WSR 21-02-070 PROPOSED RULES GAMBLING COMMISSION

[Filed January 5, 2021, 10:14 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 20-03-157.

Title of Rule and Other Identifying Information: WAC 230-11-025 Bundling and selling tickets at a discount, and 230-11-055 Authorized alternative drawing formats.

Hearing Location(s): On February 11, 2021, at 9:00 a.m., at Washington State Gambling Commission, 4565 7th Avenue S.E., Lacey, WA 98503. Public hearings will take place at scheduled commission meetings. The meeting dates, times, and locations are tentative. Visit our website at www.wsgc.wa.gov approximately seven days prior to the meeting, select "The Commission," and then select "Public Meetings" to confirm the hearing date, location, start time, and agenda items.

Date of Intended Adoption: February 11, 2021.

Submit Written Comments to: Ashlie Laydon, P.O. Box 42400, Olympia, WA 98504-2400, email rules.coordinator@wsgc.wa.gov, fax 360-486-3632, by January 29, 2021.

Assistance for Persons with Disabilities: Contact Julie Anderson, phone 360-486-3453, TTY 360-496-3637, email

julie.anderson@wsgc.wa.gov, by January 29, 2021.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The gambling commission is considering amending WAC 230-11-025 Bundling and selling tickets at a discount, to allow additional discount levels, and WAC 230-11-055 Authorized alternative drawing formats, to authorize two additional alternative drawing formats.

Reasons Supporting Proposal: The changes proposed above would offer additional options to nonprofit organizations when conducting raffles.

Statutory Authority for Adoption: RCW 9.46.070.

Statute Being Implemented: RCW 9.46.070.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Washington state gambling commission, governmental.

Name of Agency Personnel Responsible for Drafting: Brian Considine, Attorney, 4565 7th Avenue S.E., Lacey, WA 98503, 360-486-3469; Implementation: David Trujillo, Director, 4565 7th Avenue S.E., Lacey, WA 98503, 360-486-3512; and Enforcement: Tina Griffin, Assistant Director, 4565 7th Avenue S.E., Lacey, WA 98503, 360-486-3546.

A school district fiscal impact statement is not required under RCW 28A.305.135.

A cost-benefit analysis is not required under RCW 34.05.328 (5)(a)(i).

The proposed rule does not impose more-than-minor costs on businesses. Following is a summary of the agency's analysis showing how costs were calculated. The proposed rule change was initiated by staff after discussions with nonprofit organizations regarding obstacles they face when conducting raffles. The proposed changes would allow charitable and nonprofit organizations the option of offering additional discount levels and/or two additional alternative drawing formats when conducting raffles. It is unlikely that the implementation of either of these options would have any additional costs associated

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with them compared to the raffle options already allowed under current rules, they simply offer more flexibility for the operator, therefore a small business economic impact statement is not necessary.

> January 5, 2021 Ashlie Laydon Rules Coordinator

OTS-2835.1

AMENDATORY SECTION (Amending WSR 06-20-040, filed 9/26/06, effective 1/1/08)

WAC 230-11-025 Bundling and selling tickets at a discount. (1) Licensees may put tickets together in a bundle and sell them at a discount <u>level</u> if they:

(a) Create the discount ((plan)) <u>levels</u> before selling any raffle tickets; and

(b) Do not change the discount ((plan)) <u>levels</u> during the raffle; and

(c) Make single nondiscounted tickets available to all participants; and

(d) Use ((only one)) <u>up to three</u> discount ((plan)) <u>levels</u> for each raffle; and

(2) Booklets of bundled discounted tickets must contain the number of tickets named in the discount ((plan)) <u>levels</u>; and

(3) Licensees must not remove tickets from a booklet to sell them individually; and

(4) Each booklet of bundled tickets must have the following information printed on the cover:

(a) A description of the discount ((plan)) levels; and

(b) The number of tickets in the booklet; and

(c) The total cost of the booklet; and

(d) A consecutive number; and

(5) Licensees must establish controls and accounting procedures necessary to determine gross gambling receipts from ticket sales.

[Statutory Authority: RCW 9.46.070. WSR 06-20-040 (Order 602), § 230-11-025, filed 9/26/06, effective 1/1/08.]

AMENDATORY SECTION (Amending WSR 13-19-056, filed 9/16/13, effective 10/17/13)

WAC 230-11-055 Authorized alternative drawing formats. Except for enhanced raffles, licensees may use the following types of alternative drawing formats or similar random selection processes:

((*Mock races.*))

(1) <u>Mock races.</u> The licensee sells participants consecutively numbered tickets that identify a specific corresponding numbered mock animal(s), ball(s), or other similar object(s) that can use natural elements to move the objects (water, gravity, wind) in a race. All objects must be identical in weight, size, and shape, to have an equal opportunity to win. The licensee must release all objects simultaneously at a start line. The first numbered object to cross the finish line wins.

((Poker runs.))

(2) <u>Poker runs.</u> The licensee sells participants consecutively numbered tickets or poker tally sheets to participants. Participants travel a predetermined course with predetermined drawing stations (typically five drawing stations). At each drawing station, participants draw one playing card for each ticket purchased. Station attendants must verify the card drawn and record the card value on the poker ticket tally sheet. After all participants have completed the course, the participant with the best recorded poker hand wins.

((Ball drops.))

(3) <u>Ball drops.</u> The licensee sells participants consecutively numbered tickets that identify a specific corresponding numbered ball. All balls must be equal in size, weight, and shape, to have an equal opportunity to win. The licensee suspends all purchased numbered balls in the air and simultaneously releases them over a target zone. The ball, closest or first, to hit the predetermined target wins.

((Animal plops.))

(4) <u>Animal plops.</u> The licensee sells participants consecutively numbered tickets that identify a specific corresponding square on a numbered grid. The licensee releases the animal into the grid area until the animal has completed its plop. The numbered square containing the plop wins.

((*Multiple stage drawings.*))

(5) <u>Multiple stage drawings</u>. The licensee sells participants consecutively numbered tickets. The licensee uses multiple drawing phases to eliminate participants until the licensee declares the remaining ticket holder(s) the winner(s). The licensee may use second element of chance plans as long as the plans meet the criteria set out in WAC 230-11-060.

((Bucket raffles.))

(6) <u>Bucket raffles.</u> The licensee sells participants consecutively numbered tickets. Participants place their tickets into any number of separate buckets or other receptacles for separate prizes. We consider the multiple drawings one single raffle. If licensees use different tickets for each receptacle, we consider each drawing an individual raffle.

((Calendar raffles.))

(7) <u>Calendar raffles.</u> The licensee sells participants consecutively numbered calendars with removable stubs. The licensee places all sold calendar stubs into the drawing receptacle. On predetermined dates identified on the calendar, the licensee conducts drawings. The licensee places all winning stubs back into the drawing receptacle for future drawings.

(8) Heads/tails raffles. The licensee sells participants consecutively numbered tickets. Every participant who purchased a ticket stands up and places their hands on either their head or their tail. The licensee then flips a coin to determine heads or tails. Participants who selected the losing outcome (heads or tails) must sit down. The process is repeated until there is only one participant standing and they win the prize.

(9) Number raffles. The licensee sells participants consecutively numbered tickets. The participants select a number from a spot or square on a grid or from a list of numbers. The licensee then draws a number(s) that corresponds to the numbers on the grid or list to determine the winner(s).

[Statutory Authority: RCW 9.46.070 and 9.46.0209. WSR 13-19-056 (Order 692), § 230-11-055, filed 9/16/13, effective 10/17/13. Statutory Authority: RCW 9.46.070. WSR 06-20-040 (Order 602), § 230-11-055, filed 9/26/06, effective 1/1/08.]