

WSR 21-03-071

PERMANENT RULES

GAMBLING COMMISSION

[Filed January 19, 2021, 12:50 p.m., effective February 19, 2021]

Effective Date of Rule: Thirty-one days after filing.

Purpose: Under current rules, single prize and merchandise prizes are limited at \$2,500 and carry-over jackpot prizes are limited at \$5,000. The gambling commission received a petition requesting an increase of the current limits on single cash and merchandise prizes to \$5,000 and an increase of current limits on carry-over jackpot prizes to \$10,000. The petition was accepted as this change would complement SB 6357, which was passed by the legislature in 2020 and increased the single chance pull-tab price from \$1 to \$5. Payout and cash reserve requirements were amended as it pertains to pull-tabs.

Citation of Rules Affected by this Order: Amending WAC 230-14-080 Prize limits and percentage of winners required, 230-14-085 Calculating markup for merchandise prizes, 230-14-220 Prize limits for carry-over jackpot pull-tab series, and 230-14-090 Controlling prizes.

Statutory Authority for Adoption: RCW 9.46.070.

Adopted under notice filed as WSR 20-24-028 on January 14, 2021 [November 20, 2020].

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at the Request of a Nongovernmental Entity: New 0, Amended 3, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 1, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 4, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.

Date Adopted: January 14, 2021.

Ashlie Laydon
Rules Coordinator

OTS-2766.1

AMENDATORY SECTION (Amending WSR 09-17-077, filed 8/14/09, effective 1/1/10)

WAC 230-14-080 Prize limits and percentage of winners required.

Punch board or pull-tab operators must not possess, display, put out for play, sell, or otherwise transfer punch boards or pull-tab series that:

- (1) Have a total payout of less than sixty percent of the total gross gambling receipts of the board or series, except in cumulative prize pool pull-tab games. In cumulative prize pool pull-tab games, the sixty percent prize payout requirement will be calculated based on the total amount of prizes from the cumulative prize pool board and

the instant winners from each series, divided by the number of series contained in the game; and

- (2) Offer boards or series, except for progressive series or carry-over jackpots, with a single cash prize that is more than (~~twenty-five hundred~~) five thousand dollars; or
- (3) Offer a single merchandise prize that is more than (~~twenty-five hundred~~) five thousand dollars including markup; or
- (4) Have a single pull-tab or punch with multiple winning combinations that are more than the prize limit; or
- (5) Offer prizes for purchasing the last pull-tab or last punch (last sale) that are more than:
 - (a) One hundred dollars cash; or
 - (b) Merchandise that costs the licensee more than one hundred dollars; or
 - (c) The highest prize offered, whichever is less; or
- (6) Series that have a key to any winning numbers or symbols.

[Statutory Authority: RCW 9.46.070. WSR 09-17-077 (Order 657), § 230-14-080, filed 8/14/09, effective 1/1/10; WSR 08-03-062 (Order 623), § 230-14-080, filed 1/14/08, effective 2/14/08; WSR 07-17-058 (Order 614), § 230-14-080, filed 8/10/07, effective 1/1/08.]

AMENDATORY SECTION (Amending WSR 08-11-044, filed 5/14/08, effective 7/1/08)

WAC 230-14-085 Calculating markup for merchandise prizes. (1)

To calculate sixty percent of total gross for merchandise prizes, operators take the amount actually paid for the prize and add to it no more than fifty percent of that cost as markup.

(2) Gift certificates from a licensee's own establishment may be used as merchandise prizes for pull-tab games but must not be included in the sixty percent payout calculation.

(3) The total cost to the operator for the purchase of a prize must not exceed (~~twenty-five hundred~~) five thousand dollars.

[Statutory Authority: RCW 9.46.070. WSR 08-11-044 (Order 628), § 230-14-085, filed 5/14/08, effective 7/1/08; WSR 07-17-058 (Order 614), § 230-14-085, filed 8/10/07, effective 1/1/08.]

AMENDATORY SECTION (Amending WSR 07-21-116, filed 10/22/07, effective 1/1/08)

WAC 230-14-220 Prize limits for carry-over jackpot pull-tab series. Operators may use pull-tab series which include carry-over jackpots. Operators must use the following calculations for prizes and prize payouts for carry-over jackpots:

(1) Guaranteed prizes must be sixty percent or more of gross gambling receipts available from the pull-tab series. "Guaranteed prizes" means all prizes available, excluding the contribution amount or carry-over jackpot; and

(2) The manufacturer determines the contribution amount and the method of play and discloses both on the flare; and

(3) The contribution amount for each series must not be more than five hundred dollars; and

(4) An accumulated carry-over jackpot must not be more than ~~((five))~~ ten thousand dollars; and

(5) If the carry-over jackpot is awarded, the sum of the advance-level prize and the carry-over jackpot prize combined must not be more than ~~((five))~~ ten thousand dollars; and

(6) If the operator carries over the jackpot to a new series, the total of the advance-level prize and the consolation prize must not be more than five hundred dollars.

[Statutory Authority: RCW 9.46.070. WSR 07-21-116 (Order 617), § 230-14-220, filed 10/22/07, effective 1/1/08; WSR 07-17-058 (Order 614), § 230-14-220, filed 8/10/07, effective 1/1/08.]

OTS-2765.1

AMENDATORY SECTION (Amending WSR 10-09-032, filed 4/14/10, effective 7/1/10)

WAC 230-14-090 Controlling prizes. Punch board and pull-tab operators must:

(1) Protect players from fraud and game manipulation.

(2) Award all prizes won.

(3) Only award cash or merchandise as prizes. A player who has won a cash prize may make a request to the person redeeming the winning pull-tab that the player be given additional pull-tabs instead of cash. An operator may agree to such a request.

(4) Not offer to pay cash instead of merchandise prizes.

(5) Not award additional punches or tabs as a prize. Prizes, however, may involve the opportunity to advance and win a larger prize on the same punch board or pull-tab series. Operators must award an immediate additional opportunity to advance called a bonus prize when offered in a bonus pull-tab series or a step-up prize when offered on a punch board.

(6) Immediately pay out a minimum of two thousand five hundred dollars for verified cash prizes won and pay the remaining balance within twenty-four hours by check. The winner may request that the operator pay up to the entire prize balance by check. Operators must then issue a check for the entire prize balance within twenty-four hours.

(7) Have funds available to pay out all cash prizes offered. A licensee's failure to pay out all cash prizes as required by this rule is prima facie evidence of defrauding the public and a violation of RCW 9.46.190.

[Statutory Authority: RCW 9.46.070 and 9.46.0273. WSR 10-09-032 (Order 667), § 230-14-090, filed 4/14/10, effective 7/1/10. Statutory Authority: RCW 9.46.070. WSR 07-17-058 (Order 614), § 230-14-090, filed 8/10/07, effective 1/1/08.]