



Notice of Permanent Rule Changes Related to Pull-tab Prize Limits.

This explanatory statement concerns the Washington State Gambling Commission's amendment of:

- WAC 230-14-080- Prize limits and percentage of winners required.
- WAC 230-14-085- Calculating markup for merchandise prizes.
- WAC 230-14-220- Prize limits for carry-over jackpot pull-tab series.
- WAC 230-14-090- Controlling prizes.

The Administrative Procedure Act ([RCW 34.05.325\(6\)](#)) requires agencies to complete a concise explanatory statement before filing amended rules with the Office of the Code Reviser. This statement must be provided to anyone who provided comments regarding the proposed rule-making.

Once persons who provided comments during this rulemaking have had an opportunity to receive this document, the Washington State Gambling Commission will file the amended rules with the Office of the Code Reviser. These changes will become effective on or after February 19, 2021.

The Washington State Gambling Commission appreciates your involvement in the rule-making process. If you have any questions, please contact Ashlie Laydon, Rules Coordinator, at ashlie.laydon@wsgc.wa.gov or (360) 486-3473.

What are the agency's reasons for amending these rules?

The Commissioners accepted a petition from the Washington Hospitality Association and initiated rule-making to increase single cash prize limits, merchandise prize limits, and carry-over jackpot limits. As part of this rule-making process, payout and cash reserve requirements as it pertains to pull-tab prize limits needed to be considered. The rule amendments do the following:

- Increase single cash prize limits from \$2,500 to \$5,000,
- Increase merchandise prize limits from \$2,500 to \$5,000,
- Increase carry-over jackpot prize limits from \$5,000 to \$10,000,
- Require operators to pay out a minimum of \$2,500 in cash for verified prizes and to pay out the remaining balance within 24 hours,
- Offer operators the option to pay out the remainder of the balance by check, and
- Require that operators have funds available to pay out all cash prizes offered.

These changes will compliment Senate Bill 6357, which was passed by the Legislature in 2020, which increased the single chance pull-tab price from \$1 to \$5.

Summary of all public comments received on this rule proposal and consideration of the comments. If we responded to comments, add our response and how the final rule reflects consideration of the comments or why it fails to do so.

Public Comment:

Tim Merrill, Maverick Gaming, expressed interest in increasing the top payout by five times to \$12,500 for a single prize and to \$25,000 for carry-over jackpots.

Response: Gambling Commission staff surveyed licensed pull-tab manufacturers and distributors and the prevailing belief is there is not a state or paper pull-tab market right now that carries prizes with these higher limits or near these limits. The market for the increase in this rule is uncertain, but is a better starting place than these higher limits. Looking at these higher limits is best once this new market is clearly established. Additionally, the original petitioner of this rule change was not supportive of these higher limits at this time.

If there are variances from the proposed rule and final adopted rule, state the reasons for the differences (RCW 34.05.325(6)(a)(ii)).

None.