

WAC 230-11-002 The definition of raffle as used in this chapter.

"Raffle" as used in this chapter means raffle as defined in RCW 9.46.0277 and enhanced raffle as defined in (~~section 1, chapter 310, Laws of 2013~~) RCW 9.46.0323.

ELECTRONIC RAFFLE SYSTEMS

NEW SECTION

WAC 230-11-300 Definitions. The following definitions apply to electronic raffles:

(1) "Electronic raffle" means a licensed raffle, as defined in RCW 9.46.0277, that uses an electronic raffle system for sales, accountability, and printing of tickets. Electronic raffles must only be conducted during a home game of a qualified sports team. The total prize amount must be one half (i.e., 50 percent) of the gross gambling receipts collected from the sale of raffle tickets. If deducting expenses prior to prize calculation, only actual, documented expenses up to \$2,000.00 may be deducted per raffle. Only electronic raffle licensees are authorized to conduct electronic raffles.

(2) "Home game" means a live sports event held in Washington state that is designated as a home game in an official schedule distributed by the league of a qualified sports team at a home game authorized location.

(3) "Home game authorized location" means a sports facility where spectators gather within an arena or stadium where the home game is being conducted and where a home game ticket is required for admission. This does not include ancillary areas, buildings, or facilities, such as parking areas or areas where a ticket is not required for entry.

(4) "Electronic raffle system" means the system that connects to and consists of servers located in the home game authorized location, associated network equipment, software, raffle sales units, raffle ticket printers, and related equipment used by an electronic raffle licensee to generate and account for the sale of raffle tickets.

(5) "Raffle sales unit" means a portable, remote hard-wired connected device, or an attendant operated station that is used as a point of sale for raffle ticket sales. Raffle sales units can only use a closed network with no access to the internet to conduct raffle ticket sales within the home game authorized location except for credit card transactions as authorized in WAC 230-11-310.

(6) "Manual draw" or "drawing" means the method used for the selection of a raffle ticket to determine the raffle winner. A manual draw requires the winning raffle ticket be hand-picked from the recep-

tacle that contains every raffle ticket sold and provides an equal chance for every ticket to be selected.

(7) "Raffle ticket" means a ticket generated by the electronic raffle system that is placed in a receptacle for the manual draw to determine the winner of the raffle prize.

(8) "Raffle ticket number" means the unique number recorded on every raffle ticket and raffle ticket receipt.

(9) "Raffle ticket receipt" means a printed receipt and record of entry into an electronic raffle provided to the participant which contains the raffle ticket number and a unique validation number and/or barcode information.

(10) "Unique validation number" or "barcode information" means a number or barcode generated by the electronic raffle system as a secondary means of verifying the raffle ticket is legitimate.

NEW SECTION

WAC 230-11-305 Electronic raffle system standards. (1) Electronic raffle system manufacturers must submit an application and deposit for our review as outlined in WAC 230-06-050 prior to electronic raffle systems being authorized for operation in this state.

(2) Under WAC 230-06-050, as part of the application process, the manufacturer must provide a letter from an independent testing laboratory licensed by us certifying that the electronic raffle system was tested and was found to be compliant with Gaming Laboratories International's GLI-31: Standards for Electronic Raffle Systems, and all laws and rules relating to electronic raffles prior to the electronic raffle system being brought into this state.

(3) The electronic raffle system will be tested for approval under WAC 230-06-050 at the home game authorized location. This will also apply to any changes made to the electronic raffle system after initial approval.

(4) An application and deposit under WAC 230-06-050, along with an updated letter from an independent testing laboratory certifying compliance, must be submitted to us prior to installing any changes to the electronic raffle system. Changes will be tested by us within five days of installation.

NEW SECTION

WAC 230-11-310 Electronic raffle system requirements. The electronic raffle system must be approved by us prior to operation and must:

(1) Operate on a secure network independent from the home game authorized location network. This network must be a closed network with no connection to outside components or systems. The only exceptions to the closed network include remote access as outlined in WAC 230-16-153, credit card transactions as authorized in WAC 230-06-035, and prize display communication to a screen(s) in the home game authorized location which will only occur during the live electronic raffle; and

(2) Ensure security for all communications and data to prevent unauthorized access and raffle information manipulation. These security measures should include, but are not limited to, current encryption standards for critical information, isolation from public networks, and use of firewalls; and

(3) Have a way to independently identify the software version and signature to verify the firmware or software operating on the electronic raffle system; and

(4) Not allow for raffle sales to be conducted via the internet; and

(5) Be located, stored, and secured at the home game authorized location to prevent unauthorized access at all times; and

(6) Be accessed only by the electronic raffle licensee and licensed manufacturer; and

(7) Be overseen and supervised by a qualified member or volunteer who can address technical problems before, during, and after the manual drawing and who can provide technical support for the networks and electronic raffle system; and

(8) Require each user to sign in using a unique identification or username and password that is not shared with other users and limit user access permissions to only those which are essential to perform their duties; and

(9) Log all user activity and communicate and log all significant events; and

(10) Save critical data should the following occur: System failure, power failure, or power interruption; and

(11) Have a method for verifying valid winning ticket; and

(12) Print all raffle tickets sold for a manual drawing. Automatic drawings, such as the use of a random number generator, are not authorized; and

(13) Print unique raffle ticket numbers. Numbers may not be duplicated; and

(14) Print one raffle number per ticket; and

(15) Print tickets of equal size and shape to give each ticket an equal opportunity to be drawn.

NEW SECTION

WAC 230-11-315 Access to home game authorized locations for electronic raffles. We must be allowed access to:

(1) Home game authorized location before, during, and after an electronic raffle; and

(2) Records; and

(3) Restricted areas controlled by the electronic raffle licensee.

CONDUCTING AN ELECTRONIC RAFFLE

NEW SECTION

WAC 230-11-320 Electronic raffle operating requirements. Electronic raffle licensees must:

(1) Ensure the electronic raffle system and all other equipment used to conduct the raffle is functioning properly and fully operational by testing it using the form, prescribed by us, prior to each electronic raffle. If issues are identified, electronic raffle licensees must notify the licensed gambling manager immediately. If the issues cannot be resolved, the licensee must not conduct the electronic raffle; and

(2) Ensure that if any of the components of the electronic raffle system, such as the raffle sales unit, printers, or associated network, fail to function properly prior to or during the sale of any raffle ticket, they must notify us within 24 hours; and

(3) Hold only one raffle per home game; and

(4) Ensure that prior to the sale of raffle tickets, all members or volunteers assisting in operating the electronic raffle and equipment are trained to operate any equipment necessary to carry out their assigned duties and are fully informed of all pertinent laws and rules associated with electronic raffles; and

(5) Ensure a sufficient number of trained personnel are present to fulfill at least the following duties such as raffle ticket sales, count and reconciliation, manual draw, and electronic raffle system management; and

(6) Ensure the time during which the raffle tickets will be sold for each electronic raffle are established and posted; and

(7) Provide members and volunteers sufficient time to ensure that all sales reconciliation and eligible raffle ticket verification can be completed prior to the manual draw; and

(8) Not sell raffle tickets earlier than when spectators are allowed entry; and

(9) Not print raffle tickets before they are sold; and

(10) Ensure all ticket sales are final; and

(11) Not change ticket prices after the first ticket is sold; and

(12) Sell raffle tickets using a raffle sales unit operated by authorized ticket sellers; and

(13) Reconcile cash to raffle ticket transactions in a secure location within the home game authorized location; and

(14) Determine gross gambling receipts and the prize amount and announce to the public the prize amount prior to the drawing; and

(15) Have at least one qualified member or volunteer overseeing the raffle ticket printers at all times who can address any technical problems; and

(16) Ensure the manual drawing is completed before the end of the home game; and

(17) Have a member or volunteer of the electronic raffle licensee draw the winning raffle ticket with the licensed gambling manager present; and

(18) Video record the entire manual draw process and retain the recording with the required records.

NEW SECTION

WAC 230-11-325 Internal controls for electronic raffles. Electronic raffle licensees must:

(1) Submit internal controls to us in the format we require for review and approval; and

(2) Follow internal controls at all times; and

(3) Make internal controls available to all members and volunteers for their individual functions; and

(4) Ensure that all members and volunteers follow internal controls.

NEW SECTION

WAC 230-11-330 Supervision of electronic raffles. (1) Electronic raffle licensees must designate one or more licensed gambling managers to oversee each electronic raffle.

(2) At least one licensed gambling manager must be on-site during the operation of the electronic raffle and observe the manual drawing.

(3) Only members or volunteers who are supervised by a licensed gambling manager can restart a raffle sales unit or otherwise adjust any associated network equipment for any reason.

NEW SECTION

WAC 230-11-335 Wearing nametags. Anyone participating in the management or operation of an electronic raffle must wear a nametag. The nametag must:

(1) Be provided by the electronic raffle licensee; and

(2) Display at least the person's first name; and

(3) Display the electronic raffle licensee's name; and

(4) Be clear and visible.

NEW SECTION

WAC 230-11-340 Provide rules to electronic raffle participants. Electronic raffle licensees must post rules at stationary point of sales locations and on their website. In addition, rules must be made

available from ticket sellers. Raffle rules must include at least the following:

- (1) The cost of each ticket including discount levels; and
- (2) Prize calculation including whether expenses are deducted from the prize calculation; and
- (3) Time the ticket sales will begin and end; and
- (4) Time of the drawing; and
- (5) Disclosure stating the participant is not required to be present to win the prize; and
- (6) Details of where the winning ticket number will be displayed on the licensee's website; and
- (7) Information about how to claim the electronic raffle prize and any restrictions including the time limit to claim the prize; and
- (8) Name of the electronic raffle licensee conducting the raffle; and
- (9) The statement, "If you or someone you know has a gambling problem, call the Washington State Problem Gambling Helpline at 1-800-547-6133 for confidential help 24 hours a day."; and
- (10) Any additional information we request.

NEW SECTION

WAC 230-11-345 Electronic raffle prize payout requirements.

Electronic raffle licensees must comply with the following prize payout requirements:

- (1) Post and announce the winning raffle ticket at the home game authorized location; and
- (2) Ensure only actual expenses up to a maximum of \$2,000.00 are deducted from prize payouts. Actual expenses:
 - (a) Include equipment costs and supplies; and
 - (b) Must be documented in the format we require; and
- (3) Require the winner to present the raffle ticket receipt for verification; and
- (4) Ensure the winning raffle ticket number matches the raffle ticket receipt; and
- (5) Verify the winning raffle ticket was not voided; and
- (6) Post the winning raffle ticket number on the electronic raffle licensee's website within 48 hours of the drawing and for the duration of the redemption period or until the prize is paid, whichever occurs first; and
- (7) Verify and record the winner's identity and record the prize amount in the format we prescribe; and
- (8) Pay prizes within 24 hours after notification and verification of the winning raffle ticket; and
- (9) If the winner does not claim the prize at the home game, the licensee must allow a minimum of 30 days from the date of the drawing for winners to claim prizes. Prizes not claimed within the disclosed time period will become the licensee's proceeds.

NEW SECTION

WAC 230-11-350 Raffle drawing postponement. If for any unforeseen reason (e.g., weather delay, power outage, or other reasonably unforeseen event) the electronic raffle is not completed on the day of the home game at which the raffle tickets are sold, the manual drawing of the winning raffle ticket must be completed the first business day when normal business operations resume. No additional raffle tickets may be sold after the unforeseen event occurs, only the manual draw may take place. Notice of the winning raffle ticket number must be posted on the electronic raffle licensee's website.

NEW SECTION

WAC 230-11-355 Joint raffles prohibited. Electronic raffle licensees are not permitted to conduct joint raffles as outlined in WAC 230-11-012.

ELECTRONIC RAFFLE TICKET REQUIREMENTS

NEW SECTION

WAC 230-11-360 Raffle ticket requirements. Raffle tickets must include the following information:

- (1) Name of the electronic raffle licensee; and
- (2) Raffle ticket number; and
- (3) Unique validation number or barcode information; and
- (4) Purchase date and time (in 24 hour format showing hours and minutes).

NEW SECTION

WAC 230-11-365 Raffle ticket receipt requirements. Raffle ticket receipts must include the following information:

- (1) Name and contact information of the electronic raffle licensee; and
- (2) Raffle ticket number(s); and
- (3) Unique validation number or barcode information; and
- (4) Raffle sales unit identifier; and
- (5) Date and time issued; and
- (6) Total cost and quantity; and

- (7) Website where the electronic raffle rules are available and winning raffle ticket number will be posted; and
- (8) The statement, "Ticket holders need not be present to win."; and
- (9) Date the prize must be claimed by.

SELLING ELECTRONIC RAFFLE TICKETS

NEW SECTION

WAC 230-11-370 Authorized ticket sellers. (1) Only members of the electronic raffle licensee and volunteers under the supervision of a member, who are least 18 years old, may sell raffle tickets.

(2) Electronic raffle licensees must not pay members or volunteers for selling tickets or managing or operating the electronic raffle unless the person is a full-time or part-time employee of the electronic raffle licensee with duties other than selling electronic raffle tickets or managing or operating electronic raffles.

(3) Electronic raffle licensees may provide members or volunteers with noncash incentives for selling tickets if the licensee:

(a) Bases the incentives on the number of raffle tickets sold; and

(b) Gives incentives that do not exceed five percent of the gross gambling receipts of the raffle; and

(c) Maintains a record of the name, address, and telephone number of each person and a description of each incentive they receive. This record should be made available upon our request.

NEW SECTION

WAC 230-11-375 Restrictions on ticket sales. (1) Electronic raffle licensees must sell tickets for the electronic raffle for the same price unless offering an authorized discount plan; and

(2) Electronic raffle licensees must not:

(a) Sell tickets via the internet; and

(b) Sell tickets outside of the home game authorized location; and

(c) Require anyone to purchase more than one raffle ticket; and

(d) Give away raffle tickets; and

(e) Allow members or volunteers to purchase raffle tickets for the event they work.

NEW SECTION

WAC 230-11-380 Selling tickets at a discount. Electronic raffle licensees may sell raffle tickets at a discount if they:

- (1) Use discount levels identified in internal controls; and
- (2) Do not change the discount levels during the electronic raffle; and
- (3) Offer only discount levels based on the number of tickets sold. Promotional discounts based on other criteria are not allowed; and
- (4) Use up to no more than four discount levels for each electronic raffle; and
- (5) Account for and document the number of raffle tickets sold at each price point and discount level.

RECORDKEEPING REQUIREMENTS FOR ELECTRONIC RAFFLES

NEW SECTION

WAC 230-11-385 Recordkeeping requirements for electronic raffles. (1) Electronic raffle licensees must complete records, in the format we prescribe, for each raffle within 72 hours after each drawing; and

- (2) Licensees must record all data in ink, on storage media, or in other permanent form; and
- (3) Print, or back up in a permanent form, all the original sales data supporting the raffle drawing; and
- (4) Separately maintain the drawing's printed raffle tickets for a minimum of 30 days or until the prize is awarded, whichever is greater; and
- (5) Keep all winning tickets; and
- (6) Keep the video recording of each drawing; and
- (7) Keep the test form we prescribe for each electronic raffle; and
- (8) Keep any and all electronic raffle system reports listed in GLI-31; and
- (9) Retain all invoices or receipts for raffles prizes and expenses.

NEW SECTION

WAC 230-11-390 Electronic raffle—Monthly records. Electronic raffle licensees must maintain accounting records as required in WAC

230-07-130. In addition, electronic raffle licensees must keep a set of permanent monthly records of electronic raffle activity to include at least:

- (1) The drawing date; and
- (2) Gross receipts; and
- (3) Prizes paid; and
- (4) Net income; and
- (5) Documentation of expenses; and
- (6) Documentation of how the proceeds were used; and
- (7) Cash over/short.

NEW SECTION

WAC 230-11-395 Keeping and making records available. Electronic raffle licensees must:

- (1) Keep required, completed records from electronic raffles for at least three years from the end of the license year for which the records were completed; and
- (2) Retain records at the main administrative or business office of the electronic raffle licensee located in Washington state and have the records available for our review or audit.