



Concise Explanatory Statement

Notice of Permanent Rule Changes Related to Raffle Prizes

This explanatory statement concerns the Washington State Gambling Commission's amendments to:

- WAC 230-11-065 Raffle prizes
- WAC 230-11-075 Limit number of guests for members-only raffles
- WAC 230-11-086 Discounted pricing plans for tickets to members-only raffles
- WAC 230-11-087 Other pricing plans for members-only raffles
- WAC 230-11-105 Retain and store raffle records
- WAC 230-11-085 Modified and discounted pricing plans for tickets for members-only raffles
- WAC 230-11-067 Requesting commission approval prior to offering raffle prizes exceeding \$40,000 per prize or \$300,000 in a license year

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 sent to anyone who provided comments about the proposed rulemaking.

Once persons who gave comment during this rule-making process 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 April 25, 2024.

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

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

Nonprofit organizations in Washington expressed support for multiple amendments to rules related to raffles. For example, the petitioners proposed increasing the maximum caps on the price of members-only raffle tickets, increasing the number of allowable guests at a members-only raffle from 25 to 50 percent, and raising the threshold for seeking commission approval for a raffle based on the value of a single prize or prizes in a license year. The petitioners believed these changes were necessary to keep up with inflation. Additionally, the petitioners sought to ease the burden of retaining a high volume of records. After considering public comments from interested organizations and discussing the rates of inflation, the gambling commission approved the following changes:

- Increasing the threshold that triggers submission of a raffle plan and commission approval prior to offering raffle prizes that exceed \$60,000 for a single prize or \$400,000 in cumulative prizes in a license year (WAC 230-11-065 and WAC 230-11-067).
- Requiring licensees that offer raffle prizes that exceed \$60,000 for a single prize or \$400,000 in cumulative prizes in a license year to award at least 50 percent of the net

proceeds less expenses as a grand prize if ticket sales fall below the predetermined number of ticket sales disclosed in the raffle plan (WAC 230-11-067).

- Increase the number of guests for members-only raffles (WAC 230-11-075)
- Clarifying WAC 230-11-085 to focus on modified pricing plans, such as a penny raffle.
- Offering discounted packages (WAC 230-11-086) and other pricing plans for members-only raffles (WAC 230-11-087) if every potential participant is also able to purchase an individual raffle ticket outside of discounted packages and other pricing plans.
- Allowing for destruction or disposal after one year of unsold tickets and certain ticket stubs (WAC 230-11-105).

The Rule Development Process

This rule package was originally proposed as several different rule proposals on the behalf of Rocky Mountain Elk Foundation, Nonprofit Association of Washington, Congressional Sportsmen’s Foundation, Ducks Unlimited, and Coastal Conservation association. Staff condensed the proposed rules into one rules package for presentation at the September 14, 2023, Commission meeting where Commissioners approved initial rulemaking. Staff filed the CR-101 with the code reviser on September 20, 2023. It was a topic for discussion at the November 16, 2023, Commission meeting. It was again a topic of discussion at the January 11, 2024, Commission meeting where Commissioners approved filing the proposed rule changes. The CR-102 reflecting the proposed rule changes was filed with the code reviser the next day on January 12, 2024. The rule-making hearing on the proposed rule was held at the special Commission meeting on March 14, 2024, where the Commission allowed an opportunity for additional public comment and gave final approval to the proposed rule changes. As is its practice, the Commission also welcomed public comments via email and through a webform on the Commission’s website.

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)).

There is one variance from the proposed rules filed with the CR-102 and the final adopted rules. WAC 230-11-065(3)(c) was originally filed with a typographical error stating \$300,000 as the threshold for total raffle prizes in a year. The adopted version corrects the amount to \$400,000 as debated, discussed, and adopted by the Gambling Commission at the January and March 2024 Commission meetings. The final corrected version of WAC 230-11-065(3)(c) states “for licensees, not exceed \$60,000 per prize or \$400,000 in total raffle prizes in a license year, except as authorized in WAC 230-11-067.”

Summary of all public comments received on this rule proposal. The summaries below are from stakeholders who have commented either at Commission Meetings, stakeholder meetings, or via email. Please note, the spelling of these names have not been verified.

September 14, 2023 Commission Meeting

Nello Picinich (Coastal Conservation Association) spoke at the September 2023 Commission Meeting to express his support for the proposed raffle rule changes. Mr. Picinich also expressed his appreciation to the Commission for progressing the rules.

Laura Pierce (Nonprofit Association of Washing) also spoke at the September 2023 Commission meeting. Ms. Pierce also expressed support for the proposed rule changes, particularly the rules aimed at keeping up with inflation and removing burdensome record storage requirements.

December 20, 2023 Letter

Kim Pope (Boys & Girls Club of the Columbia Basin) and Alex Baier (Rocky Mountain Elk Foundation) wrote to clarify that their reason for supporting increases in prize thresholds was to keep up with the rate of inflation. They expressed additional concern that the rules as currently written were causing nonprofit organizations to limit their fundraising efforts to avoid approaching the existing monetary thresholds and the requirement to come before the Commission to present their raffle plan.

March 6, 2024 E-mail

Ron Vessey, Vice President of Outdoors for Our Heroes, wrote to strongly support the proposed changes to the raffle rules. Mr. Vessey believes the rule changes enables Outdoors for Our Heroes to reduce costs and commit more resources to their community of disabled veterans.

March 11, 2024 E-mail

Matt Little, Director of Ducks Unlimited Public Policy Western Region, wrote on behalf of fourteen nonprofit organizations to express support of the Commission’s proposed amendments to the raffle rules. Mr. Little stated the proposed rule changes will allow nonprofit organizations to raise more revenue for their charitable missions throughout Washington. The fourteen organizations are Coastal Conservation Association, Delta Waterfowl, Ducks Unlimited, Elizabeth Gregory Home, Girl Scouts of Eastern WA, Iwamoto Go Outreach Foundation, Nonprofit Association of Washington, Northeast Washington Wildlife Group, Rocky Mountain Elk Foundation, Seattle Go Center, Teddy Roosevelt Conservation Partnership, The Mountaineers, Washington Initiative for Boys & Men, and Washington State High School Clay Target League.

WSGC Response:

The Gambling Commission acknowledges the above comments and appreciates the support for the rule changes. The Commission believes these rule changes will improve nonprofit organizations ability to fundraise using raffles while reducing record keeping requirements and ensuring prize thresholds are adjusted with inflation.