WAC 230-06-002 "We," "our," and "us" mean the commission and staff.

WAC 230-06-003 Defining "cash."

WAC 230-06-004 Defining "consecutively numbered," "consecutive," and "consecutively."

WAC 230-06-005 Accept checks in gambling activities.

WAC 230-06-006 Licensed employees must wear nametags.

WAC 230-06-007 Age restrictions for players.

WAC 230-06-008 Detaining and identifying persons under eighteen years of age engaging in or attempting to engage in authorized gambling activities.

WAC 230-06-009 Conducting underage compliance test programs with minors.

WAC 230-06-010 Prevent intoxicated persons from operating or playing gambling activities.

WAC 230-06-011 Restrictions on alcohol as prizes.

WAC 230-06-012 Restrictions on firearms as prizes.

WAC 230-06-013 Credit, loans, or gifts prohibited.

WAC 230-06-014 Restrictions on using wheels in promotional contests of chance, fundraising events, or gambling activities.

WAC 230-06-015 Using wheels in promotional contests of chance.

WAC 230-06-016 Conduct gambling activities on licensed business premises only.

WAC 230-06-017 Additional requirements for licensed business premises.

WAC 230-06-018 Class E, F, and house-banked card rooms.

WAC 230-06-019 Review of electronic or mechanical gambling equipment.

WAC 230-06-020 Withdrawing gambling equipment authorization.

WAC 230-06-021 Keeping monthly records.

WAC 230-06-022 Maintain copy of commission rules on business premises.

WAC 230-06-023 Notify law enforcement of gambling activity.

WAC 230-06-024 Displaying of licenses.

WAC 230-06-025 Washington state identification and inspection stamps to be called "I.D. stamps."

WAC 230-06-026 Assistance required for commission inspections.

WAC 230-06-027 Removal of equipment or records for inspection.

WAC 230-06-028 Report changes to application information and submit updated documents and information.

WAC 230-06-029 Card game licensees reporting changes in licensed employees.

WAC 230-06-030 Reporting criminal, administrative, and civil actions.

WAC 230-06-031 Report criminal actions filed.

WAC 230-06-032 Report administrative and civil actions filed.

WAC 230-06-033 Changing names or locations.

WAC 230-06-034 Change name, trade name, or corporate name.

WAC 230-06-035 Changing business locations.

WAC 230-06-036 Report change of management.

WAC 230-06-037 Limited transfers of ownership allowed.

WAC 230-06-038 Ownership changes—Allowed.

WAC 230-06-039 Ownership changes—Prohibited.

WAC 230-06-040 SALES AND TRANSFERS OF EQUIPMENT, PRODUCTS, AND SERVICES.

WAC 230-06-041 Sales invoices for merchandise prizes.

WAC 230-06-042 Buying, selling, or transferring gambling equipment.

WAC 230-06-043 Selling or transferring gambling equipment when no longer licensed.

WAC 230-06-044 LICENSE RENEWALS.

WAC 230-06-045 Renew your license in a timely manner.

WAC 230-06-046 Exceeding license class.

(7/11/13)
WAC 230-06-005 Accept checks in gambling activities. (1) Licensees may accept a check in the place of cash from a player for authorized gambling activities if the check is fully negotiable when it is accepted and is:
   (a) From the player's personal account and is dated the same day; or
   (b) Issued by a government agency or by a business, such as a payroll check.
   (2) Licensees must not accept:
      (a) Third-party checks drawn on a personal account or counter checks; or
      (b) Checks from a player who owes the licensee money from a previous returned personal check. If licensees use check guarantee and collection services, this subsection does not apply.
   (3) If licensees accept a check in violation of the provisions of this section, they are violating the rules against extending credit.

WAC 230-06-007 Licensed employees must wear nametags. (1) Licensed employees must wear a nametag when working or playing cards at their place of employment.
   (2) Off-duty card room employees do not have to wear a nametag while playing if the card room operator clearly posts a sign stating, "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."
   (3) The nametag must:
      (a) Be provided by the operator; and
      (b) Be a minimum of three inches by two inches; and
      (c) Display at least the employee's first name; and
      (d) Display the employer's name; and
      (e) Be worn on the employee's chest; and
      (f) Be clear and visible to the players in the gambling activity.
   (4) The employee and operator are equally responsible to ensure the nametag is properly displayed.

WAC 230-06-010 Age restrictions for players. No person must allow anyone under the age of eighteen to participate in gambling activities except:
   (1) To play in licensed bingo games when accompanied by an adult member of his or her immediate family or a guardian, who is at least eighteen years old:
      (a) "Immediate family" means only the spouse, parents, or grandparents of an individual; and
      (b) "Guardian" means only a court-appointed, legal guardian of an individual; or
   (2) To play bingo at agricultural fairs or school carnivals; or
   (3) To play amusement games; or
   (4) To sell raffle tickets for a charitable or nonprofit organization that:
      (a) Has development of youth as a primary purpose; and
      (b) Has at least three members or advisors who are at least eighteen years old and who supervise the operation of the raffle; and
      (c) Has an adult member or advisor designated as the manager for the raffle.

WAC 230-06-011 Detaining and identifying persons under eighteen years of age engaging in or attempting to engage in authorized gambling activities. When issuing civil infractions under RCW 9.46.228, gambling commission special agents or peace officers may detain persons for a reasonable period of time and in a reasonable manner to determine the person's true identity and date of birth if the special agent or peace officer has reasonable grounds to believe that:
   (1) The person is under eighteen years of age; and
   (2) The person is, or has played or participated in, or is attempting or has attempted to play or participate in authorized gambling activities including, but not limited to, punch boards, pull-tabs, card games, or fund-raising events.

WAC 230-06-012 Conducting underage compliance test programs with minors. (1) Licensees may conduct in-house controlled purchase programs (underage compliance test programs) to test their employee's compliance with RCW 9.46.228 that makes it unlawful for any person under the age of eighteen to play punch boards, pull-tabs, card games, or participate in fund-raising events.
   (2) Licensees must:
      (a) Have written procedures for conducting underage compliance test programs.
      (i) Class F or house-banked card game licensees must include the procedures in their internal controls; or
      (ii) Licensees not required to have internal controls must submit their procedures to us prior to conducting an underage compliance test and keep a copy of the procedures on the licensed business premises; and
      (b) Provide employees a written description of the employer's underage compliance test program. The written description must include notice of actions an employer may take as a consequence of an employee's failure to comply with company policies regarding unauthorized persons engaging in gambling activities during an underage compliance test; and
      (c) Provide written notification (letter, e-mail, or fax) to us before conducting the test. The notification must include:
         (i) Licensee name; and
         (ii) Date and time of test; and
         (iii) Last name and first initial of the person used in the test; and
         (iv) First and last name of the person supervising the person used in the test; and
      (d) Maintain on the licensed business premises for at least one year, and produce upon request, the following information for each test conducted:
WAC 230-06-015 Prevent intoxicated persons from operating or playing gambling activities. Licensees must not allow any person who appears to be intoxicated or under the influence of any narcotic or other substance to operate or play any gambling activity.

WAC 230-06-020 Restrictions on alcohol as prizes. Licensees must not offer or award beverages that contain alcohol as a prize or in place of a prize for any gambling activity except:

1. Dice or coin contests for music, food, or beverage payment as authorized by RCW 9.46.0305; and

2. Members-only raffles authorized by RCW 9.46.0315, but only if the liquor control board granted the appropriate permit; and

3. Other gambling activities where the liquor control board has authorized alcohol as a prize.

WAC 230-06-025 Restrictions on firearms as prizes. Only charitable or nonprofit organizations operating a raffle may award 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 as a prize. If the prize awarded is restricted from transfer by state or federal law, the licensee must award the winner a certificate, redeemable by a licensed firearms dealer, for the prize offered.

WAC 230-06-030 Restrictions and conditions for gambling promotions. Licensees may conduct gambling promotions to encourage players to participate in a gambling activity, but you must follow these restrictions and conditions:

1. You must give all players an equal opportunity to participate; and

2. You must establish standards to determine how you will give promotional items to players. You must not give the items based on an element of chance, such as a drawing or spinning wheel, unless you are doing so as part of a bingo game; and

3. You must not give another chance to participate in a gambling activity as a promotional item; and

4. You must display all rules or restrictions clearly in the gambling area and include them on promotional materials or advertisements; and

5. You must not combine gambling activities and related gambling promotions in any way with a promotional contest of chance as defined in RCW 946.0356.

WAC 230-06-031 Using wheels in promotional contests of chance, fund-raising events, or gambling activities.

Promotional contests of chance (PCOCs)

1. Operators may use wheels specifically manufactured for a promotional contest of chance (PCOC), whether commercially made or home made.

2. Operators must not use professionally manufactured wheels made specifically for gambling activities (for example, Big 6 Wheels) in PCOCs unless they receive permission ahead of time from us.

Fund-raising events

3. Operators may use commercially made wheels in gambling activities for fund-raising events.

Separation of PCOCs from gambling activities and promotions

4. No wheel may be used in conjunction with their gambling activities by:

   a. Card room licensees; or
   b. Pull-tab licensees.

Card rooms, pull-tabs, bingo, raffles

5. Licensees and operators must not use professionally manufactured wheels made specifically for gambling activities (for example, Big 6 Wheels) in:

   a. Bingo; or
   b. Card games; or
   c. Pull-tabs.

6. Operators may use commercially made or home made wheels as part of drawings for prizes, good neighbor prizes, or second element of chance prizes as part of bingo games, as set out in WAC 230-10-280.

7. Raffle licensees and operators may use:

   a. Other types of wheels, such as paddle wheels, in raffles; and

   b. Commercially made or home made wheels in an alternative drawing format for determining the winner of a raffle. Alternative drawing formats are set out in WAC 230-11-055 and 230-11-060.

(7/11/13)
WAC 230-06-035 Credit, loans, or gifts prohibited. (1) Licensees, employees, or members must not offer or give credit, loans, or gifts to any person playing in an authorized gambling activity or which makes it possible for any person to play in an authorized gambling activity.

(2) Gifts are items licensees give to their customers. Licensees must not connect these gifts to gambling activities we regulate unless the gifts are:

(a) Gambling promotions; or

(b) Transportation services to and from gambling activities; or

(c) Free or discounted food, drink, or merchandise which:

(i) Costs less than five hundred dollars per individual item; and

(ii) Must not be traded back to you for cash; and

(iii) Must not give a chance to participate further in an authorized gambling activity.

(3) You must collect the price required to participate in the gambling activity in full before allowing someone to participate. Licensees must collect cash, check, gift certificate, gift card, or electronic point-of-sale bank transfer.

(4) If the price paid for the opportunity to play a punch board or pull-tab series is ten dollars or less, licensees may collect the price immediately after the play is completed.

(5) If a charitable or nonprofit organization has a regular billing system for all of the activities of its members, it may use its billing system in connection with the playing of any licensed activities as long as the organization limits play to full and active members of its organization.

(6) Charitable or nonprofit organizations may allow credit cards, issued by a state regulated or federally regulated financial institution, for payment to participate in raffles.

[Statutory Authority: RCW 9.46.070. WSR 07-21-116 (Order 617), § 230-06-035, filed 10/22/07, effective 1/1/08; WSR 06-17-132 (Order 601), § 230-06-035, filed 8/22/06, effective 1/1/08.]

WAC 230-06-045 Conduct gambling activities on licensed business premises only. (1) Licensees must conduct all gambling activities, except for raffle ticket sales, on the licensed business premises.

(2) Charitable or nonprofit organizations licensed to conduct bingo and punch board and pull-tab games may sell punch boards and pull-tabs to customers of a licensed card room if the charitable or nonprofit organization:

(a) Shares a common wall with the card room; and

(b) Controls all doors, counters, or windows allowing customer access through the common wall between the two premises and the charitable or nonprofit organization can securely close and lock the doors, counters, or windows; and

(c) Keeps and sells the punch board and pull-tab games and redeems prizes only on their licensed business premises. Punch board and pull-tab players may take already purchased punch boards and pull-tabs into the card room area; and

(d) Allows only its employees to sell the punch board and pull-tabs; and

(e) Posts signs at the door, window, or counter common to the two business premises that clearly notify customers of the organization’s identity.

[Statutory Authority: RCW 9.46.070. WSR 06-17-132 (Order 601), § 230-06-045, filed 8/22/06, effective 1/1/08.]

WAC 230-06-046 Additional requirements for licensed business premises of class E, F, and house-banked card rooms. (1) The licensed business premises of class E, F, and house-banked card rooms may not be adjacent to each other if each licensed business premises:

(a) Shares inside public access between the two licensed business premises; or

(b) Has employee access between the two licensed business premises visible to the public; or

(c) Shares windows or similar structures that allow customers to see into the other licensed business premises.

(2) Subsection (1) of this section does not apply to class E, F, and house-banked card room physical locations that have any of the features listed in subsection (1) of this section and were licensed on the effective date of this rule.

(3) Adjacent card rooms must post signs at each entrance that is accessible by the public to clearly notify customers of the licensed business premises’ identity.

[Statutory Authority: RCW 9.46.070 and 9.46.0282. WSR 10-07-102, § 230-06-046, filed 3/19/10, effective 7/1/10.]

WAC 230-06-050 Review of electronic or mechanical gambling equipment. (1) Persons who wish to submit gambling equipment, supplies, services, or games for our review to verify compliance with chapter 9.46 RCW and Title 230 WAC must pay the application deposit before we perform the review. They must also reimburse us for any additional costs of the review.

(2) We may require manufacturers to submit certain electronic or mechanical gambling equipment for review. The equipment must meet technical standards for compliance, accuracy, security, and integrity. To allow for continued testing and training, staff may keep any equipment submitted for review for as long as the equipment remains in play in Washington. The manufacturers must reimburse us for any costs of the review. The commissioners and commission staff are not liable for any damage to equipment while in our possession.

(3) Licensees must operate equipment identical to the version the director or director's designee approved.

(4) If persons submitting equipment do not agree with the director or director's designee's decision, they may file a petition for declaratory order with the commission to be heard as a full review (de novo) by an administrative law judge, according to RCW 34.05.240 and chapter 230-17 WAC.

[Statutory Authority: RCW 9.46.070. WSR 07-21-116 (Order 617), § 230-06-050, filed 10/22/07, effective 1/1/08; WSR 06-17-132 (Order 601), § 230-06-050, filed 8/22/06, effective 1/1/08.]

WAC 230-06-051 Computation of time. (1) When a period of time is in commission rules, orders, or statute, the period begins to run on the day after the act, event, or default. The last day of the period is included, unless it is a Saturday, Sunday or a legal holiday, in which case the period runs until the end of the next day that is not a Saturday, Sunday or a legal holiday.

(2) When the period is less than seven days, exclude Saturdays, Sundays and legal holidays in the calculation.

(3) This section does not apply to periods of license suspension.
WAC 230-06-052 Withdrawing gambling equipment authorization. If the director or the director's designee withdraws authorization of gambling equipment:

(1) The director or the director's designee will give the applicant written notice and an opportunity to object to the decision. If the applicant does not agree with the decision, they may file a petition for declaratory order with the commission to be heard as a full review (de novo) by an administrative law judge, according to RCW 34.05.240 and chapter 230-17 WAC.

(2) The director or the director's designee will provide written notice to other impacted licensees who have the gambling equipment after a final decision is made.

WAC 230-06-055 Notify law enforcement of gambling activity. (1) Licensees must notify local law enforcement agencies, in writing, that they have been licensed before they begin to conduct any activity under the license.

(2) Licensees must notify local law enforcement agencies of the:
   (a) Address where they will conduct the gambling activity; and
   (b) Type of gambling activity licensed; and
   (c) First date they will conduct the gambling activity; and
   (d) Proposed schedule for the operation of the gambling activity if they plan to conduct the activity on a regular basis.

(3) Licensees must not conduct the activity until they have made the notification.

WAC 230-06-065 Displaying of licenses. (1) Licensees must prominently display originals or copies of all gambling activity licenses or permits we have issued in the gambling area of their business premises.

(2) Licensees must have the licenses and permits readily for inspection by us, other law enforcement personnel, and the public at all times.

(3) Card room employers may choose not to display employee licenses, but must maintain all card room employees' licenses, proof of licensing, or applications if we have not issued a license, on the licensed premises at all times.

WAC 230-06-070 Keep monthly records. Every person or organization licensed to operate any gambling activity must maintain permanent monthly records of all financial transactions directly or indirectly related to gambling activities. The licensee must include all financial transactions in enough detail to prove compliance with recordkeeping requirements for the specific gambling activity.

(1) Every licensee must record for each licensed activity:
   (a) The gross gambling receipts; and
   (b) Full details on all expenses; and
   (c) The total cost of all prizes paid.

(2) Commercial stimulant licensees must also record:
   (a) Gross sales of food and drink for consumption on the business premises; and
   (b) Gross sales of food and drink for consumption off the business premises; and
   (c) Gross sales from all other business activities occurring on the business premises.

(3) Licensees must record each licensed activity separately and include all transactions occurring during the calendar month. Licensees must complete these records and have them available for audit or inspection by our agents or other law enforcement no later than thirty days following the end of each month.

(4) Licensees must include copies of all additional financial data which support tax reports to any governmental agency.

(5) Licensees must maintain each of these records for at least three years from the end of the fiscal year.

WAC 230-06-071 Washington state identification and inspection stamps to be called "I.D. stamps." We will refer to Washington state identification and inspection stamps as "I.D. stamps" throughout these rules.

WAC 230-06-074 Assistance required for commission inspections. When we arrive to conduct an inspection, the person or business under review must immediately provide:

(1) All requested documents or equipment; and
(2) A safe place with adequate space where we may perform the inspection; and
(3) Reasonable assistance to us.

WAC 230-06-075 Removal of equipment or records for inspection. (1) If we believe with a reasonable probability that you, your employees, or your members are violating or have violated the provisions of chapter 9.46 RCW, its amendments, or any of our rules, we may remove, inspect, and investigate any records, equipment, parts, and devices of any nature located on your premises that relate to the licensed activity or any other gambling activity.

(2) We also may remove records from your premises or your control in order to facilitate our review of the records.

(3) If we receive a written request from you, we will provide you with copies of retained records.

(4) After the case is resolved, we will return all records, equipment, parts, and devices to the premises or to your address.
REPORTING CHANGES TO APPLICATION INFORMATION

WAC 230-06-080 Report changes to application information and submit updated documents and information. (1) Licensees must notify us in writing if any information filed with the application changes in any way within thirty days of the change.

(2) Licensees must submit to us any new or updated documents and information within thirty days of the effective date of the document or information, including the following:

(a) Articles of incorporation or bylaws, or any other documents which set out the organizational structure and purposes;

(b) All oral or written contracts and agreements which relate to gambling activities or alter the organizational structure of the licensee's organization or business activities in Washington; and

(c) All cash or asset contributions, draws from lines of credit, and loans (except those from recognized financial institutions) during any calendar year which by themselves or totaled together are more than ten thousand dollars. Cash or asset contributions do not include donations to licensed charitable or nonprofit organizations; and

(d) Internal Revenue Service tax deductible status of contributions for charitable and nonprofit organizations.

WAC 230-06-085 Report criminal actions filed. (1) Licensees must report to us in writing within thirty days all criminal actions filed against them by other gambling regulatory agencies, including those from other countries and Indian tribes.

(2) Licensed organizations must report to us in writing within thirty days all civil and administrative actions that are filed by or against any manager of the licensed gambling activity, the business organization, or any person holding a substantial interest in the business organization. Actions include, but are not limited to:

(a) Divorces; and

(b) Bankruptcy; and

(c) Tax liens; and

(d) Business dissolutions.

(3) The report must consist of a complete copy of the original documents filed. Licensees must 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) For cases involving patent infringement on gambling equipment, licensees must send only the final written decision or settlement.

(5) We must receive a copy of the final written decision or settlement within thirty days after the case is resolved.

WAC 230-06-090 Report administrative and civil actions filed. (1) All licensees must report to us in writing within thirty days all administrative actions filed against them by other gambling regulatory agencies, including those from other countries and Indian tribes.

(2) Licensed organizations must report to us in writing within thirty days all civil and administrative actions that are filed by or against any manager of the licensed gambling activity, the business organization, or any person holding a substantial interest in the business organization. Actions include, but are not limited to:

(a) Divorces; and

(b) Bankruptcy; and

(c) Tax liens; and

(d) Business dissolutions.

REPORTING CRIMINAL, ADMINISTRATIVE, AND CIVIL ACTIONS

CHANGING NAMES OR LOCATIONS

WAC 230-06-080 Report changes to application information and submit updated documents and information. (1) Licensees must notify us in writing if any information filed with the application changes in any way within thirty days of the change.

(2) Licensees must submit to us any new or updated documents and information within thirty days of the effective date of the document or information, including the following:

(a) Articles of incorporation or bylaws, or any other documents which set out the organizational structure and purposes;

(b) All oral or written contracts and agreements which relate to gambling activities or alter the organizational structure of the licensee's organization or business activities in Washington; and

(c) All cash or asset contributions, draws from lines of credit, and loans (except those from recognized financial institutions) during any calendar year which by themselves or totaled together are more than ten thousand dollars. Cash or asset contributions do not include donations to licensed charitable or nonprofit organizations; and

(d) Internal Revenue Service tax deductible status of contributions for charitable and nonprofit organizations.

WAC 230-06-085 Report criminal actions filed. (1) Licensees must report to us in writing within thirty days all criminal actions filed against them by other gambling regulatory agencies, including those from other countries and Indian tribes.

(2) Licensed organizations must report to us in writing within thirty days all civil and administrative actions that are filed by or against any manager of the licensed gambling activity, the business organization, or any person holding a substantial interest in the business organization. Actions include, but are not limited to:

(a) Divorces; and

(b) Bankruptcy; and

(c) Tax liens; and

(d) Business dissolutions.

(3) The report must consist of a complete copy of the original documents filed. Licensees must 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) For cases involving patent infringement on gambling equipment, licensees must send only the final written decision or settlement.

(5) We must receive a copy of the final written decision or settlement within thirty days after the case is resolved.

CHANGING NAMES OR LOCATIONS

WAC 230-06-095 Change name, trade name, or corporate name. Licensees must notify us and pay a fee for any name change as follows:

(1) Businesses and organizations changing their trade or corporate name - at least thirty days before the actual change date;

(2) Individuals changing their name - no later than thirty days after the effective date of the change.

WAC 230-06-100 Changing business locations. (1) Licensees must apply to us and pay a fee to change the location of their licensed business premises. Licensees must receive our approval before changing the business location.

(2) Commercial amusement game licensees may add or delete from the list of locations for which we issued their license without paying a fee.

CHANGING MANAGEMENT OR OWNERSHIP

WAC 230-06-105 Report change of management. (1) Licensees must report in writing changes made to their organization's management, directors, officers, or any other position that makes management decisions directly affecting the operation of their licensed gambling activity. We provide the forms to report these changes.
(2) If you are a commercial business licensee, you must report within thirty days.

(3) If you are a charitable or nonprofit organization licensee, you must report the changes when renewing your annual license.

[Statutory Authority: RCW 9.46.070. WSR 08-03-062 (Order 623), § 230-06-106, filed 1/14/08, effective 2/14/08.]

WAC 230-06-107 Ownership changes—Allowed. A licensee must report any change in ownership when the change would result in any person or organization becoming a substantial interest holder. Changes in ownership are allowed under the following conditions:

Ownership changes to be reported

(1) The following changes must be reported to us when:

(a) A person or organization becomes a substantial interest holder when they were not a substantial interest holder immediately before the transaction; or

(b) A substantial interest holder purchases any additional stock.

Reporting requirements

(2) Each notification must:

(a) Be submitted in writing on a form provided by us within thirty days of the close of a change of ownership; and

(b) Include the required fee; and

(c) Include:

(i) For corporations—A copy of the meeting minutes detailing the change of ownership; or

(ii) For limited liability companies (LLC)—An amended LLC agreement that includes the new member(s).

New owners must qualify for a license

(3) The gambling license(s) of any corporation or LLC in which a person holds or acquires a substantial interest may be revoked if the new person is not qualified to hold a gambling license.

Review and investigation

(4) An investigation of each transaction will be conducted by us to determine the details of the transaction and the qualifications of each substantial interest holder.

WAC 230-06-108 Ownership changes—Prohibited. All gambling licenses held by a business will become void when the following changes in ownership occur and a new license must be obtained before operating any gambling activities:

(1) A person or business becomes the owner of more than fifty percent of corporate stock or limited liability membership shares/units, when the person or business did not have at least the following substantial interest in the business immediately before the transaction:

(a) Ten or more percent ownership in a privately held corporation or limited liability company (LLC); or

(b) Five or more percent ownership in a publicly traded corporation or LLC; or

(2) The business is sold; or

(3) A sole proprietorship brings in a new person and forms a partnership, corporation or LLC; or

(4) A partnership adds another partner or changes partners; or

(7/11/13)
(5) A change in a person's ownership, together with ownership of any members of his or her immediate family, who are under the age of eighteen years of age, results in the person having more than fifty percent interest in the business when the person did not have at least the following substantial interest in the business:

(a) Ten or more percent ownership in a privately held corporation or LLC; or
(b) Five or more percent ownership in a publicly traded corporation or LLC.

[Statutory Authority: RCW 9.46.070. WSR 08-03-062 (Order 623), § 230-06-108, filed 1/14/08, effective 2/1/08.]

SALES AND TRANSFERS OF EQUIPMENT, PRODUCTS, AND SERVICES

WAC 230-06-109 Sales invoices for merchandise prizes. Operators may purchase merchandise prizes from a licensed or unlicensed distributor or business. The sales invoice or receipt must include at least the following information:

(1) The date of purchase; and
(2) The seller's name and complete address; and
(3) A full description of each item purchased; and
(4) The quantity of items purchased; and
(5) The cost per individual items purchased.

[Statutory Authority: RCW 9.46.070. WSR 08-21-087 (Order 633), § 230-06-109, filed 10/14/08, effective 1/1/09.]

WAC 230-06-110 Buying, selling, or transferring gambling equipment. (1) All licensees and persons authorized to possess gambling equipment must closely control the gambling equipment in their possession.

(2) Before selling gambling equipment, licensees must ensure that the buyer possesses a valid gambling license or can legally possess the equipment without a license.

(3) Before purchasing gambling equipment, licensees must ensure that the seller possesses a valid gambling license.

(4) Applicants for Class F or house-banked card room licenses may purchase and possess gambling equipment during the prelicensing process, but only after receiving written approval from us.

(5) Charitable and nonprofit organizations conducting unlicensed bingo games, as allowed by RCW 9.46.0321, may possess bingo equipment without a license.

(6) Licensees may transfer gambling equipment as a part of a sale of a business as long as the condition of the sale is that the buyer receives a gambling license before the sale is complete. Licensees must make a complete record of all gambling equipment transferred in this manner, including I.D. stamps. Licensees must report these transfers, including a copy of the inventory record, to us.

[Statutory Authority: RCW 9.46.070. WSR 08-11-044 (Order 628), § 230-06-110, filed 5/14/08; WSR 07-21-116 (Order 617), § 230-06-110, filed 10/22/07, effective 1/1/08; WSR 06-17-132 (Order 601), § 230-06-110, filed 8/22/06, effective 1/1/08.]

WAC 230-06-120 Selling or transferring gambling equipment when no longer licensed. (1) If we have revoked your operator or distributor license, your license has expired, or you have voluntarily surrendered your license, you may only sell or otherwise transfer gambling equipment to a licensed manufacturer or distributor.

(2) Transfers of gambling equipment in this manner are subject to the following requirements:

(a) The transfer must be complete within thirty days of the date the license became invalid; and
(b) Distributors must use the cash or credit against amounts they owe manufacturers; and
(c) Operators or distributors selling the equipment must report to us within ten days of the transaction a complete inventory of all the gambling equipment transferred, including commission I.D. stamps; and
(d) Manufacturers or distributors receiving the equipment must prepare a credit memorandum and retain it with their records.

[Statutory Authority: RCW 9.46.070. WSR 07-21-116 (Order 617), § 230-06-120, filed 10/22/07, effective 1/1/08; WSR 06-17-132 (Order 601), § 230-06-120, filed 8/22/06, effective 1/1/08.]

LICENSE RENEWALS

WAC 230-06-125 Renew your license in a timely manner. (1) Licensees must ensure a properly completed renewal application and all applicable fees are received at our administrative office in Lacey at least fifteen days before the expiration date on their license.

(2) If licensees do not submit a properly completed application and all fees and their license expires, they must immediately stop the gambling activity covered by their license.

(3) If your license expires, you must submit an application and you must not operate any gambling activity until a new license is issued.

[Statutory Authority: RCW 9.46.070. WSR 08-03-062 (Order 623), § 230-06-125, filed 1/14/08, effective 2/1/08; WSR 06-17-132 (Order 601), § 230-06-125, filed 8/22/06, effective 1/1/08.]

WAC 230-06-130 Exceeding license class. (1) Licensees must not exceed the gross gambling receipts limits for their license class during any annual license period.

(2) Licensees must apply a projection of year-to-date receipts to the remaining period of their license and, if it indicates that it is reasonably likely that they may exceed their license, they must immediately:

(a) Apply for a license that authorizes the anticipated level of gross gambling receipts; and
(b) Submit the fee required for the new license, minus the amount originally submitted for the previous license, plus a change of classification fee.

(3) If we issue a license upgrade, it is valid only for the remainder of the original term of the license.

(4) Licensees may exceed license class limits once, by the amount shown in the fees table, without having to upgrade or pay the penalties as long as they upgrade to the higher license class the next time they renew their license.

[Statutory Authority: RCW 9.46.070. WSR 06-17-132 (Order 601), § 230-06-130, filed 8/22/06, effective 1/1/08.]

WAC 230-06-135 Failing to apply for license class upgrade. (1) If licensees fail to apply for a license class upgrade and exceed the license class limit within a present or
WAC 230-06-150 Defining "gross sales." (1) "Gross sales" means the amount received for all nongambling goods and services sold or occurring on the premises. 
(2) The amount must be stated in U.S. currency minus any sales taxes or discounts.
(3) Income received from sales made on behalf of others or in partnership with third parties, commission income, or income splitting schemes, must be recorded at the net amount realized.
[Statutory Authority: RCW 9.46.070. WSR 08-20-007 (Order 630), § 230-06-155, filed 9/18/08, effective 1/1/09.]

WAC 230-06-160 Defining "net gambling receipts." "Net gambling receipts" means all gross gambling receipts from any gambling activity minus:
(1) The value for cash prizes; and
(2) The actual cost of any merchandise prizes that were awarded.
[Statutory Authority: RCW 9.46.070. WSR 08-20-007 (Order 630), § 230-06-160, filed 9/18/08, effective 1/1/09.]

WAC 230-06-165 Defining "net gambling income." (1) "Net gambling income" means net gambling receipts minus all other expenses related to the operation of a licensed activity paid out during the same reporting period.
(2) Expenses must be reported on the accrual basis if the records are normally maintained on that basis.
[Statutory Authority: RCW 9.46.070. WSR 08-20-007 (Order 630), § 230-06-165, filed 9/18/08, effective 1/1/09.]

WAC 230-06-170 Defining "net win." "Net win" means gross wagers received from gambling activities or fund-raising events minus the:
(1) Amount paid to players for winning wagers; and
(2) Accrual of prizes for progressive jackpot contests; and
(3) Repayment of amounts used to seed guaranteed progressive jackpot prizes.
[Statutory Authority: RCW 9.46.070. WSR 08-20-007 (Order 630), § 230-06-170, filed 9/18/08, effective 1/1/09.]

WAC 230-06-175 Defining "cost." (1) "Cost" means the amount 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.
(2) "Cost" does not include:
(a) Sales taxes paid by the purchaser; or
(b) Any markup or value added by the purchaser.
[Statutory Authority: RCW 9.46.070. WSR 08-20-007 (Order 630), § 230-06-175, filed 9/18/08, effective 1/1/09.]