any ticket, not issued as a receipt during a session, that bears a number falling below the highest numbered ticket issued during that session, shall not be used to receipt for any type of income by the licensee and must be retained by the licensee as a part of its daily records; and

(9) No licensee shall have tickets that are the same color and imprinted with the same ticket number on its premises.

[Statutory Authority: RCW 9.46.070 (1), (8) - (11), (14), (20). 96-13-067 (Order 293), § 230-20-105, filed 6/18/96, effective 7/19/96.]

WAC 230-20-106 Electronically generated bingo card method of receipting bingo income. Electronically generated bingo cards may be used to document receipting of bingo income: Provided, That if the sales transaction and issuance of cards to the customer are not completed and documented concurrently, the combination receipting method authorized in WAC 230-20-108 must be used. If electronically generated bingo cards are used as receipts, the following conditions must be met:

(1) For purposes of this title, "electronically generated bingo cards" means bingo cards or faces whose specific numbers or symbols and the sequence in which the numbers or symbols are arranged on the cards or faces has been predetermined by a licensed manufacturer and stored in electronic storage devices or data bases and accessed by computer;

(2) All cards must be printed on the premises of the licensed bingo operator, during the occasion in which the cards are intended for use, by means of a printer interfaced with the computer, and meet the requirements of WAC 230-20-240;

(3) If printed prior to the time of sale to a player, cards or sheets of cards must be sold consecutively at each individual sales point, beginning with the lowest card, sheet, or transaction number assigned. Cards or sheets of cards, which are not issued consecutively during a session, that have an audit number that is lower than the highest audit number issued as a receipt must be retained by the licensee as a part of their daily bingo records for at least one year;

(4) Requirements of WAC 230-20-192 (3) and (12) apply to these cards;

(5) Cards used in player selection games, authorized by WAC 230-20-241, must be printed on two-part, self-duplicating paper and include an original and a duplicate copy: Provided, That a single copy card may be used if all data imprinted on the card is either imprinted on a continuous printed transaction journal retained in the card generating device or stored in the computer data base and printed out at the end of each session. The original must be given to the player and the duplicate copy will be retained by the operator as a part of the daily bingo records;

(6) All transactions recorded during a bingo session must be summarized and printed in the form of a permanent record at the end of each session. This record shall provide the following information:

- (a) The beginning and ending card number;
- (b) The beginning and ending transaction number;
- (c) The total number of cards sold;
- (d) The total number of sales transactions;
- (e) The total dollar amount of sales for each type of sale;
- (f) The total dollar amount of sales; and
- (g) The number and dollar amount of all voids, over-rings, or sale returns;

(7) All electronically generated cards or sheets of cards must be imprinted with an audit system that includes at least the following information:

(a) Each card must be assigned a card number, as defined by WAC 230-20-192 (2)(b);

(b) Each sheet of cards must be assigned a consecutive transaction number that does not repeat in less than 999,999 transactions;

(c) The name of the licensee operating the activity;

(d) The time and date of the transaction;

(e) The game number;

(f) The amount of money paid for the opportunity to play each game: Provided, That if the combination receipting method authorized by WAC 230-20-108 is used to receipt for income, the customer receipt number may be substituted for this requirement;

(g) The total amount of money paid; and

(h) The numbers and symbols and the card number assigned by the manufacturer or, if printed for use in "player selection games" authorized by WAC 230-20-241, the bingo numbers selected by the player;

(8) An electronic device used to store bingo cards and interface with a printer for providing such to players must contain the following controls:

(a) A record of all transactions occurring during a session must be retained in memory until the transactions have been totaled, printed, and cleared by the operator, regardless of whether or not the unit's primary power source is interrupted;

(b) The ability to compute a total of all transactions occurring during the current session and to print out such upon request;

(c) The circuitry and programs that maintain and control the time and date of sale and transaction number, must be secured in a manner that prohibits change or resetting except by the manufacturer or qualified service personnel. A detailed record, supported by service documents shall be retained for each service call involving a change of the time, date, or transaction number; and

(d) The electronically stored bingo cards must be secured in a manner that prevents an operator or player from modifying them. Cards issued to a player shall not be exchanged, transferred, refunded, or the price modified in any manner after completion of the sales transaction. Cards must be stored on erasable programmable read only memory (EPROM), compact disc read only memory (CDROM), write once read many disc drives (WORM), or other systems approved by the commission.

[Statutory Authority: RCW 9.46.070 (1), (8) - (11), (14), (20). 96-13-067 (Order 293), § 230-20-106, filed 6/18/96, effective 7/19/96.]

WAC 230-20-107 Disposable (throwaway) bingo card method for receipting bingo income. The disposable bingo card method must be used to receipt for bingo income when disposable bingo cards are used. When utilizing the disposable bingo card method, the following requirements must be met:

(1) Cards must meet all requirements of WAC 230-20-192;

(2) The inventory control record required by WAC 230-105 must be completed;

(3) Cards or sheets of cards intended for playing a single game, including on-the-way games - the following shall be recorded for each set of cards:

- (a) Serial number;
- (b) The color and/or border pattern;
- (c) The value of each card or sheet;
- (d) The lowest consecutive card or sheet number issued as a receipt;
- (e) The last card or sheet number issued as a receipt;
- (f) Missing cards or sheets per the manufacturer's packing record;
- (g) The number of cards returned and not issued;
- (h) The number of cards issued as receipts; and
- (i) The total gross gambling receipts from all cards issued as receipts;

(4) Packets sold and intended for playing a defined set of games within a session - the following shall be recorded for each set or collation of packs or packets of cards:

- (a) The serial number of the top sheet or page of the packet;
- (b) The color and/or border pattern of the top sheet or page of the packet;
- (c) The lowest consecutive card, sheet, or packet number for the first packet issued as a receipt;
- (d) The card, sheet, or packet number of the last or highest packet issued as a receipt;
- (e) The number of packets issued as receipts;
- (f) The number of packets returned and not issued;
- (g) Missing packets per the manufacturer's packing record;
- (h) The value of each packet; and
- (i) The total gross receipts from all packets issued as receipts;

(5) Each disposable card, or sheet or packet of cards, from the same set or collation shall be consecutively issued at each individual sales point. Each card, or sheet or packet of cards, which were not issued consecutively during a session, and the audit number is lower than the highest audit number issued as a receipt, shall be retained by the licensee for a period of not less than one year: Provided, That cards, or sheets or packets of cards, required by this subsection to be retained may be sold at the next bingo session that the specific set of cards is used: Provided further, That unsold cards issued to an operator for the purpose of being sold for a linked bingo prize may be returned to the linked bingo prize provider and stored for a period of six months or until they have been examined and approved by commission staff for destruction, whichever is less: Provided further, That unopened blocks of two hundred fifty cards may be reissued; and

(6) Disposable cards issued for each type of sale shall be recorded separately as required by WAC 230-08-080. When more than one card or sheet number appears on a sheet of cards, the audit system designated by the manufacturer shall be used to determine the beginning and ending number sold. Each time the numbering of the sheets breaks in the set, a separate entry shall be made in the records.

[Statutory Authority: RCW 9.46.070. 98-24-090 (Order 369), § 230-20-107, filed 12/1/98, effective 1/1/99. Statutory Authority: RCW 9.46.070 (1),

(8) - (11), (14), (20). 96-13-067 (Order 293), § 230-20-107, filed 6/18/96, effective 7/19/96.]

WAC 230-20-108 Combination receipting method of receipting bingo income—Procedures. A system utilizing a combination of cash register receipting and another approved method of receipting may be used to receipt for bingo income. The following conditions and procedures apply to the use of the combination receipting method:

(1) This method must be used by Class F and above licensees receipting for bingo income from the following types of sales:

- (a) Disposable bingo card packets;
- (b) Disposable bingo card sheets from a set of bingo cards divided into subgroups;
- (c) Electronically generated bingo cards, if sales transactions and issuance of cards are not completed and documented concurrently; and
- (d) Bonus games as described in WAC 230-20-246 (8)(c);

(2) All requirements for cash register receipting set forth in WAC 230-20-104 shall be followed;

(3) If receipting for the sale of disposable bingo cards:

(a) All requirements of WAC 230-20-107 must be followed;

(b) Each packet of cards from a collation of bingo card packets or each sheet of cards from a set of bingo card sheets shall be consecutively issued at each individual sales point. Each packet, sheet of cards, or card which was not issued consecutively during a session, and whose audit number is lower than the highest audit number issued, shall be retained by the licensee for a period of not less than one year: Provided, That if collations or sets are divided into subgroups as authorized by WAC 230-08-105(5), then packets or sheet of cards within each subgroup must be issued consecutively from each subgroup: Provided further, That packets or sheets of cards required to be retained by this subsection may be sold during the next bingo session that the specific collation or series is used; and

(c) The information required by WAC 230-08-105 must be recorded in the inventory control record; and

(d) The totals from the transaction record shall be carried forward to the "daily bingo summary" and reconciled to sales per the cash register record;

(4) If receipting for electronically generated bingo cards:

(a) All requirements of electrically generated bingo card receipting as set forth in WAC 230-20-106 must be followed; and

(b) The totals from the transaction record shall be carried forward to the "daily bingo summary" and reconciled to sales per the cash register record; and

(5) If receipting for bonus games as described in WAC 230-20-246 (8)(c):

(a) All requirements of ticket receipting as set forth in WAC 230-20-105 must be followed;

(b) Tickets must be issued consecutively from each sales point. Tickets at each sales point with audit numbers lower than the highest ticket issued at that sales point shall be retained as a part of the daily bingo records for a period of not less than one year; and

(c) The totals from the transaction record shall be carried forward to the "daily bingo summary" and reconciled to sales per the cash register record.

[Statutory Authority: RCW 9.46.070 (1), (8) - (11), (14), (20). 96-13-067 (Order 293), § 230-20-108, filed 6/18/96, effective 7/19/96.]

WAC 230-20-111 Promotional activities—Performances as gifts—Advance approval required. In order to preserve the integrity and image of the charitable and non-profit bingo industry, promotional activities including performances to entertain bingo patrons shall be deemed a promotional gift and subject to the monetary restrictions of WAC 230-20-242. For the purpose of this rule, a performance includes any show, comedy act, skit, play, dance, or similar activities, whether live or recorded, and whether or not consideration is paid or not paid to the performers of such activities.

(1) An organization that plans to offer any performance before, during, or after any bingo session shall present a written detailed outline of such and shall secure approval by the director of the commission prior to conducting the performance. The organization shall, in writing, request a review by the director at least sixty days in advance of the scheduled date of the performance.

(2) The director shall review the subject matter of the proposed performance and shall not approve any such performance which in the director's opinion is contrary to the public interest of preserving the integrity of charitable bingo.

(3) If the director denies a request to conduct a performance, the organization may request a review by the commission within thirty days of the decision. The decision of the commission shall be final.

[Statutory Authority: RCW 9.46.070, 94-07-084 (Order 250), § 230-20-111, filed 3/16/94, effective 4/16/94; 93-15-041 (Order 242), § 230-20-111, filed 7/14/93, effective 8/14/93.]

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;

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(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 under the following conditions:

(a) No prize shall include more than fifty dollars U.S. currency in gift certificates; and

(b) Redemption of gift certificates shall not be limited to a specific gambling activity: Provided, That certificates may be specific for bingo;

(6) Certificates shall only be redeemed for bingo cards, food, drink, merchandise, punch boards 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) Sold certificates not redeemed the expiration date shall be properly accounted for as a donation;

(d) Certificates issued as prizes and not redeemed by the expiration date shall be accounted for by decreasing prizes paid expense by the value of the expired certificate and eliminating the corresponding liability. This adjusting entry shall be clearly documented in the licensee's monthly records; and

(e) 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, 99-11-078 (Order 371), § 230-20-115, filed 5/18/99, effective 7/1/99. Statutory Authority: RCW 9.46.070 (1), (11), (14), 98-04-024, § 230-20-115, filed 1/28/98, effective 7/1/98. 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 230-20-125 Discounts and promotional gifts—Authorized—Limits. To increase profits from bingo games and enhance the entertainment aspect of such, licensees may conduct limited promotional activities. The following restrictions and procedures apply to promotional activities conducted as a part of bingo games:

(1) Licensees may promote bingo games by providing players discounts or gifts of nominal value on up to twelve occasions annually under the following conditions:

(a) Licensees may offer players discounts or reductions in the price to play bingo for purposes of evaluating the effectiveness of advertising of bingo games if:

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(i) Discounts are only awarded to players that present a coupon that was issued by the licensee for a specific date and session;

(ii) Coupons shall not be available on the licensed premises: Provided, That this section does not prevent the sale of newspapers in which such coupons are printed on the licensed premises;

(iii) Coupons are printed in newspapers or similar media that are normally sold or delivered to an individual's residence;

(iv) The discount does not exceed fifty percent of the minimum cost to play or five dollars, whichever is less;

(v) Any conditions or restrictions of the discount are disclosed in all advertisements offering the discount; and

(vi) Records required by subsection (2) of this section are maintained.

(b) Licensees may award promotional gifts to players if:

(i) Only merchandise gifts with a cost to the licensee of no more than five dollars per gift are awarded;

(ii) The gifts are treated as prizes; and

(iii) A record is completed for each session setting out the criterion for selecting the recipients, the number of gifts, and total cost of the gifts.

(2) Licensees shall use the combination receipting method set forth in WAC 230-20-108 to record discounts awarded by this section. All discounts shall be recorded on the cash register receipt during the sales transaction;

(3) Records must be maintained as a part of the daily bingo records that provide full details of each discount or gift awarded. All discounts must be reconciled to sales and cash on the "Bingo daily record-Cash control" record. Such records must include at least the following details:

(a) Time and date of the activity;

(b) Full description of the activity, including any conditions or restrictions;

(c) A copy of all advertisements for such promotions; and

(d) All coupons or "frequent player" cards redeemed which shall include the name, address, and birth date of customers redeeming such.

(4) Licensees may provide special recognition gifts to players during the calendar week of their birthday. These gifts are excluded from the twelve occasion limitation if the following requirements are met:

(a) Such gifts shall not exceed a value of five dollars;

(b) The recipient's name and date of birth are recorded; and

(c) These gifts are treated as prizes and applicable records are maintained.

(5) Licensees may promote bingo games by offering incentives to players which are based on the customer participating in games for a specific number of sessions, playing during a session when promotional gifts are awarded to players, as authorized by subsection (1)(b) of this section, or for spending a specific dollar amount to play bingo over a period of time if:

(a) These "frequent player" incentives are redeemed only for promotional marketing gifts; or merchandise with a cost of twenty dollars or less;

(b) These incentives are accumulated in the form of "credits" or "points" that equate to a specified number of dollars spent by the player;

(c) The redemption value of points or credits awarded under this section does not exceed:

(i) Two percent of the total dollar amount spent by a player and recorded through the cash register method of recording bingo sales; or

(ii) Five dollars for each occasion that points or credits are awarded as promotional gifts under authority of subsection (1)(b) of this section;

(d) Such credits or points shall have no cash or partial redemption value;

(e) Players shall be informed of any expiration date of points or credits earned;

(f) The licensee shall develop a control system to account for points or credits issued, redeemed, or expired. Credits or points shall be controlled by issuing points at the time of cash register receipting method sale and recorded either with a computer-based tracking system or approved manual system. The following conditions apply to accumulation records:

(i) If cards are used, cards shall meet all of the requirements set forth for tickets used for receipting for bingo income in WAC 230-20-104 and the recording of credits on such cards shall be accomplished by means under control of the licensee, such as stamps, punches, employee initials, etc.; and

(ii) Computer-based records used to record points shall be approved by the commission staff.

[Statutory Authority: RCW 9.46.070, 99-11-078 (Order 371), § 230-20-125, filed 5/18/99, effective 7/1/99; 98-19-131 (Order 364), § 230-20-125, filed 9/23/98, effective 1/1/99. Statutory Authority: RCW 9.46.070, 9.46.0209, 9.46.0237, 9.46.0205 and 9.46.075, 96-24-008 (Order 303), § 230-20-125, filed 11/21/96, effective 12/22/96.]

WAC 230-20-130 Operation of bingo upon retail business—Conditions. (1) Bingo games shall not be operated upon a premises part of a retail sales or service business catering to the public except:

(a) When the room or other portion of the premises in which the bingo games are being conducted is separate and apart from the portion being used for the retail sales or service business. The area of the premises being used for bingo shall be separated from the area of the premises being used for the retail business, at minimum, by a transparent or solid barrier not less than seven feet high with no more than two openings between the two areas. Each such opening shall be no more than six feet in width; or

(b) When the business is closed to the public at all times during which the bingo games are conducted on the premises; or

(c) When the bingo games are being conducted upon the premises of a bona fide charitable or bona fide nonprofit organization which is not also being used for a profit seeking business.

(2) In all cases the bingo operator must have, and exercise, complete control over that portion of the premises being used for bingo, at all times said games are being played: Provided, however, That at all times when the sale, service or

consumption of intoxicating liquor is permitted in said portion of the premises, the responsibility for compliance with liquor laws and regulations shall also be that of the liquor licensee or permittee.

(3) The operator of a retail sales or service business shall limit his operation of pull-tabs to that portion of the premises actually being used for such retail business and open to the public. He shall not operate pull-tabs in the area of the premises being used by a bona fide charitable or bona fide nonprofit organization to conduct bingo. The retail operator shall not be deemed to have operated pull-tabs in the bingo area solely because the pull-tab players may take them into that area, if the tabs are selected and purchased by the players, and prizes determined and paid, in the area used for the retail business.

(4) The owner, manager or any employee of the retail sales or service establishment may not be an officer of the bingo operation or participate in the operation of the bingo games on that premises.

[Statutory Authority: RCW 9.46.070, 95-09-064 (Order 269), § 230-20-130, filed 4/18/95, effective 5/19/95. Statutory Authority: RCW 9.46.070 (1) and (10), 80-06-038 (Order 102), § 230-20-130, filed 5/12/80; Order 68, § 230-20-130, filed 4/25/77; Order 53, § 230-20-130, filed 5/25/76; Order 27, § 230-20-130, filed 11/15/74.]

WAC 230-20-170 Bingo operation time and use of premises limitations. Bona fide charitable or nonprofit organizations, except when operating at an authorized agricultural fair or under RCW 9.46.0321, shall abide by the following restrictions when operating bingo games:

(1) Use of premises limitations: Charitable or nonprofit organizations shall not:

(a) Conduct or allow its premises to be used for conducting bingo on more than three occasions per week; or

(b) Conduct bingo in any location used by any other organization to conduct bingo which results in bingo games being conducted on more than three occasions per week at the same location.

(2) Time limitations:

(a) A bingo occasion may include as many bingo sessions a licensee desires, but shall not last more than eighteen consecutive hours.

(b) A bingo occasion shall not begin or end between the hours of 2:00 a.m. and 6:00 a.m.: Provided, That the director may allow an occasion to end up to 4:00 a.m. as long as the following conditions remain in effect:

(i) Local law enforcement agency with jurisdiction concurs; and

(ii) If applicable, other state agencies involved in regulating the charitable or nonprofit organization's activities, including, but not limited to, the liquor control board, do not object.

[Statutory Authority: RCW 9.46.070 (1), (8), (9), (11), (13), (14), (20), 95-23-091, § 230-20-170, filed 11/20/95, effective 1/1/96. Statutory Authority: RCW 9.46.070, 95-12-051, § 230-20-170, filed 6/2/95, effective 7/3/95. Statutory Authority: RCW 9.46.070 (1), (7), (11), (14) and (17), 83-21-073 (Order 137), § 230-20-170, filed 10/18/83. Statutory Authority: RCW 9.46.070 (8), (11) and (14), 83-13-050 (Order 134), § 230-20-170, filed 6/14/83; Order 53, § 230-20-170, filed 5/25/76; Order 15, § 230-20-170, filed 4/17/74; Order 5, § 230-20-170, filed 12/19/73, 1:25 p.m.]

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WAC 230-20-190 Bingo card prices. No person shall be allowed to play in a bingo game conducted by Class D or higher licensee for free or without first paying the licensee's normal and usual charge, except as authorized by WAC 230-20-125. Class A, B, or C licensees allowing free play shall develop house rules governing such. These rules shall be in writing and available for review by commission staff, local law enforcement, or taxing authorities upon request.

[Statutory Authority: RCW 9.46.070, 9.46.0209, 9.46.0237, 9.46.0205 and 9.46.075, 96-24-008 (Order 303), § 230-20-190, filed 11/21/96, effective 12/22/96. Statutory Authority: RCW 9.46.070, 95-12-051, § 230-20-190, filed 6/2/95, effective 7/3/95; Order 53, § 230-20-190, filed 5/25/76; Order 12, § 230-20-190, filed 2/14/74; Order 5, § 230-20-190, filed 12/19/73, 1:25 p.m.]

WAC 230-20-192 Standards for disposable bingo cards—Requirements and 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.

Requirements for manufacturers of disposable bingo cards.

(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.

Definitions.

(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.

Duplicate disposable bingo cards.

(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.

Collating disposable bingo cards.

(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.

Audit system to identify each set of disposable bingo cards.

(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.

Sale of disposable bingo cards.

(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 9.46.0356;

(iii) To provide cards to individuals for recreational activities; and

(iv) To provide cards to businesses for use in promotional contests of chance as authorized by RCW 9.46.0356.

(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.

"Hidden face" disposable bingo 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.

"Player selection" disposable bingo cards.

(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.

Packing slip requirements.

(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";

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(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.

Labeling requirements.

(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.

Quality control.

(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.

Winning card verification system.

(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 and 34.05.230. 01-01-016 (Order 396), § 230-20-192, filed 12/6/00, effective 1/6/01. Statutory Authority: RCW 9.46.070. 00-01-003 (Order 378), § 230-20-192, filed 12/1/99, effective 1/1/00; 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 230-20-220 Bingo operators shall not play in bingo games. Except as authorized by this section, no bingo operator shall allow any person who participates in the operation or management of a bingo game to play in any bingo games conducted by that licensee.

This prohibition shall not apply to the following:

(1) Persons that work without compensation: Provided, That volunteers shall not be allowed to play at bingo sessions during which they participate in the management or operation; or

(2) Class A, B, or C bingo licensees.

[Statutory Authority: RCW 9.46.070. 00-07-140 (Order 381), § 230-20-220, filed 3/22/00, effective 7/1/00; 95-12-051, § 230-20-220, filed 6/2/95, effective 7/3/95; 94-07-084 (Order 250), § 230-20-220, filed 3/16/94, effective 4/16/94. Statutory Authority: RCW 9.46.070 (11) and (14). 82-01-065 and 82-03-033 (Order 115 and 116), § 230-20-220, filed 12/18/81 and 1/18/82; Order 65, § 230-20-220, filed 1/7/77; Order 53, § 230-20-220, filed 5/25/76; Order 5, § 230-20-220, filed 12/19/73, 1:25 p.m.]

WAC 230-20-230 Free games for winners—Restrictions. Bingo games conducted under the authority of a Class A, B or C license or games conducted without a license under RCW 9.46.0321 may award free games without restrictions on the number of occasions. Class D and above licensees may only award free bingo games as a prize when the restrictions and requirements set forth in WAC 230-20-115 are met.

[Statutory Authority: RCW 9.46.070. 99-11-078 (Order 371), § 230-20-230, filed 5/18/99, effective 7/1/99. Statutory Authority: RCW 9.46.070 (1), (8) - (11), (14), (16), (20). 96-07-078, § 230-20-230, filed 3/19/96, effective 7/1/96. Statutory Authority: RCW 9.46.070. 94-07-084 (Order 250), § 230-20-230, filed 3/16/94, effective 4/16/94; Order 53, § 230-20-230, filed 5/25/76; Order 12, § 230-20-230, filed 2/14/74; Order 5, § 230-20-230, filed 12/19/73, 1:25 p.m.]

WAC 230-20-240 Bingo equipment to be used. Bingo games must be conducted using the following items:

Mixing devices for bingo balls.

(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.

Bingo balls.

(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.

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Flashboards.

(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.

Bingo cards.

(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.

Bingo cards for Class F and above licensees.

(5) 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.

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Duplicate bingo cards.

(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.

Pay-out and documentation of duplicate bingo cards.

(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 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 230-20-062;

(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 and 34.05.230. 01-01-016 (Order 396), § 230-20-240, filed 12/6/00, effective 1/6/01. 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 230-20-241 Player selection games. A licensee may offer bingo games in which players are allowed to select their own numbers if the following conditions are met:

(1) The cards used to conduct the games must have controls that provide an audit trail adequate to determine all winning combinations are valid. The following types of cards are authorized:

(a) Two-part disposable cards may be used if the following conditions are met:

(i) The cards are printed on two-part, self-duplicating paper that provides for an original and a duplicate copy;

(ii) The disposable card method of receipting for income per WAC 230-20-107 is used;

(iii) Players shall mark their numbers on each card in a distinct, clear, and legible manner prior to separation of the duplicate and original. No alterations are allowed after separation of the duplicate and original cards. Operators shall establish and set forth in plain view, house rules setting out any conditions by which an entry may be added, deleted or changed prior to separation. Any such changes must be verified by a worker authorized by the bingo manager;

(iv) All original cards shall be placed in containers that shall be physically locked and controlled to assure no cards are placed in the container after the first bingo ball is called; and

(v) The player retains and plays the duplicate copy; and

(b) Electronically generated cards may be used if the following conditions are met:

(i) The electronically generated bingo card method of receipting for income per WAC 230-20-106 is used;

(ii) Players do not mark or deface the card in any manner that prevents reading of the bingo numbers or any of the data imprinted on the card as set out in WAC 230-20-106;

(2) The following restrictions apply to prizes awarded for player selection games:

(a) "Instant winner" prizes may not exceed twenty-five percent of the total prize pool or two hundred fifty dollars, whichever is less; and

(b) In addition to the requirements of WAC 230-20-102 and 230-20-246, a winning card of two hundred fifty dollars or more shall be verified by the winner's signature on the back of the card: Provided, That if a two-part card, allowed by subsection (1)(a) of this section, is used, the verifying neutral player's name and complete address must be recorded on the back of the original card;

(3) All winning cards and the duplicate copies, if required, shall be retained by the operator as a part of its daily bingo records; and

(4) Incomplete cards, cards with alterations that were not verified per subsection (1)(a)(iii) of this section, and cards for which all required imprinted data is not displayed and legible shall not be paid as winners. Incomplete, incorrect, altered, and unreadable cards are the players' responsibility and refunds shall not be allowed: Provided, That a one-for-one exchange may be made by the game management in cases where errors are discovered prior to the start of the game or before the duplicate and original sheets have been separated. In this case the operator will mark "VOID" on the original, initial next to the players initials, and maintain the replaced card with the daily bingo records.

[Statutory Authority: RCW 9.46.070 (1), (8) - (11), (14), (20). 96-13-067 (Order 293), § 230-20-241, filed 6/18/96, effective 7/19/96. Statutory Authority: RCW 9.46.070. 94-01-033, § 230-20-241, filed 12/6/93, effective 1/6/94; 90-24-005 (Order 218), § 230-20-241, filed 11/26/90, effective 12/27/90. Statutory Authority: RCW 9.46.070 (11) and (14). 88-17-050 (Order 182), § 230-20-241, filed 8/16/88.]

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

(1) 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: Provided, That upon approval by commission staff, a licensee may use bingo cards in place of tickets if the requirements of WAC 230-20-107 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 (3) 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.

(2) 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.

(3) "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 or other approved criteria. 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.

(4) 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.

(5) Birthday bonus prizes. Licensees may offer birthday bonus prizes to players who win a bingo game 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. 99-11-078 (Order 371), § 230-20-242, filed 5/18/99, effective 7/1/99. 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 230-20-243 Hidden face bingo games. Licensees may play bingo games that allow cards to be sold after numbers or symbols have been selected and called if the numbers or symbols imprinted on the cards can not be determined by any means prior to being opened by the player. The following restrictions apply to games involving hidden face bingo cards:

Card requirements.

(1) Cards meeting the requirements of WAC 230-20-192 must be used;

Sales receipt and inventory control record.

(2) The disposable bingo card receipting method (WAC 230-20-101(4)) must be used to receipt for sales of these

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cards and all inventory requirements set out in WAC 230-08-105 apply;

Duplicate cards shall not be sold.

(3) To ensure that duplicate cards are not sold during a game, strict compliance with consecutive issuance of cards must be followed and each complete set and/or subset of cards must be sold in its entirety prior to issuance of any cards from a different set and/or subset: Provided, That cards from more than one set may be sold during a game if care is taken to ensure that duplicate cards are not sold;

Play shall be completed during each session.

(4) All play must be completed during a single session and only involve cards that are sold during that session;

"On-the-way" games.

(5) A new set of numbers or symbols shall be selected and called for each game or set of games if "on-the-way" games are played. Players that have paid to participate in the game must be present when the numbers or symbols are selected;

Separate display board for numbers called.

(6) The licensee must have a separate display board, visible to the players, for displaying numbers called. The numbers must be constantly displayed until the game is completed: Provided, That for purposes of this section, alternative displays may be utilized in lieu of a flashboard, as required by WAC 230-20-240, if the numbers are displayed on the electronic flashboard during all number selection periods;

Posting requirements.

(7) The requirements of what constitutes a completed game must be documented and clearly posted for player review; and

Instant winner games.

(8) Instant winner games may be operated only as authorized in WAC 230-20-241(2).

[Statutory Authority: RCW 9.46.070. 00-07-140 (Order 381), § 230-20-243, filed 3/22/00, effective 7/1/00; 94-01-033, § 230-20-243, filed 12/6/93, effective 1/6/94.]

**WAC 230-20-244 Electronic bingo card daubers—
Definition—Operating restrictions—Standards.**

The commission deems that any device, apparatus, or scheme that allows a player in any gambling activity a material advantage over other players is against public policy and restriction of such is in the public's interest. Electronic bingo card marking devices or daubers are deemed to provide a player a material advantage unless operated in accordance with subsection (2) of this section. For purposes of this title, the following definitions, restrictions, and standards apply to such devices:

Definition.

(1) Electronic bingo card daubers are defined as electronic appliances used by players to identify bingo cards that

contain numbers or symbols input by a player. These devices electronically store preprinted bingo cards purchased by a player, provide a means for players to input numbers or symbols called by the operator, compare the numbers or symbols input by the player to bingo cards previously stored in an electronic data base, and identify to the player those stored bingo cards that contain the numbers or symbols input by the player: Provided, That player-owned devices, which are not directly interfaced with or connected to equipment used to conduct bingo games or the electronic data base in which electronically generated bingo cards are stored in any manner, are not "electronic bingo card daubers" for purposes of this title;

Operating restrictions.

(2) Electronic bingo card daubers will not be deemed to provide players a material advantage and may be used by players in bingo games when operated in the following manner:

Player responsibilities.

(a) The player must perform at least the following functions:

(i) Input each number or symbol called by the operator into the memory of the dauber unit by use of a separate input function for each number symbol. Automatic or global marking of numbers or symbols is prohibited;

(ii) Notify the operator when a winning pattern or "bingo" occurs by means that do not utilize the dauber unit or the associated system; and

(iii) Identify the winning card and display the card to the operator;

Maximum number of cards to be played during each game.

(b) Each player using an electronic dauber is limited to playing a maximum of sixty-six cards with the assistance of an electronic dauber during any game;

Reserving electronic bingo card daubers.

(c) Operators shall not reserve electronic daubers for any player. An operator must devise and disclose to players a scheme for assignment of dauber units to players during each session. Such schemes shall allow all players an equal opportunity to utilize the available dauber units. If a drawing is used to assign dauber units to players, the operator shall ensure that each player participating in the drawing has an equal chance to win: Provided, That operators that offer electronic dauber units shall reserve at least one device for players with disabilities that would restrict their ability to mark cards and such disabilities are consistent with definitions set forth in the Americans with Disabilities Act (ADA). If there are no requests for use of this unit prior to fifteen minutes before the scheduled start of the session, it may be made available for use by any players;

Fees.

(d) If operators charge players a fee for use of the electronic daubers, such fees must be a flat fee and shall not be

based on the number or dollar value of cards purchased. Fees charged shall be treated as rental income and may be used to reduce any expenses of operating these devices for compliance with net income requirements. Rental fees shall be considered bingo receipts for purposes of WAC 230-12-020: Provided, That players with disabilities that would restrict their ability to mark cards and such disabilities are consistent with the ADA shall not be required to pay a rental fee or to comply with minimum purchase requirements imposed on all players utilizing electronic daubers. Such players are required to comply with any minimum purchase requirement imposed on all players by an operator;

Card requirements.

(e) Each player utilizing an electronic dauber must have in their possession cards that meet all requirements of WAC 230-20-240 and 230-20-101(3). Electronic images of cards or faces stored in such devices are for player convenience only and are not bingo cards for purposes of this title;

Leasing by an operator.

(f) If the electronic daubers are leased to an operator, the lease cannot be based in whole or part on the amount of bingo card sales or rental income derived from such devices; and

Discounts and marketing schemes.

(g) The use of electronic daubers is prohibited when a licensee utilizes any marketing scheme for cards that results in a decrease in the per unit price of each card as the number of cards purchased increases: Provided, That a single discount level is authorized for each type of card sold if:

(i) The licensee has a minimum purchase requirement;

(ii) The discount applies to all additional cards purchased; and

(iii) "All you can play" schemes are prohibited;

Standards.

(3) Electronic bingo card daubers must meet the following standards:

(a) Be manufactured by licensed manufacturers;

(b) Be sold, leased, and serviced by licensed distributors or manufacturers: Provided, That operators may perform routine maintenance on devices under their control;

(c) Not be capable of accessing the electronic computer system in any manner that would allow modification of the program which operates and controls the dauber units or the cards stored in the electronic data base; and

(d) Be capable of complying with applicable requirements of WAC 230-20-101(3).

[Statutory Authority: RCW 9.46.070. 00-07-140 (Order 381), § 230-20-244, filed 3/22/00, effective 7/1/00; 94-17-090 (Order 255), § 230-20-244, filed 8/16/94, effective 9/16/94.]

WAC 230-20-246 Manner of conducting bingo. In addition to all other requirements set forth in this Title, the following limitations and procedures shall be utilized for conducting bingo games:

(1) For purposes of this Title, a bingo game shall be deemed conducted at the premises at which cards are sold and winners are determined;

(2) All sales of bingo cards shall take place upon the licensed premises during or immediately preceding the session for which the card is being sold;

(3) Bingo cards shall be sold and paid for prior to selection of the first symbol or number for a specified game or specified number of games: Provided, That cards may be sold after the start of a game, or number of games, if the late sale does not allow any player an advantage over any other player. Hard cards purchased or exchanged after the first symbol or number is selected may only be used during subsequent games. Any sales method that allows a player to select a specific disposable or throwaway card shall be deemed to allow the player an advantage;

(4) No operator shall reserve, or allow to be reserved, any bingo card for use by players: Provided, That braille cards or other cards for use by visually impaired or disabled players may be reserved. Visually impaired players may use their personal braille cards when a licensee does not provide such cards. The licensee shall have the right to inspect, and to reject, any personal braille card. A visually impaired or disabled person may use a braille card or reserved hard card in place of a purchased throwaway;

(5) All cards sold to participate for a specific prize or set of prizes shall be sold for the same price and be distinct and readily distinguished from all other cards in play: Provided, That similar cards used to participate for the same prize or set of prizes may be sold at a discount which is based solely on volume if each separate discount price is recorded using a separate sales identification code and records provide for an audit trail;

(6) All symbols or numbers shall be selected on the premises and in the presence of players paying to participate in the game. Immediately following the drawing of each ball in a bingo game, the caller shall display the symbol or number on the ball to the participants: Provided, That this subsection does not apply to games being played for a linked bingo prize, as long as the drawing of the balls can be viewed by all participants;

(7) The symbol or number on the ball shall be called out prior to the drawing of any other ball;

(8) After the symbol or number is called, the corresponding symbol or number on the licensee's flashboard, if any, shall be lit for participant viewing. In a game where a symbol or number on the ball is not applicable to the game being played, it is not necessary to call that symbol or number to the participants before placing it for viewing on the flashboard;

(9) A game ends when a specific pattern has been achieved by a player or a specific number of symbols or numbers has been called. Each game shall be played using a separate selection process: Provided, That the same or a continuing selection process may be used to play the following games:

(a) Interim or "on-the-way" games, including "instant winner" games in which winners are determined by matching a predetermined number of symbols or numbers to balls called, or by matching a predetermined pattern within an established number of calls;

(b) Games for which cards are sold for different prices and players win a different prize depending on the price they pay to play; and

(c) Bonus games which are games played concurrently with other bingo games and the winner is determined by a player calling a valid bingo which includes a predetermined or preselected number or symbol;

(10) No bingo game shall be conducted to include a prize determined other than by the matching of symbols or numbers on a bingo card with symbols or numbers called by the licensee, except as authorized by WAC 230-20-242. All persons who have paid to participate in the game are competing for a specific prize or a portion of a prize pool. If a prize pool has been designated and more than one player achieves a winning pattern at the same time, all such players shall be considered the winner and a portion of the prize pool shall be equally divided among all players achieving the same winning pattern;

(11) The minimum amount of an individual prize, prize pool, or portion of a prize pool available for each bingo game shall be established and disclosed to bingo game players prior to their purchase of a chance to participate in a bingo game. The minimum prize may be increased by the gambling manager before the start of a game or through the following schemes during the game:

(a) Schemes using standard bingo equipment and cards such as:

(i) Number of symbols or numbers called before a player achieving a winning combination;

(ii) The specific symbol or number called;

(iii) The specific letter called;

(iv) Position of winning combinations on the card;

(v) Position of the card on the sheet of cards;

(vi) Odd or even symbol or numbers; and

(vii) The number of symbols or numbers matched within a specific number of calls;

(b) Schemes preprinted on disposable cards that rely on a number or symbol called during a game; or

(c) Second element of chance schemes authorized by WAC 230-20-242(4).

(12) Immediately upon a bingo player declaring a winning combination of symbols or numbers, the winning card shall be verified by a game employee and at least one neutral player: Provided, That games played as "instant winners" and awarding fifty dollars or less do not need to be verified by a neutral player if an audit trail is maintained including a method which identifies the winning combination of numbers, symbols, or patterns and the numbers, symbols, or patterns called;

(13) Upon a bingo player declaring a winning bingo, the next ball out of the machine shall be removed from the machine prior to shutting the machine off and shall be the next ball to be called in the event the declared winning bingo is not valid;

(14) After a winning bingo is validated, the prize shall be awarded using the following procedures:

(a) Each winner shall be required to provide proof that they have purchased the winning bingo card. The licensee shall review the prize winner's income receipt and determine

that the player has properly purchased all cards played during the games, including the winning card;

(b) Each prize winner shall be positively identified. The licensee shall require such proof of identification as is necessary to establish the prize winner's identity prior to paying any prize. The winner is responsible for furnishing proof to the licensee that all information required by this rule is true and accurate. Prizes may be withheld until the winner has provided adequate identification;

(c) The prize shall be awarded and a record made by completing a prize receipt as required by WAC 230-08-080 and 230-20-102. A complete address and tax payer identification number should be recorded for each prize valued at \$1,200 or more;

(d) All prizes for a particular game must be available prior to starting the game and shall be awarded by the end of the related session: Provided, That linked main and bonus prizes must be paid within forty-eight hours;

(e) All merchandise offered as prizes to bingo players shall have been paid in full, without lien or interest of others, prior to the merchandise being offered as a prize: Provided, That the licensee may enter into a contract to immediately purchase the merchandise when it is awarded as a prize, with the contract revocable if prize winners are allowed to exercise an option to receive a cash prize or the prize is no longer offered; and

(15) No operator shall engage in any act, practice, or course of operation as would operate as a fraud to affect the outcome of any bingo game.

[Statutory Authority: RCW 9.46.070. 98-24-090 (Order 369), § 230-20-246, filed 12/1/98, effective 1/1/99. Statutory Authority: RCW 9.46.070 (1), (8) - (11), (14), (20). 96-13-067 (Order 293), § 230-20-246, filed 6/18/96, effective 7/19/96. Statutory Authority: RCW 9.46.070. 94-18-013 (Order 257), § 230-20-246, filed 8/25/94, effective 9/25/94; 93-13-062 (Order 240), § 230-20-246, filed 6/17/93, effective 7/18/93. Statutory Authority: Chapter 9.46 RCW. 91-21-053 (Order 228), § 230-20-246, filed 10/15/91, effective 11/15/91. Statutory Authority: RCW 9.46.070. 90-24-005 (Order 218), § 230-20-246, filed 11/26/90, effective 12/27/90. Statutory Authority: RCW 9.46.070 (11) and (14). 89-17-056 (Order 196), § 230-20-246, filed 8/15/89, effective 9/15/89. Statutory Authority: RCW 9.46.020 (1) and (10) and 9.46.070 (3), (11) and (14). 86-09-036 (Order 157), § 230-20-246, filed 4/11/86. Statutory Authority: RCW 9.46.030 (2) and (3) and 9.46.070 (11) and (14). 83-19-024 (Order 136), § 230-20-246, filed 9/13/83.]

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 subtotaals 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 230-20-248 Loteria authorized—Class A licensees only. (1) Loteria is a type of bingo that utilizes symbols or pictures on playing cards instead of the normal 75 balls with numbers. The symbols or pictures are further identified with spanish subtitles and each of the 54 cards contains a separate and distinct symbol or picture. The 54 individual cards are shuffled by the caller and then randomly drawn and announced to the players. The player uses a loteria card which contains a minimum of sixteen squares and each square has one of the 54 symbols or pictures. There are no duplicate symbols or pictures on the loteria card.

(2) Only Class "A" bingo licensees and those games operating without a license under RCW 9.46.0321 may utilize the game loteria when played in accordance with the following rules:

(a) No prize shall exceed \$10.00;

(b) Except for use of letters, numbers, and balls, the game shall be conducted in the same manner as a bingo game pursuant to WAC 230-20-246;

(c) The cards containing the symbols or pictures shall be thoroughly mixed and cut before the start of each new game;

(d) Loteria is exempt from the requirement of 230-20-240; and

(e) Loteria shall be subject to the same reporting requirements as Class A bingo.

[Statutory Authority: RCW 9.46.070 (11) and (14), 89-07-045 (Order 188), § 230-20-248, filed 3/14/89.]

WAC 230-20-249 Three number speed bingo—Operational procedures—Restrictions. Licensees may play "speed bingo" if the conditions set forth in this section are followed:

(1) For purposes of this section, "three number speed bingo" is defined as a bingo game that:

(a) Is played using a reduced number of balls and special cards with less than twenty-five spaces;

(b) The rate of calling numbers is faster than normal;

(c) The price to play includes an "ante," which is retained by the licensee, and a wager that begins at three units and decreases by one for each number covered on a player's card; and

(d) Players compete against all other players for a pool of prizes that varies according to the numbers covered by players during the game;

(2) The following restrictions apply to speed bingo:

(a) The price to play speed bingo, including wagers, shall not exceed two dollars per card, per game;

(b) The price to play shall be the same for each card;

(c) The licensee shall not retain any part of players' wagers and all wagers not covering a called number on a player's card shall be paid to winners. If there is more than one winner, wagers shall be equally split among all winners: Provided, That licensees may develop a scheme for splitting odd numbers of chips between winners; and

(d) Gross gambling receipts for speed bingo shall be only the amount of fees collected from players for tickets to participate and excludes wagers and prizes paid to players.

(3) Speed bingo shall be played as follows:

(a) The game shall be played using thirty numbered balls, with numbers one through seventy-five available for use;

(b) Special cards that have three spaces imprinted with numbers that correspond to the numbers on the balls utilized for play;

(c) The licensee may elect to collect fees by charging a set amount for each card for the entire session or an amount per card for each game;

(d) The ticket receipting method set forth in WAC 230-20-105 shall be used to receipt for income received to play games. In addition, the following requirements shall be met:

(i) All tickets sold and collected must be canceled by stamping the calendar date on the ticket at the time of sale or permanently defacing the tickets when collected;

(ii) All tickets sold for per session fees shall be accounted for using the combination receipting method set forth in WAC 230-20-108;

(iii) Tickets sold and collected from players shall be reconciled to cash for each session;

(e) Wagers shall be made and prizes paid using wagering chips. Wagers may be valued at any price as long as the total value of wagers and fees does not exceed two dollars per card, per game. The requirements of WAC 230-40-070 shall be followed for wagering chips and banking services. For licensees charging a flat fee per session to participate, the fee per game shall be determined by dividing the fee per session by the minimum number of games to be played;

(f) Each player pays the licensee one ticket for each bingo card played for each game: Provided, That when the licensee charges a per session fee, the player's ticket and cash register receipt must remain visible and on the table at all times during the game;

(g) Each player's beginning wager is three chips for each bingo card played during any single game. A player must have three chips for each card being played prior to the beginning of the game;

(h) During play of the game, players place a wagering chip on each number on their cards that is matched with called numbers. Once a wagering chip is used to cover a valid number, it is retained by the player and no longer available to be won by the game winner(s). Wagering chips must remain on the number on the card until all losing wagers are collected from players by the licensee. The bingo worker collecting wagers must verify that covered numbers are valid;

(i) The first player to cover all three numbers on any card is the winner;

(j) After the winning card is verified, all unprotected chips are collected from all players and paid to the winner.

(4) The following WAC sections are not applicable to speed bingo:

(a) WAC 230-20-010 (1)(b) requiring all prizes available to be disclosed to players prior to their paying to participate: Provided, That licensees shall disclose the per-card cost to play and the amount of wagers required to play a single card;

(b) WAC 230-20-240(2) requiring that seventy-five balls, numbered one through seventy-five, be used to conduct games;

(c) WAC 230-20-240 (4)(a) requiring bingo cards to have twenty-five spaces;

(d) WAC 230-20-240(5) requiring Class F and above licensees to use disposable or electronically-generated bingo cards;

(e) WAC 230-20-101 regarding the ticket receipting method;

(f) WAC 230-20-246(6) requiring the symbol or number to be displayed to players: Provided, That the symbol or number must be displayed by use of a flashboard required by WAC 230-20-240(3) and the flashboard and audio system shall be fully functional; and

(g) WAC 230-08-080(2) and 230-20-102 regarding records for prizes awarded.

[Statutory Authority: RCW 9.46.070. 98-19-131 (Order 364), § 230-20-249, filed 9/23/98, effective 1/1/99. Statutory Authority: RCW 9.46.070, 9.46.0209, 9.46.0237, 9.46.0205 and 9.46.075. 96-24-008 (Order 303), § 230-20-249, filed 11/21/96, effective 12/22/96.]

WAC 230-20-255 Linked bingo prizes—Approval—Manner of conducting. A linked bingo prize provider must request and receive approval from the director prior to allowing a bingo operator to participate in a game that offers a linked bingo prize. A bingo operator shall not be approved to offer more than one linked bingo game per session or no more than three linked bingo games per day, unless approved by the commission. Additionally, the provider must notify the commission within seven days when an operator stops participating in a game that offers a linked bingo prize.

The conducting of a linked bingo prize shall include, but is not limited to, the following rules:

(1) All numbers selected for a linked bingo prize shall be selected on the premises of a licensee participating in the linked bingo prize and in the presence of players paying to

participate in the game. Immediately following the drawing of each ball in a bingo game, the caller shall display the number to all participants;

(2) Immediately upon a bingo player declaring a winning bingo for the main or bonus prize, the winning card shall be verified by at least a licensed gambling manager, a neutral player, and the game caller with the winning combination disclosed to all players participating in the game;

(3) The machine used for the mixing and selection of the numbers must remain in operation until all balls are removed from the machine and recorded in the order they were removed;

(4) A bingo licensee will have up to forty-eight hours to award a main or bonus prize to the player or players who have been deemed the winner(s);

(5) If a linked bingo prize provider fails to distribute cards in a manner that ensures duplicate cards are not in play, then the linked bingo prize provider shall be responsible for the increases to the prize pool as required by WAC 230-30-240(7);

(6) It is the responsibility of the linked bingo prize provider to establish procedures for participating operators to follow that reduce the possibility of operator error;

(7) Prior to beginning a game for a linked bingo prize, each participating operator must disclose to their players the serial numbers and sheet numbers for all cards sold at the premises;

(8) A linked bingo prize provider may not restrict which licensed bingo operators may participate in a linked bingo prize: Provided, That a linked bingo prize provider may establish a minimum card sales volume by an operator for that operator to receive equipment to conduct the game without compensation for that equipment;

(9) A linked bingo prize provider may establish the consolation prize amount to be paid at each participating location: Provided, That participating operators whose sales volume does not meet the minimum as set forth in subsection (8) of this section shall be allowed to pay a consolation prize that is less than this amount;

(10) If hidden face bingo cards are used, a linked bingo prize provider may, as part of the game rules, allow players to mark all odd or even numbers based on the calendar date;

(11) Class A, B, or C bingo licensees participating in a linked bingo prize must maintain all records required for a class D bingo licensee. These records shall be maintained for all bingo operations;

(12) All card sales must stop prior to the drawing of the first ball;

(13) The licensee may not require a player to call bingo on the last number called; and

(14) For all games with a linked bingo prize, a winner must be determined at each premises which sells cards to participate in the game.

[Statutory Authority: RCW 9.46.070. 98-24-090 (Order 369), § 230-20-255, filed 12/1/98, effective 1/1/99.]

WAC 230-20-300 Control of raffle prizes. Any person or organization conducting raffles shall ensure that all prizes offered are available at the time and place of the drawing. Prizes shall be controlled as follows:

(2001 Ed.)

(1) Merchandise prizes shall be owned by the licensee and paid for in full, without lien or interest of others, prior to the drawing at which the winners of such prizes are to be determined: Provided, That when the winner has an option to receive a cash prize in lieu of such merchandise, a licensee may enter into a contract to immediately purchase a merchandise prize after the winner makes their option;

(2) All cash prizes shall be available at the time of the drawing in the form of United States currency or an equivalent amount of negotiable instruments; and

(3) At the time and date of any raffle drawing, the licensee shall have on deposit an unencumbered amount of money that is equal to or greater than all cash prizes currently being offered or, if the winner has an option, the total cost to purchase merchandise prizes. Such funds shall be on deposit in the gambling receipts account if required by WAC 230-12-020 or otherwise in a recognized Washington state depository authorized to receive funds. The balance of funds available from this account shall not be reduced below the required amount prior to awarding the prize.

[Statutory Authority: RCW 9.46.070. 95-07-093, § 230-20-300, filed 3/17/95, effective 7/1/95; Order 5, § 230-20-300, filed 12/19/73, 1:25 p.m.]

WAC 230-20-325 Manner of conducting a raffle.

What are the general requirements for conducting a raffle?

(1) All raffles, except as otherwise provided in WAC 230-20-335, shall be conducted by selling individual chances for not more than twenty-five dollars and awarding prizes by selecting winners by a random drawing from among all chances sold. The following operating procedures apply:

(2) All raffle chances shall be consecutively numbered tickets or other objects imprinted with letters or symbols that are not repeated within the population of all chances sold for a specific raffle;

(3) No person shall be required to obtain more than one chance to enter a raffle;

What additional requirements apply to raffles offered to the general public and raffles that do not require the winner to be present at the drawing?

(4) Raffle chances sold to the general public or for raffles that do not require the winner to be present at the drawing shall consist of a ticket that includes a stub or other detachable section bearing a duplicate number, letter, or symbol corresponding to the number, letter, or symbol on the ticket or object representing the player's chance. The portion retained by the raffle operator shall include the participant's name, complete address, telephone number, and/or other information necessary to notify the winner;

What information must be provided to raffle participants and when must such information be provided?

(5) All participants in a raffle must be informed of all rules by which such prizes may be won at the time of sale of a chance. This information shall be provided by either imprinting such on the participant's portion of the ticket or otherwise providing such to each participant in writing. The following information shall be provided to each participant:

[Title 230 WAC—p. 105]

- (a) The cost of each chance;
- (b) All prizes available, whether cash or merchandise;
- (c) Date and time of drawing;
- (d) Location of drawing;
- (e) Whether an entrant is required to be present at a raffle drawing in order to be eligible to win a prize; and
- (f) Name of organization conducting raffle;

What are the restrictions on raffle entry fees and ticket prices?

(6) No person shall be required to pay, directly or indirectly, more than twenty-five dollars in order to enter any raffle: Provided, That the sale of more than a single ticket to a single participant or the sale of a booklet of tickets under approval of the director, as authorized by subsection (7) of this section, shall not be deemed a violation of this section;

(7) Each raffle ticket must be sold for the same price as every other raffle ticket being used for that particular raffle: Provided, That the director may authorize a licensee to sell tickets at a discount if:

(a) A petition for approval for discount sales is received at the Lacey headquarters office at least thirty days prior to beginning the raffle for which such approval is requested. Each petition for approval to sell discounted raffle tickets shall include at least the following:

- (i) A full description of the discount scheme;
- (ii) The accounting controls and records to be used; and
- (iii) A facsimile of the tickets and booklet cover planned for the raffle.

(b) Any licensee requesting approval for this activity shall reimburse the commission for all costs in reviewing and approval of such under the guidelines set forth in WAC 230-08-017;

(c) The organization has a Class E or higher raffle license: Provided, That organizations that are licensed to conduct raffles at Class C or Class D may participate in this activity if all requirements of WAC 230-08-070 are followed;

(d) Participants must be allowed to purchase a single ticket;

(e) A single discount scheme is allowed for each raffle. The amount of the discount must be set prior to beginning sales for the raffle and shall not be changed during any raffle. The following restrictions apply to such discounted tickets:

(i) Discounted tickets must be bundled into booklets that contain the number of tickets set forth in the scheme (i.e., ten tickets if tickets are sold for two dollars a piece or ten for fifteen dollars, three tickets if tickets are sold for five dollars a piece or three for ten dollars, five tickets if tickets are sold for five dollars a piece or five for twenty dollars, etc.);

(ii) Tickets bundled into booklets shall not be removed from the booklet and sold individually; and

(iii) The booklet cover of each ticket booklet shall be imprinted with a description of the sales scheme that includes the number of tickets included and the total cost of the booklet and a control number that meets the requirements of subsection (2) of this section; and

(f) Accounting procedures must be established that provide controls necessary to allow commission staff the ability to audit gross gambling receipts from such tickets;

What are the limits on what may be offered as a prize or reward for either selling or purchasing tickets?

(8) No free tickets, or any opportunity to participate in the drawing of any raffle, shall be awarded or given to a person as a prize or reward for selling raffle tickets or for purchasing a certain number of raffle tickets: Provided, That noncash incentive awards may be provided to members selling tickets if:

(a) Individual awards do not exceed a fair market value of ten dollars;

(b) The awards are based on the number of chances sold; and

(c) The fair market value of the total amount awarded for an individual raffle does not exceed two percent of the gross gambling receipts of the raffle;

What are the procedures for handling sold tickets?

(9) Each ticket seller shall return to the licensee the stubs or other detachable section of all tickets sold. The licensee shall then place each stub or other detachable section of each ticket sold into a receptacle from which the winning tickets are to be drawn;

What are the procedures for conducting a raffle drawing?

(10) The raffle license issued by the commission or a copy of the license shall be posted in plain view at the location at all times during the occasion when a drawing is being conducted.

(11) The ticket collection receptacle shall be designed so that each ticket has an equal opportunity to be drawn: Provided, that an alternative drawing format to determine the winner may be utilized if such format is approved by the director before tickets are sold and the following requirements are complied with:

(a) The organization must have a current raffle license;

(b) The alternate format must meet the definition of a drawing as defined by WAC 230-02-500;

(c) The random selection process used in the alternative format shall be fully disclosed to each player prior to selling a ticket;

(d) Any alternate format utilized to determine the winners must be closely controlled by the licensee; and

(e) The written request to utilize an alternative drawing format shall contain, at a minimum, the following information:

(i) The time, date and location of the drawing;

(ii) The type of random selection process to be used and complete details of its operation;

(iii) The name and telephone number of the raffles manager; and

(iv) The signature of the organization's chief executive officer.

[Statutory Authority: RCW 9.46.070 (3), (8), (11) and (14), 98-08-052, § 230-20-325, filed 3/27/98, effective 7/1/98. Statutory Authority: RCW 9.46.070, 9.46.0209, 9.46.0237, 9.46.0205 and 9.46.075, 96-24-008 (Order 303), § 230-20-325, filed 11/21/96, effective 12/22/96. Statutory Authority: RCW 9.46.0277 and 9.46.070, 96-07-077, § 230-20-325, filed 3/19/96, effective 7/1/96. Statutory Authority: RCW 9.46.070, 95-07-093, § 230-20-325, filed 3/17/95, effective 7/1/95. Statutory Authority: RCW 34.05.220(4), [34.05].230 and 9.46.070 (11) and (14), 90-05-032 (Order 205), § 230-20-325, filed 2/14/90, effective 3/17/90. Statutory Authority:

RCW 9.46.070 (11), (14) and 9.46.0218 [9.46.0281]. 89-05-024 (Order 186), § 230-20-325, filed 2/13/89. Statutory Authority: RCW 9.46.070. 88-19-038 (Order 183), § 230-20-325, filed 9/13/88. Statutory Authority: RCW 9.46.070 (8), (11) and (14). 88-07-059 (Order 175), § 230-20-325, filed 3/15/88. Statutory Authority: RCW 9.46.070 (1), (2), (4), (5), (6), (9), (11), (14) and (17) and 9.46.020 (19) and (23). 85-17-015 (Order 153), § 230-20-325, filed 8/12/85. Statutory Authority: RCW 9.46.070 (3), (8) and (11). 85-09-040 (Order 149), § 230-20-325, filed 4/15/85. Statutory Authority: RCW 9.46.070 (8) and (11). 83-11-034 (Order 133), § 230-20-325, filed 5/16/83.]

WAC 230-20-335 Members-only raffles—Procedures—Restrictions. Organizations may conduct members-only raffles utilizing simplified procedures. For purposes of this section, "members-only raffle" means a raffle conducted by selling chances only to members of the organization and a limited number of guests, and determining the winners from among those members and guests that have purchased chances. The following procedures and restrictions supplement or modify WAC 230-08-070 and 230-20-325 and apply only to members-only raffles:

(1) In order to conduct raffles utilizing these simplified procedures, all phases of the raffle must be completed during a meeting of the members, and the meeting must be completed on the same day and at the same location without interruption;

(2) If guests are allowed to participate, the total number of guests, as a percentage of the total attendance of the meeting, shall not exceed twenty-five percent. Records shall be maintained that will allow commission staff to determine compliance with this requirement;

(3) All disclosures required to be imprinted on a raffle ticket or chance may be provided to participants by posting a sign at each ticket sales point;

(4) Chances to enter a raffle may be included as a part of a package that includes dues, entertainment, or other fundraising activities if the value of each component of the package is disclosed to the purchaser and the value of each individual raffle chance does not exceed twenty-five dollars: Provided, That initial applications for membership and any fees paid for such shall not include chances to enter raffles or to participate in any gambling activities;

(5) The director may authorize an organization to deviate from the "same price" requirements of WAC 230-20-325(5). Approval for such schemes must be in writing and received prior to beginning ticket sale utilizing such sales. Approval of such schemes remain valid until the scheme is modified by the licensee or the approval is revoked by the director. The following pricing schemes may be approved:

(a) Chances to enter a raffle may be sold for different values, ranging from one cent to a maximum of ten dollars, if the following conditions are met:

(i) The scheme for assigning the cost of the ticket must be disclosed to the player before selling them a chance to participate. This disclosure shall include the total number of tickets in the population and the number of tickets at each price level;

(ii) Participants must be allowed to randomly select their ticket from the population of remaining tickets. Participants pay the amount imprinted upon the ticket they select;

(iii) The scheme provides an adequate audit trail that will allow commission staff and taxing authorities to determine gross gambling receipts;

(iv) The total gross gambling receipts available from raffles utilizing such schemes are limited to five thousand five dollars each drawing;

(v) No more than two such drawings are conducted during a meeting of the members.

(b) Chances may be sold for a discounted price that is based on the number of tickets a player purchases if:

(i) Participants are allowed to purchase a single ticket;

(ii) A single discount scheme is allowed for each raffle. The amount of the discount must be set prior to beginning sales for the raffle and shall not be changed during the raffle;

(iii) The cost of a single ticket, without a discount, does not exceed two dollars;

(iv) The total cost of a discount package does not exceed twenty-five dollars;

(v) The cost of a single ticket shall be imprinted on each ticket (i.e., one dollar a piece or twelve for ten dollars; or two dollars a piece or fifteen for twenty dollars); and

(vi) The licensee shall establish an audit system that includes controls and procedures that will allow commission agents and taxing authorities the ability to determine gross gambling receipts from the sale of tickets utilizing discounts. Such system shall be submitted to the director as a part of the approval request;

(6) The following sales schemes may be used for members-only raffles:

(a) Multiple tickets to enter one or more drawings may be sold as a package as long as the total price of the package does not exceed twenty-five dollars; and

(b) Alternative sales methods may be used if specifically authorized by the commission. This authority will be issued on an individual basis and will require a detailed written request;

(7) Alternative drawing formats approved for members-only raffles shall be valid until revoked by the commission staff, if all the information required by this subsection is reported to the commission at least ten days before any drawing using such schemes. Notification for members-only raffles may be signed by the designated raffle manager;

(8) The limitations on noncash incentive awards for an individual raffle, set forth in WAC 230-20-325 (8)(a) and (c), are modified to allow awards that do not exceed five percent of the combined gross gambling receipts for all raffles conducted during a membership meeting if a record of the name, address, and telephone number is maintained for all persons receiving awards valued in excess of fifty dollars;

(9) Raffle records, as required by WAC 230-08-070, are modified as follows:

(a) The threshold value for maintaining a record of the name, address, and telephone number of each winner of a prize is increased to include only prizes valued in excess of fifty dollars;

(b) Ticket disbursement records are not required; and

(c) Minimum record retention period is reduced to a period that is not less than one year following the date of each individual raffle drawing.

[Statutory Authority: RCW 9.46.070 (3), (8), (11) and (14). 98-08-052, § 230-20-335, filed 3/27/98, effective 7/1/98. Statutory Authority: RCW 9.46.0277 and 9.46.070. 96-07-077, § 230-20-335, filed 3/19/96, effective 7/1/96. Statutory Authority: RCW 9.46.070. 95-07-093, § 230-20-335, filed 3/17/95, effective 7/1/95.]

WAC 230-20-350 Licensees may join together to conduct a raffle. Persons holding a license to conduct a raffle or raffles, may join together with any other person or persons holding such a license to jointly conduct a raffle only if the following conditions are met:

(1) Approval to do so is received by each licensee from the commission for that particular raffle prior to the sale of any tickets in connection therewith;

(2) The method by which the income, expenditures for prizes, and all other expenses, received and expended in connection with the raffle will be apportioned among the licensees conducting the raffle is disclosed in writing to the commission, together with the application for the commission's approval of the joint raffle;

(3) A separate bank account is established by one of the participating licensees, all of the proceeds from the raffle are deposited therein, and all of the expenses in connection with the raffle, including but not limited to, all payments for prizes, is made therefrom;

(4) Records are kept by each of the participating licensees which clearly disclose the amount of money received and expended by that licensee and by each other participating licensee in connection with the raffle. Records of expenses shall disclose for what purpose the money was spent.

(5) All gross receipts received by each individual participating organization shall count toward their individual license gross receipts limit.

[Statutory Authority: RCW 9.46.070 (8), (11) and (14). 89-11-048 (Order 192), § 230-20-350, filed 5/16/89; Order 18, § 230-20-350, filed 5/21/74.]

WAC 230-20-360 Licensee for the conduct of bingo games at agricultural fairs shall not allow another to do so without a permit. An agricultural fair licensed for the operation of bingo shall not allow any other person to conduct bingo under the authority of the fair's license unless approval of that person, and a permit therefor, has been obtained from the commission under WAC 230-04-191, or 230-04-193.

[Order 53, § 230-20-360, filed 5/25/76; Order 42, § 230-20-360, filed 9/18/75; Order 15, § 230-20-360, filed 4/17/74.]

WAC 230-20-370 Licensees may rent equipment to conduct amusement games. A bona fide charitable or nonprofit organization licensee, or any of its regular members, may rent or otherwise obtain equipment used by the organization to conduct bingo or amusement games from any person so long as any price paid for such equipment, or for use of such equipment, is reasonable, is a lump sum or hourly rate established in the competitive market, and is not based upon a percentage of the income or profit derived from the conduct of such activities.

[Order 18, § 230-20-370, filed 5/21/74.]

WAC 230-20-400 Certain lower volume licensees exempted from certain rules. Persons holding the licenses

issued under the classes and circumstances set forth in WAC 230-04-065 or persons operating without a license under RCW 9.46.0315 and 9.46.0321 need not comply with the following rules of the commission, except as noted:

(1) WAC 230-04-280 requiring notification to local law enforcement of their activity, but nonlicensees must comply with RCW 9.46.0315 and 9.46.0321.

(2) WAC 230-08-080 requiring certain daily records: Provided, That all such persons in the alternative, must comply with WAC 230-08-015 (1), (2), and (3).

(3) WAC 230-08-010 concerning operator records: Provided, That all such persons must, in the alternative, comply with WAC 230-08-015 (1), (2), and (3).

(4) WAC 230-08-120 requiring quarterly reports: Provided, That holders of such classes of licenses must in the alternative, comply with WAC 230-08-015(4).

(5) With respect to volunteer operators only, i.e., those not compensated for their work by the licensee, WAC 230-20-220 prohibiting certain persons from playing in bingo games.

(6) WAC 230-20-190 concerning bingo card prices.

(7) WAC 230-20-230 concerning free games for winners.

[Statutory Authority: RCW 9.46.070 and 34.05.230. 01-01-016 (Order 396), § 230-20-400, filed 12/6/00, effective 1/6/01. Statutory Authority: RCW 9.46.070, 9.46.0315 and 9.46.0321. 94-07-084 (Order 250), § 230-20-400, filed 3/16/94, effective 4/16/94; Order 80, § 230-20-400, filed 12/28/77; Order 53, § 230-20-400, filed 5/25/76; Order 29, § 230-20-400, filed 1/23/75; Order 14, § 230-20-400, filed 3/27/74.]

WAC 230-20-508 Authorized amusement games—Types, standards and classifications. The commission hereby authorizes the following amusement games, whether coin operated or not, to be operated by persons possessing a commercial amusement game license, or bona fide charitable or nonprofit organizations possessing a license issued by the gambling commission or when conducted as authorized by RCW 9.46.0321 at an authorized location.

(1) In all amusement games, a merchandise prize must be awarded to the player, if the player is successful at achieving the objective of the game, with one cost of play.

(2) All amusement games operated within the state of Washington must meet the standards of at least one of the following classifications:

(a) Group I - Ball toss/kick games: The player throws or kicks a ball or balls in order to achieve a specified goal. Upon achieving the goal of the game, the player is awarded a prize.

(i) All balls for each game must be uniform in size and weight.

(ii) All targets for each game must be of the same weight and size or the operator must color code the target and advise the player of the difference in targets if the difference is not visible to the player.

(iii) No target may have a loose or floating weight.

(iv) The weight of any target will not exceed seven and one-half pounds.

(v) When the goal is to estimate the speed of the ball thrown or kicked, a minimum of three balls will be used to estimate the speed by the player and one ball for the actual throw or kick.

(vi) When ping pong or similar light weight balls are utilized in games requiring the ball to be tossed into a dish, saucer, cup or similar container, water must be placed in the bottom of each such container.

(b) Group II - Dart games: The player throws one or more darts into a target or target area. Upon successfully achieving a predetermined score, pattern, penetrating and/or breaking a target, or just sticking in the target, the player is awarded a prize.

(i) All darts must be uniform in size and in original condition with the point sharp or functional suction-cup darts and all feathers or tail sections intact.

(ii) The targets and target area for all dart games must be of a material capable of being penetrated and retaining a metal tip dart; or holding a suction-cup dart.

(iii) The target area will be in the rear of the stand and will be at least three feet but not more than fifteen feet from a foul line.

(iv) In "add em up games," when the player must achieve a predetermined score, all darts stuck on the lines will receive another throw. The player has the right to add up the score of the darts thrown.

(c) Group III - Hoop or ring toss games: The player must toss one or more hoops or rings over one or more targets which may consist of bottles, pegs, blocks, prizes, or any item capable of having a ring or hoop tossed over it.

(i) The operator must specifically advise the player as to the degree that the hoop(s) or ring(s) must go over the target.

(ii) All hoops or rings for each game must be uniform in size and shape and must be capable of going over the target.

(iii) All targets used at an individual stand must be the same size or the operator must disclose to the player by posting signs or using color codes to denote the different sizes.

(d) Group IV - Coin/token toss games: The player or players toss one or more coins or tokens onto a surface or into a target or target area. The game must have a clear and unobstructed thirty-six inch vertical airspace above the target, target area, or surface. The target, target area, or surface must be level. Any game which has a target or target area of four square inches or less must award a prize if any part of the coin or token is within the target or target area.

(e) Group V - Eye/hand coordination games: The player or players perform a task or tasks which requires the player to use the coordination between their hand(s) and eye(s) to successfully complete the task or tasks. The task or tasks may include one or a combination of the following:

(i) Striking a moving or fixed object or target to include a sequence of moving or fixed objects or targets;

(ii) Causing object(s) to be launched at target(s) from a device. The objects are aimed so they may land in, on, or through a target(s) to include catching or having the object(s) caught in the target(s);

(iii) Dropping object(s) onto target(s) or target area(s) or surface(s), to include covering the target(s), target area(s), or surface(s) with the object(s);

(iv) Capturing, lassoing, hooking, or getting a hold of an object(s) and causing them to move or change position;

(v) Guiding object(s) or images through a pattern, maze, or task;

(vi) Climbing on, over, through, or around object(s); or

(vii) Similar tasks.

(A) If a player is required to cover a spot or specific target area, then the target or target area must be a circular spot.

(I) The player must receive at least five circular discs to drop on the target or target area.

(II) The diameter of the circular discs used to cover the target or target area must be at least sixty-four percent of the diameter of the target spot or area.

(III) The target spot or area must be permanently affixed to a solid surface.

(B) A regulation billiard table, balls, and cue must be used for any game requiring a player to perform any task or tasks normally associated with playing billiards or pool.

(C) In games where objects are launched, tossed, or catapulted at target(s), the launching device shall respond in an identical manner on repetitive uses when an equal amount of force is applied or selected by the player.

(f) Group VI - Strength test games: The player(s) tests their own strength in performing a task or tasks for a predetermined number of times or length of time. This may include hand, arm, or whole body strength and may also require the player to use a tool or instrument to strike an object or target, which may cause the object to be propelled or travel a specific distance. The task(s) may require the object(s) to strike another object(s) to achieve the objective.

(g) Group VII - Crane games: The player, using one or more of a variety of control methods, maneuvers a crane or claw device into a position to attempt to retrieve a prize. All games must meet the following conditions:

(i) At least twenty seconds playing time per operation.

(ii) Crane or claw must be capable of reaching, picking up, and dispensing all prizes contained within the machine.

(iii) The controls for the machine must be clearly labelled as to their function.

(iv) Prizes must be loose and shall not be packed, arranged, lodged, or intertwined in the machine in any way which would prevent the prize from being picked up by the crane or claw and dispensed.

(h) Group VIII - Penny fall games: Penny fall games are electronic or electro-mechanical games in which:

(i) The player inserts a coin or token into a chute;

(ii) The player controls the direction the coin or token falls by aiming the chute;

(iii) The coin or token will land on a flat surface or surfaces which have a sweeper(s) and/or a pusher arm moving across the surface or surfaces;

(iv) The surfaces shall be level and contain similar coins or tokens;

(v) A carefully aimed coin or token will cause coins or tokens on the flat surface(s) to be pushed or swept into holes or chutes dispensing the tokens or awarding a set number of tickets to the player;

(vi) The game may contain additional factors which if properly negotiated or struck by a coin or token, will award additional tickets to the player;

(vii) The additional factor may be in the form of targets that when lit, grant the player bonus tickets when the coin or token passes over the target;

(viii) Any such additional targets or bonus opportunities must be activated prior to the player inserting the coin or

token to start play and must remain activated for a period of time sufficient to allow the player to attempt to strike or negotiate the targets or bonus opportunities;

(ix) The skill of the player must be the determining factor in the outcome of the game; and

(x) Merchandise prizes may be placed on the coins, tokens, or other surfaces in the game and if the prize is pushed into a hole or chute then it is awarded to the player. All such prizes must fit into or down the hole or chute in the game which awards prizes to the player.

(i) Group IX - Ball roll down games: The player rolls one or more balls to a target or target area. Upon achieving the objective of the game, the player is awarded a prize.

(i) Ball roll down games may be either one player attempting to score a predetermined number of points by landing in a target or target area, or striking and/or knocking down a target or targets.

(ii) Ball roll down games may be more than one player attempting to score a predetermined number of points, striking and/or knocking down a target(s), or landing in a target area. The first player to accomplish the goal is awarded a prize.

(j) Group X - Shooting games: A game in which the player or players use a device to fire a projectile or projectiles to hit a target or targets. The projectiles may include pellets, BB's, corks, water, electronic beams, light beams, balls, or suction-cup darts. The targets may be stationary or mobile. The player or players may be required to:

(i) Completely shoot out or obliterate a target or portion thereof;

(ii) Hit a target or specific portion thereof; or

(iii) Hold an electronic beam, light beam, or water stream on a target or portion thereof to achieve a specific result.

(A) All safety requirements of the local city or county ordinances must be observed by the operator and player(s).

(B) A short range shooting gallery must give a player at least four shots to shoot out a target which has a diameter of one-quarter inch or less, or at least one shot per target which must be struck. Targets must be at least one-half inch square and may include a bullseye section which the player must shoot out without touching the outside of the target.

(C) Shoot-out-the-star games must give the player at least one hundred projectiles in an automatic type device to shoot out a star which is no more than one and one-quarter inch from point to point.

(D) Games may award a prize based upon the number of players participating and use a combined score to determine the winner.

(E) If suction-cup darts are used in the game, a player must receive another turn if the dart does not stick to the target area.

(F) If targets must be knocked over or off of a shelf, then the bases of the targets must be uniform front and rear.

(G) If a player is required to destroy or obliterate all or part of a target, then the player must have the right to visually inspect the target at the conclusion of the game.

(k) Group XI - Cake walks and fish pond games: Cake walks and fish ponds, as commonly known, are amusement games. Cake walks involve a number of players walking on

a numbered or color-coded circle while music is played. When the music stops, the player's prize is determined by the number or color of the portion of the circle they are standing on. Fish ponds are games where players receive a prize every time they compete, by either hooking or capturing a fish or similar object floating in a pool of water with a number or symbol on the bottom of the fish or object which corresponds to a prize or the operator may place a prize directly onto the "line" or catching device of the player from behind a curtain or similar obstruction.

(3) All classifications of amusement games must be operated as either an attended amusement game as defined by WAC 230-02-511 or as a coin or token activated amusement game as defined by WAC 230-02-514.

(4) No amusement game shall award additional plays as a prize.

(5) Operators may introduce new games that meet the standards of the applicable classification without prior approval of the commission: Provided, That an operator must provide to the commission at least sixty days prior to such introduction a description of the game, the rules of play, and a justification for the classification selected: Provided, further, That upon notification by the director that the proposed game does not meet the selected classification, or otherwise violates a provision of law or commission rule, the game may not be introduced, or if already introduced, must be removed from play until its operation is brought into compliance with such law or rules. New games not falling within the classifications of this rule may be approved by the director for a twelve-month test period pending submission of a petition to amend the rule.

[Statutory Authority: RCW 9.46.070, 94-01-036, § 230-20-508, filed 12/6/93, effective 1/6/94.]

WAC 230-20-509 Amusement games—Classification to be assigned by operator. Licensed operators of amusement games shall evaluate each game being operated under their control and determine the group type, specified by WAC 230-20-508, of each game. Operators shall prepare a list of all such games which they plan to operate during each license year and submit this list to the commission. Such list shall contain the following information:

(1) The name under which the game is being played; and

(2) The group type of each game.

[Statutory Authority: RCW 9.46.070, 94-01-036, § 230-20-509, filed 12/6/93, effective 1/6/94.]

WAC 230-20-510 Attended amusement games—Operational restrictions. Regular operation of attended amusement games shall include, but not be limited to the following: Collection of valuable consideration from the player(s), providing equipment or components to the player(s) to allow participation in the game, and delivery of a merchandise prize(s) to any player successfully achieving the stated goal of the game. Regular operation shall not include material assistance in playing the game or participation in the game by the attendant. Any such game shall be conducted in accordance with all other rules of the gambling commission and provisions of chapter 9.46 RCW.

[Statutory Authority: RCW 9.46.070. 96-07-076, § 230-20-510, filed 3/19/96, effective 7/1/96.]

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 230-20-610 Amusement games—Factors affecting skill to be readily visible to players. No amusement games shall be conducted within the state of Washington wherein the physical limitations affecting the degree of skill necessary to win a prize are not readily visible to the player. For example, if any target, basket, hoop, can, or other similar device utilized in an amusement game, has any limiting features not readily visible to the player, a duplicate thereof showing the limitation or restriction shall be placed so as to be readily visible to the players.

[Statutory Authority: RCW 9.46.070 (8), (11) and (14). 88-07-059 (Order 175), § 230-20-610, filed 3/15/88; Order 55, § 230-20-610, filed 6/25/76.]

WAC 230-20-615 Amusement games—Material degree of skill required—Standards. No amusement game shall be conducted within the state of Washington unless the outcome of said game depends to a material degree upon the skill of the contestant. The standard to be applied shall be the following:

- (1) Do contestants' physical and or mental abilities play an important and integral role in determining the outcome of the game; and
- (2) Would the success rate of the average contestant(s) improve with repeated play or practice.

(2001 Ed.)

If both subsections (1) and (2) of this section are present, a material degree of skill in the outcome of a game shall be deemed to be present.

[Statutory Authority: RCW 9.46.070. 94-01-036, § 230-20-615, filed 12/6/93, effective 1/6/94. Statutory Authority: RCW 9.46.070 (8), (11) and (14). 88-07-059 (Order 175), § 230-20-615, filed 3/15/88.]

WAC 230-20-620 Amusement games—Objects to be thrown to be uniform—Similar games not to use different objects unless designated. No person licensed to conduct amusement games shall conduct any such game within the state of Washington wherein the winning of a prize depends upon the player's ability to throw or project an object unless all such objects available to any player in said game are uniform in size and weight. No licensee shall conduct more than one game of a similar type on the same premises utilizing similar objects of a different size or weight, unless the difference in such objects is readily apparent or designated by, for example, use of a color scheme.

[Statutory Authority: RCW 9.46.070. 95-09-064 (Order 269), § 230-20-620, filed 4/18/95, effective 5/19/95; Order 55, § 230-20-620, 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 pre-printed 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 230-20-640 Amusement games—Sample of prizes to be displayed. No person licensed to conduct amusement games shall conduct any such game within the state of Washington unless there is on display in a place readily visible to all persons playing such game a sample of each type of prize available to be won.

[Order 55, § 230-20-640, filed 6/25/76.]

WAC 230-20-650 Amusement games—Coin toss games. No person licensed to conduct amusement games shall conduct any such game within the state of Washington wherein the ability of a player to win a prize depends upon causing a coin to land within the confines of a space unless the following conditions exist with respect to said game:

(1) There must exist an unobstructed air space, of at least thirty-six inches in height, above any surface upon which the landing of a coin will result in the awarding of a prize.

(2) Plates, spots, targets, etc. will not be inclined so as to give an advantage to the operator.

(3) If the area of an enclosed surface upon which the landing of a coin will result in the awarding of a prize is four square inches, or less, a prize must be awarded to any partic-

ipant who causes a coin to land so that any part of said coin is within any part of said area.

[Statutory Authority: RCW 9.46.030(5). 81-21-033 (Order 114), § 230-20-650, filed 10/15/81; Order 55, § 230-20-650, filed 6/25/76.]

WAC 230-20-660 Amusement games—Target shoot—Target to be brought to contestant on demand. No person licensed to conduct any games shall conduct any such game within the state of Washington wherein a person is required to shoot a firearm, air gun, pellet gun, BB gun or similar device at a target, and, as a condition of winning a prize, destroy or obliterate part or all of that target, unless the contestant is allowed to have the target brought to him for his inspection at his request, at any time and without limitation.

[Order 55, § 230-20-660, filed 6/25/76.]

WAC 230-20-670 Commercial amusement games—Operating restrictions. Class B or above commercial amusement game licensees locating and operating amusement games at premises not owned, leased, or otherwise controlled by them, as authorized by WAC 230-04-138(5) shall comply with the following restrictions:

(1) Each location where commercial amusement games are operated shall be required to obtain an amusement game license;

(2) A charitable/nonprofit organization licensed to operate amusement games or any person licensed for Class A (premise only) commercial amusement games may enter into a contract with a Class B or above commercial amusement game licensee to operate amusement games on their premises. All contracts regarding the operation of amusement games shall be submitted to the commission and become part of the license file. Violations of the terms of the contract by a commercial amusement game operator may be grounds for suspension or revocation of their license. All contracts must be written and specific in terms, setting out the time of the contract, amount of rent or consideration to be paid, rent due dates, and all expenses to be borne by each party;

(3) The rent or consideration paid to a Class A commercial amusement game location may be based on a percentage of revenue generated by the activity if the method of distribution is specific;

(4) The rent or consideration paid to charitable/nonprofit organizations shall not be based on a percentage of revenue generated by the activity unless the amount returned to the organization is equal to or exceeds twenty-two percent of the gross gambling receipts. Shall be paid to the organization at least once a month;

(5) No Class B or above commercial amusement game operator shall allow operation of a game at a premise which has not been previously licensed by the commission.

[Statutory Authority: RCW 9.46.070. 93-19-090 (Order 244), § 230-20-670, filed 9/15/93, effective 10/16/93. Statutory Authority: RCW 9.46.070(2) and 9.46.0331(2). 93-12-082, § 230-20-670, filed 5/28/93, effective 7/1/93. Statutory Authority: RCW 9.46.070. 92-21-056 (Order 233), § 230-20-670, filed 10/19/92, effective 11/19/92. Statutory Authority: RCW 9.46.070 and 9.46.0331. 91-19-093 (Order 227), § 230-20-670, filed 9/18/91, effective 10/19/91. Statutory Authority: RCW 9.46.070 (4), (11) and (14). 89-24-002 (Order 201), § 230-20-670, filed 11/27/89, effective 12/28/89.]

WAC 230-20-680 Commercial amusement games—Operation restrictions. (1) No person shall operate commercial amusement games in any location except under the following conditions:

(a) The operation of amusement games must be closely monitored and controlled to ensure all games are operated in accordance with all provisions of this WAC title;

(b) The players are protected from fraud and game manipulation; and

(c) All games and/or machines are maintained in proper condition to ensure the operation is as approved by WAC 230-20-508.

(2) All locations where school-aged minors are allowed to play must be supervised by an adult during all hours of operation. The adult supervisor will ensure that school-age minors are prohibited from entry and/or playing amusement games in locations authorized by WAC 230-04-138 (1)(g), (i), (j), or (k) during school hours and after 10:00 p.m. on any day: Provided, That school-aged minors are prohibited from entry into licensed amusement game locations in regional shopping centers after the normal shopping area closing hours on Sunday through Thursday.

[Statutory Authority: RCW 9.46.070 and 9.46.0331. 94-07-084 (Order 250), § 230-20-680, filed 3/16/94, effective 4/16/94. Statutory Authority: RCW 9.46.070. 93-01-013 § 230-20-680, filed 12/4/92, effective 1/4/93. Statutory Authority: RCW 9.46.070 and 9.46.0331. 91-19-093 (Order 227), § 230-20-680, filed 9/18/91, effective 10/19/91.]

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.]

WAC 230-20-700 Coin or token activated amusement games—Standards. (1) All coin or token activated amusement games operated at locations authorized under WAC 230-04-138 (1)(f), (g), (i), (j), (k), or (l) must have non-resettable coin-in meters, the removal or disconnection of which stops the play of the machine. The meter must be certified as accurate to within plus or minus 1 coin or token in 1,000 plays.

(2) All coin or token activated amusement games must have a coin acceptor capable of taking money for one play and may have an additional acceptor to include paper money. All games utilizing paper money acceptors shall either return change or clearly disclose to the customer that change is not returned by the device and where on the premises this change may be obtained prior to play. Operators using amusement games that do not return change must have a change-making bill acceptor or the ability to obtain change, in the immediate vicinity of such games.

(2001 Ed.)

[Statutory Authority: RCW 9.46.070. 94-23-093 (Order 260), § 230-20-700, filed 11/17/94, effective 1/1/95; 94-01-036, § 230-20-700, filed 12/6/93, effective 1/6/94. Statutory Authority: Chapter 9.46 RCW. 91-21-053 (Order 228), § 230-20-700, filed 10/15/91, effective 11/15/91.]

Chapter 230-25 WAC FUND-RAISING EVENTS

WAC

230-25-020

Fund-raising event—Licensee to give notice to local police jurisdiction prior to conducting—Inspection of equipment by police.

230-25-030

Fund-raising event—Ten thousand dollars annual net receipts maximum.

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230-25-040

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230-25-050

Wagering among participants not permitted.

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230-25-060

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230-25-065

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230-25-070

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230-25-100

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230-25-110

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230-25-120

Expenditure limits for fund-raising events.

230-25-150

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230-25-160

Pull-tabs at fund-raising events—Operational requirements—Limitations.

230-25-200

Bingo at fund-raising events.

230-25-220

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230-25-230

Raffles or similar lotteries at fund-raising events—Tickets to be sold and income to be accounted for separately.

230-25-235

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230-25-240

Prizes to be awarded only to persons who were present, and purchased tickets or made wagers, at fund-raising event.

230-25-250

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230-25-260

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230-25-265

Fund-raising event—Regular salary for licensee's employee not "payment" for work on fund-raising event under certain conditions—Food and beverage exception.

230-25-270

Certain incidental functions at fund-raising event not part of management and operation of event.

230-25-310

Fund-raising event—List of workers to be available on premises.

230-25-315

Workers to wear identification tags.

230-25-320

Limits for operation and participation in fund-raising events.

230-25-325

Limited fund-raising event—Procedures and restrictions.

230-25-330

Recreational gaming activity—Rules for play.

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

230-25-035

Recreational fund-raising event. [Statutory Authority: RCW 9.46.070(13). 79-12-057 (Order 94), § 230-25-035, filed 11/28/79.] Repealed by 81-19-072 (Order 111), filed 9/15/81. Statutory Authority: RCW 9.46.020(23) and 9.46.070(14).

230-25-071

Fund-raising event—Definitions of job titles. [Statutory Authority: RCW 9.46.070(13). 78-11-049 (Order 87), § 230-25-071, filed 10/20/78.] Repealed by 81-19-072 (Order 111), filed 9/15/81. Statutory Authority: RCW 9.46.020(23) and 9.46.070(14).

WAC 230-25-020 Fund-raising event—Licensee to give notice to local police jurisdiction prior to conducting—Inspection of equipment by police. No person

licensed to conduct fund-raising events shall conduct any such events at any location within the state of Washington without having first given notice to the local police agency of the jurisdiction within which the fund-raising events 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 fund-raising event is 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 event at that location;

(2) The date or dates the fund-raising event will be conducted;

(3) The location at which the fund-raising event will be conducted.

The licensee shall not utilize any equipment in the conduct of the fund-raising event unless the equipment has been available for inspection by the local police agency for a period of two hours immediately preceding such utilization.

[Order 78, § 230-25-020, filed 11/17/77.]

WAC 230-25-030 Fund-raising event—Ten thousand dollars annual net receipts maximum. (1) The annual net receipts an organization shall earn conducting fund-raising events (FREs) must not exceed ten thousand dollars. Licensees must ensure the net receipts limit is not exceeded. Net receipts are calculated by subtracting money used to purchase prizes and pay-out cash prizes, from all wagers and bets received. This limitation applies to licensees conducting:

(a) One FRE for a period of seventy-two consecutive hours once during a calendar year; or

(b) Two FRE occasions during a calendar year. Each event shall not exceed twenty-four consecutive hours.

Limited FREs may deduct cost of equipment rental.

(2) Licensees conducting *limited* FREs (see WAC 230-25-325) may also deduct the cost of equipment rental from their gross receipts (all wagers and bets received) when calculating the ten thousand dollar annual net receipts maximum.

Distribution of excess net receipts.

(3) Licensees conducting FREs must distribute excess net receipts to another charitable or nonprofit organization that is either licensed by the commission, or meets the criteria set forth in RCW 9.46.0209. The money must be distributed by check within thirty calendar days following the FRE. The licensee shall conspicuously post in the FRE gambling area the name(s) of the organization(s) that will receive the money earned in excess of the ten thousand dollar annual net receipts limit.

[Statutory Authority: RCW 9.46.070. 00-15-048 (Order 387), § 230-25-030, filed 7/17/00, effective 8/17/00. Statutory Authority: RCW 9.46.070 (5), (7), (8), (9), (11), (14) and (19). 84-13-038 (Order 140), § 230-25-030, filed 6/15/84. Statutory Authority: RCW 9.46.070(7). 82-15-009 (Order 124), § 230-25-030, filed 7/9/82. Statutory Authority: RCW 9.46.020(23)

and 9.46.070(14). 81-19-072 (Order 111), § 230-25-030, filed 9/15/81. Statutory Authority: RCW 9.46.020(23) and 9.46.070(1). 80-06-038 (Order 102), § 230-25-030, filed 5/12/80. Statutory Authority: RCW 9.46.070(10). 78-11-049 (Order 87), § 230-25-030, filed 10/20/78; Order 78, § 230-25-030, filed 11/17/77.]

WAC 230-25-033 Fund-raising events on New Year's Eve extending past midnight. For the purposes of computing and applying limitations in chapter 9.46 RCW and these rules upon income to the licensee and upon the number of events, or consecutive hours in such events, in a calendar year, a fund-raising event which (1) includes any part of December 31, and (2) continues past midnight into the new calendar year, shall be treated as if each hour of the event had been held solely in the calendar year designated by the licensee upon the license application submitted to the commission for the event.

[Statutory Authority: RCW 9.46.020(23) and 9.46.070(14). 81-19-072 (Order 111), § 230-25-033, filed 9/15/81. Statutory Authority: RCW 9.46.070(13). 80-06-038 (Order 102), § 230-25-033, filed 5/12/80.]

WAC 230-25-040 Fund-raising event—House rules to be developed and posted—Limitations on wagers. (1) Before conducting a fund-raising event (FRE), each licensee shall develop house rules to govern the scope and manner of all gambling activities to be conducted during the FRE. At a minimum, these rules shall:

(a) State the maximum amount of a single wager that may be placed by FRE participants. Wagering limits are as follows:

(i) Single wagers shall not exceed ten dollars;

(ii) Raffles or other similar drawings may exceed the ten dollar wagering limit, but may not exceed the limitations set forth in RCW 9.46.0277; and

(iii) There are no limits on wagers made using scrip.

(b) Prohibit any thing of value from being given to any person involved in the management or operation of the FRE; and

(c) Prohibit any person involved in the management or operation of the FRE from accepting any thing of value.

Posting house rules.

(2) A copy of the rules shall be conspicuously posted in the area where the FRE is being conducted at all times during the FRE. A copy must be available, upon request, to any law enforcement officer or representative of the commission, or member of the general public.

[Statutory Authority: RCW 9.46.070. 00-15-048 (Order 387), § 230-25-040, filed 7/17/00, effective 8/17/00. Statutory Authority: RCW 9.46.0277 and 9.46.070. 96-07-077, § 230-25-040, filed 3/19/96, effective 7/1/96. Statutory Authority: RCW 9.46.020(23) and 9.46.070(14). 81-19-072 (Order 111), § 230-25-040, filed 9/15/81. Statutory Authority: RCW 9.46.070(10). 78-11-049 (Order 87), § 230-25-040, filed 10/20/78; Order 78, § 230-25-040, filed 11/17/77.]

WAC 230-25-050 Wagering among participants not permitted. No licensee to conduct a fund-raising event shall permit, as a part of that fund-raising event, a gambling activity which involves a wagering of money or other items of value by one participant against another participant. This rule shall not be construed to prohibit gambling activities wholly

administered by the licensee wherein the licensee collects wagers from among the participants and determines the winners and amounts of prizes on a parimutuel basis.

[Order 78, § 230-25-050, filed 11/17/77.]

WAC 230-25-055 Use of chips, scrip or similar items at fund-raising event. All chips, scrip or similar items, used as a substitute for money at a fund-raising event shall be issued only during and at the fund-raising event itself.

No such chips, scrip or similar items shall be redeemed by any licensee after the event is concluded.

[Statutory Authority: RCW 9.46.070. 95-12-051, § 230-25-055, filed 6/2/95, effective 7/3/95; Order 80, § 230-25-055, filed 12/28/77.]

WAC 230-25-060 Coin-operated gaming devices prohibited. In no event shall coin-operated pull-tab dispensing devices, or any other mechanical gambling or lottery device activated by insertion of a coin or other object be utilized at or in connection with the conduct of, the fund-raising event.

[Order 78, § 230-25-060, filed 11/17/77.]

WAC 230-25-065 Licensees may join together to conduct a fund-raising event. (1) Organizations holding a license to conduct a fund-raising event may join together with other organizations holding such a license to jointly conduct a fund-raising event providing that the following conditions are met:

(a) Prior approval to do so is received by each licensee from the commission for that particular fund-raising event;

(b) The method by which any income or losses and expenditures will be received, expended, and apportioned among the licensees conducting the fund-raising event is disclosed in writing to the commission, together with the application for the fund-raising event. Changes to the original application must be approved by the commission;

(c) The percentage of income or loss agreed to by any organization shall not be greater than the percentage needed for them to reach the maximum of \$10,000 for the calendar year;

(d) A lead organization and an event manager are designated in the application, with the lead organization having the responsibility for the central accounting system required by WAC 230-25-070, and compliance with WAC 230-25-030(3) regarding the distribution of receipts beyond those permitted in (2) below;

(e) Each licensee shall prepare a list of all persons from their organization taking part in the management or operation of the fund-raising event. Such list shall be available on the premises and contain, at a minimum, the name, address, telephone number, and a brief statement signed by the chief executive officer certifying that each member listed is a bona fide member as specified in RCW 9.46.020(15) and WAC 230-25-260.

(f) A fund-raising event report will be prepared and submitted by the lead organization as required by WAC 230-08-260; and

(g) Records are kept by each of the participating licensees which clearly disclose the amount of money received and expended in connection with the joint fund-raising event;

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(2) The amount of income derived from the joint fund-raising event will not exceed the event limit of \$10,000. In addition, each participating organization must comply with annual limits imposed by RCW 9.46.020(23) and WAC 230-25-030. The joint fund-raising event shall count against only the lead organization or organizations receiving fifty percent or more of the allowable proceeds for the purposes of determining the number of such events an organization may conduct each year.

(3) The lead organization will be responsible for the deposit of the ending cash on hand and must comply with WAC 230-25-070(12). All funds due to any participating organization must be made by check and disbursed within 30 days following the end of the event.

[Statutory Authority: RCW 9.46.070 (8), (11) and (14). 89-15-039 (Order 194), § 230-25-065, filed 7/18/89, effective 8/18/89. Statutory Authority: RCW 9.46.010 and 9.46.070 (8) and (14). 85-03-025 (Order 143), § 230-25-065, filed 1/9/85. Statutory Authority: RCW 9.46.070 (5), (7), (8), (9), (11), (14) and (19). 84-13-038 (Order 140), § 230-25-065, filed 6/15/84.]

WAC 230-25-070 Fund-raising events—Central accounting system required. Licensees conducting fund-raising events (FREs) shall establish and maintain a central accounting system in a format prescribed by the commission for all activities conducted at the FRE. Licensees shall obtain accounting forms from the commission.

Components of the central accounting system.

(1) The central accounting system shall contain, but is not limited to, the following:

Personnel.

(a) Adequate personnel and physical areas to provide for the following minimum separation of duties:

(i) A banker, cashier, or count room to handle the original bankroll, provide coin or chips to the games, redeem chips and cash checks for the players;

(ii) A runner to transport money, chips and lock boxes between stations of the event; and

(iii) Pit bosses, each of whom shall supervise the operation of not more than six gambling stations and who shall supervise the transfer of lock boxes and chips/change trays to the count room.

Procedures for securing, handling and counting money.

(b) An area for the counting of money which is segregated from the area gambling is conducted. All money received in connection with the FRE shall be brought to this area for counting. Once any such money has been brought to this area, three persons shall be assigned to the count area with a minimum of two in the counting area at all times.

(c) The beginning bankroll shall be verified by at least two persons who shall sign such verification.

(d) There shall be documentation containing verifying signatures for the transfer of money between any two stations of the event.

(i) All count/fill slips shall be used sequentially. Voided count/fill slips will be signed by two persons and retained with accounting records.

(ii) All unused count/fill slips shall be retained along with all other count/fill slips as part of that FRE's accounting records.

(e) All games shall be numbered and provided with lock boxes and money paddles. The money paddle shall remain in the lock box slot whenever it is not in use. The money slot of the lock box shall not exceed three and one-half inches in length and one-half inch in width.

(f) The keys to all lock boxes are to be kept in the count room at all times and the lock boxes are to be opened only in the count room by the count room personnel.

(g) All games are to be played using coin or chips and all currency tendered by the players shall be exchanged for coin or chips and immediately placed in the lock box by the dealer.

(h) All money and chips shall be transferred to the count room at the end of the day or event for final tabulation, reconciliation, and verification.

(i) The final tabulation and reconciliation shall be verified by at least three count room personnel who shall sign such verification.

(j) Access to the count room and the bankers and cashier's areas shall be restricted to the persons assigned to those functions and to the runner(s) who transport money or chips to or from those stations.

(k) Records shall provide sufficient detail to determine the net receipts of each activity conducted.

(l) The records shall contain a reconciliation of the ending cash on hand to net receipts.

(m) The ending cash on hand shall be deposited intact within two banking days of the conclusion of the event, and a validated deposit slip shall be included as part of the event records. There shall be no expenditure of any kind made from the ending cash prior to deposit. However, this subsection shall not prohibit a licensee from exchanging its ending currency and coin for a check of equal value to reduce the risk and exposure of carrying or storing large amounts of money.

Accounting system for *limited* FREs.

(2) Subsection (1) of this section shall not apply to *limited* FRE licensees (see WAC 230-25-325). For accounting purposes, *limited* FRE licensees shall comply with WAC 230-08-010 and must also provide details regarding how much of the admission fees from the FRE are allocated to gambling scrip and how much is allocated to other FRE expenses.

[Statutory Authority: RCW 9.46.070. 00-15-048 (Order 387), § 230-25-070, filed 7/17/00, effective 8/17/00; 95-12-051, § 230-25-070, filed 6/2/95, effective 7/3/95. Statutory Authority: RCW 9.46.020(23) and 9.46.070(14), 81-19-072 (Order 111), § 230-25-070, filed 9/15/81. Statutory Authority: RCW 9.46.070(7), (8) and (10), 78-11-049 (Order 87), § 230-25-070, filed 10/20/78; Order 78, § 230-25-070, filed 11/17/77.]

WAC 230-25-100 Fund-raising event—Leasing of commercial business premises—Conditions. (1) Fund-raising events (FREs) shall not be operated within a commercial business catering to the public except when:

(a) The room or other portion of the premises in which the FRE is being conducted is separate and apart from the portion being used for the commercial business;

(b) The commercial business is closed to the public at all times during which the FRE is conducted on the premises; or

(c) The FRE is being conducted upon the premises of a bona fide charitable or bona fide nonprofit organization which is not also being used for a profit seeking business.

(2) No licensee shall conduct a FRE on or within any portion of a commercial business premises during the period any other FRE is being conducted on or within any portion of that retail premise.

(3) For *limited* FREs (see WAC 230-25-325), the FRE equipment distributor must not provide the facility or be otherwise compensated by the facility where the *limited* FRE is conducted.

Separate and apart defined.

(4) As used in this rule, separate and apart means a permanent or temporary partition which provides a solid, distinct separation between the portion of the room or premises the FRE is being conducted and the portion of the room or premises being used for the commercial business. This partition must limit the flow of pedestrians between the FRE and the commercial business to not more than two designated openings.

FRE operator to control premises - exception for liquor.

(5) The FRE operator must have, and exercise, complete control over the portion of the premises being used for the FRE, at all times the event is being conducted: Provided, That when the sale, service or consumption of intoxicating liquor is permitted in said portion of the premises, the liquor licensee or permittee shall be responsible for compliance with liquor laws and regulations.

Commercial business employees shall not participate in FRE.

(6) The owner, manager or any employee of the commercial business shall not be an officer of the FRE operator or participate in the operation of the FRE on that premises. No part of the operation or play of any gambling activity shall be conducted by the commercial business. The FRE operator shall be responsible for ensuring the commercial business does not participate in any of the FRE activities.

[Statutory Authority: RCW 9.46.070. 00-15-048 (Order 387), § 230-25-100, filed 7/17/00, effective 8/17/00. Statutory Authority: RCW 9.46.020(23) and 9.46.070(14), 81-19-072 (Order 111), § 230-25-100, filed 9/15/81. Statutory Authority: RCW 9.46.070(1) and (10), 80-03-060 (Order 99), § 230-25-100, filed 2/25/80; Order 78, § 230-25-100, filed 11/17/77.]

WAC 230-25-110 Fund-raising event—Equipment use, lease or rental from licensee only. (1) Fund-raising event (FRE) licensees must:

(a) Only purchase or rent gambling equipment from a licensed distributor or another FRE licensee; and

(b) Ensure the equipment it owns is only used during the operation of licensed FREs, or other authorized gambling activities it may offer.

Equipment transfers by FRE licensees.

(2) A FRE licensee may sell, loan or rent equipment acquired for its own FRE to another FRE licensee(s) for up

to four events per year without being licensed as a FRE equipment distributor. The transfers must take place within the twelve calendar month period following the conduct of a licensed FRE.

Equipment transfers by distributors.

(3) Only persons holding a valid license to sell or distribute punch boards, pull-tabs, pull-tab dispensing devices, and/or FRE equipment are authorized to sell or lease gaming equipment to FRE licensees for use during a licensed FRE.

Distributor responsibilities.

(4) All commission rules relating to the sale or distribution of punch boards, pull-tabs, or pull-tab dispensing devices by distributors shall be applicable to the sale or rental of gaming equipment and pull-tabs used in a licensed FRE, except when such rules are inconsistent with the provisions of this section.

Identification stamps not required.

(5) FRE gambling equipment does not require commission approval or identification stamps.

[Statutory Authority: RCW 9.46.070. 00-15-048 (Order 387), § 230-25-110, filed 7/17/00, effective 8/17/00. Statutory Authority: Chapter 9.46 RCW. 91-15-040 (Order 224), § 230-25-110, filed 7/17/91, effective 8/17/91. Statutory Authority: RCW 9.46.070. 88-19-038 (Order 183), § 230-25-110, filed 9/13/88. Statutory Authority: RCW 9.46.020(5) and § 1(5), chapter 326, Laws of 1977 ex. sess., and RCW 9.46.070(4). 78-03-061 (Order 81), § 230-25-110, filed 2/22/78; Order 80, § 230-25-110, filed 12/28/77.]

WAC 230-25-120 Expenditure limits for fund-raising events. (1) The purpose of a fund-raising event (FRE) is to raise funds for organizational purposes. FREs should be operated with a profit motive as described in WAC 230-02-503. FRE licensees shall make a good faith effort to ensure that the expenses paid for all phases of the FRE, including premises, equipment rental, and prizes do not exceed the total gross receipts received for all phases of the activity.

Price limit on sale and rental of FRE equipment.

(2) No sale, rental or lease of gaming equipment, premises or services for use in a licensed FRE shall be transacted except on commercially reasonable terms established in the competitive market. All rentals shall be a lump sum or hourly rate and shall not be based upon a percentage of the income or profit derived from the conduct of a FRE.

[Statutory Authority: RCW 9.46.070. 00-15-048 (Order 387), § 230-25-120, filed 7/17/00, effective 8/17/00; 90-24-005 (Order 218), § 230-25-120, filed 11/26/90, effective 12/27/90; 88-19-038 (Order 183), § 230-25-120, filed 9/13/88. Statutory Authority: RCW 9.46.070 (11) and (14). 85-03-059 (Order 146), § 230-25-120, filed 1/15/85. Statutory Authority: RCW 9.46.020(23) and 9.46.070(14). 81-19-072 (Order 111), § 230-25-120, filed 9/15/81. Statutory Authority: RCW 9.46.070(15). 79-11-074 (Order 93), § 230-25-120, filed 10/19/79; 79-01-026 (Order 88), § 230-25-120, filed 12/18/78.]

WAC 230-25-150 Pull-tabs at fund-raising events—Authorized. Pull-tabs are authorized for use at fund-raising events (FREs) and shall be treated as conducted solely under the FRE license: Provided, That pull-tabs shall not be

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offered for sale at *limited* FREs (see WAC 230-25-325). Except where superseded by WAC 230-25-160, all rules applicable to the operation of pull-tabs set forth in chapter 230-30 WAC shall be applicable to pull-tabs utilized at FREs.

[Statutory Authority: RCW 9.46.070. 00-15-048 (Order 387), § 230-25-150, filed 7/17/00, effective 8/17/00; 88-19-038 (Order 183), § 230-25-150, filed 9/13/88.]

WAC 230-25-160 Pull-tabs at fund-raising events—Operational requirements—Limitations. The following requirements shall be utilized in the sale of pull-tabs at fund-raising events.

(1) All pull-tab series for use at fund-raising events shall contain the inspection identification stamps and record entry labels and shall be purchased for specific use at fund-raising events.

(2) Pull-tabs shall be removed from the packaging container and mixed before selling to the public. All pull-tabs will be sold out of a noncoin operated dispensing device (clear container). Pull-tab prices shall be equal to the price set by the manufacturer for each specific series. The maximum price for any pull-tab shall not exceed fifty cents.

(3) Up to a maximum of three pull-tab series may be out for play at one time. All pull-tabs shall be sold from a booth or similar confined area which prohibits public access to the pull-tabs.

(4) Each pull-tab series shall constitute a separate table and have a separate number. Each series shall have a separate corresponding lock box, money paddle, chip rack for making change and payment of prizes. All currency, coin, or chips used to purchase pull-tabs, shall immediately be placed in the corresponding lock box by the attendant(s) on duty. All change given back to players shall be in the form of chips or coin.

(5) All winning pull-tabs shall be defaced when cashed in and deposited in the corresponding lock box. Winning pull-tabs shall be paid in chips and coin only. Provided: Winning pull-tabs may be redeemed for additional tabs from the same series only. When a winning pull-tab of five dollars or more is cashed, the attendant shall conspicuously delete all references to that prize being available to players from the flare prior to awarding the prize. In addition, for prizes over twenty dollars, the attendant(s) will verify the winner's identity and record the date, and initial the winning pull-tab. The winner shall be required to print their name and date of birth in ink on the winning pull-tab or to an attached sheet of paper.

(6) When a series is removed from play, the series (including the flare), the corresponding lock box and chip rack shall be transported to the count room by a runner at which time the box shall be opened for tabulation. All gross gambling receipts collected, prizes paid and tabs sold shall be tabulated and recorded on the pull-tab accounting report furnished by the commission in accordance with the instructions attached to the accounting report.

(7) After completing the count, winning pull-tabs shall be packaged separately or banded and placed with the unused portion of that particular series in the original ship-

ping container. The organization must retain the used series for a period of one year.

(8) At the completion of the fund-raising event, all series still out for play shall be transported to the count room in accordance with subsections (6) and (7) of this section. All unopened pull-tab series shall be returned to the licensed distributor who furnished the series for a full refund. Pull-tab series purchased for fund-raising events shall not be sold, or transferred.

[Statutory Authority: RCW 9.46.070. 94-07-084 (Order 250), § 230-25-160, filed 3/16/94, effective 4/16/94. Statutory Authority: RCW 9.46.070 (8), (11) and (14). 93-12-082, § 230-25-160, filed 5/28/93, effective 7/1/93; 89-15-039 (Order 194), § 230-25-160, filed 7/18/89, effective 8/18/89. Statutory Authority: RCW 9.46.070. 88-19-038 (Order 183), § 230-25-160, filed 9/13/88.]

WAC 230-25-200 Bingo at fund-raising events. Bingo games conducted as part of a licensed fund-raising event (FRE) authorized by chapter 9.46 RCW shall be treated as conducted solely under the FRE license. All income, prizes awarded, and other expenses shall be separately accounted for, and reported to the commission as FRE activity. The following procedures apply to bingo conducted as part of a FRE:

(1) All general requirements and limitations set out in chapter 230-25 WAC apply.

Income.

(2) Income from bingo games shall be applied only against the maximum income permitted for FREs and shall not be applied against other maximum income limits imposed by chapter 9.46 RCW or the commission rules.

Rules not applicable to FRE bingo.

(3) All of the commission's rules applicable to the conduct of bingo games shall apply: Provided, That the following rules shall not be applicable to bingo games conducted as part of a FRE:

- (a) WAC 230-20-065;
- (b) WAC 230-20-070;
- (c) WAC 230-20-170;
- (d) WAC 230-20-242; and
- (e) WAC 230-20-246(10).

Bingo card inventory.

(4) If a FRE licensee is also a bingo licensee and uses disposable bingo cards for bingo games conducted at a FRE, the inventory control procedures of WAC 230-08-105 shall apply. A reference to all cards or packets of cards used shall be made in the inventory control records. If the organization does not have a license to conduct bingo, all unused cards or packets must be retained as part of the event record: Provided, That licensees may return unused cards or packets to the distributor if there are no breaks in the audit numbers of the unused portion. The distributor shall document the total number of cards or packets returned and the beginning and ending audit numbers.

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Bingo at limited FREs.

(5) If bingo is conducted at a *limited* FRE (see WAC 230-25-325), only scrip shall be used to purchase bingo cards and participants may only play for merchandise prizes.

[Statutory Authority: RCW 9.46.070. 00-15-048 (Order 387), § 230-25-200, filed 7/17/00, effective 8/17/00; 94-11-095 (Order 251), § 230-25-200, filed 5/17/94, effective 7/1/94. Statutory Authority: RCW 9.46.070 (5), (7), (8), (9), (11), (14) and (19). 84-13-038 (Order 140), § 230-25-200, filed 6/15/84; Order 78, § 230-25-200, filed 11/17/77.]

WAC 230-25-220 Raffles or similar drawings conducted at fund-raising events. Raffles or similar drawings may be conducted at fund-raising events (FREs) when they meet the following requirements:

Sales and drawings at event only.

(1) All aspects of a raffle or similar drawing must be conducted at the FRE to be considered a raffle held at such event. All tickets must be sold during the event and drawing(s) of a ticket, card, or other device must be held during the event.

Sales and drawings conducted outside a FRE.

(2) If any raffle ticket is sold, or any drawing for a raffle or similar drawing held, other than during a licensed FRE:

- (a) No portion of the raffle or similar drawing shall be conducted at or during any licensed FRE; and
- (b) The raffle or similar drawing shall not be considered as being held under the FRE license for such FRE.

Raffles conducted under a FRE license.

(3) Raffles or other similar drawings wherein the winner or winners are chosen by the drawing of a ticket or other card or device conducted at, or as a part of, a licensed FRE authorized by RCW 9.46.0311 shall be treated as conducted under the license to conduct that FRE. All income, prizes awarded, and other expenses shall be accounted for, and reported to the commission, as required for FREs but shall not be reported, or accounted for, as required for raffles conducted under a raffle license issued by the commission, or under different statutory authority: Provided, That the requirements of WAC 230-20-325 applicable to raffles shall be applicable to all such drawings conducted at a FRE, except that single chances on drawings may be sold for up to twenty-five dollars per chance.

Income from raffles.

(4) Income from raffles or other drawings conducted at, or as a part of, a FRE shall be applied only against the maximum income permitted for FREs and shall not be applied against other maximum income limits imposed by chapter 9.46 RCW or the commission's rules.

Rules not applicable to FRE raffles.

(5) All commission rules applicable to raffles, whether general or specific, shall apply to raffles and to the conduct of other similar drawings wherein the winner or winners are chosen by the drawing of a ticket or similar card or device at, or as a part of, a FRE, except as provided in subsection (3) of

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this section and except the following rules which shall not be applicable:

- (a) WAC 230-08-070;
- (b) WAC 230-20-350; and
- (c) WAC 230-12-020.

Raffles conducted under a raffle license during a FRE.

(6) Subsections (1) through (5) of this section shall not apply to a drawing held during a FRE if the raffle is conducted under a raffle license issued by the commission and all tickets for the raffle are sold and deposited into the drawing container before the beginning of the FRE.

Raffles at limited fund-raising events.

(7) Two types of raffles may be offered at limited FREs (see WAC 230-25-325):

(a) Raffles as set forth in subsection (1) through (6) of this section; and

(b) Raffles conducted during limited FREs or at the end of the event as a means of determining who will win merchandise prizes. Raffle tickets for these types of raffles shall only be purchased with noncash value scrip provided at the event by the FRE equipment distributor.

[Statutory Authority: RCW 9.46.070. 00-15-048 (Order 387), § 230-25-220, filed 7/17/00, effective 8/17/00. Statutory Authority: RCW 9.46.0277 and 9.46.070. 96-07-077, § 230-25-220, filed 3/19/96, effective 7/1/96. Statutory Authority: RCW 9.46.070 (1), (2), (4), (5), (6), (9), (11), (14) and (17) and 9.46.020 (19) and (23). 85-17-015 (Order 153), § 230-25-220, filed 8/12/85. Statutory Authority: RCW 9.46.020 (1) and (23) and 9.46.070(1). 85-11-023 (Order 150), § 230-25-220, filed 5/13/85. Statutory Authority: RCW 9.46.020(23) and 9.46.070(14). 81-19-072 (Order 111), § 230-25-220, filed 9/15/81. Statutory Authority: RCW 9.46.070(10). 78-04-032 (Order 83), § 230-25-220, filed 3/16/78; Order 78, § 230-25-220, filed 11/17/77.]

WAC 230-25-230 Raffles or similar lotteries at fund-raising events—Tickets to be sold and income to be accounted for separately. (1) Tickets for entry into a raffle or similar lottery held at, and as a part of, a fund-raising event, wherein the winner or winners are determined by the drawing of a ticket from among tickets sold or issued, shall be sold or issued separately and each shall constitute a separate and equal chance to win with all other tickets sold or issued. No person shall be required to obtain more than one ticket, or to pay for anything other than the ticket, in order to enter any such raffle or similar lottery.

(2) The provisions of WAC 230-20-100 respecting receipting for, and accounting for, sales of raffle tickets and prizes shall apply to all such raffles and similar lotteries, which together shall be treated as raffles for the purposes of this rule. Each such raffle or similar lottery shall be accounted for separately from other activities in connection with the fund-raising event.

[Order 78, § 230-25-230, filed 11/17/77.]

WAC 230-25-235 Fund-raising event—Rules for blackjack. The game of "21" (blackjack) when played as part of a licensed fund-raising event shall be played in conformance with the following:

(1) Cards shall be dealt from a dealing shoe. The deal shall begin with the shoe containing four full decks of cards

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and proceed until, in the dealer's judgment, the cards should be reshuffled or the cards withdrawn for examination and/or replaced. The shoe shall then be refilled with four decks of cards and the process repeated.

(2) All cards shall be dealt to the players face up.

(3) Players are not to remove or pick up cards from the table and will not "shuffle" or "cut" the cards.

(4) Only "standard size" playing cards shall be used.

(5) Cards may be shuffled using a device, apparatus, or mechanism. No device, apparatus, mechanism or thing which may give a participant in a card game an advantage over any other participant in that game may be used by any organization or person.

[Statutory Authority: RCW 9.46.020(23) and 9.46.070(14). 81-19-072 (Order 111), § 230-25-235, filed 9/15/81. Statutory Authority: RCW 9.46.070(10). 78-11-049 (Order 87), § 230-25-235, filed 10/20/78.]

WAC 230-25-240 Prizes to be awarded only to persons who were present, and purchased tickets or made wagers, at fund-raising event. No prize or wager shall be paid or awarded in connection with a fund-raising event to any person who is, or was, not present at the event himself and personally there made the wager, or obtained the ticket or chance, resulting in such award or payment.

[Order 80, § 230-25-240, filed 12/28/77.]

WAC 230-25-250 Operation of punch boards at a fund-raising event prohibited. No licensee to conduct a fund-raising event shall operate punch boards as a part of that event.

[Statutory Authority: RCW 9.46.070. 88-19-038 (Order 183), § 230-25-250, filed 9/13/88; Order 80, § 230-25-250, filed 12/28/77.]

WAC 230-25-260 Bona fide member of organization conducting fund-raising event. (1) For the purposes of eligibility to participate in managing or otherwise assisting in the operation of a fund-raising event, a person is a bona fide member of a bona fide charitable or bona fide nonprofit organization only when he or she:

(a) Has become a member prior to the commencement of the fund-raising event and such membership was not dependent upon, or in any way related to the payment of consideration to participate in, any gambling activity; and

(b) Has (i) been admitted upon written application, only after investigation and ballot, with such action being recorded in the official minutes of a regular meeting, or (ii) has held full and regular membership status in the organization for a period of not less than twelve consecutive months prior to the subject fund-raising event; and

(c) Has paid reasonable initiation or admission fees for membership, and/or dues, consistent with the nature and purpose of the organization and with the type of membership obtained and is not in arrears in payment of such fees or dues; and

(d) Has met all other conditions required by the organization for membership and is in all respects a member in good standing at the time of the subject fund-raising event.

(2) Member or bona fide member shall include only members of an organization's specific chapter or unit

licensed by the commission or otherwise actively conducting the fund-raising event: Provided, That

(a) Members of chapters or local units of a state, regional, or national organization may be considered members of the parent organization for the purpose of a fund-raising event conducted by the parent organization, if the rules of the parent organization so permit;

(b) Members of a bona fide auxiliary to a principal organization may be considered members of the principal organization for the purpose of a fund-raising event conducted by the principal organization. Members of the principal organization may also be considered members of its auxiliary for the purpose of a fund-raising event conducted by the auxiliary; and

(c) Members of any chapter or local unit within the jurisdiction of the next higher level of the parent organization, and members of a bona fide auxiliary to that chapter or unit, may assist any other chapter or local unit of that same organization licensed by the commission in the conduct of a fund-raising event.

[Statutory Authority: RCW 9.46.070 (5), (7), (8), (9), (11), (14) and (19), 84-13-038 (Order 140), § 230-25-260, filed 6/15/84. Statutory Authority: RCW 9.46.070(18), 78-04-032 (Order 83), § 230-25-260, filed 3/16/78.]

WAC 230-25-265 Fund-raising event—Regular salary for licensee's employee not "payment" for work on fund-raising event under certain conditions—Food and beverage exception. The salary of a regular and full time employee, or a regular but part time employee if the organization has employed a person in that part time position for the past three consecutive years, of an organization licensed to conduct fund-raising events shall not be deemed "payment" (as the term "paid" is used in RCW 9.46.0233) for work performed by the employee in connection with a fund-raising event conducted by that organization when all of the following conditions are met:

(1) The position held by the employee has been created for purposes unrelated to the conduct of fund-raising events and requires the performance of duties unrelated to fund-raising events year around. The employee's contribution to fund-raising events must be an incidental part of his or her total duties, consisting of less than 1% of total time worked for the organization; and

(2) The employee is paid on a recurring basis on a regular and established rate throughout the calendar year, unrelated to the income produced by any fund-raising event; and

(3) The employee does not operate any gambling game or lottery at any fund-raising event conducted by the organization but confines his or her services in connection with the event to assisting the organization's other members with the overall planning and organization of the event and with supervision of the supporting services for the event. However, such an employee who is also a bona fide member of the organization or its bona fide auxiliary and is not otherwise scheduled for duty in his or her assigned employee duties at the time the fund-raising event is to be held may participate in the conduct of the fund-raising event as a bona fide member as set out in WAC 230-25-260.

(4) For the purposes of this rule, the furnishing of food and nonalcoholic beverages to event volunteers, not to

exceed \$20 per volunteer per event, shall not be construed as payment or compensation.

[Statutory Authority: Chapter 9.46 RCW. 91-05-047 and 91-06-008 (Orders 220 and 220A), § 230-25-265, filed 2/14/91 and 2/22/91, effective 3/17/91 and 3/25/91. Statutory Authority: RCW 9.46.020(23) and 9.46.070(14), 81-19-072 (Order 111), § 230-25-265, filed 9/15/81. Statutory Authority: RCW 9.46.070(13), 79-01-026 (Order 88), § 230-25-265, filed 12/18/78.]

WAC 230-25-270 Certain incidental functions at fund-raising event not part of management and operation of event. Persons who perform only the following incidental functions in connection with a fund-raising event shall not be deemed to be participating in the "management or operation" of such an event for the purposes of that portion of RCW 9.46.020(23) requiring that persons participating in the management or operation of the event be members of the licensee organization:

(1) The serving of food and drink to participants in the event;

(2) The parking of cars;

(3) Acting as a police officer for the purposes of maintaining general crowd control and order at the event, or to detect persons cheating the participants or the house, when that person is a commissioned law enforcement officer with the power to make arrests in the jurisdiction in which the event is being held or is the employee of a commercial securities service firm licensed by the city, town, or county, in which the event is being conducted to provide such services;

(4) Providing janitorial functions;

(5) Persons whose participation is limited to supervising personnel carrying out the functions enumerated in (1), (2), (3) and (4).

Provided, That the payment to persons to perform these functions does not exceed the local prevailing level of payment for a similar function at other than fund-raising events.

[Statutory Authority: RCW 9.46.070(13), 79-01-026 (Order 88), § 230-25-270, filed 12/18/78.]

WAC 230-25-310 Fund-raising event—List of workers to be available on premises. (1) The licensee conducting a fund-raising event (FRE) shall prepare and have available on the premises a list of all persons taking part in the management or operation of the FRE. Such list shall contain the name, address, telephone number and a description of the type of membership in the organization of each person. The list shall be maintained as part of the licensee's records of the event and shall be made available to any law enforcement officer or representative of the commission upon request.

(2) Licensees conducting *limited* FREs (see WAC 230-25-325) shall include the name of the FRE equipment distributor and shall obtain from the distributor the names of all workers employed by the distributor who worked the event.

[Statutory Authority: RCW 9.46.070. 00-15-048 (Order 387), § 230-25-310, filed 7/17/00, effective 8/17/00. Statutory Authority: RCW 9.46.020(23) and 9.46.070(7), 78-11-049 (Order 87), § 230-25-310, filed 10/20/78.]

WAC 230-25-315 Workers to wear identification tags. (1) Each licensee conducting a fund-raising event (FRE) shall furnish each member participating in the man-

agement or operation of the FRE an identification tag that, at a minimum, contains the names of the member and licensed organization. Name tags must include at least the member's first initial and last name or first name and initial of the last name. The licensee shall require each member to wear this tag at all times when the member is working at the FRE. The tag shall be worn in plain view so as to be easily seen and read by persons participating in the event. The type and style of tag shall be the option of the licensee.

(2) During a *limited* FRE (see WAC 230-25-325), employees of the FRE equipment distributor shall wear name tags that, at a minimum, state the first name of the employee and full name of the FRE equipment distributor.

[Statutory Authority: RCW 9.46.070. 00-15-048 (Order 387), § 230-25-315, filed 7/17/00, effective 8/17/00. Statutory Authority: RCW 9.46.020(23) and 9.46.070(14). 81-19-072 (Order 111), § 230-25-315, filed 9/15/81.]

WAC 230-25-320 Limits for operation and participation in fund-raising events. No person under the age of eighteen years of age, and no person intoxicated or under the influence of any drug or substance shall be allowed to participate in the operation or management, or participate as a player, at any fund-raising event.

[Statutory Authority: RCW 9.46.020(23) and 9.46.070(14). 81-19-072 (Order 111), § 230-25-320, filed 9/15/81.]

WAC 230-25-325 Limited fund-raising event—Procedures and restrictions. Pursuant to RCW 9.46.0233(2), nonprofit or charitable organizations may offer *limited* fund-raising events (FREs). Organizations offering *limited* FREs must operate the FRE under the following operational procedures:

Operating procedures.

(1) Only members of the organization and their guests shall participate in the event. The event shall not be open to the general public.

(2) Participants shall purchase scrip with cash.

(3) Scrip shall be exchanged at gambling stations for chips.

(4) Only bona fide members will be utilized for all transactions involving acceptance of cash for scrip, conducting the schemes to determine the winners of merchandise prizes, and maintaining records during the event.

(5) The value of all purchased prizes must not exceed ten percent of the gross revenue from the event, less the cost of the FRE equipment rental contract.

(6) Any prizes purchased from the FRE equipment distributor must be disclosed. The cost may not exceed the fair market value. Prizes may be disclosed to the public at the retail value.

FRE equipment distributors.

Limitations.

(7) The nonprofit organization may only contract with a person or organization licensed as a FRE equipment distributor to provide the equipment and staff to operate the gaming stations.

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(8) Under no circumstances shall employees of the FRE equipment distributor handle cash transactions or allow participants to purchase chips with cash.

Compensation.

(9) The fee paid to the FRE equipment distributor shall be in compliance with WAC 230-25-120. The FRE equipment distributor shall not share in any way in the proceeds of the event except as set forth in the rule.

Information to be submitted with FRE application.

(10) The application must include details relating to the initial cost to participate, and method for purchasing additional scrip, as well as identify all costs included in the initial price to enter that are not related to the gambling activity (i.e., meals, drinks, etc.). The application must also identify the scheme that will be followed to distribute the merchandise prizes to participants at the end of the event (i.e., raffle, auction, etc.).

(11) All contracts signed by the FRE licensee with the FRE equipment distributor and premises provider must be submitted with the FRE license application.

Fees.

(12) The licensing fee for a *limited* FRE shall be as set forth in WAC 230-04-202(4).

[Statutory Authority: RCW 9.46.070. 00-15-048 (Order 387), § 230-25-325, filed 7/17/00, effective 8/17/00.]

WAC 230-25-330 Recreational gaming activity—Rules for play. An organization, business, or association shall conduct a recreational gaming activity in accordance with the following rules:

(1) Any gambling device utilized for such activity must be rented or obtained from a licensed distributor of fund-raising event equipment or a licensee authorized to conduct fund-raising events (not applicable to homemade, nonprofessional devices);

(2) Gambling of any type shall be prohibited on the premises where recreational gaming activity takes place;

(3) Scrip or chips having no value shall be utilized for each activity;

(4) There shall be no fee charged for the opportunity to participate or enter the premises: Provided, That a fee may be charged for an accompanying dinner, meal, or entertainment associated with the activity, as long as such a fee is only related to those additional activities and the costs incurred in renting the devices utilized in the activity;

(5) A scheme may be utilized whereby participants can redeem their scrip or chips for prizes; Provided: All prizes must be donated to or provided by the sponsoring organization;

(6) The activity shall be limited to eight hours. The director may, for good cause shown, grant additional time;

(7) The sponsoring organization must notify local law enforcement officials at least ten days prior to the commencement of the activity, and specify the date, time, and location of the activity.

[Statutory Authority: RCW 9.46.070 (4), (11), (14), (17) and (20). 96-09-071, § 230-25-330, filed 4/16/96, effective 7/1/96. Statutory Authority: RCW 9.46.070. 95-12-051, § 230-25-330, filed 6/2/95, effective 7/3/95. Statutory Authority: Chapter 9.46 RCW. 91-15-040 (Order 224), § 230-25-330, filed 7/17/91, effective 8/17/91.]

Chapter 230-30 WAC

PUNCH BOARDS AND PULL-TABS

WAC

- 230-30-025 Progressive jackpot pull-tab series—Definitions—Restrictions—Operating procedures.
- 230-30-030 Punch board and pull-tab quality control program—Special inspections, defective devices, reimbursements, and fees.
- 230-30-040 Bonus pull-tab series—Definitions—Restrictions.
- 230-30-045 Pull-tab series with carry-over jackpots—Definitions—Requirements.
- 230-30-050 Punch board and pull-tab operating restrictions and dispensing limitations.
- 230-30-052 Punch boards and pull-tabs operated by charitable or nonprofit organizations—Net income required.
- 230-30-055 Standards for construction of punch boards.
- 230-30-070 Control of prizes—Restrictions—Bonus prizes—Displaying—Procedures for awarding.
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- 230-30-080 Punch board and pull-tab series restrictions—Prizes, size of game, and location of winners.
- 230-30-090 All devices must comply with rules.
- 230-30-097 Standards—Approved pull-tab dispensing devices.
- 230-30-102 Pull-tab series assembly and packaging.
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- 230-30-104 Possession or sale of pull-tab series in which winners or location of winners may be determined in advance—Prohibited.
- 230-30-106 Punch board and pull-tab flares restrictions—Standards—Substitute flares.
- 230-30-210 Sales restrictions.
- 230-30-220 Interest in separate business involving punch boards and pull-tabs at a different marketing level prohibited.
- 230-30-225 Exception to prohibition of holding an interest in separate punch board or pull-tab businesses at different marketing levels.
- 230-30-300 Recall of defective punch boards, pull-tabs or pull-tab dispensing devices.
- 230-30-500 Rules applicable to operators of punch boards and pull-tabs applicable as well to operators of either activity.
- DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER**
- 230-30-010 Prior inspection or approval of punch boards, pull-tabs, or devices for the distribution of pull-tabs by the commission—Alternatives. [Order 5, § 230-30-010, filed 12/19/73, 1:25 p.m.] Repealed by Order 9, filed 12/19/73, 1:26 p.m.
- 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).
- 230-30-020 Approval by sample. [Order 5, § 230-30-020, filed 12/19/73, 1:25 p.m.] Repealed by Order 9, filed 12/19/73, 1:26 p.m.
- 230-30-060 Punch board 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 [9.46.1110. 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).
- 230-30-065 Punch board/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).
- 230-30-075 Punch board 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 [9.46.1110. 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).
- 230-30-091 Unapproved mechanical or electrical coin-operated pull-tab dispensing devices prohibited. [Order 42, § 230-30-091, filed 9/18/75, effective 6/1/76.] Repealed by Order 55, filed 6/25/76.
- 230-30-095 Pull-tab dispensing devices to be submitted to commission for approval prior to sale. [Order 55, § 230-30-095, filed 6/25/76; Order 45, § 230-30-095, filed 12/30/75.] Repealed by 93-12-082, filed 5/28/93, effective 7/1/93. Statutory Authority: RCW 9.46.070.
- 230-30-100 Punch boards 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).
- 230-30-105 Only one flare may be used with a punch board 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).
- 230-30-110 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).

- 230-30-130 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).
- 230-30-200 Punch board 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 by 97-20-026, filed 9/22/97, effective 1/1/98. Statutory Authority: RCW 9.46.070 (14) and (20).
- 230-30-212 Punch boards, pull-tabs and related equipment may be sold with sale of business. [Order 23, § 230-30-212, filed 9/23/74.] Repealed by 00-15-039 (Order 385), filed 7/14/00, effective 1/1/01. Statutory Authority: RCW 9.46.070.
- 230-30-213 Sale of punch boards, pull-tabs and pull-tab dispensing devices when license revoked, expired or voluntarily surrendered. [Order 33, § 230-30-213, filed 2/21/75.] Repealed by 00-15-039 (Order 385), filed 7/14/00, effective 1/1/01. Statutory Authority: RCW 9.46.070.
- 230-30-215 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).
- 230-30-998 Punch board and pull-tab retention requirements—Test. [Statutory Authority: RCW 9.46.070. 94-01-032, § 230-30-998, filed 12/6/93, effective 1/6/94.] Repealed by 94-24-054 (Order 261), filed 12/5/94, effective 1/5/95. Statutory Authority: Chapter 9.46 RCW.
- 230-30-999 Test of continuous play/open ended pull-tab series. [Statutory Authority: RCW 9.46.070 (8), (11) and (14). 85-03-024 (Order 142), § 230-30-999, filed 1/9/85.] Repealed by 87-15-052 (Order 169), filed 7/14/87. Statutory Authority: Chapter 9.46 RCW.

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:

Definitions.

(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 net-

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work. 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.

Dispensing devices.

(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;

Operating requirements.

(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.

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 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.

Redeeming winning tabs.

(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.

Recordkeeping.

(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.

Approval process for progressive pull-tab systems.

(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 and 34.05.230. 01-01-016 (Order 396), § 230-30-025, filed 12/6/00, effective 1/6/01. 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.]

WAC 230-30-030 Punch board and pull-tab quality control program—Special inspections, defective devices, reimbursements, and fees. In order to ensure the integrity of punch boards 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 punch board or pull-tab series, whether held by an operator, storage service, distributor, or manufacturer and to examine the quality and/or integrity of the punch board 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 punch boards or pull-tab series - each punch board 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 punch board or pull-tab series which has been opened, prepared for play, or placed out for play 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 punch boards 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 punch boards 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 punch boards or pull-tab series - the commission may assess a fee not to exceed one hundred dollars for each defective punch board 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. 98-15-074 (Order 359), § 230-30-030, filed 7/15/98, effective 1/1/99. 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 series—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.

(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. 98-15-074 (Order 359), § 230-30-040, filed 7/15/98, effective 1/1/99. 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:

(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;

(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;

(f) If the jackpot is awarded, the sum of the advance-level prize and the jackpot prize shall not exceed two thousand dollars. If the jackpot is not awarded, the sum of the advance-level prize and the consolation prize shall not exceed five hundred dollars;

(3) The following additional requirements apply to pull-tab series with carry-over jackpots:

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(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;

(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;

(d) For the purposes of monthly records set forth in WAC 230-08-010, all operators shall record carry-over jackpots on a cash basis. This means that carry-over jackpot contribution amounts shall not be recorded on monthly records until the prize is awarded: Provided, That punch board/pull-tab licensees who also hold a Class F or above bingo license may accrue carry-over jackpot contribution amounts on their monthly records if the following conditions are met:

(i) Prior approval is received from the director;

(ii) The contribution amounts, up to the point where the jackpot reaches the maximum, shall be recorded as prizes paid on the monthly records;

(iii) When the jackpot is awarded, only amounts not previously accrued, if any, shall be recorded as a prize paid;

(iv) No more than five carry-over jackpot series shall be in play at once; and

(v) If the contribution amount is not deposited with the net receipts (required by WAC 230-12-020), a proper audit trail and adequate security over the funds must be maintained; and

(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.

[Statutory Authority: RCW 9.46.070, 98-24-089 (Order 368), § 230-30-045, filed 12/1/98, effective 1/1/99; 98-15-074 (Order 359), § 230-30-045, filed 7/15/98, effective 1/1/99. 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 Punch board and pull-tab operating restrictions and dispensing limitations. The following operating restrictions and dispensing limitations apply to punch boards 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 punch board or pull-tab series. It shall be the responsibility of both the licensee and the person physically operating the punch board 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 punch board 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 punch board 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 punch board 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 punch board or pull-tab series in play must be retained on the licensed premises so long as the series or punch board 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; or

(iii) Those pull-tab series that are being permanently held for a player. A series may be permanently held for a specific player who leaves the premises, but intends to return and play the series at a later date, under the following conditions:

(A) The player meets the criteria set forth in the operator's house rules. House rules shall be developed and posted in a manner that all players can observe. House rules shall be clear in meaning and shall contain the conditions and length of time a player can permanently hold a series;

(B) The series is wholly contained in a secure manner, clearly identified as a permanently held series, and stored in the immediate vicinity of the pull-tab area on the premises;

(C) Adequate accounting records shall be maintained showing the status of all held series;

(D) The series is not placed out for further public play once the specific player is finished playing it;

(E) The maximum time a player may permanently hold a series is seven days without play, not to exceed a total held time of fourteen days; and

(F) Operators may not have more than twenty-five series permanently held for players at one time.

(7) Any punch board 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. 98-15-075 and 98-17-103 (Orders 360 and 360-A), § 230-30-050, filed 7/15/98 and 8/19/98, effective 9/19/98. 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 230-30-052 Punch boards and pull-tabs operated by charitable or nonprofit organizations—Net income required. Charitable or nonprofit organizations operating punch boards and pull-tabs and which do not operate bingo games at any level shall not pay excessive expenses. To ensure that licensees meet the intent of RCW 9.46.010 and to prevent the payment of excessive expenses, net income, as a percentage of gross gambling receipts from punch boards and pull-tabs, shall not be less than zero when measured over the annual license period: Provided, That the limits set out in Table 1. of WAC 230-20-059 shall apply to organizations operating punch boards and pull-tabs in conjunction with a bingo game.

[Statutory Authority: RCW 9.46.070. 98-15-073 (Order 358), § 230-30-052, filed 7/15/98, effective 1/1/99. Statutory Authority: RCW 9.46.070 (1)(16). 90-10-007, § 230-30-052, filed 4/19/90, effective 7/1/90.]

WAC 230-30-055 Standards for construction of punch boards. All punch boards sold for use in the state of Washington must comply with the following standards:

(1) **Patterns:** The punch board shall be designed and manufactured with special care so as to eliminate any patterns between punch boards, or portions of punch boards, 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 punch board. 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 punch boards;

(c) When filling punch boards, workers shall alter the procedures for filling each separate set, so as to prevent any pattern between sets of punch boards; and

(d) No more than eight punch boards from any one set of boards shall be included in any case of punch boards 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 punch board 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 punch boards 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. Punch boards 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 punch board 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 230-30-070 Control of prizes—Restrictions—Bonus prizes—Displaying—Procedures for awarding. Punch board and pull-tab prizes shall be closely controlled to ensure players are not defrauded.

(1) All prizes from the operation of punch boards and pull-tabs shall be awarded in cash or in merchandise.

No licensee shall offer to pay cash in lieu of merchandise prizes which may be won.

(2) Additional chances on a punch board 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 punch board or pull-tab game as set forth in subsection (4) of this section.

(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 punch board. The awarding of these prizes involves an immediate, additional opportunity to advance to a section of the game to determine the prize.

(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 punch board 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.

(5) The licensee shall display prizes so that a customer can easily determine which prizes are available from any particular punch board 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 punch board or pull-tab series and in plain view: Provided, That games that offer merchandise prizes that are "surprises" may be wrapped in some way so players are unable to identify what the prize is until opened;

(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;

(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, punch board, 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 punch boards 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.

(7) Payment of prizes. The licensee must pay or award to the customer or player playing the punch board or pull-tab series all such prizes that are required to be, but have not been, deleted from the flare when the punch board or pull-tab series is completely played out.

(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 punch board 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 worth more than twenty dollars 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.

(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. 00-21-095 (Order 389), § 230-30-070, filed 10/18/00, effective 1/1/01; 98-15-074 (Order 359), § 230-30-070, filed 7/15/98, effective 1/1/99. 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), §

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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.]

WAC 230-30-072 Punch board and pull-tab inventory control—Retention requirements—Audit adjustments. Each punch board and pull-tab series purchased or otherwise obtained by an operator shall be controlled and accounted for. Each operator shall closely monitor punch board 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 punch boards and pull-tab series shall be recorded as follows:

(a) All purchases of punch boards 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 punch board 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 punch boards 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 punch board 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 punch board and pull-tab series to the number recorded on the purchase invoice;

(2) At the time a punch board 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 punch board 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 punch board 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 punch board 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 punch boards 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 230-30-080 Punch board 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 punch board 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 punch board 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 punch board, 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. For any merchandise prize with an actual cost over five hundred dollars, the total cost plus markup in this subsection shall not exceed seven hundred fifty dollars; 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, and pull-tab series with carry-over jackpots, as authorized in WAC 230-30-045 shall be exempt from this requirement and shall be subject to the limits defined in those rules: Provided further, That the cash limit may be increased from five hundred dollars to seven hundred fifty dollars only on pull-tab series with a cost per tab of one dollar after approval by the director; or

(b) A merchandise prize for which the operator has expended more than five hundred dollars: Provided, That operators may expend more than five hundred dollars, not to exceed seven hundred fifty dollars, subject to the limitations set forth in subsection (1)(a) of this section;

(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 punch board 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 punch boards or pull-tabs.

[Statutory Authority: RCW 9.46.070. 98-21-011 and 98-24-092 (Orders 367 and 367-A), § 230-30-080, filed 10/9/98 and 12/1/98, effective 1/1/99; 98-15-074 (Order 359), § 230-30-080, filed 7/15/98, effective 1/1/99. 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 230-30-090 All devices must comply with rules.

No operator shall display or put out for play, and no distributor or manufacturer or their representatives shall sell or otherwise furnish, any punch board, series of pull-tabs, or device for the dispensing of pull-tabs unless such punch boards, pull-tabs or devices for the dispensing of pull-tabs conform to all requirements of this state's laws and the rules of this commission, as they now exist or are hereafter amended.

[Order 18, § 230-30-090, filed 5/21/74.]

WAC 230-30-097 Standards—Approved pull-tab dispensing devices. Operators may utilize approved pull-tab dispensing devices provided that each device meets the following standards:

(1) Devices must be manufactured by a commission licensed manufacturer.

(2) Devices shall conspicuously display a stamp, seal, or label identifying its manufacturer and the city and state of its manufacture.

(3) Devices shall have the manufacturer's serial number for that device stamped or embossed into its case.

(2001 Ed.)

(4) Devices manufactured specifically for the dispensing of perforated window type pull-tabs shall meet the following standards:

(a) Be constructed so that consumers can clearly see each pull-tab within the device, except that area at the bottom of the device, not to exceed one inch in height, covered for security or mechanical reasons, and have permanent lines or markings which divide the pull-tabs remaining in the device into divisions of approximately twenty-five tabs so that the consumer can determine how many tabs remain within the device; or

(b) Have a resettable counter visible to the customer indicating the number of pull-tabs left in the device.

(5) Devices manufactured specifically for the dispensing of "jar" or "banded" type pull-tabs shall meet the following standards:

(a) Be constructed so that consumers can clearly see all jar tickets or jar ticket bundles within the device; or

(b) Have a resettable counter visible to the consumer indicating the number of jar tickets left in the device.

(6) Devices utilizing bill acceptors or similar devices that do not return change shall clearly disclose that fact to the consumer.

[Statutory Authority: RCW 9.46.070 (1), (4), (14), (20). 96-13-069 (Order 295), § 230-30-097, filed 6/18/96, effective 7/19/96. Statutory Authority: RCW 9.46.070 (1)-(4), (7), (8), (11), (12), (14), (20) and 9.46.110 (3), (4). 95-23-109, § 230-30-097, filed 11/22/95, effective 1/1/96. Statutory Authority: RCW 9.46.070. 93-12-082, § 230-30-097, filed 5/28/93, effective 7/1/93.]

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.

Determination of winners prohibited.

(1) 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; and

(2) 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.

Construction of pull-tabs.

(3) 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.

(4) 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.

(5) 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.

(6) No series numbers used on a series shall be repeated on that same manufacturer's form number within a three-year period.

Winner protection and verification codes.

(7) Each manufacturer shall establish methods of winner protection for each punch board 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, 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 commission 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. Punch boards 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(10) are exempt from this requirement.

[Statutory Authority: RCW 9.46.070 and 34.05.230, 01-01-016 (Order 396), § 230-30-103, filed 12/6/00, effective 1/6/01. 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.]

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 230-30-106 Punch board 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 punch board, 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 punch board, 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 punch board; 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 over twenty dollars in cash, or merchandise worth more than twenty dollars 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 fifty 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 punch board 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 (face sheets) for each form number of a bonus series. Flares which contain prizes that are determined after the player receives the corresponding winning chance shall be constructed so that it is impossible to determine the prizes prior to removing the prize covering, in any manner or by any device. 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 punch boards 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 punch boards and pull-tab series;

(ii) Licensed operators or distributors may make and use substitute flares on punch boards 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 punch board 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 punch boards 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. 98-15-074 (Order 359), § 230-30-106, filed 7/15/98, effective 1/1/99. 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.]

WAC 230-30-210 Sales restrictions. (1) No manufacturer, distributor or distributor's representative, shall sell or otherwise make available to any person any punch boards, 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 punch board, 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 punch board or series of pull-tabs unless the manufacturer of punch boards 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 punch board 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 230-30-220 Interest in separate business involving punch boards and pull-tabs at a different marketing level prohibited. No manufacturer, distributor or operator of punch boards, pull-tabs, pull-tab dispensing devices or related equipment shall:

(1) Have any interest, directly or indirectly, in any other of these businesses operating in whole or in part at a different marketing level;

(2) Allow any of its officers, or any other person with a substantial interest in such business, to have any interest in any other of these businesses operating in whole or in part at a different marketing level;

(3) Shall employ any person in any capacity or allow any person to represent the business in any way if such person is also employed by, or represents any other of these businesses operating in whole or in part at a different marketing level;

(4) Shall allow any other of these businesses operating in whole or in part at a different marketing level, or any person with a substantial interest therein to have any interest directly or indirectly, in it;

(5) Have any interest, directly or indirectly, in any business of any kind in which any other of these businesses operating in whole or in part at a different marketing level, or any person having a substantial interest therein, also has a substantial interest;

(6) Allow any other business of any kind in which any other of these businesses, or any person having a substantial interest therein, to have any interest, directly or indirectly, in it;

(7) For the purposes of this rule, the different marketing levels shall be:

- (a) Operator;
- (b) Distributor;
- (c) Manufacturer;

(8) This rule shall not prohibit the same person licensed and operating as a manufacturer from being also licensed and operating as a distributor.

[Order 18, § 230-30-220, filed 5/21/74; Order 5, § 230-30-220, filed 12/19/73.]

WAC 230-30-225 Exception to prohibition of holding an interest in separate punch board or pull-tab businesses at different marketing levels. (1) Except as otherwise provided in WAC 230-30-220, the spouse of an individual who is a holder of a substantial interest in a business involved in punch boards or pull-tabs may not be considered a substantial interest holder in such business if, after considering the entire circumstances surrounding the relationship and business, the director finds the potential for involvement or influence in the business by the spouse is not material. A spouse may be required to submit one or more of the following documents to the director for determining whether involvement or influence is material:

- (a) Community or marital property agreements;
- (b) Separate property agreements;
- (c) Prenuptial agreements; or
- (d) Wills and codicils.

(2) When spouses are involved in both the operation of and/or the supply of punch boards and pull-tabs, the director may impose additional requirements on either licensee, including, but not limited to, prohibiting a manufacturer or distributor from making sales or providing services to an operator.

[Statutory Authority: RCW 9.46.070. 98-10-067 and 98-12-005 (Orders 357 and 357-A), § 230-30-225, filed 5/1/98 and 5/21/98, effective 7/1/98.]

WAC 230-30-300 Recall of defective punch boards, pull-tabs or pull-tab dispensing devices. (1) Upon a determination that punch boards, 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

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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 punch boards, 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 punch board, pull-tab series or pull-tab dispensing device recalled by order of the director. Manufacturers of recalled punch boards, 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 punch board 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.]

WAC 230-30-500 Rules applicable to operators of punch boards and pull-tabs applicable as well to operators of either activity. Each rule of the commission which applies to operators of both punch boards and pull-tabs shall apply as well to operators of either one of these activities.

[Order 25, § 230-30-500, filed 10/23/74.]

Chapter 230-40 WAC CARD GAMES

WAC

230-40-010

Social card games—Rules of play—Types of card games authorized.

230-40-020

Portion of premises used for card playing limited.

230-40-030

Number of tables and players limited.

230-40-040

Fees for house-banked card games—Prohibited—Exception.

230-40-050	Fees for nonhouse-banked card playing—Method of assessment and collection—Maximum fees.		utory Authority: RCW 9.46.070(10) (see RCW 9.46.020(20)). 80-09-067 (Order 103), § 230-40-015, filed 7/17/80; Order 67, § 230-40-015, filed 3/11/77; Order 40, § 230-40-015, filed 6/26/75; Order 29, § 230-40-015, filed 1/23/75.] Repealed by 00-09-052 (Order 383), filed 4/14/00, effective 5/15/00. Statutory Authority: RCW 9.46.070.
230-40-055	Card tournaments for fee and prizes—Reporting requirements.		
230-40-063	Charge for cutting cards.		
230-40-070	Licensee to furnish all cards, chips and other services.		
230-40-080	Person not to bring their own cards or chips.		
230-40-090	Devices, mechanisms, giving advantage—Prohibited.	230-40-060	Persons shall not share in winnings or charge additional fee for playing cards. [Order 72, § 230-40-060, filed 7/26/77; Order 29, § 230-40-060, filed 1/23/75; Order 23, § 230-40-060, filed 9/23/74.] Repealed by 00-09-052 (Order 383), filed 4/14/00, effective 5/15/00. Statutory Authority: RCW 9.46.070.
230-40-120	Limits on wagers in card games.		
230-40-125	Washington blackjack—Rules of play—Wagering limits.		
230-40-130	Wagers to be made with chips only.		
230-40-140	Change in method of wagering prohibited.		
230-40-200	Players to compete on equal terms—Deal to rotate among players.	230-40-062	No charge for cutting cards. [Order 25, § 230-40-062, filed 10/23/74.] Repealed by 83-11-034 (Order 133), filed 5/16/83. Statutory Authority: RCW 9.46.070 (8) and (11).
230-40-225	House dealer allowed in certain games.		
230-40-230	No person shall have someone play for him or assist another participant.	230-40-150	Side bets prohibited. [Order 23, § 230-40-150, filed 9/23/74.] Repealed by 00-09-052 (Order 383), filed 4/14/00, effective 5/15/00. Statutory Authority: RCW 9.46.070.
230-40-250	Licensee to prevent cheating in card games.		
230-40-315	No food or drink sales on time basis in card room.		
230-40-320	Minors or intoxicated persons shall not play cards or provide services to the game.	230-40-160	Wagers by other than participants prohibited. [Order 23, § 230-40-160, filed 9/23/74.] Repealed by 00-09-052 (Order 383), filed 4/14/00, effective 5/15/00. Statutory Authority: RCW 9.46.070.
230-40-331	Bona fide nonprofit or charitable organizations—Members only to play social card and dice games—Exception.		
230-40-400	Hours for card games—Procedures for changing hours.	230-40-220	Owners and employees not to play cards on licensee's premises. [Order 33, § 230-40-220, filed 2/21/75; Order 23, § 230-40-220, filed 9/23/74.] Repealed by Order 67, filed 3/11/77.
230-40-450	Pictures to be posted with employee licenses.		
230-40-500	House rules to be developed and posted.		
230-40-550	Incompatible functions defined.	230-40-300	Rules of card games and related house rules to be posted. [Order 23, § 230-40-300, filed 9/23/74.] Repealed by Order 40, filed 6/26/75.
230-40-552	Cash equivalent defined.		
230-40-554	Chief executive officer or chief operations officer defined.	230-40-310	No free or discount food, beverage or merchandise to be offered at public card room. [Statutory Authority: RCW 9.46.070 (1), (2), (4), (5), (6), (11), (14) and (17). 86-13-055 (Order 158), § 230-40-310, filed 6/13/86; Order 45, § 230-40-310, filed 12/30/75.] Repealed by 95-23-109, filed 11/22/95, effective 1/1/96. Statutory Authority: RCW 9.46.070 (1)-(4), (7), (8), (11), (12), (14), (20) and 9.46.110 (3), (4).
230-40-556	Gaming operations department manager defined.		
230-40-558	Shift manager defined.	230-40-330	Limitation on the number of guests. [Order 23, § 230-40-330, filed 9/23/74.] Repealed by Order 78, filed 11/17/77.
230-40-560	Floor supervisor defined.		
230-40-562	Dealer defined.	230-40-900	Public card room enhancement program—Pilot study. [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.] Repealed by 00-09-052 (Order 383), filed 4/14/00, effective 5/15/00. Statutory Authority: RCW 9.46.070.
230-40-600	Authorization procedures for player-supported jackpots.		
230-40-610	Player-supported jackpots—Restrictions—Manner of conducting—Approval.	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).
230-40-615	Nonhouse-banked card games—Administrative and accounting control structure—Organization.		
230-40-800	Operating rules for house-banked card games.		
230-40-803	Phase II wager limits—Restrictions—Procedures.		
230-40-805	House-banked progressive jackpot prizes—Procedures—Restrictions.		
230-40-810	House-banked card games—Odds based wagers—Prizes—Restrictions—Procedures.		
230-40-815	House-banked card games—Administrative and accounting control structure—Organization.		
230-40-820	House-banked card games—Internal control system evaluation—Required procedures.		
230-40-823	House-banked card games—Financial audits required.		
230-40-825	Closed circuit television system requirements and procedures.		
230-40-830	Cashier's cage—Requirements.		
230-40-833	Cashier's bank and minimum bankroll.		
230-40-835	Accounting controls for cashier's cage.		
230-40-840	Drop boxes—Requirements.		
230-40-845	Procedures for exchange of checks submitted by gaming patrons at cashier's cage.		
230-40-850	Procedures for purchasing gaming chips.		
230-40-855	Acceptance of tips from patrons for house-banked activities.		
230-40-860	Table inventories and procedures for opening tables for house-banked card games.		
230-40-865	Procedure for distributing gaming chips and coins to house-banked gaming tables—Requests and fills.		
230-40-870	Procedure for removing gaming chips and coins from house-banked gaming tables—Requests and credits.		
230-40-875	Procedures for closing house-banked gaming tables.		
230-40-880	Count room requirements.		
230-40-885	Counting and recording contents of drop boxes—Procedures.		
230-40-890	Signatures—Requirements.		
230-40-895	Key control requirements and procedures.		
230-40-897	Card game promotions—Procedures—Restrictions.		

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

230-40-015	Rules by which the authorized card games shall be played. [Statutory Authority: RCW 9.46.070(11), 82-23-050 (Order 125), § 230-40-015, filed 11/15/82. Stat-
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(d) Players shall not place wagers on any other player's or the house's hand and no side bets between players are allowed: Provided, That the following shall not be in violation of this section:

- (i) An insurance bet placed in the game of blackjack;
- (ii) A tip wager made on behalf of a dealer; or
- (iii) "Envy" provisions which allow a player to receive a prize if another player wins a jackpot or odds wager;

(e) A player's win or loss shall be determined during the course of play of a single card game;

(f) No more than two separate games shall be played with a single hand of cards. For purposes of this section, bonus features and progressive jackpots are considered a game: Provided, That bonus features that allow a player to receive an additional prize if another player achieves a specific hand, such as "envy" or "share the wealth" features, shall not be considered a separate game if the player does not have to place a separate wager to participate; and

(g) The rules of play for each specific game played at a licensed card room shall be maintained on the licensed premises and immediately available for review by commission staff, local law enforcement, or a player upon request. Commission staff shall approve any modification to such rules prior to implementation. In addition, any rules related to wager or prize pay out restrictions shall be clearly posted in the immediate area of such games.

(2) Nonhouse-banked card games shall only be played in the manner set forth in *The New Complete Hoyle, Revised, Hoyle's Modern Encyclopedia of Card Games*, or a similar authoritative book on card games approved by the director: Provided, That each licensee may make immaterial modifications to each authorized game set out in Hoyle. The following nonhouse-banked card games are authorized:

- (a) Poker;
- (b) Hearts;
- (c) Pinochle;
- (d) Cribbage;
- (e) Rummy;
- (f) Panguingue (Pan);
- (g) Pitch;
- (h) Bid Whist;
- (i) Washington blackjack, if the business was licensed and operating the game on April 1, 2000, and under the restrictions set forth in WAC 230-40-125;

(j) Other games or modifications to approved games may be approved by the director, or the director's designee, on a case-by-case basis. Requests for approval of a game must be submitted in writing, and include the rules of play and all wagering schemes.

(3) House-banked card games shall be approved by the director, or the director's designee, on a case-by-case basis. Request for approval of a house-banked card game must be submitted in writing, including the rules of play and all wagering schemes. A list of all approved games, modifications to games, and rules of play shall be available at all commission offices. The director may approve games in which the determination of whether a player wins or loses depends upon one or more of the following:

- (a) The player's hand is a specific:

(i) Pattern or ranking of cards (pair, straight, flush, royal flush, etc.);

(ii) Combination of cards (two queens of hearts, ace and jack of spades, three sevens, etc.); or

(iii) Value of the cards (seventeen, twenty-one, etc.); and/or

(b) The player has a higher ranking or value hand than the house/dealer/banker.

(4) Once a game is approved for play, the director shall not remove it from the authorized list of games without providing licensees written notice. Licensees shall be afforded an opportunity to object to the director's decision. If an objection is filed, an administrative law judge shall review the director's decision utilizing the brief adjudicative procedures set forth in WAC 230-50-010.

(5) The licensee shall be notified in writing when the director denies a request for a new game or modification of a game. The notification shall include reasons for the denial and provide the petitioner all information necessary for a formal petition to the commission for rule making, amendments, or repeal, as set forth in WAC 230-50-800.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-010, filed 4/14/00, effective 5/15/00; 99-13-103 (Order 373), § 230-40-010, filed 6/15/99, effective 8/1/99. Statutory Authority: RCW 9.46.0281, 9.46.070 (1), (2), (14) and (20). 96-11-073, § 230-40-010, filed 5/13/96, effective 7/1/96. Statutory Authority: RCW 9.46.070. 94-13-098 (Order 252), § 230-40-010, filed 6/15/94, effective 7/16/94. Statutory Authority: RCW 34.05.220(4), [34.05].230 and 9.46.070 (11) and (14). 90-05-032 (Order 205), § 230-40-010, filed 2/14/90, effective 3/17/90. Statutory Authority: RCW 9.46.070. 88-19-038 (Order 183), § 230-40-010, filed 9/13/88. Statutory Authority: Chapter 9.46 RCW. 86-19-056 (Order 161), § 230-40-010, filed 9/15/86. Statutory Authority: RCW 9.46.070(11). 82-23-050 (Order 125), § 230-40-010, filed 11/15/82. Statutory Authority: RCW 9.46.070(10) (see RCW 9.46.020(20)). 80-09-067 (Order 103), § 230-40-010, filed 7/17/80; Order 78, § 230-40-010, filed 11/17/77; Order 67, § 230-40-010, filed 3/11/77; Order 40, § 230-40-010, filed 6/26/75; Order 23, § 230-40-010, filed 9/23/74.]

WAC 230-40-020 Portion of premises used for card playing limited. Only those specific parts or portions of licensed premises which have been approved by the commission for licensed card games shall be used for that purpose. Card playing operating under the authority of a license issued by the commission involving wagers shall not take place upon any other portion or part of the premises. Social card games authorized by RCW 9.46.030(9) shall not be allowed by the organization in the same room or rooms with the licensed card games.

[Statutory Authority: RCW 9.46.070(20). 82-23-050 (Order 125), § 230-40-020, filed 11/15/82; Order 78, § 230-40-020, filed 11/17/77; Order 23, § 230-40-020, filed 9/23/74.]

WAC 230-40-030 Number of tables and players limited. No licensee shall allow more than fifteen separate tables at which card games are played. No licensee shall allow more than ten players for nonhouse-banked card games and seven players and/or areas for wagering at house-banked card games to participate at any one table at any given time. Each table shall be permanently numbered and readily identifiable by the licensee's surveillance system.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-030, filed 4/14/00, effective 5/15/00. Statutory Authority: RCW 9.46.0281 and 9.46.070 (11), (12) and (14). 88-22-019 (Order 184), § 230-40-030, filed

10/24/88. Statutory Authority: RCW 9.46.010 and 9.46.070 (8) and (14). 85-03-025 (Order 143), § 230-40-030, filed 1/9/85; Order 23, § 230-40-030, filed 9/23/74.]

WAC 230-40-040 Fees for house-banked card games—Prohibited—Exception. No person shall be charged a fee, directly or indirectly, to participate in house-banked card games: Provided, That a licensee may collect a commission of not more than five percent from a winning hand of pai gow poker.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-040, filed 4/14/00, effective 5/15/00.]

WAC 230-40-050 Fees for nonhouse-banked card playing—Method of assessment and collection—Maximum fees. No person shall be charged a fee, directly or indirectly, to play in a nonhouse-banked card game in excess of those fees set forth in this section. Each type of fee shall be maintained and recorded separately from all other fees and be available for audit by commission staff, local law enforcement, and taxing authorities.

(1) The following are authorized methods of assessing fees for playing social card games. Only one method of assessing fees may be used at a table at any given time:

(a) Fees based on a period of time - A specific fee of not more than ten dollars per hour, per player, may be charged to play social card games: Provided, That a licensee may collect the hourly fee in thirty-minute increments;

(b) Fees for each hand played - A specific fee of not more than one dollar per hand, per player, may be charged to play social card games;

(c) Fees based on the amounts wagered during a hand (rake) - A portion of the total amount wagered by a player, not to exceed five dollars per hand or ten percent of total wagers for a hand, whichever is less, may be collected for playing social card games; or

(d) Fees to enter tournaments shall be as set forth in WAC 230-40-055.

(2) Fees shall be collected by a licensed card room employee in the following manner:

(a) Fees assessed on a period of time shall be collected directly from each player by the dealer or floor supervisor responsible for that particular section of the card room. The "direct collection," "chip rack," or "drop box" methods set forth in this section may be used for collection of fees assessed on a period of time;

(b) Fees assessed on a per-hand basis shall be placed in a designated area of the table by the player and collected by the dealer before the first round of cards has been dealt. After collection, the dealer shall deposit all chips or coins in the chip rack or drop box, as applicable;

(c) Fees assessed on the amounts wagered during a game shall be collected by the dealer during play of the hand and placed in a designated area of the table. Once the maximum fee for a hand is accumulated, the dealer shall spread the chips or coins to allow players and the surveillance system the ability to verify the amount collected. After verification, chips shall be deposited in the dealer's chip rack or drop box, as applicable;

(d) All fees to enter tournaments shall be collected in advance of the start of play in accordance with WAC 230-40-055; or

(e) Licensees may apply to the director for approval of alternate fee collection methods. If approved, the method of collection shall be set forth in the letter granting approval.

(3) All fees collected from players shall be maintained and recorded as set forth in WAC 230-08-090. All collections shall be kept separate from all other chips and cash in the card room until recorded in the daily card room records and deposited in the cashier's cage. All chips and cash in the cashier's cage shall be kept separate from all other chips and cash located on the licensed premises at all times card games are conducted. The following methods may be used for control of fees collected for card games:

(a) Direct collection method - Fees are collected directly from each player by a licensed card room employee responsible for that particular section of the card room and deposited in the card room cage serving the area of the card room from which collections are made. Collections shall be made at least once per hour, at times designated by the licensee. All fees shall be recorded immediately upon collection, per WAC 230-08-090. This collection method may only be used when assessing fees based on a period of time.

(b) Chip rack method - This method is allowed for licensees that are licensed with three or fewer tables. It requires a licensed center dealer, a game lay-out with a designated area for player fees, and a chip rack separated into sections for each type of fee collected. Fees are temporarily stored in the chip rack and controlled by a licensed dealer until collected by the floor supervisor. All chips collected as fees shall be removed from the dealer's chip rack at least every four hours by the licensed card room employee responsible for that particular section of the card room. The removal process shall include the counting of chips and coins in the presence of players and immediately recording the totals on the record prescribed by the commission. The dealer and the supervisor making the removal shall each initial the prescribed record verifying its accuracy.

(c) Drop box method - Fees are temporarily stored in a numbered, locked drop box. The drop box method requires a center dealer, a table with a designated area for each type of player fee and/or fees removed from the pot, and a separate drop box for each type of fee. Drop box movement, storage, and counting shall be conducted as prescribed in WAC 230-40-840. The drop box shall be located in a position that is isolated from the pot area and in plain view of all players and the surveillance system.

(4) No player shall be required to pay for or purchase any other goods or services as a condition of playing cards: Provided, That:

(a) A bona fide nonprofit or charitable organization may charge its usual membership fee to belong to the organization; and

(b) Licensees may collect an admission fee when providing entertainment, as long as the fee is charged to all patrons;

(5) A schedule setting forth all fees to participate in card games shall be posted in plain view where it can be seen by the players in the card games;

(6) A person requesting a new deck of cards beyond those regularly furnished by the licensee may be charged a fee not to exceed the actual cost to the licensee for the deck. Class D licensees may charge a fee not to exceed actual cost to the licensee per deck for each deck of playing cards furnished to a table as required by these rules, or as requested by any player at the table. The fee shall be collected in cash directly from the players, or the player requesting the deck, at the time the deck is introduced into the game;

(7) The licensee shall collect the same fee from all players at a table. If the licensee elects to allow free play, then all players at a table must be allowed to play for free: Provided, That a licensee may allow licensed card room employees and owners to play without a fee if fees are based on time, as authorized by subsection (1)(a) of this section.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-050, filed 4/14/00, effective 5/15/00. Statutory Authority: RCW 9.46.0281, 9.46.070 (1), (2), (4)-(8), (11), (12), (14) and (20). 96-19-082 (Order 300) § 230-40-050, filed 9/18/96, effective 10/19/96. Statutory Authority: RCW 9.46.070 (1)-(4), (7), (8), (11), (12), (14), (20) and 9.46.110 (3), (4), 95-23-109, § 230-40-050, filed 11/22/95, effective 1/1/96. Statutory Authority: RCW 9.46.070. 94-17-091 (Order 256), § 230-40-050, filed 8/16/94, effective 9/16/94. Statutory Authority: RCW 9.46.070 (1), (2), (4), (5), (6), (9), (11), (14) and (17) and 9.46.020 (19) and (23). 85-17-015 (Order 153), § 230-40-050, filed 8/12/85. 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), § 230-40-050, filed 1/9/85. Statutory Authority: RCW 9.46.070 (8) and (17). 83-23-055 (Order 138), § 230-40-050, filed 11/15/83. Statutory Authority: RCW 9.46.070(11). 82-11-028 (Order 120), § 230-40-050, filed 5/11/82; 80-09-067 (Order 103), § 230-40-050, filed 7/17/80; Order 72, § 230-40-050, filed 7/26/77; Order 42, § 230-40-050, filed 9/18/75; Order 38, § 230-40-050, filed 5/9/75; Emergency Order 37, § 230-40-050, filed 5/9/75; Order 35, § 230-40-050, filed 3/14/75; Order 29, § 230-40-050, filed 1/23/75; Order 23, § 230-40-050, filed 9/23/74.]

WAC 230-40-055 Card tournaments for fee and prizes—Reporting requirements. (1) A card tournament wherein a fee is charged to the participants and prizes are awarded to the winning players shall be licensed by the commission. Card room licensees with a Class A, B, E, F or house-banked license may conduct a card tournament for a fee without obtaining a card tournament license: Provided, That licensees are limited to only those card games authorized under their license class. Card room licensees with a Class D or R license must first obtain a card tournament license before they can conduct a card tournament in which the players are charged a fee to enter. The licensee shall notify the commission ten days in advance of any card tournament where the single or multiple buy-in exceeds fifty dollars. A card tournament shall not exceed ten consecutive calendar days.

(2) The fee for a player to enter a card tournament for prizes shall not exceed fifty dollars, including all separate fees which might be paid by a player for various phases, events of the tournament, food and drink offerings, and promotional material. The fee to enter a tournament and a description of all goods and services to be provided as a part of the tournament must be fully disclosed to each entrant prior to their paying such fee. Such disclosure must be posted conspicuously on the premises at the time payment is received and remain posted until the tournament is complete. This same information must be included in all advertisements for said tournament. Operators may offer "free roll" or

customer appreciation tournaments: Provided, That the pre-tournament play requirements do not exceed the fifty-dollar entry fee limitation. Entrants in such tournaments must initially be provided with the same number of chips or points and the same opportunity for re-buys. All prizes awarded for free roll or customer appreciation tournaments may be deducted as prizes for determining adjusted net gambling receipts for compliance with WAC 230-12-075.

(3) All fees paid to enter a tournament shall be reported as gross gambling receipts: Provided, That if an operator prepares and provides food and drink items to all tournament entrants on the licensed premises as a part of their entry fee, the fair market value of the food and drink provided, not to exceed twenty-five dollars or fifty percent of the entry fee, whichever is greater, shall be treated as sales of food and drink for on premises consumption and not included as gross gambling receipts. Such sales, must be properly supported by records: Provided further, That if an operator provides items promoting the tournament or licensed business, such as hats, t-shirts, etc., to all participants as a part of their entry fee, the actual cost of such items, supported by invoices and other such records, shall be deducted as prizes in determining adjusted net gambling receipts for compliance with WAC 230-12-075.

(4) In addition to the entry fee, a minimum buy-in of chips may be required. The total buy-in per player shall not exceed two hundred dollars per tournament and may be either a single or multiple buy-in during the course of the tournament. A record of the buy-ins for each participant will be maintained by the licensee in a format provided by the commission. All buy-ins of chips are not gross gambling receipts and shall be returned to the participants in the form of prizes. Prizes from buy-ins are not deductible for commercial stimulant purposes.

(5) The chips used in card tournaments shall have no monetary value and may be redeemed only for prizes established by the licensee. The licensee may award prizes in excess of those entry fees collected as authorized in subsection (2) of this section. The licensees actual cost for prizes awarded to the players may be deducted as prizes for determining adjusted net gambling receipts generated by the entry fees.

(6) The licensee shall adopt tournament rules to facilitate the operation of card tournaments: Provided, That all tournament rules for tournaments where the single or multiple buy-in exceeds fifty dollars must be submitted to the commission for approval. All tournament rules must be posted where all tournament participants can see and read the rules.

(7) The licensee shall maintain a record of all such fees collected and the number of participant for each tournament conducted. This information shall be entered in a format approved by the commission. The total gross gambling receipts for the tournament shall be entered on the card room daily control sheet for the time and date the tournament begins and the record of participants shall be attached and maintained with that daily control sheet.

(8) The licensee shall maintain a record of all prizes awarded to include the amount the licensed operator actually paid for each prize and the name and complete address of each winning participant: Provided, That the name and

address of each participant receiving promotional items as set forth in subsection (3) of this section shall not be required on the prize record. The record shall be attached to the daily control sheet used on the date the majority of the prizes are awarded.

[Statutory Authority: RCW 9.46.070, 00-11-054 (Order 384), § 230-40-055, filed 5/12/00, effective 6/12/00; 94-07-084 (Order 250), § 230-40-055, filed 3/16/94, effective 4/16/94. Statutory Authority: RCW 9.46.070 and 9.46.0325, 93-12-082, § 230-40-055, filed 5/28/93, effective 7/1/93. Statutory Authority: RCW 9.46.0281 and 9.46.070 (11), (12) and (14), 88-22-019 (Order 184), § 230-40-055, filed 10/24/88. Statutory Authority: Chapter 9.46 RCW, 86-17-057 (Order 160), § 230-40-055, filed 8/18/86. Statutory Authority: RCW 9.46.070 (1), (2), (4), (5), (6), (9), (11), (14) and (17) and 9.46.020 (19) and (23), 85-17-015 (Order 153), § 230-40-055, filed 8/12/85. 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), § 230-40-055, filed 1/9/85.]

WAC 230-40-063 Charge for cutting cards. After the shuffle, the dealer will offer the cards for a cut. Following this initial offer of a cut, the licensee may require that a player pay not more than one dollar for the privilege of cutting the cards, provided that the cards may not be cut more than twice during each hand or game and that any and all such fees be placed into the pot for that hand or game.

[Statutory Authority: RCW 9.46.070 (8) and (11), 83-11-034 (Order 133), § 230-40-063, filed 5/16/83.]

WAC 230-40-070 Licensee to furnish all cards, chips and other services. Each public card room and Class A social card room licensee shall furnish all chips and cards in connection with all card games conducted on its premises at no additional charge to the players, except as provided in WAC 230-40-050(6). All chips and cards shall be of generally conventional size and design, and include safeguards that maximize the integrity of the card games. The following standards and procedures apply to this section:

(1) The licensee shall furnish chips and cards that meet the following requirements:

(a) Chips. Chips must include the house name or logo, clearly denote the chip value, be produced by a licensed manufacturer, and purchased from a licensed manufacturer or distributor: Provided, That the director may exempt Class A, B, C, and E licensees with five tables or less from this provision if chips are readily identifiable as having been furnished by that particular licensee and values of chips are clearly posted in the card room: Provided further, That Class D licensees are exempt from the provisions set forth in this subsection; and

(b) Cards. The deck or decks of cards must include the house name or logo, be produced by a licensed manufacturer, and be purchased from a licensed manufacturer or distributor: Provided, That Class A, B, C, D, and E licensees with five tables or less are exempt from this provision. These licensees shall comply with all other requirements related to the type of games being played.

(2) Bank services. The licensee shall sell its chips to all players desiring to buy them and redeem all chips at the value for which they were sold. The licensee shall collect the money taken in on chips sold and fees collected and shall keep these funds separate and apart from all other money received by the licensee.

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(3) Chips shall be sold for cash only and a licensee shall not extend credit of any nature to a person purchasing chips: Provided, That a licensee may accept a check in accordance with WAC 230-12-053 and 230-40-845. Each receipt by a person of a quantity of chips from the licensee shall be a separate transaction for the purpose of this rule. Checks received for chips retained by the licensee after close of business shall be deposited by the licensee not later than the second day following receipt upon which the licensee's bank is open for business.

(4) The licensee shall safeguard all chips and cards to assure integrity of games and banking services and no licensee shall allow:

(a) Playing cards that have been shaved, sanded, cut, carved, or otherwise marked in any manner which may make certain cards identifiable to players other than as allowed by the rules of the particular game.

(b) Any cards or chips not furnished by the licensee to be used in any card game conducted upon its premises; or

(c) Any other person to buy or sell chips for use in card games upon its premises.

[Statutory Authority: RCW 9.46.070, 00-09-052 (Order 383), § 230-40-070, filed 4/14/00, effective 5/15/00. Statutory Authority: RCW 9.46.070 (8), (11) and (14), 89-11-048 (Order 192), § 230-40-070, filed 5/16/89. Statutory Authority: RCW 9.46.070 (11), (14) and 9.46.0218 [9.46.0281], 89-05-024 (Order 186), § 230-40-070, filed 2/13/89. Statutory Authority: RCW 9.46.070 (1), (2), (4), (5), (6), (11), (14) and (17), 86-13-055 (Order 158), § 230-40-070, filed 6/13/86; Order 74, § 230-40-070, filed 8/17/77; Order 40, § 230-40-070, filed 6/26/75; Order 29, § 230-40-070, filed 1/23/75; Order 23, § 230-40-070, filed 9/23/74.]

WAC 230-40-080 Person not to bring their own cards or chips. No person shall bring onto a premises licensed to allow the playing of card games, nor introduce into any card game, any playing card or cards, or any poker chip or chips for use in wagering, other than those obtained from the licensee on that business day.

[Order 40, § 230-40-080, filed 6/26/75; Order 23, § 230-40-080, filed 9/23/74.]

WAC 230-40-090 Devices, mechanisms, giving advantage—Prohibited. No device, apparatus, mechanism, or thing which may give a participant in a card game an advantage over any other participant in that game may be used by any person.

[Order 23, § 230-40-090, filed 9/23/74.]

WAC 230-40-120 Limits on wagers in card games. Social and public card room licensees shall not allow wagering limits set by the commission to be exceeded in any card game. The number and value of wagers in card games are limited as follows:

(1) Nonhouse-banked card games:

(a) Poker:

(i) There shall be no more than five betting rounds in any one game;

(ii) The maximum number of wagers in any betting round shall be four, comprised of an initial wager plus three raises; and

(iii) The maximum amount of a single wager shall not exceed twenty-five dollars.

(b) Games based on achieving a specific number of points - each point shall not exceed five cents in value.

(c) An ante, except for panguingue (pan), shall not be more than the maximum wager allowed for the first betting round for any game. The ante may, by house rule, be made by one or more players, but the total ante may not exceed the maximum wager allowed for the first betting round. An ante, by house rule, may be used as part of a player's wager.

(d) Panguingue (pan) - the maximum value of a chip for a payoff shall not exceed ten dollars. An ante will not exceed one chip. Doubling of conditions is prohibited. Players going out may collect not more than two chips from each participating player.

(2) House-banked card games:

(a) Licensees authorized to conduct house-banked card games shall not allow a single wager to exceed twenty-five dollars;

(b) Licensees authorized to conduct Phase II house-banked card games shall not allow a single wager to exceed one hundred dollars;

(c) A single wager may be made on each separate element of chance. In addition, for blackjack, an additional wager may be placed for doubling down or splitting pairs; and

(d) Bonus wagers for house-banked progressive jackpots shall not exceed one dollar. Bonus wagers with a predetermined prize amount based upon a separate element of chance within the same game shall not exceed the authorized maximum table limits as described in subsection (1)(a)(i) and (ii) of this section.

(3) House rules establishing wagering limits for each type of game played shall be posted in plain view where it can be seen by the players in the card game.

[Statutory Authority: RCW 9.46.070, 00-09-052 (Order 383), § 230-40-120, filed 4/14/00, effective 5/15/00; 94-13-098 (Order 252), § 230-40-120, filed 6/15/94, effective 7/16/94. Statutory Authority: RCW 34.05.220(4), [34.05].230 and 9.46.070 (11) and (14). 90-05-032 (Order 205), § 230-40-120, filed 2/14/90, effective 3/17/90. Statutory Authority: RCW 9.46.070 (8), (11) and (14). 89-15-039 (Order 194), § 230-40-120, filed 7/18/89, effective 8/18/89. Statutory Authority: RCW 9.46.050(3) and 9.46.070 (1), (2) and (11). 86-15-025 (Order 159), § 230-40-120, filed 7/14/86. Statutory Authority: RCW 9.46.070 (1), (2) and (11) and 9.46.110. 85-21-046 (Order 154), § 230-40-120, filed 10/14/85. Statutory Authority: RCW 9.46.020 (20)(d) and 9.46.070(11). 82-23-050 (Order 125) and 83-01-045 (Order 125A), § 230-40-120, filed 11/15/82 and 12/13/82. Statutory Authority: RCW 9.46.070(11). 82-04-010 (Order 118), § 230-40-120, filed 1/22/82; 81-19-073 (Order 112), § 230-40-120, filed 9/15/81. Statutory Authority: RCW 9.46.070(10). 80-03-059 (Order 98), § 230-40-120, filed 2/25/80; Order 80, § 230-40-120, filed 12/28/77; Order 51, § 230-40-120, filed 4/30/76; Order 48, § 230-40-120, filed 3/23/76; Order 23, § 230-40-120, filed 9/23/74.]

WAC 230-40-125 Washington blackjack—Rules of play—Wagering limits. Washington blackjack shall not be allowed unless a business is licensed and operating the game on April 1, 2000.

(1) Fees to play Washington blackjack shall only be assessed on a time basis and collected using the direct method as defined in WAC 230-40-050. Washington blackjack is a nonhouse banking card game permitted in Class A and E card rooms. Washington blackjack shall be played in the following manner:

(2001 Ed.)

(2) No more than two standard fifty-two-card decks shall be used with suits disregarded and each card valued numerically only as follows: Ace equal 1 or 11; face cards (King, Queen, Jack) equal 10 each; others according to their spots, 10 to 2. The number of decks used shall be established by house rule. The cards shall be dealt from a shoe at all times. The game is played with a player who deals the cards and banks the game (dealer/banker).

(3) When starting a new table the cards are cut to determine who the first banker will be. The dealer/banker shall announce the amount of money that he or she will put into the bank. If a minimum bank is established as per individual house rule, it shall not exceed two hundred fifty dollars.

(4) Once the bank has been established, the player to the immediate left of the dealer/banker places his/her wager on the bet line and the dealer/banker covers that wager by matching it with a like amount of chips. Each player makes their wager in turn and each wager is immediately matched by the dealer/banker. The maximum and minimum wager may be set by house rule but in no event shall the maximum wager exceed twenty-five dollars. If the bank runs out of money (tapped out) prior to the commencement of the deal, then only those players with a wager covered will be dealt a hand.

(5) The play begins with the dealer/banker dealing one card face up to each covered player including himself/herself, one more card face up to each covered player, and then one down card to himself/herself. A player may be dealt more than one hand by house rule. If a player holds an ace and a face card or a ten, it is a "natural" 21 and the player collects one and one-half times the amount of their bet from the dealer/banker, unless the dealer/banker also has a natural which results in a tie (push). All ties result in the players and the dealer/banker recovering their wagers.

(6) If the dealer/banker's face-up card is a ten, face card or ace, he/she shall look at the face-down card to see if he/she has a natural; if the face-up card is anything else, he/she may not look at the face-down card until his/her turn to draw. If the dealer/banker has a "natural," he/she collects the wagers from players who do not have a "natural." If the dealer/banker does not have a "natural," he/she pays off any player with a "natural" starting with the first one to the left of the dealer/banker. Should the dealer/banker not have enough money in the bank to make up the one and one-half for one payoff due on a "natural," then those hands and wagers will be frozen in place until the additional wagers are made up or the hand is over. If after the hand is over, a dealer/banker cannot cover the one and one-half for one, the player shall get the amount of wager that was covered by the dealer.

(7) If the dealer/banker's face-up card is an ace, the licensee, by house rule, may allow the player banking the game to offer an "insurance" bet against losing to the dealer/banker's possible "natural." The dealer/banker, before looking at his down card, inquires if any player wants insurance. A player who desires insurance places an amount equal to half his/her present wager on his/her own hand. When this bet is made, the dealer/banker looks at his/her down card. If it is a 10 count, the dealer/banker turns it face up and announces a "natural." The insurance bettor is paid off at a rate of 2 to 1 and, unless they have a "natural," lose their

original wager. If the dealer/banker's down card is not a 10 count card, the player loses his/her insurance bet and continues playing on their original wager.

(8) If the dealer/banker does not have a "natural," play continues with the player on the dealer/banker's immediate left. The dealer/banker deals cards face up; one by one, as that player calls for them. The player's aim is to total 21 or as close to 21 without going over. When a player is satisfied with their total, they shall declare "stand." If the player wants more cards, the player declares "hit." If a player goes over a 21 point count, the hand is a "bust" and they must turn the hand down, while the dealer/banker collects the bet. The dealer/banker does the same with each remaining player. Any player who stands must wait while the dealer/banker draws his or her cards. If the dealer/banker goes bust, each standing player is paid the amount of their wager. If the dealer/banker "stands," the down card is turned up and players whose totals are higher than the dealer/banker's are paid. The dealer/banker collects from any player whose total is less. Action is always to the left of the dealer/banker. Any frozen wagers needing to be "made up" will be done in order, to the left of the dealer/banker from losing wagers the dealer/banker collects.

(9) Should the dealer/banker not be able to cover all frozen wagers then those frozen wagers are released to the winning players and the deal passes immediately to the left at which time the new dealer/banker shall announce the amount of the bank and shuffle the cards. The same shall apply if the dealer/banker has no money in the bank. The dealer/banker may, if allowed by house rule, add to their bank in between hands.

(10) Upon completion of the shuffle, the player to the right of the dealer/banker shall cut the cards. After the cards have been placed into the shoe the dealer/banker shall insert a blank card approximately three quarters of the way through the deck(s). A dealer/banker may deal from the shoe until he/she reaches the blank card. After the blank card appears, the dealer/banker may continue dealing that hand, but will not start a new hand. The player on the dealer/banker's immediate left shall be offered the opportunity to be the next dealer/banker. The discards may only be reshuffled to complete the last hand.

(11) Once wagers are placed and covered on the bet line, no player, including the dealer/banker, may touch those wagers until the winner has been determined. Any player touching the wagers may be ruled to have fouled and their wager forfeited.

(12) Any player who lifts their cards up from the table or slides their cards out of their own playing area shall be ruled to have fouled and their wager may be forfeited.

(13) No player may "buy" the bank. The deal must pass around the table to the left and no person can authorize another person to deal for him or her. No player may be the banker for more than one consecutive shoe before passing the bank. A new player entering the game may not participate as the dealer/banker until at least two other players have dealt. If a player does not wish to deal and passes the deal, that player may not play in the first two hands conducted by the next dealer/banker. A dealer/banker may, after complet-

ing one full hand, pass the deal and be able to participate in the next hand.

(14) The dealer/banker must stand on seventeen or above and must take hits on sixteen or below. If a dealer/banker has an ace, it shall be counted as eleven if it brings his or her total to seventeen or more (but not over twenty-one). Provided, That the licensee, by house rule, may allow play of a "soft seventeen," which occurs when the dealer/banker's first two cards are an ace valued at eleven and a six. If the licensee elects to play a soft seventeen, house rules must specify that the dealer/banker must hit a soft seventeen, and must stand on a hard seventeen and any eighteen or above. House blackjack rules must be posted in plain view to the players and the house must ensure they are consistently followed.

(15) The conditions for doubling down shall be set by house rule, provided that the wager may be doubled and the player received only one more card. The player must then stand on those three cards. If the dealer's bank is insufficient to cover a double down wager, the player may wager an amount equal to the dealer's remaining bank. The dealer must then cover that wager. If the dealer has no bank then a player may not double down.

(16) If a player's first two cards are a pair, then that player may split the pair into two separate hands. The amount of the player's original bet then goes on one of the cards, and they must place an equal amount as a bet on the other card. If the dealer/banker does not have enough in their bank to cover the doubled bet, the dealer/banker must cover an amount equal to the value of their remaining bank. The player then has the option to divide the wagers in any manner between the two hands, not to exceed the allowable limit per hand. If the dealer/banker has no bank then the player may divide their wager in any manner between the two hands, unless the player's original bet was a minimum allowed in that game then they may not split their pair. Additional splits shall be determined by house rule.

(17) The dealer/banker will pay only on the value of the cards held by the player and shall not pay on the number of cards received or the card sequence.

[Statutory Authority: RCW 9.46.070. 00-09-052 and 00-09-087 (Orders 383 and 383-A), § 230-40-125, filed 4/14/00 and 4/18/00, effective 5/15/00 and 5/19/00; 99-13-102 (Order 374), § 230-40-125, filed 6/15/99, effective 8/1/99. Statutory Authority: RCW 9.46.070 (1)-(4), (7), (8), (11), (12), (14), (20) and 9.46.110 (3), (4), 95-23-109, § 230-40-125, filed 11/22/95, effective 1/1/96. Statutory Authority: RCW 9.46.070. 93-13-062 (Order 240), § 230-40-125, filed 6/17/93, effective 7/18/93. Statutory Authority: Chapter 9.46 RCW. 91-21-053 (Order 228), § 230-40-125, filed 10/15/91, effective 11/15/91; 91-05-047 (Order 220), § 230-40-125, filed 2/14/91, effective 3/17/91. Statutory Authority: RCW 9.46.070 (11) and (14). 90-11-058, § 230-40-125, 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), § 230-40-125, filed 2/14/90, effective 3/17/90.]

WAC 230-40-130 Wagers to be made with chips only. All wagers and fees to play made in connection with a card game shall be made with chips furnished by the licensee: Provided, That house-banked card games may use coins with a value of fifty cents or twenty-five cents: Provided further, That coins with a value of less than twenty-five cents may be used for pai gow poker games.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-130, filed 4/14/00, effective 5/15/00; Order 23, § 230-40-130, filed 9/23/74.]

WAC 230-40-140 Change in method of wagering prohibited. Once a method of betting is chosen for a particular hand or game, that method must be used until the hand or game is completed.

[Order 23, § 230-40-140, filed 9/23/74.]

WAC 230-40-200 Players to compete on equal terms—Deal to rotate among players. Players in card games shall compete on equal terms with all other players in the game, and solely as a player therein.

The deal in any series of nonhouse-banked card games shall be passed from player to player, unless the table incorporates a house dealer as per house rule. No player who deals a game shall deal another game until each other player at the table has dealt a game in his turn: Provided, That any player may voluntarily waive his right to deal any particular game.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-200, filed 4/14/00, effective 5/15/00. Statutory Authority: RCW 9.46.070 (1)-(4), (7), (8), (11), (12), (14), (20) and 9.46.110 (3), (4). 95-23-109, § 230-40-200, filed 11/22/95, effective 1/1/96. Order 40, § 230-40-200, filed 6/26/75; Order 23, § 230-40-200, filed 9/23/74.]

WAC 230-40-225 House dealer allowed in certain games. Any licensee may furnish a dealer in any game played on the licensed premises. Dealers shall have no financial interest, directly or indirectly, in the outcome of such game and shall not otherwise participate or play in the game: Provided, That a licensee shall be required to have a house dealer for all house-banked card games, card games operated with a player-supported jackpot, or card games authorized to assess fees for each hand played or fees based on amounts wagered.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-225, filed 4/14/00, effective 5/15/00. Statutory Authority: RCW 9.46.070 (1)-(4), (7), (8), (11), (12), (14), (20) and 9.46.110 (3), (4). 95-23-109, § 230-40-225, filed 11/22/95, effective 1/1/96. Statutory Authority: RCW 9.46.070. 94-13-098 (Order 252), § 230-40-225, filed 6/15/94, effective 7/16/94; Order 29, § 230-40-225, filed 1/23/75.]

WAC 230-40-230 No person shall have someone play for him or assist another participant. No persons shall allow a representative to sit in on a card game on his behalf for any purpose, or to render assistance to any participant in the game in a manner which gives that participant an advantage over other participants. No person shall act as such a representative.

[Order 23, § 230-40-230, filed 9/23/74.]

WAC 230-40-250 Licensee to prevent cheating in card games. A licensee to allow certain premises to be used to play cards and his employees or agents shall not allow any player to play in such a manner as to cheat the persons with whom he is playing. The licensee shall take all necessary steps to prevent this and shall be responsible to insure that the games played upon the licensed premises are fairly played.

Any incident wherein a person is found cheating shall be reported immediately to the applicable local police or sheriff's office.

[Statutory Authority: RCW 9.46.070(10). 78-06-066 (Order 85), § 230-40-250, filed 5/25/78; Order 23, § 230-40-250, filed 9/23/74.]

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WAC 230-40-315 No food or drink sales on time basis in card room. All sales of food or drink in the licensed card room must be charged for and collected at the time the food or drink is delivered to the customer. No licensee may charge a person playing cards in a licensed card room for food or drink on a time basis. For the purpose of determining whether a card room operator is operating the licensed card room as a commercial stimulant, the calculation of gross sales of food and drink shall not include any sale of food or drink on a time basis to a person playing cards in the licensed card room.

For purposes of this rule, a "time basis" means a charge for the consumption or opportunity to consume food or drink over a period of time.

[Statutory Authority: RCW 9.46.020(5) and 9.46.070(14). 82-06-007 (Order 119), § 230-40-315, filed 2/19/82.]

WAC 230-40-320 Minors or intoxicated persons shall not play cards or provide services to the game. (1) No person who is visibly under the influence of liquor or any narcotic or other such substance shall be allowed to play, or continue to play, in any card game or to participate in providing any services for the game.

(2) No person who is under the age of 18 years shall be allowed to play in any card game or to participate in providing any services to the game.

(3) It shall be the responsibility of the licensee, and of those persons physically operating the card games, to determine that no unauthorized person is allowed to participate in any manner in the playing of, or providing services to, any card game.

[Order 23, § 230-40-320, filed 9/23/74.]

WAC 230-40-331 Bona fide nonprofit or charitable organizations—Members only to play social card and dice games—Exception. No bona fide charitable or nonprofit organization shall permit any person other than its members and members of a chapter or unit organized under the same state, regional, or national charter or constitution to play social card games or social dice games on its premises: Provided, That such organizations, when licensed to allow a social card room on its premises may permit no more than twenty-five percent of the persons playing in the licensed card room at any one time to be guests of members.

[Statutory Authority: RCW 9.46.070 (5), (7), (8), (9), (11), (14) and (19). 84-13-038 (Order 140), § 230-40-331, filed 6/15/84; Order 78, § 230-40-331, filed 11/17/77.]

WAC 230-40-400 Hours for card games—Procedures for changing hours. The hours during which card games may be played in licensed public card rooms shall be limited as follows:

(1) Licensees shall not allow the use of their premises for card playing between the hours of 2:00 a.m. and 6:00 a.m.: Provided, That the director may allow closing hours to be adjusted beyond 2:00 a.m. as long as the following conditions are met:

(a) The director shall consult with the local law enforcement agency which has jurisdiction;

(b) The director shall consult with other state agencies involved in regulation of the business;

(c) A licensee must observe a four-hour period of closure at the end of each business day before beginning the next period of operation.

(d) The food and/or drink business being stimulated shall be open to the public for business any time card games are conducted;

(e) At all times during the hours of operation of a Class E, F or house-banked card room, a licensed card room employee must be on duty and in the licensed card room area; and

(f) The licensee complies with any other terms and conditions imposed by the director.

(2) The director may deny the request for extended hours or revoke hours already approved if the local law enforcement agency or a state agency objects or if the director determines that the licensee has violated any provisions of chapter 9.46 RCW, any other commission rule, or any of the terms set forth in subsection (1) of this section. All objections to changing a licensee's operating hours or requests to revoke an approved operating schedule must be submitted in writing.

(3) The commission shall afford a licensee an opportunity for a brief adjudicative proceeding prior to denying or revoking the licensee's authorization for extended card room hours. The brief adjudicative proceeding shall be heard by an administrative law judge, under the provisions set forth in WAC 230-50-010(6), and RCW 34.05.482 through 34.05.494.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-400, filed 4/14/00, effective 5/15/00. Statutory Authority: RCW 9.46.070 (1)-(4), (7), (8), (11), (12), (14), (20) and 9.46.110 (3), (4). 95-23-109, § 230-40-400, filed 11/22/95, effective 1/1/96. Statutory Authority: RCW 9.46.070. 95-13-024, § 230-40-400, filed 6/13/95, effective 7/14/95. Statutory Authority: RCW 9.46.070(11). 82-04-010 (Order 118), § 230-40-400, filed 1/22/82; Order 58, § 230-40-400, filed 8/17/76; Order 40, § 230-40-400, filed 6/26/75; Order 23, § 230-40-400, filed 9/23/74.]

WAC 230-40-450 Pictures to be posted with employee licenses. The operator of a licensed public card room shall post together with each of the licenses of employees for which licenses are required a picture of that employee. Such picture shall be of a passport type not less than 2" x 3" and clearly showing a full front facial view of that employee.

[Statutory Authority: RCW 9.46.070 (4), (7), (8) and (11). 83-06-077 (Order 127), § 230-40-450, filed 3/2/83.]

WAC 230-40-500 House rules to be developed and posted. Each bona fide charitable or nonprofit organization which is licensed pursuant to RCW 66.24.400 who allows the use of the premises, furnishings, and other facilities to be used by its members to participate in social card games and social dice games as authorized by RCW 9.46.030(7) without a license by the commission shall develop, adopt and post rules of conduct for the members participating in the activities, including but not limited to general rules of play, portions of premises to be used, hours of play allowed, and the organization's restriction on members authorized to participate.

[Order 78, § 230-40-500, filed 11/17/77.]

[Title 230 WAC—p. 144]

WAC 230-40-550 Incompatible functions defined.

Incompatible functions for accounting and internal control purposes are functions, duties, or responsibilities that place any person or department in a position to both perpetrate and conceal errors or irregularities in the normal course of his or her duties. Anyone both recording transactions and having access to the relevant assets is in a position to perpetrate errors or irregularities. For example, an employee that writes checks should not reconcile the bank account; or an employee that transports funds should not have access to keys for locks securing such funds or to surveillance tapes recording the transaction.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-550, filed 4/14/00, effective 5/15/00.]

WAC 230-40-552 Cash equivalent defined.

Cash equivalent is a treasury check, personal check, traveler's check, wire transfer of funds, money order, certified check, cashier's check, a check drawn on the licensee's account payable to the patron or to the licensee, or a voucher recording cash drawn against a credit card or debit card.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-552, filed 4/14/00, effective 5/15/00.]

WAC 230-40-554 Chief executive officer or chief operations officer defined. The chief executive officer or chief operations officer is the executive who has been designated by the owner, partners, or board of directors as the individual with overall responsibility for the business licensed to conduct card games.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-554, filed 4/14/00, effective 5/15/00.]

WAC 230-40-556 Gaming operations department manager defined. A gaming operations department manager is a licensed card room employee who has been designated by the chief executive officer or chief operating officer as responsible for management of all card room operations.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-556, filed 4/14/00, effective 5/15/00.]

WAC 230-40-558 Shift manager defined. A shift manager is a licensed card room employee who shall be responsible for all card room operations during a given shift. The shift manager reports to the gaming operations department manager and shall be the direct supervisor of the floor supervisor.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-558, filed 4/14/00, effective 5/15/00.]

WAC 230-40-560 Floor supervisor defined. A floor supervisor is a licensed card room employee who shall be responsible for directly supervising a limited number of card games and the dealers assigned to those games within a designated area known as the "pit."

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-560, filed 4/14/00, effective 5/15/00.]

WAC 230-40-562 Dealer defined. A dealer is a licensed card room employee who is responsible for conducting card games and deals cards, collects and pays off players' bets, and collects fees. The dealer shall also be responsible for signing forms as required.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-562, filed 4/14/00, effective 5/15/00.]

WAC 230-40-600 Authorization procedures for player-supported jackpots. Player-supported jackpots (PSJs) shall be tightly controlled and shall not be operated prior to approval by the director or the director's designee. The following procedures apply to approval of PSJs:

(1) The request shall be in writing and include at least the following:

- (a) A detailed description of the game;
- (b) All internal control procedures associated with controlling the game and accounting for fees and prizes;
- (c) All rules of play; and
- (d) The name of the prize fund custodian.

(2) Any changes to the approved game or applicable internal controls must be forwarded to the commission staff for review and approval prior to implementation.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-600, filed 4/14/00, effective 5/15/00.]

WAC 230-40-610 Player-supported jackpots—Restrictions—Manner of conducting—Approval. A player-supported jackpot (PSJ) is a separate contest of chance directly related to the play and/or outcome of authorized nonhouse-banked card games but which is not the card game itself. Card rooms with a Class F or house-banked license may establish a prize fund for the purpose of operating a PSJ for nonhouse-banked card games. Any PSJ must be approved in writing by the director or the director's designee prior to play. A PSJ must meet the following requirements:

(1) Funding of a PSJ: A licensee may provide house funds to establish a PSJ. The licensee shall issue a check from the general business account into the PSJ account to start the prize fund. Recouping of start-up funds shall be done by issuing a check from the PSJ account to the business general account. Electronic bank transfers shall satisfy this requirement. Start-up funds shall not exceed five thousand dollars per PSJ.

(2) A licensee may assess a portion of player's wagers for a jackpot prize. Such amount shall not exceed one dollar per hand or game for each PSJ. This assessment shall be separately collected using the rake method.

(3) The licensee acts only as the custodian of the PSJ funds and maintains no legal right to the funds. All PSJ funds shall be awarded as prizes. PSJ funds shall only be used for awarding cash prizes based upon a format approved by commission staff. An administrative fee not to exceed ten percent of the amount collected for a PSJ may be imposed by the licensee.

(4) Each licensee shall designate at least one "prize fund custodian" who shall be responsible for safeguarding and disbursing funds to winners. A prize fund custodian may be an owner, partner, officer, or licensed individual designated by a card room owner, partner, or officer. The custodian shall

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have signature authority for prize fund bank accounts and ensure accountability of all funds collected for use in a PSJ. The licensee shall meet the deposit requirements of WAC 230-12-072.

(5) Prize amounts paid in cash shall not exceed five hundred dollars. Prize amounts not awarded in cash shall be paid by check, the type which provides a duplicate copy, which shall not be cashed on the licensee's premises. A record of all prizes paid shall be maintained in the format prescribed by commission staff and shall include:

(a) For prizes less than one hundred dollars, a system of accounting denoting each individual prize may be utilized.

(b) For prizes one hundred dollars and above, the following information shall be recorded on a prize record:

- (i) Full printed name;
- (ii) Date of birth;
- (iii) Street address;
- (iv) Type of identification reviewed;
- (v) Amount of the prize awarded;
- (vi) Description of the winning hand;
- (vii) Time and date awarded; and
- (viii) The supervisor's, dealer's and winner's initials.

(c) Upon awarding a prize of five hundred dollars or more, the dealer shall fan the winning hand in view of the surveillance camera. The hand shall be collected and sealed with the prize record. The winning hand and remaining deck shall be maintained on the premises as part of daily card room records for a period of seven days, unless released by a commission agent.

(6) Owners, custodians and on-duty card room employees may participate in card games that offer a PSJ, but may not share in the winnings of any prize awarded. If playing in a game with a PSJ, owners and card room employees must turn their cards face up at the end of each game so that the cards may be observed by other players at the table and surveillance. Any prize winnings an owner or on-duty employee may be entitled to under game rules, must be divided equally among the other players at the table: Provided, That off-duty employees may participate in card games that offer a PSJ and share in the prize winnings.

(7) All card games offering a PSJ must utilize a house dealer.

(8) Security requirements: Each gaming table offering a PSJ shall be required to install a closed circuit television system as outlined in WAC 230-40-825.

(9) In the event that a licensee ceases to operate a card room, fails to maintain a valid card room license, or discontinues a PSJ, the balance (less any nonrecouped seed money) of all PSJ accounts will be forwarded to the Washington State Council on Problem Gambling: Provided, That a licensee may seek approval from the director or the director's designee to revise their prize contests in order to distribute all accumulated prize funds.

(10) House rules to include administrative fees shall be posted in a location readily visible by all players and disclose the conditions under which prizes may be won, the prize amount, cost to participate, and any other conditions which may affect the outcome of the game.

(11) If a dispute arises involving the outcome of a PSJ, the licensee shall preserve the video recording, the winning

hand and remaining deck, and all records for the game where the dispute occurred and shall notify commission staff within twenty-four hours. The licensee shall document all information pertaining to the dispute including:

(a) The names, addresses, and phone numbers of all players, card room staff, and any witnesses involved;

(b) Amount of the advertised PSJ; and

(c) A full description of the circumstances surrounding the dispute.

(12) All disputes involving a PSJ will be investigated by commission staff, with a report submitted to the director. A written decision will be issued by the director, or the director's designee, and such decision shall be final.

(13) During the course of dispute resolution, the commission may become the temporary custodian of any and all prize funds. The PSJ will be suspended until the dispute is resolved.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-610, filed 4/14/00, effective 5/15/00.]

WAC 230-40-615 Nonhouse-banked card games—Administrative and accounting control structure—Organization. Licensees conducting activities that require a Class F license shall assure that such activities are closely controlled. Class F licensees shall comply with the following additional requirements:

(1) Establish a system of internal administrative and accounting controls that requires, at a minimum, the following:

(a) Trained personnel;

(b) Segregation of duties for all employees involved in the operation;

(c) Fee collection and funds safeguarding procedures;

(d) Playing card and chip inventory; and

(e) Security and supervision requirements.

(2) The licensee shall have adequate licensed employees to assure commission requirements are met. At a minimum, the following employees are required:

(a) At least one supervisor for every five tables shall be required: Provided, That a single supervisor may supervise up to seven tables, if only seven tables are in operation and the layout was preapproved by commission staff;

(b) A licensee which utilizes two separate areas of a particular gaming establishment shall require at least one supervisor in each area; and

(c) The licensee must have at least two licensed card room employees in the card room at all times player-supported jackpot schemes are in play and/or alternative methods of collection are being utilized. One such employee must be a floor supervisor.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-615, filed 4/14/00, effective 5/15/00.]

WAC 230-40-800 Operating rules for house-banked card games. Licensees that operate house-banked card games shall establish rules and procedures governing each specific house-banked card game played at their premises. The following restrictions and procedures apply:

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(1) House-banked card games shall not be operated prior to approval as set forth in WAC 230-40-010;

(2) All house-banked card games shall be dealt from a dealing shoe or an approved shuffling device;

(3) The licensee shall submit all rules governing the game to commission staff for approval. All requests shall be in writing and include at least the following:

(a) Rules of play, including those specified by the manufacturer or supplier;

(b) Any administrative or accounting controls applicable to specific games;

(c) All specifications provided by the equipment manufacturer or supplier applicable to gaming equipment utilized in the game;

(d) Physical characteristics of the following:

(i) Cards (including procedures for receipt and storage);

(ii) Gaming chips used to play the game;

(iii) All gaming tables and layouts;

(iv) Dealing shoes;

(v) Card shuffling devices;

(vi) Card peeking devices;

(vii) Bill changer devices; and

(viii) Such other equipment as may be required for use in otherwise authorized games;

(4) Rules for each authorized game, shall include at least the following:

(a) Procedures of play;

(b) Minimum and maximum permissible wagers;

(c) Shuffling, cutting, and dealing techniques, as applicable;

(d) Dealer take and pay procedures;

(e) Payout odds on each form of wager, including any factors affecting payments to the player, such as maximum player or aggregate prize restrictions; and

(f) Procedures to be followed on occurrence of irregularities, including examples of irregularities applicable to each game;

(5) A summary of playing procedures and rules of play for each game shall be visibly displayed in the gaming area. If the procedures or restrictions are game specific, they shall be displayed at each gaming table at which the game is played;

(6) Full details on all promotions, schemes or other means used to promote card games operated in card rooms which offer house-banked card games must be submitted to commission staff and be approved prior to implementing.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-800, filed 4/14/00, effective 5/15/00.]

WAC 230-40-803 Phase II wager limits—Restrictions—Procedures. A house-banked card room licensee shall not increase wager limits to Phase II levels prior to demonstrating that it is capable of operating at higher wager limits and receiving commission approval. The following procedures and restrictions apply to the Phase II approval process:

Restrictions.

(1) Prior to requesting approval for Phase II limits a licensee shall:

- (a) Operate for a minimum of six months;
- (b) Have demonstrated compliance with commission requirements. A licensee shall be deemed to have demonstrated compliance when:
 - (i) Administrative actions are not pending;
 - (ii) Administrative actions have not occurred for at least the last six months; and
 - (iii) It is not currently under investigation by the commission or other law enforcement agency; and
- (c) Have paid all gambling taxes due to counties, cities, or towns. For purposes of this section, gambling taxes include those taxes owed as of the most recent reporting period (month or quarter), as provided in the jurisdiction's ordinance, plus any interest and/or penalties that may be due.

Review procedures.

- (2) Requests for an increase in wagering limits shall be processed in the following manner:
 - (a) The licensee shall submit a written request for review, including a deposit of five thousand dollars to pay for the review;
 - (b) Commission staff shall review the licensee's entire house-banked card game operation. Such review shall include an evaluation of:
 - (i) The licensee's written internal accounting and administrative controls to ensure they are not materially different from those submitted and approved and that the licensee is following such in every material aspect;
 - (ii) The licensee is operating house-banked card games in accordance with applicable WAC rules; and
 - (c) A summary of commission staff's findings and a recommendation shall be presented to the commission at a regular public meeting.

Approval process.

- (3) Upon the completion of commission staff's review, the director may authorize a licensee to increase Phase II wagering limits for up to five tables pending commission approval at the next scheduled meeting;
- (4) The director may decline to forward a licensee's request for Phase II wagering limits to the commission if:
 - (a) The licensee has failed to comply with any of the restrictions set forth in subsection (1) of this section; or
 - (b) The commission staff's review reveals the licensee has failed to follow its approved internal control procedures and such failures are material or, because of repetition, would be material; or
 - (c) Material violations of WAC rules are noted; and
 - (d) Actions to correct any deficiencies have not been completed and commission staff afforded adequate time to conduct a follow-up review.
- (5) If the director fails to forward a licensee's request within sixty days following completion of commission staff's review and has not commenced administrative actions, a licensee shall be afforded an opportunity to a commission review of the request. The commission may:
 - (a) Grant the licensee Phase II wager limit approval;
 - (b) Grant the licensee conditional Phase II approval; or
 - (c) Refer the request back to commission staff for further investigation.

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Sale of a business operating under Phase II.

- (6) When a house-banked card room authorized to operate at Phase II levels is sold or otherwise transferred, the director may authorize the new licensee to remain at Phase II levels if the new licensee demonstrates that the gambling operation and internal controls will remain substantially unchanged. Staff may review the operation to determine compliance at the director's request. The licensee shall be responsible for all costs of the review.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-803, filed 4/14/00, effective 5/15/00.]

WAC 230-40-805 House-banked progressive jackpot prizes—Procedures—Restrictions. Licensees are authorized to operate progressive jackpot prizes in conjunction with approved house-banked card games. Entry into a progressive jackpot is based upon a separate wager by a player, part of which accrues to a progressively increasing prize. A player wins the jackpot prize, or portion thereof, based upon achieving a predetermined pattern or combination of cards. Each licensee operating such games shall ensure they are closely controlled, all the funds collected are accounted for, and prizes and methods of winning are adequately disclosed to players. The following procedures and restrictions apply to progressive jackpots:

- (1) House-banked progressive jackpot restrictions:
 - (a) The amount of funds accrued to the primary and reserve or secondary jackpots shall increase by a predetermined amount of each wager made, in accordance with the rules of the game;
 - (b) The amount of the progressive jackpot eligible to be awarded as a prize shall be prominently displayed at each gaming table;
 - (c) The beginning amount of each progressive jackpot offered must be recorded, including explanations for any increase or decrease in the amount of the prize offered. This documentation shall be maintained with the progressive jackpot records; and
 - (d) A licensee may establish a maximum limitation on a progressive jackpot prize. If such a limit is established:
 - (i) The amount must be equal to or greater than the amount of the jackpot when the limit is imposed; and
 - (ii) A notice of the limit must be conspicuously posted at or near the game;
 - (2) A licensee shall not reduce the amount of a progressive jackpot prize, except as authorized by this section, including reserve or secondary jackpots, that have been accrued and displayed to players. The following adjustments are allowed to accrued progressive jackpot prizes:
 - (a) Prizes may be paid when a player wins the jackpot or a portion thereof. In such instances, the jackpot and advertised amount shall be reduced only by the amount won;
 - (b) An adjustment may be made to correct malfunctioning equipment or to prevent the display of an amount greater than a predetermined maximum prize limit; or
 - (c) A reserve or secondary jackpot may be reduced to recover a seed amount as long as it is properly documented in the records;

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(3) House-banked progressive jackpot prizes, including any reserve or secondary jackpots, are deemed to be funds for which players have a vested interest and may only be removed from play under the following conditions:

(a) The director provides the licensee written approval of a plan to disburse all jackpot funds back to the players. The request for approval shall include full details of the distribution plan; and

(b) The licensee must notify players of any planned discontinuance, including closure of the business, by conspicuously posting notice for a period of ten days prior to beginning the discontinuance process;

(4) A licensee may temporarily remove a progressive jackpot game from play subject to the following conditions:

(a) The removal and reasons must be approved in writing by commission staff; and

(b) The disruption is caused by circumstances beyond the control of the licensee, or for other good cause (for example: Remodeling the card room); and

(c) Players are notified of the disruption and the estimated date of continuance.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-805, filed 4/14/00, effective 5/15/00.]

WAC 230-40-810 House-banked card games—Odds based wagers—Prizes—Restrictions—Procedures. A licensee may establish pay out limits for odds based wagers made at house-banked card games. An "odds based wager" means a wager for which the player is paid an increased amount over and above the amount wagered if a predetermined pattern or combination of cards is achieved. For example, a royal flush, four aces, a pair, etc. Limitations on the payout for odds based wagers are allowed only if the following restrictions and procedures are met:

(1) All payout limits, procedures for computing limits, and methods of disclosing limits to patrons shall be preapproved by the director or the director's designee;

(2) Any limits applied to individual players' winnings shall not be less than the higher of the following calculations:

(a) The maximum wager allowed for the game, times the highest odds offered up to fifty-to-one (50 to 1). For example: The maximum wager is one hundred dollars (\$100) and odds are fifty-to-one (50 to 1); then the per player minimum is five thousand dollars ($\$100 \times 50 = \$5,000$); or

(b) The minimum required wager for the game, as determined by house rule, times the highest odds offered for any wager in the game. For purposes of this section the "minimum required wager" shall be the total amount a player must risk in order to win. For example: The minimum allowed wager is ten dollars (\$10) and the maximum odds are one thousand-to-one (1,000 to 1); then the per player minimum is ten thousand dollars ($\$10 \times 1,000 = \$10,000$);

(3) Any limits applied in aggregate to payments to all players in a game for winning wagers shall not be less than two times the individual player limit, as computed in subsection (2) of this section;

(4) The licensee shall clearly disclose any limits to per player or aggregate payouts on the table layout: Provided, That the director may approve alternative methods of disclosure; and

(5) The licensee shall clearly disclose all procedures for computing any per player or aggregate payouts. This explanation must be available to players in the form of a brochure or other printed media.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-810, filed 4/14/00, effective 5/15/00.]

WAC 230-40-815 House-banked card games—Administrative and accounting control structure—Organization. Each licensee operating a house-banked card game shall ensure that all games are closely controlled, operated fairly and in accordance with all rules of the commission. The following control procedures and conditions shall be met:

(1) The licensee shall have a system of internal controls that include at least the following:

(a) Administrative controls, which include, but are not limited to, the organization's plan, procedures, and records concerned with decision processes leading to management's authorization of transactions; and

(b) Accounting controls which include the licensee's plan, procedures, and records concerned with the safeguarding of assets and the reliability of financial records. These controls must be designed to provide reasonable assurance that:

(i) Transactions are executed in accordance with management's general and specific authorization;

(ii) Transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles, and to maintain accountability for assets;

(iii) Access to assets is permitted only in accordance with management's authorization; and

(iv) The recorded accountability for assets is compared with existing assets at least annually and appropriate action is taken within five working days with respect to any differences.

(2) The licensee's system of administrative controls shall provide for the following:

(a) Competent personnel with an understanding of prescribed procedures;

(b) The segregation of incompatible functions so that no employee is in a position to perpetrate and conceal errors or irregularities in the normal course of his or her duties; and

(c) Each employee of a house-banked card room shall be licensed by the commission and shall be knowledgeable in all accounting and internal control practices and procedures relevant to each employee's individual function.

(3) The licensee shall, at a minimum, establish the following departments or functions that shall be independent from all other departments or functions:

(a) A surveillance department which shall not include security functions or personnel. The head of surveillance shall be responsible for, but not limited to, the following:

(i) The clandestine surveillance of the operation and conduct of the table games;

(ii) The clandestine surveillance of the operation of the cashier's cage;

(iii) The video and audio taping of activities in the count rooms;

(iv) The detection of cheating, theft, embezzlement, and other illegal activities in the gaming facility, count rooms, and cashier's cage;

(v) The video taping of unusual or suspected illegal activities;

(vi) The notification of appropriate supervisors and commission staff, within three working days, upon the detection of cheating, theft, embezzlement, or other illegal activities; and

(vii) Ensuring that each dealer is evaluated to determine if all required dealer procedures and techniques set forth in the licensee's approved internal controls are followed.

(b) A security department, supervised by a security department manager, is responsible for at least the following:

(i) Control of cards and dealing shoes, including storage of new and used cards and shoes, and control of the disposition and/or destruction of same when removed from service; and

(ii) Transfer of cash and chips to and from the gaming tables, cage and count room.

(c) A gaming operation department supervised by a gaming operation department manager who shall be responsible for the operation of all house-banked card games conducted by ensuring the following:

(i) Card games are operated by licensed dealers who are assigned to each gaming table;

(ii) A floor supervisor is assigned the responsibility for the overall supervision of the conduct of gaming within a pit and can supervise no more than five tables: Provided, That a single supervisor may supervise up to seven tables, if only seven tables are in operation and the layout was preapproved by commission staff;

(iii) A licensee which utilizes two separate areas of a gaming establishment shall require at least one supervisor in each area; and

(iv) A shift manager, who reports to the gaming operation department manager, is assigned to supervise floor supervisors and all gaming related activities that occur during each shift. In the absence of the gaming operation department manager, the shift manager shall have the authority of a gaming operation department manager: Provided, That in addition to the floor supervisors required in this subsection, licensees operating more than ten tables shall be required to have a shift manager on the premises.

(d) An accounting department supervised by an individual who shall report directly to the chief executive officer or chief operations officer. The responsibilities of the accounting department shall include, but not be limited to, the following:

(i) Implementing and monitoring of accounting controls;

(ii) The preparation, control, and storage of records and data required;

(iii) The control of unused forms inventory along with reconciliation of forms used; and

(iv) The control and supervision of the cashier's cage.

(4) Any changes to the licensee's system of internal controls must be submitted to commission staff and be approved prior to implementation.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-815, filed 4/14/00, effective 5/15/00.]

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WAC 230-40-820 House-banked card games—Internal control system evaluation—Required procedures. Each licensee operating house-banked card games shall provide an operating environment that will assure that commission rules are adhered to and results of operations can be confirmed by commission staff. In order to assure compliance with this requirement, a complete evaluation of the licensee's system of internal administrative and accounting control procedures shall be completed annually. This evaluation shall be independent of all normal regulatory functions performed by commission staff. A report documenting the results of the evaluation, including any material discrepancies noted and any corrective actions taken, shall be provided to the licensee. The following restrictions and procedures apply to this process:

(1) The evaluation shall be completed by commission staff: Provided, That if commission staff are not available, the licensee, with prior approval, may utilize any of the following:

(a) A certified public accountant (CPA) that is independent in regard to the licensee and which is licensed to perform such engagements by the state of Washington. Prior to entering into a contract for such services, a CPA shall demonstrate adequate knowledge and experience in gambling, and commission rules, procedures and standards. The CPA may be engaged as follows: A copy of an engagement letter from the licensed CPA shall be submitted to the commission at least thirty days prior to offering services. The letter shall include an acknowledgement that the evaluation is being conducted under regulatory requirements of the commission and that a copy of the report will be forwarded to the commission; or

(b) A certified public accountant (CPA) which is licensed to perform such engagements by the state of Washington and is performing a review or audit of the licensee's financial statements. Licensees wishing to use this method of compliance shall receive written approval from the director or the director's designee. In addition, the CPA's engagement letter shall acknowledge:

(i) The evaluation of internal controls is being conducted under regulatory requirements of the commission;

(ii) The service includes a written report on the adequacy of internal administrative and accounting control procedures utilized in the gaming operation and the degree to which the licensee complied with such; and

(iii) The commission is granted access to the accountant's work papers; or

(c) A licensed gambling service supplier that:

(i) Is independent in regard to the licensee being evaluated;

(ii) Demonstrates that all persons involved in performing the evaluation have adequate knowledge and experience in gambling, and commission rules, procedures and standards; and

(iii) Assures all work related to the evaluation of internal controls and the report to the commission is performed by or under the supervision of a licensed CPA meeting the requirements noted in (a) of this subsection;

(2) The evaluation, if conducted by other than commission staff, shall be completed annually, with the cycle begin-

ning one year from the date of initial license approval: Provided, That an evaluation and report may not be required during any period that the licensee has satisfactorily completed a Phase II review, as set forth in WAC 230-40-803, if the review was completed within six months of the scheduled review period: Provided further, That the director may extend the date for evaluation completion if a request is made by the licensee;

(3) If a CPA under contract with a licensee or a licensed service supplier completes the evaluation, the report shall be submitted to the licensee and commission no later than thirty days following completion of the evaluation;

(4) The licensee shall take corrective actions on all deficiencies noted and a report of corrective actions forwarded to the commission no later than thirty days after notification: Provided, That the director may extend the time for correction if the licensee can demonstrate extenuating circumstances and that alternative controls are in place: Provided further, That the director may issue administrative charges on violations that are deemed serious in nature;

(5) The licensee shall be responsible for all costs of internal control evaluations as follows:

(a) The commission shall be reimbursed for evaluations conducted by commission staff. Failure to pay within thirty days of the billing for evaluations conducted by commission staff shall be grounds for suspension of the licensee's card room license until such fees are paid; and

(b) Failure to pay approved CPAs or gambling service suppliers for evaluations prior to them performing any additional reviews, audits, or internal control evaluations for the licensee shall be prima facie evidence of a lack of independence between the parties;

(6) Licensees meeting the following criteria shall have a complete internal control evaluation performed at least once every two years beginning two years from the date of initial license approval:

(a) The licensee waived the opportunity for Phase II status; and

(b) Card room gross receipts do not exceed fifty thousand dollars per month, annualized over a twelve-month period. The evaluation of gross receipts will be based upon no less than six months operating activity.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-820, filed 4/14/00, effective 5/15/00.]

WAC 230-40-823 House-banked card games—Financial audits required. Each licensee operating house-banked card games with gross receipts in excess of five million dollars per year shall have their financial statements examined by a licensed, independent certified public accountant (CPA) for each fiscal year to evaluate the fairness of the presentation of the statements in conformity with generally accepted accounting principles. This examination shall be conducted in accordance with generally accepted auditing standards. A copy of the report and financial statements shall be submitted to the commission no later than one hundred twenty days after conclusion of the fiscal year. The director or the director's designee may extend the date for audit completion if a request is made by the licensee.

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[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-823, filed 4/14/00, effective 5/15/00.]

WAC 230-40-825 Closed circuit television system requirements and procedures. All activities related to the operation of card games shall be closely monitored. Critical activities related to house-banked card games, player-supported jackpots and assessment of fees based on amounts wagered (rake method) shall be monitored by use of a closed circuit television system and a video recording. The following restrictions and operating procedures apply when a closed circuit television system is required.

(1) Each licensee shall install and maintain a closed circuit television system that meets at least the specifications set forth below:

(a) Light sensitive cameras including those with pan, tilt, and zoom (PTZ) capabilities where necessary to effectively and clandestinely monitor in detail and from various vantage points, including the following:

(i) The gaming conducted at each gaming table in the facility;

(ii) The activities in the pits;

(iii) Each table game area, with sufficient clarity to identify patrons and dealers;

(iv) Each table game surface, with sufficient coverage and clarity to simultaneously view the table bank and determine the configuration of wagers, card values and game outcome: Provided, That a nonhouse-banked card game not utilizing PSJs will not be required to have coverage of cards;

(v) The operations conducted at and in the cashier's cage: Provided, That for Class F licensees, camera coverage shall not be required of the cashier's cage unless the count is conducted at that location;

(vi) Entrance to the cashier's cage;

(vii) The count processes conducted in the count rooms, which processes shall be in conformity with commission rules;

(viii) The movement of cash, gaming chips, and drop boxes in the establishment;

(ix) The entrances and exits to the card room and the count rooms; and

(x) Such other areas as the commission designates.

(b) All video cameras must be installed in a manner that will prevent them from being readily obstructed, tampered with, or disabled by patrons or employees.

(c) Where a PTZ camera is used to observe card tables and gambling related activities, the camera must be placed behind a smoked dome, one-way mirror or similar materials that conceal the camera from view.

(d) Video recording units, with time and date insertion capabilities, for recording what is being viewed by any camera of the system. Recording and playback of video signals shall be at a rate of not less than twenty frames per second and shall not be recorded in a manner that will not allow playback on a standard consumer grade video cassette recorder. If multiple time and date generators are used, they shall be synchronized to the same time and date. The displayed date and time shall not significantly obstruct the recorded view. The following locations or activities shall be video taped:

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(i) All gaming stations in operation or in which drop boxes are stored, to include video recording of all items noted in (a)(i) through (viii) of this subsection;

(ii) All entries to the count room;

(iii) The entire count process, including audio recording (audio recording only required for house-banked card room licensees);

(iv) Any unusual or suspicious activities;

(v) Movement of drop boxes between tables and the count room; and

(vi) Any other activity or location designated by commission staff.

(2) Lighting to provide sufficient clarity shall be present in all areas, including gaming tables and pits, where closed circuit camera coverage is required.

(3) Each video camera required by these rules shall be capable of having its picture displayed on a video monitor and recorded.

(4) The surveillance system must include a sufficient number of monitors to simultaneously display multiple card tables, the cashier's cage, count room activities, and views of any dedicated cameras.

(5) Multiplexing/quad recording devices may only be used for external surveillance, movement of drop boxes between tables and the count room, and on entrances and exits: Provided, That split screen devices may be utilized for areas not required to have surveillance coverage.

(6) The licensee shall maintain one or more surveillance rooms with the following minimum requirements:

(a) The surveillance room shall have controlled access, and be used solely by the employees of the surveillance department assigned to monitor activities: Provided, That this restriction does not apply to owners or approved supervisory or management personnel. Commission agents and law enforcement personnel shall be provided immediate access to the surveillance room upon request.

(b) A house-banked card game licensee shall ensure that a surveillance employee is present in the surveillance room and monitoring the activities of the operation, via the surveillance room equipment, at all times the card room is open to conduct gaming and during the count process as stated in WAC 230-40-885(4): Provided, That the licensee may allow the surveillance room to operate without staff for a period not to exceed thirty minutes per shift for the purpose of routine breaks. All surveillance employees shall have a demonstrated knowledge of the following:

(i) Operating surveillance systems;

(ii) Rules of play and procedures for the games being played; and

(iii) The overall procedures relating to the duties of all employees of a house-banked card room being monitored (dealers, shift managers, floor supervisors, cage personnel, and count team).

(c) Licensees that are licensed for five or fewer tables and not operating under Phase II limits, shall not be required to maintain a staffed surveillance room.

(d) The licensee shall maintain a record of all surveillance activities in the surveillance room. The surveillance log shall be maintained by surveillance personnel and shall include, at a minimum, the following:

(i) Date and time of surveillance;

(ii) Person initiating surveillance;

(iii) Reason for surveillance;

(iv) Time of termination of surveillance;

(v) Summary of the results of the surveillance; and

(vi) A record of any equipment or camera malfunctions.

(e) A surveillance room sign-in log shall be maintained to document the time each surveillance employee monitors the card room. A surveillance room sign-in log shall be available for inspection at any time by commission staff or local law enforcement.

(7) Video and audio tapes shall be identified to denote the activity recorded and retained for a period necessary to afford commission staff or law enforcement personnel reasonable access. The following minimum retention periods apply to tapes:

(a) All tapes shall be retained for a minimum of seven days: Provided, That the seven-day retention period may be measured on a weekly and per shift basis as long as tapes are uniformly labeled by day of the week and shift;

(b) Tapes of evidentiary value shall be maintained as requested by commission staff;

(c) Tapes documenting jackpot payouts over three thousand dollars shall be retained for at least thirty days; and

(d) Commission staff may increase any of the times noted in this section by notifying the licensee.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-825, filed 4/14/00, effective 5/15/00.]

WAC 230-40-830 Cashier's cage—Requirements. All cash, cash equivalents, and chips related to the operation of card games shall be closely controlled and records maintained documenting receipts and disbursements. Licensees shall maintain a cashier's function whose responsibility shall be to secure and account for all chips and monies in the card room portion of the premises. At a minimum, the following restrictions and procedures apply:

(1) There shall be on or immediately adjacent to the gaming floor a physical structure known as the cashier's cage (cage) to house the cashiers and to serve as the central location for, at a minimum, the following:

(a) The custody of the cage inventory comprising currency, coin, patron checks, gaming chips, forms, documents and records normally associated with the operation of a cage;

(b) The approval of patron checks for the purpose of gaming;

(c) The receipt and distribution of gaming chips from the gaming table and the redemption of gaming chips from patrons. The purchase of gaming chips by patrons shall only occur at the gaming table; and

(d) Such other functions normally associated with the operation of a cage.

(2) The cage shall be designed, constructed and operated to provide maximum security and accountability for funds including, at a minimum, the following:

(a) An enclosed structure except for openings through which items such as gaming chips, checks, cash, records, and documents can be passed to service the public and gaming tables;

(b) Manually triggered silent alarm systems connected directly to the surveillance rooms of the closed circuit television system or an alarm monitoring agency;

(c) Access shall be through a locked door, which shall have closed circuit television coverage which is monitored by the surveillance department.

(3) Entry to the cage shall be limited to authorized personnel. The gaming operation department shall place on file with the accounting department the names of all persons authorized to enter the cage, those who possess the combination or the keys or who control the mechanism to open the locks securing the entrance to the cage, and those who possess the ability to operate the alarm systems.

(4) A log shall be maintained documenting all persons entering the cashier's cage. The log must contain the person's name, title, time entering and exiting, and date of entry.

(5) Licensees not offering house-banked card games shall not be required to meet the above requirements: Provided, That licensees shall maintain a system for securing and properly accounting for all gaming chips and monies.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-830, filed 4/14/00, effective 5/15/00.]

WAC 230-40-833 Cashier's bank and minimum bankroll. All card room licensees with house-banked card games or player-supported jackpots shall maintain sufficient funds to meet all cash out and prize payout requirements.

(1) All assets for which the cashiers are responsible shall be maintained on an imprest basis. This requires funds to be replenished on a regular basis by exactly the amount of expenditures from the cage less the amount of funds added. Expenditures shall be reviewed by a supervisor of the accounting department before replenishment: Provided, That licensees demonstrating the ability to control cage activity can request commission staff approval to operate on a float basis as an alternative procedure.

(2) The licensee shall have sufficient cash on hand to redeem all chips and payout all prizes: Provided, That payments of prizes may be paid by check as long as sufficient funds are available on deposit in accordance with WAC 230-12-072 and 230-12-073.

(3) Failure to maintain funds to cash in chips, pay prizes, or redeem gaming related checks shall be prima facie evidence of fraud.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-833, filed 4/14/00, effective 5/15/00.]

WAC 230-40-835 Accounting controls for cashier's cage. Licensees required to maintain a cashier's cage shall adhere to the following controls to ensure proper accountability for funds. The following restrictions and procedures apply to cashiers and the cage:

(1) Cashiers shall be responsible for at least the following functions:

(a) Receive cash, checks, and gaming chips from patrons for check consolidations, total or partial redemptions or substitutions;

(b) Receive gaming chips from patrons in exchange for cash;

(c) Receive traveler's checks and other cash equivalents (including money orders, certified checks, and cashier's checks) from patrons in exchange for currency or coin;

(d) Receive documentation with signatures thereon, required to be prepared for the effective segregation of functions in the cashier's cage;

(e) Receive from security department personnel, chips and coins removed from gaming tables in exchange for the issuance of a credit;

(f) Receive from security department members, requests for fills in exchange for the issuance of a fill slip and the disbursement of gaming chips;

(g) Receive cash or chips from the count room;

(h) At the end of each shift, the cashiers assigned to the outgoing shift shall count each cage inventory item and record on a cashier's count sheet the face value of each inventory item and the total of the opening and closing inventories. The total closing inventory shall be reconciled with the total opening inventory;

(i) Prepare the overall cage reconciliation and accounting records; and

(j) Perform such other functions as necessary to ensure proper accountability of funds and chips consistent with these standards.

(2) Signatures attesting to accuracy shall, at a minimum, be contained on the following:

(a) Cashier's count sheet; and

(b) Cage inventory countsheet, which includes the signatures of the cashiers assigned to the incoming and outgoing shifts.

(3) At the conclusion of the daily gaming activity, copies of the cashier's count sheet, cage inventory count sheet and related documentation shall be forwarded to the accounting department for agreement of opening and closing inventories, and agreement of amounts thereon to other forms, records and documentation for recording of transactions.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-835, filed 4/14/00, effective 5/15/00.]

WAC 230-40-840 Drop boxes—Requirements. Licensees required to utilize drop boxes shall ensure they are constructed and controlled in a manner to provide security of contents. All card rooms operating house-banked card games or collecting fees utilizing the drop box as a collection method shall meet the following requirements and procedures:

(1) Each gaming table shall have attached to it a metal container known as a "drop box" into which all cash, duplicate fill slips and credit slips, request for fills, request for credits, and table inventory forms shall be deposited.

(2) Each drop box shall have the following:

(a) A lock securing the contents. The key to this lock shall be maintained and controlled by the accounting department;

(b) A separate lock securing the drop box to the gaming table. This lock shall be keyed differently from the lock securing the contents of the drop box. The key utilized to unlock this lock shall be maintained and controlled by the security department;

(c) An opening through which currency, coins, chips, forms, records and documents can be inserted into the drop box;

(d) Permanently imprinted or impressed thereon and clearly visible, a number corresponding to a permanent number on the gaming table to which it is attached and a marking to indicate the game. The shift shall also be included if drop boxes are removed from tables more than once during an operating day: Provided, That emergency drop boxes may be maintained without such number or marking, if the word "emergency" is permanently imprinted or impressed thereon, and when put into use, are temporarily marked with the number of the gaming table and identification of the game and shift.

(3) All drop boxes removed from the gaming tables shall be transported directly to the count room and secured by one security department member and one employee of the gaming operation department: Provided, That licensees not required to maintain a count room shall transport drop boxes directly to the count area using the supervisor or the supervisor's designee for the transport: Provided further, That a licensee may utilize the count team members to pull and transport the drop boxes to the count table for the count process, if conducted under the supervision of security when the gaming operation is closed.

(4) All drop boxes not attached to a gaming table shall be stored in the count room in an enclosed storage cabinet or trolley and secured in such cabinet or trolley by two separately keyed locks. The key to one lock shall be maintained and controlled by the security department and the key to the other lock shall be maintained and controlled by the gaming operation department.

(5) Drop boxes, when not in use during a shift, may be stored on the gaming tables if licensed security personnel are present in the gaming area at all times drop boxes are stored on the gaming tables and the entire area is covered by taped surveillance. If adequate security is not provided during this time, the drop boxes shall be stored as required in subsection (4) of this section.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-840, filed 4/14/00, effective 5/15/00.]

WAC 230-40-845 Procedures for exchange of checks submitted by gaming patrons at cashier's cage. In addition to the requirements set forth in WAC 230-12-053, checks submitted to the cashier's cage are subject to the following restrictions and procedures:

(1) All checks sought to be exchanged at the cashiers' cage shall be presented directly to the cashier who shall:

(a) Restrictively endorse the check "for deposit only" to the licensee's bank account;

(b) Initial the check;

(c) Date and time stamp the check;

(d) Verify that the patron is not listed on the returned check log;

(e) Immediately exchange the check for currency and coin in an amount equal to the amount for which the check is drawn less any applicable fees; and

(f) Forward all patron checks to the main bank cashier.

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(2) Prior to acceptance of a traveler's check from a patron, the cashier shall:

(a) Require the patron to countersign the traveler's check in his or her presence;

(b) Compare the countersignature with the original signature on the traveler's check;

(c) Examine the traveler's check for any other signs of tampering, forgery or alteration; and

(d) Perform any other procedures that the issuer of the traveler's check requires in order to indemnify the acceptor against loss.

(3) Prior to the acceptance of any check from a patron, the cashier shall examine that patron's identification to confirm the patron's identity.

(4) All checks received shall be deposited in the licensee's bank account within two banking days after receipt: Provided, That checks deposited within two days to an armored car service shall meet this requirement.

(5) All checks dishonored by a bank (returned checks) shall be returned directly to, and controlled by, accounting department employees: Provided, That if a collection agency is used which maintains dishonored checks, a photocopy of the check shall be sufficient.

(6) Records of all returned checks shall be maintained by accounting department employees and shall be available to cashiers. Such records shall include, at a minimum, the following:

(a) The date of the check;

(b) The name of the drawer of the check;

(c) The amount of the check;

(d) The date(s) the check was dishonored; and

(e) The date(s) and amount(s) of any collections received on the check after being returned by a bank.

(7) If a check is dishonored, the name of the person who submitted the check shall be kept in a log and available to the cashier. Such person shall be prohibited from submitting additional checks until the amount owed is paid in full: Provided, That a check dishonored by a bank may be immediately redeposited if there is sufficient reason to believe the check will be honored the second time.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-845, filed 4/14/00, effective 5/15/00.]

WAC 230-40-850 Procedures for purchasing gaming chips. The purchase of gaming chips by patrons shall be conducted in a manner to ensure proper accountability of chips and cash. The following restrictions and procedures apply:

(1) Gaming chips shall only be purchased at the gaming table;

(2) The cash shall be spread on the top of the gaming table by the dealer in a manner that allows the patron, floor supervisor, and surveillance a full view of the transaction;

(3) The amount of cash shall be announced by the dealer accepting it in a tone of voice to be heard by the patron who presented the cash and the floor supervisor specifically assigned to the gaming table. All cash changes of one hundred dollars or more shall be verified by the supervisor;

(4) Prior to giving gaming chips to the patron, the dealer shall prove each denomination of chips in a manner that discloses the number of chips to the patron, floor supervisor,

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and surveillance. Procedures for proving chips shall be included in the licensee's approved system of internal controls; and

(5) Immediately after gaming chips, equivalent to the cash amount paid by the patron, have been given to the patron, the cash shall be taken from the top of the gaming table and placed by the dealer into the drop box attached to the gaming table.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-850, filed 4/14/00, effective 5/15/00.]

WAC 230-40-855 Acceptance of tips from patrons for house-banked activities. Licensees may allow selected employees to accept tips from patrons. If allowed, tips shall be controlled in a manner to ensure they are only received by authorized persons, properly accounted for, and maintained separate from all other gaming funds. The following restrictions and procedures apply:

(1) No employee directly concerned with management, supervision, accounting, security, or surveillance shall solicit, accept or otherwise share any tip originating from any player or patron: Provided, That cage cashiers shall be allowed to accept tips.

(2) Each licensee shall establish procedures necessary to ensure that the acceptance of tips by dealers is observed by the floor supervisor and surveillance. Procedures shall include an overt display of tips received, such as tapping the table with the tip prior to placing it in the tip container.

(3) Tips to the cashier shall be deposited directly into the tip container by the patron. Cashier tip containers shall be located outside the cage enclosure.

(4) Tips received shall be retained by employees or pooled among employees in such manner as determined by the licensee.

(5) Licensees shall establish and implement procedures for the proper accounting of tips received by authorized card room employees. The procedures shall be fully documented in the licensee's internal controls and shall describe in detail any methods used to allocate tips. Accounting and recording of tip income shall be in sufficient detail to meet federal income tax requirements.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-855, filed 4/14/00, effective 5/15/00.]

WAC 230-40-860 Table inventories and procedures for opening tables for house-banked card games. Procedures shall be established to ensure proper accountability of gaming chips and coins stored at gaming tables and for beginning play at such tables. The following restrictions and procedures apply:

(1) Whenever a gaming table is opened for gaming, operations shall commence with an amount of gaming chips and coins to be known as the "table inventory" and the licensee shall not cause or permit gaming chips or coins to be added to or removed from such table inventory during the gaming day except:

(a) In exchange for cash from patrons;

(b) In payment of winning wagers and collection of losing wagers made at such gaming table;

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(c) In exchange for gaming chips received from a patron having an equal aggregate face value; and

(d) In conformity with procedures set forth in WAC 230-40-865 and 230-40-870.

(2) Each table inventory and the table inventory slip prepared in conformity with the procedures set forth in WAC 230-40-875 shall be stored during nongaming hours in a separate locked, clear container which shall be clearly marked on the outside with the game and the gaming table number to which it corresponds. The information on the table inventory slip shall be visible from the outside of the container. All containers shall be stored in the cashier's cage during nongaming hours: Provided, That containers may be secured at the gaming table if under taped surveillance.

(3) The keys to table inventory containers shall be maintained and controlled by the gaming operation department in a secure place and shall at no time be made accessible to any cashier's cage personnel or to any person responsible for transporting such table inventories to or from the gaming tables.

(4) Licensees shall abide by the following procedures when opening gaming tables for play:

(a) The locked container securing the table inventory and the table inventory slip shall be unlocked by the gaming operation supervisor assigned to such table;

(b) A dealer assigned to the gaming table shall prove the contents of the container in the presence of the gaming operation supervisor assigned to such table and shall compare the count to the "opener," as defined in WAC 230-40-875, removed from the container. The procedures used to prove the chip and coin inventory shall be set forth in the licensee's internal controls;

(c) Signatures attesting to the accuracy of the information on the opener shall be placed on such "opener" by the dealer assigned to the table and the gaming operation supervisor that observed the dealer count the contents of the container;

(d) Any discrepancy between the amount of gaming chips and coins counted and the amount of the gaming chips and coins recorded on the "opener," shall be immediately reported to the gaming operation manager, assistant gaming operation manager, or gaming operation shift manager in charge at such time. The manager in charge shall complete the notification of error slip, which will be verified by security and transported to accounting or the cashier's cage. Accounting will maintain a copy in the log containing the notification of error slips. The licensee shall notify commission staff within twenty-four hours of errors of two hundred dollars or more or if there is a pattern relating to regular shortages;

(e) After the count of the contents of the container and the signing of the "opener," such slip shall be immediately deposited in the drop box attached to the gaming table by the dealer.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-860, filed 4/14/00, effective 5/15/00.]

WAC 230-40-865 Procedure for distributing gaming chips and coins to house-banked gaming tables—Requests and fills. Gaming chips and coins shall only be

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distributed to gaming tables with adequate security and in a manner that ensures proper control and accountability. The following restrictions and procedures apply:

(1) Each "fill slip" shall be serially prenumbered three-part forms, which provide an original and duplicate copies as necessary: Provided, That the director may authorize use of a computer based accounting system which includes a non-repeating sequential numbering system that is consistent with the controls and safeguards of the manual system. Requests for fills shall be a two-part form which provides an original and duplicate copy. These forms shall be controlled in the following manner:

(a) Each series of fill slips received by a licensee shall be controlled and accounted for separately;

(b) Request for fills shall be secured in such a manner that only a gaming operations supervisor has access;

(c) Fill slips shall be secured by the cashier's cage;

(d) These forms shall be used in sequential order and all forms accounted for; and

(e) The preparer shall void forms that have errors by marking "VOID" on both the original and duplicate copies and sign the form.

(2) A "request for fill" shall be prepared by the gaming operation supervisor to authorize the cage to prepare a "fill slip" for the distribution of chips and coins to gaming tables. The original and duplicate of the request for fill shall include the following entries:

(a) The date, time, and shift of preparation;

(b) The denomination of gaming chips or coins to be distributed to the gaming tables;

(c) The total amount of each denomination of gaming chips or coins to be distributed to the gaming tables;

(d) The game and table number to which the gaming chips or coins are to be distributed;

(e) The signature of the gaming operation supervisor; and

(f) The signature of the security department employee that distributed the chips and coins.

(3) After preparation of the request for fill, the original of such request shall be transported directly to the cashier's cage by security.

(4) The duplicate copy of the request for fill shall be placed by the dealer or floor supervisor in public view on the gaming table to which the gaming chips or coins are to be received. Such duplicate copy shall not be removed until the chips and coins are received, at which time the request for fill and fill slip are deposited in the drop box.

(5) A fill slip shall be prepared by a cashier whenever gaming chips or coins are distributed to the gaming tables from the cashier's cage. The following procedures and requirements shall be observed with regard to fill slips:

(a) Each series of fill slips shall be in triplicate form to be kept in a locked dispenser that will permit an individual fill slip in the series and its copies to be written upon simultaneously while still located in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser: Provided, That if a computer system is used, which includes a nonrepeating sequential numbering system, the controls and safeguards of the manual system must be present; and

(b) Access to the triplicate copy of the form shall be maintained and controlled at all times by an accounting department employee responsible for controlling and accounting for the unused supply of fill slips, placing fill slips in the dispensers, and removing from the dispensers, each day, the triplicate copies remaining therein.

(6) On the original, duplicate, and triplicate copies of the fill slip, the preparer shall record, at a minimum, the following information:

(a) The denomination of the gaming chips or coins being distributed;

(b) The total amount of each denomination of gaming chips or coins being distributed;

(c) The total amount of all denominations of gaming chips or coins being distributed;

(d) The game and table number to which the gaming chips or coins are being distributed;

(e) The date and shift during which the distribution of gaming chips or coins occurs; and

(f) The signature of the preparer.

(7) Upon preparation, the time of preparation of the fill slip shall be recorded, at a minimum, on the original and the duplicate.

(8) All gaming chips or coins distributed to the gaming tables from the cashier's cage shall be transported directly by a security department employee. This employee shall verify the request for fill to the amount of the fill slip and sign the original of the request for fill, which is maintained at the cashier's cage, before transporting the gaming chips or coins and the original and duplicate of the fill slip for signature.

(9) Signatures attesting to the accuracy of the information contained on the original and duplicate of the fill slips shall, at a minimum, be those of the following personnel at the following times:

(a) The cashier upon preparation;

(b) The security department employee transporting the gaming chips or coins to the gaming table upon receipt from the cashier of gaming chips or coins;

(c) The dealer assigned to the gaming table upon receipt; and

(d) The gaming operation supervisor assigned to the gaming table upon receipt of the gaming chips or coins at such table.

(10) Upon meeting the signature requirements, the security department employee that transported the gaming chips or coins and the original and duplicate copies of the fill slip to the table, shall observe the following:

(a) The dealer shall immediately place the duplicate fill slip and duplicate request for fill in the drop box attached to the gaming table to which the gaming chips or coins were transported; and

(b) The security department employee shall then return the original fill slip to the cashier's cage where the original fill slip and request for fill shall be maintained together and controlled by cage employees.

(11) The original and duplicate "VOID" fill slips, the original request for fill, and the original fill slip shall be forwarded as follows:

(a) The count team, as described in WAC 230-40-885(2), for agreement with the duplicate copy of the fill slip and

duplicate copy of the request for fill removed from the drop box after which the original and duplicate copy of the request for fill and the original and duplicate copy of the fill slip shall be forwarded to the accounting department for agreement, on a daily basis, with the triplicate; or

(b) The accounting department for agreement, on a daily basis, with the duplicate fill slip and duplicate copy of the request for fill removed from the drop box and the triplicate.

(12) Transfers of gaming chips from one gaming table to another gaming table is prohibited. All transfers of gaming chips shall be to the cashier's cage.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-865, filed 4/14/00, effective 5/15/00.]

WAC 230-40-870 Procedure for removing gaming chips and coins from house-banked gaming tables—Requests and credits. All transfers of gaming chips and coins shall be closely controlled and documented in a manner that ensures accountability. Gaming chips and coins shall only be removed from gaming tables with adequate security. The following restrictions and procedures apply:

(1) Each "credit slip" shall be serially prenumbered three-part forms, which provide an original and duplicate copies as necessary: Provided, That the director may authorize use of a computer based accounting system which includes a nonrepeating sequential numbering system that is consistent with the controls and safeguards of the manual system. Requests for credits shall be a two-part form which provides an original and duplicate copy. These forms shall be controlled in the following manner:

(a) Each series of credit slips received by a licensee shall be controlled and accounted for separately;

(b) Request for credits shall be secured in such a manner that only a gaming operations supervisor has access;

(c) Credit slips shall be secured by the cashier's cage;

(d) These forms shall be used in sequential order and all forms accounted for; and

(e) The preparer shall void forms that have errors by marking "VOID" on both the original and duplicate copies and sign the form.

(2) A request for credit shall be prepared by the gaming operation supervisor to authorize the cage to prepare a credit slip for the removal of gaming chips and coins to the cashier's cage. The original and duplicate of the request for credit shall include the following entries:

(a) The date, time and shift of preparation;

(b) The denomination of gaming chips or coins to be removed from the gaming table;

(c) The total amount of each denomination of gaming chips or coins to be removed from the gaming table;

(d) The game and table number from which the gaming chips or coins are to be removed; and

(e) The signature of the gaming operation supervisor and dealer assigned to the gaming table from which gaming chips or coins are to be removed.

(3) Immediately upon preparation of a request for credit and transfer of gaming chips or coins to a security department employee, a gaming operation supervisor shall obtain on the duplicate copy of the request for credit the signature of the security department member to whom the gaming

chips and coins were transferred. The dealer shall place the duplicate copy in public view on the gaming table from which the gaming chips or coins were removed. Such request for credit shall not be removed until a credit slip is received from the cashier's cage at which time the request for credit and credit slip are deposited in the drop box.

(4) The original of the request for credit and the gaming chips or coins removed from the gaming table shall be transported directly to the cashier's cage by the security department employee.

(5) A credit slip shall be prepared by the cashier whenever gaming chips or coins are removed from the gaming tables to the cashier's cage. The following procedures and requirements shall be observed with regard to credit slips:

(a) Each series of credit slips shall be a three-part form and shall be inserted in a locked dispenser that will permit an individual slip in the series and its copies to be written upon simultaneously while still locked in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser: Provided, That if a computer system is used, which includes a nonrepeating sequential numbering system, the controls and safeguards of the manual system must be present; and

(b) Access to the triplicate copy shall be maintained and controlled at all times by an accounting department employee responsible for controlling and accounting for the unused supply of credit slips, placing credit slips in the dispensers, and removing from the dispensers, each day, the triplicates remaining therein.

(6) On the original, duplicate and triplicate copies of a credit slip, the preparer shall record, at a minimum, the following information:

(a) The denomination of the gaming chips or coins removed from the gaming table to the cashier's cage;

(b) The total amount of each denomination of gaming chips or coins removed from the gaming table to the cashier's cage;

(c) The total amount of all denominations of gaming chips or coins removed from the gaming table to the cashier's cage;

(d) The game and table number from which the gaming chips or coins were removed;

(e) The date and shift during which the removal of gaming chips or coins occurs; and

(f) The signature of the preparer.

(7) Upon preparation, the time of preparation of the credit slip shall be recorded, at a minimum, on the original and duplicate copy.

(8) Signatures attesting to the accuracy of the information contained on the original and the duplicate copy of a credit slip shall be, at a minimum, the following personnel at the following times:

(a) The cage cashier upon preparation;

(b) The security department employee transporting the gaming chips or coins to the cashier's cage upon presentation to the cashier;

(c) The dealer assigned to the gaming table upon receipt at such table from the security department employee; and

(d) The gaming operation supervisor assigned to the gaming table upon receipt at such table.

(9) Upon meeting the signature requirements, the security department employee transporting the original and duplicate copies of the credit slip to the gaming table, shall observe the following:

(a) The dealer shall immediately place the duplicate copies of the credit slip and request for credit in the drop box attached to the gaming table from which the gaming chips or coins are removed; and

(b) The security department employee shall expeditiously return the original credit slip to the cashier's cage where the original of the credit slip and request for credit shall be maintained together and controlled by cage employees.

(10) The original and duplicate copies of "VOID" credit slips, and the original request for credit and credit slip shall be forwarded to:

(a) The count team, as described in WAC 230-40-885(2), for agreement with the duplicate credit slip and the duplicate request for credit removed from the drop box, after which the request for credit and the original and duplicate credit slip shall be forwarded to the accounting department for agreement, on a daily basis, with the triplicate; or

(b) The accounting department for agreement, on a daily basis, with the duplicate copies of the credit slip and request for credit removed from the drop box and the triplicate.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-870, filed 4/14/00, effective 5/15/00.]

WAC 230-40-875 Procedures for closing house-banked gaming tables. Procedures shall be followed for closing gaming tables that ensure proper accountability of gaming chips and coins. The following restrictions and procedures apply:

(1) Whenever the gaming activity at each gaming table is concluded for the day, the gaming chips and coins shall be counted by the dealer assigned to the gaming table and observed by a gaming operation supervisor. The entire count and closure process shall be monitored and taped by the surveillance department.

(2) The gaming chips and coins counted shall be recorded on a table inventory slip by the gaming operation supervisor assigned to the gaming table.

(3) Table inventory slips shall be three-part serially pre-numbered forms and on the original of the slip (closer), the duplicate of the slip (opener), and on the triplicate, which is maintained and controlled by security, the gaming operation supervisor shall record the following:

- (a) The date and identification of the shift ended;
- (b) The game and table number;
- (c) The total value of each denomination of gaming chips and coins remaining at the tables; and
- (d) The total value of all denominations of gaming chips and coins remaining at the gaming tables.

(4) Signatures attesting to the accuracy of the information recorded on the table inventory slips at the time of closing the gaming tables shall be of the dealer and the gaming operation supervisor assigned to the gaming table who observed the dealer count the contents of the table inventory.

(5) Upon meeting the signature requirements:

(a) The closer shall be deposited in a drop box attached to the gaming table immediately prior to the closing of the table;

(b) The opener and the gaming chips and coins remaining at the table shall be placed in a clear container provided for that purpose after which the container shall be locked; and

(c) The triplicate copy of the table inventory slip shall be forwarded to the accounting department by a security department employee.

(6) At the end of each gaming day, if the locked containers are transported to the cashier's cage, a cage cashier shall determine that all locked containers have been returned to the cage and adequately secured or, if the locked containers are secured to the gaming table, a gaming operation supervisor shall account for all the locked containers.

(7) In the event drop boxes are removed from gaming tables at other than the close of the gaming day, they shall be removed at a shift change. A table inventory slip shall be prepared as required above with the incoming and outgoing supervisor verifying the inventory and signing.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-875, filed 4/14/00, effective 5/15/00.]

WAC 230-40-880 Count room requirements. All card room licensees offering house-banked card games or utilizing drop boxes for the collection of game fees or wagers shall be required to maintain a secured area for the counting of gaming chips, coin, and currency. The following requirements, restrictions, and procedures apply:

(1) There shall be a room specifically designated for counting the contents of drop boxes, which shall be known as the "count room": Provided, That licensees not offering house-banked card games shall not be required to maintain a count room for counting the contents of drop boxes if they have another secure location and they meet all other commission requirements for surveillance and counting procedures.

(2) The count room shall be a fully enclosed room with only one entry designed and constructed to provide maximum security for the materials housed therein and for the activities conducted therein, to include at a minimum, the following:

(a) A door equipped with at least one lock securing the count room door, the key or combination to which shall be maintained and controlled by the security department. If a double locking system is used, the gaming operation department shall maintain a second key;

(b) The gaming operation department or security department shall establish a sign-out procedure for all keys removed from the security department; and

(c) An alarm device connected to the entrance of the count room in such a manner as to cause a signaling to the surveillance employees of the closed circuit television system whenever the door to the count room is opened.

(3) The following shall be located within the count room:

(a) A table constructed of clear glass or similar material with a base that does not obstruct viewing for the emptying, counting, and recording of the contents of the drop boxes which shall be known as the "count";

(b) Closed circuit television cameras and microphones that are capable of, but not limited to, the following:

(i) Effective and detailed video and audio monitoring of the entire count process; and

(ii) Effective, detailed video-monitoring of the count room and all contents, including storage cabinets or trolleys used to store drop boxes.

(c) The licensee shall post a sign within the count room or at the entrance disclosing that audio recordings within the count room are being conducted at all times.

(4) A count room sign-in log shall be maintained by the licensee as prescribed by the commission.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-880, filed 4/14/00, effective 5/15/00.]

WAC 230-40-885 Counting and recording contents of drop boxes—Procedures. The contents of drop boxes shall be counted and recorded in a manner that ensures the proper accountability of all gaming chips, coins, and currency. The following restrictions and procedures apply:

(1) The security department shall notify the surveillance department whenever the contents of drop boxes removed from gaming tables are to be counted and recorded, which, at a minimum, shall be once each gaming day.

(2) The opening, counting and recording of the contents of drop boxes shall be performed in the presence of and by those employees assigned by the gaming operation department for the conduct of the count. The count team must consist of three employees who shall not be in a position to perpetrate or conceal errors or irregularities in the normal course of his or her duties. Anyone both recording transactions and having access to the relevant assets is in a position to perpetrate errors or irregularities.

(3) Immediately prior to the opening of the drop boxes, the doors to the count room shall be securely locked and except as otherwise authorized, no person shall be permitted to enter or leave the count room, except during a normal work break or in an emergency, until the entire counting, recording, and verification process is completed.

(4) Immediately prior to the commencement of the count, one count team member shall notify the person assigned to the closed circuit television surveillance room in the establishment that the count is about to begin, after which such person shall make a video and audio recording of the entire counting process.

(5) Contents of drop boxes shall not be mixed prior to counting and recording of each drop box. Procedures and requirements for conducting the count shall be the following:

(a) As each drop box is placed on the count table, one count team member shall announce, in a tone of voice to be heard by all persons present and to be recorded by the audio recording device, the game, table number, and shift marked thereon;

(b) The contents of each drop box shall be emptied and counted separately on the count table;

(c) Immediately after the contents of a drop box are emptied onto the count table, the inside of the drop box shall be held up to the full view of a closed circuit television camera, and shall be shown to at least one other count team member to confirm that all contents of the drop box have been

removed, after which the drop box shall be locked and placed in the storage area for drop boxes;

(d) The contents of each drop box shall be segregated by a count team member into separate stacks on the count table by denominations of coin and currency and by type of form, record or document;

(e) Each denomination of coin and currency shall be counted separately, either manually or mechanically, by at least two count team members who shall place individual bills and coins of the same denomination on the count table in full view of the closed circuit television cameras, and such count shall be observed and the accuracy confirmed orally or in writing, by at least one other count team member;

(f) As the contents of each drop box is counted, one count team member shall record or verify on a master game report, by game, table number, and shift, the following information:

(i) The total amount of currency and coin counted, also known as the "drop";

(ii) The amount of the opener;

(iii) The amount of the closer;

(iv) The serial number and amount of each fill slip;

(v) The total amount of all fill slips;

(vi) The serial number and amount of each credit slip;

(vii) The total amount of all credit slips; and

(viii) The game win or loss.

(g) After the contents of each drop box have been counted and recorded, one member of the count team shall record by game and shift, on the master game report, the total amounts of currency and coin, table inventory slips, fill slips and credit slips counted, and win or loss, together with such additional information as may be required on the master game report by the licensee.

(h) Notwithstanding the requirements of (f) and (g) of this subsection, if the licensee's system of accounting and internal controls provides for the recording on the master game report of fill slips, credit slips, and table inventory slips by cage cashiers prior to the commencement of the count, a count team member shall compare the serial numbers and totals of the amounts recorded thereon to the fill slips, credit slips, and table inventory slips removed from the drop boxes;

(i) Notwithstanding the requirements of (f) and (g) of this subsection, if the licensee's system of accounting and internal controls provides for the count team functions to be comprised only of counting and recording currency, coin, and credits, accounting department employees shall perform all other counting, recording and comparing duties herein; and

(j) After completion and verification of the master game report, each count team member shall sign the report attesting to the accuracy of the information recorded thereon.

(6) Procedures and requirements at the conclusion of the count for each gaming shift shall be the following:

(a) All cash removed from each drop box after the initial count shall be presented in the count room by a count team member to a cashier who, prior to having access to the information recorded on the master game report and in the presence of the count team, shall recount, either manually or mechanically, the cash received;

(b) The top copy of the master game report, after signing, and the request for fills, the fill slips, the request for credits, the credit slips, and the table inventory slips removed from drop boxes, shall be transported directly to the accounting department and shall not be available to any cashier's cage personnel; and

(c) If the licensee's system of accounting and internal controls does not provide for the forwarding from the cashier's cage of the duplicate of the fill slips, credit slips, request for credits, request for fills, such documents recorded or to be recorded on the master game report shall be transported from the count room directly to the accounting department.

(7) The originals and copies of the master game report, request for fills, fill slips, request for credits, credit slips and table inventory slips shall on a daily basis, in the accounting department be:

(a) Compared for agreement with each other, on a test basis, by persons with no recording responsibilities and, if applicable, to triplicates or stored data;

(b) Reviewed for the appropriate number and propriety of signatures on a test basis;

(c) Accounted for by series numbers, if applicable;

(d) Tested for proper calculation, summarization, and recording;

(e) Subsequently recorded; and

(f) Maintained and controlled by the accounting department.

(8) Card rooms not operating house-banked card games shall not have to meet the requirements above: Provided, That the following requirements shall be met:

(a) The count shall occur at a specific time that has been reported to commission staff;

(b) All fees shall be counted at least once each operating day;

(c) The count shall be made by at least two licensed employees of the card room who shall record the amount on the count slip for each drop box;

(d) The surveillance requirements of WAC 230-40-825 shall be met; and

(e) An entry shall be made in the daily card room record for each table and each type of fee collected at a table. Count slips for each table shall be retained with the daily records.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-885, filed 4/14/00, effective 5/15/00.]

WAC 230-40-890 Signatures—Requirements. Each transfer of cash, coins, or chips shall be documented and verified by signatures of individuals responsible for applicable records. A record of authorized signatures shall be maintained for all employees of a house-banked card room authorized to approve transfers of cash, coin, or chips. The following restrictions and operating procedures apply to licensees conducting house-banked card games:

(1) Signatures shall:

(a) Be, at a minimum, the signer's first initial and last name, i.e., "B. Smith";

(b) Be immediately adjacent to, or above, the clearly printed or preprinted title of the signer and his or her employee number; and

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(c) Signify that the signer has prepared forms, records, and documents, and/or is authorized to a sufficient extent to attest to the accuracy of the information recorded thereon, in conformity with these standards and the licensee's system of accounting and internal control.

(2) The licensee shall ensure that signature cards are completed for each person who signs or initials forms, records and documents, and shall include samples of signatures and initials of signers. Such signature records shall be prepared in the presence of a member of the accounting department who shall verify the employee's identity by review of a picture identification card. Completed cards shall be maintained in a dated signature card file, sorted by department and listed alphabetically by name. The signature records shall be adjusted on a timely basis to reflect changes of personnel and must be retained for a period of at least one year after employment terminates.

(3) Signature cards shall be securely stored in the accounting department. A copy of each signature card shall be maintained in the cashier's cage and be used by cage personnel to verify applicable signatures.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-890, filed 4/14/00, effective 5/15/00.]

WAC 230-40-895 Key control requirements and procedures. All activities related to the operation of house-banked card games shall be closely monitored and controlled. The following restrictions and operating procedures shall apply for control of card room keys to restrict access to areas by unauthorized card room employees.

(1) Each licensee shall install and maintain key control boxes that meet at least the specifications set forth below:

(a) Constructed of metal with a minimum of one keylock mechanism;

(b) Be attached to a permanent structure without visibility of hardware used to attach the key box;

(c) Be tamper proof;

(d) Have keys stored therein to be easily identifiable, labeled, and displayed individually in numeric or alphabetic order;

(e) The physical location of key control boxes may be determined by each licensee. The location shall not permit an individual to gain access to a restricted area that he/she would otherwise not be allowed to enter. If key boxes are located in areas where unauthorized individuals have access, that person may only have custody of the key and open the key box in the presence of the key custodian; or while under camera coverage.

(2) Individual key control boxes shall be maintained by at least three departments including gaming operations, accounting, and security/surveillance. Access to key control boxes shall be limited to the licensed card room employee(s) responsible for overall supervision or management of the operation for which the box is maintained. Keys shall be controlled in the following manner:

(a) Keys included in the key control box maintained by the gaming operations department shall include:

(i) Key to each pit podium;

(ii) Key(s) to drawers and other locking cabinets located in each pit podium;

(iii) Key to remove the clear plastic cover from the container used to store gaming chips and secured to the gaming tables;

(iv) Key to the second lock on the enclosed storage cabinet or trolley used to store or transport all drop boxes removed from the gaming tables;

(v) Key to all upper tier and lower tier jackpot payout boxes included with authorized card games;

(vi) Key to all electrical control boxes used to maintain authorized card games;

(vii) Other keys included in the licensee's internal controls and approved by commission staff.

(b) Keys included in the key control box maintained by security/surveillance shall include:

(i) Key to the lock used to secure the count room door;

(ii) Key utilized to unlock the drop boxes from the gaming tables;

(iii) Key to the first lock on the enclosed storage cabinet or trolley used to store or transport all drop boxes removed from the gaming tables to the count room;

(iv) Key to the storage cabinet(s) or other secure facility used to store the card inventory including decks which have not been placed into play and decks removed from play and waiting to be destroyed;

(v) Key to the room used for clandestine surveillance;

(vi) Key to the storage cabinet(s) or locker(s) used to maintain tapes of evidentiary value or tapes documenting details of jackpot payouts;

(vii) Key to main entry or access door of the card room;

(viii) Other keys included in the licensee's internal controls and approved by commission staff.

(c) Keys included in the key control box maintained by the accounting department shall include:

(i) Key to the lock securing the contents of the drop boxes;

(ii) Key to the rear of the locked dispenser used to store the triplicate of the fill/credit slips in a continuous, unbroken form;

(iii) Key to the door to the cashier's cage;

(iv) Key to reset the lock to the drop boxes;

(v) Keys included in the licensee's internal controls and approved by commission staff;

(vi) Keys maintained by the cashier's cage including:

(A) Key(s) to each cashier's window drawer;

(B) Key to the chip drawer or fill bank;

(C) Key to the vault or safe;

(D) Key to the door to the cashier's cage;

(E) Key to the front of the locked dispenser used to store the triplicate of the fill/credit slips in continuous, unbroken form;

(F) Other keys included in the licensee's internal controls and approved by commission staff;

(G) Key(s) to the dealer tip boxes.

(d) A master key control box may be maintained with access strictly limited to the owner(s) or chief operating officer responsible for exercising the overall management or authority over all the operations of the card room and may include:

(i) All spare or extra keys for the areas noted above.

(ii) Other keys included in the licensee's internal controls and approved by commission staff.

(3) Each licensee shall maintain for each key control box, a key control log used to record the issuance of and return of all keys used to control the restricted access areas by card room employees identified. The key control log shall be maintained in the format prescribed by the commission.

(4) Keys to secure the contents of each key control box required above shall be strictly controlled as follows.

(a) There shall be one key for each key control box which shall be controlled by the manager of the department for which the key control box is designated. This key shall be distributed to the manager or supervisor in charge and maintained in their possession when gaming is being conducted.

(b) Keys to each key control box will be maintained in a secure manner as approved by commission staff and documented in the licensee's written internal controls.

(c) All spare or duplicate keys to the key control boxes identified above will be maintained in the master key control box and be controlled by the owner(s).

(5) Licensees may utilize electronic key control systems, if reviewed and approved in writing by the director or the director's designee.

(6) For emergency situations, licensees may maintain an additional key control box which can be accessed on a limited basis to protect the safety of employees. The key control boxes which meet this requirement shall be preapproved by commission staff.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-895, filed 4/14/00, effective 5/15/00.]

WAC 230-40-897 Card game promotions—Procedures—Restrictions. All promotions or schemes which are directly associated with card games or which affect the internal controls of the gaming operation must be submitted and approved by commission staff prior to implementation. The following procedures and restrictions apply:

(1) All players must have an equal opportunity to participate;

(2) The value of promotional items cannot exceed fifty dollars per person;

(3) Only one promotion may be used for each game at one time; and

(4) Detailed records must be maintained ensuring accountability, including any coupons redeemed.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-40-897, filed 4/14/00, effective 5/15/00.]

Chapter 230-46 WAC

UNLICENSED ACTIVITIES

WAC

230-46-010

230-46-025

230-46-045

230-46-070

230-46-100

Purpose.

Telephone charges—Valuable consideration.

Promotional contests of chance similar to bingo—"No fee bingo."

Punch boards/pull-tabs and pull-tab dispensing devices not to be used in promotional contests—Exception.

Bona fide charitable/nonprofit organizations—Limited social card games without obtaining a license—Conditions.

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

- 230-46-020 Definitions. [Statutory Authority: RCW 9.46.070 (11) and (14). 88-17-050 (Order 182), § 230-46-020, filed 8/16/88. Statutory Authority: RCW 9.46.030(10) and 9.46.070 (14) and (20). 86-08-007 (Order 156), § 230-46-020, filed 3/20/86. Statutory Authority: RCW 9.46.070 (3), (8) and (11). 85-09-040 (Order 149), § 230-46-020, filed 4/15/85.] Repealed by 00-21-068 (Order 391), filed 10/16/00, effective 11/16/00. Statutory Authority: RCW 9.46.070.
- 230-46-030 Promotional contests—Legality. [Statutory Authority: RCW 9.46.070 (3), (8) and (11). 85-09-040 (Order 149), § 230-46-030, filed 4/15/85.] Repealed by 86-07-044 (Order 156), filed 3/17/86.
- 230-46-040 Promotional contests limited to seven days unless optional methods of entry are included. [Statutory Authority: RCW 9.46.070 (3), (8) and (11). 85-09-040 (Order 149), § 230-46-040, filed 4/15/85.] Repealed by 86-07-044 (Order 156), filed 3/17/86.
- 230-46-050 Promotional contests—Admission fee limitation. [Statutory Authority: RCW 9.46.070 (3), (8) and (11). 85-09-040 (Order 149), § 230-46-050, filed 4/15/85.] Repealed by 86-07-044 (Order 156), filed 3/17/86.
- 230-46-060 Valuable consideration—Lotteries prohibited. [Statutory Authority: RCW 9.46.070 (3), (8) and (11). 85-09-040 (Order 149), § 230-46-060, filed 4/15/85.] Repealed by 86-07-044 (Order 156), filed 3/17/86.

WAC 230-46-010 Purpose. The Washington state gambling commission deems it to be in the public interest to interpret RCW 9.46.0356 to insure uniformity and fairness to all sponsors of promotional contests of chance. The purpose of these regulations is to notify all sponsors and their affiliates as to what types of promotional contests of chance are legal and not legal in the state of Washington.

[Statutory Authority: RCW 9.46.070. 00-21-068 (Order 391), § 230-46-010, filed 10/16/00, effective 11/16/00; 95-12-051, § 230-46-010, filed 6/2/95, effective 7/3/95. Statutory Authority: RCW 9.46.030(10) and 9.46.070 (14) and (20). 86-08-007 (Order 156), § 230-46-010, filed 3/20/86. Statutory Authority: RCW 9.46.070 (3), (8) and (11). 85-09-040 (Order 149), § 230-46-010, filed 4/15/85.]

WAC 230-46-025 Telephone charges—Valuable consideration. Any participant required to place a telephone call as a means of entry for a promotional contest of chance, shall not be required to pay any additional charges over and above the actual cost for placing such a call as established by a registered telephone company. Any charges over and above the actual cost of placing the telephone call, such as those associated with a 1-900 number whereby an additional service fee or other charges may be levied, shall be deemed a valuable consideration and beyond the allowable methods of entry authorized by RCW 9.46.0356.

[Statutory Authority: RCW 9.46.070. 00-21-068 (Order 391), § 230-46-025, filed 10/16/00, effective 11/16/00. Statutory Authority: RCW 9.46.0355 and [9.46.]070(14). 90-13-022, § 230-46-025, filed 6/11/90, effective 7/31/90.]

WAC 230-46-045 Promotional contests of chance similar to bingo—"No fee bingo." Promotional contests of chance, which are similar to bingo and are commonly referred to as "no fee bingo," may be conducted in limited circumstances if all of the following conditions are met:

(2001 Ed.)

Entry fees not allowed.

(1) Participants may not be charged a direct or indirect fee to participate in the game. Indirect fees include, but are not limited to, cover charges and other similar fees;

Limit on value of prizes.

(2) Prizes may only involve merchandise items such as food, nonalcoholic beverages, hats, shirts, or other promotional items valued at less than twenty-five dollars each. No cash prizes may be substituted for merchandise prizes. Prizes cannot exceed one hundred dollars per week, or five thousand dollars per year. Operators shall record the names of winners and prize(s) won for each game;

Bingo cards.

(3) Bingo cards used must be of the type set aside for recreational or noncommercial uses as described in WAC 230-20-192 (6)(a)(iii); and

Contest time limit.

(4) The contest shall not be conducted for more than a total of three hours per day, twice per week. Participants shall receive a bingo card immediately prior to the start of each game.

[Statutory Authority: RCW 9.46.070. 00-01-003 (Order 378), § 230-46-045, filed 12/1/99, effective 1/1/00.]

WAC 230-46-070 Punch boards/pull-tabs and pull-tab dispensing devices not to be used in promotional contests—Exception. (1) Punch boards/pull-tabs and pull-tab dispensing devices may not be used as a part of any promotional contest of chance as authorized in RCW 9.46.0356. This prohibition shall not apply to promotional game cards which could otherwise qualify as pull-tabs when such game cards meet the following standards. The promotional game cards:

- (a) Are readily distinguishable from any specific pull-tab series or pull-tab type used within the state of Washington;
- (b) Are designed and manufactured for a specific and unique promotional contest of chance;
- (c) Clearly display the name of the sponsoring business or the name of the product(s) being promoted;
- (d) Do not or have never contained a price per play on the card; and
- (e) Each have the official rules of play including the language "no purchase necessary" printed on the back.

(2) Promotional game cards, punch boards/pull-tabs or pull-tab dispensing devices found to be in violation of this prohibition shall be subject to immediate seizure pursuant to RCW 9.46.230.

[Statutory Authority: RCW 9.46.070. 00-21-068 (Order 391), § 230-46-070, filed 10/16/00, effective 11/16/00; 92-22-058, § 230-46-070, filed 10/29/92 effective 11/29/92. Statutory Authority: RCW 9.46.070 (11) and (14). 88-17-050 (Order 182), § 230-46-070, filed 8/16/88.]

WAC 230-46-100 Bona fide charitable/nonprofit organizations—Limited social card games without obtaining a license—Conditions. Bona fide charitable or nonprofit organizations may, as defined by RCW 9.46.0209,

allow limited social card games to be played upon their premises without obtaining a license under the conditions set out below:

(1) Only bona fide members of the organization and members of a chapter or unit organized under the same state, regional, or national chapter who are players, as defined by RCW 9.46.0265, are allowed to participate;

(2) No person is, directly or indirectly, charged a fee to participate;

(3) Only bona fide members of the organization and members of a chapter or unit organized under the same state, regional, or national charter, who are not compensated for such services, are permitted to perform any work or service in support of such card games;

(4) The types of card games played are limited to the following: Provided, That a charitable or nonprofit organization may petition the director for approval of additional games on a case-by-case basis, which would be effective for no longer than six months or until approved by the commission which ever occurs first:

- (a) Hearts;
- (b) Rummy;
- (c) Pitch;
- (d) Pinochle;
- (e) Cribbage;
- (f) Bridge;
- (g) Bid Whist; and
- (h) Dominos; and

(5) All restrictions regarding the granting of credit, method and amount of wagers, and rules of play set out in this title and chapter 9.46 RCW are followed.

[Statutory Authority: RCW 9.46.0281, 9.46.070 (1), (2), (14) and (20), 96-11-073, § 230-46-100, filed 5/13/96, effective 7/1/96. Statutory Authority: RCW 9.46.070, 94-23-007, § 230-46-100, filed 11/3/94, effective 1/1/95.]

Chapter 230-48 WAC TRIBAL CASINOS

WAC

230-48-010 Tribal-state compacts—Phase II commission review.

WAC 230-48-010 Tribal-state compacts—Phase II commission review. (1) Pursuant to each tribal/state compact and upon successful completion of a Phase II investigative review, the director shall forward a summary of the material aspects of the investigative review with a recommendation for approval to Phase II status to the commissioners at least seven days prior to a meeting of the commission.

(2) At least ten days prior to the same meeting, the director's recommendation along with a notice of formal review shall be forwarded to the tribal government and local law enforcement agencies surrounding the Class III gaming operation. The notice shall set forth the proposed action and instructions for submission of written comments to the formal review process.

(3) During the meeting of the commission for which notice of formal review was given, the commission shall conduct a review of the Class III gaming operation. The review shall address the following criteria:

(a) Whether there have been any violations of the provisions of the compact which have resulted in sanctions imposed by the Federal District Court;

(b) Whether there have been any violations of the compact which are substantial or, due to repetition, would be deemed material;

(c) Whether there have been any material adverse impacts on the public safety or welfare of the surrounding communities in the nature of criminal activities directly related to the operation of the Class III operation;

(d) Whether there have been any unresolved and material violations of Appendix A of the compact; and

(e) Whether the tribal gaming agency has developed an adequate program of regulation and control and demonstrated an adequate level of proficiency, which includes the hiring of trained tribal gaming agents, an independent regulatory and reporting structure that is separate from that of the gaming operation or tribal bodies, a thorough and developed system for the reporting of compact violations, and a strong and consistent presence within the Class III facility.

(4) Upon completion of the review, the commission shall either approve, deny, or grant a conditional Phase II approval.

(5) If Phase II is denied or conditionally approved, the commission shall within ten working days issue a written order to the tribe setting forth the basis for the decision.

[Statutory Authority: RCW 9.46.360, 95-13-032, § 230-48-010, filed 6/13/95, effective 7/14/95.]

Chapter 230-50 WAC

HEARINGS—PRACTICE AND PROCEDURE

WAC

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- 230-50-815 Deadlines for submitting items to be included in the commission meeting agenda—Exceptions.
- 230-50-850 Declaratory order.
- 230-50-270 Subpoenas—Quashing. [Order 9, § 230-50-270, filed 12/19/73.] Repealed by 89-24-003 (Order 200), filed 11/27/89, effective 12/28/89. Statutory Authority: Chapter 34.05 RCW.
- 230-50-280 Subpoenas—Enforcement. [Order 9, § 230-50-280, filed 12/19/73.] Repealed by 89-24-003 (Order 200), filed 11/27/89, effective 12/28/89. Statutory Authority: Chapter 34.05 RCW.
- 230-50-290 Subpoenas—Geographical scope. [Order 9, § 230-50-290, filed 12/19/73.] Repealed by 89-24-003 (Order 200), filed 11/27/89, effective 12/28/89. Statutory Authority: Chapter 34.05 RCW.
- 230-50-430 Depositions upon interrogatories—Provisions of deposition rule. [Order 9, § 230-50-430, filed 12/19/73.] Repealed by 89-24-003 (Order 200), filed 11/27/89, effective 12/28/89. Statutory Authority: Chapter 34.05 RCW.
- 230-50-600 Definition of issues before hearing. [Order 9, § 230-50-600, filed 12/19/73.] Repealed by 89-24-003 (Order 200), filed 11/27/89, effective 12/28/89. Statutory Authority: Chapter 34.05 RCW.
- 230-50-620 Prehearing conference rule—Record of conference action. [Order 9, § 230-50-620, filed 12/19/73.] Repealed by 89-24-003 (Order 200), filed 11/27/89, effective 12/28/89. Statutory Authority: Chapter 34.05 RCW.
- 230-50-810 Petitions for rule making, amendments or repeal—Requirements. [Order 9, § 230-50-810, filed 12/19/73.] Repealed by 89-24-003 (Order 200), filed 11/27/89, effective 12/28/89. Statutory Authority: Chapter 34.05 RCW.
- 230-50-820 Petitions for rule making, amendments or repeal—Agency must consider. [Order 9, § 230-50-820, filed 12/19/73.] Repealed by 89-24-003 (Order 200), filed 11/27/89, effective 12/28/89. Statutory Authority: Chapter 34.05 RCW.
- 230-50-830 Petitions for rule making, amendments or repeal—Notice of disposition. [Order 9, § 230-50-830, filed 12/19/73.] Repealed by 89-24-003 (Order 200), filed 11/27/89, effective 12/28/89. Statutory Authority: Chapter 34.05 RCW.
- 230-50-950 Forms. [Order 9, § 230-50-950, filed 12/19/73.] Repealed by 89-24-003 (Order 200), filed 11/27/89, effective 12/28/89. Statutory Authority: Chapter 34.05 RCW.

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

- 230-50-070 Appearance in certain proceedings may be limited to attorneys. [Order 9, § 230-50-070, filed 12/19/73.] Repealed by 89-24-003 (Order 200), filed 11/27/89, effective 12/28/89. Statutory Authority: Chapter 34.05 RCW.
- 230-50-140 Waiver of hearing. [Order 9, § 230-50-140, filed 12/19/73.] Repealed by 89-24-003 (Order 200), filed 11/27/89, effective 12/28/89. Statutory Authority: Chapter 34.05 RCW.
- 230-50-220 Subpoenas—Form. [Order 9, § 230-50-220, filed 12/19/73.] Repealed by 89-24-003 (Order 200), filed 11/27/89, effective 12/28/89. Statutory Authority: Chapter 34.05 RCW.
- 230-50-240 Subpoenas—Service of. [Order 9, § 230-50-240, filed 12/19/73.] Repealed by 89-24-003 (Order 200), filed 11/27/89, effective 12/28/89. Statutory Authority: Chapter 34.05 RCW.
- 230-50-250 Subpoenas—Fees. [Order 9, § 230-50-250, filed 12/19/73.] Repealed by 89-24-003 (Order 200), filed 11/27/89, effective 12/28/89. Statutory Authority: Chapter 34.05 RCW.
- 230-50-260 Subpoenas—Proof of service. [Order 9, § 230-50-260, filed 12/19/73.] Repealed by 89-24-003 (Order 200), filed 11/27/89, effective 12/28/89. Statutory Authority: Chapter 34.05 RCW.

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) Adjudicative 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 adjudicative proceeding prior to denying such application, and shall afford a licensee the opportunity for an adjudicative 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 adjudicative proceeding prior to denying approval of such device.

(4) No hearing will be conducted with respect to any adjudicative proceeding unless an application for an adjudicative 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 adjudicative 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 adjudicative proceeding and request for hearing shall accompany all notices of administrative charges.

(5) If an application for an adjudicative 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 adjudicative 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;

(h) Denial or revocation of extended card room hours pursuant to WAC 230-40-400;

(i) Denial of request for Phase II pursuant to WAC 230-40-810;

(j) Repeal of an approved card game pursuant to WAC 230-40-010; or

(k) Where the parties have stipulated to the use of brief adjudicative proceedings.

[Statutory Authority: RCW 9.46.070. 00-09-052 (Order 383), § 230-50-010, filed 4/14/00, effective 5/15/00. 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.]

WAC 230-50-015 Stay of summary suspension. (1) Upon summary suspension of a license or permit by the director pursuant to WAC 230-50-012, an affected licensee or permittee may petition the commission for a stay of suspension pursuant to RCW 34.05.467 and 34.05.550(1). Such petition must be received by the commission within fifteen days of service of the summary suspension order.

(2001 Ed.)

(2) Within seven days of receipt of a petition for stay, a hearing shall be held before an administrative law judge appointed by the commission pursuant to WAC 230-50-020, or if an administrative law judge is not available during this period, before a commissioner designated by the chairperson. The hearing shall be limited to consideration of whether a stay should be granted, or whether the terms of the suspension may be modified to allow the conduct of limited activities under current licenses or permits.

(3) Any hearing conducted pursuant to subsection (2) of this section shall be conducted under RCW 34.05.485, brief adjudicated proceedings. The agency record for the hearing shall consist of the information upon which the summary suspension was based and may be supplemented by any information obtained by the commission subsequent to the date of the suspension order. The licensee or permittee shall have the burden of demonstrating by clear and convincing evidence that:

(a) The licensee or permittee is likely to prevail upon the merits at hearing;

(b) Without relief, the licensee or permittee will suffer irreparable injury. For purposes of this section, elimination of income from licensed activities shall not be deemed irreparable injury;

(c) The grant of relief will not substantially harm other parties to the proceedings; and

(d) The threat to the public safety or welfare is not sufficiently serious to justify continuation of the suspension, or that modification of the terms of the suspension will adequately protect the public interest.

(4) The initial order on stay shall be effective immediately upon service unless another date is specified in the order.

[Statutory Authority: RCW 9.46.070, 92-19-107 (Order 231), § 230-50-015, filed 9/18/92, effective 10/19/92.]

WAC 230-50-018 Review of orders on stay. (1) The licensee, permittee, or agency may petition the commission for review of an initial order on stay. Petition for review must be in writing and received by the commission within twenty-one days of service of the initial order. If neither party has requested review within twenty-one days of service, the initial order shall be deemed the final order of the commission for purposes of RCW 34.05.467.

(2) If the commission receives a timely petition for review, the commission shall consider the petition at the next regularly scheduled meeting of the commission. Consideration on review shall be limited to the record of the hearing on stay. A commissioner acting as hearing officer pursuant to WAC 230-50-015(2) shall not be disqualified from considering the petition for review of an initial order on stay unless a party demonstrates grounds for disqualification in accordance with RCW 34.05.425.

(3) The order of the commission on the petition for review shall be effective upon service unless another date is specified in the order and is final pursuant to RCW 34.05.467. Final disposition of the petition for stay shall not affect subsequent administrative proceedings for suspension or revocation of a license or permit.

[Title 230 WAC—p. 165]

[Statutory Authority: RCW 9.46.070, 92-19-107 (Order 231), § 230-50-018, filed 9/18/92, effective 10/19/92.]

WAC 230-50-020 Adjudicated proceedings—Appointment of administrative law judge. (1) The commission hereby appoints the office of administrative hearings and the administrative law judges to preside at all hearings which result from the commencement of adjudicated proceedings unless the commission, by its own order declares its intent to preside at a specific proceeding or the proceeding is an appeal of an initial order issued by an administrative law judge. The administrative law judge may hereinafter be referred to as the "presiding officer."

(2) All hearings shall be conducted in compliance with these rules, chapters 34.05 RCW and 10-08 WAC as applicable.

[Statutory Authority: Chapter 34.05 RCW, 89-24-003 (Order 200), § 230-50-020, filed 11/27/89, effective 12/28/89; Order 9, § 230-50-020, filed 12/19/73.]

WAC 230-50-030 Adjudicated proceedings—Hearings—Interpreter—Timing. Hearings conducted as part of adjudicated proceedings provided for in WAC 230-50-010 shall be initiated as follows:

(1) The chair person of the commission, some member of the commission acting in the absence of the chairperson or the director, shall give written approval to initiate a notice of administrative charges and opportunity for an adjudicated proceeding. After such approval is granted, the entire commission file and/or record on the licensee shall be forwarded to the assistant attorney general assigned to prosecute at the hearing. The notice shall be served upon the licensee or applicant in accordance with WAC 230-50-010. An application for adjudicated proceeding and request for hearing must be filed with the commission pursuant to WAC 230-50-010.

(2) Upon receipt of an application for adjudicated proceeding and request for hearing form, the director shall issue a notice of hearing. The notice of hearing shall contain all charges upon which the hearing will be conducted, and shall be served on the licensee, applicant, permittee or attorney representing the party at least 7 days prior to the date of the hearing. A copy of the notice of hearing shall be served upon the presiding officer assigned to the proceeding.

(3)(a) All notices of hearing shall be accompanied by a standard statement in at least five common foreign languages, such languages to be those known by the commission staff to be languages used by some licensees, along with forms to request an interpreter to include assistance for hearing impaired persons at the hearing.

(b) Nothing herein contained shall prevent the commission or the director, as authorized by the commission, to temporarily suspend licenses, subject to final action of the commission, as authorized by RCW 9.46.070(1) and WAC 230-50-012.

(4) The presiding officer will be appointed and a notice of hearing issued within 90 days from the date upon which the commission received the application for adjudicated proceeding and request for hearing from the licensee, applicant or permittee, unless all parties agree to an extension of time beyond the 90 days by mutual consent. Any deviation for the

90 day requirement shall be in writing and made a part of the permanent record of the proceeding.

[Statutory Authority: RCW 9.46.070 and chapter 34.05 RCW, 91-03-063 (Order 219), § 230-50-030, filed 1/16/91, effective 2/16/91. Statutory Authority: Chapter 34.05 RCW, 89-24-003 (Order 200), § 230-50-030, filed 11/27/89, effective 12/28/89; Order 45, § 230-50-030, filed 12/30/75; Order 42, § 230-50-030, filed 9/18/75; Order 9, § 230-50-030, filed 12/19/73.]

WAC 230-50-060 Adjudicated proceedings—Appearance and practice before the commission—Who may appear. No person may appear in a representative capacity before the Washington state gambling commission, hereinafter referred to as the commission, or its designated administrative law judge other than the following:

(1) Attorneys at law duly qualified and entitled to practice before the supreme court of the state of Washington.

(2) Attorneys at law duly qualified and entitled to practice before the highest court of record of any other state, if the attorneys at law of the state of Washington are permitted to appear in a representative capacity before administrative agencies of such other state, and if not otherwise prohibited by our state law.

(3) A bona fide officer, authorized manager, partner, or full time employee of an individual firm, association, partnership, or corporation who appears for such individual firm, association, partnership or corporation.

(4) An individual representing himself, pro se.

(5) Such interpreters for persons with a limited understanding of the English language or hearing impaired persons as provided for in WAC 10-08-150.

(6) Such other persons as may be permitted by the commission upon a showing by a party to the hearing of such a necessity or such a hardship as would make it unduly burdensome upon him to have a representative as set forth under subsections (1), (2) and (3) above.

[Statutory Authority: Chapter 34.05 RCW, 89-24-003 (Order 200), § 230-50-060, filed 11/27/89, effective 12/28/89; Order 9, § 230-50-060, filed 12/19/73.]

WAC 230-50-080 Solicitation of business unethical. It shall be unethical for persons acting in a representative capacity before the commission to solicit business by circulars, advertisements or by personal communication or interviews not warranted by personal relations: Provided, That such representatives may publish or circulate business cards. It is equally unethical to procure business indirectly by solicitors of any kind.

[Order 9, § 230-50-080, filed 12/19/73.]

WAC 230-50-090 Standards of ethical conduct. All persons appearing in proceedings before the commission in a representative capacity shall conform to the standards of ethical conduct required of attorneys before the courts of Washington. If any such person does not conform to such standards, the commission may decline to permit such person to appear in a representative capacity in any proceeding before the commission.

[Order 9, § 230-50-090, filed 12/19/73.]

WAC 230-50-100 Appearance by former employee of commission or former member of attorney general's staff. No former commissioner, employee of the commission or member of the attorney general's staff may at any time within two years after severing his relationship or employment with the commission or the attorney general appear, except with the written permission of the commission, in a representative capacity on behalf of any party in a formal proceeding wherein he previously took an active part on behalf of the commission.

[Order 9, § 230-50-100, filed 12/19/73.]

WAC 230-50-110 Computation of time. In computing any period of time prescribed or allowed by the commission rules, by order of the commission or by an applicable statute, the day of the act, event, or default after which the designated period of time begins to run is not to be included. The last day of the period so computed is to be included, unless it is a Saturday, Sunday or a legal holiday, in which event the period runs until the end of the next day which is neither a Saturday, Sunday nor a holiday. When the period of time prescribed or allowed is less than seven days, intermediate Saturdays, Sundays and holidays shall be excluded in the computation. This section shall not apply to periods of license suspension.

[Order 9, § 230-50-110, filed 12/19/73.]

WAC 230-50-150 Adjudicated proceedings—Notice of hearing—Requirements. All parties that have filed a timely application for adjudicated proceeding shall be served with a notice of hearing at least seven days before the date set for the hearing unless all parties consent to a shorter period. The notice shall state the time, and place of the hearing and all other requirements of RCW 34.05.434(2): Provided, That brief adjudicative proceedings, conducted pursuant to WAC 230-50-010(7) and RCW 34.05.485, shall normally be conducted telephonically and the place of the hearing will not be set in the notice of hearing. Either or both parties may request to appear in person and, in such cases, a place will be set and all parties notified.

[Statutory Authority: RCW 9.46.070. 92-19-107 (Order 231), § 230-50-150, filed 9/18/92, effective 10/19/92. Statutory Authority: Chapter 34.05 RCW. 89-24-003 (Order 200), § 230-50-150, filed 11/27/89, effective 12/28/89; Order 9, § 230-50-150, filed 12/19/73.]

WAC 230-50-160 Adjudicated proceedings—Service of process—By whom served. The commission shall cause to be served all orders, notices and other documents issued by it, together with any other documents which it is required by law to serve. Every other document shall be served by the party filing it.

[Statutory Authority: Chapter 34.05 RCW. 89-24-003 (Order 200), § 230-50-160, filed 11/27/89, effective 12/28/89; Order 9, § 230-50-160, filed 12/19/73.]

WAC 230-50-170 Service of process—Upon whom served. All papers served by either the commission or any party shall be served upon all counsel of record at the time of such filing and upon parties not represented by counsel or upon their agents designated by them or by law. Any counsel

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entering an appearance subsequent to the initiation of the proceeding shall notify all other counsel then of record and all parties not represented by counsel of such fact.

[Order 9, § 230-50-170, filed 12/19/73.]

WAC 230-50-180 Service of process—Service upon parties. The final order and any other paper required to be served by the commission upon a party, shall be served upon such party or upon the agent designated by him or by law to receive service of such papers, and a copy shall be furnished to counsel of record.

[Order 9, § 230-50-180, filed 12/19/73.]

WAC 230-50-190 Adjudicated proceedings—Service of process—Method of service. Service of all orders, notices and other documents shall be made personally or first class, registered or certified mail, telegraph, or by commercial parcel service company.

[Statutory Authority: Chapter 34.05 RCW. 89-24-003 (Order 200), § 230-50-190, filed 11/27/89, effective 12/28/89; Order 9, § 230-50-190, filed 12/19/73.]

WAC 230-50-200 Adjudicated proceedings—Service of process—When service complete. Service of notices and other documents shall be regarded as complete as follows:

(1) By personal service, upon delivery to the person, attorney representing the party, designated agent of the party, any person over the age of 18 residing at the residence of the party or corporate officer.

(2) By mail, upon deposit in the United States mail properly stamped and addressed; service is complete on the third day after mailing, excluding the date of mailing.

(3) By telegraph, upon deposit with a telegraph company, properly addressed and with all charges paid.

(4) By electronic telefacsimile device of confirmation of the transmission and the same day deposit in the United States mail according to section 2 above.

(5) By commercial parcel delivery service, upon delivery to the parcel delivery company, properly addressed and with all charges paid.

[Statutory Authority: Chapter 34.05 RCW. 89-24-003 (Order 200), § 230-50-200, filed 11/27/89, effective 12/28/89; Order 9, § 230-50-200, filed 12/19/73.]

WAC 230-50-210 Adjudicated proceedings—Service of process—Filing with agency. Documents required to be filed with the commission shall be deemed filed upon actual receipt of the documents in the headquarters office of the commission accompanied by proof of service upon parties required to be served, or by delivery to any office of the commission during normal business hours and at such time as a member of the staff of the commission is occupying such office so as to personally receive the papers. Delivery of documents to any office of the commission other than the headquarters office when said office is not occupied by a commission staff member who can personally accept the documents shall NOT constitute a lawful service of papers for any matter under the jurisdiction of the gambling commission.

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[Statutory Authority: Chapter 34.05 RCW. 89-24-003 (Order 200), § 230-50-210, filed 11/27/89, effective 12/28/89; Order 9, § 230-50-210, filed 12/19/73.]

WAC 230-50-225 Adjudicated proceedings—Discovery. The presiding officer of an adjudicated proceeding may issue subpoenas and protective orders as a part of an adjudicated proceeding. The agency may issue subpoenas as may the attorney representing the licensee, applicant or permittee, or the licensee, applicant or permittee may issue subpoenas if they represent themselves. All such subpoenas must be filed with the presiding officer assigned to conduct the hearing, together with proof of proper service, at least 7 days prior to the date of the hearing which they are issued for.

[Statutory Authority: Chapter 34.05 RCW. 89-24-003 (Order 200), § 230-50-225, filed 11/27/89, effective 12/28/89.]

WAC 230-50-230 Adjudicated proceedings—Subpoenas, issuance, service, fees, quashing and enforcement.

(1) Every subpoena shall state the name of the commission, the title of the proceeding and shall command the person to whom it is directed to attend and give testimony, produce books, records, documents or things under his or her control at a specified time and place.

(2) Subpoenas shall be issued and enforced, and witness fees paid as provided for in RCW 34.05.446.

(a) Subpoenas may be served by any suitable person 18 years of age or older, by exhibiting and reading the subpoena to the witness, or by giving him or her a copy thereof, or by leaving such copy at the place of his or her abode. When service is made by any other person than an officer authorized to serve process, proof of service shall be made by affidavit.

(b) The presiding officer, upon motion made promptly and in any event at or before the time specified in the subpoena for compliance therewith, may:

(i) Quash or modify the subpoena if it is unreasonable and oppressive, or

(ii) Condition denial of the motion upon the advancement by the person in whose behalf the subpoena is issued of the reasonable cost of producing the books, papers, documents, or tangible things.

(c) Upon application, and for good cause shown, the commission will seek judicial enforcement of subpoenas issued to parties and which have not been quashed.

(d) The attendance of witnesses and such production of evidence may be required from any place within the state of Washington to any location where a hearing is being conducted.

[Statutory Authority: Chapter 34.05 RCW. 89-24-003 (Order 200), § 230-50-230, filed 11/27/89, effective 12/28/89; Order 9, § 230-50-230, filed 12/19/73.]

WAC 230-50-235 Brief adjudicative proceedings—Discovery limitations. In all brief adjudicative proceedings, discovery requests to the agency shall be limited to requests for production of written reports and supporting documents relevant to the charges. Interrogatories and depositions shall not be allowed.

[Statutory Authority: RCW 9.46.070. 92-19-107 (Order 231), § 230-50-235, filed 9/18/92, effective 10/19/92.]

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WAC 230-50-300 Adjudicated proceedings—Depositions and interrogatories—Right to take. Unless otherwise provided, any party may take the testimony of any person, including a party, by deposition upon oral examination or written interrogatories for use as evidence in the proceeding. The deposition of a commissioner, the director, deputy director, or an assistant director may only be taken upon application to the presiding officer, for good cause shown and only in those circumstances where the statements or depositions of other staff members would not reveal the information, evidence or details needed by the party for the case. The attendance of witnesses to a deposition may be compelled by use of a subpoena. Depositions shall be taken only in accordance with this rule and the rules on subpoenas.

[Statutory Authority: Chapter 34.05 RCW. 89-24-003 (Order 200), § 230-50-300, filed 11/27/89, effective 12/28/89; Order 9, § 230-50-300, filed 12/19/73.]

WAC 230-50-310 Depositions and interrogatories in contested cases—Scope. Unless otherwise ordered, the deponent may be examined regarding any matter to the same extent permitted by the Washington civil rules for superior court with respect to depositions and interrogatories.

[Order 9, § 230-50-310, filed 12/19/73.]

WAC 230-50-320 Depositions and interrogatories in contested cases—Officer before whom taken. Within the United States or within a territory or insular possession subject to the dominion of the United States depositions shall be taken before an officer authorized to administer oaths by the laws of the state of Washington or of the place where the examination is held; within a foreign country, depositions shall be taken before a secretary of an embassy or legation, consul general, vice consul or consular agent of the United States, or a person designated by the commission or agreed upon by the parties by stipulation in writing filed with the commission. Except by stipulation, no deposition shall be taken before a person who is a party or the privy of a party, or a privy of any counsel of a party, or who is financially interested in the proceeding.

[Order 9, § 230-50-320, filed 12/19/73.]

WAC 230-50-330 Adjudicated proceedings—Depositions and interrogatories—Notice. A party desiring to take the deposition of any person upon oral examination shall give reasonable notice of not less than seven days in writing to the commission and all parties. The notice shall state the time and place for taking the deposition, the name and address of each person to be examined, if known, and if the name is not known, a general description sufficient to identify him or the particular class or group to which he belongs. On motion of a party upon whom the notice is served, the commission or its hearing officer may for cause shown, enlarge or shorten the time. If the parties so stipulate in writing, depositions may be taken before any person, at any time or place, upon any notice, and in any manner and when so taken may be used as other depositions.

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[Statutory Authority: Chapter 34.05 RCW. 89-24-003 (Order 200), § 230-50-330, filed 11/27/89, effective 12/28/89; Order 9, § 230-50-330, filed 12/19/73.]

WAC 230-50-340 Depositions and interrogatories in contested cases—Protection of parties and deponents.

After notice is served for taking a deposition, upon its own motion or upon motion reasonably made by any party or by the person to be examined and upon notice and for good cause shown, the commission or its designated hearing officer may make an order that the deposition shall not be taken, or that it may be taken only at some designated place other than that stated in the notice, or that it may be taken only on written interrogatories, or that certain matters shall not be inquired into, or that the scope of the examination shall be limited to certain matters, or that the examination shall be held with no one present except the parties to the action and their officers or counsel, or that after being sealed, the deposition shall be opened only by order of the commission, or that business secrets or secret processes, developments, or research need not be disclosed, or that the parties shall simultaneously file specified documents or information enclosed in sealed envelopes to be opened as directed by the commission, or the commission may make any other order which justice requires to protect the party or witness from annoyance, embarrassment, or oppression. At any time during the taking of the deposition, on motion of any party or of the deponent and upon a showing that the examination is being conducted in bad faith or in such manner as unreasonably to annoy, embarrass, or oppress the deponent or party, the commission or its designated hearing officer may order the officer conducting the examination to cease forthwith from taking the deposition or may limit the scope and manner of the taking of the deposition as above provided. If the order made terminates the examination, it shall be resumed thereafter only upon the order of the agency. Upon demand of the objecting party or deponent, the taking of the deposition shall be suspended for the time necessary to make a motion for an order.

[Order 9, § 230-50-340, filed 12/19/73.]

WAC 230-50-350 Depositions and interrogatories in contested cases—Oral examination and cross-examination.

Examination and cross-examination shall proceed as at an oral hearing. In lieu of participating in the oral examination, any party served with notice of taking a deposition may transmit written cross interrogatories to the officer, who, without first disclosing them to any person, and after the direct testimony is complete, shall propound them seriatim to the deponent and record or cause the answers to be recorded verbatim.

[Order 9, § 230-50-350, filed 12/19/73.]

WAC 230-50-360 Depositions and interrogatories in contested cases—Recordation.

The officer before whom the deposition is to be taken shall put the witness on oath and shall personally or by someone acting under his direction and in his presence, record the testimony by typewriter directly or by transcription from stenographic notes, wire or record recorders, which record shall separately and consecutively

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number each interrogatory. Objections to the notice, qualifications of the officer taking the deposition, or to the manner of taking it, or to the evidence presented or to the conduct of the officer, or of any party, shall be noted by the officer upon the deposition. All objections by any party not so made are waived.

[Order 9, § 230-50-360, filed 12/19/73.]

WAC 230-50-370 Depositions and interrogatories in contested cases—Signing attestation and return.

(1) When the testimony is fully transcribed the deposition shall be submitted to the witness for examination and shall be read to or by him, unless such examination and reading are waived by the witness and by the parties. Any changes in form or substance which the witness desires to make shall be entered upon the deposition by the officer with a statement of the reasons given by the witness for making them. The deposition shall then be signed by the witness, unless the parties by stipulation waive the signing or the witness is ill or cannot be found or refuses to sign. If the deposition is not signed by the witness, the officer shall sign it and state on the record the fact of the waiver or of the illness or absence of the witness or the fact of the refusal to sign together with the reason, if any, given therefor; and the deposition may then be used as fully as though signed, unless, following a motion to suppress, the commission or its hearing officer holds that the reasons given for the refusal to sign require rejection of the deposition in whole or in part.

(2) The officer shall certify on the deposition that the witness was duly sworn by him and that the deposition is a true record of the testimony given by the witness. He shall then securely seal the deposition in an envelope indorsed with the title of proceeding and marked "deposition of (here insert name of witness)" and shall promptly send it by registered or certified mail to the commission, or its designated hearing officer, for filing. The party taking the deposition shall give prompt notice of its filing to all other parties. Upon payment of reasonable charges therefor, the officer shall furnish a copy of the deposition to any party or to the deponent.

[Order 9, § 230-50-370, filed 12/19/73.]

WAC 230-50-380 Depositions and interrogatories in contested cases—Use and effect.

Subject to rulings by the commission, a commissioner or a hearing officer upon objections a deposition taken and filed as provided in this rule will not become a part of the record in the proceeding until received in evidence by the hearing officer upon his own motion or the motion of any party. Except by agreement of the parties or ruling of the commission or the hearing officer, a deposition will be received only in its entirety. A party does not make a party, or the privy of a party, or any hostile witness his witness by taking his deposition. Any party may rebut any relevant evidence contained in a deposition whether introduced by him or any other party.

[Order 9, § 230-50-380, filed 12/19/73.]

WAC 230-50-390 Adjudicated proceedings—Depositions and interrogatories—Fees of deponents—Costs of deposition. Deponents whose depositions are taken shall be

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entitled to the same fees as are allowed by WAC 230-50-230: Provided, That all costs incidental thereto shall be paid by the party desiring such deposition.

[Statutory Authority: Chapter 34.05 RCW. 89-24-003 (Order 200), § 230-50-390, filed 11/27/89, effective 12/28/89; Order 9, § 230-50-390, filed 12/19/73.]

WAC 230-50-400 Depositions upon interrogatories—Submission of interrogatories. Where the deposition is taken upon written interrogatories, the party offering the testimony shall separately and consecutively number each interrogatory and file and serve them with a notice stating the name and address of the person who is to answer them and the name or descriptive title and address of the officer before whom they are to be taken. Within ten days thereafter a party so served may serve cross-interrogatories upon the party proposing to take the deposition. Within five days thereafter, the latter may serve redirect interrogatories upon the party who served cross-interrogatories. Failure by a licensee to comply shall result in automatic forfeiture of any license issued by the commission.

[Order 9, § 230-50-400, filed 12/19/73.]

WAC 230-50-410 Depositions upon interrogatories—Interrogation. Where the interrogatories are forwarded to an officer authorized to administer oaths as provided in WAC 230-50-320 the officer taking the same after duly swearing the deponent, shall read to him seriatim, one interrogatory at a time and cause the same and the answer thereto to be recorded before the succeeding interrogatory is asked. No one except the deponent, the officer and the court reporter or stenographer recording and transcribing it shall be present during the interrogation.

[Order 9, § 230-50-410, filed 12/19/73.]

WAC 230-50-420 Depositions upon interrogatories—Attestation and return. The officer before whom interrogatories are verified or answered shall (1) certify under his official signature and seal that the deponent was duly sworn by him, that the interrogatories and answers are a true record of the deponent's testimony, that no one except deponent, the officer and the stenographer were present during the taking, and that neither he nor the stenographer, to his knowledge, is a party, privy to a party, or interested in the event of the proceedings, and (2) promptly send by registered or certified mail the original copy of the deposition and exhibits with his attestation to the commission, or its designated hearing officer, one copy to the counsel who submitted the interrogatories and another copy to the deponent.

[Order 9, § 230-50-420, filed 12/19/73.]

WAC 230-50-500 Official notice—Matters of law. The commission or its hearing officer, upon request made before or during a hearing, or upon its own motion, will officially notice:

(1) **Federal law.** The Constitution; congressional acts, resolutions, records, journals and committee reports, decisions of federal courts and administrative agencies; executive

orders and proclamations; and all rules, orders and notices published in the federal register;

(2) **State law.** The Constitution of the state of Washington, acts of the legislature, resolutions, records, journals and committee reports; decisions of administrative agencies of the state of Washington, executive orders and proclamations by the governor; and all rules, orders and notices filed with the code reviser;

(3) **Governmental organization.** Organization, territorial limitations, officers, departments, and general administration of the government of the state of Washington, the United States, the several states and foreign nations;

(4) **Agency organization.** The commission's organization administration, officers, personnel, official publications, and practitioners before its bar.

[Order 9, § 230-50-500, filed 12/19/73.]

WAC 230-50-510 Official notice—Material facts. In the absence of controverting evidence, the commission and its hearing officers, upon request made before or during a hearing, or upon its own motion, may officially notice:

(1) **Agency proceedings.** The pendency of, the issues and position of the parties therein, and the disposition of any proceeding then pending before or theretofore concluded by the commission;

(2) **Business customs.** General customs and practices followed in the transaction of business;

(3) **Notorious facts.** Facts so generally and widely known to all well informed persons as not to be subject to reasonable dispute, or specific facts which are capable of immediate and accurate demonstration by resort to accessible sources of generally accepted authority, including but not exclusively, facts stated in any publication authorized or permitted by law to be made by any federal or state officer, department or agency;

(4) **Technical knowledge.** Matters within the technical knowledge of the commission as a body of experts, within the scope or pertaining to the subject matter of its statutory duties, responsibilities or jurisdiction;

(5) **Request or suggestion.** Any party may request, or the hearing officer or the commission may suggest, that official notice be taken of a material fact, which shall be clearly and precisely stated, orally on the record, at any prehearing conference or oral hearing or argument, or may make such request or suggestion by written notice, any pleading, motion, memorandum, or brief served upon all parties, at any time prior to a final decision;

(6) **Statement.** Where an initial or final decision of the commission rests in whole or in part upon official notice of a material fact, such fact shall be clearly and precisely stated in such decision. In determining whether to take official notice of material facts, the hearing officer or the commission may consult any source of pertinent information, whether or not furnished as it may be, by any party and whether or not admissible under the rules of evidence;

(7) **Controversion.** Any party may controvert a request or a suggestion that official notice of a material fact be taken at the time the same is made if it be made orally, or by a pleading, reply or brief in response to the pleading or brief or

notice in which the same is made or suggested. If any decision is stated to rest in whole or in part upon official notice of a material fact which the parties have not had a prior opportunity to controvert, any party may controvert such fact by appropriate exceptions if such notice be taken in an initial or intermediate decision or by a petition for reconsideration if notice of such fact be taken in a final report. Such controversion shall concisely and clearly set forth the sources, authority and other data relied upon to show the existence or nonexistence of the material fact assumed or denied in the decision;

(8) **Evaluation of evidence.** Nothing herein shall be construed to preclude the commission or its authorized agents from utilizing their experience, technical competence, and specialized knowledge in the evaluation of the evidence presented to them.

[Order 9, § 230-50-510, filed 12/19/73.]

WAC 230-50-520 Presumptions. Upon proof of the predicate facts specified in the following six subdivisions hereof without substantial dispute and by direct, clear, and convincing evidence, the commission, with or without prior request or notice, may make the following presumptions, where consistent with all surrounding facts and circumstances:

(1) **Continuity.** That fact of a continuous nature, proved to exist at a particular time, continues to exist as of the date of the presumption, if the fact is one which usually exists for at least that period of time;

(2) **Identity.** That persons and objects of the same name and description are identical;

(3) **Delivery.** Except in a proceeding where the liability of the carrier for nondelivery is involved, that mail matters, billed and delivered respectively to the post office, telegraph, cable or radio company, or authorized common carrier of property with all postage, tolls and charges properly prepaid, is or has been delivered to the addressee or consignee in the ordinary course of business;

(4) **Ordinary course.** That a fact exists or does not exist, upon proof of the existence or nonexistence of another fact which in the ordinary and usual course of affairs, usually and regularly coexists with the fact presumed;

(5) **Acceptance of benefit.** That a person for whom an act is done or to whom a transfer is made has, does or will accept same where it is clearly in his own self-interest so to do;

(6) **Interference with remedy.** That evidence, with respect to a material fact which in bad faith is destroyed, removed, suppressed or withheld by a party in control thereof, would if produced, corroborate the evidence of the adversary party with respect to such fact.

[Order 9, § 230-50-520, filed 12/19/73.]

WAC 230-50-530 Stipulations and admissions of record. The existence or nonexistence of a material fact, as made or agreed in a stipulation or in an admission of record, will be conclusively presumed against any party bound thereby, and no other evidence with respect thereto will be received upon behalf of such party, provided:

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(1) **Upon whom binding.** Such a stipulation or admission is binding upon the parties by whom it is made, their privies and upon all other parties to the proceeding who do not expressly and unequivocally deny the existence or nonexistence of the material fact so admitted or stipulated, upon the making thereof, if made on the record at a prehearing conference, oral hearing, oral argument or by a writing filed and served upon all parties within five days after a copy of such stipulation or admission has been served upon them;

(2) **Withdrawal.** Any party bound by a stipulation or admission of record at any time prior to final decision may be permitted to withdraw the same in whole or in part by showing to the satisfaction of the hearing officer or the commission that such stipulation or admission was made inadvertently or under a bona fide mistake of fact contrary to the true fact and that its withdrawal at the time proposed will not unjustly prejudice the rights of other parties to the proceeding.

[Order 9, § 230-50-530, filed 12/19/73.]

WAC 230-50-550 Adjudicated proceedings—Initial or final order. Every decision and order, whether it be an initial or final, shall:

(1) Be correctly captioned as to the name of the agency and name of proceeding;

(2) Designate all parties and counsel to the proceeding;

(3) Include a concise statement of the nature and the background of the proceeding;

(4) Be accompanied by appropriate numbered findings of fact and conclusions of law and a statement from the presiding officer of the credibility of the witnesses, if the decision rendered is based upon that, all or in part;

(5) Whenever practical, include the reason or reasons for the particular order or remedy afforded. Findings shall be accompanied by a concise and explicit statement of the underlying evidence of record to support the findings;

(6) Whenever practical, be referenced to specific laws or rules and provisions thereof which are appropriate thereto.

[Statutory Authority: Chapter 34.05 RCW. 89-24-003 (Order 200), § 230-50-550, filed 11/27/89, effective 12/28/89; Order 9, § 230-50-550, filed 12/19/73.]

WAC 230-50-560 Petition for review of an initial order—Replies to a petition for review, and cross appeals—When an initial order becomes a final order—Time limits and content requirements. Any party to an adjudicative proceeding may file a petition for review of an initial order as follows:

(1) The petition for review shall be filed with the commission within twenty days of the date of service of the initial order unless a different place and time limit for filing the petition are specified in the initial order in its statement describing available procedures for administrative relief. Copies of the petition shall be served upon all other parties or their representatives at the time the petition is filed.

(2) The petition for review shall specify the portions of the initial order to which exception is taken and shall refer to the evidence of record which is relied upon to support the petition.

[Title 230 WAC—p. 171]

(3) Any party may file a reply to a petition for review. The reply shall be filed with the office where the petition for review was filed within thirty days of the date of service of the petition and copies of the reply shall be served upon all other parties or their representatives at the time the reply is filed.

(4) Any party may file a cross appeal. Cross appeals must be filed with the commission pursuant to WAC 230-50-210 within ten days of the date the petition for review of the initial order was filed with the commission. Copies of the cross appeal shall be served upon all other parties or their representatives at the time the cross appeal is filed.

(5) The commission shall review the petition at a regularly scheduled meeting within 120 days after the petition was filed and thereafter render a final order in accordance with WAC 10-08-210.

(6) An initial order issued by an administrative law judge or the commission shall become the final order in the proceedings unless a petition for review is filed in accordance with the requirements of this rule.

[Statutory Authority: Chapter 34.05 RCW, RCW 9.46.140 and 9.46.070. 96-09-072, § 230-50-560, filed 4/16/96, effective 7/1/96. Statutory Authority: RCW 9.46.0355 and [9.46.]070(14). 90-13-022, § 230-50-560, filed 6/11/90, effective 7/31/90. Statutory Authority: Chapter 34.05 RCW. 89-24-003 (Order 200), § 230-50-560, filed 11/27/89, effective 12/28/89.]

WAC 230-50-562 Final orders—When and how to file a petition for reconsideration of a final order. Any party to an adjudicative proceeding may file a petition for reconsideration of a final order. A petition for reconsideration of a final order under RCW 34.05.470 shall be filed with the commission in accordance with WAC 230-50-210 within ten days of service of a final order. The petition for reconsideration shall be administered in accordance with RCW 34.05.470.

[Statutory Authority: Chapter 34.05 RCW, RCW 9.46.140 and 9.46.070. 96-09-072, § 230-50-562, filed 4/16/96, effective 7/1/96.]

WAC 230-50-570 Adjudicated proceeding—Stay. A party may petition the commission or its designee for a stay of a final order in accordance with RCW 34.05.467. For purposes of this rule, the commission hereby delegates to the director, the authority to issue a temporary stay until such time as a reviewing court can rule on a permanent stay. The decision of the director denying a stay is not subject to judicial review.

[Statutory Authority: Chapter 34.05 RCW. 89-24-003 (Order 200), § 230-50-570, filed 11/27/89, effective 12/28/89.]

WAC 230-50-580 Adjudicated proceedings—Hearings—Forms. The following formats shall be utilized in all adjudicated proceedings:

[Title 230 WAC—p. 172]

(1)

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the (Suspension/
Revocation/ Denial) of the
(License/Application) to Con-
duct Gambling Activities of

NO. _____

NOTICE OF ADMINISTRA-
TIVE CHARGES AND OPPOR-
TUNITY FOR AN ADJUDI-
CATED PROCEEDING

Licensee.

(Director's Name) alleges as follows:

I

He is the Director of the Washington State Gambling Commission and makes these charges in his official capacity.

II

Jurisdiction of this proceeding is based on Chapter 9.46 RCW, Gambling, Chapter 34.05 RCW, the Administrative Procedure Act, and Title 230 WAC.

III

..... has been issued the following license(s) by the Washington State Gambling Commission, which license(s) (was/were) issued subject to compliance by the licensee with state laws and rules of the Commission.

- A. License Number..... Authorizing..... Activity
- B. License Number..... Authorizing..... Activity
- C. License Number..... Authorizing..... Activity

IV

(Attach Recital Of Charges)

(Appropriate Roman Numeral)

The charges specified in paragraphs..... through..... above constitute grounds for the... day suspension, or revocation of the license(s) held by..... to conduct authorized gambling activity under authority of RCW 9.46.075 and WAC 230-04-400.

(Appropriate Roman Numeral)

The (licensee/applicant) shall be afforded the opportunity to have an Adjudicated Proceeding, which includes a hearing on the alleged violations. In order to commence an Adjudicative Proceeding, the enclosed APPLICATION FOR ADJUDICATED PROCEEDING AND REQUEST FOR HEARING MUST BE COMPLETED IN FULL by the LICENSEE OR REPRESENTATIVE and returned to the Gambling Commission within 20 days from the date of receipt of this notice. FAILURE TO RETURN THIS DOCUMENT WILL RESULT IN THE ENTRY OF A DEFAULT ORDER PURSUANT TO RCW 34.05.440 AND WAC 230-50-010, THE IMPOSITION OF THE PENALTY SET OUT ABOVE OR ONE OF LESSER DEGREE AND SHALL CONSTITUTE A WAIVER OF ANY FURTHER RIGHTS TO A HEARING OR REVIEW IN THIS MATTER.

STATE OF WASHINGTON }
COUNTY OF THURSTON }

ss.

(Director's Name), being first duly sworn on oath, deposes and says: That he has read the foregoing Notice of Administrative Charges and Opportunity for Adjudicated Proceeding, knows the contents thereof, and believes the same to be true, and that he is the Director of the Washington State Gambling Commission and in that capacity has executed said Statement of Charges.

.....
(Director's Name)

SUBSCRIBED AND SWORN to before me this
.... day of....., 19....

.....
NOTARY PUBLIC in and for the State
of Washington residing
at.....

(2)

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the (Suspension/
Revocation/Denial) of the
(License/Application) to Con-
duct Authorized Gambling Activi-
ties of

NO. _____

APPLICATION FOR ADJUDI-
CATED PROCEEDING AND
REQUEST FOR HEARING

(Licensee/Applicant.)

THIS IS AN IMPORTANT NOTICE WHICH DETERMINES WHETHER
OR NOT YOU WILL HAVE THE RIGHT TO A HEARING IN THIS
MATTER. PLEASE READ THIS NOTICE CAREFULLY. IF YOU
HAVE ANY QUESTIONS REGARDING YOUR LEGAL RIGHTS IN
THIS MATTER YOU SHOULD CONTACT AN ATTORNEY.

In order to request and preserve your right to a hearing you MUST complete
and sign this form, then return it by mail within 20 days to:

The Washington State Gambling Commission
649 Woodland Square Loop, SE
P.O. Box 42400
Olympia, Washington 98504-2400

FAILURE TO COMPLETE AND RETURN THIS FORM AS
INSTRUCTED WILL RESULT IN THE ENTRY OF A DEFAULT
ORDER AGAINST YOU PURSUANT TO RCW 34.05.440, and WAIVER
of your rights to appeal in this matter.

YOU HAVE 20 DAYS FROM THE DATE OF RECEIPT OF THIS FORM
TO COMPLETE AND RETURN IT TO THE ADDRESS ABOVE.

BRIEF EXPLANATION OF RIGHTS AND PROCEEDINGS:

You have the right to apply for an ADJUDICATIVE PROCEEDING, which
includes a hearing on the allegations set forth in the notice of administrative
charges. The hearing will be conducted by a state Administrative Law Judge
pursuant to state law and administrative codes. You have the right to be rep-
resented by an attorney of your choice and at YOUR OWN EXPENSE.

You have the right to produce witnesses, and evidence relevant to the viola-
tions alleged. See WAC 230-50 for additional rights.

You have the right to have an interpreter for the proceedings if you or any
witness which you will call is a limited English speaking person OR a hear-
ing impaired person.

In order to request an interpreter, you MUST complete the attached
REQUEST FOR INTERPRETER FORM and RETURN IT along with this
form to the Gambling Commission. THIS SERVICE IS FREE OF
CHARGE.

INSTRUCTIONS - Place a check mark and your signature next to the state-
ment which describes your request(s) in this matter.

- Check Mark Signature
1) I want to have a hearing in this Adjudi-
cated Proceeding
2) I will be represented by an attorney in
this matter, his/her name, address and
phone number are as follows:
Name
Address
Phone Number
3) I will NOT be represented by
an attorney in this matter.
4) I DO NOT want a HEARING AND
WAIVE MY RIGHTS TO A HEARING
IN THIS MATTER.

Please indicate those charges, if any, which you admit occurred.

You may attach a letter or a statement of your position in this matter if you
choose to do so. Please indicate whether or not you attached either.

I attached a letter or statement. . .

(2001 Ed.)

I did NOT attach a letter or statement. . .

A HEARING, if requested, shall be conducted by a state Administrative Law
Judge in a location near your place of business or residence, but not neces-
sarily in the city or county in which you do business or reside. You will be
notified at least seven (7) days in advance of the proceeding.

If you do not understand any portion of these documents, you are strongly
encouraged to contact an attorney.

You MUST complete, sign, date and then mail this document together with
the REQUEST FOR INTERPRETER form, to the Washington State Gam-
bling Commission at the address as stated on this form WITHIN 20 days
of receipt of these documents. FAILURE TO DO SO WILL RESULT IN A
WAIVER OF YOUR RIGHTS TO A HEARING IN THIS MATTER AND
ENTRY OF A DEFAULT ORDER PURSUANT TO RCW 34.05.440 AND
WAC 230-50-010.

Dated this day of, 19

SIGN HERE

LICENSEE OR
REPRESENTATIVE

(3)

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the (Susten-
sion/Revocation/Denial) of
the(License/Application) to Conduct
Authorized Gambling Activities of

NO. _____

APPLICATION FOR AN ADJUDI-
CATED PROCEEDING AND
REQUEST FOR HEARING WITH
OFFER OF SETTLEMENT

(Licensee/Applicant)

THIS IS AN IMPORTANT NOTICE WHICH DETERMINES WHETHER
OR NOT YOU WILL HAVE THE RIGHT TO A HEARING IN THIS
MATTER. PLEASE READ THIS NOTICE CAREFULLY. IF YOU
HAVE ANY QUESTIONS REGARDING YOUR LEGAL RIGHTS IN
THIS MATTER YOU SHOULD CONTACT AN ATTORNEY.

In order to request and preserve your right to a hearing you MUST complete
and sign this form, then return it by mail within 20 days to:

The Washington State Gambling Commission
649 Woodland Square Loop, SE
P.O. Box 42400
Olympia, Washington 98504-2400

FAILURE TO COMPLETE AND RETURN THIS FORM AS
INSTRUCTED WILL RESULT IN THE ENTRY OF A DEFAULT
ORDER AGAINST YOU PURSUANT TO RCW 34.05.440, and WAIVER
of your rights to appeal in this matter.

YOU HAVE 20 DAYS FROM THE DATE OF RECEIPT OF THIS FORM
TO COMPLETE AND RETURN IT TO THE ADDRESS ABOVE.

BRIEF EXPLANATION OF RIGHTS AND PROCEEDINGS:

You have the right to apply for an ADJUDICATIVE PROCEEDING which
includes a hearing on the allegations set forth in the notice of administrative
charges. The hearing will be conducted by a state Administrative Law Judge
pursuant to state law and administrative codes. You have the right to be rep-
resented by an attorney of your choice and at YOUR OWN EXPENSE.

You have the right to produce witnesses, and evidence relevant to the viola-
tions alleged. See WAC 230-50 for additional rights.

You have the right to have an interpreter for the proceedings if you or any
witness which you will call is a limited English speaking person OR a hear-
ing impaired person.

In order to request an interpreter, you MUST complete the attached
REQUEST FOR INTERPRETER FORM and RETURN IT along with this
form to the Gambling Commission. THIS SERVICE IS FREE OF
CHARGE.

INSTRUCTIONS - Place a check mark and your signature next to the state-
ment which describes your request(s) in this matter.

Check Mark

Signature

[Title 230 WAC—p. 173]

- 1) I WANT TO HAVE A HEARING IN THIS ADJUDICATED PROCEEDING
- 2) I will be represented by an attorney in this matter, his/her name, address and phone number are as follows:
Name
Address
Phone Number
- 3) I will NOT be represented by an attorney in this matter.
- 4) I DO NOT want a HEARING AND WAIVE MY RIGHTS TO A HEARING IN THIS MATTER.
- 5) I will agree to a stipulated settlement as stated on Page 3 and have signed the order on page 4.

Please indicate those charges, if any, which you admit occurred.

.....

.....

.....

You may attach a letter or a statement of your position in this matter if you choose to do so. Please indicate whether or not you attached either.

I attached a letter or statement. . .
I did NOT attach a letter or statement. . .

A hearing, if requested, shall be conducted by a state Administrative Law Judge in a location near your place of business or residence, but not necessarily in the city or county in which you do business or reside. You will be notified at least seven (7) days in advance of the proceeding.

If you do not understand any portion of these documents, you are strongly encouraged to contact an attorney.

You MUST complete, sign, date and then mail this document together with the REQUEST FOR INTERPRETER form, to the Washington State Gambling Commission at the address as stated on this form WITHIN 20 days of receipt of these documents. FAILURE TO DO SO WILL RESULT IN A WAIVER OF YOUR RIGHTS TO A HEARING IN THIS ADJUDICATIVE PROCEEDING AND ENTRY OF A DEFAULT ORDER PURSUANT TO RCW 34.05.440 AND WAC 230-50-010.

Dated this day of, 19
SIGN HERE
LICENSÉE OR REPRESENTATIVE

I will agree to a stipulated settlement in this matter and the entry of the attached order on the following terms:

- A suspension of days for my gambling license(s).
- A fine of in lieu of the day suspension of my gambling license(s).

The order finds that the violation(s) were in fact committed.

The dates for the suspension or fine will be as stated in the order. (Insert name of commission staff member) of the staff of the Commission can be contacted regarding changing the dates for the suspension and/or payment of the fine before the order is signed.

The dates of the suspension as set are no more than 90 calendar days from the date of mailing of this form to you and the fine is due PRIOR to the dates of the suspension.

By signing as indicated I agree to this settlement.
SIGN HERE
LICENSÉE OR REPRESENTATIVE
..... DATE

YOU MUST ALSO SIGN THE ORDER ON PAGE FOUR WHERE INDICATED.

(4) STATE OF WASHINGTON
GAMBLING COMMISSION

An Adjudicated Proceeding in the matter of the Suspension or Revocation of the license(s) to conduct Gambling Activities of:

NO.
STIPULATED SETTLEMENT FROM WRITTEN PREHEARING OFFER

Licensee

I

The licensee named hereon stipulates that the charges as set forth in the statement of charges attached hereto occurred and agrees to entry of a finding as such and conclusion of law or the violations.

II

That (Licensee's Name) has been issued (a) license(s) to conduct gambling activity(ies), as follows:

License Number	Authorizing
(Insert License #)	(Type of Activity)
(Insert License #)	(Type of Activity)
(Insert License #)	(Type of Activity)

III

That the following is entered as the Final Order on these charges.

That the license(s) of (Licensee's Name) to conduct (Type of activity) activity(ies) is hereby suspended for a term of () days commencing (date suspension to start) and running through and including (date suspension will end). Provided further, that in lieu of said suspension the licensee may pay a fine of (\$ amount) on or before (Date).

Signed and dated this day of, 19

(Name)
Administrative Law Judge
(Licensee) or representative
, Chair
(Asst. Attorney General) Approved by Commission

(5)

STATE OF WASHINGTON
GAMBLING COMMISSION

An Adjudicated Proceeding In the Matter of the (Suspension/Revocation/Denial) of the (License/Application) to Conduct Authorized Gambling Activities of

NO. _____
NOTICE OF HEARING

Licensee/Applicant.

I

(ATTACH RECITAL OF CHARGES)

II

That the licensee(s) (was/were) previously notified of the administrative charges pending and (has/have) made a timely application for adjudicated proceeding and request for hearing. Based upon that request, a hearing will be conducted by, Administrative Law Judge of, phone number, on all charges as stated pursuant to WAC 230-50-010.

III

That the agency will be represented at the hearing by, Assistant Attorney General of, phone number The licensee will be represented by of, phone number.

IV

That the hearing is set for at the hour of, in the city of at The hearing is being conducted under the authority of chapter 9.46 RCW and amendments thereto, and will be conducted pursuant to chapter 34.05 RCW and 230-50 WAC. Should the licensee and representatives fail to appear at the hearing as scheduled a default order pursuant to RCW 34.05.440 will be entered.

The proceeding will determine whether a suspension/revocation/or denial should be imposed.

(Director's Name)

(6)

STATE OF WASHINGTON GAMBLING COMMISSION

An Adjudicated Proceeding In the Matter of the (Suspension/ Revocation/Denial) of the (License/ Application) to Conduct Gambling Activities of:

Licensee.

NO. _____ REQUEST FOR INTERPRETER AND/OR TRANSLATION OF DOCUMENTS

I,, being a party in this proceeding hereby state that I am a limited English speaking person or hearing impaired person or that I will be calling a witness who is a limited English speaking or hearing impaired person and that (I/they) require an interpreter as indicated below:

(Check all items that apply and fill in the blank spaces.)

- I will require an interpreter for the language.
I will require an interpreter for a hearing impairment.
I will be calling a limited English speaking witness who will require an interpreter in the language.
I will be calling a hearing impaired person who will require an interpreter.
I request all documents in this proceeding be translated into the language.

Signed: _____ Dated: _____

(7)

STATE OF WASHINGTON GAMBLING COMMISSION

In the Matter of the Summary Suspension of the License to Operate Gambling Activities of:

(Licensee's Name)

Licensee.

NO. _____ FINDINGS, CONCLUSIONS, AND ORDER OF SUMMARY SUSPENSION OF LICENSES

Pursuant to RCW 34.05.422(4), the Commission may summarily suspend a license pending proceedings for revocation or other action. The Commission has authorized the Director to summarily suspend a license pursuant to WAC 230-50-012. This matter then having been brought before the Director for a summary disposition pursuant to this authority on (date), and the Director acting pursuant to this authority has issued this order and caused it to be served upon the licensee. The order contained herein shall be deemed effective immediately upon its service to the licensee, authorized representative, or agent thereof, unless otherwise specified herein. By this authority, an authorized agent of the Commission shall under the terms hereof seize all current licenses authorizing gambling activity and all such gambling activity shall cease as ordered herein.

(2001 Ed.)

FINDINGS OF FACT

I

That (director's name) is the Director of the Washington State Gambling Commission and issues this order in that capacity.

II

That (licensee's name) has been issued (a) license(s) to operate the following authorized gambling activity(ies):

Table with 4 columns: License Number, Activity, and two blank columns. Rows include License Number 211- Authorizing Activity.

Which license(s) (was/were) issued subject to compliance with all of the applicable statutes and regulations governing gambling activities.

III

After a thorough review of the affidavit(s) of the special agent(s) of the Commission concerning the facts in this matter, which are attached hereto and labelled as Attachment(s) (list), the Director accepts (this/these) as a verity and makes the determination that the action as ordered herein is warranted.

IV

(State charge) That the violation(s) as stated require the immediate cessation of the gambling activity in that the safety and welfare of the public is affected as follows: (State reason(s) affected from WAC 230-50-012 (2)(a) through (k), as applicable)

CONCLUSIONS OF LAW

I

Based on the foregoing Findings of Fact, the Director, (director's name), makes the following CONCLUSIONS:

II

(select from WAC 230-50-012 (2)(a) through (k), as applicable)

III

That the circumstances as set forth in paragraph(s) through above constitute grounds for the suspension or revocation of the license(s) issued by the Washington State Gambling Commission under RCW 9.46.075 and WAC 230-04-400, and further constitute an immediate danger to the public safety and welfare.

IV

Immediate cessation of the licensed or permitted activities by the licensee or permittee is necessary for the protection or preservation of the welfare of the community within which these activities are being conducted.

V

(Director's Name), Director, has the authority pursuant to WAC 230-50-012 to issue the following ORDER:

ORDER

Based upon the foregoing FINDINGS OF FACT AND CONCLUSIONS, it is the ORDER of the undersigned Director, pursuant to authority granted to him by RCW 34.05.422 and WAC 230-50-012, that the license of (licensee's name) to operate (type(s) of activity) within the state of Washington is hereby suspended pending a formal hearing by an Administrative Law Judge or the Commission for suspension or revocation of said license, said suspension or revocation to be effective (immediately) (as of (date), at (time)).

STATEMENT OF RIGHTS

(1) You have a right to a prompt hearing on this matter. You may request a hearing by completing and returning to the Commission the enclosed Application for Adjudicated Proceeding and Request for Hearing. Failure to submit the Application for Adjudicated Proceeding and Request for Hearing form within twenty (20) days of service of this order upon you shall result in a waiver of your right to an adjudicated proceeding and entry of an order in default under RCW 34.05.440. If a timely application for a hearing is received, a hearing shall be conducted not sooner than seven (7) days nor later than 90 days from the date of service of this Order unless otherwise agreed to by the parties: Provided, That you may waive the seven (7) day notice rule of WAC 230-50-030(2) and request a hearing at an earlier date. (2) You have a right to petition for a stay of this order. You may request a stay by filing a written request with the Commission. Any request for a stay must be received by the Commission within fifteen (15) days of service of this order upon you. If a timely request for a stay is received by the Commission, a hearing regarding a request for stay will be conducted in accordance with WAC 230-50-015. A request for a stay does not constitute a request for a hearing as provided in paragraph (1) of this Statement of Rights.

Dated this day of, 199 . . .

(Director's Name)
Director

STATE OF WASHINGTON }
COUNTY OF THURSTON } ss.

(Director's Name), being first duly sworn on oath, deposes and says: That he has read the foregoing Order of Summary Suspension of License and Notice of Hearing, knows the contents thereof, and believes the same to be true, and that he is the duly appointed and qualified Director of the Washington State Gambling Commission and in that capacity has executed said Order of Summary Suspension of the License and Notice of Hearing.

(Director's Name)
Director

SUBSCRIBED AND SWORN to before me this
day of, 199 . . .

NOTARY PUBLIC in and for the State of Washing-
ton residing at

[Statutory Authority: RCW 9.46.070. 92-21-056 (Order 233), § 230-50-580, filed 10/19/92, effective 11/19/92. Statutory Authority: RCW 9.46.0355 and [9.46.]070(14). 90-13-022, § 230-50-580, filed 6/11/90, effective 7/31/90. Statutory Authority: Chapter 34.05 RCW. 89-24-003 (Order 200), § 230-50-580, filed 11/27/89, effective 12/28/89.]

WAC 230-50-610 Adjudicated proceedings settlement conferences and prehearing conferences. In any proceeding the commission or its designated presiding officer upon its or his own motion, or upon the motion of one of the parties or their qualified representatives, may in its or his discretion direct the parties or their qualified representatives to appear at a specified time and place for a conference to consider:

- (1) The simplification of the issues;
(2) The necessity of amendments to the pleadings;
(3) The possibility of obtaining stipulations, admissions of facts and of documents;
(4) The limitation of the number of expert witnesses;
(5) Such other matters as may aid in the disposition of the proceeding.
(6) Discussion of a settlement of the matter and/or agreement on a penalty. If a settlement or a stipulation is reached,

it must be in a written order to be signed by all parties and the presiding officer. This settlement conference may be conducted between a member of the commission staff and the licensee, applicant or permittee by phone or in person without the attendance of the administrative law judge or assistant attorney general, or by the assistant attorney general representing the commission without the attendance of a commission staff member and the administrative law judge, as long as any agreed settlement is formalized as stated above.

(7) If a settlement conference is held, the results of the conference must be in writing to indicate the action taken at the conference.

[Statutory Authority: Chapter 34.05 RCW. 89-24-003 (Order 200), § 230-50-610, filed 11/27/89, effective 12/28/89; Order 9, § 230-50-610, filed 12/19/73.]

WAC 230-50-630 Submission of documentary evidence in advance. When requested for cause the commission or its designated hearing officer may require:

(1) That all documentary evidence which is to be offered during the taking of evidence be submitted to the hearing officer and to the other parties to the proceeding sufficiently in advance of such taking of evidence to permit study and preparation of cross-examination and rebuttal evidence;

(2) That documentary evidence not submitted in advance, as may be required by subsection (1), be not received in evidence in the absence of a clear showing that the offering party had good cause for his failure to produce the evidence sooner;

(3) That the authenticity of all documents submitted in advance in a proceeding in which such submission is required, be deemed admitted unless written objection thereto is filed prior to the hearing, except that a party will be permitted to challenge such authenticity at a later time upon a clear showing of good cause for failure to have filed such written objection.

[Statutory Authority: Chapter 34.05 RCW. 89-24-003 (Order 200), § 230-50-630, filed 11/27/89, effective 12/28/89; Order 9, § 230-50-630, filed 12/19/73.]

WAC 230-50-640 Excerpts from documentary evidence. When portions only of a document are to be relied upon, the offering party shall prepare the pertinent excerpts, adequately identified, and shall supply copies of such excerpts, together with a statement indicating the purpose for which such materials will be offered, to the hearing officer and to the other parties. Only the excerpts, so prepared and submitted, shall be received in the record. However, the whole of the original document shall be made available for examination and for use by all parties to the proceeding.

[Order 9, § 230-50-640, filed 12/19/73.]

WAC 230-50-650 Expert or opinion testimony and testimony based on economic and statistical data—Number and qualifications of witnesses. The commission or hearing officer or other appropriate officer in all classes of cases where practicable shall make an effort to have the interested parties agree upon the witness or witnesses who are to give expert or opinion testimony, either by selecting one or

more to speak for all parties or by limiting the number for each party; and, if the interested parties cannot agree, require them to submit to him and to the other parties written statements containing the names, addresses and qualifications of their respective opinion or expert witnesses, by a date determined by him and fixed sufficiently in advance of the hearing to permit the other interested parties to investigate such qualifications.

[Order 9, § 230-50-650, filed 12/19/73.]

WAC 230-50-660 Expert or opinion testimony and testimony based on economic and statistical data—Written sworn statements. The commission, the hearing officer or other appropriate officer, in all classes of cases in which it is practicable and permissible, shall require, and when not so permissible, shall make every effort to bring about by voluntary submission, that all direct opinion or expert testimony and all direct testimony based on economic or statistical data be reduced to written sworn statements, and, together with the exhibits upon which based, be submitted to it or him and to the other parties to the proceeding by a date determined by the hearing officer and fixed a reasonable time in advance of the hearing; and that such sworn statements be acceptable as evidence upon formal offer at the hearing, subject to objection on any ground except that such sworn statements shall not be subject to challenge because the testimony is not presented orally, and provided that witnesses making such statements shall not be subject to cross examination unless a request is made sufficiently in advance of the hearing to insure the presence of the witnesses.

[Order 9, § 230-50-660, filed 12/19/73.]

WAC 230-50-670 Expert or opinion testimony and testimony based on economic and statistical data—Supporting data. The hearing officer or other appropriate officer, in his discretion but consistent with the rights of the parties, shall cause the parties to make available for inspection in advance of the hearing, and for purposes of cross examination at the hearing, the data underlying statements and exhibits submitted in accordance with WAC 230-50-660, but, wherever practicable he shall restrict to a minimum the placing of such data in the record.

[Order 9, § 230-50-670, filed 12/19/73.]

WAC 230-50-680 Expert or opinion testimony and testimony based on economic and statistical data—Effect of noncompliance with WAC 230-50-650 or 230-50-660. Whenever the manner of introduction of opinion or expert testimony or testimony based on economic or statistical data is governed by requirements fixed under the provisions of WAC 230-50-650 or 230-50-660, such testimony not submitted in accordance with the relevant requirements shall not be received in evidence in the absence of a clear showing that the offering party had good cause for his failure to conform to such requirements.

[Order 9, § 230-50-680, filed 12/19/73.]

(2001 Ed.)

WAC 230-50-700 Continuances. Any party who desires a continuance shall, immediately upon receipt of notice of a hearing, or as soon thereafter as facts requiring such continuance come to his knowledge, notify the commission or its designated hearing officer of said desire, stating in detail the reasons why such continuance is necessary. The commission or its designated hearing officer, in passing upon a request for continuance, shall consider whether such request was promptly and timely made. For good cause shown, the commission or its designated hearing officer may grant such a continuance and may at any time order a continuance upon its or his own motion. During a hearing, if it appears in the public interest or in the interest of justice that further testimony or argument should be received, the commission, hearing officer or other officer conducting the hearing may in his discretion continue the hearing and fix the date for introduction of additional evidence or presentation of argument. Such oral notice shall constitute final notice of such continued hearing.

[Order 9, § 230-50-700, filed 12/19/73.]

WAC 230-50-750 Rules of evidence—Admissibility criteria. Subject to the other provisions of these rules, all relevant evidence is admissible which, in the opinion of the commission or the officer conducting the hearing, is the best evidence reasonably obtainable, having due regard for its necessity, availability and trustworthiness. In passing upon the admissibility of evidence, the commission or the officer conducting the hearing shall give consideration to, but shall not be bound to follow, the rules of evidence governing civil proceedings, in matters not involving trial by jury in the superior courts of the state of Washington.

[Order 9, § 230-50-750, filed 12/19/73.]

WAC 230-50-760 Rules of evidence—Tentative admission—Exclusion—Discontinuance—Objections. When objection is made to the admissibility of evidence, such evidence may be received subject to a later ruling. The commission or the officer conducting the hearing may, in its or his discretion, either with or without objection, exclude inadmissible evidence or order cumulative evidence discontinued. Parties objecting to the introduction of evidence shall state the precise grounds of such objection at the time such evidence is offered.

[Order 9, § 230-50-760, filed 12/19/73.]

WAC 230-50-800 Petitions for rule making, amendments, or repeal. Any person may petition the commission requesting the adoption, amendment, or repeal of any rule.

The petition should contain sufficient information so that the agency and public can understand the proposal.

Information required on a petition.

Every petition for adoption, repeal, or amendment of a rule must include the following information:

- (1) The name of the agency responsible for administering the rule; and
- (2) The rationale for adoption of a new rule or amendment or repeal of an existing rule.

(3) In addition to any other concerns, you, the petitioner, are encouraged to address whether:

- (a) The rule is authorized;
- (b) The rule is needed;
- (c) The rule conflicts with or duplicates other federal, state, or local laws;
- (d) Alternatives to the rule exist that will serve the same purpose at less cost;
- (e) The rule applies differently to public and private entities;
- (f) The rule serves the purposes for which it was adopted;
- (g) The rule imposes unreasonable costs;
- (h) The rule is clearly and simply stated; and
- (i) The rule differs, without adequate justification, from a federal law which applies to the same activity or subject matter.

Additional information required.

(4) When you are:

- (a) **Proposing a new rule**, the petition should include the test of the proposed rule or a description of its provisions;
- (b) **Requesting amendment of an existing rule**, the petition should include the name, title, number of the rule, and the text or description of the amendment; or
- (c) **Requesting repeal of an existing rule**, the petition should include the name, title, number of the rule, and a description of the effects of repealing the rule.

Locating a petition form.

(5) You, the petitioner, can obtain a standard petition from the office of financial management or any state agency involved in rule making. Agencies must accept petitions submitted using the standard form or in any other format that provides the information described in subsections (1) through (4) of this section.

Submitting a petition.

(6) Petitions for adoption, amendment, or repeal of a rule must be faxed or mailed to the administrative office of the commission in Lacey.

(7) Submission of a petition is defined as receipt of the petition by the gambling commission.

Agency response to a petition.

(8) Within a reasonable time, the administering agency will send you, the petitioner, acknowledgment of receipt of the petition, including the name and telephone number of a contact person.

(9) No later than sixty days after receipt of a petition, the agency must either:

- (a) Initiate rule-making proceedings in accordance with chapter 34.05 RCW; or
- (b) Deny the petition in writing, stating its reasons for the denial and specifically addressing the concerns stated in the petition. Where appropriate, the agency must indicate alternative means by which the agency will address the concerns raised in the petition.

Appealing the denial of a petition.

(10) If the gambling commission denies your petition, within thirty days of the denial, you, the petitioner, may:

- (a) Appeal the denial to the governor.

The governor will process the appeal according to RCW 34.05.330(3); or

(b) Petition for a review by the joint administrative rules review committee according to RCW 34.05.330(2), only if your petition alleges that the rule you wish to amend is not within the intent of the legislature or not adopted in accordance with all applicable provisions of the law.

[Statutory Authority: RCW 9.46.070 and 34.05.230. 01-01-016 (Order 396), § 230-50-800, filed 12/6/00, effective 1/6/01. Statutory Authority: RCW 9.46.070 and chapter 34.05 RCW. 96-13-068 (Order 294), § 230-50-800, filed 6/18/96, effective 7/19/96. Statutory Authority: Chapter 34.05 RCW. 89-24-003 (Order 200), § 230-50-800, filed 11/27/89, effective 12/28/89; Order 9, § 230-50-800, filed 12/19/73.]

WAC 230-50-815 Deadlines for submitting items to be included in the commission meeting agenda—Exceptions. To ensure that the public and the commission has sufficient notice of public agenda items, the following deadline applies regarding submission of such items to the commission for action:

(1) Items for inclusion in the commission's monthly public meeting agenda must be in proper form and received at the commission headquarters' office at least fourteen days prior to the regularly scheduled commission meeting.

(2) The commission meeting agenda will be published and mailed within seven days of the regularly scheduled commission meeting.

(3) All items submitted after the time frame set forth in section one (1) above shall require approval by the commission in order to be included on the commission meeting agenda.

[Statutory Authority: Chapter 34.05 RCW and RCW 9.46.070. 96-21-073 (Order 301), § 230-50-815, filed 10/15/96, effective 1/1/97.]

WAC 230-50-850 Declaratory order. (1) Any person may petition the commission for a declaratory order with respect to the applicability to specified circumstances of a rule, order, or statute enforceable by the agency. The petition shall set forth facts and reasons on which the petitioner relies to show:

- (a) That uncertainty necessitating resolution exists;
- (b) That there is actual controversy arising from the uncertainty such that a declaratory order will not be merely an advisory option;
- (c) That the uncertainty adversely affects the petitioner;
- (d) That the adverse effect of uncertainty on the petitioner outweighs any adverse effects on others or on the general public that may likely arise from the order requested.

(2) Within fifteen days after receipt of a petition for a declaratory order, the commission shall give notice of the petition to all persons to whom notice is required by law, and may give notice to any other person it deems desirable.

(3) Within thirty days after receipt of a petition for a declaratory order the commission, in writing, shall do one of the following:

(a) Enter an order declaring the applicability of the statute, rule, or order in question to the specified circumstances;

(b) Set the matter for specified proceedings to be held no more than ninety days after receipt of the petition and give reasonable notification to the person(s) of the time and place for such hearing and of the issues involved;

(c) Set a specified time no more than ninety days after receipt of the petition by which it will enter a declaratory order; or

(d) Decline to enter a declaratory order, stating the reasons for its action.

(4) The time limits of subsection (3)(b) and (c) of this section may be extended by the commission for good cause.

(5) The commission may not enter a declaratory order that would substantially prejudice the rights of a person who would be a necessary party and who does not consent in writing to the determination of the matter by a declaratory order proceeding.

(6) A declaratory order has the same status as any other order entered by the commission in an adjudicative proceeding. Each declaratory order shall contain the names of all parties to the proceeding on which it is based, the particular facts on which it is based, and the reasons for its conclusions.

(7) Any person petitioning the commission for a declaratory order pursuant to RCW 34.05.240, shall generally adhere to the following form for such purpose.

(a) At the top of the page shall appear the wording "before the Washington state gambling commission." On the left side of the page below the foregoing the following caption shall be set out: "In the matter of the petition of (name of petitioning party) for a declaratory order." Opposite the foregoing caption shall appear the word "petition."

(b) The body of the petition shall be set out in numbered paragraphs. The first paragraph shall state the name and address of the petitioning party. The second paragraph shall state all rules or statutes that may be brought into issue by the petition. Succeeding paragraphs shall set out the state of facts relied upon in form similar to that applicable to complaints in civil actions before the superior courts of this state. The concluding paragraphs shall contain the prayer of the petitioner. The petition shall be subscribed and verified in the manner prescribed for verification of complaints in the superior courts of this state.

(c) The original and two legible copies shall be filed with the commission. Petitions shall be on white paper, either 8-1/2" X 11" or 8-1/2" X 13" in size.

[Statutory Authority: Chapter 34.05 RCW. 89-24-003 (Order 200), § 230-50-850, filed 11/27/89, effective 12/28/89; Order 9, § 230-50-850, filed 12/19/73.]

Chapter 230-60 WAC

PUBLIC RECORDS—DISCLOSURE

WAC

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DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

230-60-015	Description of central and field organization of the gambling commission. [Statutory Authority: RCW 9.46.070 (7), (13) and (18). 85-07-031 (Order 148), § 230-60-015, filed 3/15/85. Statutory Authority: RCW 42.17.250. 81-11-039 (Order 108), § 230-60-015, filed 5/19/81. Statutory Authority: RCW 42.17.250 and 42.17.260. 79-07-019 (Order 90), § 230-60-015, filed 6/14/79; Order 75, § 230-60-015, filed 9/16/77.] Repealed by 89-24-003 (Order 200), filed 11/27/89, effective 12/28/89. Statutory Authority: Chapter 34.05 RCW.
230-60-020	Operations and procedures. [Statutory Authority: RCW 42.17.250. 81-01-063 (Order 104), § 230-60-020, filed 12/15/80; Order 75, § 230-60-020, filed 9/16/77.] Repealed by 90-03-064 (Order 203), filed 1/18/90, effective 2/18/90. Statutory Authority: Chapter 34.05 RCW.
230-60-070	Communications with commission. [Statutory Authority: RCW 42.17.250. 81-11-039 (Order 108), § 230-60-070, filed 5/19/81; Order 75, § 230-60-070, filed 9/16/77.] Repealed by 83-19-024 (Order 136), filed 9/13/83. Statutory Authority: RCW 9.46.030 (2) and (3) and 9.46.070 (11) and (14).

WAC 230-60-005 Purpose. The purpose of this chapter shall be to ensure compliance by the Washington state gambling commission with the provisions of chapter 1, Laws of 1973 (Initiative 276), sections 25-32, RCW 42.17.250-42.17.320, dealing with public records.

[Order 75, § 230-60-005, filed 9/16/77.]

WAC 230-60-010 Definitions. (1) The following definitions and all definitions set forth in RCW 42.17.020 shall apply to this chapter:

(2) "Raw data" means facts, symbols, or observations which have all of the following characteristics:

- (a) They have not been processed, edited or interpreted.
- (b) They are unevaluated and unorganized.

(c) The fact, symbol, or observation does not, of itself, impart meaning to a potential user or fulfill a recognized need.

(d) To be useable the fact, symbol, or observation must go through some transformation process.

(3) "Information" means raw data that are organized, evaluative and interpreted to impart meaning to potential users and fulfill a recognized need.

(4) "Listing (list)" means a series of items of any kind including names, words or numbers no matter what the arrangement or purpose. When applied to the release of commission record information it means the names of two or more individuals contained in:

- Data processing magnetic tapes
- Data processing print-outs 1, 2, 3, or 4 part utility paper or copies of such print-outs
- Data processing print-outs in the form of labels
- Any form of writing.

(5) "Tabulation" means the systematic arrangement of facts, statistics, and similar information, except the names of individuals, in column or table format.

(6) "Individual" means a natural person.

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(7) "Commercial purpose" means the using of information obtained, or intending to use the information obtained, to contact or in some way personally affect an individual identified on the list when the purpose of the contact would be to facilitate that person's (the requestor's) profit expecting business activity.

[Statutory Authority: Chapter 34.05 RCW, 90-03-064 (Order 203), § 230-60-010, filed 1/18/90, effective 2/18/90. Statutory Authority: RCW 42.17.250, 81-01-063 (Order 104), § 230-60-010, filed 12/15/80; Order 75, § 230-60-010, filed 9/16/77.]

WAC 230-60-025 Public records available—Location—Time available. All public records of the commission are deemed to be available for public inspection and copying pursuant to these rules, except as otherwise provided by chapter 42.17 RCW, and WAC 230-60-050. The records available, their location, and the times they are available for inspection as follows:

(1) Public records - The following are deemed public records:

(a) The license application form and all supplemental information submitted at the commission's request subject to the exemptions in chapter 42.17 RCW and other applicable laws including, but not limited to, chapter 10.97 RCW: Provided, That consistent with chapter 10.97 RCW, the commission may disclose conviction data of an applicant or licensee;

(b) All activity reports and attachments required to be submitted to the commission on a periodic basis;

(c) All completed administrative proceedings; and

(d) All opinions and interpretive statements;

(e) All policies and procedures: Provided, That investigative procedures that, when disclosed, would hinder the commission's ability to conduct inspections, audits, or other investigative procedures will not be disclosed.

(2) Location of public records - All public records of the commission are located at the administrative office in Lacey.

(3) Times public records are available - All public records are available during normal office hours as set out in WAC 230-02-030: Provided, That public records may not be available during the period 12:00 noon to 1:00 p.m. unless a prior written request is made.

[Statutory Authority: RCW 9.46.070, 99-18-003 (Order 376), § 230-60-025, filed 8/18/99, effective 9/18/99. Statutory Authority: Chapter 34.05 RCW, 90-03-064 (Order 203), § 230-60-025, filed 1/18/90, effective 2/18/90; Order 75, § 230-60-025, filed 9/16/77.]

WAC 230-60-030 Public records officers. The commission's public records shall be in the charge of the public records officers as designated by the director. The persons so designated shall be located in the main administrative offices of the commission. The public records officers shall be responsible for the following: The implementation of the commission's rules and regulations regarding release of public records, coordinating the staff of the commission in this regard, maintaining, keeping current, and publishing an index of all agency records as required by RCW 42.17.260 and WAC 230-60-065, and generally insuring compliance by the staff with the public records disclosure requirements of chapter 42.17 RCW.

[Order 75, § 230-60-030, filed 9/16/77.]

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WAC 230-60-035 Office hours. Public records shall be available for inspection and copying during the customary office hours of the commission. For the purposes of this chapter, the customary office hours shall be from 8:00 a.m. to noon and from 1:00 p.m. to 5:00 p.m., Monday through Friday, excluding legal holidays.

[Order 75, § 230-60-035, filed 9/16/77.]

WAC 230-60-040 Requests for public records. In accordance with requirements of chapter 42.17 RCW that agencies prevent unreasonable invasions of privacy, protect public records from damage or disorganization, and prevent excessive interference with essential functions of the agency, public records may be inspected or copied, or copies of such records may be obtained, by members of the public upon compliance with the following procedures:

(1) A request shall be made in writing upon a form prescribed by the commission which shall be available at its administrative office. The form shall be presented to any member of the commission staff designated by the responsible public records officer to receive requests, at the administrative office of the commission during customary office hours or by mail. The request shall include the following information:

(a) The name of the person requesting the record.

(b) The time of day and calendar date on which the request was made.

(c) The nature of the request.

(d) A reference to the requested record as it is described in the current commission record index.

Note: If the material is not identifiable by reference to the commission's current index, an accurate description of the record is requested.

(e) The signature and other identifying information of the requestor.

(2) In all cases in which a member of the public is making a request, it shall be the obligation of the staff member to whom the request is made to assist the member of the public in appropriately identifying the public record requested.

(3) Persons not specifically authorized by law to obtain lists of names of individuals from public records will be required to complete a statement agreeing not to release or use the information for commercial purposes.

[Order 75, § 230-60-040, filed 9/16/77.]

WAC 230-60-045 Copying. A fee, determined by actual cost for time and services rendered, for inspection of public records, may be charged. The commission shall charge a fee in the amount necessary to reimburse the commission for its actual costs incidental to providing copies of public records, except as noted in the following schedule of fees: Provided, however, That at the discretion of the director, or his designee, governmental agencies may be excluded from the payment of the fee for such service. The schedule of charges is:

ITEM	FEE
Copy of license application, supporting documents, correspondence, minutes of commission meetings, licenses approval list, list of commission licensees, reports required to be filed by the licensees on a periodic basis concerning the operation of licensed activity, commission legislative reports, and other similar material	\$.25 cents per page for first 10 pages, \$.10 cents per page for any pages thereafter
Application for license(s) and/or supporting forms	No fee
Letter of certification to accompany copy of record or document. (Governmental agencies - no fee)	\$2.00
Specially produced listing, magnetic tapes, or labels	Cost of services, including overhead
Record look up	No charge for requests taking five minutes or less, actual cost including overhead, for single requests or a combination of multiple requests taking longer than five minutes to complete
Postal charges	Actual cost

[Statutory Authority: RCW 42.17.290, 42.17.300 and 9.46.070(14). 82-13-070 (Order 122), § 230-60-045, filed 6/17/82. Statutory Authority: RCW 42.17.300, 79-11-074 (Order 93), § 230-60-045, filed 10/19/79; Order 75, § 230-60-045, filed 9/16/77.]

WAC 230-60-050 Exemptions. (1) The commission will not release for public inspection or copying any public record it has determined to be exempt under the provisions of chapter 42.17 RCW.

(2) In addition, pursuant to RCW 42.17.260, the commission will delete identifying details when it makes available or publishes any public record to the extent required to prevent an unreasonable invasion of personal privacy, protected by chapter 42.17 RCW. The public records officer shall set out his reasons for such deletion in writing.

(3) All denials of requests for public records must be accompanied by a written statement specifying the reason for the denial, including a statement of the specific exemption authorizing the withholding of the record and a brief explanation of how the exemption applies to the record withheld.

[Order 75, § 230-60-050, filed 9/16/77.]

(2001 Ed.)

WAC 230-60-055 Review of denials of public records requests. (1) Upon any denial of a request for a public record, the public records officer or staff member who denied the record shall initiate a prompt review of the decision by referring the request and denial to the director or his designee. The director or his designee shall immediately consider the matter and either affirm or reverse such denial or call a specific meeting of the commission, or appropriate staff, as soon as legally possible to review the denial. In any case, the request shall be returned with a final decision as soon as possible following the original denial.

(2) Administrative remedies shall not be considered exhausted until the commission has returned the review of a denial with a decision or until the close of the second business day following denial of inspection, whichever occurs first.

[Order 75, § 230-60-055, filed 9/16/77.]

WAC 230-60-060 Protection of public records. The commission is both a law enforcement and regulatory agency and a licensing agency. The records consist mainly of operational or investigative files that are subject to high usage. In order to insure that essential functions of the agency are continually carried out, and the public records are not damaged, altered, disorganized, or lost, access to the record storage areas is restricted. Public records will be inspected in the administrative offices in which they are filed and maintained. Inspection shall be in the presence of the authorized commission staff employee. Inspection shall be denied and the records will be withdrawn if the individual inspecting the records is doing so in a manner to damage, alter, or substantially disorganize them. Inspection shall be denied and records withdrawn if the individual inspecting the records attempts to remove them from the prescribed location or is excessively interfering or will unduly interfere with other essential functions of the commission.

[Order 75, § 230-60-060, filed 9/16/77.]

WAC 230-60-065 Records index. (1) Pursuant to RCW 42.17.260 the commission shall maintain a system of indexing for the dissemination of public records. The system shall be updated on a quarterly basis and be available at commission headquarters. The system will allow for the identification and location of the following records:

(a) All records issued before July 1, 1990, for which the agency has maintained an index;

(b) Final orders entered after June 30, 1990, that are issued in adjudicative proceedings as defined in RCW 34.05.010(1) and that contain an analysis or decision of substantial importance to the agency in carrying out of its duties;

(c) Declaratory orders entered after June 30, 1990, that are issued pursuant to RCW 34.05.240 and that contain an analysis or decision of substantial importance to the agency in carrying out its duties;

(d) Interpretive statements as defined in RCW 34.05.010(14) that were entered after June 30, 1990; and

(e) Policy statements as defined in RCW 34.05.010(14) that were entered after June 30, 1990.

[Statutory Authority: RCW 9.46.070 and chapter 34.05 RCW. 90-21-053, § 230-60-065, filed 10/15/90, effective 11/15/90; Order 75, § 230-60-065, filed 9/16/77.]

WAC 230-60-100 Interpretive and policy statements.

(1) The commission shall prepare interpretive or policy statements to advise the public of the commission's current opinions, approaches and likely course of action. These statements shall be prepared when it is not feasible or practicable to adopt rules.

(2) Persons interested in obtaining copies of interpretive or policy statements shall write to the director requesting they receive copies of all statements issued by the agency.

(3) The commission shall prepare a roster of persons who have requested copies of interpretive or policy statements. Whenever a interpretive or policy statement is issued the commission shall send a copy of the statement to each person listed on the roster. The roster shall be updated annually and eliminate those persons who do not indicate a desire to continue on the roster.

(4) Persons requesting the interpretive or policy statements shall pay for the mailing costs and the following cost per sheet of paper:

- (a) \$.25 per page for the first ten pages;
- (b) \$.10 per page for any pages thereafter.

[Statutory Authority: RCW 34.05.220(4), [34.05].230 and 9.46.070 (11) and (14), 90-05-032 (Order 205), § 230-60-100, filed 2/14/90, effective 3/17/90.]