Chapter 315-04 WAC
LICENSING PROCEDURE

WAC

315-04-010 Lottery retailers.
315-04-020 License application eligibility.
315-04-030 License application.
315-04-040 General license.
315-04-060 Provisional license.
315-04-065 Promotional license.
315-04-070 License charges.
315-04-080 Bad checks submitted as payment for fees.
315-04-085 Accessibility for persons with disabilities.
315-04-090 License issuance eligibility.
315-04-095 Retailer credit criteria.
315-04-105 Reporting retailer credit history.
315-04-120 Transfer of license prohibited.
315-04-125 Change of name or location.
315-04-130 Death or incapacity of licensee.
315-04-132 Change of business structure, ownership, or officers.
315-04-140 License capacity.
315-04-160 Display of material.
315-04-170 Tickets convenient to public.
315-04-180 Obligations of lottery retailers.
315-04-190 Compensation.
315-04-200 Denial, suspension or revocation of a license.
315-04-205 Reapplication following license denial or revocation.
315-04-210 Procedure if license is terminated, suspended or revoked.
315-04-220 Limited off premises sales permit.
315-04-230 Licensing of enterprises operated by or subject to jurisdiction of Indian tribes.

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

315-04-050 Special license. [Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-050, filed 10/15/82.] Repealed by 83-13-082 (Order 25), filed 6/17/83. Statutory Authority: RCW 67.70.040.

315-04-100 License renewals. [Statutory Authority: RCW 67.70.040. 84-01-002 (Order 41), § 315-04-100, filed 12/8/83. Statutory Authority: 1982 2nd ex.s. c 7. 82-21-037 (Order 2), § 315-04-100, filed 10/15/82.] Repealed by 85-16-031 (Order 77), filed 7/30/85. Statutory Authority: RCW 67.70.040.

315-04-110 Duplicate licenses. [Statutory Authority: RCW 67.70.040. 86-01-060 (Order 83), § 315-04-110, filed 12/16/85; 85-09-004 (Order 72), § 315-04-110, filed 4/5/85. Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-110, filed 10/15/82.] Repealed by 07-11-154, filed 5/22/07, effective 6/22/07. Statutory Authority: RCW 67.70.040 (1), (3) and 67.70.040.

315-04-133 Change of ownership. [Statutory Authority: RCW 67.70.040. 84-12-057 (Order 58), § 315-04-133, filed 6/4/84.] Repealed by 85-09-004 (Order 72), filed 4/5/85. Statutory Authority: RCW 67.70.040.

315-04-134 Change of officers. [Statutory Authority: RCW 67.70.040. 84-19-045 (Order 64), § 315-04-134, filed 9/17/84; 84-12-057 (Order 58), § 315-04-134, filed 6/4/84.] Repealed by 85-09-004 (Order 72), filed 4/5/85. Statutory Authority: RCW 67.70.040.

315-04-150 License to be displayed. [Statutory Authority: RCW 67.70.040. 86-01-060 (Order 83), § 315-04-150, filed 12/16/85. Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-150, filed 10/15/82.] Repealed by 07-11-154, filed 5/22/07, effective 6/22/07. Statutory Authority: RCW 67.70.040 (1), (3) and 67.70.040.

WAC 315-04-010 Lottery retailers. The director shall license as lottery retailers such persons who will best serve the public interest and convenience, promote the sale of tickets and meet the eligibility criteria for application and licensure. "Lottery retailer," formerly known as "licensed agent" means a person licensed by the director and shall have the same meaning as licensed agent. Said lottery retailers shall be authorized to sell such tickets as in the director's opinion will promote the best interests of the commission and produce maximum revenue, but a lottery retailer need not be authorized to sell tickets for all games operated by the director. A lottery retailer may be required to post a bond or cash in lieu of a bond in such terms and conditions as the director may require.

[Statutory Authority: RCW 67.70.040 (1), (3) and 67.70.040. 07-11-154, § 315-04-010, filed 5/22/07, effective 6/22/07. Statutory Authority: RCW 67.70.040. 86-01-060 (Order 83), § 315-04-010, filed 12/16/85; 85-09-004 (Order 72), § 315-04-010, filed 4/5/85; 84-01-002 (Order 41), § 315-04-010, filed 12/8/83. Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-010, filed 10/15/82.]

WAC 315-04-020 License application eligibility. Any person may submit an application for licensure except:

(1) No person may submit an application for licensure who is under 18 years of age.

(2) No person may submit an application who will be engaged exclusively in the business of selling tickets.

(3) No person may submit an application for licensure who is a member or employee of the commission or who is the spouse, child, brother, sister or parent residing as a member of the same household in the principal place of abode of any member or employee of the commission.

(4) No person may submit an application who is, or is owned or controlled by or affiliated with, a vendor or contractor of the commission or director for the development, operation, management, security or any other aspect of a specific game.

(5) No person may submit an application who is not legally registered and licensed to conduct business in the state of Washington or who has not submitted an application for a business license in the state of Washington.

The submission of an application shall not entitle any person to receipt of a license to act as a lottery retailer. An application may be denied for any reason permitted by statute or these rules.

[Statutory Authority: RCW 67.70.040. 00-24-100, § 315-04-020, filed 12/6/00, effective 1/6/01; 86-01-060 (Order 83), § 315-04-020, filed 12/16/85. Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-020, filed 10/15/82.]

WAC 315-04-030 License application. Any eligible person may apply for a license to act as a lottery retailer by first filing with the director an application on a form approved by the director, together with any supplement thereto, which shall include, but not be limited to, authorization to investigate criminal history, financial records and financial sources, said forms and supplements to be signed under oath.

[Statutory Authority: RCW 67.70.040. 86-01-060 (Order 83), § 315-04-030, filed 12/16/85. Statutory Authority: 1982 2nd ex.s. c 7. 82-21-037 (Order 2), § 315-04-030, filed 10/15/82.]

WAC 315-04-040 General license. The director may issue a general license, which authorizes a lottery retailer to conduct the routine sale of tickets at a fixed structure or facility, to an applicant who qualifies for licensure. The general license shall authorize the lottery retailer to conduct the routine sale of tickets at the location specified on the general license. An addendum to the general or provisional license may be obtained as provided for in WAC 315-04-220, permitting the lottery retailer to sell tickets in locations other than that specified on its license. A seasonal license designation may be issued by the director for businesses routinely closed for a minimum of three months not to exceed six months per calendar year. A seasonal license shall be placed in inactive status during the designated off-season for the retailer. The general license shall be valid until terminated by the lottery or the lottery retailer, provided, the lottery retailer shall provide periodic updates of license information as required by the director.

[Statutory Authority: RCW 67.70.040 (1) and (3). 12-19-069, § 315-04-040, filed 9/17/12, effective 10/18/12. Statutory Authority: RCW 67.70.040 (1), (3) and 67.70.040. 07-11-154, § 315-04-040, filed 5/22/07, effective 6/22/07. Statutory Authority: RCW 67.70.040. 86-01-060 (Order 83), § 315-04-040, filed 12/16/85; 85-09-004 (Order 72), § 315-04-040, filed 4/5/85. Statutory Authority: RCW 67.70.040 and 67.70.050. 83-05-029 (Order 14), § 315-04-040, filed 2/10/83. Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-040, filed 10/15/82.]

WAC 315-04-060 Provisional license. A provisional license temporarily authorizes a lottery retailer to conduct the sale of tickets pending processing of the general license or application renewal.

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

(2) If the ownership of an existing lottery retailer location changes, the director may issue a provisional license to the new owner. The provisional license shall expire twenty working days from the date of issuance if the director has not received the new owner's fully completed lottery retailer's application and authorization of a complete personal background check. If the required materials have been timely received by the director and a preliminary background check has been completed, the provisional license shall expire at the time of issuance of the general license or ninety days from the date the provisional license is issued, whichever occurs first.

[Statutory Authority: RCW 67.70.040 (1), (3) and 67.70.040. 07-11-154, § 315-04-060, filed 5/22/07, effective 6/22/07. Statutory Authority: RCW 67.70.040. 86-01-060 (Order 83), § 315-04-060, filed 12/16/85; 85-09-004 (Order 72), § 315-04-060, filed 4/5/85; 84-22-047 (Order 68), § 315-04-060, filed 11/7/84. Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-060, filed 10/15/82.]

WAC 315-04-065 Promotional license. (1) The director may issue a promotional license for a marketing promotion for a period not exceeding one hundred eighty days for the sale of scratch and/or online game tickets.

(2) The director may establish financial and criminal history or other criteria for the issuance of a promotional license based on the duration of the promotion and the variety and quantity of tickets to be sold by the applicant.

(3) The director may waive any license fees or charges in issuing a promotional license and may establish procedures to streamline payments by promotional retailers to the lottery.

(4) Any retailer issued a promotional license must apply for and be issued a provisional/general license as set forth in chapter 315-04 WAC and lottery policy in order to continue to sell lottery tickets after the expiration of his/her promotional license.

[Statutory Authority: RCW 67.70.040(1). 03-11-054, § 315-04-065, filed 5/19/03, effective 6/19/03.]

WAC 315-04-070 License charges. (1) A charge of twenty-five dollars shall be assessed for each license application submitted to the lottery. This charge is to reimburse the lottery for processing costs incident to licensure and relicensure.

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

[Statutory Authority: RCW 67.70.040. 87-10-043 (Order 101), § 315-04-070, filed 5/4/87; 87-01-058 (Order 97), § 315-04-070, filed 12/16/86; 85-09-004 (Order 72), § 315-04-070, filed 4/5/85; 84-12-057 (Order 58), § 315-04-070, filed 6/4/84; 84-01-002 (Order 41), § 315-04-070, filed 12/8/83; 83-19-019 (Order 36), § 315-04-070, filed 9/12/83. Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-070, filed 10/15/82.]

WAC 315-04-080 Bad checks submitted as payment for fees. The payment of a fee with a check which for any reason is not promptly paid by the drawee bank shall be grounds for immediate denial of an application for the license, or for the suspension or revocation of a license issued for which the fee is due. The director may add the bank return item charge as a fee when payment of a check originally submitted is denied by the drawee bank, or when the check is required to be resubmitted for payment for any reason.

[Statutory Authority: RCW 67.70.040 (1), (3) and 67.70.040. 07-11-154, § 315-04-080, filed 5/22/07, effective 6/22/07. Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-080, filed 10/15/82.]

WAC 315-04-085 Accessibility for persons with disabilities. Pursuant to lottery rules and policy, lottery retailers shall comply with state and federal laws prohibiting discrimination against and requiring accessibility for persons with disabilities, including, but not limited to, the Americans with Disabilities Act of 1990 and chapter 49.60 RCW. Prior to any sale of lottery tickets, new lottery retailers must certify that they comply with state and federal laws or must submit a plan that ensures that they will comply within a reasonable amount of time. Within time limits specified by the lottery, retailers who hold lottery licenses at the time this rule takes effect must certify that they comply with state and federal laws or must submit a plan that ensures that they will comply within a reasonable amount of time.

[Statutory Authority: RCW 67.70.040. 01-12-039, § 315-04-085, filed 5/30/01, effective 6/30/01.]

WAC 315-04-090 License issuance eligibility. (1) The director may issue a license to any person to act as a lottery retailer who meets the eligibility criteria established by chapter 67.70 RCW, and these rules.

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

(a) The financial responsibility and security of the person and its business or activity;

(b) The background and reputation of the person in the community for honesty and integrity;

(c) The type of business owned or operated by the person to ensure consonance with the dignity of the state, the general welfare of the people and the operation and integrity of the lottery;

(d) The conformance of businesses located in residential areas to local land use and zoning codes, regulations, and ordinances;

(e) The accessibility of the person's place of business or activity to the public;

(f) The sufficiency of existing licenses to serve the public convenience;

(g) The volume of expected sales;

(h) The veracity of the information supplied in the application for a lottery retailer license; and

(i) The person's indebtedness to the state of Washington, local subdivisions of the state and/or the United States government.

(3) The director may condition the issuance of any license upon the posting of a bond or cash in lieu of a bond in such terms and conditions as the director may require.

[Statutory Authority: RCW 67.70.040 (1), (3) and 67.70.040. 07-11-154, § 315-04-090, filed 5/22/07, effective 6/22/07. Statutory Authority: RCW 67.70.040. 98-20-013, § 315-04-090, filed 9/25/98, effective 10/26/98; 87-10-043 (Order 101), § 315-04-090, filed 5/4/87; 86-01-060 (Order 83), § 315-04-090, filed 12/16/85. Statutory Authority: RCW 67.70.040 and 67.70.050. 83-05-029 (Order 14), § 315-04-090, filed 2/10/83. Statutory Authority: 1982 2nd ex.s. c 7. 82-21-037 (Order 2), § 315-04-090, filed 10/15/82.]

WAC 315-04-095 Retailer credit criteria. (1) The director shall deny a lottery retailer license to any applicant whose credit is found to be poor.

(2) The director may grant a lottery retailer license to an applicant whose credit is rated as marginal or minimum as defined in this section. Provided, the director shall require:

(a) Applicants whose credit is rated as marginal as defined in this section to obtain a surety bond or savings certificate under terms and conditions established by the director prior to issuance of the license. Such surety bond must be secured from a company licensed to do business in the state of Washington. The bond or certificate shall be in the amount of three thousand five hundred dollars unless the director determines a higher amount is required.

(b) Applicants whose credit is rated as minimum as defined in this section may be required to obtain a surety bond or post cash in lieu of a bond under terms and conditions established by the director or submit three letters of credit to the lottery prior to issuance of a lottery retailer license. Such surety bond must be secured from a company licensed to do business in the state of Washington. The bond or cash shall be in the amount of three thousand five hundred dollars unless the director determines a higher amount is required, based on sales volume and financial solvency of the retailer.

(3) In the event the retailer's credit is rated as poor or marginal subsequent to the issuance of the license the director may:

(a) Revoke or suspend a retailer's license; and/or

(b) Require such a retailer to secure a surety bond from a company licensed to do business in the state of Washington or post a savings certificate under terms and conditions established by the director. The surety bond or saving certificate shall be in the amount of three thousand five hundred dollars unless the director determines, based on sales volume and financial solvency of the retailer, a higher amount is required.

(4) Credit rating is defined as the ability to meet financial obligations when they become due. It includes current reporting accounts payable and public financial record information including, but not limited to, court records, other public records and reports from credit bureaus or other credit reporting agencies up to three years prior to the lottery's credit check request. A significant incident may include a lien, judgment, bankruptcy, involuntary collection action or any similar incident which reflects on the individual's willingness and ability to pay creditors. A numerical rating of "one" represents excellent credit. A numerical rating of "nine" represents involuntary collection.

(a) A "poor" credit rating indicates public record showing three or more significant incidents within the past three years.

(b) A "marginal" credit rating indicates public record information showing one or more significant incidents within the past three years.

(c) A "minimum" credit rating indicates the information is insufficient for evaluation.

(d) An "acceptable" credit rating indicates that there have been no significant incidents in the public record within the past three years. Provided, at least three accounts must be evaluated in order to receive an "acceptable" rating.

(5) Credit rating checks shall be conducted as follows:

(a) Corporation business credit ratings shall be checked. Personal credit ratings of the corporate officers and owners of ten percent or more equity in the corporation may also be checked.

(b) Sole proprietors and partnership business credit ratings shall be checked. Personal credit ratings of:

(i) The sole proprietor and his or her spouse; or

(ii) All partners and their spouses shall also be checked.

(c) Findings shall be applied in accordance with subsections (1), (2) and (3) of this section.

[Statutory Authority: RCW 67.70.040 (1), (3). 10-14-010, § 315-04-095, filed 6/24/10, effective 7/25/10. Statutory Authority: RCW 67.70.040 (1), (3) and 67.70.040. 07-11-154, § 315-04-095, filed 5/22/07, effective 6/22/07. Statutory Authority: RCW 67.70.040. 98-20-013, § 315-04-095, filed 9/25/98, effective 10/26/98.]

WAC 315-04-105 Reporting retailer credit history. The lottery may report any part of a retailer's credit information to a credit bureau or agency which is a clearinghouse for information regarding credit history.

[Statutory Authority: RCW 67.70.040. 98-20-013, § 315-04-105, filed 9/25/98, effective 10/26/98.]

WAC 315-04-120 Transfer of license prohibited. Any license issued by the director is personal to the lottery retailer

and may not be transferred to another person except in the event of the death or incapacity of licensee as provided in WAC 315-04-130.

[Statutory Authority: RCW 67.70.040. 86-01-060 (Order 83), § 315-04-120, filed 12/16/85; 84-12-057 (Order 58), § 315-04-120, filed 6/4/84; 84-09-008 (Order 54), § 315-04-120, filed 4/9/84; 84-01-002 (Order 41), § 315-04-120, filed 12/8/83. Statutory Authority: 1982 2nd ex.s. c 7. 82-21-037 (Order 2), § 315-04-120, filed 10/15/82.]

WAC 315-04-125 Change of name or location. Every change of business name or change of location without a change of ownership of a lottery retailer must be reported to the lottery prior to the change. The lottery shall review the change considering standard licensing criteria and compliance with WAC 315-04-090. Upon the lottery's approval, the lottery shall issue a license in the new name or with the new location address.

[Statutory Authority: RCW 67.70.040 (1), (3) and 67.70.040. 07-11-154, § 315-04-125, filed 5/22/07, effective 6/22/07. Statutory Authority: RCW 67.70.040. 86-01-060 (Order 83), § 315-04-125, filed 12/16/85; 85-09-004 (Order 72), § 315-04-125, filed 4/5/85; 84-01-002 (Order 41), § 315-04-125, filed 12/8/83.]

WAC 315-04-130 Death or incapacity of licensee. (1) In the event of the proven incapacity, death, receivership, bankruptcy or assignment for benefit of creditors of any lottery retailer, upon approval of the director, the license may be transferred to a court appointed or court confirmed guardian, executor or administrator, receiver, trustee, or assignee for the benefit of creditors, who may continue to operate the activity under the license, subject to the provisions of chapter 67.70 RCW and these rules.

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

(3) The license following transfer shall be void upon that person ceasing to hold such a court appointed or court confirmed position.

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

[Statutory Authority: RCW 67.70.040 (1), (3) and 67.70.040. 07-11-154, § 315-04-130, filed 5/22/07, effective 6/22/07. Statutory Authority: RCW 67.70.040. 98-20-013, § 315-04-130, filed 9/25/98, effective 10/26/98; 86-01-060 (Order 83), § 315-04-130, filed 12/16/85; 85-09-004 (Order 72), § 315-04-130, filed 4/5/85. Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-130, filed 10/15/82.]

WAC 315-04-132 Change of business structure, ownership, or officers. (1) Every change of business structure of a person to whom a license has been issued must be reported to the lottery prior to the change. A change of business structure shall mean the change from one form of business organization to another, such as from sole proprietorship to partnership or corporation.

(2) Every substantial change of ownership of a person to whom a license has been issued must be reported to the lottery prior to the change. A substantial change of ownership shall mean the transfer of ten percent or more equity, or the addition or deletion of an owner of ten percent or more of the person.

(3) Every change of officers of a person to whom a license has been issued must be reported to the lottery not later than ten days following the effective day of the change.

(4) If the substantial change of ownership involves the addition or deletion of one or more owners or officers, the lottery retailer shall submit a license application reflecting the change(s) and any other documentation the director may require.

(5) If the substantial change of ownership involves the addition of one or more owners or officers who does not have on file with the lottery current "personal history information" and "criminal history information" forms, the director may require each such owner or officer to submit the required forms.

[Statutory Authority: RCW 67.70.040 (1), (3) and 67.70.040. 07-11-154, § 315-04-132, filed 5/22/07, effective 6/22/07. Statutory Authority: RCW 67.70.040. 90-11-040, § 315-04-132, filed 5/10/90, effective 6/10/90; 87-01-058 (Order 97), § 315-04-132, filed 12/16/86; 86-01-060 (Order 83), § 315-04-132, filed 12/16/85; 85-09-004 (Order 72), § 315-04-132, filed 4/5/85; 84-12-057 (Order 58), § 315-04-132, filed 6/4/84.]

WAC 315-04-140 License capacity. The possession of a license issued by the director to any person to act as a lottery retailer in any capacity does not entitle that person to sell tickets or obtain materials for any particular game.

[Statutory Authority: RCW 67.70.040 (1), (3) and 67.70.040. 07-11-154, § 315-04-140, filed 5/22/07, effective 6/22/07. Statutory Authority: RCW 67.70.040. 86-01-060 (Order 83), § 315-04-140, filed 12/16/85; 85-09-004 (Order 72), § 315-04-140, filed 4/5/85; 84-01-002 (Order 41), § 315-04-140, filed 12/8/83. Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-140, filed 10/15/82.]

WAC 315-04-160 Display of material. Lottery retailers shall display lottery point-of-sale material approved by the director in a manner which is readily seen by and available to the public. Upon request, the director may make additional point-of-sale materials available to lottery retailers at no cost or at such costs as determined by the director. Lottery retailers may use and/or display other promotional and point-of-sale material, provided, it is in accord with the image and/or theme established by the lottery, including but not limited to design, script style, color scheme, and logo; and it is consonant with the dignity of the state. The director may require removal of objectionable material and/or its use be discontinued.

[Statutory Authority: RCW 67.70.040. 86-01-060 (Order 83), § 315-04-160, filed 12/16/85; 84-22-047 (Order 68), § 315-04-160, filed 11/7/84. Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-160, filed 10/15/82.]

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

(2) Each lottery retailer shall make tickets available for sale during its normal business hours at the location designated on its lottery retailer license, master business license, and lottery retailer contract.

[Statutory Authority: RCW 67.70.040 (1), (3) and 67.70.040. 07-11-154, § 315-04-170, filed 5/22/07, effective 6/22/07. Statutory Authority: RCW 67.70.040. 86-01-060 (Order 83), § 315-04-170, filed 12/16/85. Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-170, filed 10/15/82.]

WAC 315-04-180 Obligations of lottery retailers. (1)(a) Upon acceptance of a pack of instant tickets from the director, the retailer shall be responsible for the condition and security of the pack. The retailer shall hold the pack in its own safekeeping until it is ready to begin sale of the pack. Immediately prior to beginning sale, the retailer shall place the pack in "activated" status in the lottery's instant ticket accounting system (ITAS). Placement in activated status designates that the tickets in the pack may be sold, and prizes in the pack may be paid.

(b) In the event that instant tickets accepted by the retailer are lost, stolen or in any way unaccounted for prior to their being placed in activated status on ITAS, the retailer shall, upon discovery of their disappearance, immediately notify the director of each pack or portion of a pack so unaccounted for, lost or stolen. The retailer may be required to provide the director a police report or other evidence of the pack's disappearance. The retailer may be charged twenty-five dollars for each pack or portion of a pack unaccounted for, lost or stolen.

(c) A retailer may return an unopened pack, at no charge, to the director at any time prior to the pack having been placed in activated status. Within thirty days of the official end of an instant game, a retailer shall return to the director all packs never activated in that game.

(d) Upon placement of a pack in activated status, the retailer shall be liable to the director for payment for the pack, in the amount calculated under WAC 315-06-035. Payment for a pack shall be due to the director no later than fifty calendar days after the pack has been placed in activated status or when eighty percent of the low tiered prizes have been validated, thereby validating the pack. The director shall not reimburse the retailer for any ticket losses which occur after activation of the pack from which the tickets came, except as allowed by WAC 315-04-210(2) or 315-06-190.

(e) Each lottery retailer and lottery license applicant shall sign and comply with a lottery instant retailer agreement. Failure to sign or to comply shall result in revocation or denial of a retailer's lottery license.

(2) Each lottery retailer shall abide by the law, these rules and all other directives or instructions issued by the director.

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

(4) All property given, except tickets, to a lottery retailer remains the property of the director, and, upon demand, the lottery retailer agrees to deliver forthwith the same to the director.

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

(6) All books and records pertaining to the lottery retailer's lottery activities shall be subject to seizure by the director without prior notice.

(7) No lottery retailer shall advertise or otherwise display advertising in any part of the lottery retailer's premises as a licensed location which may be considered derogatory or adverse to the operations or dignity of the lottery.

[Statutory Authority: RCW 67.70.040 (1), (3) and 67.70.040. 07-11-154, § 315-04-180, filed 5/22/07, effective 6/22/07. Statutory Authority: RCW 67.70.040. 98-11-091, § 315-04-180, filed 5/20/98, effective 6/20/98; 94-11-027, § 315-04-180, filed 5/6/94, effective 6/6/94; 94-03-020, § 315-04-180, filed 1/7/94, effective 2/9/94; 86-01-060 (Order 83), § 315-04-180, filed 12/16/85; 84-05-008 (Order 51), § 315-04-180, filed 2/7/84; 83-19-019 (Order 36), § 315-04-180, filed 9/12/83. Statutory Authority: 1982 2nd ex.s. c 7. 82-21-037 (Order 2), § 315-04-180, filed 10/15/82.]

WAC 315-04-190 Compensation. (1) Lottery retailers shall be entitled to a discount on the retail price of the instant game tickets. The commission must approve the discount paid to the retailers.

(2) Lottery retailers authorized to sell draw game tickets shall be entitled to a discount on the total of gross draw game ticket sales less draw game ticket cancellations. The commission must approve the discount paid to the retailers.

(3) Lottery retailers may receive additional compensation through programs including but not limited to additional discounts, retailer games, retailer awards, and retailer bonuses.

(a) The commission must approve each such program prior to its implementation.

(b) The director shall establish and publish the procedures necessary to implement any such program approved by the commission prior to initiation of the program.

(4) The lottery, when selling instant or draw game tickets, as a lottery retailer, may use the proceeds from the applicable discount on the retail price of the tickets sold to pay fees or other charges associated with those sales.

[Statutory Authority: RCW 67.70.040 (1), (3) and 67.70.040. 07-11-154, § 315-04-190, filed 5/22/07, effective 6/22/07. Statutory Authority: RCW 67.70.040. 00-24-102, § 315-04-190, filed 12/6/00, effective 1/6/01; 92-19-057, § 315-04-190, filed 9/11/92, effective 10/12/92; 91-20-062, § 315-04-190, filed 9/25/91, effective 10/26/91; 87-17-012 (Order 103), § 315-04-190, filed 8/10/87; 87-05-005 (Order 99), § 315-04-190, filed 2/6/87; 86-12-001 (Order 91), § 315-04-190, filed 5/22/86; 86-01-060 (Order 83), § 315-04-190, filed 12/16/85; 84-21-013 (Order 66), § 315-04-190, filed 10/5/84; 84-01-004 (Order 42), § 315-04-190, filed 12/8/83. Statutory Authority: RCW 67.70.040 and 67.70.050. 83-05-029 (Order 14), § 315-04-190, filed 2/10/83. Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-190, filed 10/15/82.]

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

(1) Failure to meet or maintain the eligibility criteria for license application and issuance established by chapter 67.70 RCW, or these rules;

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

(3) Failure to pay to the lottery any obligation when due;

(4) Violating any of the provisions of chapter 67.70 RCW, or these rules;

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

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

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

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

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

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

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

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

(13) Makes a misrepresentation of fact to the purchaser, or prospective purchaser, of a ticket, or to the general public with respect to the conduct of a particular game or special event;

(14) Failure to comply with lottery point-of-sale requirements which have been published and disseminated to lottery retailers;

(15) Failure or inability to meet financial obligations as they fall due in the normal course of business;

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

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

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

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

(20) Has been convicted of, or forfeited bond upon a charge of, or pleaded guilty to, forgery, larceny, extortion, conspiracy to defraud, wilful failure to make required payments or reports to a governmental agency at any level, or filing false reports, 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 misdemeanor, involving any gambling activity or physical harm to individuals or involving moral turpitude, or of any misdemeanor within the past six months of the license application date, or of any felony within ten years of the license application date; except as specifically provided by law, the provisions of chapter 9.96A RCW apply. However, RCW 9.96A.-020 does not apply to a person who is required to register as a sex offender under RCW 9A.44.130;

(21) Makes a misrepresentation of, or fails to disclose, a material fact to the commission or director on any report, record, application form or questionnaire required to be submitted to the commission or director. Misrepresentation of, or failure to disclose criminal history shall be considered a material fact for purposes of this section;

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

(23) Is subject to current prosecution or pending charges, or a conviction which is under appeal, for any of the offenses indicated under subsection (20) of this section: Provided, That at the request of an applicant for an original license, the director may defer decision upon the application during the pendency of such prosecution or appeal;

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

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

[Statutory Authority: RCW 67.70.040 (1), (3) and 67.70.040. 07-11-154, § 315-04-200, filed 5/22/07, effective 6/22/07. Statutory Authority: RCW 67.70.040. 99-01-038, § 315-04-200, filed 12/9/98, effective 1/9/99; 94-23-047, § 315-04-200, filed 11/10/94, effective 12/11/94; 87-01-058 (Order 97), § 315-04-200, filed 12/16/86; 85-16-031 (Order 77), § 315-04-200, filed 7/30/85; 85-09-004 (Order 72), § 315-04-200, filed 4/5/85. Statutory Authority: RCW 67.70.040 and 67.70.050. 83-07-022 (Order 17), § 315-04-200, filed 3/11/83. Statutory Authority: 1982 2nd ex.s. c 7. 82-21-037 and 82-21-068 (Orders 2 and 2A), § 315-04-200, filed 10/15/82 and 10/20/82.]

WAC 315-04-205 Reapplication following license denial or revocation. The director shall not grant a license based on reapplication less than ninety days following the agency's final order of denial or revocation under WAC 315-04-200.

[Statutory Authority: RCW 67.70.040. 91-11-033, § 315-04-205, filed 5/9/91, effective 6/9/91.]

WAC 315-04-210 Procedure if license is terminated, suspended or revoked. (1) Upon termination, revocation or suspension of a lottery retailer's license for any reasons whatsoever, the lottery retailer must, by a date designated by the director, render a final lottery accounting and surrender all lottery property, as well as unsold lottery tickets which have been placed in activated status, to the director.

(2) The director shall reimburse each retailer whose license is terminated, suspended or revoked for payments made for unsold tickets which had been placed in activated

status prior to termination, suspension or revocation which the retailer returns to the director.

[Statutory Authority: RCW 67.70.040. 94-11-027, § 315-04-210, filed 5/6/94, effective 6/6/94; 94-03-020, § 315-04-210, filed 1/7/94, effective 2/9/94; 86-01-060 (Order 83), § 315-04-210, filed 12/16/85. Statutory Authority: 1982 2nd ex.s. c 7. 82-21-039 (Order 4), § 315-04-210, filed 10/15/82.]

WAC 315-04-220 Limited off premises sales permit. (1) The director may permit any lottery retailer who has been issued a general or provisional license to sell tickets in locations other than that specified on its license and to employ persons to make such sales provided that:

(a) A lottery retailer requesting a "limited off premises sales permit" shall submit an application, completed in its entirety, using a form approved by the director.

(b) An application for a "limited off premises sales permit" for lottery tickets must be submitted to the lottery a minimum of thirty days prior to the event to provide adequate time for processing. Applications received after these time limits may not be approved.

(c) The geographical area and type of location in which such sales are requested shall be individually approved by the director.

(d) Each lottery retailer making such sales shall be individually approved by the director and shall display identification in such form and manner as shall be prescribed by the director.

(e) The lottery retailer and its employees shall abide by such other instructions and restrictions as may be prescribed by the director to govern such sales.

(2) Lottery retailers must redeem all tickets winning $600 or less presented for redemption at the off premises location and at their licensed location. The location of the licensed location must be posted at the off premises location. Lottery retailers must also provide claim forms to holders of tickets winning more than $600 at both locations.

(3) The "limited off premises sales permit" shall be valid for not more than thirty days and may be renewed twice, if approved by the director, for periods not to exceed thirty days each.

(4) Lottery retailers granted "limited off premises sales permits" will not be required to conduct other licensed business activities at the off premises locations.

(5) Lottery retailers granted "limited off premises sales permits" shall bear all costs associated with such sales including but not limited to construction of booths, stands, etc.; telephone line installation; telephone line charges and installation of a dedicated electric circuit, provided, that the director, in his/her sole discretion, may agree that the lottery will bear some or all of said associated costs.

[Statutory Authority: RCW 67.70.040 (1), (3) and 67.70.040. 07-11-154, § 315-04-220, filed 5/22/07, effective 6/22/07. Statutory Authority: RCW 67.70.040. 96-03-039, § 315-04-220, filed 1/10/96, effective 2/10/96; 86-01-060 (Order 83), § 315-04-220, filed 12/16/85; 85-13-015 (Order 75), § 315-04-220, filed 6/10/85. Statutory Authority: RCW 67.70.040 and 67.70.050. 83-05-029 (Order 14), § 315-04-220, filed 2/10/83.]

WAC 315-04-230 Licensing of enterprises operated by or subject to jurisdiction of Indian tribes. (1) The director is authorized to license as lottery retailers businesses which are operated by federally recognized Indian tribes, or operated upon lands subject to the jurisdiction of such Indian tribes, if the tribal council of the tribe having jurisdiction has passed an ordinance agreeing to the following provisions:

(a) All matters relating to the issuance and revocation of such license, as well as the manner in which the sale of lottery tickets is conducted by the licensee, shall be governed exclusively by the laws of the state of Washington, and no inconsistent tribal laws, ordinances, or rules exist or will be enacted.

(b) In the event of litigation involving the issuance or revocation of any such license, the conduct of the business as a lottery retailer, the financial relationship between any licensee and the lottery or any other matter connected with the lottery or its operation, the courts of the state of Washington shall have jurisdiction, and venue shall be proper only in Thurston County.

(c) Administrative disputes shall be submitted to the jurisdiction of the director, Washington state lottery, or any lawfully appointed designee thereof, and shall be conducted in accordance with Washington state law.

(d) Lottery employees and vendors, including investigators and enforcement officers, may enter upon trust lands and property including lands owned by the tribe or its members, solely for the purposes of conducting investigations and enforcing the provisions of chapter 67.70 RCW.

(2) A certified copy of such ordinance shall be filed along with the application for licensure of any business located on Indian lands, or operated by an Indian tribe.

(3) In the event any law of the state of Washington relating to matters contained in subsection (1) of this section is enacted, modified or repealed, tribal laws, ordinances or rules must be changed to be consistent with the revised laws of the state of Washington. The director may (a) suspend licenses issued pursuant to this section pending tribal council action to make such changes, and/or (b) revoke such licenses if the required changes are not made within ninety days.

[Statutory Authority: RCW 67.70.040. 87-01-057 (Order 96), § 315-04-230, filed 12/16/86.]