

PENDING FEE RULES

COMMITTEE RULES

REVIEW BOOK

Submitted for Review Before
Senate State Affairs Committee
66th Idaho Legislature
Second Regular Session – 2022



Prepared by:

*Office of the Administrative Rules Coordinator
Division of Financial Management*

January 2022



State of Idaho
DIVISION OF FINANCIAL MANAGEMENT
Executive Office of the Governor

BRAD LITTLE
Governor

ALEX J. ADAMS
Administrator

January 10, 2022

MEMORANDUM

TO: Members of the 2022 Idaho State Legislature

FROM: Alex J. Adams, Administrator *Alex J. Adams*
Bradley A. Hunt, Rules Coordinator *Bradley A. Hunt*

SUBJECT: Overview of Executive Agency Rulemaking in 2021

Background. Governor Little maintains and continues to stress the importance of an efficiently functioning government along with ensuring continuity of the services citizens expect and implemented through executive administrative rules. Nearly all rules published in the Legislative Rules Review books are simply re-published because the 2021 Legislature adjourned *sine die* without passing a concurrent resolution approving any pending fee rules as specified in Section 67-5224, Idaho Code, as well as not extending any effective rule on July 1 by statute as outlined in Section 67-5292, Idaho Code. The necessary rules were re-published in the following special bulletins:

- [July 21](#) – Temporary Rules
- [October 20](#) – Proposed Rules
- [December 22](#) – Pending Rules

Changes in Existing Rules. Since the vast majority of rules either expired or were not approved, there is no existing rule available to amend. Therefore, only a clean version of the rule chapter is able to be presented to the Legislature in January 2022. In some cases, rules were modified based on public comment, or to implement Executive Order [2020-01](#), Zero-Based Regulation (ZBR), among other reasons. Given the unprecedented volume, edits are incorporated within a single omnibus docket, or in the case of ZBR rulemaking a standalone docket, and presented as a clean rule chapter. There are several ways that legislators may view previous rules for comparison purposes:

- An [archive of any rule](#) since 1996 is available on the DFM website. This allows legislators to see the evolution of a rule over time.
- The Legislative Services Office analyzes all proposed rules. You can find their analysis of proposed rules which, in some cases, may discuss changes between previous rules and the proposed rules. These may be found on the [Legislature's website](#).
- Changes made between the proposed and pending rule stages for omnibus rulemaking were noted in the [December 22](#) bulletin where applicable.

Process for Approving Rules. Below, you will find a brief description on legislative actions and outcomes regarding the rules review process and contents of the Legislative Rules Review Books:

- Pending Fee Rules must be affirmatively approved by both bodies via adoption of concurrent resolution to become final.
- Pending Rules become final and effective *sine die* unless rejected, in whole or in part, via concurrent resolution adopted by both bodies.
 - Pending rules may be approved, in whole or in part, or rejected if determined to be inconsistent with legislative intent of the governing statute.
 - If rejected, new or amended language must be identified at a numerical or alphabetical designation within the rule and specified in the concurrent resolution.
- A link to LSO's proposed rule analysis is provided at the beginning of each docket and includes any required supporting documentation (e.g. Cost Benefit Analysis (CBA), Incorporation By Reference Synopsis (IBRS)) as part of the analysis.
- All 2022 review books can be accessed on the DFM website [here](#).

Contact Information. If questions arise during the rules review process, please do not hesitate to contact the Rules Coordinator, Brad Hunt: Brad.Hunt@dfm.idaho.gov; 208-854-3096.

SENATE STATE AFFAIRS COMMITTEE

ADMINISTRATIVE RULES REVIEW

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IDAPA 11 – IDAHO STATE POLICE RACING COMMISSION

DOCKET NO. 11-0400-2100F

NOTICE OF OMNIBUS RULEMAKING – ADOPTION OF PENDING FEE RULE

[LINK: LSO Rules Analysis Memo and Cost/Benefit Analysis \(CBA\)](#)

EFFECTIVE DATE: This rule has been adopted by the agency and is now pending review by the 2022 Idaho State Legislature for final approval. Pursuant to Section 67-5224(5)(c), Idaho Code, this pending rule will not become final and effective until it has been approved by concurrent resolution of the legislature because of the fee being imposed or increased through this rulemaking. The pending fee rule becomes final and effective upon adoption of the concurrent resolution or upon the date specified in the concurrent resolution unless the rule is rejected.

AUTHORITY: In compliance with Section 67-5224, Idaho Code, notice is hereby given that this agency has adopted a pending fee rule. The action is authorized pursuant to Sections 54-2506, 54-2507, 54-2508, 54-2509, 54-2512, 54-2513, and 54-2514, Idaho Code.

DESCRIPTIVE SUMMARY: The following is a concise explanatory statement of the reasons for adopting the pending fee rule and a statement of any change between the text of the proposed rule and the text of the pending fee rule with an explanation of the reasons for the change.

This pending fee rule adopts and publishes the following rule chapters previously submitted to and reviewed by the Idaho Legislature under IDAPA 11.04, rules of the Idaho State Police, Idaho State Racing Commission:

IDAPA 11.04

- 11.04.02, *Rules Governing Simulcasting*;
- 11.04.03, *Rules Governing Licensing and Fees*;
- 11.04.05, *Rules Governing Advanced Deposit Wagering*;
- 11.04.07, *Rules Governing Racing Associations*;
- 11.04.11, *Rules Governing Equine Veterinary Practices, Permitted Medications, Banned Substances and Drug Testing of Horses*; and
- 11.04.15, *Rules Governing Controlled Substance and Alcohol Testing of Licensees, Employees, and Applicants*.

There are no changes to the pending fee rule and it is being adopted as originally proposed. The complete text of the proposed rulemaking was published in the October 20, 2021, Special Edition of the Idaho Administrative Bulletin, Vol. 21-10SE, pages 965-1020.

FEE SUMMARY: The following identifies the fee(s) or charge(s) imposed or increased through this rulemaking:

This rulemaking does not impose a new fee or charge, or increase an existing fee or charge, beyond what has been previously submitted for review in the prior rules.

The following is a specific description of the fees or charges:	
11.04.02, <i>Rules Governing Simulcasting</i>	
11.04.02.015.03	- Daily Simulcast License Fee
11.04.02.015.03.a.	- Daily Simulcast License Fee
11.04.02.015.03.b.	- Daily Simulcast License Fee
11.04.02.015.03.c.	- Daily Simulcast License Fee
11.04.03, <i>Rules Governing Licensing and Fees</i>	
11.04.03.050.01	- Applicant License (fingerprint fee)

The following is a specific description of the fees or charges:	
11.04.03.050.03	- Applicant License (fingerprint fee)
11.04.03.095	- Applicant License Add-on Fees
11.04.03.095.01	- Applicant License Add-on Fees
11.04.03.095.02	- Applicant License Add-on Fees
11.04.03.330.05	- Supplemental Hair Testing Fee
11.04.03.600	- General Licensing Fee Schedule
<i>11.04.05, Rules Governing Advanced Deposit Wagering</i>	
11.04.05.010.19	- Source Market Fee Definition
11.04.05.060	- Source Market Fee
<i>11.04.07, Rules Governing Racing Associations</i>	
11.04.07.110	- Racing Association License Fees
<i>11.04.11, Rules Governing Equine Veterinary Practices, Permitted Medications, Banned Substances and Drug Testing of Horses</i>	
11.04.11.160.03	- Shipping and Testing Fees For Split Samples
<i>11.04.15, Rules Governing Controlled Substance and Alcohol Testing of Licensees, Employees, and Applicants</i>	
11.04.15.150.02	- Costs Associated With Retesting of the Sample
11.04.15.300	- Alcohol/Drug Testing Expense

The fees or charges are being imposed pursuant to Sections 54-2506, 54-2508, 54-2512, and 54-2515 Idaho Code.

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year: This rulemaking is not anticipated to have any fiscal impact on the state general fund because the FY2022 budget has already been set by the Legislature, and approved by the Governor, anticipating the existence of the rules and fees being reauthorized by this rulemaking.

ASSISTANCE ON TECHNICAL QUESTIONS: For assistance on technical questions concerning this pending fee rule, contact ardie.noyes@isp.idaho.gov.

Dated this 22nd day of December, 2021.

Lt. Colonel Bill Gardiner
Chief of Staff
Idaho State Police
700 S. Stratford Dr.
Meridian, Idaho 83642
(208) 884-7004
Bill.Gardiner@isp.idaho.gov

THE FOLLOWING NOTICE PUBLISHED WITH THE OMNIBUS PROPOSED RULE

AUTHORITY: In compliance with Sections 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Sections 54-2506, 54-2507, 54-2508, 54-2509, 54-2512, 54-2513, and 54-2514, Idaho Code.

PUBLIC HEARING SCHEDULE: Oral comment concerning this rulemaking will be scheduled in accordance with Section 67-5222, Idaho Code.

DESCRIPTIVE SUMMARY: The following is the required finding and concise statement of the purpose of the proposed rulemaking:

This proposed rulemaking publishes the following rule chapters previously submitted to and reviewed by the Idaho Legislature under IDAPA 11.04, rules of the Idaho State Police, Idaho State Racing Commission:

IDAPA 11.04

- 11.04.02, *Rules Governing Simulcasting;*
- 11.04.03, *Rules Governing Licensing and Fees;*
- 11.04.05, *Rules Governing Advanced Deposit Wagering;*
- 11.04.07, *Rules Governing Racing Associations;*
- 11.04.11, *Rules Governing Equine Veterinary Practices, Permitted Medications, Banned Substances and Drug Testing of Horses;* and
- 11.04.15, *Rules Governing Controlled Substance and Alcohol Testing of Licensees, Employees, and Applicants.*

FEE SUMMARY: This rulemaking does not impose a fee or charge, or increase a fee or charge, beyond what was previously submitted to and reviewed by the Idaho Legislature in the prior rules. The following is a specific description of the fees or charges by section or subsection, as authorized in Sections 54-2506, 54-2508, 54-2512, and 54-2515, Idaho Code:

The following is a specific description of the fees or charges:	
<i>11.04.02, Rules Governing Simulcasting</i>	
11.04.02.015.03	- Daily Simulcast License Fee
11.04.02.015.03.a.	- Daily Simulcast License Fee
11.04.02.015.03.b.	- Daily Simulcast License Fee
11.04.02.015.03.c.	- Daily Simulcast License Fee
<i>11.04.03, Rules Governing Licensing and Fees</i>	
11.04.03.050.01	- Applicant License (fingerprint fee)
11.04.03.050.03	- Applicant License (fingerprint fee)
11.04.03.095	- Applicant License Add-on Fees
11.04.03.095.01	- Applicant License Add-on Fees
11.04.03.095.02	- Applicant License Add-on Fees
11.04.03.330.05	- Supplemental Hair Testing Fee

The following is a specific description of the fees or charges:	
11.04.03.600	- General Licensing Fee Schedule
11.04.05, <i>Rules Governing Advanced Deposit Wagering</i>	
11.04.05.010.19	- Source Market Fee Definition
11.04.05.060	- Source Market Fee
11.04.07, <i>Rules Governing Racing Associations</i>	
11.04.07.110	- Racing Association License Fees
11.04.11, <i>Rules Governing Equine Veterinary Practices, Permitted Medications, Banned Substances and Drug Testing of Horses</i>	
11.04.11.160.03	- Shipping and Testing Fees For Split Samples
11.04.15, <i>Rules Governing Controlled Substance and Alcohol Testing of Licensees, Employees, and Applicants</i>	
11.04.15.150.02	- Costs Associated With Retesting of the Sample
11.04.15.300	- Alcohol/Drug Testing Expense

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year: This rulemaking is not anticipated to have any fiscal impact on the state general fund because the FY2022 budget has already been set by the Legislature, and approved by the Governor, anticipating the existence of the rules and fees being reauthorized by this rulemaking.

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(2), Idaho Code, negotiated rulemaking was not feasible because engaging in negotiated rulemaking for all previously existing rules will inhibit the agency from carrying out its ability to serve the citizens of Idaho and to protect their health, safety, and welfare.

INCORPORATION BY REFERENCE: Pursuant to Section 67-5229(2)(a), Idaho Code, incorporated material may be obtained or electronically accessed as provided in the text of the proposed rules attached hereto.

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Ardie Noyes at phone 208-884-7080, fax 208-884-7098, or email ardie.noyes@isp.idaho.gov.

Anyone may submit written comments regarding the proposed rulemaking. All written comments must be directed to the undersigned and must be delivered within twenty-one (21) days after publication of this Notice in the Idaho Administrative Bulletin. Oral presentation of comments may be requested pursuant to Section 67-5222(2), Idaho Code, and must be delivered to the undersigned within fourteen (14) days of the date of publication of this Notice in the Idaho Administrative Bulletin.

DATED this October 20, 2021.

THE FOLLOWING IS THE TEXT OF OMNIBUS PENDING FEE DOCKET NO. 11-0400-2100F

**IDAPA 11 – IDAHO STATE POLICE
RACING COMMISSION**

11.04.02 – RULES GOVERNING SIMULCASTING

000. LEGAL AUTHORITY.

This chapter is adopted pursuant to the legal authority of Title 54, Chapter 25, Idaho Code. ()

001. SCOPE.

These rules regulate simulcasting within Idaho and all aspects of simulcasting. ()

002. -- 009. (RESERVED)

010. DEFINITIONS.

In addition to the definitions in Title 54, Chapter 25, Idaho Code, the following apply: ()

01. Authorized User. A person authorized by the Racing Commission to receive, decode, and use for legal purposes the encrypted simulcast signal of pari-mutuel events. ()

02. Breakage. The odd cents rounded down to the lowest multiple of ten cents (\$.10) in a positive pool and down to the lowest multiple of five cents (\$.05) in a minus pool. ()

03. Downlink. A receiving antenna coupled with an audio-visual signal receiver that is compatible with and capable of receiving simultaneous audio-visual signals or data emanating from a host association. This includes the electronic transfer of received signals from the receiving antenna to TV monitors within the satellite facility. ()

04. Enclosure, Enclosure-Public. Includes all enclosed areas of the simulcast wagering facility. ()

05. Encryption. The scrambling or other manipulation of the audio-visual signals to mask the original content of the signal and so cause such signals to be indecipherable and unrecognizable to any person receiving such signal. ()

06. Guest, Guest Association or Simulcast Operator. A simulcast licensee authorized by the Racing Commission to offer, sell, cash, redeem or exchange pari-mutuel tickets on races being run at a host association. ()

07. Handle or Gross Handle. Total amount of money wagered on a race less refunds and cancels. ()

08. Horse. Includes filly, mare, colt, horse or gelding in general; when referring to sex, filly becomes a mare when five (5) years old; a horse is an intact male when five (5) years old or older. ()

09. Host or Host Association. The racing association conducting a licensed horse racing meeting when it is authorized by the Racing Commission to simulcast its racing program. It may also be considered the sending track which means any track from which simulcast signals originate. ()

10. Hub. A facility that acts as an intermediary between pari-mutuel wagering facilities for the transmission of wagering data and that is responsible for generating all reports necessary for the reconciliation of payments. ()

11. Intrastate Simulcasting Wagering. Pari-mutuel wagering at an Idaho guest association on Idaho horse racing events run at an Idaho host association. ()

12. Racing Association. Any person licensed by the Racing Commission to conduct a race meet and pari-mutuel wagering. ()

13. Simulcast Facility. The physical premises, structure and equipment utilized by a guest or host association for conducting pari-mutuel wagering on horse racing events and permitted pari-mutuel events. Such facility must be a part of the license granted to the guest or host association. ()

14. Simulcast Service Supplier. ()

a. A person engaged in providing service, supplies or equipment necessary to the operation of intrastate, interstate or out-of-state simulcast wagering for use by a host association, guest association, simulcast operator, or authorized user, including pari-mutuel wagering terminals, uplink, downlink, television receivers and related equipment. ()

b. It does not include persons authorized by the Federal Communications Commission to provide telephone service or space segment time on satellite transponders. ()

15. Satellite Transponder, Transponder. Leased space segment time of an earth-orbit communication satellite. ()

16. Take or Takeout. Money deducted from mutuel pools that is shared by the track and local and state governing bodies in the form of a tax. ()

17. Terminal. The device connected to the pari-mutuel system used to place wagers. ()

18. Totalizator. A computer that, directly or indirectly through one (1) or more other totalizators, receives pari-mutuel wagering information, calculates pay-offs for winning tickets and generates reports with respect to such information, and may refer to the linked computers of the hub and the track. ()

19. Uplink. An earth station broadcasting facility, whether mobile or fixed, which is used to transmit audio-visual signals or data on Federal Communication Commission-controlled frequencies, and includes any electronic transfer of the audio-visual signals from within the racing enclosure to the location of the transmitter at the uplink. ()

011. -- 014. (RESERVED)

015. REQUIREMENTS FOR LICENSURE OF A SIMULCAST FACILITY.

01. General. Any racing association or simulcast operator authorized under these rules to conduct pari-mutuel wagering who desires to display the simulcast of pari-mutuel events on which pari-mutuel betting will be permitted, in the manner and subject to the conditions provided for under these rules, may apply to the Racing Commission for a license. ()

02. Application for License. The application for a license must be in such form as may be prescribed by the Racing Commission and contain such information or other material or evidence as the Racing Commission may require. ()

03. Daily Simulcast License Fee. The fee for such license is based upon the weekly handle. ()

a. If the handle is greater than thirty thousand dollars (\$30,000), the fee will be one hundred dollars (\$100) per day of simulcast operation payable by the licensee to the Racing Commission. Seventy-five dollars (\$75) of this fee will be paid to the Idaho State Racing Commission and twenty-five (\$25) will be deposited in the Public School Income Fund. ()

b. If the weekly handle is at least fifteen thousand dollars (\$15,000), but less than thirty thousand dollars (\$30,000), the fee will be fifty dollars (\$50) per day of simulcast operation payable by the licensee to the Racing Commission. Twenty-five dollars (\$25) of this fee will be deposited in the Public School Income Fund and twenty-five dollars (\$25) will be paid to the Idaho State Racing Commission. ()

c. If the weekly handle is less than fifteen thousand dollars (\$15,000), the fee will be twenty-five dollars (\$25) which will be deposited in the Public School Income Fund. ()

04. Review and Approve. Before the Racing Commission grants such license, it will review and

approve a plan of operation submitted with a license application including, but not limited to, the following information: ()

- a.** A feasibility study denoting the revenue earnings expected from the simulcast facility and the costs expected to operate such a facility. The feasibility study includes: ()
 - i.** The number of simulcast races to be displayed; ()
 - ii.** The types of wagering to be offered; ()
 - iii.** The level of attendance expected and the area from which such attendance will be drawn; ()
 - iv.** The level of anticipated wagering activity; ()
 - v.** The source and amount of revenues expected from other than pari-mutuel wagering; ()
 - vi.** The cost of operating the simulcast facility and the identification of costs to be amortized and the method of amortization of such costs; and ()
 - vii.** The probable impact of the proposed operation on revenues to local government. ()
- b.** The security measures to be employed to protect the facility, to control crowds, to safeguard the transmission of wagering data to effectuate common wagering pools. ()
- c.** The type of data processing, communication and transmission equipment to be utilized. ()
- d.** The description of the management groups responsible for the operation of the simulcast facility. ()
- e.** The system of accounts to maintain a separate record of revenues collected by the simulcast facility, the distribution of such revenues and the accounting of costs relative to the simulcast operation. ()
- f.** The location of the facility and a written confirmation from appropriate local officials that the location of such facility and the number of patrons expected to occupy such facility are in compliance with all applicable local ordinances, along with approval by appropriate county or city officials. ()

016. CRITERIA FOR APPROVAL OF APPLICATION FOR SIMULCAST OPERATOR.

The Racing Commission uses the following decisional criteria in the approval or disapproval of an application for simulcast operator. ()

- 01. General Benefit to the State.** The operator's general benefit to the state of Idaho. ()
- 02. General Benefit to Horse Racing Industry.** The operator's general benefit to the state of Idaho's horse racing industry. ()
- 03. Operator's Integrity.** The operator's integrity, including: ()
 - a.** Individual and corporate conduct; ()
 - b.** Criminal history; and ()
 - c.** Betting and gaming industry conduct. ()
- 04. Operator's Credibility.** The operator's credibility, including: ()
 - a.** Accuracy of a feasibility study; and ()

- b. Experience and expertise of the operator in the simulcast industry. ()
- 05. **Financial Stability.** The operator's financial stability. ()

017. -- 025. (RESERVED)

026. HOST ASSOCIATION.

01. Contract. Subject to Racing Commission approval of a simulcast contract, a host association licensed by the Racing Commission may simulcast its horse races to intrastate, interstate and out-of-state authorized users for the purpose of pari-mutuel wagering. ()

02. Content. A racing association is responsible for the content of its simulcast and needs to use all reasonable effort to present a simulcast that offers the viewers an exemplary depiction of its racing program, a periodic display of wagering information, and continuity programming between horse racing events. ()

03. Video. Unless otherwise permitted by the Racing Commission, every simulcast needs to contain in its video content a digital display of the actual time of day, the name of the host facility from where it emanates, the number of the horse race being displayed, and the minutes to post. ()

04. Security Controls. As a condition of contract approval, or when deemed necessary by the Racing Commission, the host association may need to provide and maintain security controls, including encryption over its uplink and communications systems. ()

027. GUEST ASSOCIATIONS.

01. Contract Approval. Guest racing associations that are licensed by the Racing Commission and subject to contract approval by the Racing Commission may receive simulcast races for the purpose of pari-mutuel wagering from one (1) or more host associations. ()

02. Plan for Testing. A plan that is subject to approval by the Racing Commission must be submitted by a guest racing association for testing the transmission, encryption and decoding, and data communication to assure proper system function prior to the commencement of each simulcast program or race from a host association. ()

028. INTERSTATE COMMON POOL WAGERING.

Subject to contract approval by the Racing Commission, a racing association may participate in common pool wagering by accepting wagers placed in other jurisdictions or by offering wagers on races run in other jurisdictions. Contract approval requirements include, but may not be limited to, the following: ()

01. Licensing Requirement. A contract to participate in interstate common pool wagering must include evidence that the authorized user in the other jurisdiction is licensed or otherwise authorized or approved by the pari-mutuel authority or equivalent in that jurisdiction. ()

02. Pari-Mutuel Systems Requirement. A contract to participate in interstate common pool wagering must: ()

a. Include evidence that the authorized user in the other jurisdiction utilizes a pari-mutuel wagering system fully compliant with requirements for totalizator systems used by licensed racing associations in Idaho; ()

b. Specify the regulatory authority responsible for granting a license to the racing association serving as host for purposes of aggregation of common pool wagering; ()

c. Specify the name and location of the racing association that is the host for the common pool, and the individuals and contact information for matters relating to the contract and common pool wagering; and ()

d. Specify the name of the totalizator company, location of the totalizator facility utilized to receive wagers and aggregate pools for the purpose of common pool wagering and the individuals and contact information for matters relating to the contract and common pool wagering. ()

03. Access to Reports and Wagering Information Requirement. A contract to participate in interstate common pool wagering must include evidence that the authorized user in the other jurisdiction will provide full and prompt access to, and cooperation in providing, all reports and information that may be requested by the Racing Commission. This includes wagering transaction data in either a hard copy report or a standard electronic data format acceptable to the Racing Commission. Such requirement apply to all wagering on races run in Idaho and all wagering pools that accept wagers placed from Idaho. ()

04. Breakage. The contract must include provisions specifying the distribution of breakage consistent with the requirement for wagers placed in Idaho. ()

029. NET POOL PRICING.

01. Takeout Rates. If takeout rates are not the same for all jurisdictions and net pool pricing is utilized, the contract must specify net pool pricing. ()

a. Individual wagering transactions are deemed to be made at the point of sale in the state where placed unless otherwise specified by statute or court ruling. ()

b. Any surcharges or withholdings in addition to the takeout may only be applied in the jurisdiction otherwise imposing such surcharges or withholdings. ()

c. In determining whether to approve an interstate common pool which does not include the host track or which includes races from more than one racing association, the Racing Commission will consider and may approve use of a bet type which is not utilized at the host association, application of a takeout rate not in effect at the live event track, or other factors which are presented to the Racing Commission. ()

d. The content and format of the visual display of racing and wagering information at facilities in other jurisdictions where wagering is permitted in the interstate common pool need not be identical to the similar information permitted or required to be displayed under these rules. ()

02. Guest Participation in Interstate Common Pools. ()

a. The Racing Commission may approve a takeout from the pari-mutuel pools identical to that of other jurisdictions participating in a merged pool. ()

b. Rules, either Live or Historic, as established in the host state will apply to the merged pool. ()

c. The simulcast operator must designate which one of the following procedures it will use if it becomes impossible to successfully merge the corresponding pools into the interstate common pool, and publish their designated procedure in the printed program: ()

i. Compute payouts in accordance with payout prices that would have been in effect if prices for the pool of bets were calculated without regard to wagers placed elsewhere; or ()

ii. With permission of the Racing Commission, pay winning tickets at the payout prices at the host track; or ()

iii. Declare such accepted bets void and make refunds in accordance with the applicable rules. ()

030. HOST PARTICIPATING IN INTERSTATE COMMON POOLS.

01. Rules of Racing Established. Rules of racing established for races held in Idaho will also apply to interstate common pools unless the Racing Commission has specifically determined otherwise. ()

02. When Impossible to Merge Pools. Any contract for interstate common pools must contain a provision that states that if, for any reason, it becomes impossible to successfully accept placed wagers or to merge corresponding pools into the interstate common pool formed by the pari-mutuel pool host and the Racing Commission's or the pari-mutuel pool host's representative determines that accepting wagers or attempting to effect transfer of pool data from the guest association may endanger the integrity of the pool or the timely processing of payouts, the pari-mutuel pool host will have no liability for guest's wagers or corresponding pools not being accepted into the host pool. ()

031. -- 034. (RESERVED)

035. LICENSES FOR SIMULCAST OPERATORS.

01. License. Every person acting as a simulcast operator within Idaho must procure a license from the Racing Commission and no person will act in the capacity of a simulcast operator without a valid license. Such license may be renewed annually unless the application is denied for any cause that justifies the suspension or revocation of the license for violation of these rules. ()

02. Responsibilities of Applicant. Each applicant must: ()

a. Submit a financial statement as required by the Idaho State Racing Commission; ()

b. Post with the Racing Commission a surety, in the amount and in such form as the Racing Commission may require, that is sufficient to ensure payment of distributable amounts of pari-mutuel pools pursuant to statute, operational costs, salaries, wages, benefits, and related financial obligations; and ()

c. Demonstrate experience or adequate knowledge of the conduct of simulcast wagering or pari-mutuel wagering operations. ()

03. Simulcast License Application. The simulcast operator intending to conduct wagering on an out-of-state race must file with the Racing Commission a completed simulcast application. The application will be provided and approved by the Racing Commission. At a minimum the application will require the applicant to provide the following information: ()

a. The number of live races projected in the current year; ()

b. The number of live races run in the preceding year; ()

c. Documentation that the required bond has been posted; ()

d. Documentation that the appropriate public liability insurance has been obtained; ()

e. Evidence of approval from the appropriate county or city officials; ()

f. A signed contract from a local horsemen's group. The horsemen's group must be one that meets the definition of a horsemen's group as defined in Section 54-2502, Idaho Code. The contract cannot conflict with any of the provisions of Sections 3001 through 3007 of Title 15 of the United States Code or any other federal laws; ()

g. A statement setting forth the date and time it intends to commence accepting wagers on out-of-state race or races; and ()

h. Any other written or oral approvals required by the Racing Commission. ()

04. Restrictions. ()

a. No license will be granted to any person or entity that has failed, refused or neglected to comply with any rule, condition of license, or order of the Racing Commission or its stewards that is reasonably related to its conduct as a simulcast operator. ()

b. No license will be granted to any person or entity that has engaged in any activity that is grounds for denial, suspension or revocation of license pursuant to the rules of the Racing Commission or whose general partners, officers, directors, or employees have engaged in any unlawful activity determined to be conduct detrimental to the best interest of horseracing. ()

c. Additionally, no license will be granted to a person or entity that has failed, refused or neglected to enter into an agreement with a horsemen's group as defined in Section 54-2502, Idaho Code. ()

05. No Limitation. There will be no limitation as to the number of days a licensee may operate except as may otherwise be provided for within these rules or the Idaho Code. ()

036. SIMULCAST PURSE MONEY COLLECTION AND DISTRIBUTION.

01. Designated Purse Monies. Each simulcast operator licensed by the Racing Commission must remit to the Racing Commission those monies designated by the horsemen's agreement as purse monies. Payment must be made on a timely basis as provided in said agreement which will in no event be greater than thirty (30) days after accrual to the simulcast facility. ()

02. Dual Signature Insured Account. Each horsemen's group signatory to a horsemen's agreement authorizing simulcasting must open and maintain a dual signature insured account, hereinafter called a "purse accumulation account." ()

03. Deposit into Appropriate Account. Prior to commencement of the live race meet, the Racing Commission will annually deposit into the appropriate purse accumulation account those funds paid to the Racing Commission by the respective simulcast operator(s). The Racing Commission has the authority to approve more frequent payments, if requested by said horseman's group. ()

04. Sanctions. In addition to all available sanctions, any person or licensee who receives monies designated as purse monies as described in these rules, and who violates these rules, can be ordered to pay a monetary penalty as set forth in Section 54-2509(4), Idaho Code, and daily interest accrued thereupon at the rate set by the Idaho State Treasurer. ()

037. -- 039. (RESERVED)

040. DUTIES OF SIMULCAST OPERATOR.

01. General. A simulcast operator conducts and operates a pari-mutuel wagering system at one (1) or more guest associations on the results of horse races being held or conducted and simulcast from the enclosures of one (1) or more host associations pursuant to its agreement with such guest and host association and with the approval of the Racing Commission. ()

02. Provisions. A simulcast operator must provide: ()

a. Adequate transmitting or receiving equipment that does not interfere with the closed circuit TV system of the host association. All equipment must be of acceptable broadcast quality and meet applicable Federal Communications Commission and Racing Commission rules and orders. Said equipment may include approved microwave transmitters, with appropriate safeguards, as approved by the Racing Commission. ()

b. Pari-mutuel terminals, pari-mutuel odds display, modems or switching units enabling pari-mutuel data transmissions, and data communication between the sending and the receiving racing associations. ()

03. Pari-Mutuel Inspector. The Racing Commission will appoint at least one (1) state pari-mutuel inspector to monitor all approved simulcast facilities and may require additional pari-mutuel inspectors as is reasonably necessary for the protection of the public interest. The state pari-mutuel inspector, as well as a member or members of the Racing Commission, must: ()

a. Be given free access to all of the books, papers and records of the simulcast operator's simulcast operations during normal business hours. ()

b. Be empowered to direct the simulcast operator to adopt such rules and to install such methods and systems of operating the mutuel department as may be deemed reasonably necessary so as to ensure compliance with the law and the rules of the Racing Commission. ()

c. The state pari-mutuel inspector must report to the Racing Commission any failure of the licensee to comply with the provision hereof or any violation of the law or any of the rules of the Racing Commission which may come to his attention, including in his reports, recommendations with respect to the revocation of the licenses of any employee of the simulcast operator for failure to comply with the rules of the Racing Commission, or for fraud, dishonesty, or incompetency. ()

04. Video Record. Upon the request of the Racing Commission the simulcast operator must make its best effort to provide the Racing Commission with a copy of the simulcast race requested. ()

05. Test Program. Not less than thirty (30) minutes prior to the commencement of transmission of the racing program for each day or night, the simulcast operator must initiate a test program of its transmitter, encryption and decoding, and data communication to assure proper operation of the system. ()

06. Locations Listing. At the request of any representative of the Racing Commission the Racing Association must provide a listing of all locations within this state enabled to receive the simulcast in decoded forms. Failure to do so is grounds for immediate summary suspension of license and immediate cessation of simulcasting activities. ()

07. Security. The Racing Association must maintain such security controls over its uplink and communications system as directed by the Racing Commission. ()

08. Filing. Every simulcast operator at the request of the Racing Commission must file an annual report of its simulcast operations, and an audited balance sheet and income statement prepared according to Generally Accepted Accounting Principles. ()

09. Compliance. The simulcast operator must comply with Section 54-2512, Idaho Code. ()

041. PROHIBITION OF SIMULCAST SIGNAL.

Pertaining to the simulcasting of greyhound racing, should substantial, competent evidence of cruelty to or misconduct in the treatment of greyhounds occur at a site under the jurisdiction of another state regulatory agency, the Racing Commission will prohibit the retransmission of any and all simulcast signals until appropriate action has been taken by the other state regulatory agency. ()

042. -- 045. (RESERVED)

046. CONFLICT OF LAWS.

In the event of a conflict between the laws of the host track and the laws or rules of the state of Idaho, the laws or rules of the state of Idaho will apply. ()

047. TOTALIZATOR OR OTHER APPROVED EQUIPMENT.

Pari-mutuel wagering on live horse races may only be conducted through the use of a totalizator or other similar mechanical equipment approved by the Commission. ()

048. -- 999. (RESERVED)

11.04.03 – RULES GOVERNING LICENSING AND FEES

000. LEGAL AUTHORITY.

This chapter is adopted pursuant to the legal authority of Title 54, Chapter 25, of the Idaho Code. ()

001. SCOPE.

These rules govern licensing procedures and the fees charged for licenses by the Idaho State Racing Commission. ()

002. -- 009. (RESERVED)

010. DEFINITIONS.

In addition to the definitions in Title 54, Chapter 25, Idaho Code, the following apply: ()

01. Admissions. A racing association employee who collects admission money for entrance to the racetrack. ()

02. Authorized Agent. A person appointed by a written instrument signed and acknowledged before a notary public empowered to transact the business of a stable owner or horse breeder. ()

03. Apprentice Jockey. A jockey who has not ridden a certain number of winners within a specified period of time. ()

04. Announcer. A person employed by a racing association to announce during the running of the races. ()

05. Assistant Starter. The employee of a racing association who, under direct supervision of the starter, helps place the starting gate for a race, leads horses into the gate, helps jockeys and handles horses while in the gate until the start. ()

06. Chart Person. An official who compiles the statistical “picture” of a race which shows the position and margin of each horse at designated points of call during the race and other data. ()

07. Clerk of Scales. The employee of a racing association responsible for sequestering all jockeys each racing day, weighing all jockeys out and in from races, checking their assigned riding weights versus their actual weights, and reporting all changes. ()

08. Clocker. A person who times workouts and races. ()

09. Concessionaire. A person that offers goods or services for sale to the public at a racetrack. ()

10. Concession Employee. An employee of a concessionaire or a racing association employee offering goods or services for sale to the public. ()

11. Duplicate. Replacement license for a license that has been lost or destroyed. ()

12. Emergency Medical Technician. An emergency responder trained and certified to provide emergency medical services to the critically ill and injured person. ()

13. Exercise Person. A rider who exercises horses at a racetrack. ()

14. Groom. A person hired by a trainer who cares for a horse at a racetrack. ()

15. Horsemen’s Bookkeeper. A bonded racing association employee who manages the horsemen’s accounts which covers all monies due horseman in regards to purses, stakes, rewards, claims and deposits. ()

16. Identifier. The employee of a racing association who checks the lip tattoo, other identification, and markings of each horse as it enters the paddock to make sure the correct horses are running in the race. ()

17. Jockey. A professional rider licensed to ride in races. ()

18. Jockey Agent. A person who helps a jockey obtain mounts in return for a portion of the jockey’s

- earnings. ()
- 19. Jocks Room Custodian.** A racing association employee authorized to regulate the conduct of the jockeys, ensure good order is maintained, and monitors the jockeys. ()
- 20. Maintenance.** A racing association employee hired to maintain the grounds and facility of the racetrack. ()
- 21. Medical Professional.** A doctor, physician's assistant, or emergency medical technician licensed or certified in the state of Idaho. ()
- 22. Mutuel Employee.** A racing association employee that accepts the patrons' money and issues the betting ticket. ()
- 23. Office Personnel.** A racing association employee who works in the office of the racetrack. ()
- 24. Official.** Persons licensed by the state to ensure the rules of racing are enforced. ()
- 25. Outrider.** The employee of a racing association who leads the post parade at a racetrack and gets the horses and jockeys to the starting gates on time. ()
- 26. Owner.** The person that has legal title to, or has financial control of, a horse utilized for racing in Idaho. However, an interest in the winnings of a horse does not itself constitute ownership. ()
- 27. Owner/Trainer.** An owner who conditions and prepares his own horse for racing, with the absolute responsibility to ensure the physical condition and eligibility of the race horse. ()
- 28. Paddock Judge.** The employee of a racing association responsible for getting jockeys and horses in order to go to the starting gate; also checks the equipment used by each horse and supervises the saddling of the horses. ()
- 29. Photographer.** A person who takes photographs of the winning horses in the winner's circle. ()
- 30. Plater.** A blacksmith who shoes horses at a racetrack. ()
- 31. Pony Person.** A person on horseback who accompanies a horse and jockey to the starting gate. ()
- 32. Racetrack.** The grounds and enclosures of any racing association where horse racing or pari-mutuel betting occurs under the authority and supervision of the Racing Commission. ()
- 33. Racing Association.** Any person licensed by the Racing Commission to conduct a race meet and pari-mutuel wagering. ()
- 34. Racing Secretary.** The employee of a racing association, who writes the conditions for the races, assigns the weights for handicap races, receives entries, conducts the draw, and is responsible for the operation and organization of the race office. ()
- 35. Stable Name.** An assumed business name used by a person for his horse racing operation. ()
- 36. Stall Superintendent.** A racing association employee hired to assign applicants such stabling as deemed proper to be occupied by horses in preparation for racing and determines all conflicting claims to stable space. ()

37. **Starter.** The employee of a racing association responsible for dispatching the horses for a race. ()
38. **State Veterinarian.** A veterinarian employed by the Racing Commission to serve as professional adviser and consultant to the Racing Commission on veterinary matters including all regulatory aspects of the application and practice of veterinary medicine at racetracks. ()
39. **Steward.** A horse racing official who presides over a race meeting, has jurisdiction over all racing officials, rules on protests and claims of foul, and imposes fines and suspensions. ()
40. **Tote Employee.** An employee of a company providing the automated pari-mutuel system that dispenses and records betting tickets, calculates and displays odds and payoffs, and provides the mechanism for cashing winning tickets. ()
41. **Track Superintendent.** The employee of a racing association responsible for maintaining acceptable racing and training track conditions during a race meet. ()
42. **Track Security.** A person responsible to provide security at a racetrack. ()
43. **Trainer.** The person who conditions and prepares a race horse for racing, with the absolute responsibility to ensure the physical condition and eligibility of the race horse. ()
44. **Valet.** A person who attends riders and keeps their wardrobe and equipment in order. ()
45. **Veterinarian.** A private veterinary practitioner employed by owners or trainers on an individual case or contract basis. ()
46. **Vet Assistant.** A person who assists a state veterinarian. ()
47. **Video Employee.** An employee hired by a photo/video provider to operate the equipment during the running of horse races for the benefit of the stewards and racetracks. ()
- 011. -- 019. (RESERVED)**
- 020. APPLICABILITY.**
Pursuant to Section 54-2506, Idaho Code, these rules apply to any person that participates, directly or indirectly, in any race meet. ()
- 021. -- 029. (RESERVED)**
- 030. REFUSAL TO ISSUE LICENSE.**
The Racing Commission may refuse to issue a license and may revoke any license already issued to any person: ()
01. **Convicted.** Who has been convicted of any felony and whose civil rights have not yet been restored pursuant to Section 18-310(2), Idaho Code. ()
02. **Felony Probation.** Who is on probation, or parole for a conviction or withheld judgment for any felony. ()
03. **Misrepresentation.** Who has made any material misrepresentation or false statement to the Racing Commission or its agents in his application for license or otherwise, or who fails to answer any material question on any application for a license. ()
04. **Unqualified.** Who is unqualified by age, skill, knowledge or ability to engage in the activities for which a license is required. ()
05. **Ownership.** Who fails to disclose the true ownership or interest in any or all horses as required by

any application. ()

06. Ejection. Who is subject to exclusion or ejection from the racing enclosure or is within the classes of persons prohibited from participating in pari-mutuel wagering. ()

07. Conduct. Who has committed an act or acts demonstrating financial instability, intemperate habits or has a bad reputation for truth, honesty and integrity, or other similar conduct contrary to the best interest of racing. ()

08. Narcotics. Who has been convicted of possession, use, or sale of any narcotic, dangerous drug, or marijuana if such conviction was a misdemeanor, within two (2) years prior to the date of making application for any license. ()

09. Drug Probation. Who is on probation or parole for a conviction or withheld judgment for misdemeanor possession, use, or sale of any narcotic, dangerous drug, or marijuana. ()

10. Not Permitted. Who is not permitted by law or statute to engage in the occupation for which the license is sought. ()

11. Violated Rules. Who has violated or who aids or abets or conspires with any person to violate any provision of the Racing Commission rules or of Sections 54-2501 through 54-2516, Idaho Code. ()

12. Age. No person under sixteen (16) years of age may be issued a license by the Racing Commission with the exception that a person under sixteen (16) years of age may be licensed as a co-owner with a parent or guardian if the person under sixteen (16) years of age submits an Assumption of Liability form signed by the parent or guardian and notarized by a notary public. This co-ownership is not intended to allow an underage person access to any areas of the track facility. ()

13. Deny or Revoke. The Racing Commission may deny a license to, or revoke the license of, any person who has had a license revoked or denied by any recognized racing jurisdiction. ()

031. -- 039. (RESERVED)

040. CRUELTY TO ANIMALS.

No licensee may violate Title 25, Chapter 35, Idaho Code, "Cruelty to Animal," while on the grounds of a racing association. The stewards will be the sole judges of whether or not a violation of Title 25, Chapter 35, Idaho Code, has occurred on racing association grounds. The penalty for a first offense may include a fine or a suspension or both. A second violation within a calendar year will include a mandatory suspension, the length of which will be at the discretion of the stewards. ()

041. -- 049. (RESERVED)

050. FINGERPRINTS.

All persons between the ages of eighteen (18) and sixty-nine (69) applying for licensing pursuant to this chapter are required to submit information and fingerprints necessary to obtain criminal history information from the Idaho State Police Bureau of Criminal Identification and the Federal Bureau of Investigation. The Idaho State Racing Commission (ISRC) may receive criminal history information from the Idaho State Police Bureau of Criminal Identification and from the Federal Bureau of Investigation for the purpose of evaluating the fitness of applicants pursuant to Section 54-2508, Idaho Code. Pursuant to state and federal law, further dissemination or other use of the criminal history information is prohibited. ()

01. License Applicants. Any person that applies for a license from the Racing Commission who has not been fingerprinted within the past five (5) years must be fingerprinted prior to a license being issued. Pursuant to Section 67-3008, Idaho Code, the ISRC will submit a set of fingerprints obtained from the applicant and the required fees to the Idaho State Police Bureau of Criminal Identification for a criminal records check of state and national databases. ()

02. Existing Licensees. Any person that currently holds a valid license from the ISRC must be re-fingerprinted at least every five (5) years in accordance with the procedures outlined in Subsection 050.01 of these rules. ()

03. Fees. The cost of taking and processing such fingerprints is the responsibility of the applicant. Fees for taking and processing fingerprints are in accordance with the amount(s) charged by the Idaho State Police Bureau of Criminal Identification pursuant to Section 67-3010, Idaho Code. ()

051. -- 089. (RESERVED)

090. APPLICATIONS.

01. Application Forms. All applications must be completely and legibly filled out and submitted to the Racing Commission on forms obtained from the Racing Commission, and all persons applying for licenses shall submit completed applications meeting all requirements, including obtaining necessary signatures as indicated on the form or otherwise noted in this chapter. License types are listed in the License Fee section of this chapter. ()

02. Other Forms. All other forms to be submitted to the Racing Commission by this chapter must be of a type approved by the Racing Commission. ()

03. Age. Applicants between sixteen (16) and eighteen (18) years of age are required to submit an Assumption of Liability Form signed by their guardian and notarized by a notary public. ()

091. -- 094. (RESERVED)

095. ADD-ON.

Any qualified person may add an additional license category to an existing license by paying the add-on fee unless: ()

01. Higher Fee. The fee for the category added is higher than the fee for the existing license category. ()

02. Additional License. If the fee for the license category that is requested is higher than the fee for the existing license category, the person must pay the Racing Commission the higher fee. ()

096. -- 099. (RESERVED)

100. LICENSES REQUIRING RACING ASSOCIATION SIGNATURES.

The following application types are also signed by a racing association: Admissions; Announcer; Clocker; Clerk of Scales; Horsemen's Bookkeeper; Identifier; Jocks Room Custodian; Maintenance; Office Personnel; Outrider; Paddock Judge; Racing Secretary; Stall Superintendent; Starter; Track Superintendent; and Valet. ()

101. -- 109. (RESERVED)

110. APPRENTICE JOCKEY LICENSE.

The application is also signed by a steward and an apprentice jockey certificate signed by a licensed starter, two (2) licensed jockeys, a licensed outrider, and a steward. ()

111. -- 129. (RESERVED)

130. ASSISTANT STARTER LICENSE.

The application is also signed by a licensed starter. ()

131. -- 139. (RESERVED)

140. AUTHORIZED AGENT LICENSE.

A notarized authorized agent form is submitted with the application. ()

01. Each Owner Represented. A separate authorized agent form must be filed for each owner represented. ()

02. Written Instrument. A written instrument signed by the owner before a notary public must accompany the application and clearly set forth the delegated powers of the authorized agent. ()

03. Power of Attorney. If the written instrument is a power of attorney, it must be filed with the Racing Commission and attached to the regular application form. ()

04. Changes. Any changes must be made in writing and filed with the Racing Commission as described in Subsection 140.02 of these rules. ()

05. Termination. The authorized agent's appointment may be terminated by the owner, in writing, acknowledged before a notary public and filed with the Racing Commission whereupon the license is no longer valid. ()

141. -- 144. (RESERVED)

145. BAD CHECKS.

Any licensee who make, draw, order or deliver a check, draft or order for the payment of money to another Idaho licensee, Racing Association, Racing Commission or employee of said Association, Racing Association or Racing Commission, which check, draft or order for the payment of money is invalid on its face or non-negotiable, or there are not sufficient funds on deposit for full payment of such check, draft or order, may be subject to suspension or disciplinary action, or both, by the Racing Commission. ()

146. -- 159. (RESERVED)

160. CONCESSIONAIRE LICENSE.

The application includes: ()

01. Names of Owners. The names and addresses of all of the principal owners. ()

02. Proof of Financial Stability. A financial statement of assets and liabilities. ()

03. Type of Business. The type of business generally engaged in by the applicant. ()

161. -- 165. (RESERVED)

166. CONCESSION EMPLOYEE LICENSE.

The application is also signed by a licensed concessionaire. ()

167. -- 189. (RESERVED)

190. EMERGENCY MEDICAL TECHNICIAN LICENSE.

All persons applying for an emergency medical technician license must submit a completed application signed by a racing association and a copy of Emergency Medical Technician Certification. ()

191. -- 199. (RESERVED)

200. EXERCISE PERSON LICENSE.

A Steward must also sign the application for a first time licensee. ()

201. -- 209. (RESERVED)

210. GROOM LICENSE.

The application signed by a licensed trainer. ()

211. -- 239. (RESERVED)

240. JOCKEY LICENSE.

01. Application for License. The application includes a current physical evaluation from a medical professional. ()

02. First Time Licensed. The application for a person that has not been previously licensed as a jockey in Idaho is also signed by a steward. ()

241. -- 249. (RESERVED)

250. JOCKEY AGENT LICENSE.

The application contains a list of licensed jockeys represented. Each jockey agent may represent no more than two (2) jockeys and one (1) apprentice jockey. ()

251. -- 279. (RESERVED)

280. MUTUEL EMPLOYEE LICENSE.

The application is also signed by a racing association and the applicant is at least eighteen (18) years of age. ()

281. -- 299. (RESERVED)

300. OFFICIAL LICENSE.

The application is also signed by a racing association or Racing Commission. ()

301. -- 329. (RESERVED)

330. OWNER LICENSE.

All persons listed on the registration papers must obtain an owners license. ()

01. Financial Responsibility. If the Racing Commission has reason to doubt the financial responsibility of an applicant for an owner's license, the applicant may be required to complete a verified financial statement. ()

02. Transfer of Horse Prohibited. The Racing Commission may refuse, deny, suspend or revoke an owner's license for the spouse or member of the immediate family or household of a person ineligible to be licensed as an owner, unless there is a showing on the part of the applicant or licensed owner, and the Racing Commission determines that participation in racing will not permit a person to serve as a substitute for an ineligible person. The transfer of a horse to circumvent the intent of a Racing Commission rule or ruling is prohibited. ()

03. Multiple Owners. If the legal owner of any horse is a partnership, corporation, limited liability company, syndicate or other racing association or entity, each shareholder, member or partner must be licensed as an owner. ()

04. Lease Agreements. A horse may be raced under lease provided a completed breed registry or other lease form acceptable to the Racing Commission is attached to the certificate of registration and on file with the Racing Commission. The lessee must be licensed as a horse owner. ()

05. Supplemental License Fee. When submitting a horse for hair testing as required in IDAPA 11.04.11, "Rules Governing Equine Veterinary Practices, Permitted Medications, Banned Substances and Drug Testing of Horses," the owner(s) must pay a supplemental license fee of two hundred twenty-five dollars (\$225) per hair test. The Racing Commission, its Executive Director, or its Business Operations Manager are authorized to, and will designate the individual(s) responsible for collecting the supplemental fee. The owner or trainer must submit payment to said designated individual prior to testing. ()

331. -- 359. (RESERVED)

360. PLATER LICENSE.

The application for a first time plater license includes a letter of recommendation from an owner or trainer. ()

361. -- 369. (RESERVED)

370. PONY PERSON LICENSE.

If the application is for a first time pony person license, the application is also signed by a steward. ()

371. -- 389. (RESERVED)

390. STABLE NAME LICENSE.

The application includes the identity or identities of the ownership interests involved in the horse racing operation. ()

01. Changes of Ownership. Any change in ownership of the horse racing stable must be reported immediately to and approved by the Racing Commission. ()

02. Trainer. A trainer who is licensed as an owner or part owner may use a stable name as owner or part owner. However, no trainer may be licensed as a trainer other than in his legal name. ()

391. STABLE NAME CHANGE.

01. Cancellation. Any person who has been granted a stable name license may at anytime cancel the stable name license if written notice has been submitted to the Racing Commission and the Racing Commission approves the cancellation. ()

02. Name Change. A stable name may be changed at anytime by canceling the existing stable name and submitting a new stable name application with the appropriate fee. ()

392. STABLE NAMES PROHIBITED.

No stable name may be: ()

01. Registered. Registered by any other person with a racing association conducting a recognized meeting, or the Jockey Club (N.Y.) or with another racing authority; ()

02. Real Name. The real name of any owner of race horses nor the real or assumed name of any prominent person not owning race horses; ()

03. Misleading. Misleading to the public or unbecoming to the sport; ()

04. Distinguishable. All stable names must be plainly distinguishable from all other licensed stable names. ()

05. One Name. No individual may license more than one (1) stable name. ()

393. -- 419. (RESERVED)

420. STATE VETERINARIAN LICENSE.

The applicant must have a signed contract on file in the Racing Commission office. ()

421. -- 429. (RESERVED)

430. STEWARD LICENSE.

All persons applying for a steward license must meet the Stewards Qualifications, as set down in IDAPA 11.04.06, "Rules Governing Racing Officials," Section 050, and submit a completed license application signed by the Racing

Commission. ()

431. -- 459. (RESERVED)

460. TRACK SECURITY LICENSE.
 The application is also signed by their employer. ()

461. -- 469. (RESERVED)

470. TRAINER LICENSE.
 All persons applying for a trainer license for the first time in Idaho must pass the trainer's test and have their application signed by a steward, or have a current valid trainers license from another recognized jurisdiction. ()

471. -- 489. (RESERVED)

490. VETERINARIAN LICENSE.
 The applicant must have a current valid license to practice veterinary medicine from the state of Idaho. ()

491. -- 499. (RESERVED)

500. VET ASSISTANT LICENSE.
 The application is also signed by a state veterinarian. ()

501. -- 599. (RESERVED)

600. LICENSE FEES.
 All persons must submit completed applications when applying for license types listed below and pursuant to this chapter and also pay the Racing Commission the fee associated with the type of license being sought before any license will be issued.

LICENSE	FEE	LICENSE	FEE
Add-ons	- \$10	Official	- \$50
Admission	- \$15	Outrider	- \$25
Announcer	- \$25	Owner	- \$50
Apprentice Jockey	- \$50	Owner/Trainer	- \$65
Assistant Starter	- \$25	Paddock Judge	- \$25
Authorized Agent	- \$50	Photographer	- \$25
Chart Person	- \$25	Plater	- \$50
Clerk of Scales	- \$25	Pony Person	- \$25
Clocker	- \$25	Racing Secretary	- \$35
Concession Employee	- \$15	Stable Registration	- \$50
Concessionaire	- \$50	Stall Superintendent	- \$25
Duplicate	- \$10	Starter	- \$25
EMT	- \$25	State Veterinarian	- \$0
Exercise Person	- \$25	Steward	- \$50
Groom	- \$25	Tote Employee	- \$15
Horsemen's Bookkeeper	- \$35	Track Security	- \$25

LICENSE	FEE		LICENSE	FEE
Identifier	- \$25		Track Superintendent	- \$25
Jockey	- \$50		Trainer	- \$50
Jockey Agent	- \$50		Valet	- \$10
Jocks Room Custodian	- \$25		Veterinarian	- \$50
Maintenance	\$15		Vet Assistant	- \$15
Mutuel Employee	- \$15		Video Employee	- \$15
Office Personnel	- \$15			-

()

601. -- 989. (RESERVED)

990. PENALTIES.

Any person violating any of the provisions of this chapter is subject to the penalties provided for in Title 54, Chapter 25, Idaho Code.

()

991. -- 999. (RESERVED)

11.04.05 – RULES GOVERNING ADVANCED DEPOSIT WAGERING

000. LEGAL AUTHORITY.

This chapter is adopted pursuant to the legal authority of Title 54, Chapter 25, of the Idaho Code. ()

001. SCOPE.

These rules govern advanced deposit wagering in Idaho. ()

002. -- 009. (RESERVED)

010. DEFINITIONS.

In addition to the definitions in Title 54, Chapter 25, Idaho Code, the following apply: ()

01. Account. An account for advanced deposit wagering with a specific identifiable record of credits, debits, deposits, wagers, and withdrawals established by an account holder and managed by the advanced deposit wagering operator. ()

02. Account Holder. A natural person who successfully completed an application and for whom the advance deposit wagering operator has opened an account. ()

03. Advance Deposit Wagering Facility. An actual location, equipment, and staff of an advance deposit wagering operator involved in the management, servicing and operation of advance deposit wagering. ()

04. Advance Deposit Wagering Operator. Those persons or entities licensed by the Idaho State Racing Commission with the authority to accept deposits and wagers, issue a receipt or other confirmation to the account holder evidencing such deposits and wagers, and transfer credits and debits to and from accounts. ()

05. Confidential Information. Confidential information includes: ()

a. The amount of money credited to, debited from, withdrawn from, or present in any particular account holder's account; ()

b. The amount of money wagered by a particular account holder on any race or series of races; ()

c. The account number and secure personal identification code of a particular account holder; ()

d. The identities of particular entries on which the account holder is wagering or has wagered; ()

e. Unless otherwise authorized by the account holder, the name, address, and other information in the possession of the advance deposit wagering operator that would identify the account holder to anyone other than the Racing Commission. ()

06. Credits. All positive inflow of money to an account. ()

07. Debits. All negative outflow of money from an account. ()

08. Deposit. A payment of money by cash, check, money order, credit card, debit card, or electronic funds transfer made by an account holder to the account holder's account. ()

09. Natural Person. Any person at least eighteen (18) years of age, but does not include any corporation, partnership, limited liability company, trust, or estate. ()

10. Principal Residence Address. That place where the natural person submitting an application for an account resides at least fifty percent (50%) of the time during the calendar year. ()

11. Proper Identification. A form of identification accepted in the normal course of business to establish that the person making a transaction is the account holder. ()

12. Secure Personal Identification Code. An alpha-numeric character code chosen by an account

holder as a means by which the advance deposit wagering operator may verify a wager or account transaction as authorized by the account holder. ()

13. Source Market Fee. That part of a wager, made outside of the state by an Idaho resident, that is returned to the Racing Commission. ()

14. Withdrawal. A payment of money from an account by the advance deposit wagering operator to the account holder when property requested by the account holder. ()

15. Withdrawal Slip. A form provided by the advance deposit wagering operator for use by an account holder in withdrawing funds from an account. ()

011. -- 014. (RESERVED)

015. LICENSING FOR ADVANCED DEPOSIT WAGERING.

No person may conduct advanced deposit wagering activities within Idaho prior to receiving an advance deposit wagering license from the Racing Commission. ()

016. -- 019 (RESERVED)

020. ADVANCED DEPOSIT WAGERING LICENSE.

Any person may request a license from the Racing Commission to conduct advanced deposit wagering in accordance with Section 54-2512(5), Idaho Code, and these rules. As part of the request, such person must submit a detailed plan of how its proposed advance deposit wagering system would operate. The Racing Commission may require changes in a proposed plan of operations as a condition of granting a request. No subsequent changes in the system's operation may occur unless ordered by the Racing Commission or until approval is obtained from the Racing Commission after it receives a written request. ()

021. -- 024. (RESERVED)

025. ADVANCE DEPOSIT WAGERING LICENSE APPLICATION.

An applicant for an advance deposit wagering operator license must provide the following information as part of the application: ()

01. Legal Name. The legal name of the person seeking the license. ()

02. Corporation. If the person seeking a license is a corporation: the names, addresses of all directors and officers, the date of incorporation and the place of incorporation;. ()

03. Partnership. If the person seeking a license is a partnership: the names, addresses of all partners. If a partner is a corporation the date of incorporation, the place of incorporation and the names and addresses of all directors and officers. ()

04. Race Tracks. The names of the race tracks the advance deposit wagering operator has contracts with that allow the applicant to provide wagering on the product. ()

05. Financial Information. Financial information that demonstrates the financial resources to operate. ()

06. Budget. A detailed budget showing anticipated revenue, expenditures and cash flows by month during the license period. ()

07. Number of Days. The number of days of planned operation during the fiscal year in which they are seeking to be licensed. ()

026. DETAILED PLAN OF OPERATION FOR ADVANCED DEPOSIT WAGERING.

01. Detailed Plan of Operation. The detailed plan of operation for an advanced deposit wagering license must include, but is not limited to, the following information: ()

- a. The manner in which the wagering system will operate; ()
- b. Programs for responsible wagering; and ()
- c. Mitigation for the effects of advance deposit wagering on the source market in which the account holder resides. ()

02. Requirements for Accounts Established and Operated for Persons Whose Principal Residence is Outside of the State of Idaho. The Racing Commission may require changes in a proposed plan of operations as a condition of granting a license. No subsequent changes in the system's operation may occur unless ordered by the Racing Commission or until approval is obtained from the Racing Commission after it receives a written request. ()

027. -- 029. (RESERVED)

030. INVESTIGATIONS OR INSPECTIONS.

The Racing Commission may conduct investigations and inspections and request additional information from the advanced deposit wagerer as it deems appropriate. ()

031. -- 039. (RESERVED)

040. CLAIMS OF NON-PAYMENT.

01. Claim of Non-Payment. An account holder, who is claiming that non-payment has occurred, must make a claim of non-payment to the Racing Commission. ()

02. Investigation of Claim. The Racing Commission will investigate the claim and provide the advance deposit wagering operator with an opportunity to respond thereto and submit any supporting documents or evidence it needs to defend the claim. ()

03. Commission Determination. If the Racing Commission determines that the account holder is entitled to restitution, the advance deposit wagering operator has ten (10) days to pay the amount determined by the Racing Commission. ()

041. -- 049. (RESERVED)

050. PROMOTE AND ADVERTISE.

An applicant licensed under these rules may enter into such agreements, for what it deems good and sufficient reasons, that are necessary to promote, advertise, and further the sport of racing, or that may be necessary for the effective operation of interstate account wagering, including, without limitation, television production and telecommunications services. Such agreements are reviewed by the Racing Commission and may be denied. ()

051. -- 059. (RESERVED)

060. OUT-OF-STATE PROVIDERS.

Any advance deposit wagering by an account holder with a provider outside of the State by telephone or other electronic means is illegal, unless that provider is licensed by the Racing Commission and provides a source market fee of not less than ten percent (10%) of the handle forwarded monthly to the Racing Commission. ()

061. -- 069. (RESERVED)

070. RESIDENCE OUTSIDE THE STATE OF IDAHO.

Requirements for the establishment and operation of accounts for individuals whose principle residence is outside of

the state of Idaho must be set forth in the operation plan as stated in these rules. ()

071. -- 079. (RESERVED)

080. ESTABLISHING AN ACCOUNT.

01. Establishing an Account. The application for establishing the account must be authorized in a manner acceptable to the Racing Commission and include the applicant's: ()

- a. Full legal name; ()
- b. Principal residence address; ()
- c. Telephone number of their permanent residence; ()
- d. Social security number; and ()
- e. Proper identification or certification demonstrating that the applicant is at least eighteen (18) years of age. ()

02. Other Information. As needed, any other information required by the Racing Commission or the advance deposit operator. ()

081. ACCOUNT INFORMATION.

Each application for an advance deposit wagering account may be subject to verification. ()

082. IDENTIFYING AN ACCOUNT NUMBER.

Each account must have a unique identifying account number. The identifying account number may be changed at any time by the advance deposit wagering operator provided the advance deposit wagering operator informs the account holder in writing prior to the change. ()

01. Secure Personal Identification Code. The applicant must supply the advance deposit wagering operator with an alpha-numeric code to be used as a secure personal identification code when the account holder is placing an account wager. The account holder has the right to change this code at any time. ()

02. Principle Residence. The principal residence address will be established by reliance on the information submitted on the application form provided and certified by the applicant. ()

03. Upon Approval Account Holder Receives. The account holder will receive, at the time the account is approved: ()

- a. A unique account identification number; ()
- b. A copy of the advance deposit wagering rules and such other information and material that is pertinent to the operation of the account; and ()
- c. Such other information as the advance deposit wagering operator or Racing Commission may deem appropriate. ()

04. Name of Natural Persons. The advance deposit wagering operator will accept accounts in the name of a natural person only. ()

05. Nontransferable. The account is nontransferable between natural persons. ()

083. -- 089. (RESERVED)

090. CLOSE OR REFUSE TO OPEN AN ACCOUNT.

The advance deposit wagering operator may close or refuse to open an account, for what it deems good and sufficient reason, and will order an account closed if it is determined that information that was used to open an account was false, or that the account has been used in violation of these rules. ()

091. -- 094. (RESERVED)

095. ACCOUNT HOLDER RESPONSIBILITIES.

01. Personal Use Only. Accounts are for the personal use of the account holder. ()

02. Security. The account holder is responsible for maintaining the secrecy of the account number and secure personal identification code. ()

03. Account Losses. Except where the advance deposit wagering center or its employees or agents act without good faith or fail to exercise ordinary care, the advance deposit wagering center is not be responsible for any loss arising from the use by any other person or persons of an account holder's account. ()

04. Notification of Account Security Breach. The account holder must immediately notify the advance deposit wagering center of a breach of the account's security. ()

096. -- 099. (RESERVED)

100. OPERATION OF AN ACCOUNT.

01. Operator May Refuse Deposits. The advance deposit wagering operator may refuse deposits to an account for what it deems good and sufficient reason. ()

02. Operator May Suspend or Close Account. The advance deposit wagering operator may suspend or close any account at any time provided that within five (5) business days of closing the account the advance deposit wagering operator returns to the account holder all monies then on deposit by sending it to the principal residence address as listed on the application. ()

101. -- 104. (RESERVED)

105. CREDITS TO AN ACCOUNT.

After the initial establishment of an account, credits to an account may be made as follows: ()

01. Deposits. Deposits to an account by an account holder must be made in the following forms: ()

a. Cash given to the staff of an advance deposit wagering operator; ()

b. Personal or cashier check, or money order given or sent to an advance deposit wagering operator; ()

c. Charges made to an account holder's credit card or debit card upon the direct and personal instruction of the account holder. Such instructions may be given by telephone or any electronic device to the advance deposit wagering facility by the account holder if the use of the card has been approved by the advance deposit wagering operator; or ()

d. Transfer by means of an electronic funds transfer from a monetary account controlled by an account holder to his account. The account holder is liable for any charges imposed by the transmitting or receiving entity with such charges to be deducted from the account. ()

02. Credit for Winnings. Credit for winnings from wagers placed with funds in an account and credit for account wagers on entries that are scratched will be posted to the account by the advance deposit wagering operator. ()

03. Accordance with Financial Institution. Checks, money orders and other negotiable instruments will be posted to the credit of the account holder in accordance with financial institution funds availability schedules. ()

106. DEBITS TO AN ACCOUNT.

01. Debits to an Account. Debits to an account are made as follows: ()

a. Upon receipt by the advance deposit wagering operator of an account wager, the advance deposit wagering center debits the account in the amount of the wager; or ()

b. For fees for service or other transaction-related charges by the advance deposit wagering operator. ()

02. Account Withdrawals. An advance deposit wagering operator may authorize a withdrawal from an account when one (1) of the following exists: ()

a. The account holder of an account appears personally at the advance deposit wagering operators location and provides the following: ()

i. Proper identification; ()

ii. The correct secure personal identification code; and ()

iii. A properly completed and signed withdrawal slip. ()

b. The account holder sends to the advance deposit wagering operator a properly completed and signed withdrawal slip by any means, electronic or otherwise. ()

i. Upon receipt of a properly completed and signed withdrawal slip, and if there are sufficient funds in the account to cover the withdrawal, the advance deposit wagering operator must, within five (5) business days of its receipt, send a check to the account holder. The check is payable to the holder of the account and in the amount of the requested withdrawal. ()

ii. If funds are not sufficient to cover the withdrawal, the account holder will be notified in writing and those funds in the account will be withdrawn and sent to the account holder within the five (5) business day time period. Electronic funds transfers may be used for withdrawals in lieu of a check at the discretion of the account holder and the advance deposit wagering operator subject to the same conditions described for electronic funds transfer credits. ()

c. The advance deposit wagering operator may close accounts in which there has been no activity for at least six (6) months, returning funds remaining therein to the account holder at his principal residence address. ()

d. In the event an account holder is deceased, funds accrued in the account will be released to the decedent's legal representative upon receipt of a copy of a valid death certificate, tax releases or waivers, probate court authorizations or other documents required by applicable laws. ()

107. WAGERS IN EXCESS OF ACCOUNT BALANCE.

The advance deposit wagering operator will not accept wagers from an account holder in an amount in excess of the account balance. ()

108. ACCOUNTS WILL NOT BEAR ANY INTEREST.

Monies deposited with the advance deposit wagering operator for advance deposit wagering must not bear any interest to the account holder. ()

109. PAYMENTS ON WINNING PARI-MUTUEL WAGERS.

Payments on winning pari-mutuel wagers and credits for account wagers on entries which are scratched must be posted to the credit of the account holder as soon as practicable after the race is declared official. ()

110. MAILING ADDRESS.

The principal residence address, provided in writing by the account holder at the time of application, is deemed to be the proper address for the purposes of mailing checks, statements of account, account withdrawals, notices, or other appropriate correspondence. The mailing of checks or other correspondence to the address given by the account holder is at the sole risk of the account holder. ()

111. -- 119. (RESERVED)

120. POWERS OF THE RACING COMMISSION TO REVIEW AND AUDIT RECORDS.

The Racing Commission or its staff will be given access to all records and financial information of the advance deposit wagering operator for review and audit. The Racing Commission may require that the advance deposit wagering operator annually submit to the Racing Commission audited financial statements of the advance deposit wagering system. ()

121. -- 124. (RESERVED)

125. CONFIDENTIAL INFORMATION.

No confidential information related to the placing of any wager or to the operation of the advance deposit wagering center may be divulged by any employee or agent of the advance deposit wagering center, except, as required by these rules, to the account holder or the Racing Commission, or as otherwise required by state or federal law or regulation or rules of the Racing Commission. ()

126. -- 129. (RESERVED)

130. APPLICABLE LAWS, RULES, AND REGULATIONS.

All advance deposit wagering operators must adhere to all applicable state and federal laws, rules, and regulations. ()

131. -- 999. (RESERVED)

11.04.07 – RULES GOVERNING RACING ASSOCIATIONS

000. LEGAL AUTHORITY.

This chapter is adopted pursuant to the legal authority of Title 54, Chapter 25, of the Idaho Code. ()

001. SCOPE.

This rule governs conduct and licensing of racing associations. ()

002. -- 009. (RESERVED)

010. DEFINITIONS.

In addition to the definitions in Title 54, Chapter 25, Idaho Code, the following apply: ()

01. Bookmaker. A person who makes a business of accepting the bets of others on the outcome of any sports contest including horse racing. ()

02. Breed Association. A group organized under Idaho law to receive breeder awards. ()

03. Breeder. Breeder of a horse is determined by the definition of breeder used by the registry of the particular breed of that horse. ()

04. Chemical. A substance composed of chemical elements or obtained by chemical processes. ()

05. Claiming Race. A race in which any horse entered therein may be claimed in conformity with the rules. ()

06. Conditions. Qualifications and requirements set by the Racing Association which determine a horse's eligibility to be entered in a race. ()

07. Drug. Any chemical compound or any noninfectious biological substance not used for its mechanical properties, which may be administered to or used on or for patients, either human or animal, as an aid in diagnosis, treatment or prevention of disease or other abnormal condition, for the relief of pain or suffering, or to control or improve any physiological or pathological condition. ()

08. Entry. Means, according to the requirements of the text: ()

a. A horse made eligible to run a race. ()

b. Two (2) or more horses that are entered or run in a race and are coupled because of common ties or ownership. Where two (2) or more horses owned by separate owners but trained by the same Trainer are entered in the same race, the horses may run as separate betting interests. ()

09. Grounds. Any area owned or leased by any licensed Association, Corporation, or Race Track which is operated for the purpose of conducting pari-mutuel racing. ()

10. Handbook. A method of soliciting and recording wagers on the outcome of a sports contest including a horse race. ()

11. Horse. Includes filly, mare, colt, horse and gelding in general; when referring to sex, a filly becomes a mare when five (5) years old; a horse is an entire male when five (5) years old or older. ()

12. Horsemen's Agreement. An agreement approved by the Racing Commission between the Racing Association and the authorized horsemen's group. ()

13. Idaho Bred. A foal dropped by a mare in Idaho. ()

14. Jockey. A race rider, whether a licensed Jockey, apprentice, or amateur. ()

15. Meet. The entire consecutive period for which a license to race has been granted to any one (1) association by the Racing Commission. ()

16. Month. A calendar month. ()

17. **Owner.** Includes the owner, part owner and lessee of any horse. An interest only in the earnings of a horse does not constitute ownership. In case of husband and wife, it is presumed that joint ownership exists. ()
18. **Place.** Means first, second or third and in that order is called "Win," "Place," and "Show." ()
19. **Purse Race.** A race for money or any other prize to which the owners of the horses do not contribute. ()
20. **Racing Association.** Any person licensed by the Racing Commission to conduct live or simulcast pari-mutuel wagering. ()
21. **Racing Dates.** The number of racing dates authorized by the Racing Commission in a Racing Association license. ()
22. **Ruled Off.** An action by the racing stewards, under these rules, to suspend a license for a violation of these rules. ()
23. **Starter.** ()
- a. The individual approved to dispatch the horses in a race. ()
- b. The horse is a "starter" for a race when the stall doors of the starting gate open in front of it at the time the starter dispatches the horses. ()
24. **Stewards.** The Stewards of the meet or their duly appointed deputies. ()
25. **Winner.** Winner of a single race of a certain sum or value unless otherwise expressed in the conditions. ()
26. **Year.** A calendar year. ()

011. -- 019. (RESERVED)

020. ENTER, SEARCH AND INSPECT.

Every Racing Association, the Racing Commission, the Stewards or trained and qualified agents of the Idaho State Police, have the right to enter, search and inspect the buildings, stables, rooms and other places where horses which are eligible to race are kept, or where property and effects of the licensee are kept within the grounds of the Racing Association. Any licensee accepting a license is deemed to have consented to such search and to the seizure of any non-approved or prohibited materials, chemicals, drugs or devices and anything apparently intended to be used in connection therewith. ()

021. -- 039. (RESERVED)

040. RACING COMMISSION.

01. **Visit and Inspection.** The Racing Commission or designated representatives will visit and inspect the race meets. Each Racing Association conducting a race meet must make available to the Racing Commission a box of four (4) seats for each day of the race meet. The private cars of Racing Commissioners or designated representatives will have access to the restricted parking area of all tracks. ()

02. **Association Office.** Each Racing Association must furnish and provide an adequate office for the use of the Racing Commission or its designated representatives. ()

041. -- 049. (RESERVED)

050. EMPLOYEES.

01. Licenses. Any Racing Association that employs any person in a capacity that is required to be licensed by the Racing Commission prior to the Racing Commission granting such a license may be subject to suspension or a fine, or both. ()

02. Suspension or Fine. The extent of said suspension or fine, or both, is determined by the Board of Stewards. ()

03. Report to Stewards. Any licensee who harbors anyone not licensed by the Racing Commission will be immediately reported to the Stewards of the race meet so that they may make investigation thereof and report the fact to the Racing Commission. ()

051. -- 054. (RESERVED)

055. DISTURBING THE PEACE.

No person will in any manner or at any time disturb the peace or behave in a disorderly manner on the grounds of a Racing Association; nor will any person interfere with the performance of the duties of a racing official or any employee or representative of the Racing Commission. ()

056. -- 059. (RESERVED)

060. RULED OFF.

01. Admittance to Grounds. No person or horse ruled off, or under suspension by any recognized racing authority, will be admitted to or allowed to remain upon the grounds of any Racing Association. ()

02. Persons Ruled Off a Track Ineligible. When a person is ruled off a course or suspended, every horse owned in whole or part by him, or under his care, management, training or superintendence, is ineligible to enter or to start in any race until the rescinding of said person's penalty, or by the placement of the horse or horses in the hands of a licensed Trainer approved by the Stewards. ()

061. -- 069. (RESERVED)

070. PROHIBITED PRINTED MATERIAL.

No unauthorized tip sheet, pamphlet or other printed matter, other than official programs, the Daily Racing Form and general newspapers, are to be sold on the Racing Association grounds. ()

01. Copies. Copies of all such materials offered for sale in the parking area or elsewhere on or off the grounds of the Racing Association must be furnished daily to the Presiding State Steward, not later than two (2) hours before first post. ()

02. Publishers. All tip sheet publishers and vendors must be licensed by the Racing Commission. ()

071. -- 074. (RESERVED)

075. HANDBOOKS.

No person may make a handbook or a foreign book, or solicit a bet with a handbook or a foreign book on the grounds of a Racing Association. ()

076. -- 079. (RESERVED)

080. BOOKMAKERS.

01. Entry Prohibited. The following persons will not be allowed entry into or remain upon the

premises of any Racing Association: ()

a. A person who is a bookmaker or who is known or reputed to be a bookmaker; ()

b. A person who is a vagrant within the meaning of the laws of Idaho; ()

c. A person who is a fugitive from justice; ()

d. A person whose conduct now or heretofore has been improper, obnoxious, unbecoming or detrimental to the best interest of racing. ()

02. Ejection. Upon discovery or recognition, all such persons described in Subsection 080.01 of these rules will be ejected by the Racing Association or representatives and agents of the Racing Commission. ()

03. License Revocation. Associating with a person or persons such as described in Subsection 080.01 of these rules may be grounds for the revocation of any license. ()

081. -- 089. (RESERVED)

090. IDAHO BRED RACES.

At least one (1) race each day at each race meet must be limited to Idaho bred horses. If a sufficient class of horses is not available to fill the race, said race may be opened to Idaho bred preferred. ()

01. Number of Races. The Racing Secretary must alternate among breeds according to the applicable horsemen's agreement. ()

02. Certificate of Registration. The owners' certificate of registration is proof that horses entered in such races were bred in Idaho. ()

091. BREEDER AWARDS.

A sum equal to ten percent (10%) of the first place purse money won by an Idaho bred horse must be paid by the Racing Association to the breeder of such horse. All purse moneys derived from pari-mutuel racing and all purse enhancement moneys from the Idaho State Racing Commission are included in the calculation of these breeder payments. All nominating and sustaining fees, and any moneys from outside sponsors are excluded from the calculation of these breeder payments. ()

092. -- 094. (RESERVED)

095. BREED ASSOCIATIONS.

Pursuant to Section 54-2513, Idaho Code, on or before December 15 of each year, representatives of each breed which received money the preceding year must file a financial report showing disposition of any funds thus received. ()

01. Failure to File. Failure to file such report is grounds for the Racing Commission to deny approval of any future disbursement to that breed. ()

02. Representatives. "Lawfully constituted representatives of each breed" is the designated representative of the one (1) recognized breed organization for each breed racing in Idaho that has established itself as the traditional breed acknowledged by the Racing Commission. ()

096. -- 099. (RESERVED)

100. RACING ASSOCIATION LICENSE.

No person may conduct a live race meet unless they possess a valid Racing Association license issued by the Racing Commission. ()

101. -- 109. (RESERVED)

110. RACING ASSOCIATION LICENSE FEES.

Every Racing Association conducting a race meet in Idaho must pay a fee of twenty-five dollars (\$25) for each day of racing, except as otherwise provided in Title 54, Chapter 25, Idaho Code. ()

111. -- 119. (RESERVED)

120. RACING ASSOCIATION LICENSE APPLICATIONS.

Applications for Racing Association licenses must be made on forms approved by the Racing Commission. The Racing Commission sets the application date. ()

121. -- 129. (RESERVED)

130. APPLICATIONS FOR SUCCEEDING SEASONS.

Applications for a license to conduct a race meet during the next succeeding season must be filed with the Racing Commission over the signature of an executive officer of the Racing Association. The Racing Commission sets the application date. ()

131. -- 139. (RESERVED)

140. HORSEMEN'S AGREEMENT.

Every Racing Association must have in effect a signed Horsemen's Agreement. ()

141. -- 149. (RESERVED)

150. RACING ASSOCIATIONS OPERATION.

01. Requirements. The scope of the Racing Associations operation and plant facilities will determine the Racing Commission's requirements for the following: ()

- a. Proof of financial stability; ()
- b. Names of stockholders; ()
- c. Medical and veterinary facilities; ()
- d. Lodging facilities; and ()
- e. Protective facilities. ()

02. Additional Information. The Racing Commission or Idaho State Police may require additional background information of applicants or licensees. ()

151. -- 159. (RESERVED)

160. REPORT OF FUNDS.

Pursuant to Section 54-2513, Idaho Code, prior to or at the time of making application for licensing Racing Associations which received money the preceding year must file a financial report with the Racing Commission showing disposition of any funds thus received. ()

161. -- 169. (RESERVED)

170. APPROVAL OF RACING ASSOCIATION LICENSES.

The Racing Commission will consider each application for a Racing Association license individually and decide whether to grant the license or not on a case by case basis. ()

171. -- 179. (RESERVED)

180. LICENSE GRANTED UPON CONDITIONS.

Every Racing Association license is granted upon the condition that the licensee accept, observe and enforce the Racing Commission rules. ()

01. Duty. It is the duty of each and every officer to observe and enforce the Racing Commission rules. ()

02. Investigations. The Racing Commission may require background investigations, fingerprints and photographs of Racing Association officers, stockholders or employees. ()

181. -- 189. (RESERVED)

190. REFUSAL TO ISSUE LICENSE.

The Racing Commission may refuse to issue a Racing Association license when such refusal appears to be for the best interest of racing and of the public. The Racing Commission will, in deciding upon applications for Racing Association licenses, consider the following matters: ()

01. Properly Develop. The opportunity for the sport to properly develop. ()

02. Competition. The avoidance of competition with established tracks in Idaho. ()

03. Community Support. The extent of community support for the promotion and continuance of the tracks. ()

04. Reputation. The character and reputation of the persons identified with the Racing Association. ()

05. Safety. The general conditions and safety of the Racing Association facilities. ()

191. -- 199. (RESERVED)

200. FINGERPRINTS -- PHOTOGRAPH.

Every person holding a Racing Association license in Idaho, and every person that holds such a license who is an officer or director of a Racing Association that is in any capacity connected to any extent with the pari-mutuel wagering business in this State, must, on demand, furnish his fingerprints and photograph to the Racing Commission for its files. Fingerprints and photograph are to be taken at such time and place and in such manner as the Racing Commission may from time to time direct and prescribe. ()

201. -- 209. (RESERVED)

210. RACING DATES.

Application for racing dates must be made on forms approved by the Racing Commission. Application for racing dates does not commit the Racing Commission to the granting of a license to conduct race meets upon the dates requested. ()

211. -- 219. (RESERVED)

220. LICENSE NOT TRANSFERABLE.

No Racing Association license or any part thereof is transferable or assignable without the consent of the Racing Commission and said license is not valid for any racing days other than those set out therein. ()

221. -- 239. (RESERVED)

240. PROPOSED OFFICIALS.

Thirty (30) days prior to the first day of a race meet the Racing Association must submit in writing to the Racing Commission all names and personal data of proposed officials for processing for licensing. No official may act until

approved by the Racing Commission. A Racing Commission representative at the track will process substitutions. The required form will be provided by the Racing Commission. ()

01. Hardship. To avoid undue hardship the Racing Commission may authorize Racing Associations to allow officials other than Stewards to act in dual capacities. ()

241. -- 249. (RESERVED)

250. RACING ASSOCIATIONS: GENERAL RULES.

01. Laws and Rules. The laws of Idaho and the rules promulgated by the Racing Commission supersede the conditions of the race or the regulations of a race meet. ()

02. Racing Hours. Each Racing Association may conduct horse racing only between the hours of 12:00 noon and 12:00 midnight, unless otherwise specifically authorized by the Racing Commission. ()

03. Conditions of Races. Each Racing Association must file with the Racing Commission the conditions of races it proposes to hold together with the stakes, purse or rewards. ()

04. Open Market. Owners and stables participating in race meets operating under license of the Racing Commission may purchase feed and supplies on the open market. No Racing Association may grant exclusive concessions which will interfere with this right. ()

05. Toilets and Other Facilities. Each Racing Association must on every racing day provide and maintain adequate toilet facilities and facilities for furnishing drinking water for its patrons and persons having business at the track. ()

06. Tampering. Each Racing Association must provide protection facilities to prevent tampering with horses or any other corrupt practices at licensed race meets. The Racing Commission may at any time require Racing Associations to expand their protective services. ()

07. Fire Regulations Posted. Every Racing Association must post in the stable area of its premises the fire regulations applicable on its grounds and state the location of the nearest fire alarm box and the telephone number of the fire department or other pertinent instructions as to the method for reporting a fire in the area. Such notices must be posted no more than one hundred (100) feet apart or as approved by the local fire authority. No Racing Association or other person may violate the posted fire regulations specified by the Racing Commission. ()

08. Credentials. A full record of credentials issued by the Racing Association must be compiled and open to inspection at all times with all additions made to or changes in the list of employees of any Racing Association reported promptly to the Racing Commission in writing. ()

09. Horse Ambulance. Racing Associations must furnish, maintain, and have available a horse ambulance, as required by the Racing Commission, for each day that the track is open for racing or exercising during the race meet. ()

10. Human Emergency Medical Response Vehicle. Racing Associations must furnish and maintain a human emergency medical response vehicle, as required by the Racing Commission, for each day that the track is open for racing or exercising during the race meet. If the human emergency medical response vehicle is being used to transport an individual, the Racing Association may not conduct a race until the ambulance is replaced. ()

11. Medical Professionals. Racing Associations must have a licensed physician, registered nurse, paramedic or licensed emergency medical technician on duty at the track on each day of racing and also provide adequate first aid and medical facilities to protect patrons and participants at licensed race meets. ()

12. Comfort and Safety. Racing Associations must at all times maintain the premises in good condition and properly secured, with special consideration for the comfort and safety of the public, of the horses and of all others present. ()

13. Violators. Violators of any rules are subject to ejection from the grounds, fine, suspension, being ruled off or any combination of the preceding. ()

14. Post Notices. Racing Associations must promptly post Racing Commission notices in places that can be easily viewed by licensees. ()

251. -- 259. (RESERVED)

260. HORSEMEN'S ACCOUNT.

Unless otherwise authorized by the Racing Commission and consistent with the Horsemen's agreement pertaining to the Horsemen's account, each Racing Association must keep an account, to be known as the "Horsemen's Account," with sufficient funds at all times in such account to cover all monies due horsemen in regard to purses, stakes, rewards, claims and deposits. ()

01. Subject to Review or Audit. The account is at all times be subject to review or audit by the Racing Commission. ()

02. Bonded. The horsemen's bookkeeper is in charge of such an account and must be insured against crime or employee dishonesty in a manner approved by the Racing Commission. ()

261. -- 269. (RESERVED)

270. PURSE MONEY.

Purse money must be made available to the winners promptly following release by the Racing Commission or its representative. ()

01. Release. Release will be given when test results of the horse's urine, blood or other specimens have been reported to the Racing Commission. ()

02. Breeder's Awards. Breeder's awards will be payable when the purse is cleared. ()

03. Weekly Remittance. The one-half (1/2) of one percent (1%) to benefit owners or breeders is to be remitted weekly by the Racing Association to the Racing Commission for distribution quarterly to the representatives of each breed. ()

271. -- 279. (RESERVED)

280. COMMUNICATION.

01. Communication System. Racing Associations must provide and maintain in good working order a communication system between racing officials and locations as determined by the Racing Commission. ()

02. Public Address System. Racing Associations must provide and maintain a public address system capable of clearly transmitting announcements to the patrons and to the stable area. ()

281. -- 289. (RESERVED)

290. DOCUMENTS FILED WITH RACING COMMISSION.

Not less than thirty (30) days before opening a race meet each Racing Association must file with the Racing Commission the following: ()

01. Bond. A bond signed by a surety company licensed to do business in this State in such form and in the sum as may be required by the Racing Commission, conditioned that the association will pay to the state of Idaho all money due under the provisions of Title 54, Chapter 25, Idaho Code. ()

02. Liability Insurance. Proof of public liability insurance by a company licensed to do business in

this State in such form and in the amount as may be required by the Racing Commission for the protection of the public, the exhibitors and visitors. ()

03. Accident Insurance or Workmen's Compensation Insurance. Proof of an accident insurance policy or workmen's compensation insurance policy issued by a company licensed to do business in Idaho for the protection of Jockeys and exercise persons for injuries incurred in connection with race meets in such form and amount as may be required by the Racing Commission. ()

291. -- 299. (RESERVED)

300. HORSE RACE TRACKS.

01. Track Width. A minimum of twenty (20) feet of track width must be allowed for the first two (2) horses in a race, with an additional five (5) feet for each added starter. ()

02. Implements. Racing Associations must provide adequate equipment and personnel to maintain the track surface in a safe training and racing condition and provide back-up equipment for maintaining the track surface. ()

03. Limit on Number of Horses. No more than eight (8) horses may start in any race on a one-half (1/2) mile track. ()

04. Racing Surface. The surface of a racetrack, including the cushion, subsurface and base, must be designed, constructed and maintained to provide for the safety of the jockeys and horses. ()

05. Rails. Race tracks must have inside and outside rails, including gap rails, designed, constructed and maintained to provide for the safety of jockeys and horses. The design and construction of rails must be approved by the Racing Commission prior to the first race meet at the track. ()

301. -- 309. (RESERVED)

310. JOCKEY ROOM. Each Racing Association must provide a room reserved for jockeys to prepare for a race. ()

311. -- 319. (RESERVED)

320. OFFICIALS' STANDS. Racing Associations must provide adequate stands for officials to have a clear view of the racetrack. The location and design of the stands must be approved by the Racing Commission. ()

321. -- 329. (RESERVED)

330. PHOTO FINISH DEVICES. Racing Associations must provide two (2) electronic photo finish devices with mirror image to photograph the finish of each race and record the time of each horse in at least hundredths of a second. ()

01. Location. The location and operation of the photo finish devices must be approved by the Racing Commission before its first use in a race. ()

02. Posting Photographs. The Racing Association must promptly post a photograph of each photo finish for win, place or show in an area accessible to the public. ()

03. Devices Calibrated. The Racing Association must ensure that the photo finish devices are calibrated before the first day of each race meet and at other times as required by the Racing Commission. ()

04. Print Provided. On request by the Racing Commission, the Racing Association must provide, without cost, a print of a photo finish to the Racing Commission. ()

05. Records. Photo finish records of each race must be maintained by the Racing Association for not less than six (6) months after the end of the race meet, or such other period as may be requested by the stewards or the Racing Commission. ()

331. -- 339. (RESERVED)

340. VIDEOTAPING SYSTEM.

Racing Associations must provide a videotaping system approved by the Racing Commission. Cameras must be located to provide clear panoramic and head-on views of each race. ()

01. Monitors. Separate monitors that simultaneously display the images received from each camera and are capable of simultaneously displaying a synchronized view of the recordings of each race for review must be provided in the stewards' stand. ()

02. Location. The location and construction of video towers must be approved by the Racing Commission. ()

03. Stewards. The stewards may, at their discretion, direct the video camera operators to videotape the activities of any horses or persons handling horses prior to, during or following a race. ()

04. Oval Track. Races run on an oval track must be recorded by at least three (3) video cameras. ()

05. Straight Course. Races run on a straight course must be recorded by at least two (2) video cameras. ()

06. Videotape Copy. Racing Associations must, upon request, provide to the Racing Commission, without cost, a copy of a videotape of a race. ()

07. Videotapes Maintained. Videotapes recorded prior to, during and following each race must be maintained by the Racing Association for not less than six (6) months after the end of the race meet, or such other period as may be requested by the stewards or the Racing Commission. ()

08. Objection. Following any race in which there is an inquiry or objection, the Racing Association must display to the public on designated monitors the videotaped replays of the incident in question which were utilized by the stewards in making their decision. ()

341. -- 349. (RESERVED)

350. STARTING GATE.

All horse races must utilize a starting gate approved by the Racing Commission, except that with permission of the Stewards a race may be started with or without a gate. When the starting gate is used, it must be placed on the track at the direction of the Starter. ()

01. Training Hours. Racing Associations must make at least one (1) starting gate and qualified starting gate personnel available for schooling during designated training hours. ()

02. Backup Equipment. If a race is started at a place other than in a chute, the Racing Association must provide and maintain in good operating condition backup equipment for moving the starting gate. The backup equipment must be immediately available to replace the primary moving equipment in the event of failure. ()

351. -- 359. (RESERVED)

360. DISTANCE MARKERS.

Racing Associations must provide starting point markers and distance poles in a size and position that is clearly seen from the stewards' stand. ()

361. -- 369. (RESERVED)

370. BARNs.

Racing Associations must provide barns containing a sufficient number of stalls to accommodate all horses approved to race and all other horses approved to be on the grounds. The Racing Association's stable area configuration and facilities must be approved by the Racing Commission. ()

01. Good Repair. Racing Associations must ensure that the barns are kept clean and in good repair, have a water supply available, be well-ventilated, have proper drainage, and be constructed to be comfortable during the race meet. ()

02. Stall Size. Racing Associations must ensure that each horse is stabled in an individual box stall with minimum dimensions of ten feet by ten feet (10' x 10'). ()

371. -- 379. (RESERVED)

380. TEST AREA.

Racing Associations must provide a test area for taking specimens of urine, blood or other bodily substances or tissues for testing, and limit access to the test area to persons authorized by the commission veterinarian. ()

381. -- 389. (RESERVED)

390. ISOLATION AREA.

Racing Associations must provide an isolation area, approved by the Racing Commission, for the care and treatment of a horse that is ordered isolated by the commission veterinarian. ()

391. -- 899. (RESERVED)

900. SECURITY.

Racing Associations conducting live race meets must maintain security controls over their grounds. Security controls are subject to the approval of the Racing Commission. ()

01. Restricted Areas. Racing Associations must restrict access of licensees or their guests to certain areas of the grounds. Those restricted areas are the Paddock, Jockey Room, Veterinarian's Test Area, the Steward's Stand, the Mutuel Room, racing offices and any other area the Racing Association feels should be limited access. ()

02. Escort Guests. Any licensee may escort an unlicensed guest through the enclosure of a Racing Association except restricted areas. The licensee and the guest must sign in and out and identify all such persons. The licensee by signing accepts full responsibility for the safety and actions of the guest while in the enclosure. ()

03. Passes. Racing Associations may establish a system or method of issuing credentials or passes to restrict access to its restricted areas or to ensure that all participants at its race meet are licensed as required by these rules. ()

04. Prevent Access. Racing Associations must prevent access to and remove or cause to be removed from its restricted areas any person who is unlicensed, or who has not been issued a visitor's pass or other identifying credential, or whose presence in such restricted area is unauthorized. ()

05. List of Security Personnel. On request by the Racing Commission, a Racing Association must provide a list of the security personnel, including the name, qualifications, training, duties duty station and area supervised by each employee. ()

06. Daily Reports. Each day, the chief of security for a Racing Association must deliver a written report to the stewards regarding occurrences on Racing Association grounds on the previous day. Not later than twenty-four (24) hours after an incident occurs requiring the attention of security personnel, the chief of security must

deliver to the stewards a written report describing the incident. The report must include the name of each individual involved in the incident, the circumstances of the incident and any recommended charges against each individual involved. ()

901. -- 909. (RESERVED)

910. COMPLAINTS.

Racing Associations must promptly notify the Racing Commission of any complaints regarding: ()

01. Violations. Alleged violation of Section 54-2501, Idaho Code, ordinances or statutes, or a rule of the Racing Commission; ()

02. Accidents or Injuries. ()

03. Unsafe Conditions. Unsafe or unsanitary conditions for patrons, licensees or horses. ()

911. -- 919. (RESERVED)

920. EXCLUSION AND EJECTION.

Racing Associations must immediately, upon notification by the Racing Commission, take steps to bar admittance to the racing grounds to any person who is subject to an exclusion order of the Racing Commission. ()

01. Lawful Reason. Racing Associations may eject or exclude a person for any lawful reason. Racing Associations must immediately notify the stewards and the Racing Commission in writing of any person ejected or excluded by the Racing Association and the reasons for the ejection or exclusion. ()

02. Readmission. Any person ejected from the grounds of a Racing Association will be denied readmission to said grounds until permission has been approved by the Racing Commission. ()

921. -- 999. (RESERVED)

11.04.11 – RULES GOVERNING EQUINE VETERINARY PRACTICES, PERMITTED MEDICATIONS, BANNED SUBSTANCES AND DRUG TESTING OF HORSES

000. LEGAL AUTHORITY.

This chapter is adopted pursuant to the legal authority of Title 54, Chapter 25, of the Idaho Code. ()

001. SCOPE.

These rules governs the practices of veterinarians licensed by the Racing Commission, permitted medication of horses and drug testing of horses by the Idaho State Racing Commission. ()

002. -- 009. (RESERVED)

010. DEFINITIONS AND ABBREVIATIONS.

In addition to the definitions in Title 54, Chapter 25, Idaho Code, the following apply: ()

01. Bleeder List. A list maintained by the commission veterinarian with all horses that have demonstrated external evidence of exercise induced pulmonary hemorrhage from one (1) or both nostrils during or after a race or workout. ()

02. Calendar Year. A calendar year beginning January 1 and ending December 31. ()

03. Colt. An intact male horse under five (5) years of age. ()

04. Commission Veterinarian. A Racing Commission appointed veterinarian having authority to enforce the Racing Commission's rules relating to veterinary practices. ()

05. DMSO. Dimethyl Sulfoxide. ()

06. Filly. A female horse that has not reached five (5) years of age. ()

07. Gelding. An altered male horse of any age. ()

08. Horse. Includes filly, mare, colt, horse or gelding in general; when referring to sex, a horse is an intact male five (5) years old or older. ()

09. Hypodermics. Any hypodermic instrument, hypodermic syringe or hypodermic hollow needle used for injection of substances into the body of a horse. ()

10. Inspection of Horses. A veterinarian inspection to assess the racing condition of every horse entered in an official race. ()

11. Mare. A female horse that has reached the age of five (5) years. ()

12. Medication Report Form. A form signed by the treating veterinarian disclosing the identity of the horse, the permitted drug being used with dosage or procedure administered, the time administered and the name of the trainer. ()

13. Needle and Syringe. See Hypodermics - Subsection 010.08 of this rule. ()

14. Owner. The person that has legal title to, or has financial control of, a horse utilized for racing in Idaho. However, an interest in the winnings of a horse does not itself constitute ownership. ()

15. Penalties. For this chapter, a penalty issued against an individual(s) found guilty of medication and drug violations. ()

16. Primary Laboratory. A laboratory approved by the Racing Commission to conduct testing and official analysis of post-race samples. ()

17. Prohibited Substances. Medication and drugs that should not be administered to a horse. ()

18. Racing Association. Any person licensed by the Racing Commission to conduct live or simulcast pari-mutuel wagering. ()

19. **Racing Condition.** The physical ability to race of a horse determined by the commission veterinarian. ()
20. **Referee Laboratory.** Laboratory approved by the Racing Commission to conduct split sample testing. ()
21. **Sample.** A blood, urine, saliva, hair, or any other acceptable specimen taken from a horse at the direction of the commission veterinarian. ()
22. **Split Sample.** A blood, urine, saliva, hair, or any other acceptable specimen taken from a horse that is greater than the minimum sample requirement. ()
23. **Suspension.** Punishment for violation of the Racing Commission rules. The offender is denied privileges of the racing facilities for a specified period of time. ()
24. **Test Area.** A secured testing area provided by a racing association used for taking samples of blood, urine, saliva, hair, or any other acceptable specimen for testing. ()
25. **Trainer.** The person who conditions and prepares a race horse for racing, with the absolute responsibility to ensure the physical condition and eligibility of the race horse. ()
26. **Veterinarian's List.** A list of all horses which are ineligible to be entered in any race due to a physical condition. ()
27. **Veterinarians' Reports.** The Medication Report Form completed by every veterinarian who treats a racehorse at any location under the jurisdiction of the Racing Commission. ()
28. **Veterinarian.** Practicing Private practitioner employed by owners and trainers on an individual case or contract basis. ()

011. -- 019. (RESERVED)

020. ENTER, SEARCH AND INSPECT.

Every Racing Association, the Racing Commission, the Stewards or trained and qualified agents of the Idaho State Police, have the right to enter, search and inspect the buildings, stables, rooms and other places where horses which are eligible to race are kept, or where property and effects of the licensee are kept within the grounds of the Racing Association. Any licensee accepting a license is deemed to have consented to such search and to the seizure of any non-approved or prohibited materials, chemicals, drugs or devices and anything apparently intended to be used in connection therewith. ()

021. AUTHORITY OF THE COMMISSION VETERINARIAN.

The Commission Veterinarian has the authority to supervise the actions of veterinarians licensed by the Racing Commission while they are practicing at any location under the jurisdiction of the Racing Commission. The commission veterinarian recommends to the Stewards or the Racing Commission disciplinary actions for any veterinarian who violates any Racing Commission rule. ()

022. REPORT OF DISEASE.

All practicing veterinarians must promptly notify the commission veterinarian of any reportable disease and any unusual incidence of a communicable illness in any horse in his charge. ()

023. RESTRICTIONS OF WAGERING.

A practicing veterinarian may not wager on the outcome of any race if the practicing veterinarian has treated a horse participating in the race within the past thirty (30) days. ()

024. -- 029. (RESERVED)

030. TREATMENT RESTRICTIONS.

Except as otherwise provided by these rules, no person other than a veterinarian licensed to practice veterinary medicine in Idaho and licensed by the Racing Commission may administer a prescription or controlled medication, drug, chemical or other substance, including any medication, drug, chemical or other substance by injection, to a horse at any location under the jurisdiction of the Racing Commission. ()

031. ADMINISTRATION OF NON-INJECTABLE SUBSTANCES.

These rules do not apply to the administration of the following substances in approved quantitative levels present in post-race samples, if any, or as they may interfere with post-race testing: ()

01. Nutritional Supplement. A recognized non-injectable nutritional supplement or other substance approved by the commission veterinarian; ()

02. Prescription. A non-injectable substance on the direction or by prescription of a licensed veterinarian; or ()

03. Non-Prescription. A non-injectable non-prescription medication or substance. ()

032. -- 034. (RESERVED)

035. HYPODERMIC NEEDLES.

01. Possession Prohibited. No person may possess a hypodermic needle, syringe or injectable of any kind on Racing Association grounds, unless approved by the Racing Commission. ()

02. Disposable Needles. At any location under the jurisdiction of the Racing Commission, licensed veterinarians may use only one-time disposable needles, and must dispose of them in a manner approved by the Racing Commission. ()

03. Medical Condition. If a person has a medical condition that makes it necessary to have a syringe at any location under the jurisdiction of the Racing Commission, that person must: ()

a. Request permission of the Stewards or the Racing Commission in writing; ()

b. Furnish a letter from a licensed physician explaining why it is necessary for the person to possess a syringe; and ()

c. Comply with any conditions and restrictions set by the Stewards or the Racing Commission. ()

036. -- 039. (RESERVED)

040. BANNED SUBSTANCES.

01. Banned Substances. Any medication, drug, chemical, narcotic, anesthetic, or analgesic that is not specifically permitted by these rules is banned from use in horses that are eligible to race in Idaho and are located on the grounds of a racing association. ()

02. Administration by Veterinarians. All practicing veterinarians administering drugs, medications or other substances are responsible for ensuring that the drugs, medications or other substances and the veterinary treatment of horses are administered in accordance with these rules. ()

041. -- 049. (RESERVED)

050. NON-PERMITTED MEDICATION.

If the Stewards find that any non-permitted medication, drug, chemical, narcotic, anesthetic, or analgesic has been administered to a horse in such a manner that it is present in a pre-race or post-race test sample, such presence

constitutes prima facie evidence of a violation of these rules. ()

051. -- 059. (RESERVED)

060. MEDICATIONS.

01. Taking Samples. The Commission Veterinarian, the Racing Commission, or any member of the Board of Stewards may take samples of any medicines or other materials suspected of containing improper medication, drugs or chemicals that would affect the racing condition of a horse in a race. ()

02. Location. Any substances found in stables or elsewhere on the grounds of a racing association or in the possession of any person connected with racing are subject to sampling. ()

03. Testing. Substances sampled must be delivered to a laboratory designated by the Racing Commission for testing. ()

061. -- 069. (RESERVED)

070. ANTI-ULCER MEDICATIONS.

The following anti-ulcer medications are permitted to be administered, at the stated dosage, up to twenty-four (24) hours prior to the race in which the horse is entered: ()

01. Cimetidine (Tagamet®). Dosage 8-20 mg/kg PO BID-TID. ()

02. Omeprazole (Gastrogard®). Dosage 2.2 grams PO SID. ()

03. Ranitidine (Zantac®). Dosage 8 mg/kg PO BID. ()

071. -- 074. (RESERVED)

075. ENVIRONMENTAL CONTAMINANTS AND SUBSTANCES OF HUMAN USE.

The following substances can be environmental contaminants in that they are endogenous to the horse or that they can arise from plants traditionally grazed or harvested as equine feed or are present in equine feed because of contamination during the cultivation, processing, treatment, storage or transportation phases. ()

01. Caffeine. Caffeine is recognized as a substance of human use and could be found in the horse due to its close association with humans. The regulatory threshold for caffeine is 100 nanograms of caffeine per milliliter of serum or plasma. ()

02. Positive Test. If the preponderance of evidence presented in a hearing shows that a positive test is the result of environmental contamination or inadvertent exposure due to human drug use it should be considered as a mitigating factor in any disciplinary action taken against the affected trainer. ()

076. -- 099. (RESERVED)

100. TESTING FACILITIES.

The Racing Commission may require the Racing Association to provide such facilities for medication, drug or other tests of a horse as may be required by the Racing Commission. ()

101. -- 104. (RESERVED)

105. LABORATORY MINIMUM STANDARDS.

Laboratories conducting either primary or split post-race sample analysis must meet at least the following minimum standards: ()

01. Lab Accreditation. A testing laboratory must be accredited by a recognized accrediting body to any standards set forth and required by the Racing Commission. ()

02. Instrumentation for Screening. A testing laboratory must have, or have access to, LC/MS instrumentation for screening or confirmation purposes, or both. ()

03. Standards of Detection. A testing laboratory must be able to meet minimum standards of detection, which is defined as the specific concentration at which a laboratory is expected to detect the presence of a particular drug or metabolite, or both, or by the adoption of a regulatory threshold. ()

106. -- 109. (RESERVED)

110. TESTING.

01. Testing. The official winning horse and any other horse ordered by the Racing Commission or the Stewards must be taken to the testing area to have a blood, urine, saliva, hair, or any other acceptable specimen taken at the direction of the Commission Veterinarian. ()

02. Examination. Examination of the race winner or other designated horses must be made by the Commission Veterinarian or his assistant. ()

03. Specimens. All specimens must be collected by the Commission Veterinarian or his assistant. ()

111. OUT-OF-COMPETITION TESTING.

01. Racing Commission Authority to Request Test. The Racing Commission may request an out-of-competition testing (OCT) sample be collected and screened for any violation of Section 600 of these rules. ()

02. Conditions for Racing Commission Request. The Racing Commission may request any owner or trainer currently licensed by the Racing Commission to allow for an OCT sample be collected under any of the following conditions: ()

a. The horse is stabled on the grounds of a licensed race meet. ()

b. The horse is nominated or eligible for a stake or handicap race. ()

c. The registration certificate of the horse is currently on file with the racing association. If the horse selected is not currently stabled on the grounds, the owner or trainer shall present the horse to the test barn at a time designated by the commission. ()

03. Horse Selection. Horses will be selected for OCT by a Racing Commission veterinarian, steward, or executive secretary. ()

04. Sample Collection and Split Samples. Sample collection and split samples will be done in accordance with Sections 110 through 180 of these rules. ()

05. Refusal to Submit. Refusal to submit to an OCT sample request will result in penalties consistent with Sections 501, 990, and 995 of these rules. ()

06. Qualified Horse. If a horse that qualifies under Subsection 111.02 of this rule is selected for testing and is not stabled at a race meet licensed by the Racing Commission, the Racing Commission may approve a regulatory veterinarian from another jurisdiction to collect and submit the sample providing the process complies with Sections 110 through 180 of these rules. ()

07. Penalties. Penalties for a report of a positive laboratory finding in violation of this Section 111 will be consistent with Sections 501, 990, and 995 of these rules. ()

112. -- 114. (RESERVED)

115. RANDOM OR EXTRA TESTING.

Random or extra testing may be required by the Stewards or the Racing Commission at any time on any horse on Racing Association grounds. Unless otherwise directed by the Stewards or the Commission Veterinarian, a horse that is selected for testing must be taken directly to the testing area. ()

116. -- 119. (RESERVED)

120. TRAINER PRESENT.

01. Present During Testing. The Trainer, or his authorized representative, must be present in the testing area when a blood, urine, saliva, hair, or any other acceptable specimen is taken from a horse. ()

02. Tag Signed. The sample tag must be signed by the Trainer or his representative, as witness to the taking of the specimen. ()

03. Refusal. Willful failure to be present at or a refusal to allow the taking of such specimen, or any act or threat to impede or prevent or otherwise interfere therewith, subjects the person or persons doing so to immediate suspension by the Stewards and the matter will be referred to the Racing Commission for such further penalty as may be determined. ()

121. -- 129. (RESERVED)

130. SPECIMENS.

01. Delivery to Approved Laboratory. All specimens taken by or under direction of the Commission Veterinarian, or other authorized representative of the Racing Commission, must be delivered to the laboratory approved by the Racing Commission for official analysis. ()

02. Number and Date. Each specimen must be marked by number and date and may also bear such information as may be essential to its proper analysis. ()

03. Identity. The identity of the horse from which the specimen was taken or the identity of its Owner, Trainer, Jockey, or stable must not be revealed to the laboratory. ()

04. Container. The container of each specimen must be sealed as soon as the specimen is placed therein and must bear the name of the Racing Commission. ()

131. -- 139. (RESERVED)

140. DETERMINATION OF SAMPLE.

01. Minimum Sample. The commission veterinarian will determine a minimum sample requirement for the primary testing laboratory. ()

02. Less Than The Minimum. If the specimen obtained from a horse is less than the minimum sample requirement, the entire specimen must be sent to the primary testing laboratory. ()

03. More Than The Minimum. If a specimen obtained is greater than the minimum sample requirement, the portion of the sample that is greater than the minimum sample requirement may be secured as the split sample if proper storage capabilities exist. ()

141. -- 149. (RESERVED)

150. STORAGE AND SHIPMENT OF SPLIT SAMPLES.

Split samples obtained in accordance with Subsection 140.03 of these rules, must be secured and made available for further testing in accordance with the following procedures: ()

01. Secured. A split sample must be secured under the same manner as the portion of the specimen acquired for shipment to a primary laboratory until such time as specimens are packed and secured for shipment to the primary laboratory. ()

02. Transfer of Samples. Split samples must then be transferred to a freezer or other approved storage container, at a secure location approved by the Racing Commission. ()

151. -- 159. (RESERVED)

160. TESTING SPLIT SAMPLES.

After having been notified that a written report from a primary laboratory stating that a prohibited substance has been identified in a specimen obtained pursuant to these rules, a trainer or owner of a horse may request that a split sample, corresponding to the portion of the specimen tested by the primary laboratory, be sent to another laboratory approved by the Racing Commission. ()

01. Submission of Testing Request. A formal request for split sample testing must be made in writing and delivered to the Stewards not later than three (3) business days after the trainer of the horse receives written notice of the findings of the primary laboratory. The request must include the requesting trainer or owner's top three (3) referee laboratory choices. Any request for split sample testing not received by the specified deadline, and/or without all the required information, is considered invalid. ()

02. Lab's Willingness to Test. Upon receipt of the written request for split sample testing, the Racing Commission will confirm the referee laboratory has agreed to accommodate the request and provide official test results to the Racing Commission. The Racing Commission will identify the confirmed referee laboratory to the requesting owner or trainer to arrange for payment of shipping costs and testing services costs. ()

03. Shipping and Testing Fees. The requesting owner or trainer is entirely responsible for all costs and fees associated with sample shipment and testing services. Payment for sample shipment must be made to the Commission Veterinarian, or his authorized designee, prior to shipment of the split sample. Once the Racing Commission has received confirmation of payment of necessary fees required for split sample testing, the requested split samples will be shipped to the referee laboratory within ten (10) business days. Shipments are mailed only on Monday, Tuesday or Wednesday to avoid the samples sitting in a warehouse unrefrigerated over a weekend if there is a problem in transit. ()

04. Unforeseen Circumstances. ()

a. If the Racing Commission is unable to secure the services of a referee laboratory, the Racing Commission has the option to request the primary laboratory to conduct the split sample testing. The owner and trainer affected will be notified by the Racing Commission. ()

b. If the Racing Commission is unable to contact the affected trainer or owner by telephone or last known location, the Racing Commission may proceed with split sample testing by the primary laboratory. ()

c. If an Act of God, power failure, accident, strike, or other action that is beyond the control of the Racing Commission prevents a split sample from being tested, the test results of the primary laboratory will be accepted as prima facie evidence. ()

05. Split Sample Test Results. The referee laboratory sends the results of the split sample test to the Racing Commission and the Racing Commission will forward those results simultaneously to the requesting owner or trainer as quickly as possible. ()

a. If the split sample testing confirms the findings of the primary laboratory, it is considered a prima facie violation of the applicable provisions of this chapter. ()

b. If the split sample testing does not substantially confirm the findings of the primary laboratory, it does not constitute a prima facie violation of this chapter and no penalty will be imposed by the Racing Commission.

()

161. -- 179. (RESERVED)

180. CHAIN OF CUSTODY.

The Racing Commission will provide a split sample chain of custody verification form.

()

181. -- 199. (RESERVED)

200. NON-STEROIDAL ANTI-INFLAMMATORY DRUGS.

01. Exception. No horses may be entered into a race utilizing a Non-Steroidal Anti-Inflammatory Drug, except DMSO, unless:

()

a. The Trainer and Veterinarian of the horse submit to the Commission Veterinarian the Non-Steroidal Anti-Inflammatory Drug Request Form; and

()

b. The Commission Veterinarian has granted written approval for the use.

()

02. Procedures. The Commission Veterinarian must establish and publish reasonable procedures pertaining to use of the Non-Steroidal Anti-Inflammatory Drug Request Form.

()

03. Posted. A copy of the established procedures must be posted in the office of the Racing Secretary.

()

201. -- 209. (RESERVED)

210. NON-STEROIDAL ANTI-INFLAMMATORY DRUG REQUEST FORM.

The Non-Steroidal Anti-Inflammatory Drug Request Form submitted to the Commission Veterinarian must include and be processed as follows:

()

01. Name of Horse. The name, age, sex and breed of the horse;

()

02. Name of Trainer and Veterinarian. The name of the licensed Trainer and veterinarian;

()

03. Nature of Injury. The nature of the horse's injury or disease as determined by an examination by a qualified and duly licensed veterinarian;

()

04. Name of Drug Requested. The name of the Non-Steroidal Anti-Inflammatory drug requested and the proposed time and method of administration;

()

05. Signature. Signature of Trainer and veterinarian attending the horse and the Commission Veterinarian.

()

06. Filing. The trainer or veterinarian attending the horse must file the completed request form with the racing secretary.

()

211. -- 219. (RESERVED)

220. APPROVAL OF NON-STEROIDAL ANTI-INFLAMMATORY DRUG REQUEST.

The Commission Veterinarian will approve the Non-Steroidal Anti-Inflammatory Drug request only if:

()

01. Professional Judgment. In the exercise of his professional judgment, a need for the use of the Non-Steroidal Anti-Inflammatory Drug for the particular horse's injury or disease has been satisfactorily demonstrated.

()

02. Professional Diagnosis. In arriving at the decision, the Commission Veterinarian may take into

account or rely upon the written professional diagnosis made by a qualified and duly licensed veterinarian. ()

221. -- 229. (RESERVED)

230. EXPIRATION OF APPROVAL.

Approved medication may be discontinued with permission of the Commission Veterinarian. ()

231. -- 239. (RESERVED)

240. PERMITTED NON-STEROIDAL ANTI-INFLAMMATORY DRUGS.

The only Non-Steroidal Anti-Inflammatory Drugs permitted by these rules are: ()

01. Phenylbutazone (Butazoladin); ()

02. Mechlofenamic Acid (Arquel); ()

03. Flunixin (Banamine); and ()

04. Ketoprofen (Ketofen). ()

241. -- 249. (RESERVED)

250. DAILY RACING PROGRAM.

Horses that are on a Non-Steroidal Anti-Inflammatory Drug must be indicated on the daily racing programs or any other publications and a list of horses on a Non-Steroidal Anti-Inflammatory Drug will be posted at a location designated by the Racing Commission. ()

251. -- 259. (RESERVED)

260. NON-STEROIDAL ANTI-INFLAMMATORY DRUG ADMINISTRATION.

No Non-Steroidal Anti-Inflammatory Drug may be administered to the horse later than twenty-four (24) hours prior to the time the horse is scheduled to race. Only one (1) Non-Steroidal Anti-Inflammatory Drug may be in a horse's system on race day. ()

261. -- 264. (RESERVED)

265. BLEEDER TREATMENT.

01. Written Approval Needed. Epistaxis treatment for bleeders is permitted as a race day medication provided that written approval of the Commission Veterinarian is obtained prior to race day treatment on the Medication Request Form. ()

02. Bleeders. Bleeders that have been running under Epistaxis treatment must obtain written approval of the Commission Veterinarian prior to entry in any race before running without similar treatment. ()

03. Premarin. Premarin is a permissible Epistaxis treatment and may be used up to two (2) hours before post time. ()

04. Lasix. Lasix is a permissible Epistaxis treatment. ()

266. -- 269. (RESERVED)

270. IDAHO BLEEDER LIST.

Any horse which exhibits symptoms of Epistaxis or respiratory tract hemorrhage is eligible for placement on the Idaho Bleeder List and for treatment on race days with approved medication to prevent or limit bleeding during racing. ()

01. Placed on Idaho Bleeder List. To be placed on the Idaho Bleeders List a horse must be found to have shed free blood from one (1) or both nostrils or bled internally in the respiratory tract during or immediately following a race or workout. The Commission Veterinarian, following his personal examination of a horse or after consulting with the horses' private veterinarian, may certify a horse as a bleeder. ()

02. Bleeder. ()

a. Any horse that bleeds a second time in Idaho will not be able to race for a period of thirty (30) days from the date of the second bleeding offense. ()

b. Any horse that bleeds a third time in Idaho, and each time thereafter, will be suspended from racing for a period of one (1) year from the date of each bleeding offense. ()

03. Bleeder from Another Jurisdiction. A bleeder horse shipped into Idaho from another racing jurisdiction must comply with Racing Commission rules. Any horse on a bleeder list in another racing jurisdiction may be placed on the Idaho Bleeder List provided a current certificate from the jurisdiction where it was confirmed on the bleeder list, or a letter from the horses private veterinarian, who is currently licensed by the racing jurisdiction, is presented to the Commission Veterinarian for his approval. ()

04. Removal from Bleeder List. The Commission Veterinarian may remove a horse from the Idaho Bleeder List, provided the proper paperwork is complete and it is the recommendation of the licensed veterinarian treating the horse, or after an examination by the Commission Veterinarian, it is determined that the horse is not a bleeder and is no longer eligible for the Bleeder List. ()

271. -- 279. (RESERVED)

280. URINE SAMPLES.

01. Phenylbutazone. No urine sample taken from a horse authorized to use phenylbutazone may exceed one hundred sixty-five (165) micrograms total of phenylbutazone or its metabolites per milliliter of urine. ()

02. Lasix. Any horse whose post-race urine creatinine is less than forty (40) milligrams creatinine per one hundred (100) milliliters urine, and the ratio of urine furosemide to urine creatinine does not exceed fifteen hundredths (.15), with urine furosemide being measured in micrograms per milliliter of urine will be said to be positive for Lasix overage. ()

281. -- 289. (RESERVED)

290. BLOOD SAMPLES.

No blood sample taken from a horse authorized to use the following substances may exceed these limits: ()

01. Phenylbutazone. May not exceed five (5) micrograms of phenylbutazone or oxyphenbutazone per milliliter of plasma; ()

02. Flunixin (Banamine). May not exceed twenty (20) nanograms per milliliter of plasma. ()

03. Mechlofenamic Acid (Arquel). May not exceed one (1) microgram per milliliter of plasma. ()

04. Ketoprofen (Ketofen). May not exceed ten (10) nanograms per milliliter of plasma. ()

05. Lasix (Furosemide) May not exceed one hundred (100) nanograms of furosemide per milliliter of plasma. ()

291. HAIR TESTING.

No hair sample taken from a horse may contain any prohibited drug or other non-approved medication. ()

01. Racing Commission Authority. The Racing Commission is authorized to collect and submit hair samples for testing in quarter horses and mixed breed races. Hair samples will be collected consistent with Section 111 of these rules. ()

02. Presence of Prohibited Substances. The presence of any prohibited substances that appears in a pre or post-race sample including, but not limited to, Clenbuterol, Zilpaterol, and Ractopamine in Quarter Horse and mixed breed races will constitute a violation. Any report of prohibited or non-permitted medication in a hair sample will result in the horse being placed on a stewards list for sixty (60) days. A horse must provide a negative hair test prior to removal from list. ()

03. Positive Finding for Prohibited Substance. Samples collected for out-of-competition testing in Quarter Horses and mixed breed horses that result in a positive finding for a prohibited substance as listed in Section 600 of these rules will be reported to the Board of Stewards and considered a violation. The presence of Clenbuterol in an out-of-competition test in a Quarter Horse will result in the horse being placed on the official veterinarians list for a minimum of sixty (60) days or until a sample is submitted and is reported as negative for the presence of Clenbuterol. If, at the owner's request, a sample is submitted for screening for removal from the official veterinarians list, the owner is responsible for the cost of the testing. ()

04. Hair Sample. If a horse is selected for hair testing and the mane is less than four and one-half inches (4 1/2") in length, the Racing Commission may elect to collect a hair sample using the tail. ()

292. -- 299. (RESERVED)

300. LASIX ADMINISTRATION.

01. Time of Treatment. Horses on the Bleeder List must be treated at least four (4) hours prior to post time with the bleeder medication furosemide (ie. Lasix). ()

02. Dosage. Bleeder medication must be administered in the manner and at a dose level approved by the Commission Veterinarian, such dosage not to exceed two hundred fifty (250) mg. ()

03. Witness. At his request, the Commission Veterinarian or his designee may witness the administration of Lasix by the trainer's private licensed veterinarian. ()

04. Reporting. Administration of Lasix must be reported in writing, on the form designated by the Racing Commission, to the Commission Veterinarian no later than three (3) hours prior to the scheduled post time of the last live race of the program. ()

301. -- 319. (RESERVED)

320. HORSES NOT STABLED ON GROUNDS.

Any horse on the Idaho Bleeder List that is not stabled on the actual grounds of the Racing Association where it is to race must be brought on to the grounds of the Racing Association where it is scheduled to race at least five (5) hours prior to the post time for the race for which it is entered. ()

321. -- 399. (RESERVED)

400. BICARBONATE TESTING.

01. Administration Prohibited. No bicarbonate-containing substance or alkalizing substance that effectively alters the serum or plasma pH or concentration of bicarbonates or carbon dioxide in a horse may be administered to a horse on race day. ()

02. Positive Test Level. Test samples collected from a horse either before or within one (1) hour following a race may not exceed thirty-seven point zero (37.0) millimoles of total carbon dioxide concentration per liter of serum or plasma. A serum total carbon dioxide level exceeding this value constitutes a positive test. ()

03. Collection of Test Samples. The Commission Veterinarian, the Board of Stewards, or the Executive Director acting on behalf of the Racing Commission may at their discretion and at any time order the collection of test samples from any horses ordered to the test area to determine the serum or plasma pH or concentration of bicarbonate, carbon dioxide, or electrolytes. A sample consisting of at least thirteen (13) ml in a SST tube must be taken from any horse either just prior to a race or up to one (1) hour after a race to determine the serum total carbon dioxide concentration. If the primary testing laboratory finds that the total carbon dioxide levels in the tubes exceed the standard test values of thirty-seven point zero (37.0) millimoles per liter, this may be grounds for disciplinary action. ()

04. Split Sample Testing Prohibited. When taking samples for total carbon dioxide levels, split samples are prohibited. The procedures for split sample testing does not apply to bicarbonate testing procedures. ()

401. -- 499. (RESERVED)

500. PROTECTION OF HORSES.

The Trainer, groom and any other person having charge, custody or care of a horse is obligated to properly protect the horse and guard it against actual or attempted administration of drugs. If the Stewards find that any person has failed to properly protect and guard a horse, they may impose such penalty and take such other action as they deem proper. ()

501. ILLEGAL PRACTICES BY TRAINER.

01. Disciplinary Sanctions. A trainer who is found to have committed illegal practices under the statutes or rules, or both, that govern live horse racing in Idaho is subject to disciplinary sanctions, which may be levied by a fine up to two thousand five hundred dollars (\$2,500), license suspension or license revocation. ()

02. Disqualification for Non-Permitted Substance. If a horse tests positive for any substance (medication, drug, chemical, narcotic, anesthetic, or analgesic) not specifically permitted by these rules by either a pre- or post-race laboratory test, that horse is deemed ineligible to have raced in the race and will be disqualified retroactively to the start of the affected race. If such disqualification occurs, the horse's owner(s) shall, within five (5) calendar days, return the entire amount of the purse or sweepstakes or trophy that was awarded in the affected race and the same will be redistributed. If the affected race is a qualifying race for a subsequent race and if a horse is disqualified, the eligibility of other horses that ran in the affected race and that have started in the subsequent race before announcement of such disqualification will not in any way be affected. ()

502. -- 599. (RESERVED)

600. NON-APPROVED MEDICATION.

01. Administration by Owner or Trainer. A horse owner or trainer found to have administered any non-approved medication substances is in violation of these rules. ()

02. Clenbuterol. A finding of Clenbuterol is prohibited in blood, urine, saliva, hair, or any other acceptable specimen. ()

601. -- 699. (RESERVED)

700. MEDICATION REPORT FORM.

01. Submission of Medication Report Form. All practicing licensed Veterinarians must submit daily to the Commission Veterinarian a Medication Report Form furnished by the Racing Commission. ()

02. Content of Medication Report Form. The form must contain the following information: ()

- a. The name, age, sex and breed of the horse; ()
- b. The permitted drug used; ()
- c. The time the permitted drug was administered; and ()
- d. The route and dosage of the administration. ()

03. Signed and Dated. The report must be dated and signed by the licensed Veterinarian so administering the medication. ()

04. Confidential. Any such report is confidential and its content may not be disclosed except in a proceeding before the Stewards or the Racing Commission or in the exercise of the Racing Commission's jurisdiction. ()

701. -- 989. (RESERVED)

990. PENALTIES.

Any person violating any of the provision of these rules is subject to the penalties provided for in Title 54, Chapter 25 Idaho Code and any of the Racing Commission rules. ()

991. -- 994. (RESERVED)

995. VIOLATIONS.

Any person violating any of the provisions of these rules is subject to the penalties provided for in Title 54, Chapter 25, Idaho Code and any of the Racing Commission rules. ()

01. First Violation. The first violation of these rules will result in the issuance of a fine to the horse's Trainer and such other penalty deemed appropriate. ()

02. Second Violation. The second violation of this chapter by the same Trainer during the same calendar year will result in a suspension, a fine and such other penalty deemed appropriate. ()

03. Third Violation. A third violation of this chapter will be referred to the Racing Commission for appropriate action up to and including revocation of license. ()

04. Not Detected. If a Non-Steroidal Anti-inflammatory Drug other than DMSO is not detected in the urine or in any other specimen taken from a horse authorized to use the Non-Steroidal Anti-Inflammatory Drug, a fine up to five hundred dollars (\$500) may be imposed upon the horse's Trainer without loss of purse. ()

05. Detected. If a Non-Steroidal Anti-Inflammatory Drug is detected in the urine or in any other specimen taken from a horse not authorized to use the Non-Steroidal Anti-Inflammatory Drug, the violation will result in loss of purse and the horse's Trainer is subject to such penalties deemed appropriate. ()

996. -- 999. (RESERVED)

**11.04.15 – RULES GOVERNING CONTROLLED SUBSTANCE AND ALCOHOL TESTING
OF LICENSEES AND APPLICANTS**

000. LEGAL AUTHORITY.

This chapter is adopted pursuant to the legal authority of Title 54, Chapter 25, of the Idaho Code. ()

001. SCOPE.

These rules govern controlled substance and alcohol testing of licensees and applicants by the Idaho State Racing Commission. ()

002. -- 009. (RESERVED)

010. DEFINITIONS.

In addition to the definitions in Title 54, Chapter 25, Idaho Code, the following apply: ()

01. Alcohol. The intoxicating agent in beer, wine, or liquor, as the terms are defined in Title 23, Idaho Code, and includes ethyl, methyl, and isopropyl alcohols. ()

02. Applicant. Any person who has applied to the Racing Commission for a license. ()

03. Controlled Substance. A drug, substance, or immediate precursor listed in schedules I through V of Article II of Title 37, Chapter 27, Idaho Code. ()

04. Licensee. Any person who has been issued a license by the Racing Commission. ()

05. Person. Any individual, association, partnership, firm, joint stock company, joint venture, trust, estate, political subdivision, public or private corporation, or any legal entity, which is recognized by law as the subject of rights and duties. ()

06. Racing Association. Any person licensed by the Racing Commission to conduct live horse races and pari-mutuel wagering. ()

07. Reasonable Suspicion. Behavior or pattern of behavior indicates that the licensee or applicant is under the influence of a controlled substance or alcohol. The basis of the suspicion may be a specific, contemporaneous event or conduct that has been observed over a period of time. ()

08. Suspension. A temporary remedial measure designed to protect the safety and integrity of the horse racing industry and the participants therein. ()

09. Sample. A urine sample collected for the purpose of drug testing, or a blood, breath, or saliva sample collected for the purpose of alcohol testing. ()

011. -- 019. (RESERVED)

020. PRIMARY PURPOSE.

In order to protect the integrity of horse racing in the state of Idaho, to protect the health and welfare of licensees and applicants engaged in horse racing within the state of Idaho, to prevent exploitation of the public, licensees and applicants engaged in horse racing in the state of Idaho, to foster fairness of competition within the racing industry and in order to protect public safety within the state of Idaho, the Racing Commission intends to regulate the use of any controlled substance and alcohol at all race meets licensed by it. ()

021. -- 049. (RESERVED)

050. USE OF CONTROLLED SUBSTANCES.

No licensee or applicant may have within their body any unauthorized controlled substance while within the enclosure of or on the premises managed by any racing association or the Racing Commission. ()

051. -- 059. (RESERVED)

060. CONSUMPTION OF ALCOHOL.

No jockey, starter, assistant starter, pony person, outrider, or racing official may have present within his body any amount of alcohol while participating in any horse race held that day. ()

061. -- 099. (RESERVED)

100. TESTING.

The Board of Stewards, or the Racing Commission acting through the executive director, may require any licensee or applicant to provide blood, urine, or saliva samples for the purpose of drug or alcohol analysis under either of the following circumstances: ()

01. Random Testing. As part of a random testing program. ()

02. Reasonable Suspicion. When the Board of Stewards finds that there is reasonable suspicion to believe that the proposed testee has used any controlled substance. ()

101. -- 119. (RESERVED)

120. POST-ACCIDENT TESTING.

At its discretion the Board of Stewards may conduct post-accident controlled substance or alcohol testing of any licensee or applicant who is involved in a racing or job-related accident on the track or on racing association grounds that requires treatment away from the scene of the accident. ()

121. -- 129. (RESERVED)

130. REFUSAL TO TEST.

01. Refusal to Supply a Sample. When any licensee or applicant is requested to submit to a drug test in a manner prescribed in these rules, the person must do so in a prompt manner. Refusal to supply such sample will result in: ()

a. The immediate suspension of the licensee or applicant; and ()

b. A hearing before the Board of Stewards in accordance with IDAPA 11.04.04, "Rules Governing Disciplinary Hearings and Appeals," Section 050. ()

02. Suspended from Racing for Refusal to Test. ()

a. If the Board of Stewards finds at the hearing that said refusal to test occurred, the licensee or applicant will be suspended from racing for seven (7) calendar days and be subject to random testing for one (1) year. ()

b. In the event of a finding of just cause the licensee or applicant must submit to a test immediately once the conditions which justly prevented testing abate or can be eliminated. ()

03. Subject to Random Testing. In the event a licensee or applicant refuses to test when requested after previously refusing to test or previously testing positive for drugs, that licensee or applicant will be suspended from racing for a period of ninety (90) calendar days and subject to random testing for a period of one (1) year. ()

131. -- 149. (RESERVED)

150. TESTING PROCEDURE.

01. Accordance with Established Procedures. Testing must be done in accordance with established medical and law enforcement procedures in the state of Idaho. ()

02. Retesting. The sample may be retested at the request of the licensee or applicant at either the laboratory used by the Racing Commission or a separate laboratory selected from a list provided by the Racing Commission. The licensee or applicant is responsible for all costs associated with the retesting of the sample. ()

151. -- 199. (RESERVED)

200. A POSITIVE TEST.

On receiving written notice from the approved laboratory that a sample has been found positive for a controlled substance, the Racing Commission will initiate the following procedure: ()

01. Notification. The Racing Commission, through the Executive Director, will notify the presiding Steward and forward the test results to the Board of Stewards. ()

02. Hearing Set. The Board of Stewards will set a hearing in accordance with IDAPA 11.04.04, "Rules Governing Disciplinary Hearings and Appeals," within the next two (2) racing days or seven (7) calendar days, whichever is less, after they receive notice of a positive test from the Executive Director. ()

03. Written Notice. ()

a. Notice of Hearing. Written notice of the hearing must be given to the licensee or applicant as soon as the hearing date is set. The hearing may be held within a shorter or longer period of time if the licensee, employee, or applicant named and the Board of Stewards agree. ()

b. Service of Notice. Service must be to the licensee or applicant personally by leaving the notice at the person's residence with someone of reasonable age and discretion residing therein, or by mail to the person's last known address. If by mail, service is deemed completed on the third day after mailing. ()

04. Opportunity for Explanation. The hearing will be conducted before the Board of Stewards pursuant to IDAPA 11.04.04, "Rules Governing Disciplinary Hearings and Appeals." At the hearing, the licensee or applicant will be provided an opportunity to present evidence and explain the positive test. ()

05. Confidentiality. The Board of Stewards' hearing must be closed and the facts therein will be kept confidential, unless for use with respect to any subsequent contested hearing or order by the Racing Commission or judicial hearing with regard to such facts. Closure of the hearing and confidentiality of the proceedings may be waived by the licensee, employee, or applicant. ()

06. Lacking Satisfactory Explanation. Lacking a satisfactory explanation and documentation or upon the licensee or applicant agreeing with the test results, the Board of Stewards will suspend the licensee or applicant in accordance with Section 220 of these rules. ()

201. -- 219. (RESERVED)

220. PROCEDURES FOLLOWING A POSITIVE CHEMICAL ANALYSIS.

01. First Positive Test. For a licensee's or applicant's first positive drug test he will not be allowed to participate in racing for seven (7) calendar days and until such time as he has received a substance abuse evaluation and has begun the recommended rehabilitation program. Additionally, the licensee or applicant will be subject to random testing for a period of one (1) year from the date the positive sample was taken. ()

02. After Evaluation. After such evaluation, but not before the tolling of the seven (7) calendar days awarded in Subsection 220.01 of these rules, if said licensee's or applicant's condition proves non-addictive and not detrimental to the best interest of racing, said licensee or applicant will be allowed to participate in racing provided he can produce a negative test result from a laboratory approved by the Racing Commission and agrees to further testing at the discretion of the Stewards or designated Racing Commission representative to ensure his unimpairment. ()

03. Second Violation. For a licensee's or applicant's second violation, he will be suspended for ninety (90) consecutive days and until he provides the Stewards with documentation that he has enrolled and is progressing satisfactorily in a certified drug rehabilitation program approved by the Racing Commission. ()

04. Third Violation. For a licensee's or applicant's third violation, he will be suspended and the case referred to the Racing Commission for consideration of revocation of the individual's license. ()

221. -- 249. (RESERVED)

250. CONFIDENTIALITY OF TEST RESULTS.

All test results are obtained as part of an inquiry into a person's fitness to be granted or to retain a license and are exempt from public disclosure pursuant to Section 9-304C, Idaho Code. A statistical summary will be made available annually. ()

251. -- 299. (RESERVED)

300. TESTING EXPENSE.

Except for retesting requested by a licensee or applicant, all testing ordered pursuant to these rules, whether blood, urine, or breath, will be at the expense of the Racing Commission. All expense of drug or alcohol evaluation, treatment, reports, and fees will be at the expense of the licensee or applicant undergoing such evaluation or treatment. ()

301. -- 999. (RESERVED)

**IDAPA 15 – OFFICE OF THE GOVERNOR
IDAHO STATE LIQUOR DIVISION**

DOCKET NO. 15-1001-2100F

NOTICE OF OMNIBUS RULEMAKING – ADOPTION OF PENDING FEE RULE

[LINK: LSO Rules Analysis Memo and Cost/Benefit Analysis \(CBA\)](#)

EFFECTIVE DATE: This rule has been adopted by the agency and is now pending review by the 2022 Idaho State Legislature for final approval. Pursuant to Section 67-5224(5)(c), Idaho Code, this pending rule will not become final and effective until it has been approved by concurrent resolution of the legislature because of the fee being imposed or increased through this rulemaking. The pending fee rule becomes final and effective upon adoption of the concurrent resolution or upon the date specified in the concurrent resolution unless the rule is rejected.

AUTHORITY: In compliance with Section 67-5224, Idaho Code, notice is hereby given that this agency has adopted a pending fee rule. The action is authorized pursuant to Section 23-206(b), Idaho Code.

DESCRIPTIVE SUMMARY: The following is a concise explanatory statement of the reasons for adopting the pending fee rule and a statement of any change between the text of the proposed fee rule and the text of the pending fee rule with an explanation of the reasons for the change.

This pending fee rule adopts and publishes the following rule chapter previously submitted to and reviewed by the Idaho Legislature under IDAPA 15.10, rules of the Idaho State Liquor Division:

IDAPA 15.10

- 15.10.01, *Rules of the Idaho State Liquor Division.*

There are no changes to the pending fee rule and it is being adopted as originally proposed. The complete text of the proposed rulemaking was published in the October 20, 2021, Special Edition of the Idaho Administrative Bulletin, Vol. 21-10SE, pages 1322-1331.

FEE SUMMARY: The following identifies the fee or charge imposed or increased through this rulemaking:

This rulemaking does not impose a new fee or charge, or increase an existing fee or charge, beyond what has been previously submitted for review in the prior rules. IDAPA 15.10.01 Section 022 allows the following fees to be charged by the Division:

01. Cost Reimbursement. The Division may seek cost reimbursement, as determined by the Division, from Supplier Representatives for mailing, shipping, or other expenses incurred by the Division to distribute information or displays to liquor stores at the request of a Supplier Representative.

02. Maximum Fee for Samples. There will be a maximum fee of twenty-five dollars (\$25) per case charged to Supplier Representatives for Samples.

03. Maximum Fee for Annual Supplier Representative Permit. There will be a maximum fee of fifty dollars (\$50) charged to Supplier Representatives each year for an annual permit.

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year: This rulemaking is not anticipated to have any fiscal impact on the state general fund because the FY2022 budget has already been set by the Legislature, and approved by the Governor, anticipating the existence of the rules and fees being reauthorized by this rulemaking.

ASSISTANCE ON TECHNICAL QUESTIONS: For assistance on technical questions concerning this pending fee rule, contact Tony Faraca, Chief Deputy Director, at 208-947-9414.

Dated this 22nd day of December, 2021.

Jeffrey Anderson, Director
Idaho State Liquor Division
1349 E. Beechcraft Court

Boise, ID 83716
Ph. (208) 947-9400
Fax (208) 947-9401

THE FOLLOWING NOTICE PUBLISHED WITH THE OMNIBUS PROPOSED RULE

AUTHORITY: In compliance with Sections 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Section 23-206(b), Idaho Code.

PUBLIC HEARING SCHEDULE: Oral comment concerning this rulemaking will be scheduled in accordance with Section 67-5222, Idaho Code.

DESCRIPTIVE SUMMARY: The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

This proposed rulemaking re-publishes the following existing temporary rule chapters previously submitted to and reviewed by the Idaho Legislature under IDAPA 15.10, rules of the Idaho State Liquor Division:

IDAPA 15.10

- 15.10.01, *Rules of the Idaho State Liquor Division.*

FEE SUMMARY: This rulemaking does not impose a fee or charge, or increase a fee or charge, beyond what was previously submitted to and reviewed by the Idaho Legislature in the prior rules. IDAPA 15.10.01 Section 022 allows the following fees to be charged by the Division:

1. Cost Reimbursement. The Division may seek cost reimbursement, as determined by the Division, from Supplier Representatives for mailing, shipping, or other expenses incurred by the Division to distribute information or displays to liquor stores at the request of a Supplier Representative.

2. Maximum Fee for Samples. There will be a maximum fee of twenty-five dollars (\$25) per case charged to Supplier Representatives for Samples.

3. Maximum Fee for Annual Supplier Representative Permit. There will be a maximum fee of fifty dollars (\$50) charged to Supplier Representatives each year for an annual permit.

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year: This rulemaking is not anticipated to have any fiscal impact on the state general fund because the FY2022 budget has already been set by the Legislature, and approved by the Governor, anticipating the existence of the rules and fees being reauthorized by this rulemaking.

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(2), Idaho Code, negotiated rulemaking was not feasible because engaging in negotiated rulemaking for all previously existing rules will inhibit the agency from carrying out its ability to serve the citizens of Idaho and to protect their health, safety, and welfare.

INCORPORATION BY REFERENCE: Pursuant to Section 67-5229(2)(a), Idaho Code, incorporated material may be obtained or electronically accessed as provided in the text of the proposed rules attached hereto.

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Tony Faraca, Chief Deputy Director, at 208-947-9414.

Anyone may submit written comments regarding the proposed rulemaking. All written comments must be directed to the undersigned and must be delivered within twenty-one (21) days after publication of this Notice in the Idaho Administrative Bulletin. Oral presentation of comments may be requested pursuant to Section 67-5222(2), Idaho Code, and must be delivered to the undersigned within fourteen (14) days of the date of publication of this Notice in the Idaho Administrative Bulletin.

Dated this 20th day of October, 2021.

THE FOLLOWING IS THE TEXT OF OMNIBUS PENDING FEE DOCKET NO. 15-1001-2100F

**IDAPA 15 – OFFICE OF THE GOVERNOR
IDAHO STATE LIQUOR DIVISION**

15.10.01 – RULES OF THE IDAHO STATE LIQUOR DIVISION

000. LEGAL AUTHORITY.

These rules are adopted by the Director of the Idaho State Liquor Division pursuant to Section 23-206(b), Idaho Code. ()

001. TITLE AND SCOPE.

This chapter is titled IDAPA 15.10.01, “Rules of the Idaho State Liquor Division,” Office of the Governor. These rules provide guidance regarding operational aspects of the Division and support and enforce applicable terms in the Idaho Liquor Act, Title 23, Idaho Code. ()

002. DEFINITIONS.

The following terms, whenever used in these rules, have the meanings ascribed thereto, unless the context in which they are used clearly requires otherwise. ()

01. Bailment. A system of storing Supplier-owned inventory in state-operated Warehouses. The Division holds the Liquor in trust until stock is needed at retail. ()

02. Central Office. The main business office and Warehouse of the Idaho State Liquor Division. ()

03. Close Relative. A person related by blood or marriage within the second degree of kinship. ()

04. Delisting. The process of discontinuing any product offered for sale resulting in the product’s removal from the Division’s Product Line. The decision to retain or delist a product rests solely with the Director. ()

05. Director. The chief executive officer of the Division. ()

06. Division. The Idaho State Liquor Division. ()

07. Distressed Liquor. Liquor which is not in its original state of packaging. ()

08. Distributing Station. A privately owned business that sells Liquor. It operates under an Agreement with the Division pursuant to Title 23, Chapter 3, Idaho Code. Distributing Stations may also be termed Contract Stores. ()

09. Distillery Distributing Station. A privately owned business that holds a permit issued by the Alcohol and Tobacco Tax and Trade Bureau (TTB), a manufacturer’s license pursuant to Section 23-507, Idaho Code, and sells Liquor to retail customers pursuant to a Special Distributor Agreement with the Division in accordance with Title 23, Chapter 3, Idaho Code. Distillery Distributing Stations are “manufacturers of distilled spirits” under Section 23-509A, Idaho Code. Distillery Distributing Stations may also be termed Contract Stores for purposes of retail sales of Liquor within the state of Idaho. ()

10. Liquor. Liquor controlled by the Division has the definition ascribed to it by Section 23-105, Idaho Code, excluding certain beers as defined in Section 23-1002, Idaho Code, and certain Wines as defined in Section 23-1303, Idaho Code. ()

11. Licensee. Person authorized to sell beer or Wine by the drink or by the bottle, Liquor by the drink, or any combination thereof. ()

12. Listing (Listed). Liquor that is carried or approved to be carried in the Division’s Product Line. ()

13. Political Office. A public office for which partisan politics is a basis for nomination, election, or appointment. ()

14. **Price Quotation.** Written verification of detailed product information submitted to the Division by Suppliers. ()
15. **Product Line.** Items offered for sale by the Division. ()
16. **Promotional Samples.** Liquor furnished by the liquor industry to local representatives for the purpose of promoting the product that are attached to another Liquor product in the liquor store as a value added promotion. ()
17. **Retail Store.** Any State Store or Distributing Station. ()
18. **Samples.** Liquor furnished by the liquor industry to Supplier Representatives for the purpose of promoting the product. ()
19. **Shortage.** Any amount of cash or Liquor less than the true balance as maintained by the Central Office. Liquor Shortages are based on current retail value. ()
20. **Special Distributor (Distributor).** A private business owner authorized to operate a Distributing Station. A Special Distributor is not a state employee. ()
21. **Special Distributor Agreement (Agreement).** The contract signed by a Special Distributor acknowledging the conditions and terms for operation of a Distributing Station in accordance with Idaho Code and the rules of the Division. ()
22. **Special Order.** Any item not regularly offered as part of the Division's Product Line. ()
23. **State Store.** A Retail Store that sells Liquor. It is operated by state employees under the direct supervision of the Division. ()
24. **Supplier.** Any manufacturer, rectifier, importer, wholesaler or Supplier of Liquor, Wine, or related products offered for sale by the Division. ()
25. **Supplier Representative.** An individual, company, or entity authorized to represent a Supplier in the state of Idaho. A Supplier Representative may be an individual, a group of individuals operating as a brokerage firm or may be a direct employee of the Supplier. ()
26. **Warehouse.** The main Division distribution center and satellite distribution points. ()
27. **Wine.** Alcoholic beverages defined in Section 23-1303, Idaho Code. ()
28. **Wine Gallon.** The liquid measure equivalent to the volume of two hundred thirty-one (231) cubic inches or one hundred twenty-eight (128) ounces. ()

003. -- 009. (RESERVED)

010. RETAIL STORES.

01. **Site Location.** Based on the criteria set forth in this section and in accordance with Sections 23-301 and 23-302, Idaho Code, the Division will select an appropriate Retail Store site to adequately serve the community. ()
02. **Site Selection Criteria.** The following criteria will be used in selecting a location for a new Retail Store. ()
- a. Public acceptability of location in accordance with Sections 23-301 and 23-302, Idaho Code. ()

- b. Location and suitability of premises. ()
- c. Lease amount may not be the sole determining factor in site selection; final selection will be determined at the discretion of the Director. ()
- d. Compliance with local zoning. ()
- 03. Customer Refunds and Exchanges.** No refunds will be authorized without prior approval of the Director or his authorized agent. ()
- a. Liquor may be exchanged for other Liquor of the same price upon approval of the store manager and presentation of a valid receipt. ()
- b. Liquor brought in for exchange or refund must have been purchased in Idaho through the Division. ()
- c. A re-shelving charge may be assessed on returned items in accordance with Section 23-311, Idaho Code. ()
- 04. Disabled Customers.** Appropriate special services, in accordance with the Americans with Disabilities Act, will be provided to disabled customers. ()
- 05. Prices.** All prices will be in accordance with the published price list set by the Director in accordance with Section 23-207(g), Idaho Code. ()
- 06. Distressed Liquor.** Price adjustments can be made on Distressed Liquor with the approval of the Director or his authorized agent. ()
- 07. Hours and Days of Operation.** Retail Store hours and days of business operation will be set by the Director in accordance with Section 23-307, Idaho Code. ()
- 08. Audits.** Designated personnel will perform periodic inspections of all Retail Stores. Such inspections may be on an unannounced basis and may include physical inventory counts with the assistance of the store manager or authorized agent to assess the suitability of inventory levels and product mix and other evaluation procedures. ()
- 09. Admission to State Store.** Division personnel may refuse entry or take actions as are appropriate to cause the removal of a person from a State Store where such person is disrupting performance of the Division's duties or is inconsistent with the Division's charge to curtail the intemperate use of alcoholic beverages. ()
- 011. DISTRIBUTING STATIONS.**
- 01. Term of Agreement.** Special Distributor Agreements are valid for a specified period as determined at the discretion of the Director. ()
- 02. Transfer of Agreement.** A Special Distributor Agreement is a personal privilege and is not considered property nor is it assignable or transferable. ()
- 03. Agreement Renewal.** If a Distributing Station's operation exceeds Division expectations, agreement renewals may be allowed. ()
- 04. Agreement Evaluations.** Periodic evaluation of the agreement, in accordance with the guidelines set in Subsection 011.06 of these rules, will be considered to insure reasonable, uniform and non-discriminatory criteria and procedures for selection and renewal of special Distributing Stations pursuant to Section 23-302, Idaho Code. These criteria are applicable to the replacement of an existing Distributing Station and to the establishment of a new Distributing Station. ()

05. Acceptance of Applications. Applications for Distributing Stations are accepted only in response to public notices. Unsolicited applications may not be held on file pending future openings. ()

06. Applicant Selection. The selection of the most qualified applicant for a Distributing Station will be made by the Director in accordance with Section 23-304, Idaho Code. The Director reserves the right to refuse to select any and all applicants. Applicant selection will be based on the following criteria: ()

a. Public acceptability in accordance with Section 23-302, Idaho Code. ()

b. Location and suitability of premises. ()

c. An applicant who has been convicted of, or has plead guilty to, a felony or a crime of moral turpitude (an element of which is dishonesty or fraud) under the laws of any state, U.S. Territory or protectorate, the District of Columbia, or the United States will not be allowed to operate a Distributing Station. ()

d. An applicant may not be a Close Relative of, or have a partnership or other close business relationship with any person employed by the Division who has the responsibility for establishing, approving, or influencing policies of the Division. ()

e. An applicant may be a spouse, child, employee, blood relative, relative through marriage, or business associate of the retiring or deceased Distributor. ()

f. Distributing Stations will not be established in a business that has a license to sell Liquor, Wine or beer by the drink. ()

g. Where a new Distributing Station is created by the conversion of a State Store, an employee of that former state store can be chosen by the Division as the Special Distributor. ()

h. If an existing Distributing Station is sold, the purchaser may, at the sole and absolute discretion of the Division, continue to operate the Distributing Station under comparable terms and conditions applied to the previous Special Distributor. ()

07. General Operational Obligations. Special Distributors will: ()

a. Furnish an adequate building or facility with suitable shelving, display counters and storeroom facilities. It must be kept clean and sanitary at all times. ()

b. Not permit a person under the age of nineteen (19) to perform any acts for the Division. ()

c. Keep the Distributing Station open for business in accordance with Section 23-307, Idaho Code. ()

d. Not hold a partisan state elective political office. He cannot be a Close Relative of, or be in a business partnership with a person in a partisan state elective Political Office. ()

e. Not present his views as being representative of the views of the Division and not attempt to politically influence customers in any manner. ()

f. Make and transmit all reports as required by the Division in the time frame established by the Division. ()

g. Be responsible for and account to the Division for all Liquor furnished by the Division. ()

h. Only sell Liquor received from the Division. ()

i. Only sell the Liquor at prices set by the Division in accordance with Section 23-207(h), Idaho Code. ()

- j. Not deliver Liquor off premise without explicit authorization of the Director. ()
- 08. Days and Hours of Operation.** ()
 - a. Standard store hours will be in accordance with Subsection 010.07 of these rules. ()
 - b. The Distributor will not exceed the maximum legal selling hours as set by the Director. ()
- 09. Fiduciary Responsibility.** Any and all unremitted monies collected in trust for the Division, and upon their receipt, are assigned to the Division in accordance with Section 23-401, Idaho Code. ()
- 10. Liquor Shortage.** The Distributor must pay the monetary value of any Shortage immediately after receipt of the request for payment from the Division showing its calculation of the Shortage. ()
 - a. If the Distributor disputes Liquor or cash Shortages, he may request a hearing before the Director. ()
 - b. Any payment made by the Distributor for Liquor shortages may be refunded in whole or in part if the Distributor's position is upheld by the Director. ()
- 11. Compensation.** The compensation paid by the Division to the Special Distributor will be full payment for the furnishing of all facilities, operating costs and expenses incidental to the operation of the Distributing Station, as well as full consideration for all services provided by the Distributor. Such compensation will be uniformly applied statewide in accordance with Section 23-305, Idaho Code. ()
- 12. Supplies.** The Division will furnish books, forms, and equipment for use by the distributor in transacting the business of the Division as required by law or as deemed necessary by the Director. ()
- 13. Voluntary Agreement Termination.** ()
 - a. The Distributor Agreement may be voluntarily terminated by the Distributor upon written notice by certified mail or personal delivery to the Division or its specified representative specifying the date of termination. ()
 - b. The Distributor will allow reasonable time for the Division to conduct a final inventory audit and to remove all Liquor. ()
 - c. The sale of the Distributor's business to any other party, the forfeiture of the business to a lien holder, or the foreclosure upon the business will be considered voluntary Agreement termination. ()
- 14. Automatic Agreement Termination.** Upon the death of the Distributor, the Distributor's estate, assisted by the Division, will be responsible for the operation of the Distributing Station until the termination date, as established by the Director. ()
- 15. Agreement Termination for Cause.** The Division may terminate the Special Distributor Agreement for cause which includes, but is not limited to, any of the following: ()
 - a. A Distributor who at any time becomes insolvent or experiences a substantial change in financial condition that, in the judgment of the Director, creates a financial risk to the Division. ()
 - b. Significant breach of Distributor's obligations to manage the Distributing Station properly. ()
 - c. Intoxication of the Distributor while in discharge of his duties as a representative of the Division. ()

- d. Participation of the Distributor in misappropriation of any assets of the Division. ()
- e. Distributor having been found guilty of a felony or a misdemeanor involving moral turpitude. ()
- f. Conduct detrimental to the good order of the Division as defined in IDAPA 15.04.01, "Rules of the Division of Human Resources and Personnel Commission," regarding classified conduct unbecoming state classified employees. Note - this Subsection in no way confers employee status on such Special Distributors, however outlines a specifically referenced standard of conduct. ()

16. Agreement Termination Procedure. ()

a. The Division will notify the distributor in writing, by certified mail or personal delivery, specifying the reasons for the proposed termination and its effective date. ()

b. The Division may notify the Distributor that he is immediately suspended pending final determination of the proposed termination. At the time of notification, the Division reserves the right to conduct a final audit and remove all Division property pending a final determination. ()

c. If the Distributor wishes a hearing on the proposed termination to present information relative to the reason given for termination, he will notify the Division in writing within twenty (20) days after receiving the notice of the proposed termination. ()

d. Upon termination of this agreement, the Division will: ()

i. Remove all property owned by it; and ()

ii. Cease compensation to the Distributor as of the date of termination. ()

012. DISTILLERY DISTRIBUTING STATIONS.

01. Sample Tasting. Distillery Distributing Stations may offer sample tastings on the premises of its distillery in accordance with Section 23-509A, Idaho Code. ()

02. Retail Sales. Distillery Distributing Stations may sell Liquor manufactured on premises of such distillery to customers outside the state of Idaho in accordance with Section 23-507, Idaho Code. Distillery Distributing Stations may sell Liquor manufactured on the premises that is purchased from the Division to customers on the premises of its distillery in accordance with and pursuant to a Special Distributor Agreement with the Division. The Special Distributor Agreement will include governing terms and conditions for retail sale of Liquor manufactured on the premises within the state of Idaho in accordance with Title 23, Chapter 3, Idaho Code, and applicable rules of the Division governing retail sale operations. ()

013. -- 019. (RESERVED)

020. STORE CONVERSIONS.

The Division reserves the right at any time to convert a State Store to a Distributing Station or to convert a Distributing Station to a State Store. However, this right will not be arbitrarily applied and will not be exercised until relevant facts presented to the Director have been reviewed and there has been reasonable time during which appropriate public notice has been given. ()

021. SUPPLIERS.

01. Price Quotations. All Suppliers must submit a Liquor Price Quotation, on forms prescribed by the Division, for every item they have Listed with the Division. ()

02. Warranties. Supplier warranties will conform to the requirements of the Tax and Trade Bureau of the U.S. Department of Treasury. ()

03. Liquor Shipments. Pursuant to Sections 23-203(a), 23-203(b) and 23-207(d), Idaho Code, all Liquor transported into the state of Idaho is under the direction of the Division. ()

a. It is a violation of Sections 23-203(a), 23-203(b) and 23-207(d), Idaho Code, for any Supplier or other party to ship Liquor into the state of Idaho for purposes not authorized by the Director. ()

b. The Division reserves the right to select the mode of transportation for all Liquor within the state of Idaho. ()

04. Title to Liquor, Wines and Related Products. Title to Product Line items delivered to the Division passes from the Supplier to the Division when the Division accepts the product, unless Product Line items are delivered directly to Bailment status. ()

a. The Division reserves the right to conduct quality tests, or to inspect products directly ordered or withdrawn from Bailment. ()

b. The Division reserves the right at any time to reject any Product Line item if, upon tests and inspections, it does not conform to requirements. ()

c. In the event the Division rejects any delivery, ownership of products refused will remain with the Supplier. It will be the Supplier's responsibility to remove or relocate any refused products. ()

05. Product Returns. Liquor, Wine, or related products may be returned to Suppliers by the Division, in full or partial cases, for "ordinary and usual commercial reasons" in accordance with the Tax and Trade Bureau of the U.S. Department of Treasury regulations. ()

a. The Supplier will reimburse the Division the full invoice cost plus an additional amount, fixed by the Division, as reimbursement for the Division's expense in shipping to and from its stores and Warehouse. ()

06. New Listings. New Listings will be added at the discretion of the Director pursuant to Sections 23-203 and 23-207, Idaho Code. ()

07. Delisting. Delistings are at the discretion of the Director pursuant to Sections 23-203 and 23-207, Idaho Code. ()

08. Resident Supplier Representatives. All Suppliers doing business with the Division will have resident representation. A resident Supplier Representative cannot have been convicted of any felony. ()

09. Supplier Representative Permits. Supplier Representatives will obtain a permit from the Division, that is renewed annually. ()

a. Permits will not be issued to any holder of a bartender's permit, retail licensee, a distributor of restaurant or bar supplies, a distributor of beer or Wine, or to a food wholesaler. ()

b. Supplier Representatives may represent more than one (1) Supplier without additional permit fees. ()

10. Facility Visitations. Supplier Representatives, or anyone acting in that capacity, will obtain prior approval from the Director or his authorized agent to conduct business at any State Store or Distributing Station. ()

11. Samples. Samples are limited to ten (10) Wine Gallons per month and the sizes of Samples are that which are permitted by federal regulation or statute. ()

12. Promotional Samples. Promotional Samples are limited to fifty (50) ml size bottles unless

specified otherwise by the Director. ()

13. Contact With Licensees. No Supplier Representative, or anyone acting in that capacity, will deliver any Liquor, Wine, or beer sold by the Division to a Licensee's place of business, other than Samples that are: ()

a. Limited to sizes permitted by federal regulation or statute. ()

b. Only those items not carried in that Licensee's Product Line. ()

14. Liquor Displays. The Division will regulate all Retail Store Liquor displays. ()

15. Advertising. Advertising in all Retail Stores will be in accordance with Section 23-607, Idaho Code. ()

16. Violations. Any Supplier Representative, or anyone acting in that capacity, who violates Title 23, Idaho Code, or any rule of the Division, may subject the manufacturer's, wholesaler's or Distributor's products to removal from the Division's Product Line or; the Director, at his discretion, may suspend (temporarily or permanently) their Supplier Representative permit. ()

022. SCHEDULE OF FEES.
The following fees may be charged by the Division. ()

01. Cost Reimbursement. The Division may seek cost reimbursement, as determined by the Division, from Supplier Representatives for mailing, shipping, or other expenses incurred by the Division to distribute information or displays to liquor stores at the request of a Supplier Representative. ()

02. Maximum Fee for Samples. There will be a maximum fee of twenty-five dollars (\$25) per case charged to Supplier Representatives for Samples. ()

03. Maximum Fee for Annual Supplier Representative Permit. There will be a maximum fee of fifty dollars (\$50) charged to Supplier Representatives each year for an annual permit. ()

023. -- 030. (RESERVED)

031. STATE STORES SOLICITATION AND PROMOTIONAL PRESENTATIONS.
No school, church, fraternal, civic, political or charitable organization or individual is allowed to solicit for donations or advertise for any purpose within any State Store. ()

032. WINES.
Wines may be sold in any State Store or Distributing Station at the discretion of the Director pursuant to Section 23-1305, Idaho Code. All rules of the Division applicable to Liquor are also applicable to Wines and beer sold by the Division. ()

033. LIQUOR FUND.
Determination of the final annual amount of cash available for distribution in the liquor account under Section 23-404, Idaho Code, is the amount of the Division's annual net income determined in accordance with Generally Accepted Accounting Principles, consistently applied. Notwithstanding the above, cash reserves are allowed under Section 23-403, Idaho Code. Further, the Director with the concurrence of the State Controller may hold back from distribution additional cash reserves needed for prudent operation of the Division. Such final annual amount of available cash will be disbursed no later than ninety (90) days following each fiscal year end. ()

034. -- 999. (RESERVED)

IDAPA 32 – ENDOWMENT FUND INVESTMENT BOARD

DOCKET NO. 32-0101-2100F

NOTICE OF OMNIBUS RULEMAKING – ADOPTION OF PENDING FEE RULE

[LINK: LSO Rules Analysis Memo and Cost/Benefit Analysis \(CBA\)](#)

EFFECTIVE DATE: This rule has been adopted by the agency and is now pending review by the 2022 Idaho State Legislature for final approval. Pursuant to Section 67-5224(5)(c), Idaho Code, this pending rule will not become final and effective until it has been approved by concurrent resolution of the legislature because of the fee being imposed or increased through this rulemaking. The pending fee rule becomes final and effective upon adoption of the concurrent resolution or upon the date specified in the concurrent resolution unless the rule is rejected.

AUTHORITY: In compliance with Section 67-5224, Idaho Code, notice is hereby given that this agency has adopted a pending fee rule. The action is authorized pursuant to Section 57-728(2), Idaho Code, which gives the Endowment Fund Investment Board authority to promulgate rules necessary to discharge EFIB's duties for the administration of the Credit Enhancement Program.

DESCRIPTIVE SUMMARY: The following is a concise explanatory statement of the reasons for adopting the pending fee rule and a statement of any change between the text of the proposed rule and the text of the pending fee rule with an explanation of the reasons for the change.

This pending fee rule adopts and publishes the following rule chapter previously submitted to and reviewed by the Idaho Legislature under IDAPA 32, rules of the Endowment Fund Investment Board:

IDAPA 32

- 32.01.01, *Rules Governing the Credit Enhancement Program for School Districts.*

There are no changes to the pending fee rule and it is being adopted as originally proposed. The complete text of the proposed rulemaking was published in the October 20, 2021, Special Edition of the Idaho Administrative Bulletin, Vol. 21-10SE, pages 4038-1041.

2010 Idaho Attorney General Opinion concluded that the Endowment Fund Investment Board must charge fees to offset the cost of the Credit Enhancement Program. This program benefits school districts by reducing interest costs on bonds issued to construct new schools.

FEE SUMMARY: The following identifies the fee or charge imposed or increased through this rulemaking:

This rulemaking does not impose a new fee or charge, or increase an existing fee or charge, beyond what has been previously submitted for review in the prior rules. This rule indicates the Endowment Fund Investment Board will charge school districts an application fee of \$500 and a one-time bond guarantee fee equal to two one hundredths of one percent (0.02% or two basis points) of the Total Debt Service to provide credit enhancement for bonds issued to construct public schools. This fee or charge is being imposed pursuant to Section 57-728, Idaho Code.

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year: This rulemaking is not anticipated to have any fiscal impact on the state general fund because the FY2022 budget has already been set by the Legislature, and approved by the Governor, anticipating the existence of the rule and fee being reauthorized by this rulemaking.

ASSISTANCE ON TECHNICAL QUESTIONS: For assistance on technical questions concerning this pending fee rule, contact Chris Anton, Manager of Investments, Endowment Fund Investment Board, 816 West Bannock Street, Suite 301, Boise, ID 83702, (208)334-3312 phone, (208)334-3786 fax, chris.anton@efib.idaho.gov email.

Dated this 22nd day of December, 2021.

Chris Anton, Manager of Investments
816 West Bannock Street, Suite 301
(208)334-3312 Phone

Endowment Fund Investment Board
Boise, ID 83702
(208)334-3786 Fax

THE FOLLOWING NOTICE PUBLISHED WITH THE OMNIBUS PROPOSED RULE

AUTHORITY: In compliance with Sections 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Section 57-728(2), Idaho Code.

PUBLIC HEARING SCHEDULE: Oral comment concerning this rulemaking will be scheduled in accordance with Section 67-5222, Idaho Code.

DESCRIPTIVE SUMMARY: The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

This proposed rulemaking publishes the following rule chapters previously submitted to and reviewed by the Idaho Legislature under IDAPA 32, rules of the Endowment Fund Investment Board:

IDAPA 32

- 32.01.01, *Rules Governing the Credit Enhancement Program for School Districts.*

FEE SUMMARY: This rulemaking does not impose a fee or charge, or increase a fee or charge, beyond what was previously submitted to and reviewed by the Idaho Legislature in the prior rules. This rule indicates that the Endowment Fund Investment Board will charge school districts an application fee of \$500 and a one-time bond guarantee fee equal to two one hundredths of one percent (0.02% or two basis points) of the Total Debt Service to provide credit enhancement for bonds issued to construct public schools.

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year: This rulemaking is not anticipated to have any fiscal impact on the state general fund because the FY2022 budget has already been set by the Legislature, and approved by the Governor, anticipating the existence of the rules and fees being reauthorized by this rulemaking.

The fees or charges authorized in Section 57-728, Idaho Code, are part of the agency's FY2022 budget that relies upon the existence of these fees or charges to meet the state's obligations and provide necessary state services. Failing to reauthorize these temporary rules would create immediate danger to the state budget, immediate danger to necessary state functions and services, and immediate danger of a violation of Idaho's constitutional requirement that it balance its budget.

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(2), Idaho Code, negotiated rulemaking was not feasible because engaging in negotiated rulemaking for all previously existing rules will inhibit the agency from carrying out its ability to serve the citizens of Idaho and to protect their health, safety, and welfare.

INCORPORATION BY REFERENCE: Pursuant to Section 67-5229(2)(a), Idaho Code, incorporated material may be obtained or electronically accessed as provided in the text of the proposed rule(s) attached hereto.

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule(s), contact; Chris Anton, Manager of Investments, Endowment Fund Investment Board, 816 West Bannock Street, Suite 301, Boise, ID 83702, (208)334-3312, chris.anton@efib.idaho.gov.

Anyone may submit written comments regarding the proposed rulemaking. All written comments must be directed to the undersigned and must be delivered within twenty-one (21) days after publication of this Notice in the Idaho Administrative Bulletin. Oral presentation of comments may be requested pursuant to Section 67-5222(2), Idaho Code, and must be delivered to the undersigned within fourteen (14) days of the date of publication of this Notice in the Idaho Administrative Bulletin.

DATED this October 20, 2021

THE FOLLOWING IS THE TEXT OF OMNIBUS PENDING FEE DOCKET NO. 32-0101-2100F

IDAPA 32 – ENDOWMENT FUND INVESTMENT BOARD

32.01.01 – RULES GOVERNING THE CREDIT ENHANCEMENT PROGRAM FOR SCHOOL DISTRICTS

000. LEGAL AUTHORITY.

Section 57-728(2), Idaho Code, gives the Endowment Fund Investment Board authority to promulgate rules necessary to the discharge of the EFIB's duties for the administration of the Credit Enhancement Program. 2010 Idaho Attorney General Opinion 01 concludes that the EFIB must charge fees to offset the costs of the Credit Enhancement Program to the Endowments. ()

001. SCOPE.

These rules contain the provisions for implementation of the Credit Enhancement Program. ()

002. -- 009. (RESERVED)

010. DEFINITIONS AND REFERENCES.

01. Administrative Fees. Application Fees and Pass-through Fees charged to School Districts applying for and receiving guarantees under the Credit Enhancement Program. ()

02. Application Fee. The amount determined by the EFIB and set forth in this chapter as the cost of reviewing applications to the Credit Enhancement Program and administering the Credit Enhancement Program. ()

03. Credit Enhancement Program. The Credit Enhancement Program for School District Bonds established in Section 57-728, Idaho Code. ()

04. EFIB. Endowment Fund Investment Board. ()

05. Endowments. The trusts granted to the state of Idaho by the Idaho Admission Bill, 26 Statutory Laws 215, chapter 656 as amended. The Endowments include the Public School Endowment established by Idaho Admission Bill sections 4 and 13. ()

06. Guarantee Fee. The amount determined by the EFIB and set forth in this chapter as the cost of guaranteeing a school bond under the Credit Enhancement Program. The cost of guaranteeing a school bond includes the difference in the investment return to the Public School Endowment projected by the EFIB to arise from the guarantee and additional costs to the Endowments arising from investment of the Public School Endowment in the Credit Enhancement Program. ()

07. Guaranty Program. The Idaho School Bond Guaranty Program established in Title 33, Chapter 53, Idaho Code. ()

08. Pass-Through Fee. A direct cost to the EFIB for reviewing an application to the Credit Enhancement Program or for issuing a note to pay a debt service payment under the Credit Enhancement Program. Direct costs include the costs billed to the EFIB by legal, accounting, and financial professionals. ()

09. School District. As defined in Section 33-5302, Idaho Code. ()

10. Total Debt Service. The total amount to be repaid to bond purchasers over the stated maturity of the School District bond (principal plus interest). ()

011. -- 019. (RESERVED)

020. APPLICATION.

01. Required Materials. School Districts must submit the following application materials to the EFIB: ()

a. Correspondence from the Idaho State Treasurer certifying that the School District has been approved to participate in the Guaranty Program and setting forth the maximum credit enhancement amount available to the School District within the limitations set forth in Section 57-728(8), Idaho Code. ()

b. A fully completed application form as prescribed by the EFIB from time to time executed by a party authorized to bind the School District. ()

c. Copies of the complete audited financial statements of the School District prepared pursuant to Section 33-701, Idaho Code, for the preceding three (3) fiscal years and the adopted budget for the current fiscal year. ()

d. Upon request of the EFIB, documentation substantiating the information set forth in materials submitted pursuant to Subsection 020.01 of these rules. ()

021. -- 029. (RESERVED)

030. FEES.

01. Guarantee Fee. School Districts must remit to the EFIB a one-time fee equal to two one-hundredths of one percent (0.02% or two basis points) of the Total Debt Service. School Districts must remit the Guarantee Fee to the EFIB within five (5) days of the sale of bonds guaranteed by the Credit Enhancement Program. The EFIB will deposit the Guarantee Fee in the Public School Endowment. ()

02. Administrative Fees. ()

a. Application Fee. School Districts shall submit to the EFIB an Application Fee of five hundred dollars (\$500). School Districts shall submit the Application Fee to the EFIB with the application materials. The EFIB will use Application Fees to pay costs of reviewing applications and administering the Credit Enhancement Program. At the conclusion of each fiscal year, the EFIB will deposit unexpended Application Fees in the Public School Endowment. ()

b. Pass-through Fee. The EFIB may incur a Pass-through Fee related to the review of an application in its discretion. The EFIB will not invoice a School District for Pass-through Fees related to the review of an application without the prior written approval of the School District. The EFIB may incur a Pass-through Fee related to the issuance of a note without prior approval of the School District. The EFIB will invoice School Districts for the full amount of any Pass-through Fees related to the issuance of a note. School Districts shall remit each invoiced Pass-through Fee to the EFIB within thirty (30) days of invoice. The EFIB will use a Pass-through Fee to pay the direct costs to the EFIB under the Credit Enhancement Program giving rise to the fee. ()

031. -- 039. (RESERVED)

040. APPROVAL AND DENIAL OF APPLICATIONS.

01. Review Periods. The EFIB will provide written approval or denial of an application within twenty (20) days of the submission of all required materials. If the Board requests substantiating documentation, the EFIB will provide written approval or denial of the application within twenty (20) days of the submission of the substantiating documentation. ()

02. Delegation of Review and Approval. The EFIB may delegate review of applications to EFIB staff or experts including legal, accounting, and financial professionals. The EFIB may delegate approval of applications to the EFIB's manager of investments. ()

03. Discretionary Investment. The EFIB will invest in a School District bond issuance under the Credit Enhancement Program in its sole discretion and within its fiduciary responsibilities as trustees of the financial assets of the Endowments. The EFIB may deny an application for participation in the Credit Enhancement Program if the EFIB determines the investment is not in the best interests of one (1) or more of the Endowments. ()

04. Denial of Application for Unpaid Fees. The EFIB may deny an application for participation in the Credit Enhancement Program if a School District has not paid a fee under a pending application or a prior guarantee issued by the Credit Enhancement Program. ()

041. -- 999. (RESERVED)

IDAPA 34 – SECRETARY OF STATE

DOCKET NO. 34-0000-2100F

NOTICE OF OMNIBUS RULEMAKING – ADOPTION OF PENDING FEE RULE

[LINK: LSO Rules Analysis Memo and Cost/Benefit Analysis \(CBA\)](#)

EFFECTIVE DATE: This rule has been adopted by the agency and is now pending review by the 2022 Idaho State Legislature for final approval. Pursuant to Section 67-5224(5)(c), Idaho Code, this pending rule will not become final and effective until it has been approved by concurrent resolution of the legislature because of the fee being imposed or increased through this rulemaking. The pending fee rule becomes final and effective upon adoption of the concurrent resolution or upon the date specified in the concurrent resolution unless the rule is rejected.

AUTHORITY: In compliance with Section 67-5224, Idaho Code, notice is hereby given that this agency has adopted a pending fee rule. The action is authorized pursuant to Sections 67-903(9) and 28-9-526, Idaho Code.

DESCRIPTIVE SUMMARY: The following is a concise explanatory statement of the reasons for adopting the pending fee rule and a statement of any change between the text of the proposed rule and the text of the pending fee rule with an explanation of the reasons for the change.

This pending fee rule adopts and publishes the following rule chapters previously submitted to and reviewed by the Idaho Legislature under IDAPA 34, rules of the Secretary of State:

IDAPA 34

- 34.05.01, *Rules Governing Farm Products Central Filing System;*
- 34.05.02, *Rules Governing Liens in Crops for Seed or Liens in Crops for Farm Labor;*
- 34.05.03, *Rules Governing Requests for Information – Form UCC-4-Fees;* and
- 34.05.06, *Rules Governing Lien Filings Under the UCC.*

There are no changes to the pending fee rule and it is being adopted as originally proposed. The complete text of the proposed rulemaking was published in the October 20, 2021, Special Edition of the Idaho Administrative Bulletin, [Vol. 21-10SE, pages 4061-4092](#).

FEE SUMMARY: The following identifies the fee or charge imposed or increased through this rulemaking:

This rulemaking does not impose a new fee or charge, or increase an existing fee or charge, beyond what has been previously submitted for review in the prior rules. A specific description of the fees or charges being imposed pursuant to Section 28-9-525, Idaho Code, is listed below:

- Fee for information only on all notices when filed online is \$10.
- Fee for information and images on all notices when filed online is an additional \$6.
- Fee for a filing not submitted online is an additional \$20.

UCC Search

- The fee for basic non-certified search online is \$3.
- The fee for copies of individually identified UCC documents of four or more pages is \$.25 per page.
- The fee for copies of individual documents is \$1 per page.

Federal Tax Lien

- The fee for filing is \$6.
- The fee for additional attachment is \$1 per page.
- The fee for a search for information only is \$6.
- The fee for combination searches available with UCC search for information only is \$10.
- The fee for combination searches available with UCC search for information and copies is \$16.

State and County Tax Liens

- There is no fee for filing.
- The fee for a search for information only is \$6.

- The fee for combination searches available with UCC search for information only is \$10.
- The fee for combination searches available with UCC search for information and copies is \$16.

Seed and Farm Labor Liens

- The fee for filing online is \$4.
- The fee for a search for information only is \$6.
- The fee for combination searches available with UCC search for information only is \$10.
- The fee for combination searches available with UCC search for information and copies is \$16.
- The fee for a handwritten form is \$8.

Agriculture Commodity Liens

- The fee for filing is \$5.
- The fee for a search for information only is \$6.
- The fee for combination searches available with UCC search for information only is \$10.
- The fee for combination searches available with UCC search for information and copies is \$16.

Farm Product Liens

- The fee for filing online is \$10.
- The fee for filing handwritten is \$14.
- The fee for a search for information only is \$6.
- The fee for combination searches available with UCC search for information only is \$10.
- The fee for combination searches available with UCC search for information and copies is \$16.

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year: This rulemaking is not anticipated to have any fiscal impact on the state general fund because the FY2022 budget has already been set by the Legislature, and approved by the Governor, anticipating the existence of the rules and fees being reauthorized by this rulemaking.

ASSISTANCE ON TECHNICAL QUESTIONS: For assistance on technical questions concerning this pending fee rule, contact Jason Hancock (208) 334-2852.

Dated this 22nd day of December, 2021.

Jason Hancock
Deputy Secretary of State
Secretary of State's Office
700 W. Jefferson St., Room E205
Boise, Idaho 83720
(208) 334-2852
(208) 334-2282 (fax)

THE FOLLOWING NOTICE PUBLISHED WITH THE OMNIBUS PROPOSED RULE

AUTHORITY: In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Sections 34-216, 30-21-105, 67-903(9), 67-6603, 67-6607, 67-6608, 67-6610, 67-6611, 67-6612, 67-6614A, 67-6619, and 67-6623 Idaho Code, and 42 U.S.C. Section 15481 et seq.

PUBLIC HEARING SCHEDULE: Oral comment concerning this rulemaking will be scheduled in accordance with Section 67-5222, Idaho Code.

DESCRIPTIVE SUMMARY: The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

This proposed rulemaking publishes the following rule chapters previously submitted to and reviewed by the Idaho Legislature under IDAPA 34, rules of the Secretary of State, to wit:

IDAPA 34

- 34.05.01, *Rules Governing Farm Products Central Filing System;*
- 34.05.02, *Rules Governing Liens in Crops for Seed or Liens in Crops for Farm Labor;*
- 34.05.03, *Rules Governing Requests for Information – Form UCC-4-Fees;* and
- 34.05.06, *Rules Governing Lien Filings Under the UCC.*

FEE SUMMARY: This rulemaking does not impose a fee or charge, or increase a fee or charge, beyond what was previously submitted to and reviewed by the Idaho Legislature in the prior rules.

The following is a specific description of the fees or charges:

- Fee for information only on all notices when filed online is \$10.
- Fee for information and images on all notices when filed online is an additional \$6.
- Fee for a filing not submitted online is an additional \$20.

UCC Search

- The fee for basic non-certified search online is \$3.
- The fee for copies of individually identified UCC documents of four or more pages is \$.25 per page.
- The fee for copies of individual documents is \$1 per page.

Federal Tax Lien

- The fee for filing is \$6.
- The fee for additional attachment is \$1 per page.
- The fee for a search for information only is \$6.
- The fee for combination searches available with UCC search for information only is \$10.
- The fee for combination searches available with UCC search for information and copies is \$16.

State Tax Lien

- There is no fee for filing.
- The fee for a search for information only is \$6.
- The fee for combination searches available with UCC search for information only is \$10.
- The fee for combination searches available with UCC search for information and copies is \$16.

State Agencies

- The fee for a search for information only is \$6.
- The fee for combination searches available with UCC search for information only is \$10.
- The fee for combination searches available with UCC search for information and copies is \$16.

Seed and Farm Labor Liens

- The fee for filing online is \$4.
- The fee for a search for information only is \$6.
- The fee for combination searches available with UCC search for information only is \$10.
- The fee for combination searches available with UCC search for information and copies is \$16.

Agriculture Commodity Liens

- The fee for filing is \$5.
- The fee for a search for information only is \$6.
- The fee for combination searches available with UCC search for information only is \$10.
- The fee for combination searches available with UCC search for information and copies is \$16.

Farm Product Liens

- The fee for filing online is \$10.
- The fee for filing handwritten is \$14.
- The fee for a search for information only is \$6.
- The fee for combination searches available with UCC search for information only is \$10.
- The fee for combination searches available with UCC search for information and copies is \$16.

The fees are being imposed pursuant to Section 28-9-525, Idaho Code.

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year: This rulemaking is not anticipated to have any fiscal impact on the state general fund because the FY2022 budget has already been set by the Legislature, and approved by the Governor, anticipating the existence of the rules and fees being reauthorized by this rulemaking.

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(2), Idaho Code, negotiated rulemaking was not feasible because engaging in negotiated rulemaking for all previously existing rules will inhibit the agency from carrying out its ability to serve the citizens of Idaho and to protect their health, safety, and welfare.

INCORPORATION BY REFERENCE: Pursuant to Section 67-5229(2)(a), Idaho Code, incorporated material may be obtained or electronically accessed as provided in the text of the proposed rules attached hereto.

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rules, contact Jason Hancock at (208) 334-2852.

Anyone may submit written comments regarding the proposed rulemaking. All written comments must be directed to the undersigned and must be delivered within twenty-one (21) days after publication of this Notice in the Idaho Administrative Bulletin. Oral presentation of comments may be requested pursuant to Section 67-5222(2), Idaho Code, and must be delivered to the undersigned within fourteen (14) days of the date of publication of this Notice in the Idaho Administrative Bulletin.

DATED this October 20, 2021.

THE FOLLOWING IS THE TEXT OF OMNIBUS PENDING FEE DOCKET NO. 34-0000-2100F

34.05.01 – RULES GOVERNING FARM PRODUCTS CENTRAL FILING SYSTEM

000. LEGAL AUTHORITY.

In accordance with Sections 67-903(9), 28-9-523(g), and 28-9-524, Idaho Code, the Secretary of State has authority to promulgate administrative rules in order to execute the duties of the Office of the Secretary of State. This authority includes rules to implement and maintain the USDA certified Idaho Central Filing System, in accordance with P.L. 99-198, Section 1324 of the Federal Food Security Act (1985) and Title 9, CFR Part 205 (2010). ()

001. SCOPE.

These rules govern the requirements for the filing of Farm Products Financing Statements, for the filing of amendments to Farm Products Financing Statements, and for the compilation and distribution of a master list of Farm Products Financing Statements, and portions of the master list. ()

002. -- 009. (RESERVED)

010. DEFINITIONS.

The definitions set forth in Section 28-9-102, Idaho Code, apply with full force and effect to all provisions and sections of these rules. Where terms used in this rule are not explicitly or completely defined herein, definitions and usage of terms from the Legal Authority in Section 000 of these rules are applicable. ()

01. Crop Year. ()

- a. For a plant or plant product, the calendar year in which it is harvested or to be harvested. ()
- b. For mammals, the calendar year in which they are born or acquired. ()
- c. For bees and worms, the calendar year in which they are alive in adult form. ()
- d. For poultry and the products of mammals, poultry, and bees (i.e., milk, eggs, and honey), the calendar year in which they are sold or to be sold. ()
- e. For fish and other aquaculture, the calendar year in which they are harvested or to be harvested. ()

02. Farm Products Financing Statement. A financing statement covering farm products. ()

03. Item on a Master List. An entry on a master list relating to one (1) Farm Products Financing Statement and one (1) debtor listed thereon. ()

04. ML Grouping. That related group of farm products which will appear as one (1) ML number on the master list. ()

011. ABBREVIATIONS.

Where abbreviations used in these rules are not explicitly or completely defined herein, definitions and usage of abbreviations from the Legal Authority in Section 000 of these rules are applicable. ()

01. ML. A master list, which covers Farm Products Financing Statements relating to a particular farm product or group of farm products. ()

02. SOS. Idaho Secretary of State. ()

03. USDA. United States Department of Agriculture. ()

012. -- 019. (RESERVED)

020. UNIQUE IDENTIFIER NUMBER (UIN).

01. UIN System. The Secretary of State's Office will use a UIN system that has been approved and certified by the USDA for the Idaho Central Filing System in place of the former use of complete social security numbers as a means of debtor identification. ()

02. Social Security Numbers and Tax Identification Numbers. With the use of UINs, as approved by the USDA, the SOS will no longer require or accept social security numbers or tax identification numbers, in total,

on Farm Products Financing Statements. Only the last four (4) digits shall be required and used. The SOS will not provide social security numbers or tax identification numbers, in total, to any person or business entity, in any format, from Farm Products Financing Statements. ()

021. -- 099. (RESERVED)

100. FARM PRODUCTS FINANCING STATEMENT REQUIREMENTS.

01. Form. A Farm Products Financing Statement must meet the requirements of Section 28-9-502, Idaho Code, and must be filed on SOS form "UCC-1F." ()

02. Completion of Form. Form UCC-1F must be completed in accordance with instructions provided by the SOS. ()

101. AMENDMENT, ASSIGNMENT, CONTINUATION, AND TERMINATION OF A FARM PRODUCTS FINANCING STATEMENT.

01. Form. An amendment, assignment, or continuation of a Farm Products Financing Statement must be filed on SOS form "UCC-3F." ()

02. Completion of Form. Form UCC-3F must be completed in accordance with instructions provided by the SOS. ()

03. Termination. Termination of a Farm Products Financing Statement will be done either by the secured party's signature on the termination signature line on the original of the UCC-1F or by checking the termination box on the UCC-3F. ()

102. FARM PRODUCTS FINANCING STATEMENTS UNDER THE UNIFORM COMMERCIAL CODE.

Unless otherwise provided for in this chapter, Farm Products Financing Statements shall be governed by IDAPA 34.05.06, "Administrative Rules Governing Lien Filings Under the UCC," with the following exceptions: ()

01. IDAPA 34.05.06.101.05 "File Number." Subsection 101.05 only applies in that a unique number shall be assigned. For Farm Products Financing Statements, the filing type shall be designated as "F" followed by a number that is assigned sequentially. The filing number bears no relation to the time of filing and is not an indicator of priority. ()

02. IDAPA 34.05.06.108 "Acceptable Forms." Section 108 does not apply to Farm Products Financing Statements. ()

03. IDAPA 34.05.06.111 "Filing Fees." Section 111 does not apply to Farm Products Financing Statements. ()

04. IDAPA 34.05.06.115.01 "Individually Identified Documents." Subsection 115.01 does not apply to Farm Products Financing Statements. Copies of Farm Products Financing Statements shall be made available either from a computer terminal in the reception area in the filing office or through any medium otherwise accepted by the filing office. There is a charge of one dollar (\$1) per page for copies of Farm Products Financing Statements pursuant to Section 28-9-523(k), Idaho Code. ()

05. IDAPA 34.05.06.202.02 "Additional Debtor Identification." Subsection 202.02 does not apply to Farm Products Financing Statements. ()

06. IDAPA 34.05.06.301.01 "Identification Numbers." Subsection 301.01 applies, however, each Farm Products Financing Statement is identified by its file number as described in Subsection 102.01 of these rules. ()

07. IDAPA 34.05.06.301.05 "Status of Financing Statement." Subsection 301.05 does not apply to ()

Farm Products Financing Statements. ()

08. IDAPA 34.05.06.302.01 “Individual Name Fields.” Subsection 302.01 applies, however, no indicator is used to distinguish the name as that of an individual. ()

09. IDAPA 34.05.06.302.05 “No Assumed Business Names.” Subsection 302.05 does not apply to Farm Products Financing Statements. However, if an assumed business name is used as the debtor name, the required information shall be as indicated in Subsection 020.02 of these rules. ()

10. IDAPA 34.05.06.303.01 “Single Field.” Subsection 303.01 applies, however, no indicator is used to distinguish the name as that of an organization. ()

11. IDAPA 34.05.06.303.03 “No Assumed Business Name.” Subsection 303.03 does not apply to Farm Products Financing Statements. However, if an assumed business name is used as the debtor name, the required information shall be as indicated in Subsection 020.02 of these rules. ()

12. IDAPA 34.05.06.306.02 “Status of Debtor.” Subsection 306.02 does not apply to Farm Products Financing Statements. ()

13. IDAPA 34.05.06.306.03 “Status of Financing Statement.” Subsection 306.03 does not apply to Farm Products Financing Statements. ()

14. IDAPA 34.05.06.310 “Termination.” Section 310 does not apply to Farm Products Financing Statements. ()

15. IDAPA 34.05.06.312 “Procedure Upon Lapse.” Section 312 only applies to Farm Products Financing Statements in that a Farm Products Financing Statement lapses on its lapse date. Upon lapse of a Farm Products Financing Statement, the information management system shall cause the Farm Products Financing Statement to no longer be made available to the searcher. ()

16. IDAPA 34.05.06.407 “Data Entry of Names - Designated Fields.” Section 407 applies to Farm Products Financing Statements, however, the filer is not required to designate whether a name is an individual or an organization. ()

17. IDAPA 34.05.06.408 “Data Entry of Names - No Designated Fields.” Section 408 does not apply to Farm Products Financing Statements. ()

18. IDAPA 34.05.06.410.02 “Name and Address of Each Debtor.” Subsection 410.02 applies to Farm Products Financing Statements, however, each debtor name is removed from the searchable index upon lapse or termination. ()

19. IDAPA 34.05.06.411.03 “Amendment Financing Statement Lapses.” Subsection 411.03 applies to Farm Products Financing Statements, however, each debtor name is removed from the searchable index upon lapse or termination. ()

20. IDAPA 34.05.06.413 through IDAPA 34.05.06.504. Sections 413 through 504 do not apply to Farm Products Financing Statements. ()

103. -- 199. (RESERVED)

200. COLLATERAL INFORMATION CODES.

Codes are used to describe farm product collateral on the Farm Products Financing Statements and amendments, on the master list maintained by the SOS, and on the MLs distributed to registered buyers, commission merchants, and selling agents. Assignment of farm product codes and ML Groupings, county codes, and farm product unit codes shall be done by the SOS. The SOS will provide a list of the established codes upon request. ()

01. ML Groupings and Farm Product Codes. The table of ML Groupings, farm products, and their

codes is as follows:

ML No.	ML Grouping	FP Code	FP Name
01	Wheat and Buckwheat	010	Wheat
		011	Buckwheat
02	Feed and Oil Grains	020	Barley
		021	Rye (including Triticale)
		022	Oats
		023	Sorghum Grain
		024	Flaxseed
		025	Safflower
		026	Rape (including Canola)
		027	Field Corn
		028	Millet
03	Hay	030	Hay
04	Ensilage	040	Ensilage
05	Potatoes	050	Potatoes
06	Sugar Beets	060	Sugar Beets
07	Dry Beans	070	Dry Beans
08	Dry Peas, Lentils and Garbanzos	080	Dry Peas
		081	Lentils
		082	Garbanzos (Chick Peas)
09	Sweet Corn	090	Sweet Corn
10	Onions and Garlic	100	Onions
		101	Onion Seed
		102	Garlic

ML No.	ML Grouping	FP Code	FP Name
11	Mint	110	Mint
12	Hops	120	Hops
13	Popcorn & Sunflower Seeds	130	Popcorn
		131	Sunflower Seeds
14	Soybeans	140	Soybeans
15	Rice	150	Rice
16	Seeds	160	Grass for Seed
		161	Alfalfa for Seed
		162	Other Hay Legumes for Seed
		163	Garden Vegetables and Flower Seeds
		164	Seed Potatoes
		165	Row Crops for Seed
17	Vegetables & Melons	170	Green Peas
		171	Tomatoes
		172	Lettuce
		173	Cucumbers
		174	Broccoli
		175	Cauliflower
		176	Lima Beans
		177	Green Beans
		178	Melons
		179	Carrots
		180	Turnips
		181	Asparagus
		182	Spinach and Collards
		183	Pumpkins and Squash
		184	Radishes
		185	Peppers

ML No.	ML Grouping	FP Code	FP Name
		186	Herbs
19	Fruits	190	Apples
		191	Apricots
		192	Cherries
		193	Nectarines
		194	Peaches
		195	Pears
		196	Plums
20	Berries	200	Strawberries
		201	Raspberries
21	Nursery Products	210	Sod
		211	Nursery Stock (Trees and Shrubs)
		212	Christmas Trees
		213	Flowers and Potted Plants
22	Mushrooms	220	Mushrooms
23	Grapes	230	Grapes
50	Beef Animals	500	Beef Cattle and Calves
		501	Beefalo
		502	Bison
51	Sheep, Wool	510	Sheep and Lambs Goats and Llamas
		511	Wool
		512	Goats
		513	Llamas
52	Hogs	520	Hogs
53	Dairy	530	Dairy Cattle

ML No.	ML Grouping	FP Code	FP Name
		531	Milk
54	Equines	540	Horses
		541	Mules
		542	Donkeys and Burros
55	Chickens and Eggs	550	Chickens
		551	Eggs
56	Other Fowl	560	Turkeys
		561	Ducks
		562	Geese
		563	Game Birds
		564	Ostriches, Emus, and Rheas
57	Mink, Rabbits and Fox	570	Mink and Pelts
		571	Rabbits
		572	Fox and Pelts
58	Apiary Products	580	Bees
		581	Honey
		582	Bees Wax
59	Fish and Other Aquaculture	590	Fish and Other Aquaculture
60	Big Game Animals (Deer and Elk)	600	Big Game Animals (Deer and Elk)
61	Worms	610	Worms
62	Semen	620	Cattle Semen
		621	Horse Semen

()

02. County Codes. The table of county codes is as follows. Unless otherwise indicated, counties are in Idaho.

00	All Idaho Counties						
01	Ada	16	Cassia	31	Lewis	46	Garfield, Wa.
02	Adams	17	Clark	32	Lincoln	47	Pend Orielle, Wa.
03	Bannock	18	Clearwater	33	Madison	48	Spokane, Wa.
04	Bear Lake	19	Custer	34	Minidoka	49	Whitman, Wa.
05	Benewah	20	Elmore	35	Nez Perce	50	Malheur, Or.
06	Bingham	21	Franklin	36	Oneida	51	Elko, Nv.
07	Blaine	22	Fremont	37	Owyhee	52	Box Elder, Ut.
08	Boise	23	Gem	38	Payette	53	Cache, Ut.
09	Bonner	24	Gooding	39	Power	54	Rich, Ut.
10	Bonneville	25	Idaho	40	Shoshone	55	Lincoln, Wy.
11	Boundary	26	Jefferson	41	Teton	56	Teton, Wy
12	Butte	27	Jerome	42	Twin Falls	57	Beaverhead, Mt.
13	Camas	28	Kootenai	43	Valley	58	Lincoln, Mt
14	Canyon	29	Latah	44	Washington	59	Sanders, Mt.
15	Caribou	30	Lemhi	45	Asotin, Wa.	99	Not in Table

()

03. Unit Codes. The table for codes for units used to indicate the amount of a FP covered is as follows:

A - acres	G - gallons	T - tons
B - bushels	H - head	V - hives
C - hundred weight	L - pounds	W - lugs
E - cases	N - bins	X - boxes
F - flats	S - sacks	Z - stubs

()

201. REGISTRATION OF BUYERS, COMMISSION MERCHANTS, AND SELLING AGENTS -- SUBSCRIPTION TO THE ML.

01. Form. Registration of buyers, commission merchants, and selling agents must be on the SOS "Subscription Application/Renewal" form. ()

02. Duration. Registration is effective for a period of one (1) year. Renewal of registration may be filed at any time after ninety (90) days prior to expiration of a current registration period. ()

03. Initial Subscription. Subscriptions to the ML may be made at any time. ()

202. -- 299. (RESERVED)

300. FORM AND DISTRIBUTION OF A ML AND CS.

01. Content of List. Each ML includes data from all Farm Products Financing Statements which cover

all ML Groupings. ()

02. ML Publication Dates. Each ML is published in complete form on the first regularly scheduled bi-weekly publication date in each calendar quarter. A ML may at other times be published in complete form at the discretion of the SOS. ()

03. Cut-Off. In order to be included on a ML or CS, a Farm Products Financing Statement must be received by the SOS at least one (1) business day prior to publication. ()

04. Schedule. At the beginning of each calendar quarter, the SOS will make available a schedule of proposed publication dates for that calendar quarter. The SOS may, for good cause, deviate from the schedule, but every ML will be clearly marked with the actual date of publication. In no case will there be more than eighteen (18) days between publications of the ML. ()

301. REQUESTS FOR INFORMATION.
Requests for information on Farm Products Financing Statements will comply with IDAPA 34.05.03, "Rules Governing Requests For Information -- Form UCC-4 -- Fees." ()

302. FEES.

01. Farm Products Financing Statement. Farm Products Financing Statement and changes thereto (UCC-1F and UCC-3F). ()

a. The fee for filing either a UCC-1F or a UCC-3F is provided in IDAPA 34.05.06, "Administrative Rules Governing Lien Filings Under the UCC - Farm Product Liens," Section 606. ()

b. There is no charge for filing a complete termination of a Farm Products Financing Statement. ()

02. Subscription to ML by Buyers, Commission Merchants, and Selling Agents. ()

a. The fee for subscribing for one (1) year is sixty dollars (\$60). ()

b. The subscription fee must be paid at the time the subscription is made. ()

04. Fees for Requests for Information. The fees for requests for information on Farm Products Financing Statements, both written and verbal, and for copies of Farm Products Financing Statements reported on the certificate, are provided in IDAPA 34.05.03, "Rules Governing Requests For Information -- Form UCC-4 -- Fees." ()

303. -- 999. (RESERVED)

**34.05.02 – RULES GOVERNING LIENS IN CROPS FOR SEED
OR LIENS IN CROPS FOR FARM LABOR**

000. LEGAL AUTHORITY.

In accordance with Sections 67-903(9), 45-313(3), and 45-316, Idaho Code, the Secretary of State has authority to promulgate administrative rules in order to execute the duties of the Office of the Secretary of State. ()

001. SCOPE.

These rules govern the requirements for the filing, amendment, or termination of liens in crops for seed or liens in crops for farm labor, as well as the creation and distribution of a master list of liens in crops for seed or liens in crops for farm labor. ()

002. -- 009. (RESERVED)

010. DEFINITIONS.

The definitions set forth in Section 45-302, Idaho Code, and the following terms apply to these rules. ()

01. Family. A group of related persons living together as one economic unit, comprised of parents and children, including step-children. ()

02. Farm Laborer. Anyone who provides farm labor used in the production of crops. When a business entity contracts for and provides such labor, e.g., aerial spraying or custom harvesting, the entity and not its individual employees shall be deemed to be the farm laborer. When individuals provide such labor directly to a producer, each individual is a farm laborer, whether or not they have been organized as a work crew or are members of a family which works as a unit. ()

03. Notice of Claim of Lien. A written notice on the public record of a claimant's lien in the crops of a producer. ()

04. SOS. Idaho Secretary of State. ()

011. -- 099. (RESERVED)

100. REQUIREMENTS FOR NOTICE OF CLAIM OF LIEN.

01. Form. The form for a notice of claim of lien shall be designated "SL-1" and must be completed in accordance with instructions provided by the SOS. ()

a. Collateral information codes assigned by the SOS shall be used to indicate the crop and the county where the crop is grown. The SOS will provide a list of the established codes upon request. ()

02. Supplement. If there is insufficient space on the form SL-1 for all producer and claimant information, the excess will be entered on a supplement form designated "SL-2." ()

101. AMENDMENT, ASSIGNMENT, EXTENSION, AND RELEASE OF CLAIM OF LIEN.

01. Form. The form for amendment, assignment, extension, and release of claim of lien is designated "SL-3" and must be completed in accordance with instructions provided by the SOS. ()

a. Collateral information codes assigned by the SOS shall be used to indicate the crop and the county where the crop is grown. The SOS will provide a list of the established codes upon request. ()

02. Supplement. If there is insufficient space on the first page of the form SL-3 for all information, the excess will be entered on an attached second page SL-3. ()

102. -- 199. (RESERVED)

200. REGISTRATION AND SUBSCRIPTION FOR LIST OF LIENS IN CROPS FOR SEED OR LIENS IN CROPS FOR FARM LABOR.

Any person may register and subscribe for regular distribution of lists of all presently effective notices of claim of liens in crops for seed or liens in crops for farm labor which have been filed under this rule. Unless otherwise set forth in this chapter, the registration and subscription for the list of liens in crops for seed or liens in crops for farm labor shall be administered by the rules as set forth in IDAPA 34.05.01, "Rules Governing Farm Products Central Filing

System,” Section 201. ()

201. LIST OF NOTICES OF CLAIM OF LIEN (LIST).

01. Compilation and Distribution. The SOS shall compile and make available to subscribers a list that includes all presently effective notices of claim of liens in crops for seed or liens in crops for farm labor. ()

02. Schedule. The list will be published on a bi-weekly schedule to be established by the SOS. ()

03. Cut-Off. In order to be included on a list, a notice of claim of lien must be received by the SOS at least one (1) business day prior to publication. ()

04. Schedule. At the beginning of each quarter, the SOS will make available a schedule of proposed publication dates for that calendar quarter. The SOS may, for good cause, deviate from the schedule, but every list will be marked with the actual date of publication. In no case will there be more than eighteen (18) days between publications of lists. ()

202. -- 299. (RESERVED)

300. REQUEST FOR INFORMATION.

Requests for information on notices of claim of liens in crops for seed or liens in crops for farm labor, both written and verbal, will comply with IDAPA 34.05.03, “Rule Governing Requests For Information -- Form UCC-4 -- Fees.” ()

301. FEES.

01. Notice of Claim of Lien, Notice of Amendment, Assignment, or Extension. ()

a. The fee is four dollars (\$4) if the form is filed online, and is eight dollars (\$8) in any other form, to be paid at the time of filing. ()

02. Notice of Release. No fee charged. ()

03. Registration and Subscription for List of Notices. The fees for registration and subscription are set forth in IDAPA 34.05.01, “Rules Governing Farm Products Central Filing System,” Subsections 303.02 and 303.03. ()

04. Fees for Requests for Information. The fees for requests for information on notices of claim are provided in IDAPA 34.05.03, “Rules Governing Requests For Information -- Form UCC-4 -- Fees.” ()

302. -- 999. (RESERVED)

34.05.03 – REQUESTS FOR INFORMATION – FORM UCC-4 – FEES

000. LEGAL AUTHORITY.

01. Title 28, Chapter 9, Part 4, Idaho Code. ()

02. Title 45, Chapters 2 and 3, Idaho Code. ()

001. -- 009. (RESERVED)

010. DEFINITIONS.

01. SOS. Secretary of State. ()

02. EFS. An effective financing statement relating to farm products, as described in IDAPA 34.05.01, "Rules Governing Farm Products Central Filing System." ()

03. Notice of Lien in Crops. A notice of claim of lien in crops for seed or farm labor, as described in IDAPA 34.05.02, "Rules Governing Liens in Crops, For Seed, and Farm Labor." ()

04. Notice of Federal Lien. A notice of lien in personal property filed by the Internal Revenue Service or other federal entity pursuant to Title 45, Chapter 2, Idaho Code. ()

05. UCCFS. A financing statement filed pursuant to Sections 28-9-402 and 28-9-403, Idaho Code, other than one relating to farm products. ()

06. Notices. A collective term used in this rule to include all of the notices and financing statements described in the foregoing Subsections 010.02 through 010.05, as well as all ancillary documents pertaining thereto. ()

07. Debtor. Includes a licensee under Title 45, Chapter 2, Idaho Code, and a producer under Title 45, Chapter 3, Idaho Code. ()

08. Secured Party. Includes the federal government under Title 45, Chapter 2, Idaho Code, and a claimant under Title 45, Chapter 3, Idaho Code. ()

011. REQUESTS FOR INFORMATION.

Upon the request of any person, the SOS shall issue a certificate showing all notices of the types included in a request naming a particular debtor. The certificate shall include the date and hour of filing of each notice, and the name and address of each secured party named therein. If the requested notices include EFS's or notices of liens in crops, the certificate shall further include other information described in IDAPA 34.05.01, "Rules Governing Farm Products Central Filing System," and IDAPA 34.05.02, "Rules Governing Liens in Crops, for Seed and Farm Labor," as applicable. ()

012. FEES.

01. Information Only. Ten dollars (\$10) when filed online. ()

02. Information and Images. Sixteen dollars (\$16) when filed online. ()

03. Filing not Submitted Online. An additional twenty dollars (\$20). ()

04. Payment. Notwithstanding any other provision of this rule, cash payment in advance is required from a requesting party before a certificate will be provided. ()

013. -- 999. (RESERVED)

34.05.06 – RULES GOVERNING LIEN FILINGS UNDER THE UCC

000. LEGAL AUTHORITY AND REFERENCES.

In accordance with Sections 67-903(9) (1977) and 28-9-526 (2001), Idaho Code, the Secretary of State has authority to promulgate administrative rules in order to execute the duties of the Office; this authority includes rules to implement Revised Article 9 of the Uniform Commercial Code, House Bill 205 (2001). ()

001. SCOPE.

These rules govern the filing, acceptance, indexing and searching of financing statements in the Secretary of State's Office under Article 9 of the Uniform Commercial Code. ()

002. -- 100. (RESERVED)

SUBCHAPTER 1 – GENERAL PROVISIONS

101. DEFINITIONS.

For the purpose of the rules contained in this chapter, the following definitions apply: ()

01. Amendment. A UCC document that purports to amend the information contained in a financing statement. Amendments include assignments, continuations and terminations. ()

02. Assignment. An amendment that purports to reflect an assignment of all or a part of a secured party's power to authorize an amendment to a financing statement. ()

03. Continuation. An amendment that purports to continue the effectiveness of a financing statement. ()

04. Correction Statement. A UCC document that purports to indicate that a financing statement is inaccurate or wrongfully filed. ()

05. File Number. The unique identifying information assigned to an initial financing statement by the filing officer for the purpose of identifying the financing statement and UCC documents relating to the financing statement in the filing officer's information management system. For a financing statement with an initial financing statement filed on or prior to June 30, 2001, the file number includes the seven-digit (7) number assigned to the financing statement by the filing officer. For a financing statement with an initial financing statement filed on or after July 1, 2001, the file number includes three (3) segments; the year of filing expressed as a four-digit (4) number, followed by a unique seven-digit (7) number assigned to the financing statement by the filing office and ending with a one-digit (1) verification number assigned by the filing office but algorithmically derived from the numbers in the first two (2) segments. The filing number bears no relation to the time of filing and is not an indicator of priority. ()

06. Filing Office and Filing Officer. The Idaho Secretary of State's Office. ()

07. Financing Statement. An initial financing statement and all UCC documents that relate to the initial financing statement. ()

08. Individual. A human being, or a decedent in the case of a debtor that is such decedent's estate. ()

09. Initial Financing Statement. A UCC document containing the information required to be in an initial financing statement pursuant to Section 2 of these rules which, when filed, causes the filing office to establish the initial record of the existence of a financing statement in the filing office's UCC information management system. ()

10. Organization. A legal person who is not an individual under Subsection 101.08. ()

11. Remitter. A person who tenders a UCC document to the filing officer for filing, whether the person is a filer or an agent of a filer responsible for tendering the document for filing. "Remitter" does not include a person responsible merely for the delivery of the document to the filing office, such as the postal service or a courier service but does include a service provider who acts as a filer's representative in the filing process. ()

12. Secured Party of Record. With respect to a financing statement, a secured party or representative

of a secured party named on the initial financing statement or, if an assignee is designated on the initial financing statement, instead shall mean the secured party or representative named as such assignee, and shall mean each other secured party or secured party representative named as an additional or substitute secured party on any amendment. Revised Article 9 provides that a person remains a secured party of record until the authorized filing of an amendment indicating that the person is no longer a secured party or secured party representative. However, as the filing officer cannot determine if such an amendment is in fact authorized, a secured party of record on a financing statement is not deleted from the filing officer's information management system until the financing statement lapses. ()

13. Termination. An amendment intended to indicate that the related financing statement has ceased to be effective with respect to the secured party authorizing the termination. ()

14. UCC. The Uniform Commercial Code as enacted in this state, Section 28-11-101, et seq., Idaho Code. ()

15. UCC Document. An initial financing statement, a correction statement or any amendment, including an assignment, a continuation, or a termination. The word "document" in the term "UCC document" shall not be deemed to refer exclusively to paper or paper-based writings. In due time, UCC documents may be expressed or transmitted electronically or through media other than such writings. (Note: this definition is used for the purpose of these rules only. The use of the term "UCC document" in these rules has no relation to the definition of the term "document" in Section 28-9-102(a)(30), Idaho Code.) ()

102. (RESERVED)

103. PLACE OF FILING.

The Secretary of State's Office is the filing office for filing UCC documents relating to all types of collateral except for timber to be cut, as-extracted collateral (Section 28-9-102(a)(6), Idaho Code) and, when the relevant financing statement is filed as a fixture filing, goods which are or are to become fixtures. ()

104. FILING OFFICE IDENTIFICATION.

In addition to the promulgation of these rules, the filing office will disseminate information of its location, mailing address, telephone and facsimile numbers, and its internet and other electronic "addresses" through usual and customary means. ()

105. OFFICE HOURS.

Although the filing office maintains regular office hours, it receives transmissions by facsimile twenty-four (24) hours per day, three hundred sixty-five (365) days per year, except for scheduled maintenance and unscheduled interruptions of service. Electronic filings may be available in the near future, and will be possible twenty-four (24) hours per day, three hundred sixty-five (365) days per year, except for scheduled maintenance and unscheduled interruptions of service. ()

106. UCC DOCUMENT DELIVERY.

UCC documents may be tendered for filing at the filing office as follows: ()

01. Personal Delivery, at the Filing Office's Street Address. The file time for a UCC document delivered by this method is when delivery of the UCC document is accepted by the filing office (even though the UCC document may not yet have been accepted for filing and subsequently may be rejected). ()

02. Courier Delivery, at the Filing Office's Street Address. The file time for a UCC document delivered by this method is, notwithstanding the time of delivery, the next close of business following the time of delivery (even though the UCC document may not yet have been accepted for filing and may be subsequently rejected). A UCC document delivered after regular business hours or on a day the filing office is not open for business will have a filing time of the close of business on the next day the filing office is open for business. ()

03. Postal Service Delivery to the Filing Office's Mailing Address. The file time for a UCC document delivered by this method is the next close of business following the time of delivery (even though the UCC document may not yet have been accepted for filing and may be subsequently rejected). A UCC document delivered

after regular business hours or on a day the filing office is not open for business will have a filing time of the close of business on the next day the filing office is open for business. ()

04. Online Delivery Through the Filing Office's Website. The file time for a UCC document delivered by this method is, when the document is submitted to the filing office (even though the UCC document may not yet have been accepted for filing and may be subsequently rejected). ()

107. SEARCH REQUEST DELIVERY.

UCC search requests may be delivered to the filing office by any of the means by which UCC documents may be delivered to the filing office. Requirements concerning search requests are set forth in Section 501. UCC search requests upon a debtor named on an initial financing statement may be made by an appropriate indication on the face of the initial financing statement form if the form is entitled to be filed with the standard form fee and the relevant search fee is also tendered with the initial financing statement ()

108. ACCEPTABLE FORMS.

The forms set forth in Section 28-9-521, Idaho Code, shall be accepted by the filing office. Forms approved by the International Association of Corporation Administrators on or prior to July 1, 2001, and forms approved by the filing office shall be accepted. ()

109. -- 110. (RESERVED)

111. FILING FEES.

Section 28-9-525, Idaho Code. ()

01. Filing Fee. The fee for filing and indexing a UCC document of one (1) or two (2) pages communicated on paper or in a paper-based format is six dollars \$(6). If there are additional pages, the fee is twelve dollars (\$12). When available, the fee for filing and indexing a UCC document communicated by a medium authorized by these rules which is other than on paper or in a paper-based format shall be three dollars (\$3). ()

02. UCC Search Fee. The fee for a UCC online search is three dollars (\$3). Certified searches may be performed using form UCC4 with fees as per IDAPA rule 34.05.03. ()

03. Correct Filing Fee is Required for Processing. Incorrect calculated payments will be returned. ()

112. (RESERVED)

113. METHODS OF PAYMENT.

Filing fees and fees for public records services may be paid by the following methods: ()

01. Cash. Payment in cash shall be accepted if paid in person at the filing office. ()

02. Checks. Personal checks, business checks, bank-certified checks or cashiers checks and money orders shall be accepted for payment if they are drawn on a bank acceptable to the filing office or if the drawer is acceptable to the filing office. ()

03. Credit Card. Payment with a credit card shall be accepted if paid in person at the filing office or making a payment online. ()

114. PUBLIC RECORDS SERVICES.

Public records services are provided on a non-discriminatory basis to any member of the public on the terms described in these rules. The following methods are available for obtaining copies of UCC documents and copies of data from the UCC information management system. ()

01. Individually Identified Documents. Copies of individually identified UCC documents are available either from a computer terminal in the reception area in the filing office or through any medium otherwise

accepted by the filing office. There is a charge of twenty-five cents (\$.25) per page for printed information, but only if four (4) or more pages are printed. ()

02. Bulk Copies of Documents. Bulk copies of UCC documents are available by subscription. ()

03. Data from the Information Management System. A list of available data elements from the UCC information management system, and the file layout of the data elements, are available from the filing officer upon request. Data from the information management system is available as follows: ()

a. Full Extract. A bulk data extract of information from the UCC information management system is available on a bi-weekly basis. ()

b. Format. Extracts from the UCC information management system are available in plain text format. ()

04. Direct On-Line Services. On-line services providing UCC information are available from the UCC information management data request systems. ()

115. FEES FOR PUBLIC RECORDS SERVICES. Fees for public records services are established as follows: ()

01. Charge for Paper Copies. The charge for paper copies of individual documents is one dollar (\$1) per page. ()

02. Data From the Information Management System. The charge for a full extract is one hundred twenty-five dollars (\$125) per bi-weekly download. ()

116. NEW PRACTICES AND TECHNOLOGIES. The filing officer may adopt practices and procedures to accomplish receipt, processing, maintenance, retrieval and transmission of, and remote access to, Article 9 filing data by means of electronic, voice, optical and/or other technologies, and, without limiting the foregoing, to maintain and operate, in addition to or in lieu of a paper-based system, a non-paper-based Article 9 filing system utilizing any of such technologies. In developing and utilizing technologies and practices, the filing officer shall, to the greatest extent feasible, take into account compatibility and consistency with technologies, practices, policies and regulations adopted in connection with Article 9 filing systems in other states. ()

117. -- 199. (RESERVED)

SUBCHAPTER 2 – ACCEPTANCE AND REFUSAL OF DOCUMENTS

200. ROLE OF FILING OFFICER.

01. Duties and Responsibilities. The duties and responsibilities of the filing officer with respect to the administration of the UCC are ministerial. ()

02. What the Filing Officer Does Not Do. In accepting for filing or refusing to file a UCC document pursuant to these rules, the filing officer does not: ()

a. Determine the legal sufficiency or insufficiency of a document. ()

b. Determine that a security interest in collateral exists or does not exist. ()

c. Determine that information in the document is correct or incorrect, in whole or in part. ()

d. Create a presumption that information in the document is correct or incorrect, in whole or in part. ()

201. DUTY TO FILE.

Provided that there is no ground to refuse acceptance of the document under Section 202, a UCC document is filed upon its receipt by the filing officer with the filing fee and the filing officer shall promptly assign a file number to the UCC document and index it in the information management system. ()

202. GROUNDS FOR REFUSAL OF UCC DOCUMENT.

The following grounds are the sole grounds for the filing officer's refusal to accept a UCC document for filing. As used herein, the term "legible" is not limited to refer only to written expressions on paper: it requires, when appropriate, a machine-readable transmission for electronic transmissions and an otherwise readily decipherable transmission in other cases. ()

01. Debtor Name and Address. An initial financing statement or an amendment that purports to add a debtor shall be refused if the document fails to include a legible debtor name and address for a debtor, in the case of an initial financing statement, or for the debtor purporting to be added in the case of such an amendment. If the document contains more than one debtor name or address and some names or addresses are missing or illegible, the filing officer shall index the legible name and address pairings, and provide a notice to the remitter containing the file number of the document, identification of the debtor name(s) that was (were) indexed, and a statement that debtors with illegible or missing names or addresses were not indexed. ()

02. Additional Debtor Identification. An initial financing statement or an amendment adding one or more debtors shall be refused if the document fails to identify whether each named debtor (or each added debtor in the case of such an amendment) is an individual or an organization, if the last name of each individual debtor is not identified, or if, for each debtor identified as an organization, the document does not include in legible form the organization's type, state of organization and organization number (or a statement that it does not have an organization number). UCC documents, including the UCC1 and UCC3, should not contain Social Security Account Numbers or other Taxpayer identification numbers although there are spaces for this information on the approved UCC1 and UCC3 form. If these numbers are entered on the forms, the filing officer shall cause them not to be readable on the scanned image retained by the filing office. ()

03. Secured Party Name and Address. An initial financing statement, an amendment purporting to add a secured party of record, or an assignment, shall be refused if the document fails to include a legible secured party (or assignee in the case of an assignment) name and address. If the document contains more than one secured party (or assignee) name or address and some names or addresses are missing or illegible, the filing officer shall index the legible name and address pairings, and provide a notice to the remitter containing the file number of the document, identification of the secured party (or assignee) names that were indexed, and a statement that secured parties with illegible or missing names or addresses were not indexed. ()

04. Lack of Identification of Initial Financing Statement. A UCC document other than an initial financing statement shall be refused if the document does not provide a file number of a financing statement which exists in the UCC information management system and which has not lapsed. ()

05. Other Required Information. A UCC document that does not identify itself as an initial financing statement or as another type of UCC document shall be refused. ()

06. Timeliness of Continuation. A continuation shall be refused if it is not received during the six (6) month period concluding on the day upon which the related financing statement would lapse. ()

a. First Day Permitted. The first day on which a continuation may be filed is the date of the month corresponding to the date upon which the financing statement would lapse, six (6) months preceding the month in which the financing statement would lapse. If there is no such corresponding date during the sixth month preceding the month in which the financing statement would lapse, the first day on which a continuation may be filed is the last day of the sixth month preceding the month in which the financing statement would lapse, although filing by certain means may not be possible on such date if the filing office is not open on such date. ()

b. Last Day Permitted. The last day on which a continuation may be filed is the date upon which the financing statement lapses. ()

07. Fee. A document shall be refused if the document is accompanied by less than the full filing fee tendered by a method described in Section 113. ()

08. Means of Communication. UCC documents communicated to the filing office by a means of communication not authorized by the filing officer for the communication of UCC documents shall be refused. ()

203. (RESERVED)

204. TIME LIMIT.

The filing officer shall determine whether criteria exist to refuse acceptance of a UCC document for filing not later than the second business day after the date the document would have been filed had it been accepted for filing and shall index a UCC document not so refused within the same time period. ()

205. PROCEDURE UPON REFUSAL.

If the filing officer finds any basis under Section 202 to refuse acceptance of a UCC document, the filing officer shall return the document, if written, to the remitter and refund the filing fee. The filing office shall send a notice that contains the date and time the document would have been filed had it been accepted for filing (unless such date and time are stamped on the document), and a brief description of the reason(s) for refusal to accept the document under Section 202. The notice shall be sent to a secured party or the remitter as provided in Subsection 401.02.b. no later than the second business day after of the determination to refuse acceptance of the document. A refund may be delivered with the notice or under separate cover. ()

206. ACKNOWLEDGMENT.

At the request of a filer or remitter, the filing officer shall communicate to the filer or remitter the information in the filed document, the file number and the date and time of filing. ()

207. OTHER NOTICES.

Nothing in these rules prevents a filing officer from communicating to a filer or a remitter that the filing officer noticed apparent potential defects in a UCC document, whether or not it was filed or refused for filing. However, the filing office is under no obligation to do so and may not have the resources to do so. **THE RESPONSIBILITY FOR THE LEGAL EFFECTIVENESS OF FILING RESTS WITH FILERS AND REMITTERS AND THE FILING OFFICE BEARS NO RESPONSIBILITY FOR SUCH EFFECTIVENESS.** ()

208. REFUSAL ERRORS.

If a secured party or a remitter demonstrates to the satisfaction of the filing officer that a UCC document that was refused for filing should not have been, the filing officer will file the UCC document as provided in these rules with a filing date and time assigned when such filing occurs. The filing officer will also file a filing officer statement that states the effective date and time of filing which shall be the date and time the UCC document was originally tendered for filing. The lapse date shall be calculated based upon the date the UCC document was originally tendered. ()

209. -- 299. (RESERVED)

SUBCHAPTER 3 – UCC INFORMATION MANAGEMENT SYSTEM

300. POLICY STATEMENT.

The filing officer uses an information management system to store, index, and retrieve information relating to financing statements. The information management system includes an index of the names of debtors named on financing statements which have not been lapsed for more than one (1) year. ()

301. PRIMARY DATA ELEMENTS.

The primary data elements used in the UCC information management system are the following: ()

01. Identification Numbers. ()

a. Each initial financing statement is identified by its file number as described in Subsection 101.05.

Identification in the form of the file number of the initial financing statement is stamped on written UCC documents or is otherwise permanently associated with the record maintained for UCC documents in the UCC information management system. A record is created in the information management system for each initial financing statement and all information comprising such record is maintained in such system. Such record is identified by the same information assigned to the initial financing statement. ()

b. A UCC document other than an initial financing statement is identified by a unique file number assigned by the filing officer. In the information management system, records of all UCC documents other than initial financing statements are linked to the record of their related initial financing statement. ()

02. Type of Document. The type of UCC document from which data is transferred is identified in the information management system from information supplied by the remitter. ()

03. Filing Date and Filing Time. The filing date and filing time of UCC documents are stored in the information management system. Calculation of the lapse date of an initial financing statement is based upon the filing date or the effective filing date as provided in Section 208 of these rules. ()

04. Identification of Parties. The names and addresses of debtors and secured parties are transferred from UCC documents to the UCC information management system using one (1) or more data entry or transmittal techniques. ()

05. Status of Financing Statement. In the information management system, each financing statement has a status of active or inactive. ()

06. Lapse Indicator. An indicator is maintained by which the information management system identifies whether or not a financing statement will lapse and, if it does, when it will lapse. The lapse date is determined as provided in Section 404. ()

302. NAMES OF DEBTORS WHO ARE INDIVIDUALS.

The definition of "individual" is found in Subsection 101.08. This rule applies to the name on a UCC document of a debtor or a secured party who is an individual. ()

01. Individual Name Fields. The names of individuals are stored in the same files as the names of organizations. Separate data entry fields are established for first (given), middle (given), and last names (surnames or family names) of individuals, and an indicator is marked with "I" to distinguish the name as that of an individual. The filing officer assumes no responsibility for the accurate designation of the components of a name but will accurately enter the data in accordance with the filer's designations. ()

02. Titles and Prefixes Before Names. Titles and prefixes, such as "Doctor," "Reverend," "Mr.," and "Ms.," should not be entered in the UCC information management system. However, as provided in Section 407, when a UCC document is submitted with designated name fields, the data will be entered in the UCC information management system exactly as it appears. ()

03. Titles and Suffixes After Names. Titles or indications of status such as "M.D." and "esquire" shall not be entered in the UCC information management system. Suffixes, such as "Sr.," "Jr.," "I," "II," and "III," and "Est" (estate) are entered in a field designated for name suffixes. ()

04. Truncation -- Individual Names. Personal name fields in the UCC database are fixed in length. Although filers should continue to provide full names on their UCC documents, a name that exceeds the fixed length is entered as presented to the filing officer, up to the maximum length of the data entry field. The length of data entry name fields are as follows. ()

a. First name: Fifty (50) characters. ()

b. Middle name: Fifty (50) characters. ()

c. Last name: Two hundred fifty-five (255) characters. ()

d. Suffix: Ten (10) characters. ()

05. No Assumed Business Names. An assumed business name, whether or not on file under Chapter 5, Title 53, Idaho Code, is not the legal name of the individual using the assumed business name. ()

303. NAMES OF DEBTORS THAT ARE ORGANIZATIONS.

This rule applies to the names of organizations which are debtors or secured parties on a UCC document. ()

01. Single Field. The names of organizations are stored in the same files as the names of individuals. The name of an organization is stored in the last-name field only, and an indicator is marked with "O" to distinguish the name as that of an organization. The filing officer assumes no responsibility for the accurate designation of an organizational name but will accurately enter the data in accordance with the filer's designations. ()

02. Truncation-Organization Names. The organization name field in the UCC database is fixed in length. The maximum length is two hundred fifty-five (255) characters. Although filers should continue to provide full names on their UCC documents, a name that exceeds the fixed length is entered as presented to the filing officer, up to the maximum length of the data entry field. ()

03. No Assumed Business Names. An assumed business name, whether or not on file under Chapter 5, Title 53, Idaho Code, is not the legal name of the organization using the assumed business name. ()

304. ESTATES.

Although they are not human beings, estates are treated as if the decedent were the debtor under Section 302. "Est" should be entered in the suffix field. ()

305. TRUSTS.

If the trust is named in its organic document(s), its full legal name, as set forth in such document(s), is used. Such trusts are treated as organizations. If the trust is not so named, the name of the settlor is used. If a settlor is indicated to be an organization, the name is treated as an organization name. If the settlor is an individual, the name is treated as an individual name. A UCC document that uses a settlor's name should include other information provided by the filer to distinguish the debtor trust from other trusts having the same settlor and all financing statements filed against trusts or trustees acting with respect to property held in trust should indicate the nature of the debtor. If this is done in, or as part of, the name of the debtor, it will be entered as if it were a part of the name under Sections 407 and 408. ()

306. INITIAL FINANCING STATEMENT.

Upon the filing of an initial financing statement the status of the parties and the status of the financing statement shall be as follows: ()

01. Status of Secured Party. Each secured party named on an initial financing statement shall be a secured party of record, except that if the UCC document names an assignee, the secured party/assignor shall not be a secured party of record and the secured party/assignee shall be a secured party of record. ()

02. Status of Debtor. The status of a debtor named on the document shall be active and shall continue as active until one (1) year after the financing statement lapses. ()

03. Status of Financing Statement. The status of the financing statement shall be active. A lapse date shall be calculated, five (5) years from the file date, unless the initial financing statement indicates that it is filed with respect to a public-financing transaction or a manufactured-home transaction, in which case the lapse date shall be thirty (30) years from the file date; or, if the initial financing statement indicates that it is filed against a transmitting utility, in which case there shall be no lapse date. A financing statement remains active until one (1) year after it lapses, or if it is indicated to be filed against a transmitting utility, until one (1) year after it is terminated with respect to all secured parties of record. ()

307. AMENDMENT.

Upon the filing of an amendment the status of the parties and the status of the financing statement shall be as follows:

()

01. Status of Secured Party and Debtor. An amendment shall affect the status of its debtor(s) and secured party(ies) as follows: ()

a. Collateral Amendment or Address Change. An amendment that amends only the collateral description or one (1) or more addresses has no effect upon the status of any debtor or secured party. If a statement of amendment is authorized by less than all of the secured parties (or, in the case of an amendment that adds collateral, less than all of the debtors), the statement affects only the interests of each authorizing secured party (or debtor). ()

b. Debtor Name Change. An amendment that changes a debtor's name has no effect on the status of any debtor or secured party, except that the related initial financing statement and all UCC documents that include an identification of such initial financing statement shall be cross-indexed in the UCC information management system so that a search under either the debtor's old name or the debtor's new name will reveal such initial financing statement and such related UCC documents. Such a statement of amendment affects only the rights of its authorizing secured party(ies). ()

c. Secured Party Name Change. An amendment that changes the name of a secured party has no effect on the status of any debtor or any secured party, but the new name is added to the index as if it were a new secured party of record. ()

d. Addition of a Debtor. An amendment that adds a new debtor name has no effect upon the status of any party to the financing statement, except the new debtor name shall be added as a new debtor on the financing statement. The addition shall affect only the rights of the secured party(ies) authorizing the statement of amendment. ()

e. Addition of a Secured Party. An amendment that adds a new secured party shall not affect the status of any party to the financing statement, except that the new secured party name shall be added as a new secured party on the financing statement. ()

f. Deletion of a Debtor. An amendment that deletes a debtor has no effect on the status of any party to the financing statement, even if the amendment purports to delete all debtors. ()

g. Deletion of a Secured Party. An amendment that deletes a secured party of record has no effect on the status of any party to the financing statement, even if the amendment purports to delete all secured parties of record. ()

02. Status of Financing Statement. An amendment shall have no effect upon the status of the financing statement, except that a continuation may extend the period of effectiveness of a financing statement. ()

308. ASSIGNMENT OF POWERS OF SECURED PARTY OF RECORD.

01. Status of the Parties. An assignment shall have no effect on the status of the parties to the financing statement, except that each assignee named in the assignment shall become a secured party of record. ()

02. Status of Financing Statement. An assignment shall have no effect upon the status of the financing statement. ()

309. CONTINUATION.

01. Continuation of Lapse Date. Upon the timely filing of one (1) or more continuations by any secured party(ies) of record, the lapse date of the financing statement shall be postponed for five (5) years. ()

02. Status of Parties. The filing of a continuation shall have no effect upon the status of any party to

the financing statement. ()

03. Status of Financing Statement. Upon the filing of a continuation statement, the status of the financing statement remains active. ()

310. TERMINATION.

01. Status of Parties. The filing of a termination shall have no effect upon the status of any party to the financing statement. ()

02. Status of Financing Statement. A termination shall have no effect upon the status of the financing statement and the financing statement shall remain active in the information management system until one (1) year after it lapses, unless the termination relates to a financing statement that indicates it is filed against a transmitting utility, in which case the financing statement will become inactive one (1) year after it is terminated with respect to all secured parties of record. ()

311. CORRECTION STATEMENT.

01. Status of Parties. The filing of a correction statement shall have no effect upon the status of any party to the financing statement. ()

02. Status of Financing Statement. A correction statement shall have no effect upon the status of the financing statement. ()

312. PROCEDURE UPON LAPSE.

If there is no timely filing of a continuation with respect to a financing statement, the financing statement lapses on its lapse date but no action is then taken by the filing office. On the first anniversary of such lapse date, the information management system renders or is caused to render the financing statement inactive and the financing statement will no longer be made available to a searcher unless inactive statements are requested by the searcher and the financing statement is still retrievable by the information management system. ()

313. -- 399. (RESERVED)

SUBCHAPTER 4 – FILING AND DATA ENTRY PROCEDURES

400. POLICY STATEMENT.

This section contains rules describing the filing procedures of the filing officer upon and after receipt of a UCC document. It is the policy of the filing officer to file promptly a document that conforms to these rules. Except as provided in these rules, data is transferred from a UCC document to the information management system exactly as the data is set forth in the document. Personnel who create reports in response to search requests type search criteria exactly as set forth on the search request. No effort is made to detect or correct errors of any kind. ()

401. DOCUMENT INDEXING AND OTHER PROCEDURES BEFORE ARCHIVING.

01. Cash Management. Transactions necessary to payment of the filing fee are performed. ()

02. Document Review. The filing office determines whether a ground exists to refuse the document under Section 202. ()

a. File Stamp. If there is no ground for refusal of the document, the document is stamped or deemed filed and a unique identification number and the filing date is stamped on the document or permanently associated with the record of the document maintained in the UCC information management system. The sequence of the identification number is not an indication of the order in which the document was received. ()

b. Correspondence. If there is a ground for refusal of the document, notification of refusal to accept the document is prepared as provided in Section 205. If there is no ground for refusal of the document, an acknowledgment of filing is prepared as provided in Section 206. Acknowledgment of filing or notice of refusal of a

UCC document is sent to the secured party (or the first secured party if there are more than one (1)) named on the UCC document or to the remitter if the remitter so requests by regular mail or by overnight courier if the remitter provides a prepaid waybill or access to the remitter's account with the courier. ()

402. FILING DATE.

The filing date of a UCC document is the date the UCC document is received with the proper filing fee if the filing office is open to the public on that date; or, if the filing office is not so open to the public on that date, the filing date is the next date the filing office is so open, except that, in each case, UCC documents received after 5 p.m. shall be deemed received on the following day. The filing officer may perform any duty relating to the document on the filing date or on a date after the filing date. ()

403. FILING TIME.

The filing time of a UCC document is determined as provided in Section 106. ()

404. LAPSE DATE AND TIME.

A lapse date is calculated for each initial financing statement (unless the debtor is indicated to be a transmitting utility). The lapse date is the same date of the same month as the filing date in the fifth year after the filing date or relevant subsequent fifth anniversary thereof if a timely continuation statement is filed, but if the initial financing statement indicates that it is filed with respect to a public-finance transaction or a manufactured-home transaction, the lapse date is the same date of the same month as the filing date in the thirtieth year after the filing date. The lapse takes effect at midnight at the end of the lapse date. The relevant anniversary for a February 29 filing date shall be March 1 in the fifth year following the year of the filing date. ()

405. ERRORS OF THE FILING OFFICER.

The filing office may correct the errors of filing officer personnel in the UCC information management system at any time. If the correction is made after the filing officer has issued a certification date that includes the filing date of a corrected document, the filing officer shall file a filing officer statement in the UCC information management system identifying the record to which it relates, the date of the correction and explaining the nature of the corrective action taken. The notation shall be preserved as long as the record is preserved in the UCC information management system. ()

406. ERRORS OTHER THAN FILING OFFICE ERRORS.

An error by a filer is the responsibility of such filer. It can be corrected by filing an amendment or it can be disclosed by a correction statement. ()

407. DATA ENTRY OF NAMES – DESIGNATED FIELDS.

A filing should designate whether a name is a name of an individual or an organization and, if an individual, also designate the first, middle and last names and any suffix. When this is done, Subsections 407.01 through 407.03 shall apply: ()

01. Organization Names. Organization names are entered into the UCC information management system exactly as set forth in the UCC document, even if it appears that multiple names are set forth in the document or if it appears that the name of an individual has been included in the field designated for an organization name. ()

02. Individual Names. On a form that designates separate fields for first, middle, and last names and any suffix, the filing officer enters the names into the first, middle, and last name and suffix fields in the UCC information management system exactly as set forth on the form. ()

03. Designated Fields Encouraged. The filing office encourages the use of forms that designate separate fields for individual and organization names and separate fields for first, middle, and last names and any suffix. Filers should be aware that the inclusion of a name in an incorrect field or the failure to transmit a name accurately to the filing office may cause a filing to be ineffective. ()

408. DATA ENTRY OF NAMES -- NO DESIGNATED FIELDS.

A UCC document that is an initial financing statement or an amendment that adds a debtor to a financing statement and that fails to specify whether the debtor is an individual or an organization shall be refused by the filing office. If it

is accepted for filing in error, the following rules in Subsections 408.01 through 408.04 shall apply: ()

01. Identification of Organizations. A name is treated as an organization name if it contains words or abbreviations that indicate status such as the following and similar words or abbreviations in foreign languages: association, church, college, company, co., corp., corporation, inc., limited, ltd., club, foundation, fund, L.L.C., limited liability company, institute, society, union, syndicate, GmbH, S.A. de C.V., limited partnership, L.P., limited liability partnership, L.L.P., trust, business trust, co-op, cooperative and other designations established by statutes to indicate a statutory organization. In cases where organization or individual status is not designated by the filer and is not clear, the filing officer will use his own judgment. ()

02. Identification of Individuals. A name is entered as the name of an individual and not the name of an organization when the name is followed by a title substantially similar to one (1) of the following titles, or the equivalent of one (1) of the following titles in a foreign language: proprietor, sole proprietor, proprietorship, sole proprietorship, partner, general partner, president, vice president, secretary, treasurer, M.D., O.D., D.D.S., attorney at law, Esq., accountant, CPA. In such cases, the title is not entered. ()

03. Individual and Organization Names on a Single Line. Where it is apparent that the name of an individual and the name of an entity are stated on a single line and not in a designated individual name field, the name of the individual and the name of the entity shall be entered as two (2) separate debtors, one (1) as an individual and one (1) as an entity. Additional filing fees for the amendment to add additional debtor name(s) may be required. ()

04. Individual Names. The failure to designate the last name of an individual debtor in an initial financing statement or an amendment adding such debtor to a financing statement should cause a filing to be refused. If the filing is accepted in error, or if only the last name is designated, the following data entry rules apply: ()

a. Freestanding Initials. An initial in the first position of the name is treated as a first name. An initial in the second position of the name is treated as a middle name. ()

b. Combined Initials and Names. An initial and a name to which the initial apparently corresponds is entered into one (1) name field only [e.g. "D. (David)" in the name "John D. (David) Rockefeller" is entered as "John" (first name); "D. (David)" (middle name); "Rockefeller" (last name)]. ()

c. Multiple Individual Names on a Single Line. Two (2) individual names contained in a single line are entered as two different debtors [e.g. the debtor name "John and Mary Smith" is entered as two (2) debtors: "John Smith" and "Mary Smith"]. ()

d. One Word Names. A one (1) word name is entered as a last name [e.g. "Charro" is treated as a last name]. ()

e. Nicknames. A nickname is entered in the name field together with the name preceding the nickname, or if none, then as the first name (e.g., "William (Bill) Jones"). ()

409. VERIFICATION OF DATA ENTRY.
The filing officer uses double key entry to verify the accuracy of data entry tasks. ()

410. INITIAL FINANCING STATEMENT.

01. New Record Bears the Unique UCC File Number. A new record is opened in the UCC information management system for each initial financing statement. The new record bears the unique file number of the financing statement and the date and time of filing. ()

02. Name and Address of Each Debtor. The name and address of each debtor that are legibly set forth in the financing statement are entered into the record of the financing statement. Each such debtor name is included in the searchable index and is not removed until one (1) year after the financing statement lapses. ()

03. Name and Address of Each Secured Party. The name and address of each secured party that are

legibly set forth in the financing statement are entered into the record of the financing statement. ()

04. Record Is Indexed According to the Name of the Debtor. The record is indexed according to the name of the debtor(s) and is maintained for public inspection. ()

05. Lapse Date. A lapse date is established for the financing statement, and the lapse date is maintained as part of the record. No lapse date is established for a financing statement which indicates it is filed against a transmitting utility. ()

411. AMENDMENT.

01. Date and Time of Filing Amendment. A record is created for the amendment that bears the file number for the amendment and the date and time of filing. ()

02. Amendment Initial Financing Statement. The record of the amendment is associated with the record of the related initial financing statement in a manner that causes the amendment to be retrievable each time a record of the financing statement is retrieved. ()

03. Amendment Financing Statement Lapses. The name and address of each additional debtor and secured parties are entered into the UCC information management system in the record of the financing statement. Each such additional debtor name is added to the searchable index and is not removed until one (1) year after the financing statement lapses. ()

04. New Lapse Date Is Established. If the amendment is a continuation, a new lapse date is established for the financing statement and maintained as part of its record. ()

412. CORRECTION STATEMENT.

A record is created for the correction statement that bears the file number for the correction statement and the date and time of filing. The record of the correction statement is associated with the record of the related initial financing statement in a manner that causes the correction statement to be retrievable each time a record of the financing statement is retrieved. ()

413. GLOBAL FILINGS.

01. Filing a Single UCC Document. The filing officer may accept for filing a single UCC document for the purpose of amending more than one (1) financing statement, for one (1) or both of the following purposes: ()

- a. Amendment to change secured party name; or ()
- b. Amendment to change secured party address. ()

02. Global Filing. A global filing shall consist of a written document describing the requested amendment on a form approved by the filing office. Acceptance of a global filing is conditioned upon the determination of the filing officer and is within the filing officer's sole discretion. ()

414. NOTICE OF BANKRUPTCY.

The filing officer shall take no action upon receipt of a notification, formal or informal, of a bankruptcy proceeding involving a debtor named in the UCC information management system. ()

415. -- 499. (RESERVED)

SUBCHAPTER 5 – SEARCH REQUESTS AND REPORTS

500. GENERAL REQUIREMENTS.

The filing officer maintains for public inspection a searchable index for all records of UCC documents that provides for the retrieval of a record by the name of the debtor and by the file number of the initial financing statement to

which the record relates and which associates each initial financing statement and each filed UCC document relating to the initial financing statement. ()

501. SEARCH REQUESTS.

Search requests shall contain the following information: ()

01. Name Searched. A search request should set forth the full correct name of a debtor or the name variant desired to be searched and must specify whether the debtor is an individual or an organization. The full name of an individual should consist, whenever possible, of a first, middle, and last name, followed by any suffix that may apply to the name. The full name of an organization shall consist of the name of the organization as stated on the articles of incorporation or other organic documents in the state or country of organization or the name variant desired to be searched. A search request will be processed using the name in the exact form it is submitted. ()

02. Requesting Party. The name and address of the person to whom the search report is to be sent. ()

03. Fee. The appropriate fee shall be enclosed, payable by a method described in Section 113. ()

502. OPTIONAL INFORMATION.

A UCC search request may contain any of the following information: ()

01. Copies of Documents. A request that copies of documents referred to in the report be included with the report. The request may limit the copies requested by limiting them by reference to the city of the debtor, the date of filing, or a range of filing dates on the financing statements located by the related search. The request may ask for copies of UCC documents identified on the primary search response. ()

02. Debtor Name. A request that the search of a debtor name be limited to debtors in a particular city. A report created by the filing officer in response to such a request shall contain the following statement: "A search limited to a particular city, the date of filing, or a range of filing dates may not reveal all filings against the debtor searched and the searcher bears the risk of relying on such a search." ()

03. Mode of Delivery. Instructions on the mode of delivery requested, if other than by ordinary mail, will be honored if the requested mode is at the time available to the filing office. ()

503. RULES APPLIED TO SEARCH REQUESTS.

Search results are created by applying standardized search logic to the name presented to the filing officer by the person requesting the search. Human judgment does not play a role in determining the results of the search, except with respect to supplemental responses regarding individual debtor names that are not automated. The following, and only the following, rules are applied to conduct searches: ()

01. No Limit on Number of Search Matches. There is no limit to the number of matches that may be returned in response to the search criteria. ()

02. Not Case Sensitive. No distinction is made between upper and lower case letters. ()

03. Punctuation. Punctuation marks and accents are disregarded. ()

04. Words and Abbreviations at the End of a Name. Words and abbreviations at the end of a name that indicate the existence or nature of an organization as set forth in the "Ending Noise Words" list as promulgated and adopted by the International Association of Corporation Administrators, as amended from time to time, are disregarded (e.g., company, limited, incorporated, corporation, limited partnership, limited liability company or abbreviations of the foregoing). ()

05. "The" Disregarded. The word "the" at the beginning of the search criteria is disregarded. ()

- 06. Spaces.** All spaces are disregarded. ()
- 07. Initials.** For first and middle names of individuals, initials are equated with all names that begin with such initials, and no middle name or initial is equated with all middle names and initials. ()
- 08. Names Searched On.** After taking the preceding rules into account to modify the name of the debtor requested to be searched and to modify the names of debtors contained in active financing statements in the UCC information management system, the search will reveal only names of debtors that are contained in active financing statements and, as modified, exactly match the name requested, as modified. ()
- 504. SEARCH RESPONSES.**
Reports created in response to a search request shall include the following: ()
- 01. Filing Officer.** Identification of the filing officer and the certification of the filing officer required by the UCC. ()
- 02. Report Date.** The date the report was generated. ()
- 03. Name Searched.** Identification of the name searched. ()
- 04. Certification Date.** The certification date applicable to the report; i.e., the date and time through which the search is effective to reveal all relevant UCC documents filed on or prior to that date. ()
- 05. Identification of Initial Financing Statements.** Identification of each unexpired initial financing statement filed on or prior to the certification date and time corresponding to the search criteria, by name of debtor, by identification number, and by file date and file time. (Lapsed financing statements remain active for one (1) year after the lapse date and may be requested on the search form.) ()
- 06. History of Financing Statement.** For each initial financing statement on the report, a listing of all related UCC documents filed by the filing officer on or prior to the certification date. ()
- 07. Copies.** Copies of all UCC documents revealed by the search and requested by the searcher. ()
- 505. -- 599. (RESERVED)**

SUBCHAPTER 6 – OTHER NOTICES OF LIENS

600. POLICY STATEMENT.

The purpose of the rules in this section is to describe non-UCC liens maintained by the filing office. These liens are treated by the filing officer in a manner similar to UCC documents and are included, on request, with the reports described in Section 504. ()

601. NOTICE OF FEDERAL TAX LIEN.

- 01. Filing.** Pursuant to Section 45-202, Idaho Code, federal tax liens on business entities, estates, and trusts are filed at the Secretary of State's Office. ()
- a. Fee.** ()
- i. The fee for filing is six dollars (\$6);** ()
- ii. If there is an attachment there is an additional fee of one dollar (\$1) per page.** ()
- b. Duration.** Pursuant to the Internal Revenue Code, federal tax liens have a duration of ten (10) years. ()

- 02. Mechanics of Search.** ()
 - a.** Fee for Search: Six dollars (\$6) for information only; ()
 - b.** Combination Search Available with UCC Search: ()
 - i.** Ten dollars (\$10) for information; ()
 - ii.** Sixteen dollars (\$16) for information and copies. ()
- 602. NOTICE OF STATE TAX LIEN.**
 - 01. Filing.** ()
 - a.** Where to File. The Secretary of State accepts electronic filings from the Idaho Tax Commission pursuant to Chapter 19, Title 45, Idaho Code, and Title 63, Idaho Code. ()
 - b.** Fee. None. ()
 - c.** Duration. Five (5) years. ()
 - 02. Mechanics of Search.** ()
 - a.** Fee for Search. Six dollars (\$6) for information only; ()
 - b.** Combination Search Available with UCC Search: ()
 - i.** Ten dollars (\$10) for information; ()
 - ii.** Sixteen dollars (\$16) for information and copies. ()
- 603. NOTICE OF OTHER LIEN IN FAVOR OF A GOVERNMENTAL BODY (NATURE AND DURATION).**
 - 01. State Agencies.** Generally under Chapter 19, Title 45, Idaho Code. ()
 - a.** Department of Commerce and Labor, Chapter 13, Title 72, Idaho Code (unemployment insurance-five year duration). ()
 - b.** Department of Commerce and Labor, Chapter 6, Title 45, Idaho Code (wage claims-five (5) year duration). ()
 - c.** Department of Health and Welfare, Chapter 12, Title 7, Idaho Code (child support-indefinite duration). ()
 - d.** Department of Health and Welfare, Chapter 2, Title 56, Idaho Code (medical assistance-five (5) year duration). ()
 - 02. Counties.** Chapter 35, Title 31, Idaho Code (indigent medical-indefinite duration). ()
 - 03. Mechanics of Search.** ()
 - a.** Fee for Search. Six dollars (\$6) for information only; ()
 - b.** Combination Search Available with UCC Search: ()
 - i.** Ten dollars (\$10) for information; ()

- ii. Sixteen dollars (\$16) for information and copies. ()

604. SEED AND FARM LABOR LIENS.

01. Mechanics of Filing. Seed and farm labor liens pursuant to Chapter 3, Title 45, Idaho Code are filed in the same manner as initial financing statements and may use only forms prescribed by the Secretary of State's Office. They are indexed by debtor name and will be revealed, on request, by searches under Sections 504 and 505. ()

- a. Where to File. Seed and farm labor liens are filed with the filing office. ()

- b. Fee. ()

- i. Four dollars (\$4), if filed online; ()

- ii. Liens not filed online may be subject to a manual entry surcharge. ()

- c. Duration. ()

- i. Farm labor liens remain in effect for twelve (12) months after filing and may be extended for six (6) months. ()

- ii. Seed liens remain in effect for sixteen (16) months and may be extended for six (6) months. ()

- 02. Mechanics of Search.** ()

- a. Fee for Search. Six dollars (\$6) for information only; ()

- b. Combination Search Available with UCC Search: ()

- i. Ten dollars (\$10) for information; ()

- ii. Sixteen dollars (\$16) for information and copies. ()

605. AGRICULTURE COMMODITY LIENS.

01. Mechanics of Filing. Agricultural commodity liens pursuant to Chapter 18, Title 45, Idaho Code are filed in the same manner as initial financing statements and may use only forms prescribed by the Secretary of State's Office. These types of liens are indexed by debtor name and will be revealed, on request, by searches under Sections 504 and 505. ()

- a. Fee. Five dollars (\$5). ()

- b. Duration. Ninety (90) days. ()

- 02. Mechanics of Search.** ()

- a. Fee for search: Six dollars (\$6) for information only; ()

- b. Combination search available with UCC search; ()

- i. Ten dollars (\$10) for information; ()

- ii. Sixteen dollars (\$16) for information and copies. ()

606. FARM PRODUCT LIENS.

01. Mechanics of Filing. ()

a. Pursuant to Section 28-9-526, Idaho Code, farm product liens are filed in the same manner as initial financial statements and may use only forms prescribed by the Secretary of State's Office. They are indexed by debtor name and will be revealed, on request, by searches under Sections 504 and 505. ()

b. Where to File. Farm product liens are filed with the filing office. ()

c. Fee: Ten dollars (\$10), if filed online; ()

d. Duration. Farm product liens remain in effect for five (5) years and may be extended to five (5) years if continuation is received six (6) months prior to lapse. ()

02. Mechanics of Search. ()

a. Fee for Search: Six dollars (\$6) for information only; ()

b. Combination Search Available with UCC Search: ()

i. Ten dollars (\$10) for information; ()

ii. Sixteen dollars (\$16) for information and copies. ()

607. -- 999. (RESERVED)

IDAPA 38 – IDAHO DEPARTMENT OF ADMINISTRATION

DOCKET NO. 38-0000-2100F

NOTICE OF OMNIBUS RULEMAKING – ADOPTION OF PENDING FEE RULE

[LINK: LSO Rules Analysis Memo and Cost/Benefit Analysis \(CBA\)](#)

EFFECTIVE DATE: This rule has been adopted by the agency and is now pending review by the 2022 Idaho State Legislature for final approval. Pursuant to Section 67-5224(5)(c), Idaho Code, this pending rule will not become final and effective until it has been approved by concurrent resolution of the legislature because of the fee being imposed or increased through this rulemaking. The pending fee rule becomes final and effective upon adoption of the concurrent resolution or upon the date specified in the concurrent resolution unless the rule is rejected.

AUTHORITY: In compliance with Section 67-5224, Idaho Code, notice is hereby given that this agency has adopted a pending fee rule. The action is authorized pursuant to Section 67-5708, Idaho Code.

DESCRIPTIVE SUMMARY: The following is a concise explanatory statement of the reasons for adopting the pending fee rule and a statement of any change between the text of the proposed rule and the text of the pending fee rule with an explanation of the reasons for the change.

This pending fee rule adopts and publishes the following rule chapter previously submitted to and reviewed by the Idaho Legislature under IDAPA 38, rules of the Department of Administration:

IDAPA 38

- 38.04.04, *Rules Governing Capitol Mall Parking.*

There are no changes to the pending fee rule and it is being adopted as originally proposed. The complete text of the proposed rulemaking was published in the October 20, 2021, Special Edition of the Idaho Administrative Bulletin, Vol. 21-10SE, pages 4743-4752.

FEE SUMMARY: The following identifies the fee or charge imposed or increased through this rulemaking:

This rulemaking does not impose a new fee or charge, or increase an existing fee or charge, beyond what has been previously submitted for review in the prior rules. Fee charges are necessary to fund security and maintenance of Capitol Mall parking lots and structures.

Elected Officials Parking Permits. The governor, lieutenant governor, secretary of state, attorney general, state controller, state treasurer, superintendent of public instruction, Senate pro-tem, and the speaker of the House of Representatives will be provided a reserved parking space at no charge. Additionally, upon request, Capitol Mall Parking will provide the governor four (4) additional reserved parking spaces. The fee for each additional reserved parking space provided to the governor will be the reserved parking permit monthly fee.

Directors of Executive Branch Departments. Directors of executive branch departments will be provided a reserved parking space at a cost not to exceed forty dollars (\$40) per month. Executive branch departments will be charged for the reserved parking spaces annually by Capitol Mall Parking.

Reserved Parking Permits. Fee for a reserved parking space permit will not exceed forty dollars (\$40) per month.

General Parking Permits. Fee for a general parking space permit will not exceed ten dollars (\$10) per month.

Payment for Parking Permits. Capitol Mall employees will be charged the respective permit fee in the first paycheck of each month through a payroll deduction or as determined by the State Controller.

Legislators. Legislators who request a Legislator parking space permit must pay the parking permit fee. Legislators and Legislative personnel who request parking spaces must pay the associated space fee for every month that the Legislature is in session.

State-Owned Vehicles. State-owned vehicles belonging to the tenant departments will receive state vehicle parking permits for a monthly fee not to exceed fifteen dollars (\$15).

Replacement Permits. If a parking permit is lost, stolen or destroyed, the official, Legislator, or Capitol Mall employee will be charged a fee equal to the general permit monthly fee for a new permit. A statement attesting that the parking permit was lost, stolen or destroyed must be signed before Capitol Mall Parking will issue a new permit.

These fees or charges are being imposed pursuant to Section 67-5708, Idaho Code.

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year: This rulemaking is not anticipated to have any fiscal impact on the state general fund because the FY2022 budget has already been set by the Legislature, and approved by the Governor, anticipating the existence of the rule and fees being reauthorized by this rulemaking.

ASSISTANCE ON TECHNICAL QUESTIONS: For assistance on technical questions concerning this pending fee rule, contact Kimberly Rau, Executive Assistant, Department of Administration (208) 332-1826.

Dated this 22nd day of December, 2021.

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THE FOLLOWING NOTICE PUBLISHED WITH THE OMNIBUS PROPOSED RULE

AUTHORITY: In compliance with Sections 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Section 67-5708, Idaho Code.

PUBLIC HEARING SCHEDULE: Oral comment concerning this rulemaking will be scheduled in accordance with Section 67-5222, Idaho Code.

DESCRIPTIVE SUMMARY: The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

This proposed rulemaking publishes the following rule chapter previously submitted to and reviewed by the Idaho Legislature under IDAPA 38, rules of the Department of Administration:

IDAPA 38

- 38.04.04, *Rules Governing Capitol Mall Parking.*

FEE SUMMARY: This rulemaking does not impose a fee or charge, or increase a fee or charge, beyond what was previously submitted to and reviewed by the Idaho Legislature in the prior rules. Fee charges are necessary to fund security and maintenance of Capitol Mall parking lots and structures.

The following is a specific description of the fees or charges:

Elected Officials Parking Permits. The governor, lieutenant governor, secretary of state, attorney general, state controller, state treasurer, superintendent of public instruction, Senate pro-tem, and the speaker of the House of Representatives will be provided a reserved parking space at no charge. Additionally, upon request, Capitol Mall Parking will provide the governor four (4) additional reserved parking spaces. The fee for each additional reserved parking space provided to the governor will be the reserved parking permit monthly fee.

Directors of Executive Branch Departments. Directors of executive branch departments will be provided a reserved parking space at a cost not to exceed forty dollars (\$40) per month. Executive branch departments will be charged for the reserved parking spaces annually by Capitol Mall Parking.

Reserved Parking Permits. Fee for a reserved parking space permit will not exceed forty dollars (\$40) per month.

General Parking Permits. Fee for a general parking space permit will not exceed ten dollars (\$10) per month.

Payment for Parking Permits. Capitol Mall employees will be charged the respective permit fee in the first paycheck of each month through a payroll deduction or as determined by the State Controller.

Legislators. Legislators who request a Legislator parking space permit must pay the parking permit fee. Legislators and Legislative personnel who request parking spaces must pay the associated space fee for every month that the Legislature is in session.

State-Owned Vehicles. State-owned vehicles belonging to the tenant departments will receive state vehicle parking permits for a monthly fee not to exceed fifteen dollars (\$15).

Replacement Permits. If a parking permit is lost, stolen or destroyed, the official, Legislator, or Capitol Mall employee will be charged a fee equal to the general permit monthly fee for a new permit. A statement attesting that the parking permit was lost, stolen or destroyed must be signed before Capitol Mall Parking will issue a new permit.

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year: This rulemaking is not anticipated to have any fiscal impact on the state general fund because the FY2022 budget has already been set by the Legislature, and approved by the Governor, anticipating the existence of the rules and fees being reauthorized by this rulemaking.

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(2), Idaho Code, negotiated rulemaking was not feasible because engaging in negotiated rulemaking for all previously existing rules will inhibit the agency from carrying out its ability to serve the citizens of Idaho and to protect their health, safety, and welfare.

INCORPORATION BY REFERENCE: Pursuant to Section 67-5229(2)(a), Idaho Code, incorporated material may be obtained or electronically accessed as provided in the text of the proposed rule attached hereto.

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Kimberly Rau, (208) 332-1826.

Anyone may submit written comments regarding the proposed rulemaking. All written comments must be directed to the undersigned and must be delivered within twenty-one (21) days after publication of this Notice in the Idaho Administrative Bulletin. Oral presentation of comments may be requested pursuant to Section 67-5222(2), Idaho Code, and must be delivered to the undersigned within fourteen (14) days of the date of publication of this Notice in the Idaho Administrative Bulletin.

DATED this October 20, 2021.

THE FOLLOWING IS THE TEXT OF OMNIBUS PENDING FEE DOCKET NO. 38-0000-2100F

IDAPA 38 – DEPARTMENT OF ADMINISTRATION

38.04.04 – RULES GOVERNING CAPITOL MALL PARKING

000. LEGAL AUTHORITY.

The following rules are promulgated pursuant to the authority of Section 67-5708, Idaho Code, and Senate Concurrent Resolution No. 135 (1976). ()

001. SCOPE.

These rules govern parking in the Capitol Mall. ()

002. -- 009. (RESERVED)

010. DEFINITIONS.

01. Capitol Mall. The Capitol Mall consists of the following buildings: State Capitol (700 W. Jefferson Street), Joe R. Williams (700 W. State Street), Len B. Jordan (650 W. State Street), State parking garage #1 (550 W. State Street), Pete T. Cenarrusa (450 W. State Street), Division of Public Works (502 N. 4th Street), Alexander House (304 W. State Street), State Library (325 W. State Street), 954 Jefferson (954 W. Jefferson Street), Capitol Annex (514 W. Jefferson Street), Blind Commission (341 W. Washington Street), Borah Building (304 N. 8th Street), State Parking Garage #2 (608 W. Washington Street); and Idaho Supreme Court (451 W. State Street). ()

02. Capitol Mall Employee. A state employee whose assigned work area is in the Capitol Mall, and who receives a state of Idaho-issued paycheck from a tenant of the Capitol Mall. ()

03. Carpool. A vehicle carrying two (2) or more Capitol Mall employees who work at the Capitol Mall at least four (4) work days per week. ()

04. Employee with a Disability. An employee with a disability as defined in Section 49-117(7)(b), Idaho Code. ()

05. Executive Branch Departments. Pursuant to Section 67-2402, Idaho Code, excluding the Department of Self-Governing Agencies. ()

06. Facilities Services. Bureau of Facilities Services, Division of Public Works, Department of Administration. ()

07. General Parking. A parking space used for all Capitol Mall employees registered for general parking. ()

08. Legislative Personnel. An employee hired by the Legislative branch that receives a state of Idaho-issued paycheck during the Legislative session or is a year round employee of the Legislative branch. ()

09. Legislator. A member of the Idaho Senate or the Idaho House of Representatives for the state of Idaho. ()

10. Reserved Parking. A parking space assigned to a specific person, vehicle or agency. ()

11. State Elected Officials. The governor, lieutenant governor, secretary of state, attorney general, state controller, state treasurer and superintendent of public instruction, for the state of Idaho. ()

12. Temporary Contract Employee. An employee of a temporary employment service company who is working temporarily for a tenant of the Capitol Mall, and who does not receive a pay check issued by the state of Idaho. ()

13. Visitor. Any person visiting the Capitol Mall to carry out state business or attend a state-sponsored event. ()

011. -- 019. (RESERVED)

020. PARKING LOT LOCATIONS.

All Capitol Mall parking lots will be identified by signage. Capitol Mall Parking manages the state-owned parking lots at the following locations: 550 W. State Street Parking Garage, State Parking Garage #1; 608 W. Washington Street, State Parking Garage #2; 10th and Jefferson Streets, 8th Street between State and Jefferson Streets, and 3rd and Washington Streets. Capitol Mall Parking also manages parking spaces in and around the following Capitol Mall buildings: Capitol Annex, Len B. Jordan, Pete T. Cenarrusa, Division of Public Works, Borah Building and Idaho State Library. ()

021. TYPES OF AVAILABLE PARKING.

Designated parking spaces are available for reserved parking, state elected officials and directors of executive branch departments, Legislators, carpool, disabled employees and state agency vehicles. All other parking spaces, unless designated as public or visitor parking, are considered general parking. ()

022. PARKING SPACE ALLOCATION.

01. Reserved Parking Spaces. ()

a. Reserved parking spaces are available for state elected officials and directors of executive branch departments as defined in Subsections 010.05 and 010.11 of these rules. Capitol Mall Parking will assign a reserved space to each state elected official and director of executive branch departments upon request. ()

b. Reserved parking spaces will be made available to the Senate pro-tem, and the speaker of the House of Representatives. Capitol Mall Parking will assign a reserved space to each individual. ()

c. All other Capitol Mall employees may apply for a reserved parking space. General reserved parking spaces are assigned to Capitol Mall employees on a first-come, first-served basis when designated reserved parking spaces become available. ()

d. Reserved parking spaces for state elected officials, directors of executive branch departments and Capitol Mall employees are located in the following parking lots only: the first floor of State Parking Garage #1; the first and second floors of State Parking Garage #2, the Pete T. Cenarrusa Building parking lot, and the 8th Street parking lot between State and Jefferson Streets. ()

e. Capitol Mall Parking will determine the location of all reserved parking spaces. ()

f. Reserved parking spaces for state elected officials, directors of executive branch departments and Capitol Mall employees will not exceed twenty-five percent (25%) of parking spaces available within the Capitol Mall. ()

g. Capitol Mall employees may not sell, trade or barter the right to use their assigned reserved parking space. Capitol Mall Parking retains the right to assign, reassign, suspend or revoke Capitol Mall employees' reserved parking spaces at any time. ()

02. Legislators' Parking Spaces. During Legislative sessions and special sessions, Capitol Mall Parking will make available up to one hundred three (103) reserved Legislator parking spaces to Legislators. ()

a. Each Legislator will be assigned a reserved Legislator parking space. A Legislator who elects to park in the Capitol Mall is required to pay the fee for the reserved parking permit. ()

b. During the Legislative session, Legislator reserved parking spaces will be on the third floor of State Parking Garage #1, 8th Street parking lot, and the Capitol Annex parking lot and will be clearly marked. The Legislator reserved parking permit is only valid in the assigned reserved parking space; the permit is not valid in any other CMP general parking space during the Legislative session. When the Legislature is not in session, all Legislator parking spaces will be redesignated as general parking spaces. ()

c. When the Legislature is not in session, Legislators or Legislative personnel who hold a valid Capitol Mall parking permit, may park in any general parking space. ()

03. Disabled Employee Parking Spaces. Capitol Mall Parking will make available reserved disabled employee parking spaces for employees who have a proven disability. ()

a. A temporarily or permanently disabled employee who has obtained an Americans with Disabilities Act (ADA) placard issued by the Idaho Transportation Department may request a reserved disabled employee parking space as close as possible to the employee's work location. ()

b. A disabled employee requesting a reserved disabled employee parking space must provide either a copy of his Americans with Disabilities Act (ADA) placard issued by the Idaho Transportation Department or a copy of the application to the Idaho Department of Transportation for an Americans with Disabilities Act (ADA) placard. ()

c. A temporary reserved disabled employee parking space will be provided to any eligible employee who has applied for an Americans with Disabilities Act (ADA) placard with the Idaho Department of Transportation but has not yet received the placard. A temporary reserved disabled parking space will be made available for five (5) working days only per disabled employee. ()

d. Reserved disabled employee parking spaces will be marked with signage. ()

e. A permit for a reserved disabled employee parking space will be the same fee as a permit for a general parking space. ()

04. Carpool Parking Spaces. Capitol Mall Parking will make available an indeterminate number of carpool parking spaces, which will be clearly marked, to employees who carpool at least four (4) work days per week. ()

a. Capitol Mall employees who carpool may request a carpool parking permit from Capitol Mall Parking to use a designated carpool space. ()

b. Carpool parking spaces will be available on a first-come, first-served basis for vehicles carrying two (2) or more Capitol Mall employees. All carpooling employees must be employees of the Capitol Mall with at least one (1) carpooling employee having a general parking space permit. ()

c. A permit for a carpool parking space will be the same fee as a permit for a general parking space. ()

d. All unoccupied reserved carpool parking spaces will be redesignated as general parking spaces after 9 a.m. work days. ()

e. It is a parking violation to park in a reserved carpool parking space when the vehicle is carrying less than two (2) Capitol Mall employees before 9 a.m. ()

05. State-Owned Vehicles Parking Spaces. Capitol Mall Parking will make available designated state-owned vehicle parking spaces. ()

a. Capitol Mall Parking will make available an indeterminate number of designated state-owned vehicle parking spaces to department tenants of the Capitol Mall. ()

b. Designated state-owned vehicle parking spaces will be on the fifth level of the State Parking Garage #1, and will be clearly marked "State Vehicle Only." ()

c. A Capitol Mall employee may park his personal vehicle in a designated state-owned vehicle parking space when removing a state vehicle for state purposes. The Capitol Mall employee's personal vehicle must display the reserved state-owned vehicle parking space permit. ()

d. A visiting agency employee conducting official business at the Capitol Mall may park a state

vehicle in an unoccupied designated state-owned vehicle parking space or in any Capitol Mall visitor parking space. ()

06. Motorcycle Parking Spaces. Capitol Mall Parking will make available designated motorcycle parking spaces. ()

a. Capitol Mall employees may request a special motorcycle parking permit for motorcycles, at no additional cost, to park in the designated motorcycle parking areas. ()

b. In order to receive a motorcycle permit, the Capitol Mall employee must possess a valid general or reserved parking permit. ()

07. General Parking Spaces. All other undesignated parking is considered general parking. ()

a. All Capitol Mall employees whose parking fees are deducted from their paychecks by the State Controller's Office may request a general parking permit from Capitol Mall Parking. ()

b. General parking spaces are available on a first-come, first-served basis, and possession of a valid general parking permit does not guarantee the Capitol Mall employee a general parking space. ()

08. Visitor Parking Spaces. Capitol Mall Parking will make available a limited number of parking spaces for visitors and the public visiting the Capitol Mall. ()

a. Non-metered three (3) hour visitor parking spaces will be available at the parking lot at the Capitol Annex at 514 W. Jefferson Street and on the south side of the parking lot at the State Library Building at 325 W. State Street, and will be clearly marked. ()

b. State-owned vehicles that do not belong to the departments' tenants of the Capitol Mall, and non-Capitol Mall employees visiting the Capitol Mall on business, may park in visitor parking spaces. ()

c. Capitol Mall employees may not park in visitor parking spaces between 6 a.m. and 6 p.m., Monday through Friday, excluding legal holidays with the exception of Human Rights Day and Presidents' Day. ()

d. The maximum period of use of visitor parking spaces in the Capitol Mall is three (3) hours per day per vehicle. A change from one visitor parking space to another visitor parking space does not increase the maximum period of use for each vehicle beyond three (3) hours per day. ()

023. -- 029. (RESERVED)

030. PARKING PERMITS.

Capitol Mall Parking will issue applicable parking permits to all eligible persons who apply for a permit. ()

01. Parking Permits for Reserved, Legislator, Disabled Employee, Carpool, State-Owned Vehicles and General Parking. ()

a. Capitol Mall Parking will reissue parking permits once a year. Outdated parking permits must be returned to Capitol Mall Parking. ()

b. Capitol Mall Parking will issue the applicable parking permit to each Capitol Mall state elected official, director of an executive branch department, Legislator or employee, with the exception of the carpool parking permit and the special motorcycle parking permit. ()

c. Capitol Mall Parking will issue only one (1) parking permit per employee. Capitol Mall Parking will not provide duplicate general parking permits. State elected officials, directors of executive branch departments, and Capitol Mall employees with reserved parking spaces may request a duplicate reserved parking permit for a one-time fee equal to the general permit monthly fee. ()

d. All individuals and department tenants are responsible for displaying the parking permit in the front windshield or other prominent location of the parked vehicle at all times. ()

e. In the event that a parking permit is stolen, lost or destroyed, the official, Legislator or employee must sign a statement attesting that the parking permit was lost, stolen or destroyed and pay a replacement fee before Capitol Mall Parking will issue a new permit. The replacement fee is equal to the general permit monthly fee. ()

02. Temporary Monthly Parking Permits. ()

a. An individual performing work or providing services to a department tenant as a Temporary Contract Employee in the Capitol Mall, but who does not receive a state of Idaho-issued paycheck, may purchase a general monthly parking permit at the same cost as a general parking permit from Capitol Mall Parking. ()

b. Upon request and receipt of the general parking permit fee, Capitol Mall Parking may issue a monthly general parking permit to the following: ()

i. Individuals who do not receive a paycheck issued by the state of Idaho but are performing work or providing services to a department tenant in the Capitol Mall. This includes, but is not limited to, employees of the Idaho Central Credit Union, employees of vendors of the Commission for the Blind and Visually Impaired, and Capitol Mall tenant departments' temporary contract employees. ()

ii. Individuals who are employed by the state of Idaho, whose assigned work area is in the Capitol Mall, and who receive a state of Idaho-issued paycheck that is not issued by the State Controller's Office. This includes, but is not limited to, employees of the University of Idaho whose assigned work area is the Capitol Annex occupied by the University of Idaho. ()

03. Temporary Meeting Parking Permits. Upon submission of an application by a department tenant in the Capitol Mall, Capitol Mall Parking may issue temporary daily parking permits for meetings hosted by the department tenant. Parking will be allowed only in a limited number of parking spaces in the area designated by the permit and for the date set forth on the permit. ()

031. PARKING PERMIT FEES.

Pursuant to Sections 67-5701 and 67-5708, Idaho Code, parking permit fees will be established by the Department of Administration and administered by Capitol Mall Parking. ()

01. Elected Officials Parking Permits. The governor, lieutenant governor, secretary of state, attorney general, state controller, state treasurer, superintendent of public instruction, Senate pro-tem, and the speaker of the House of Representatives will be provided a reserved parking space at no charge. Additionally, upon request, Capitol Mall Parking will provide the governor four (4) additional reserved parking spaces. The fee for each additional reserved parking space provided to the governor will be the reserved parking permit monthly fee. ()

02. Directors of Executive Branch Departments. Directors of executive branch departments will be provided a reserved parking space at a cost not to exceed forty dollars (\$40) per month. Executive branch departments will be charged for the reserved parking spaces annually by Capitol Mall Parking. ()

03. Reserved Parking Permits. The fee for a reserved parking space permit will not exceed forty dollars (\$40) per month. ()

04. General Parking Permits. The fee for a general parking space permit will not exceed ten dollars (\$10) per month. ()

05. Payment for Parking Permits. Capitol Mall employees will be charged the respective permit fee in the first paycheck of each month through a payroll deduction or as determined by the State Controller. ()

06. Legislators. Legislators and Legislative personnel must pay the associated space fee every month that the Legislature is in session for the eligible parking space permit. ()

07. State-Owned Vehicles. State-owned vehicles belonging to the tenant departments will receive state vehicle parking permits for a monthly fee not to exceed fifteen dollars (\$15). ()

08. Replacement Permits. If a parking permit is lost, stolen or destroyed, the official, Legislator, or Capitol Mall employee will be charged a fee equal to the general permit monthly fee for a new permit. A statement attesting that the parking permit was lost, stolen or destroyed must be signed before Capitol Mall Parking will issue a new permit. ()

032. -- 039. (RESERVED)

040. PARKING LOT VIOLATIONS.

01. Driving Violations. Any driving violation in a Capitol Mall parking lot or garage may result in the suspension or loss of parking privileges. ()

a. It is a violation of these rules to drive or operate a personal vehicle negligently or recklessly in any Capitol Mall parking lot or garage. It is a violation of these rules to drive or operate a vehicle under the influence of illegal substances or alcohol in any Capitol Mall parking lot or garage. ()

b. It is a violation for any individual to drive above the posted speed limits or drive against posted directional arrows. ()

02. Parking Violations. Any parking violation in a Capitol Mall parking lot or garage may result in the suspension or loss of parking privileges. ()

a. It is a violation of these rules to park in a location that is not marked as a parking space within the Capitol Mall. This includes, but is not limited to, parking in or on a driveway, sidewalk or other common driving areas of any parking lot or garage. It is also a violation to park one (1) vehicle in more than one (1) parking space. ()

b. It is a violation to park in a Legislator parking space without displaying the appropriate reserved parking permit during the Legislative session or to park in a general parking space without displaying the appropriate general parking permit. ()

c. It is a violation to park in a reserved parking space, in a reserved disabled employee parking space, ADA space, or in a reserved carpool parking space before 9 a.m., without displaying the appropriate parking permit. ()

d. It is a violation to park a motorcycle in any space not designated for motorcycle parking, unless a valid reserved parking permit is displayed and the motorcycle is parked in the designated reserved parking space. ()

e. It is a violation to park or store a personal trailer in a Capitol Mall parking lot. ()

f. It is a violation of these rules to: ()

i. Use an invalid parking permit; ()

ii. Use a parking permit reported lost or stolen; ()

iii. Fail to properly display a valid Capitol Mall parking permit; or ()

iv. Transfer an invalid permit to another person. ()

g. It is a violation of these rules to park in one or more visitor parking spaces for a period in excess of the maximum period of use set forth in these rules. ()

h. It is a violation of these rules for a CMP permit holder to park in a visitor parking space at any time. ()

03. Other Violations. The Capitol Mall parking lots and garages are private property, and any tampering or other physical defacement of any vehicle parked on the lots or in the garage is considered a violation. ()

a. The distribution of flyers or other materials on vehicles parked on Capitol Mall parking lots and in State Parking Garages #1 and #2 is prohibited, and violators will be escorted off the property. ()

b. Any individual engaging in suspicious activity or threatening behavior, or an individual loitering in a Capitol Mall parking lot or in State Parking Garages #1 and #2, will be escorted off the property. ()

c. Public access is not allowed in State Parking Garages #1 and #2 before 6 a.m. and after 6 p.m. Violators will be considered trespassers. ()

041. ENFORCEMENT.

01. Security and Patrol. Capitol Mall parking lots and State Parking Garages #1 and #2 are secured and patrolled by Capitol Mall Parking, or its authorized representative. ()

02. Notice of Violation. Upon witnessing or finding a violation of these rules, Capitol Mall Parking, or its authorized representative, will leave notice with the occupant of the vehicle or on the vehicle parked in violation of these rules. ()

a. Notice may be in the form of a warning or a ticket. The warning or ticket will indicate the date and hour of the violation, the nature of the violation, and the name of the Capitol Mall Parking employee or its authorized representative. A warning or ticket may be issued only for those violations that do not cause the loss of a parking space and do not cause a safety hazard. ()

b. A ticket may be issued by Capitol Mall Parking, or its authorized representative, for a fine of at least two dollars (\$2), but not more than twenty-five dollars (\$25). ()

c. If an individual is determined to have altered, counterfeited or otherwise misused a parking permit, a ticket may be issued by Capitol Mall Parking, or its authorized representative, for a fine not to exceed fifty dollars (\$50). ()

d. All tickets issued by Capitol Mall Parking, or its authorized representative, will be forwarded to the city of Boise, county of Ada, for collection or prosecution. ()

e. Capitol Mall Parking retains the right to suspend or revoke an individual's parking privileges if the warnings or tickets have been issued or fines imposed for repeated violations. ()

042. SUSPENSION OR REVOCATION OF PARKING PRIVILEGES.

01. Delinquent Payment. Capitol Mall Parking may suspend or revoke any individual's parking permit if the parking permit fee is unpaid and at least thirty (30) days delinquent. Upon payment in full, Capitol Mall Parking will restore the individual's parking permit. ()

02. Parking Privileges Suspension. ()

a. Capitol Mall Parking may suspend an individual's parking permit and privileges for up to six (6) months for a violation of these rules. ()

b. Any Capitol Mall Parking permit holder, including a temporary parking permit holder, who has been cited for three (3) violations of these rules within six (6) months, may have his parking permit and privileges

revoked for up to twelve (12) months. ()

03. Towing and Impounding. ()

a. Capitol Mall Parking or its authorized representative may tow any vehicle from any Capitol Mall parking lot or the or State Parking Garages #1 and #2, belonging to an individual who has been cited for three (3) or more Capitol Mall parking violations within a twelve-month period. The owner of the vehicle is liable for any service fee owed for releasing the towed and impounded vehicle. ()

b. In the event that a vehicle is considered a security risk, Capitol Mall Parking will make reasonable efforts to locate the owner of the vehicle before it is towed. ()

04. Reactivating a Suspended Permit. A suspended parking permit may be reactivated after the applicable suspension period ends by reapplying for the automatic payroll deduction plan through Capitol Mall Parking and paying in full of any delinquent parking fees. ()

043. SURRENDER OF PARKING PERMIT.

01. Surrender of Permit. When an official, Legislator or Capitol Mall employee no longer works in the Capitol Mall or no longer needs to utilize Capitol Mall parking, the individual must submit a request to Capitol Mall Parking to cease automatic payroll deduction or billing for Capitol Mall parking. The individual must surrender the parking permit to Capitol Mall Parking within ten (10) days of the effective date of termination. ()

02. Cancellation of Automatic Payroll Deduction. ()

a. Capitol Mall Parking will notify the individual's agency's payroll clerk to cease the monthly parking fee deduction. Capitol Mall Parking will not refund a monthly parking fee after a monthly payroll deduction has been made. ()

b. Agency payroll clerks must receive a written request from Capitol Mall Parking prior to deleting the monthly parking fee from the employee's payroll deduction schedule. ()

044. -- 049. (RESERVED)

050. LOADING ZONE PARKING SPACES.

Capitol Mall Parking will designate and mark a limited number of parking spaces to be used for short-term collection or delivery services or by authorized service contractors. It is a violation to park in loading zone parking spaces for any unauthorized purpose. ()

051. WAIVER OF RULES.

Pursuant to Section 67-5708, Idaho Code, the administrator for the Division of Public Works may waive any or all of the provisions of these rules if the administrator determines that application could result in discrimination among employees or otherwise violate law. ()

052. -- 999. (RESERVED)

IDAPA 52 – IDAHO STATE LOTTERY COMMISSION

DOCKET NO. 52-0103-2100F

NOTICE OF OMNIBUS RULEMAKING – ADOPTION OF PENDING FEE RULE

[LINK: LSO Rules Analysis Memo and Cost/Benefit Analysis \(CBA\)](#)

EFFECTIVE DATE: This rule has been adopted by the agency and is now pending review by the 2022 Idaho State Legislature for final approval. Pursuant to Section 67-5224(5)(c), Idaho Code, this pending rule will not become final and effective until it has been approved by concurrent resolution of the legislature because of the fee being imposed or increased through this rulemaking. The pending fee rule becomes final and effective upon adoption of the concurrent resolution or upon the date specified in the concurrent resolution unless the rule is rejected.

AUTHORITY: In compliance with Section 67-5224, Idaho Code, notice is hereby given that this agency has adopted a pending fee rule. The action is authorized pursuant to Section 67-7408(1), Idaho Code.

DESCRIPTIVE SUMMARY: The following is a concise explanatory statement of the reasons for adopting the pending fee rule and a statement of any change between the text of the proposed rule and the text of the pending fee rule with an explanation of the reasons for the change.

This pending fee rule adopts and publishes the following rule chapter previously submitted to and reviewed by the Idaho Legislature under IDAPA 52, rules of the Idaho State Lottery Commission:

IDAPA 52

- 52.01.03, *Rules Governing Operations of the Idaho State Lottery.*

There are no changes to the pending fee rule and it is being adopted as originally proposed. The complete text of the proposed rulemaking was published in the October 20, 2021, Special Edition of the Idaho Administrative Bulletin, [Vol. 21-10SE, pages 5018-5067](#).

FEE SUMMARY: The following identifies the fee or charge imposed or increased through this rulemaking:

This rulemaking does not impose a new fee or charge, or increase an existing fee or charge, beyond what has been previously submitted for review in the prior rules. Sub Area 501 allows for an application fee for participating organizations and follow up fees based upon annual gross revenues. Sub Area 601 allows for an annual license fee imposed upon vendors, those businesses or persons who manufacture, sell, distribute, furnish, or supply gaming devices to Charitable Gaming organizations. Sub Area 201 allows for an application fee for applicants interested in selling break open (PullTab) products. Rule 205.13 allows for a reduced application fee if a current Lottery product retailer is interested in adding break open (PullTab) products to their portfolio. These fees or charges are being imposed pursuant to Sections 67-7412, 67-7706, 67-7712 and 67-7715, Idaho Code.

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year: This rulemaking is not anticipated to have any fiscal impact on the state general fund because the FY2022 budget has already been set by the Legislature, and approved by the Governor, anticipating the existence of the rule and fees being reauthorized by this rulemaking.

ASSISTANCE ON TECHNICAL QUESTIONS: For assistance on technical questions concerning this pending fee rule, contact Becky Schroeder, Chief Operating Officer, at 208.780.2501.

Dated this 22nd day of December 2021.

Jeffrey R. Anderson, Director
Idaho State Lottery
1199 Shoreline Lane, Suite 100
Boise, ID 83702
Phone: (208) 780-2500

THE FOLLOWING NOTICE PUBLISHED WITH THE OMNIBUS PROPOSED RULE

AUTHORITY: In compliance with Sections 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Section 67-7408(1), Idaho Code.

PUBLIC HEARING SCHEDULE: Oral comment concerning this rulemaking will be scheduled in accordance with Section 67-5222, Idaho Code.

DESCRIPTIVE SUMMARY: The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

This proposed rulemaking publishes the following rule chapter previously submitted to and reviewed by the Idaho Legislature under IDAPA 52, rules of the Idaho State Lottery Commission:

IDAPA 52

- 52.01.03, *Rules Governing Operations of the Idaho State Lottery.*

FEE SUMMARY: This rulemaking does not impose a fee or charge, or increase a fee or charge, beyond what was previously submitted to and reviewed by the Idaho Legislature in the prior rules.

Sections 501 allows for an application fee for participating organizations and follow up fees based upon annual gross revenues. Section 601 allows for an annual license fee imposed upon vendors, those businesses or persons who manufacture, sell, distribute, furnish or supply gaming devices to Charitable Gaming organizations. Section 201 allows for an application fee for applicants interested in selling Lottery products. Subsection 205.13 allows for a reduced application fee if a current Lottery product retailer is interested in adding break open (PullTab) products to their portfolio. These fees or charges are being imposed pursuant to Section 67-7412, 67-7706, 67-7712 and 67-7715, Idaho Code.

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year: This rulemaking is not anticipated to have any fiscal impact on the state general fund because the FY2022 budget has already been set by the Legislature, and approved by the Governor, anticipating the existence of the rules and fees being reauthorized by this rulemaking.

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(2), Idaho Code, negotiated rulemaking was not feasible because engaging in negotiated rulemaking for all previously existing rules will inhibit the agency from carrying out its ability to serve the citizens of Idaho and to protect their health, safety, and welfare.

INCORPORATION BY REFERENCE: Pursuant to Section 67-5229(2)(a), Idaho Code, incorporated material may be obtained or electronically accessed as provided in the text of the proposed rule attached hereto.

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Becky Schroeder, Chief Operating Officer, 208.780.2501.

Anyone may submit written comments regarding the proposed rulemaking. All written comments must be directed to the undersigned and must be delivered within twenty-one (21) days after publication of this Notice in the Idaho Administrative Bulletin. Oral presentation of comments may be requested pursuant to Section 67-5222(2), Idaho Code, and must be delivered to the undersigned within fourteen (14) days of the date of publication of this Notice in the Idaho Administrative Bulletin.

DATED this October 20, 2021.

THE FOLLOWING IS THE TEXT OF OMNIBUS PENDING FEE DOCKET NO. 52-0103-2100F

IDAPA 52 – IDAHO STATE LOTTERY COMMISSION

52.01.03 – RULES GOVERNING OPERATIONS OF THE IDAHO STATE LOTTERY

SUBCHAPTER A – INTRODUCTORY PROVISIONS AND DEFINITIONS

000. LEGAL AUTHORITY.

These rules are adopted under the general legal authority of Title 67, Chapter 74, Idaho Code, and the specific legal authority of Sections 67-7401, 67-7404, 67-7406, 67-7408, and 67-7411, Idaho Code. ()

001. TITLE AND SCOPE.

The title of these rules is IDAPA 52.01.03, “Rules Governing Operations of the Idaho State Lottery.” The rules govern operations of the Idaho State Lottery. The rules also set forth which bingo games and raffles are legal in the state of Idaho and to bring all legal bingo games and raffles in the state of Idaho under the control of the Lottery. ()

002. -- 009. (RESERVED)

010. DEFINITIONS.

As used throughout these rules these terms have the following definitions: ()

01. Commission. The Idaho State Lottery Commission established and appointed according to Sections 67-7402, 67-7404(2) and 67-7405, Idaho Code. See Section 67-7702(4), Idaho Code. ()

02. Commissioner. A member of the Idaho State Lottery Commission. ()

03. Director. The Director of the State Lottery appointed and confirmed according to Section 67-7407, Idaho Code. ()

04. Lottery. The Idaho State Lottery created by Section 67-7402, Idaho Code, and, as context requires, the Lottery Commission and the Lottery’s officers and employees. ()

05. Person. See definition in Section 67-7702, Idaho Code. ()

011. -- 099. (RESERVED)

SUBCHAPTER B – OPERATIONS OF THE IDAHO STATE LOTTERY

100. DEFINITIONS.

These rules apply to Subchapter B only: ()

01. Administrative Costs. See definition in Section 67-7404, Idaho Code. ()

02. Benefit. Any thing, property or money, favorable consideration or advantage, profit, privileges, gain or interest to which a person is not otherwise entitled. ()

03. Certificate. The signed document issued by the Director authorizing a retailer to sell Lottery products. ()

04. Control Person. A person in a position of authority that is primarily defined according to organizational type. The following are control persons: ()

a. In a privately-owned corporation, the officers, directors, and stockholders of the parent company who own five percent (5%) or more of the company’s stock and, if applicable, any of its subsidiaries. ()

b. In a publicly-owned corporation, the officers and directors of the parent company and each of its subsidiaries. Additionally, stockholders who own five percent (5%) or more of the corporation’s stock are control persons. ()

c. In a trust, the trustee and all persons entitled to receive income or benefit from the trust. ()

- d. In an association, the members, officers, and directors. ()
- e. In a partnership or joint venture, the general partners, limited partners, or joint venturers. ()
- f. A member of the immediate family of any of who is a control person under Paragraphs 010.06.a. through 06.e. of this definition. ()
- g. A subcontractor of a vendor if the subcontractor performs more than half of the vendor's contract with the Lottery. ()
- 05. **Executive Staff.** The director of Lottery Security Division and the deputy directors appointed by the Director. ()
- 06. **Expenses.** See definition in Section 67-7404, Idaho Code. ()
- 07. **Fiscal Year.** The Lottery's fiscal year of twelve (12) months beginning on July 1 and ending on June 30. ()
- 08. **Gift.** A transfer, exchange or delivery of anything, property or money, of any value whatsoever, with or without an expectation by the giver to receive anything, tangible or intangible, in return. ()
- 09. **Immediate Family.** A natural person's spouse, children, brother, sister, or parent by blood, marriage, or adoption who resides as a member of the same household in the principal place of residence of any contractor, vendor, retailer, member, or employee of the State Lottery. ()
- 10. **Instant Game.** A game in which a ticket is purchased and upon removal of a latex or similar secure covering on the front of the ticket, the ticket bearer determines his or her winnings, if any. ()
- 11. **Invitation to Bid.** The solicitation of competitive offers in which specifications, price, and delivery (or project completion) will be the predominant award criteria. ()
- 12. **Lottery Contract or Contract.** Any contract entered into either by the Lottery or for the Lottery by another public agency, for the purchase, lease, or sale of goods or services. ()
- 13. **Lottery Contractor or Contractor.** See definition in Section 67-7404, Idaho Code. ()
- 14. **Lottery Employee or Employee.** Any person who works full- or part-time for the Lottery. ()
- 15. **Lottery Game or Game.** Any procedure authorized by the Commission whereby prizes are distributed among persons who have paid, or unconditionally agreed to pay, for tickets or shares which provide the opportunity to win such prizes. Lottery game themes must be approved by the Commission, be consonant with the dignity of the state. ()
- 16. **Lottery Game Retailer or Retailer.** See definition in Section 67-7404, Idaho Code. ()
- 17. **Lottery Revenue.** See definition in Section 67-7404, Idaho Code. ()
- 18. **Lottery Vendor or Vendor.** See definition in Section 67-7404, Idaho Code. ()
- 19. **Low, Medium and High Tier Claims.** See definition in Section 67-7404, Idaho Code. ()
- 20. **Major Procurement.** See definition in Section 67-7404, Idaho Code. ()
- 21. **Net Income.** See definition in Section 67-7404, Idaho Code. ()
- 22. **On-Line System.** The Lottery's on-line computer wagering system consisting of ticket issuing

terminals, central processing equipment, and a communications network. ()

23. Play Symbols. The numbers or symbols appearing in the designated area under the removable covering on the front of the ticket. ()

24. Prize. Any award, financial or otherwise, awarded by the Director for successfully playing a Lottery game. ()

25. Redemption Value. See definition in Section 67-7404, Idaho Code. ()

26. Request for Proposal. The solicitation of competitive proposals, or offers, to be used in part as a basis for making an acquisition, or entering into a contract, when specification and price will not necessarily be the predominant award criteria. ()

27. Retailer Validation Code. The symbols found under the removable rub-off covering over the play symbols on the front of each ticket. ()

28. Sensitive Procurement. Those procurement actions or contracts, other than “major procurements,” that may either directly or indirectly affect the integrity, security, honesty, and fairness of the operation and administration of the Lottery. A typical example of this class of procurement is the acquisition of security systems that protect the security and integrity of the Lottery. ()

29. Share. See definition in Section 67-7404, Idaho Code. ()

30. State Lottery Act of 1988 or Act. The Act approved by the legislature creating the Lottery, which became effective November 23, 1988, as amended, which is codified at Title 67, Chapter 74, Idaho Code. ()

31. Subcontractor. Any third party not in the employment of a contractor, who is performing all or part of the work in the contractor’s agreement with the Lottery under a separate contract with the contractor. The term “subcontractor” means subcontractor of any tier. ()

32. Temporary Retailer. A retailer under contract with the Lottery for a temporary or seasonal period. A temporary contract may be subject to special conditions or limitations that the Director deems prudent. These limitations or conditions may include, but are not limited to: ()

- a. Length of ticket sale period; ()
- b. Hours or days of sale; ()
- c. Location of sale; ()
- d. Specific persons who may sell Lottery tickets; ()
- e. Specific sporting, charitable, social, or other special events where Lottery tickets may be sold. ()

33. Provisional Retailer. A retailer granted a provisional certificate in accordance with these rules. A provisional certificate may contain some or all of the restrictions of a temporary retailer and additional restrictions deemed necessary by the Director. ()

34. Ticket. See definition in Section 67-7404, Idaho Code. ()

35. Ticket Bearer. The person who has signed the ticket or has possession of the unsigned ticket. ()

36. Ticket Validation Number or Validation Number. The multidigit number found on the front of the ticket. It is either uncovered or found underneath the “Do Not Remove” area on the ticket or any stub. ()

37. Total Annual Revenue or Annual Revenue. The sum of all of the Lottery's proceeds and accrued income that is characterized as a reduction or recovery of expenses. ()

38. Unclaimed Prize. Any award, financial or otherwise, of more than twenty-five dollars (\$25) for which there is physical, tangible evidence of eligibility but for which the prize has not been paid within one (1) year. ()

39. Value. See definition in Section 67-7404, Idaho Code. ()

101. OPERATING PROVISIONS.

01. Purpose. These rules are established by the Commission to define and regulate the operation and administration of the Lottery and the Commission. ()

02. Lottery Commission. The Commission is charged with the authority and duty to regulate Lottery activities in the state of Idaho, consistent with the Idaho Constitution and the enabling legislation. The headquarters of the Commission and of the Lottery is in Boise. ()

03. Powers and Duties of the Commission. ()

a. Rule Promulgation. The Commission promulgates rules and conditions under which the statewide Lottery will be conducted. Subjects covered in such rules include but need not be limited to: ()

i. The types of Lottery games to be conducted; ()

ii. The prices of tickets in the Lottery; ()

iii. In general the numbers and sizes of prize disbursements, the manner and frequency of prize drawings, and the manner in which payment will be made to holders of winning tickets; ()

iv. The locations at which Lottery tickets may be sold, the manner in which they are to be sold, and contracting with Lottery vendors, retailers and contractors; ()

v. The manner in which Lottery sales revenues are to be collected; ()

vi. The amount of compensation to be paid to retailers; ()

vii. Other areas relating to the efficient and economical operation and administration of a statewide Lottery consonant with the public interest. ()

b. Delegation to Director. In addition to those duties assigned to the Director in the Act, the Commission may, insofar as is consistent with the Idaho Constitution and the Act, delegate the performance of executive or administrative functions to the Director. ()

04. Time and Place of Meetings. ()

a. Regular meetings of the Commission will be held at least quarterly; the date, time, and place will be set by the Commission and, if possible, with at least two (2) weeks' advance notice. The Commission may meet with the Director to make recommendations and set policy, to approve or reject reports of the Director, to adopt rules, and to transact other business. ()

b. Additional meetings necessary to discharge the business of the Commission may be called from time to time by the chairman or by a quorum of the Commission. ()

05. Open Meeting Law. All meetings of the Commission will be held in accordance with Idaho's Open Meeting Law, Sections 67-2340, et seq., Idaho Code, and in accordance with Section 67-7442, Idaho Code. All

meetings of the Commission are open to the public, except when executive session is allowed for part of the meeting under the Open Meeting Law. ()

06. Director. The Director is responsible for the operation of the Lottery and for managing the affairs of the Commission. A Deputy Director designated by the Director may act for the Director in the absence of the Director. If there is a vacancy in the office of Director, the Commission will designate the Deputy Director as Interim Director until the vacancy can be filled. ()

07. Powers and Duties of the Director. ()

a. The Director has the authority to implement and execute procedures that he may deem appropriate for the efficient administration of the Lottery. The Director may also recommend rules governing the establishment, administration, and operation of the Lottery to the Commission for its approval; ()

b. The Director is authorized to employ sufficient staff as may be required to carry out the functions of the Commission and the Lottery; ()

c. The Director may contract with retailers for the sale of Lottery games and will suspend or terminate any contract in accordance with the provisions of the Act and the rules of the Commission; ()

d. The Director will continuously study and investigate all matters pertinent to the efficient operation of the Lottery; and ()

e. The Director will maintain full and complete records of the operation of the Lottery and report on at least a monthly basis to the Commission and to the governor on the status of the Lottery. ()

f. The duties and responsibilities of the Director that are not otherwise specified in Idaho law or the rules adopted by the Commission may be maintained as a policy of the Commission for the purpose of establishing a working relationship between the Director and the Commission. ()

08. Lottery Budgets and Financial Statements. The Director must: ()

a. Submit quarterly financial statements to the Commission, the governor, the state treasurer, and the legislature. The quarterly financial statements must be prepared in accordance with generally accepted accounting principles and include a balance sheet, a statement of operations, a statement of changes in financial position, and related footnotes. The quarterly financial statements must be provided within forty-five (45) days of the last day of each quarter. ()

b. Submit annual financial statements to the Commission, the governor, the state treasurer, and each member of the legislature. The annual financial statements must be prepared in accordance with generally accepted accounting principles and must include a balance sheet, a statement of operations, a statement of changes in financial position, and related footnotes. The annual financial statements must be examined by the state controller or a firm of independent certified public accountants in accordance with generally accepted auditing standards and must be provided within ninety (90) days of the last day of the Lottery's fiscal year. ()

09. Contingency Reserve. ()

a. The Director may, with the approval of the Commission, allot from moneys available to pay administrative expenses an amount to be transferred to a contingency reserve established by the Commission. The money allotted can include amounts retained to fund specific future expenses or can be undesignated as to purpose. ()

b. When the Commission approves a contingency reserve, it must determine the amount necessary for a reasonable contingency reserve. ()

c. Upon approval of the Commission, money in the contingency reserve may be authorized to be used for specific purposes of the Lottery or to be used to fund general administrative expenses if there is a revenue ()

shortfall. Expenses funded from the contingency reserve cannot be included with other administrative expenses for purposes of determining compliance with current administrative expenditure limitations. ()

10. Special Drawings. ()

a. The Director may authorize special drawings to award prizes, such as vacation trips, automobiles, or other tangible items in addition to, or in lieu of, cash awards. The Director will determine the nature and number of awards for each special drawing. Special drawings for promotional awards may be held independently of the Lottery's regular prize drawings or may be incorporated therein. The promotional drawings may be cosponsored and conducted in conjunction with Lottery retailers or other independent businesses. In view of the temporary nature and indeterminate frequency of the promotional awards drawings, a press announcement and normal advertising media will be used to inform the public of the rules and prizes for each special drawing. ()

b. Notwithstanding the provisions of Paragraph 100.11.a. of this rule, the Director may, at his discretion, award in-lieu equivalent cash awards to the winners of tangible items, in those instances where the Director deems it appropriate. The value of noncash items will be estimated by using either the cost of the item or its fair-market value. ()

11. Retail Drawings. The Director and his designee may authorize retailers to conduct drawings using non-winning Lottery tickets in conjunction with a particular Lottery game. Such authorization will be in writing, specify the type of drawing to be conducted, and forth the methodology to be used in conducting the drawing. ()

12. Retail Ticket Price Discounts. ()

a. Notwithstanding the price adopted for the retail sale of a ticket in the rules for a specific Lottery game, the Commission may offer discounts for the retail sale of Lottery tickets. ()

i. Discounts for the retail sale of Lottery tickets may be offered to the public through the use of coupons approved by the Director or by any other method approved by the Director. ()

ii. Coupons that offer a discount on the retail price of Lottery tickets will be distributed using methods designed to reach the public. ()

b. Rules for a promotion conducted by the Lottery using retail ticket discounts will be published by the Director and made available at the Lottery's offices and retailer locations. ()

13. Allocation of Revenues for Prizes. ()

a. Purpose: The primary objective of the Lottery is to produce the maximum amount of net revenues to benefit the public purpose of raising revenue consonant with the dignity of the state and the sensibilities of its citizens. In accomplishing this objective, at least forty-five percent (45%) of the total annual revenues will be returned in the form of prizes. The Lottery may design and conduct games that return more than forty-five percent (45%) of the revenues received from the sale of tickets in the form of prizes as an incentive to increase the total amount of game sales over the level of sales that otherwise would have been reasonably expected using a lower prize percentage. Games may also be authorized that return less than forty-five percent (45%) of that game's revenues so long as forty-five percent (45%) of the total annual revenues is returned as prizes. ()

b. Prize payments: In addition to cash prize payments, money set aside by the Lottery and restricted for the payment of prizes is considered in satisfying the requirement of returning at least forty-five percent (45%) of total revenues to the public in the form of prizes. ()

c. Averaging game prize payments: Notwithstanding the prize structure adopted for a Lottery game, the amount of revenue returned for prizes among all the games offered by the Lottery may be reallocated so long as at least forty-five percent (45%) of the total revenue earned from all games is returned to the public in the form of prizes on an annual basis. The Director will report to the Commission on any reallocations made pursuant to Section 100 of these rules. ()

14. Ownership of Lottery Tickets. ()

a. Except for tickets claimed jointly in accordance with the provisions of Paragraph 100.14.d. of this rule, until a name is printed or placed upon a Lottery ticket in the designated area, the ticket is owned by the bearer, who is entitled to any prize attributable to the ticket. ()

b. If more than one (1) name appears on a ticket, the ticket must be claimed in accordance with the joint ownership procedures listed in Paragraph 100.14.d. of this rule. ()

c. Groups, family units, clubs, or other organizations may claim a winning ticket if the organization possesses a Federal Employer Identification Number (FEIN) issued by the Internal Revenue Service and that number is shown on the claim form. ()

d. If a ticket is claimed to be owned by two (2) or more people, the following steps will be taken for payment of the prize: ()

i. All people claiming ownership must complete and sign a claim form and declare their percentage of the prize prior to processing the claim. After the claim form is submitted to the Lottery, the percentage cannot be amended. The percentages claimed must add up to one hundred percent (100%) of the prize. ()

ii. At least one (1) of the people claiming ownership of the ticket must sign the ticket and also sign the claim form. ()

iii. The Lottery reserves the right to issue a single prize check instead of multiple prize checks to the owners of a ticket if the value of each individual prize check would be less than fifty dollars (\$50). ()

iv. Multiple winners of a Lottery prize will be paid only through the Boise Lottery office. Lottery retailers will not be required to pay more than one (1) winner of a single prize. ()

15. Claims. ()

a. Liability. By submitting a claim, the player agrees that the state, the Commission, the Lottery and all officials, officers, and employees of each are discharged from all further liability upon payment of the prize. ()

b. Publicity. By submitting a claim, the player also agrees that the Lottery may use the prize winner's name and photograph for publicity purposes. ()

c. Claim period. Prizes may be claimed for a period of one hundred eighty (180) days after the drawing in which the prize was won or from the last day tickets from the specific instant game were sold. Prizes won through an electronic terminal are payable in accordance with the Lottery's rules. If a claim is not made for the prize within the applicable period, the prize money may be added to future prize pools, to be used in addition to prize allotments already allocated, except as provided in Section 67-7433, Idaho Code. ()

d. Invalid tickets. If a ticket presented to the Lottery is invalid pursuant to the terms of these rules or the specific game rules, the ticket is not entitled to prize payment. ()

e. Ticket a bearer instrument. A ticket is a bearer instrument until signed in the space designated on the ticket for signature. The person who signs the ticket is considered the owner of the ticket. Payment of any prize may be made to a person in possession of an unsigned ticket. All liability of the state, the Commission, the Lottery, the Director, and Lottery employees terminates upon payment. ()

f. Time of prize payment. All prizes will be paid within a reasonable time after a claim is verified by the Lottery and a winner is determined. The date of the first installment payment of any prize to be paid in installment payments is the date the claim is validated and processed, unless a different date is specified for a particular game in these rules or in the specific game rules. Later installment payments will be made approximately weekly, monthly, or

annually, from the date the claim is processed and validated in accordance with the type of prize won and the rules applicable to the prize. The Lottery may, at any time, delay any prize payment in order to review a change in circumstances concerning the prize awarded, the payee, or the claim. ()

g. Prizes payable for winner's life. If any prize is for the life of the winner, only an individual may claim and receive the prize for life. If a group, corporation, or other organization is the winner, the life of the winner is deemed to be twenty (20) years. ()

16. Prizes Payable After Death of Winner. All prizes, and portions of prizes, that remain unpaid at the time of the prize winner's death will be payable to the personal representative of the prize winner's estate once satisfactory evidence of the personal representative's appointment has been provided, and the Director is satisfied that payment to the personal representative is lawful and proper. The Director may rely on a certified copy of a court order appointing a personal representative (or similar person responsible for the prize winner's estate, whether denominated an administrator, executor, executrix, or other representative of the prize winner's estate) or may petition the court to determine the proper payee. Payment to the personal representative of the estate of the deceased owner of any prize winnings will absolve the Director and the Lottery's employees of any further liability for payment of prize winnings. ()

17. Disability of Prize Winner. The Lottery may petition any court of competent jurisdiction for a determination of the rightful payee for the payment of any prize winnings that are or may become due to a person under a disability including, but not limited to, mental deficiency, or physical or mental incapacity. ()

18. Stolen or Lost Tickets. The Lottery has no responsibility for paying prizes attributable to stolen or lost tickets. ()

19. Effect of Game Rules. In purchasing a ticket the player agrees to comply with Title 67, Chapter 74, Idaho Code, these rules, the specific game rules, Lottery instructions and procedures, and the final decisions of the Lottery. The Lottery's decisions and judgments in respect to the determination of winning tickets or any other dispute arising from the payment or awarding of prizes will be final and binding upon all participants in the Lottery. If a dispute between the Lottery and a player occurs as to whether a ticket is a winning ticket and the prize is not paid, the Lottery may, solely at the Director's option, replace the ticket with an unplayed ticket of an equivalent price from any game or refund the price of the ticket. This will be the sole and exclusive remedy of the player. ()

20. Disputed Prizes. If there is a dispute, or it appears that there may a dispute concerning payment or ownership of any prize or any other legal issue involving the prize, the Lottery may refrain from making payment of the prize pending a final determination by the Lottery or by a court of competent jurisdiction as to the proper payment of the prize. ()

21. Sale of Lottery Tickets. Lottery tickets may be sold for cash, check, money order, credit card, electronic funds transfer, or debit card. ()

102. CONFLICT OF INTEREST POLICY.

01. Persons Subject to Conflict of Interest Policy. Every Commissioner, the Director, every Deputy Director, and every other Lottery officer and employee is considered a person subject to this rule on conflict of interest. If a statutory provision, rule, or policy applicable to the Lottery conflicts with Section 67-7443, Idaho Code, the more stringent provision applies. ()

02. Statements For Economic Interest. Every person listed in Subsection 110.01 of this rule, is prohibited from directly or indirectly, individually, or as a member of a partnership, or as a shareholder of a corporation, or as a participant in a joint venture or association with any other person, having an interest in dealing in a Lottery game or in the ownership or leasing of property used by or for a Lottery game. ()

03. Persons Ineligible For Prizes. Except as provided in Section 67-7440, Idaho Code, the following persons are disqualified from purchasing a Lottery ticket or share, and from receiving a Lottery prize: ()

a. Every person listed in Subsection 110.01 of this rule; ()

b. Any officer, director, or employee of any vendor of Lottery tickets or manufacturer of equipment used to determine winners in computerized Lottery games, and any of their subcontractors who may affect the security, integrity, or honesty of the Lottery; ()

c. Any Lottery contractor or consultant under agreement with the Lottery to review the Lottery's security procedures, and any other contractor or consultant that the Director deems ineligible if the Director reasonably determines that the security, honesty, and integrity of the Lottery may be adversely affected; ()

d. An immediate family member of any individual described in Paragraphs 110.03.a., 110.03.b., or 110.03.c. of this rule who is a member of the same household. ()

04. Gift Prohibitions. ()

a. Except as provided in Paragraph 110.03.b. of this rule, every person listed in Subsection 110.01 of this rule, including members of their immediate family, are prohibited from soliciting or receiving, directly or indirectly, a gift in excess of fifty dollars (\$50) from any person who might reasonably be expected to receive a benefit from the Lottery. ()

b. In appearances before civic groups and other organizations it is permissible to accept a meal if it is offered and it is the established practice of that group or organization. ()

05. Persons Prohibited From Providing Services. The following individuals and entities are prohibited from being a Lottery game retailer, Lottery vendor, or Lottery contractor, and shall not provide audits or study services as specified by Title 67, Chapter 74, Idaho Code: ()

a. Every person listed in Subsection 110.01 of this rule; ()

b. A member of the immediate family who is a member of the same household of any person listed in Subsection 110.01 of this rule; ()

06. Outside Activities Restricted. ()

a. The Director, all Deputy Directors, and all full-time Lottery officers and employees are required to render full-time service to the duties of their positions. Part-time, temporary, or seasonal Lottery employees are required to render service to the extent of their employment with the Lottery and are prohibited from accepting other employment that may conflict with the integrity of the Lottery. ()

b. Except when assisting another state lottery, no Commissioner, Director, Deputy Director or other Lottery officer or employee may provide consulting or contractual services, or accept an honorarium related to his State Lottery expertise. ()

c. When assisting another state lottery, it is permissible for the other state to reimburse normal travel costs to the individual providing the service, but no honorarium or pay to the individual will be accepted. If the other state has a policy of paying for the time of another state's employee while providing assistance, the payment will be made to the State Lottery. ()

d. Nothing contained in Paragraphs 110.06.a. through 110.06.c. of this rule precludes the Lottery from negotiating contracts in which the vendor to the Lottery must bear the expense of Lottery personnel making on-site inspections of the vendor's products or manufacturing facility, auditing the vendor, or other legitimate business reasons for traveling to the vendor's place of business or site of the vendor's records, and person listed in Subsection 110.01 of this rule may engage in travel at the vendor's expense for those legitimate business purposes. Nothing contained in Paragraphs 110.06.a. through 110.06.c. of this rule prevents a Commissioner, Director, Deputy Director or other Lottery officer or employee from participating in and traveling to educational or industry related programs. Actual expenses incurred may be reimbursed by a sponsoring entity if the integrity of the State Lottery is not adversely impacted. ()

07. Conduct of Commission Business. Business transactions conducted by the Commission, the Director, Deputy Directors, and all other Lottery officers and employees with Lottery vendors should be conducted in the Lottery's offices to the maximum extent possible. ()

08. Personal Conduct. Personal conduct that is illegal or generally considered improper or brings discredit to the Lottery may be subject to appropriate disciplinary action by the Director. ()

09. Use of Lottery Property. Every person listed in Subsection 110.01 of this rule is prohibited from using any Lottery vehicle or other Lottery property for personal use, except that telephones, computers, etc., may be used for personal use in the manner ordinarily accepted in an office setting when that use does not result in additional expense to the Lottery and when that use does not contravene state policy. ()

10. Signature of Conflict Policy Required. Every person listed in Subsection 110.01 of this rule is required to sign the following conflict of interest policy as a condition of employment. "I have read and understand the pertinent Sections of Idaho Constitution Article 7, Section 10, and Title 59, Chapter 7, Idaho Code, and these conflict of interest policies."

Signature
Typed Name
Date ()

103. -- 199. (RESERVED)

200. LOTTERY CONTRACTING RULES.

01. Classification of Lottery Contracts. ()

a. Lottery contracts for the acquisition of materials, supplies, services and personal and professional services are classified according to relative sensitivity, which in turn determines the level of review, procurement method and the extent of disclosure required by Lottery vendors or if no disclosure is required as in the case of Lottery contractors. The three (3) levels of procurement are as follows: ()

i. General procurements: These procurements are the least sensitive and are for materials, supplies, equipment, services and personal and professional services required to satisfy the day-to-day administrative, ministerial and operating needs of the Lottery. Disclosure filings by Lottery vendors are not normally required for this class of procurements. Lottery contractors may supply general procurement items. The Lottery may use formal invitations to bid, informal competitive quotes and requests for proposals to solicit contracts for these acquisitions, as may be determined by the Director to be the most appropriate process for a specific acquisition. ()

ii. Sensitive procurements: These procurements are of intermediate sensitivity and are for materials, supplies, equipment, services and personal and professional services which may have direct or indirect impact upon the security, credibility and integrity of the Lottery. Also included are special studies and services required by statute (demographic, communications and performance studies). The normal procedure for acquiring the materials and services is by request for proposal; however, the Director may authorize the use of competitive quotes when the cost of the acquisition is less than fifteen thousand dollars (\$15,000). The Director may prescribe special disclosure requirements governing Lottery contractors or vendors for this class of contracts. ()

iii. Major procurements: This class is the most sensitive of Lottery contracts. The Lottery Act requires these procurements to be let by the Commission and the filing of comprehensive disclosure statements by Lottery vendors. ()

b. The procedures for announcing or soliciting various classes of Lottery contracts outlined in Paragraph 200.01.a. of this rule are intended to be advisory only and do not limit the Commission or the Director in the selection of the most appropriate process to acquire a given product or service. ()

02. General Policy. ()

a. In all decisions affecting the Lottery, the Commission and Director are specifically directed by statute to take into consideration the particularly sensitive nature of the Lottery and to act in a manner to promote and insure the integrity, security, honesty and fairness of the Lottery. Additionally, the Director, in awarding contracts in response to solicitations for proposals, must award the contracts to the responsible contractor or vendor submitting the lowest and best proposal that provides maximum benefits to the state in relation to cost in the areas of security, competence, experience, timely performance, and maximization of net revenues to benefit the public purpose of the Lottery. Consistent with these statutory directives, it is the policy of the Lottery, to the extent possible, to conduct its contracting affairs in an open, competitive manner. However, the security and integrity of the Lottery are fundamental and overriding considerations in all decisions. ()

b. Although the Lottery is exempt from the provisions of Section 67-5715, Idaho Code, it is the policy of the Lottery to conduct its contracting affairs generally in accordance with the state's competitive bidding principles contained in Section 67-5715 et seq., Idaho Code, and consistent with the specific directives contained in Paragraph 200.02.a. of this rule. In implementing this policy, the Lottery reserves the right to use the procedures developed by the Department of Administration as guidelines to govern its procurement actions. Notwithstanding this reservation, the Lottery also reserves the right to use alternate contracting and purchasing practices that take account of market realities and modern or innovative contracting and purchasing methods that are also consistent with the public policy of encouraging competition. These methods may include, but are not limited to, specialized vendor prequalifications, competitive negotiations, performance incentives and disincentives, life cycle costing and solicitations emphasizing the request for proposal process. ()

c. When the Lottery uses a Request for Proposal (RFP) for a planned acquisition, the major considerations in determining the contract award will be the quality of the product or service, the likelihood of timely performance, and price. Qualitative factors normally address issues like the Vendor's demonstrated experience in performing comparable projects, performance credibility, availability of qualified personnel and equipment, and other special factors as may apply to a particular contract. The RFP will normally specify the criteria that will be used in the evaluation of offers and the award of the contract. ()

d. Because of the specialized character of Lottery contracts, the Lottery will not normally advertise bid proposals. Rather, the Lottery will circulate bid and proposal requests for materials, equipment and services to vendors known to specialize in the required procurement or to vendors that the Lottery may reasonably expect to have an interest in providing such services. The Lottery will develop its mailing lists as the service need arises. ()

e. The Director may prepare standard terms and conditions to govern the acquisition of materials, supplies and services by the State Lottery. To the extent possible, the standard terms and conditions should be as uniform as possible with the standard terms and conditions governing contracts entered into by other state agencies. ()

f. All major departures from the state contracting guidelines referred to in Paragraph 200.02.b. of this rule will be approved by the Commission. If there is a conflict between the state guidelines and the Lottery's adopted rules, the Lottery's rules take precedence. ()

03. Delegation of Purchasing Authority. ()

a. Authority is granted to the Director to initiate all purchase actions and enter into and execute contracts for materials, supplies and services, on behalf of the Commission and the Lottery, except as follows: ()

i. General contracts having an estimated one-time or annual cost in excess of fifty thousand dollars (\$50,000); ()

ii. Contracts defined as Sensitive Procurements having a one-time or annual cost of more than fifty thousand dollars (\$50,000); ()

iii. Contracts defined as Major Procurements; ()

iv. All personal service contracts other than major or sensitive procurements having a one-time or

annual cost in excess of fifteen thousand dollars (\$15,000); and ()

v. Procurement actions which are executed in a manner other than as provided in the contract exemption guidelines. ()

b. Notwithstanding the provisions of Subparagraph 200.03.a.i. of this rule, the Commission, having once approved a planned procurement action involving a general contract acquisition, grants authority to the Director to execute a contract or contracts for the purchase or service without further action by the Commission. ()

c. The Commission, having once approved a particular contract, delegates authority to the Director to make all disbursements and payments as provided in the contract, without further, specific approval action by the Commission. ()

d. The Commission grants authority to the Director to enter into emergency contracts when immediate and decisive action is required to protect the security, credibility or integrity of the Lottery or a Lottery game. All emergency contracts let by the Director in which the cost exceeds the delegated authority contained in Paragraph 200.03.a. of this rule, must be reported to the Commission within five (5) days of the contract award date, or at the next scheduled Commission meeting, whichever is sooner. Such procurement actions may be taken without competitive bid. The dollar value of a contract awarded by the Director under the provisions of this section may not exceed fifty thousand dollars (\$50,000). Any emergency contract for a major procurement in which the cost exceeds fifty thousand dollars (\$50,000), if not acted upon at a regularly scheduled Commission meeting, is subject to Commission approval by telephonic or electronic vote. ()

04. State Central Services Agenda. As provided in Section 67-7408, Idaho Code, the Lottery may contract with other state agencies for the performance of contracting responsibilities that may be required by the Lottery. Those services may include, but are not limited to, the acquisition of Fidelity and Faithful Performance Bonds covering the Commissioners, officers, and employees of the Lottery; bonding of retailers, annuity contracts; general equipment and supplies; equipment financing agreements; and disposal of surplus Lottery property. The Lottery is bound by all statutes and rules governing the actions of the state agency when the Lottery uses such services. ()

05. Idaho Preference. ()

a. In all contracts, the Lottery will prefer goods or services that have been manufactured or produced in this state if price, fitness, availability and quality are otherwise equal. ()

b. Where a Lottery contract is awarded to a foreign contractor and the contract price exceeds ten thousand dollars (\$10,000), the contractor must promptly report to the Idaho Tax Commission (ITC) on forms to be provided by ITC the total contract price, terms of payment, length of contract and such other information as the ITC may require before final payment can be received on the Lottery contract. The Lottery must satisfy itself that the requirements of this Paragraph have been complied with before it issues a final payment on a Lottery contract. For the purposes of this Paragraph, a foreign contractor is one who is not domiciled in or registered to do business in Idaho. ()

06. Equal Opportunity/Affirmative Action Contracts. The Lottery is an equal opportunity employer and also participates in any on-going state affirmative action programs. ()

07. Personal Services Contract. ()

a. Contracts between the Lottery and persons or firms such as advertising agencies, security consultants, auditors, other consultants required to conduct or prepare special studies and reports and other personal services contracts that may be required to fulfill the Lottery's responsibilities, will be awarded as outlined in this Subsection. The award of contracts will be either direct, informal or formal depending upon the sensitivity and estimated dollar value of the contract. In awarding personal services contracts, the Lottery will consider the contractor's qualifications in similar areas of demonstrated competency, availability, experience in successfully performing comparable projects, availability of qualified personnel, likelihood of timely performance, history of cost containment, compensation requirements and other special factors that may apply to a particular contract. ()

- b.** Direct Award Procedures. ()
- i. Any personal services contract having an estimated one-time or annual value of ten thousand dollars (\$10,000) or less may be awarded directly by the Director if the Director believes reasonable steps have been taken to obtain competitive quotes, if feasible, and the award will not negatively affect the security, credibility or integrity of the Lottery. ()
- ii. The Director, with the approval of the Commission, may directly award personal services contracts in any appropriate or reasonable amount, without competitive solicitations, when the project consists of work that has been substantially described, planned or otherwise studied in an earlier Lottery contract and the new contract would be a continuation of the earlier project, provided that the earlier contract was awarded by a formal selection procedure. In awarding contracts under this provision the Commission and Director will take into account the effects of that action on the security, credibility and integrity of the Lottery and further ensure that the contract awards will not encourage favoritism or substantially diminish competition and will result in substantial cost savings to the Lottery. ()
- iii. The Director, with the approval of the Commission, may directly award personal service contracts without competitive solicitation when an emergency or other condition exists that requires prompt and decisive action. The Commission and Director may exercise the provisions of this Paragraph only when immediate action is required to correct a situation that would threaten integrity, security, honesty, and fairness in the operation and administration of the Lottery or the objective of raising net revenues for the benefit of the public purpose described in the Act. ()
- c.** Informal Award Procedure: The Director may award any personal services contract having an estimated one-time annual value of more than ten thousand dollars (\$10,000), but not more than twenty-five thousand dollars (\$25,000), if the following informal award procedure is followed: ()
- i. An attempt is made to obtain a minimum of three (3) competitive quotes. If three (3) quotes are not available, fewer will suffice provided a written record is made of the effort to obtain three (3) quotes. ()
- ii. A written record must be maintained of the source and amount of quotes received. ()
- iii. The contract award will be made to the lowest priced vendor who best meets the contract award criteria of Paragraph 200.07.a. of this rule. ()
- iv. The Director maintains work papers documenting the basis of the award to ensure that the award will not negatively affect the security, credibility and integrity of the Lottery. ()
- d.** Formal Award Procedures: Unless otherwise awarded under the provisions of Subparagraphs 200.07.b.ii. or 200.07.b.iii. of this rule, all personal services contracts having an estimated one-time or annual cost of more than twenty-five thousand dollars (\$25,000) must be awarded according to the formal award procedure, as follows: ()
- i. The Lottery will distribute copies of the proposal (usually a Request for Proposal) to Lottery vendors or to appropriate contractors who have indicated an interest, or are anticipated to have an interest, in providing the required service to the Lottery. Every Request for Proposal will include a response deadline date. All responses received by the Lottery after the deadline may be rejected. ()
- ii. The Director will appoint an evaluation panel consisting of at least four (4) persons, at least two (2) of whom are members of the Lottery's staff. The Director of Lottery Security will be one of the appointees to evaluate the responses for any project involving the security of the Lottery. ()
- iii. The evaluation panel must develop a system to evaluate the vendor responses and score each vendor's response. Based upon this evaluation, the evaluation panel must rank the three (3) best responses and develop an award recommendation. ()

- iv. The contract will be awarded to the vendor who best meets the award criteria. ()
- e. No contract or other agreement for the purpose of providing services to the Lottery may be entered into, renewed, or extended with any person, unless the person certifies in writing, under penalty of perjury, that the person is not in violation of any Idaho tax laws on a form prescribed by the Idaho Tax Commission (ITC). A copy of the certification form may be obtained from the Lottery or the ITC. The original certification must be retained in the Lottery's contract file as required by the state's records retention guidelines. ()
- 08. Major Procurements.** ()
- a. All bid announcements, invitations, or proposals covering major procurements will identify that the planned acquisition is classified as a major procurement. ()
- b. All contracts or procurement actions classified as major procurements will be subject to the disclosure requirements specified in Section 67-7421, Idaho Code. Subsection 010.05 of these rules defines the term "control person" for purposes of disclosure requirements. The Lottery will enclose a copy of the disclosure requirements with each bid announcement or proposed request for such procurement. All disclosure filings are subject to the review and approval of the Director of the Lottery Security Division. Failure of any Lottery vendor to properly execute or timely submit the disclosure requirement may be grounds for rejection of the bid or proposal. ()
- c. No contract for a major procurement with any Lottery vendor may be entered into if any control person of that Lottery vendor has been convicted of a crime, other than traffic infractions. Background checks must be made by the Director of Lottery Security to rigorously enforce this requirement. ()
- d. The Lottery may prequalify Lottery vendors as having met the disclosure filing requirements for major procurements. The disclosure prequalifications may be renewed by July 1 of each year. The prequalifications will satisfy the disclosure requirements of the Act, providing a certification is received from the Lottery vendor at the time of submitting any subsequent bid, proposal or offer and that no changes have occurred in the vendor's status, or that of its control persons, since the last filing of the complete disclosure statement. ()
- e. Each Lottery vendor for a major procurement must maintain its disclosure filing in a current status during the tenure of the contract. Unless otherwise provided in the contract document, any changes in the status of the vendor, any of its listed control persons or additional control persons, must be reported to the Director within fourteen (14) days of the known change, and will require written submission of the same disclosure information to the Commission. ()
- f. Each Lottery vendor for a major procurement is required to post a performance bond with the Commission as provided in Section 67-7427, Idaho Code. The performance bond must be issued by a surety licensed to do business in this state and be for the duration specified in the procurement announcement. ()
- 09. Sensitive Procurements.** ()
- a. All bid announcements, invitations, or Requests for Proposal covering sensitive procurements as defined in Subparagraph 200.01.a.ii. of this rule will identify that the planned acquisition is a sensitive procurement and will be subject to the provisions of this rule. ()
- b. The Director may establish special disclosure requirements governing State Lottery contracts for sensitive procurements that will be included in the procurement announcement. Failure of any Lottery vendor or contractor to properly execute or timely submit the disclosure requirement may be grounds for rejection of the bid or proposal. All disclosure filings are subject to the review and approval of the Director of Lottery Security. ()
- c. No contract for a major procurement with any Lottery vendor may be entered into if any control person of that Lottery vendor has been convicted of a crime, other than traffic infractions. Background checks must be made by the Director of Lottery Security to rigorously enforce this requirement. ()
- d. The Lottery may prequalify Lottery vendors as having met the disclosure requirements of this rule.

The prequalification will satisfy the disclosure filing requirement providing a certification is received from the Lottery vendor, at the time of submitting any subsequent bid, proposal or offer, that no changes have occurred in the vendor's status or any of its principals since the last filing of the full disclosure statement. ()

e. Each Lottery vendor for a sensitive procurement must maintain its disclosure filing in a current status during the tenure of the contract. Unless otherwise provided in the contract document, any changes in the vendor's status or any of its principals, must be reported to the Director within fourteen (14) days of the known change, and will require written submission of the same disclosure information to the Commission. ()

f. Each Lottery contractor for a sensitive procurement may be required to post a performance bond with the Lottery. The performance bond must be issued by a surety licensed to do business in this state and be for the amount and duration specified in the procurement announcement. ()

10. Advertising and Promotional Contract. Because advertising and promotional contracts involve unique marketing strategies for Lottery games, the acquisition of these services and purchases may be made directly without using competitive procurement procedures. The prudent person rule will apply in the award of these contracts or the acquisition of these services. This exemption applies to all advertising and promotional contracts, whether placed through the Lottery's advertising agency or directly by the Commission or the Director. For the purpose of this rule, advertising and promotional contracts include but are not limited to: agreements with radio and television stations, acquisition of prizes, media selection, placement of advertising contracts, promotional printing, art work and development and placement of all forms of commercials and display presentations. ()

11. Investment Contracts. The Lottery may enter into contracts for the acquisition of structured settlements, place investments or acquire annuities related to the pay-off of major prize winners without following competitive bidding procedures. The Lottery will follow the prudent person rule in the placement of such investments. ()

12. Prequalification of Annuity Vendors. ()

a. For the purpose of acquiring annuities related to the pay-off of major prize winners, the Lottery will maintain an ongoing prequalification list of annuity vendors. A vendor must first be prequalified by the Lottery before submitting a bid to the Lottery for the award of an annuity contract. Vendors may submit their qualifications to the Lottery for evaluation any time in the year. ()

b. The following criteria must be met by each vendor before being placed on the prequalification list: ()

i. Each bidder must be an insurance company licensed to do business in Idaho and have been in business for a period of two (2) years immediately before submitting its bid. ()

ii. An insurance company must be a Best's "A+" rated company and have at least a Best's Class VII financial size classification. ()

iii. Each bidder's request for qualification must contain: ()

(1) The name, address, telephone number and contact person for the bidder. ()

(2) The current financial statement of the bidder certified by an independent certified public accountant. ()

(3) The names, addresses and telephone numbers of three (3) current or past annuity client references whom the Lottery may contact. ()

c. After a vendor has been prequalified, the vendor may submit bids to the Lottery in accordance with the procedures established by the Director. Furthermore, a vendor must keep its qualifications current by promptly reporting any changes in their status to the Lottery. ()

d. The total amount of annuities awarded to an insurance company cannot exceed five percent (5%) of its stated surplus. ()

e. Nothing contained in this rule will preclude a brokerage company from representing or submitting a bid on behalf of a qualified bidder. ()

201. CRITERIA FOR REVIEW OF RETAILER APPLICATIONS AND CONDUCT OF OPERATIONS.

01. Retailer's Application. Any person interested in obtaining a contract for a certificate to sell Lottery tickets must first file an application on forms provided by the Director. The forms will require disclosure of, but are not limited to, an applicant's personal, financial, and criminal history, and an authorization to investigate the applicant's criminal and credit history. ()

02. Fees, Procedure, and Criteria Precluding Issuing Contract. ()

a. All certificate applications must be accompanied by a minimum, nonrefundable, fee of twenty-five dollars (\$25). If a certificate is awarded, an additional, nonrefundable, certificate fee of one hundred dollars (\$100) must be paid. ()

b. A current retailer may be required to complete an additional application or application supplements. If a current retailer requests that the existing certificate be modified to allow the sale of additional Lottery products, no additional application fee will be charged. ()

c. The Lottery may waive the payment of any certificate fee to facilitate an experimental program or a research project. ()

03. Provisional Certifications. ()

a. The Lottery may issue a provisional certificate to an applicant for a Lottery certificate after receipt of a fully completed certificate application, the authorization of a complete personal background check, completion of a credit check, and completion of a preliminary background check. The provisional certificate will expire at the time of issuance of the requested certificate or ninety (90) days from the date the provisional certificate was issued, whichever occurs first, unless the provisional certificate is extended by the Lottery. ()

b. No contract shall be made with an applicant: ()

i. Who is under eighteen (18) years of age; ()

ii. Who will be engaged exclusively in the business of selling tickets; ()

iii. Who is an employee of the Lottery; ()

iv. Who is, or is owned or controlled or affiliated with, a supplier of instant tickets or a manufacturer of computer equipment used to operate instant or on-line games, or both; ()

v. Who is not a resident of Idaho, or a corporation that is not incorporated in Idaho or not authorized to do business in Idaho; ()

vi. Who has been found to have violated any rule, regulation, or order of the Commission or the Director; ()

vii. When any person, firm, association, or corporation other than the applicant will participate in the management of the affairs of the applicant. ()

04. Criteria That May Be Grounds For Refusal. Before contracting with an applicant, the Director will consider the factors set out below. In considering these factors, the Director will seek to determine which applicants will best serve the economical and efficient operation of a statewide Lottery through their ticket sales. If any of these factors lead the Director to determine that contracting with the applicant would not promote the

economical and efficient operation of a statewide Lottery consonant with the public interest, or would not serve the public interest, convenience, or trust, the Director may deny the application. ()

a. The Director will consider the financial responsibility and security of the person and the person's business or activity and consider the person's credit worthiness and integrity in past financial transactions. The Lottery may investigate the credit worthiness of the applicant by using the services of a commercial credit reporting agency. The Director may also consider the physical security of the applicant's place of business to determine whether tickets that will be sold to the applicant and the proceeds from ticket sales will be kept safe. ()

b. The Director will consider the accessibility to the public of an applicant's place of business or activity. The Director will contract only with applicants who have regular contact with significant numbers of persons at the applicant's place of business. Before contracting with any organization that has restricted membership policies, the Director must determine whether the restrictions are generally acceptable to the public and whether contracting with that group or organization or similar groups or organizations would best serve the interests of the Lottery. ()

c. The Director will consider the sufficiency of existing retailers to serve the public interest. The Director may seek to maximize total ticket sales by encouraging retailers with the highest potential volume in a particular area or neighborhood. ()

d. The Director will consider the volume of expected sales by the applicant. In determining the anticipated actual sales volume of the applicant, the Director may rely upon the experience and knowledge of the Lottery's staff as well as any other available professional expertise. The Director will determine whether the volume of an applicant's sales is likely to be sufficient that contracting with the applicant will be economically feasible. ()

e. The Director will consider the types of products, services, or entertainment offered at the applicant's place of business. The Director will determine whether the applicant's products, services, or entertainment are generally acceptable to the public and whether they would bear adversely upon the general credibility, integrity, and reputation of the Lottery. ()

f. The Director will consider the experience, character, or general fitness of the applicant. Entering into a contract with the applicant must be consistent with the public interest, convenience, and trust. ()

g. The Director will consider the veracity and completeness of the information submitted with the retailer's application. The Director will consider the criminal history of the applicant and any person whose name is required to be disclosed under Section 67-7412, Idaho Code, of the Act and may refuse to enter into a contract with any applicant when the applicant or such person has been convicted of violating any of the gambling laws of this state, general or local, or has been convicted at any time of any crime other than traffic infraction. ()

05. Reporting Changes in Circumstances of The Retailer. Every change of business structure of a certificated business, such as from a sole proprietorship to a corporation, and every change in the name of a business, must be reported to the Lottery before the change. Substantial changes in the ownership of a certificated business must also be reported to the Lottery before the change. A substantial change of ownership is defined as the transfer of ten percent (10%) or more equity in the certificated business from or to another single individual or legal entity. If a change involves the addition or deletion of one (1) or more existing owners or officers, the certificate holder must submit a certificate application reflecting the change and any other documentation that the Lottery may require. All changes will be reviewed by the Lottery to determine if the existing certificate should be continued. ()

06. Certificate Not a Vested or Legal Right. The possession of a certificate issued by the Lottery to any person to act as a retailer in any capacity is a privilege personal to that person and is not a vested or legal right. The possession of a certificate issued by the Lottery to any person to act as a retailer in any capacity does not automatically entitle that person to sell tickets or obtain materials for any particular game. ()

07. Suspension or Revocation of a Certificate. The Lottery may suspend or revoke any certificate issued pursuant to these rules for one (1) or more of the following reasons: ()

- a. Failing to meet or maintain the eligibility criteria for certificate application and issuance established by Title 67, Chapter 74, Idaho Code, or these rules; ()
 - b. Violation of any of the provisions of Title 67, Chapter 74, Idaho Code, these rules, or the certificate terms and conditions; ()
 - c. Failing to file any return or report or to keep records required by the State Lottery ()
 - d. Failing to maintain an acceptable level of financial responsibility as evidenced by the financial condition of the business, incidents of failure to pay taxes or other debts, or by the giving of financial instruments which are dishonored; ()
 - e. Fraud, deceit, misrepresentation, or other conduct prejudicial to the public confidence in the Lottery; ()
 - f. If the public convenience is adequately served by other certificate holders, failure to sell a minimum number of tickets as established by the Lottery; ()
 - g. A history of thefts or other forms of losses of tickets or revenue from the business; ()
 - h. Violating federal, state, or local law or allowing the violation of any of these laws on premises occupied by or controlled by any person over whom the retailer has substantial control; ()
 - i. Obtaining a certificate by fraud, misrepresentation, concealment or through inadvertence or mistake; ()
 - j. Making a misrepresentation of fact to the Commission or the Lottery on any report, record, application form, or questionnaire required to be submitted to the Commission or the Lottery; ()
 - k. Denying the Lottery or its authorized representative, including authorized local law enforcement agencies, access to any place where a certificate activity is conducted; ()
 - l. Failing to promptly produce for inspection or audit any book, record, document, or other item required to be produced by law, these rules, or the terms of the certificate; ()
 - m. Systemically pursuing economic gain in a manner or context that is in violation of the criminal or civil public policy of this state if there is cause to believe that the participation of such person in these activities is inimical to the proper operation of the authorized Lottery; ()
 - n. Failing to follow the instructions of the Lottery for the conduct of any particular game or special event; ()
 - o. Failing to follow security procedures of the Lottery for the management of personnel, handling of tickets, or for the conduct of any particular game or special event; ()
 - p. Misrepresenting a fact to a purchaser, or prospective purchaser, of a ticket, or to the general public with respect to the conduct of a particular game or special event; ()
 - q. Allowing activities on the licensed premises that could compromise the dignity of the state. ()
- 08. Surrender of Certificate Upon Revocation.** Upon revocation or suspension of a retailer's certificate, the retailer must surrender to the Lottery, by a date designated by the Lottery, the certificate and all other Lottery property. ()
- 09. Certified Retailers.** All Lottery retailers must be certified in the manner provided in these rules. Retailers are required to abide by all applicable laws and administrative rules, the terms and conditions of the contract and certificate, and all other directives and instructions issued by the Lottery. ()

10. Requirements For The Sale of Tickets. ()

a. Retailers must be knowledgeable about the Lottery and Lottery products and may be required to take training in the operation of Lottery games. Retailers must make the purchase of tickets convenient to the public. ()

b. Tickets must be sold at the price designated by the Lottery. Retailers cannot sell tickets for a greater amount than the amount specified by the Lottery. Retailers may sell tickets for a lesser amount for promotional purposes if authorized by the Lottery. ()

c. No retailer or any employee or member of a retailer shall attempt to identify a winning ticket before sale of the ticket. ()

d. When a retailer is required by its contract with the Lottery to pay a prize to a winner, the retailer must pay the prize whenever the winner tenders a winning ticket during the retailer's normal business hours at the location designated on the retailer's certificate. ()

e. Retailers are prohibited from purchasing tickets previously sold by the retailer. ()

11. Display of Certificate and Other Materials. Retailers must display the Lottery certificate in an area visible to the general public wherever tickets are being sold and also display point-of-sale material provided by the Lottery in a manner that is readily seen by and available to the public. Retailers may advertise and use or display other appropriate promotional and point-of-sale material. The Lottery may require the removal of objectionable material or the discontinuance of objectionable advertising that may have an adverse impact on the Lottery. ()

12. Dishonored Checks and Electronic Fund Transfers. Any payment made to the Lottery by an applicant for a certificate or by a certificated retailer either by a check that is dishonored or by an electronic funds transfer (EFT) that is not paid by the depository, is grounds for immediate denial of the application for a certificate or for suspension or revocation of an existing certificate. The Lottery may assess a surcharge for each dishonored check or EFT. The Lottery may also alter the payment terms of a retailer's certificate and require a retailer to reimburse the Lottery for costs that occur as a result of a dishonored check or EFT. ()

13. Inspection of Lottery Materials and Retailer Premises. Retailers must allow the Lottery to enter upon the retailer's certificated premises in order to inspect Lottery materials, tickets, and the premises. All books and records pertaining to the retailer's Lottery activities must be available to the Lottery for inspection and copying during the normal business hours of the retailer and between 8 a.m. and 5 p.m., Monday through Friday. All books and records pertaining to the retailer's Lottery activities are subject to seizure by the Lottery without prior notice. ()

202. GENERAL INSTANT TICKET GAME OPERATING RULES.

01. Instant Games -- Authorized -- Director's Authority. The Commission hereby authorizes instant games that meet the criteria set forth in these rules. The Director is hereby authorized to select, operate, and contract relating to and for the operation of instant games that meet the criteria set forth in these rules. ()

02. Definitions. As used in Section 202 of these rules, these terms have the following definitions: ()

a. Instant Ticket Validation Bar Code. The bar code that enables retailers to validate instant tickets. ()

b. ITA System. The Instant Ticket Automation system that validates winning instant tickets. ()

c. Pack. A package of instant game tickets with a designated number of tickets that may be (but do not have to be) fanfolded and attached to each other by perforations, which perforations the retailer tears when selling a

ticket, and that are packaged in plastic shrink-wrapping, foil or some similar outer wrapping material. ()

d. Pack-Ticket Number. The number printed on the ticket. A game identification number must be included in the book-ticket number. ()

e. Play Symbol Caption. The small printed material appearing below each play symbol which repeats or explains the play symbol. One (1) and only one (1) play symbol captions appears under each play symbol. ()

f. Play Symbols. Figures printed in approved ink that appear under each of the rub-off spots on the front of the ticket. ()

g. Retailer Validation Code. The small letters found under the removable rub-off covering over the play symbols on the front of the ticket, which the ticket retailer uses to verify winners of twenty-five dollars (\$25) or less. The letters appear in varying locations beneath the removable rub-off covering and among the play symbols. ()

h. Ticket. An Idaho instant game ticket. ()

i. Ticket Validation Number. The unique number on the front of the ticket. ()

03. Sale of Tickets. ()

a. No person other than a retailer under a contract for the sale of tickets with the Lottery may sell Lottery tickets, except that nothing in this section prevents a person who may lawfully purchase tickets from making a gift of Lottery tickets to another. ()

b. Unless authorized by the Lottery, tickets may not be sold at a location other than the address listed on the retailer's contract with the Lottery. ()

c. Nothing in this section prohibits the Commission from designating certain of its agents and employees to sell Lottery tickets directly to the public. ()

04. Instant Games Ticket Price. The price of an instant game ticket will be set by the Director. No person may sell a ticket at a price other than that established in accordance with these rules. ()

05. Prize Structures. The Director will provide to all Lottery game retailers a detailed tabulation of the estimated number of prizes of each particular prize denomination that are expected to be awarded in each Lottery game and a close approximation of the odds of winning the prizes. ()

06. Number and Value of Instant Ticket Prizes. Lottery game prize structures, odds of winning, number of tickets, number and value of prizes, play symbol and captions used for validation will not be adopted by administrative rules. Rather, the Director will submit proposed games to the Commission, who must approve each game's general format before the initiation of each game. All instant games must be conducted in accordance with the rules of the Commission. ()

07. Official Start of Game. ()

a. Games with a prize structure adopted by the Commission pursuant to Subsection 202.07 of this rule may be started at a time selected by the Director. The Director will publicly announce the starting date of a new game by use of a press release or any other appropriate means. The Director may also issue game information that includes a description of the game, odds of winning a prize, the number and value of prizes, and the play symbols and captions used for prize validation. ()

b. Games using a prize structure other than a prize structure previously approved by the Commission must be approved by the Commission before game tickets can be sold to the public. ()

08. Determination of Winners. ()

a. Winners of an instant game are determined by the matching or specified alignment of the play symbols on the tickets. The play symbols are revealed by scratching or rubbing off the latex or similar secure material that covers spots on the ticket. The ticket bearer must notify the retailer or the Lottery of the win and submit the winning ticket to the retailer or the Lottery as provided in these rules. The winning ticket must be validated by the Lottery through use of the validation number or by any other means specified by the Director. ()

b. Unless otherwise provided by game rules, only the highest instant prize amount will be paid on a given ticket. ()

c. No portion of the play symbol captions, retailer validation codes, display printing nor any extraneous matter whatever will be usable or playable as a part of the instant game. ()

d. The ticket validation number or any portion thereof is not a play spot and is not usable or playable as such. ()

e. In all Lottery games, the determination of prize winners is subject to the general ticket validation requirements set forth in Subsection 200.14, et seq., and Subsection 202.11 of this rule, and the requirements set out on the back of each instant game ticket. ()

f. The length of operation of an instant game will be determined by the Director. The start date and closing date of the instant game will be publicly announced. ()

09. Payment of Prizes. The procedures for claiming instant ticket prizes are as follows: ()

a. Instant ticket prizes of less than six hundred dollars (\$600) may be claimed by one (1) of the following methods: ()

i. The claimant may present the winning ticket to any Lottery retailer. The retailer must verify the claim and, if acceptable, make payment of the amount due the claimant. A retailer may pay prizes in cash or by business check, or money order, or any combination thereof. A retailer that pays a prize with a check that is dishonored may be subject to suspension or termination of the retailer's contract. ()

ii. If the retailer cannot verify the claim, the claimant must fill out a claim form and the retailer must present the completed form and the disputed ticket to the Director. If the claim is validated, a check will be forwarded to the claimant in payment of the amount due. If the claim is not validated, the claim will be denied and the claimant will be promptly notified. ()

iii. The claimant may bring the ticket to the Lottery office or complete a claim form and mail it with the ticket to the Idaho State Lottery (registered mail recommended). Claim forms may be obtained from any Lottery game retailer or from the Lottery. ()

b. To claim an instant prize of six hundred dollars (\$600) or more, the claimant must either bring the winning ticket to the Lottery office or complete a claim form and mail the completed form together with the winning ticket to the Idaho State Lottery (registered mail recommended). ()

c. Prizes of six hundred dollars (\$600) or more can be paid only from the Boise Lottery office. Upon validation by the Director, a check will be forwarded to the claimant in payment of the amount due, less any applicable federal income tax withholding. ()

d. Any ticket not passing all the validation checks is void and ineligible for any prize and will not be paid. However, the Director may, solely at the Director's option, replace an invalid ticket with an unplayed ticket (or ticket of equivalent sales price from any other current game). If a defective ticket is purchased, the only responsibility or liability of the Lottery is the replacement of the defective ticket with another unplayed ticket (or ticket of equivalent sale price from any other current game). ()

e. All prizes will be paid within a reasonable time after they are awarded and after the claims are verified by the Director. For each prize requiring annual payments, all payments after the first payment will be made on the anniversary date of the first payment in accordance with the type of prize awarded. The Director may, at any time, delay any payment in order to review a change of circumstances concerning the prize awarded, the payee, the claim, or any other matter that may have come to his attention. All delayed payments will be brought up to date immediately upon the Director's confirmation and continue to be paid on each original anniversary date thereafter. ()

10. Ticket Validation Requirements. In addition to meeting all of the other requirements in these rules or as may be printed on the back of each instant game ticket, the following validation requirements apply with regard to instant game tickets: ()

- a.** To be a valid instant game ticket, the ticket must: ()
 - i.** Have been issued by the Director in an authorized manner. ()
 - ii.** Not be altered, unreadable, or tampered with in any manner. ()
 - iii.** Not be counterfeit in whole or in part. ()
 - iv.** Not be stolen nor appear on any list of omitted tickets on file with the Lottery. ()
 - v.** Be complete and not blank (or partially blank), miscut, misregistered, defective, or printed or produced in error. ()

vi. Under the opaque covered play area, have play symbols and the correct corresponding captions, exactly one (1) pack-ticket number, exactly one (1) agent verification code, and exactly one (1) validation number as required by each approved set of game rules, all of which must be present in their entirety, legible, right-side up, and not reversed in any manner. ()

vii. The validation number of an apparent winning ticket must appear on the Lottery's official list of validation numbers of winning tickets; and a ticket with that validation number cannot have been previously paid. ()

viii. Pass all additional confidential validation requirements established by the Director. ()

ix. Be signed if the prize is for six hundred dollars (\$600) or more. ()

b. Any ticket not passing all the validation checks in Paragraph 202.11.a. of this rule is void and ineligible for any prize and shall not be paid. However, the Director may, solely at the Director's option, replace an invalid ticket with an unplayed ticket (or tickets of equivalent sales price) from any other current Lottery game. If a defective ticket is purchased, the only responsibility or liability of the Lottery will be the replacement of the defective ticket with another unplayed ticket (or ticket of equivalent sales price from any other current Lottery game). ()

c. The Director may authorize reconstruction of an alleged winning ticket that was not received or cannot be located by the Lottery, provided, the person requesting reconstruction must submit to the Lottery sufficient evidence to enable reconstruction and submit a claim for the prize, if any, for that ticket. If the reconstructed ticket is a winning ticket and meets the validation requirements of Paragraph 202.11.a. of this rule and any specific validation requirements contained in the rules for its specific game, the Director may authorize payment of the prize. Provided, the ticket will not be validated nor the prize paid before the one hundred eighty-first (181) day following the official end of that instant game. A ticket(s) validated pursuant to this Subsection will not entitle the claimant to be entered into the grand prize drawing, if any, for that or any subsequent instant game. ()

11. Prize Rights Unassignable. No person's right to a prize already drawn is assignable, except that payment of any prize already drawn may be paid to the estate of a deceased prize winner, and a person other than the prize winner may be paid the prize to which the winner is entitled as provided by court order. The Director will be discharged of all liability upon payment of a prize pursuant to this rule. ()

12. Payment of Prizes to Persons Under Eighteen Years of Age. If a person entitled to a prize for a winning ticket is under the age of eighteen (18) years, the Director may direct payment of the prize to an adult member of the minor's family or to the minor's guardian by a check or draft payable to the adult member of the minor's family or the minor's guardian. The adult member of the minor's family or the minor's guardian will have the same duties and powers as a person designated as a custodian in accordance with Idaho law. For purposes of this Subsection, the terms "adult member of a minor's family" and "guardian of a minor" have the same meaning as in the Idaho Gifts to Minors Law. The Director will be discharged of all liability upon payment of a prize to a minor pursuant to this rule. ()

13. Prizes Payable After Death or Disability of Owner. ()

a. All prizes, and portions of prizes that remain unpaid at the time of the prize winner's death will be payable to the personal representative of the prize winner's estate once satisfactory evidence of the personal representative's appointment has been provided, and the Director is satisfied that payment to the personal representative is lawful and proper. The Director may rely on a certified copy of a court order appointing a personal representative (or similar person responsible for the prize winner's estate, whether denominated an administrator, executor, executrix, or other representative of the prize winner's estate) or may petition the court to determine the proper payee. Payment to the personal representative of the estate of the deceased owner of any prize winnings will absolve the Director and the Lottery's employees of any further liability for payment of prize winnings. ()

b. The Lottery may petition any court of competent jurisdiction for a determination of the rightful payee for the payment of any prize winnings that are or may become due to a person under a disability including, but not limited to, mental deficiency, or physical or mental incapacity. ()

14. Governing Law. In purchasing a ticket, the customer agrees to comply with, and abide by, Idaho law, and all rules and final decisions of the Lottery, and all procedures and instructions established by the Lottery or the Director for the conduct of the game. ()

15. Discharge of All Liability Upon Payment. The state of Idaho, its agents, officers, employees, and representatives, the Lottery, its Director, agents, officers, employees and representatives, will be discharged of all liability upon payment of a prize or any one (1) installment thereof to the holder of any winning Lottery ticket or in accordance with the information set forth on the claim form supplied by the Director. If there is a conflict between the information on a winning Lottery ticket and the information on the claim form, the Lottery may rely on the claim form after the ticket for which it has been filed has been validated as a winning ticket and, in so doing, it will be relieved of all responsibility and liability in the payment of a prize in accordance with the information set forth therein. The Lottery's decisions and judgments in respect to the determination of a winning ticket or of any other dispute arising from payment or awarding of prizes are final and binding upon all participants in the Lottery unless otherwise provided by law or these rules. If a question arises concerning the winning ticket, a claim form, the payment, or the awarding of any prize, the Lottery may deposit the prize winnings into an escrow fund until it determines the controversy and reaches a decision, or it may petition a court of competent jurisdiction for instructions and a resolution of the controversy. ()

16. Unclaimed Prize Money. Any prize not claimed within the specified period will be forfeited and placed into the State Lottery Account. ()

17. Disclosure. The Lottery may use the names, addresses, and photographs of winners in any Lottery promotional or publicity campaign. The address used will not contain the winner's street or house number without the winner's consent. The Lottery may condition payment of the prize upon agreement to these terms and conditions. ()

18. Confidentiality of Tickets. All retailers and their employees and agents are prohibited from attempting to ascertain the numbers or symbols appearing in the designated areas under the removable latex or similar secure coverings or otherwise attempting to identify winning tickets. ()

19. Official End of Game. ()

a. The official end of an instant game will be announced by the Lottery. Prizes may be claimed up to

one hundred eighty (180) days after the official end of the game. If the final day of the claim period falls on a Saturday, Sunday or a state holiday, the claim period will be extended to the end of the next business day. A player may submit a winning ticket claim for prize payment up to one hundred eighty (180) days after the official end of the game. Depending on the prize amount, the ticket should be submitted to the location specified in Subsection 202.10 of this rule, "Payment of Prizes." To participate in one (1) of the Lottery's special drawings, if any, a player must redeem a ticket that qualifies for entry into that special drawing within the time limits specified by the Director.

()

b. A retailer must return to the Lottery all unsold Lottery tickets for each game within ninety (90) days of the official end of that game in order to receive credit from the Lottery as provided in retailer's contract. The Lottery has no obligation to grant credit for tickets returned after the time limit specified in the contract.

()

203. (RESERVED)

204. ON-LINE COMPUTER GAMES.

01. On-Line Games -- Authorized -- Director's Authority. The Commission hereby authorizes the Director to select and operate on-line games which meet the criteria set forth in these rules.

()

02. Definitions. As used in Rule 204 these terms have the following definitions:

()

a. "Drawing." The procedure determined by the Director by which the Lottery selects the winning combination in accordance with the rules of the game. Drawings are open to the public.

()

b. "On-line Game."

()

i. A Lottery game in which a player selects a combination of numbers or symbols, the type of game and amount of play, and the drawing date by use of a computer. In return for paying the appropriate price, the player receives a computer-generated ticket with the player's selection printed on it. Each ticket bearer whose valid ticket includes a winning combination will be entitled to a prize if claim is submitted within the specified time period.

()

ii. On-line terminal (OLT) instant ticket game having characteristics as defined in Paragraphs 202.02.a., 202.02.b., 202.02.d. and 202.02.i. of these rules.

()

c. "On-line Retailer." A person or business authorized by the Lottery to sell on-line tickets.

()

d. "On-line Terminal (OLT)." The computer hardware by which an on-line retailer or player enters the combination selected by the player and by which on-line tickets are generated and claims are validated.

()

e. "On-line Ticket." A computer-generated ticket issued by an on-line terminal to a player as a receipt for the combination a player has selected. That ticket is the only acceptable evidence of the combination of numbers or symbols selected.

()

f. "Ticket Bearer." The person who has signed the on-line ticket or who has possession of an unsigned ticket.

()

g. "Validation." The process of determining whether an on-line ticket presented for payment is a winning ticket.

()

h. "Winning Combination." One (1) or more numbers or symbols randomly selected by the State Lottery or its designee in a public drawing.

()

03. Distribution of Tickets.

()

a. Tickets will be sold by retailers selected by the Director.

()

b. The Director is authorized to arrange for the distribution of OLTs, player-activated terminals (PATs), ticket stock, and supplies to certificated retailers. ()

04. Sale of Tickets. ()

a. No person other than a retailer under a contract for the sale of tickets with the Lottery may sell on-line Lottery tickets, except that nothing in this section will be construed to prevent a person who may lawfully purchase tickets from making a gift of Lottery tickets to another. ()

b. Tickets may not be sold at a location other than the address listed on the retailer's contract with the Lottery. ()

c. Nothing in this section prohibits the Director from designating certain of its agents and employees to sell Lottery tickets directly to the public. ()

05. On-Line Games Criteria. ()

a. The base price of an on-line ticket will not be less than fifty cents (\$.50), except to the extent of discounts authorized by the Commission. ()

b. The price for a ticket in any particular on-line game will be set out in the game rules adopted by the Commission for that game. No person may sell a ticket at a price other than that established in accordance with these rules. On the average, the total of all prizes available to be won in an on-line game will not be less than forty-five percent (45%) of the on-line game's projected revenue. ()

c. The manner and frequency of drawings may vary with the type of on-line game as defined in Subparagraph 204.02.b.i. of these rules. ()

d. The times, locations, and drawing procedures will be determined by the Director. ()

e. OLT instant ticket game as defined in Subparagraph 204.02.b.ii. of these rules will operate with a finite number of tickets per game and a predetermined and guaranteed prize structure approved by the Director. ()

f. A ticket bearer entitled to a prize must submit the winning ticket as specified by the Director. The winning ticket must be validated by the Lottery or an on-line retailer through use of the validation number and any other means specified by the Director. ()

06. Payment of Prizes. ()

a. To claim an on-line game prize of less than six hundred dollars (\$600) the claimant may present the winning on-line ticket to any on-line retailer, or to the Lottery office: ()

i. If the claim is presented to an on-line retailer, the on-line retailer must validate the claim and, if determined to be a winning ticket, pay the amount due the claimant. If the on-line retailer cannot validate the claim, the claimant may obtain and complete a claim form and submit it with the disputed ticket to the Lottery by mail or in person. Upon determination that the ticket is a winning ticket, the Lottery will present or mail a check to the claimant in payment of the amount due. If the ticket is determined to be a non-winning ticket, the claim will be denied and the claimant will be promptly notified. Non-winning tickets will not be returned to the claimant. ()

ii. If the claim is presented to the Lottery office, the claimant will be required to complete a claim form and submit it with the winning ticket, either by mail or in person. Upon determination that the ticket is a winning ticket, the Lottery will present or mail a check to the claimant in payment of the amount due, less any withholding required by the Internal Revenue Code. If the ticket is determined to be a non-winning ticket, the claim will be denied and the claimant will be promptly notified. Non-winning tickets will not be returned to the claimant. ()

b. To claim an on-line prize of six hundred dollars (\$600) or more, the claimant must obtain and complete a claim form and submit it with the winning ticket to the Lottery office by mail or in person. Prizes of six hundred dollars (\$600) or more can be paid only from the Lottery office. Upon determination that the ticket is a winning ticket, the Lottery will present or mail a check to the claimant in payment of the amount due, less any withholding required by the Internal Revenue Code and the state of Idaho. The amount due will be calculated according to the rules adopted for the particular on-line game. If the ticket is determined to be a non-winning ticket, the claim will be denied and the claimant will be promptly notified. Non-winning tickets will not be returned to the claimant. ()

c. All prizes must be claimed within one hundred eighty (180) days from the drawing in which the prize was won. If the final day of the one hundred eighty (180) day period falls on a Saturday, Sunday or a state holiday, the claim period will be extended to the end of the next business day. Any prize not claimed within the specified period will be forfeited and placed into the State Lottery account. ()

07. Drawings and End of Sales Prior to Drawings. ()

a. Drawings will be conducted in a location and at days and times designated by the Director. ()

b. For each type of on-line game, the Director will establish a time before the drawing for the end of sales. ()

c. The Director will designate the type of equipment to be used and will establish procedures to randomly select the winning combination for each type of on-line game. Drawing procedures will include provisions for the substitution of backup drawing equipment if the primary drawing equipment malfunctions or fails for any reason. ()

d. The equipment used to determine the winning combination will not be electronically or otherwise connected to the central computer or to any tapes, discs, files, etc., generated or produced by the central computer. The drawing results, including sales, number of winners and numbers drawn, will be audited and reviewed after each drawing to assure proper operation and lack of tampering or fraud. ()

e. All drawings may be broadcast live on television, provided the facilities for such broadcasts are available and operational and can be done at a reasonable cost. ()

f. The Director will establish procedures governing the conduct of drawings for each type of on-line game. The procedures must include provisions for deviations that include but are not limited to: ()

i. Malfunction of the drawing equipment before determination of the winning combination; ()

ii. Fouled drawing; ()

iii. Delayed drawing; and ()

iv. Other equipment, facility or personnel difficulties. ()

g. If a deviation occurs, the drawing will be completed under the supervision of the Lottery or its designee. The winning combination will be provided to the public. ()

h. If, during any live-broadcast drawing for a game, a mechanical failure or operator error causes an interruption in the selection of all numbers or symbols, a "foul" will be called by Lottery security or the Lottery's designee. Any number drawn before a "foul" is called will stand and be deemed official after passing inspection and certification by Lottery security or the Lottery's designee. ()

i. The Director will delay payment of all prizes if any evidence exists or there are grounds for suspicion that tampering or fraud has occurred. Payment will be made after an investigation is completed and the

drawing approved by Lottery security or the Lottery's designee. If the drawing is not approved, it will be void and another drawing will be conducted to determine the actual winner. ()

08. Validation Requirements. ()

a. To be a valid winning on-line ticket, the ticket must: ()

i. Have all printing on the ticket in its entirety, be legible, and correspond, using the computer validation file, to the combination and the date printed on the ticket. ()

ii. Be intact, not be mutilated, altered, or tampered with in any manner. ()

iii. Not be counterfeit or an exact duplicate of another winning ticket. ()

iv. Have been issued by an authorized on-line retailer or dispensed by a player-activated terminal in an authorized manner. ()

v. Not have been stolen or cancelled. ()

vi. Not have been previously paid. ()

vii. Pass all other confidential security checks of the Lottery. ()

viii. Be signed if the prize is for six hundred dollars (\$600) or more. ()

b. A ticket failing any of the validation requirements listed in Paragraph 204.08.a. of this rule is invalid and ineligible for a prize. The final decision on whether a prize is paid will be made by the Director. ()

c. If there is a dispute between the Director and a claimant whether a ticket is a winning ticket, and if the Director determines that the ticket is not valid and a prize is not paid, the Director may replace the disputed ticket with a ticket of equivalent sales price for a future drawing of the same type of game. This will be the sole and exclusive remedy of the claimant. ()

d. If a defective on-line ticket is purchased, the only responsibility or liability of the Lottery or of the on-line retailer is the replacement of the defective on-line ticket with another on-line ticket of equivalent value for a future drawing of the same type of game. ()

09. Retailer Duties. Retailers with an on-line terminal (OLT) must perform the following duties: ()

a. Pay costs associated with providing a telephone line or internet or similar connection that must be located as specified by the Lottery. Payment of the telephone line or internet or similar connection is nonrefundable after installation, except if the Lottery denies, through no fault of retailer, the installation of the on-line terminal. ()

b. Pay the Lottery for the local monthly telephone or internet or similar charges per OLT as specified by the Lottery. The Lottery will pay for the mileage charges (if any) between the retailer's location and the Lottery's central site. ()

c. Hold funds generated from the sale of on-line tickets in trust for the Lottery. At a time specified by the Lottery, the retailer must pay these funds to the Lottery plus the monthly communications charge specified above in Paragraph 204.09.b. of this rule, less: ()

i. Prizes paid; ()

ii. Any credit; and ()

- iii. The retailer discount. ()
- d. Locate the OLT within the retailer's premises at a point-of-sale location approved by the Lottery. The retailer is prohibited from moving an OLT unless the retailer follows the procedures established by the Director, including reimbursing the State Lottery for any telephone or internet or similar charges associated with the change of OLT location if the retailer requested the change. ()
- e. Provide dedicated AC power to within approximately five (5) feet of the terminal. Dedicated AC power means that there is no other equipment on the line that is to be used for the on-line terminal. The retailer is responsible for all costs associated with providing dedicated AC power. The Lottery will provide a schematic of outlet requirements to the retailer's electrical contractor. ()
- f. Sell all Lottery games, including but not limited to instant game tickets offered by the Lottery. The retailer agrees to continue the sale of instant tickets from all cash registers or other points of purchase. ()
- g. Conduct the sale of on-line tickets during all hours and days that the retailer's business is open and the on-line system is functioning. The retailer must post the hours that redemption of winning tickets may take place if these hours are different from the retailer's normal business hours. The retailer must monitor ticket supply levels and give timely notice when any item is in short supply. ()
- h. Post winning numbers prominently where tickets are sold as soon as possible following the drawing. ()
- i. Provide secure storage for OLT supplies and a secure area for the OLT. ()
- j. Exercise due diligence in the operation of the OLT and immediately notify the Lottery and the central computer facility of any telephone line, internet, radio, or OLT malfunction, such as the issuance of invalid on-line Lottery ticket, inability to sell or redeem an on-line ticket, and non-issuance of an on-line ticket. The retailer is prohibited from performing mechanical or electrical maintenance on the OLT. ()
- k. Replace ribbons and on-line or instant ticket stock and clear paper jams as required for the OLT per the instructions provided by the Lottery. ()
- l. Pay, without reimbursement, all electricity charges in connection with the operation of OLT. ()
- 10. Payment of Prizes by On-Line Retailers.** ()
 - a. An on-line retailer must pay to the ticket bearer on-line games prizes of less than six hundred dollars (\$600) for any validated claims presented to that on-line retailer. These prizes must be paid during all normal business hours of the on-line retailer, unless redemption hours differ from normal business hours that have been posted pursuant to Paragraph 204.09.g. of this rule, provided, that the on-line system is operational and claims can be validated. ()
 - b. An on-line retailer may pay prizes in cash or by business check, certified check, money order, or any combination thereof. An on-line retailer that pays a prize with a check that is dishonored may be subject to suspension or termination of its contract. ()
- 11. Retailer Settlement.** ()
 - a. On-line retailers must establish an account for deposit of monies derived from on-line games with a financial institution that has the capability of electronic funds transfer (EFT). ()
 - b. The amount deposited must be sufficient to cover monies due the Lottery. The Lottery will withdraw by EFT the amount due the Lottery on the day specified by the Director. If the day specified for withdrawal falls on a state holiday, withdrawal may be delayed until the next business day. ()

12. Prize Rights Unassignable. No right of any person to a prize drawn is assignable, except that payment of any prize drawn may be paid to the estate of a deceased prize winner, and that any person may be paid the prize to which the winner is entitled pursuant to an appropriate judicial order. The Director will be discharged of all liability upon payment of a prize pursuant to this rule. ()

13. Payment of Prizes to Persons Under Eighteen Years of Age. If a person entitled to a prize for a winning ticket is under the age of eighteen (18) years, the Director may direct payment of the prize to an adult member of the minor's family or to the minor's guardian by a check or draft payable to the adult member of the minor's family or to the minor's guardian. The adult member of the minor's family or the minor's guardian will have the same duties and powers as a person designated as a custodian in accordance with Idaho Law. For purposes of this Subsection the terms "adult member of a minor's family" and "guardian of a minor" have the same meaning as in the Idaho Gifts to Minors Law. The Director will be discharged of all liability upon payment of a prize to a minor pursuant to this rule. ()

14. Prizes Payable After Death or Disability of Owner. ()

a. All prizes, and portions of prizes, that remain unpaid at the time of the prize winner's death will be payable to the personal representative of the prize winner's estate once satisfactory evidence of the personal representative's appointment has been provided, and the Director is satisfied that payment to the personal representative is lawful and proper. The Director may rely on a certified copy of a court order appointing of a personal representative (or similar person responsible for the prize winner's estate, whether denominated an administrator, executor, executrix, or other representative of the prize winner's estate) or may petition the court to determine the proper payee. Payment to the personal representative of the estate of the deceased owner of any prize winnings will absolve the Director and the Lottery's employees of any further liability for payment of prize winnings. ()

b. The Lottery may petition any court of competent jurisdiction for a determination of the rightful payee of any prize winnings that are or may be due to a person under a disability including, but not limited to, minority, mental deficiency, physical or mental incapacity. ()

15. Discharge of State Lottery Upon Payment. The state of Idaho, its agents, officers, employees and representatives, the Lottery, its Director, agents, officers, employees and representatives are discharged of all liability upon payment of a prize or any one (1) installment thereof to the holder of any winning Lottery ticket or in accordance with the information set forth on the claim form supplied by the Director. If there is a conflict between the information on a winning Lottery ticket and the information on the claim form, the Lottery may rely on the claim form after the ticket for which it has been filed has been validated as a winning ticket and, in so doing, it will be relieved of all responsibility and liability in the payment of a prize in accordance with the information set forth therein. The Lottery's decisions and judgments in respect to the determination of a winning ticket or of any other dispute arising from payment or awarding of prizes will be final and binding upon all participants in the Lottery unless otherwise provided by law or these rules. If a question arises concerning the winning ticket, a claim form, the payment, or the awarding of any prize, the Lottery may deposit the prize winnings into an escrow fund until it determines the controversy and reaches a decision, or it may petition a court of competent jurisdiction for instructions and a resolution of the controversy. ()

16. Disclosure. The Lottery may use the names, addresses, and photographs of winners in any Lottery promotional or publicity campaign. The address used will not contain the winner's street or house number without the winner's consent. The Lottery may condition payment of the prize upon agreement to these terms and conditions. ()

205. BREAKOPEN INSTANT TICKET GAMES.
The Commission hereby authorizes the Director to select and operate breakopen instant ticket games that meet the criteria set forth in these rules. ()

01. Definitions. As used in Section 205 of these rules, these terms have the following definitions: ()

a. “Authorized Dispensing Device” means any machine, or mechanism designed for use of vending or dispensing of breakopen instant tickets. These devices may include mechanical, electrical, electro-mechanical or other devices approved by the Director of the Lottery pursuant to Section 100 of these rules. ()

b. “Box” means a group of breakopen instant tickets with the same unique serial number. ()

c. “Breakopen Instant Ticket” means a single folded or banded ticket or a card, the face of which is initially covered or otherwise hidden from view to conceal numbers or symbols, or both, a few of which numbers or symbols have been designated in advance and at random as prize winners when, for the opportunity to obtain each such folded or banded ticket or card, view the numbers or symbols thereon and possibly obtain a prize, a person pays an established price to a breakopen instant ticket retailer. ()

d. “Breakopen Instant Ticket Game” means a group of breakopen instant ticket boxes with the same thematic design and prize structure. ()

e. “Breakopen Instant Ticket Retailer” means any person who has been approved, certified and contracted with by the Lottery to sell breakopen instant tickets. ()

f. “Breakopen Instant Ticket Vendor” means any person who produces and provides breakopen instant tickets to the Lottery. ()

g. “Distributor” means any person who purchases or otherwise obtains authorized dispensing devices for use in breakopen instant ticket games from any person and sells or otherwise furnishes such device to another person for the resale of or the display or operation of that device. ()

i. As used in these rules, the term “distributor” includes a person who services and repairs authorized dispensing devices, so long as the person performing such servicing or repairs is approved by the distributor or distributor’s representative, and makes no addition to, or modification or alteration of, the authorized device. ()

ii. A manufacturer who sells or otherwise furnishes authorized dispensing devices not manufactured by him to any other person for resale or for display or operation of that authorized device is also a “distributor.” ()

h. “Distributor’s Representative” means any individual who represents a distributor in any of the distributor’s activities in connection with the sale or furnishing of authorized dispensing device for use in breakopen instant ticket activities. ()

i. “Flare” means a vendor-provided informational sign that, at a minimum, displays the prize structure, the serial number of the sleeve in play, the odds of winning a prize, and the price of the ticket. ()

j. “Manufacturer” means any person who assembles from raw materials or subparts a completed authorized dispensing device or pieces of the authorized device for use in breakopen instant ticket activities and who sells or otherwise furnishes the same to any distributor or retail outlet. ()

k. “Manufacturer’s representative” means any person who represents a manufacturer in any one of the manufacturer’s activities in connection with the sale or furnishing of authorized dispensing device for use in breakopen instant ticket activities. ()

l. “Sleeve” is a portion of a box; and is the smallest unit offered. ()

02. Breakopen Instant Ticket Special Inspection. The Director or authorized representative has the authority to select any breakopen instant ticket sleeve and examine the quality and integrity of the sleeve in any manner, including pulling all chances remaining thereon: Provided, that if the sleeve so inspected is thereby altered by such inspection in any manner and no defect, alteration, deceptive condition, or other violation is discovered, then the owner shall be reimbursed by the Lottery at the owner’s cost for the sleeve or portion thereof, and the sleeve will become the property of the Lottery. Provided further, that for each sleeve inspected which is found to be defective in

any area related to a vendor's quality control deficiency, a fee may be assessed by the Director against the vendor of the breakopen instant ticket. ()

03. Breakopen Instant Ticket Operation. ()

a. No person under the age of eighteen (18) years is allowed to play or sell any breakopen instant tickets. It is the responsibility of the retailer to determine that no unauthorized person is allowed to play or sell breakopen instant tickets. ()

b. No retailer is permitted to display or operate any breakopen instant ticket that has in any manner been marked, defaced, tampered with or otherwise placed in a condition, or operated in a manner, that may deceive the public or that affects the chances of winning or losing upon the taking of any chance thereon. ()

c. All records, reports, receipts and any unsold tickets relating to a breakopen instant ticket sleeve must be retained on the retailer's premises at least ninety (90) days after the sleeve is removed from play and be made available on demand to representatives of the Idaho Lottery. ()

04. Breakopen Instant Ticket Price per Play to Be Posted. No breakopen instant ticket sleeve may be placed for public play unless the cost to the player for each ticket is clearly posted on the flare. The price per ticket will be determined by the Director. ()

05. Claiming of Prizes. Prizes must be redeemed on the same day as purchased at the location where the winning ticket was purchased, and prizes will be awarded in cash or by check. ()

06. Limitation on Breakopen Instant Ticket Dispensing. No ticket once placed in an authorized dispensing device out for public play may be removed from the authorized device until the sleeve is permanently removed from public play, except only: ()

a. Those tickets actually played by players; ()

b. Those tickets removed by representatives of the Lottery inspecting the device or sleeve; and ()

c. Those tickets temporarily removed during necessary repair or maintenance of the device. Excepting only tickets removed under Paragraphs 205.06.b. and 205.06.c. of this rule, once a ticket has been removed from public play it cannot again be put out for public play. ()

07. All Devices Must Comply With Requirements. No retailer may display or put out for play, and no distributor or manufacturer or their representatives may sell or otherwise furnish any device for the dispensing of breakopen instant tickets, unless the device is approved for use by the Director, thereby making it an authorized device. ()

a. No person may sell or transfer to another person in this state or for use within this state, nor shall place out for public play, any device for the dispensing of breakopen instant tickets that is not constructed to allow a consumer to clearly see each ticket within the device before playing the device. ()

b. No person may put out for public play any device for the dispensing of breakopen instant tickets that is not constructed to provide for at least one (1) sleeve in play in the device. ()

c. No person may put out for public play any device for the dispensing of breakopen instant tickets that is designed, used, or constructed, in a manner that detracts from the breakopen instant tickets or that is deceptive in any way, as determined by the Director. ()

08. Breakopen Instant Ticket Series Assembly and Packaging. Vendors of breakopen instant ticket games must manufacture, assemble and package each game sleeve in a manner that none of the winning tickets, nor the location or approximate location of any of the winning tickets, can be determined in advance of opening the tickets. All breakopen instant ticket games must be approved and will be distributed and sold exclusively by the

Lottery. The Lottery may adopt quality control standards for the manufacture of breakopen instant ticket games.

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09. Standards For Flares. The flare advertising prizes available from the operation of any sleeve of breakopen instant tickets must:

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a. Be placed near or upon the upper face, or on the top, of any authorized device used to dispense breakopen instant tickets in a manner clearly visible to the public; and

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b. Clearly set out each of the prizes available and the combination of numbers or symbols which win prizes. Each flare describing the prizes and winning number or symbols for a sleeve of breakopen instant tickets in play must clearly set out the sleeve number assigned to that sleeve by the vendor. The sleeve number will be placed upon the flare by the vendor. The total number of tickets originally in the sleeve will be placed upon the flare by the vendor.

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10. Prize Structure. The Director will establish a prize structure detailing the estimated number of prizes that are expected to be awarded in each sleeve and a close approximation of the odds of winning such prizes.

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11. Retailers Eligible to Sell Breakopen Tickets. Any person interested in obtaining a contract for a certificate to sell Lottery tickets must file an application on forms provided by the Director that includes, but is not limited to, requiring an applicant's personal, financial, and criminal history, and an authorization to investigate the applicant's criminal and credit history.

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12. Retailer Application and Fee. All applications to sell breakopen instant tickets must be accompanied by a nonrefundable fee of twenty-five dollars (\$25). If a certificate is awarded to sell only breakopen instant tickets, no additional certificate fee is necessary.

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13. Certificate Modification.

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a. Certified instant ticket retailers may apply for a certificate modification to allow for the sale of breakopen instant tickets. A current instant ticket retailer will be required to complete an additional application or application supplements. If a current instant ticket retailer requests that the existing certificate be modified to allow for the sale of breakopen instant tickets, no additional application fee will be charged upon approval.

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b. Certified breakopen instant ticket retailers may apply for a certificate modification to allow for the sale of instant tickets. A current breakopen instant ticket retailer will be required to complete an additional application or application supplements. If a current breakopen instant ticket retailer requests that the existing certificate be modified to allow for the sale of instant tickets, an additional certificate fee of one hundred dollars (\$100) may be charged upon approval.

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206. -- 299. (RESERVED)

SUBCHAPTER C – CHARITABLE GAMING RULES OF THE IDAHO STATE LOTTERY

300. DEFINITIONS.

As used in these rules, each word defined in this Section has the meaning given here unless a different meaning is clearly required from context:

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01. Audit. The review of documents or other records pertaining to operation of bingo or raffles, including, but not limited to, ledgers, bank statements, checks and deposit records, nightly logs, receipts, register tapes, computer records, contracts and leases, records showing use of all revenues for charitable activities, and tax records, by representatives of the Lottery, the attorney general, other law enforcement agencies, or independent auditors.

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02. Autodaubing Features or Autodaubing. Electronic bingo card daubers, including software or equipment interfaced with electronic bingo cards that automatically daub the numbers as called without requiring the

player to manually input the number called. ()

03. Bingo. The traditional game of chance using a card with five (5) rows and five (5) columns containing numbers from a range of one (1) to seventy-five (75) and played for a prize determined before the game begins, as elaborated in Subsection 010.03 of these rules, and other games authorized by Title 67, Chapter 77, Idaho Code, and by these rules, for example, “U-Pick Em.” See Section 67-7702(1), Idaho Code: ()

a. Bingo Cards, Regular. Regular bingo cards (reusable or disposable) contain five (5) rows and five (5) columns of squares arranged in a five-by-five (5x5) grid; each square is imprinted with randomly placed numbers from a range of one (1) through seventy-five (75), except for the center square, which may be a free space. The letters “B-I-N-G-O” must also be imprinted on the card in order with one (1) letter above each of the five (5) columns (the letter “B” above the first column and so on). ()

b. Bingo Cards, Electronic, or Face. An electronic facsimile of a regular bingo card. See Section 67-7702(6), Idaho Code. ()

c. Play Method. Players who have paid consideration for the cards that they are holding compete for a prize by covering numbers on their cards when designators with the same number are randomly drawn and called. The balls or other designators in the selection device are numbered in the same manner as the possible numbers on the bingo cards, from one (1) through seventy-five (75). The winner is the first player to cover a predetermined arrangement of numbers on the players’ cards, for example, any row, column or diagonal of the five (5) rows and (5) columns and two (2) diagonals of the bingo card. Upon approval of the Bingo-Raffle Advisory Board there may be other forms of bingo games allowed, such as, but not limited to, Blackouts, Bonanza, and “U-Pick Em” games. The game begins when the first number is called and ends when a player has covered the previously designated arrangement and declares a bingo. Each winning card must be independently verified by a floor worker and another player by calling back the winning combination of numbers in the predetermined arrangement or by entering the serial number printed on the bingo card into an electronic verification system that can verify whether a card is a winner. ()

d. Exclusions from Bingo. Bingo does not include “instant bingo,” which is a game of chance played by the selection of one (1) or more prepackaged cards, with the winner determined by the appearance of a preprinted winning designation on the card. ()

04. Bingo-Raffle Advisory Board or Board. The board established and appointed according to Sections 67-7702(2), 67-7703, and 67-7704, Idaho Code. ()

05. Blackout. A game of bingo where all numbers are covered on a bingo card. This game is also referred to as “coverall.” ()

06. Bonanza. A game of bingo that is played on a prefolded card or on another kind of card on which the numbers are not revealed until the card is purchased and in which a designated number of balls are emitted from the machine in the usual manner and displayed. If there is no “Bingo” called on these numbers, the game may continue with one (1) additional ball emitted at a time until there is a winner. ()

07. Charitable Contribution Acknowledgment Report Form or CCARF. A form, prepared by the Director, upon which the recipient of a donation for a charitable purpose must indicate the charitable purpose for which the donation will be used; the name, address, and phone number of the person receiving the donation; and acknowledgement that the recipient will provide any and all information necessary in order for the Director or his representatives to verify that the donation was used for a charitable purpose, as well as any other information needed by the Director to assure that the donation is used for a charitable purpose. See Section 67-7709(2), Idaho Code. ()

08. Charitable Donation Reporting Form. A form prepared by the Director, upon which each licensed organization shall record all charitable donations made from the proceeds of charitable bingo or raffles held during the license year on which they are reporting. This report shall require the names, addresses, contact person’s name, contact person’s telephone number, dollar amount and purpose of the donation. This report will be submitted to the Lottery along with the Annual Bingo Report or Annual Raffle Report and will be subject to audit as defined in

- Subsection 010.01. ()
- 09. Charitable Organization.** See definition in Section 67-7702, Idaho Code. ()
- 10. Charitable Purpose.** A purpose of supporting a bona fide charitable organization, as defined by Section 67-7702(3), Idaho Code. ()
- 11. Concessions.** Food and beverages or other incidental items (for example, caps or tee-shirts) unrelated to gaming that are sold to players at bingo games. ()
- 12. Disposable Paper Bingo Card.** A non-reusable, paper bingo card. ()
- 13. Distributor.** Any person who purchases or otherwise obtains or supplies equipment for use in conducting gaming activities, including, but not limited to, bingo or raffles, from any person or entity, and sells or otherwise furnishes such equipment or supplies to any person or entity who engages in gaming activity. ()
- 14. Duck Race.** A charitable raffle as defined in Section 67-7702(5), Idaho Code. ()
- 15. Electronic Bingo Device.** An electronic device used to monitor bingo games as defined by Section 67-7702(7), Idaho Code. Electronic bingo devices may be used to monitor bingo cards (“mind cards”) only if they meet the requirements of Section 67-7702(7)(a), Idaho Code. No devices described in Section 67-7702(7)(b), Idaho Code, can be lawfully used in a bingo operation. ()
- 16. Electronic Gaming Devices.** Gaming or gambling devices electronically operated by inserting a coin or token and then pulling a handle or pushing a button to activate the game. Electronic gaming devices can generate points or payout slips for accumulated wins. ()
- 17. Gaming.** Gambling as defined in Section 18-3801, Idaho Code, including gaming authorized by Title 67, Chapters 74 and 77, Idaho Code. ()
- 18. Gross Revenues.** See definition in Section 67-7702, Idaho Code. ()
- a.** For Bingo. All moneys paid by players during a bingo game or session of play bingo, including fees for use of electronic bingo cards or electronic bingo devices, but excluding money paid for concessions. Gross revenues are calculated before any deductions for prizes or other expenses. ()
- b.** For Raffles and Other Gaming Authorized by Title 67, Chapter 77, Idaho Code. All moneys or other value paid to or due to any operator of a raffle or other gaming authorized by Title 67, Chapter 77, Idaho Code, activity for any chance taken or other fees for participation in the raffle or other gaming activity. Gross revenues are calculated before any deductions for prizes or other expenses. ()
- 19. Hard Bingo Cards.** Reusable bingo cards with sliding windows or shutters to cover the numbers on the cards. Hard cards are legal in sessions with less than ten thousand dollars (\$10,000) of annual gross revenue or for special occasions. ()
- 20. Host System.** See definition in Section 67-7702, Idaho Code. ()
- 21. Instant Bingo.** A Lottery game played by the use of premarked cards which, when opened, scratched or otherwise revealed, determine whether the cardholder is a winner without any competition among players. “Instant Bingo” is not a game of “Bingo” as defined by these rules. ()
- 22. License.** A permission issued by the Director of the Lottery to operate bingo games or raffles or to manufacture, sell, distribute, furnish or supply gaming machines, equipment or material. ()
- 23. Licensed Game Operator.** A person who qualifies as a nonprofit or charitable organization who may operate bingo or raffles and who is licensed pursuant to Section 67-7711, Idaho Code. ()

- 24. Licensed Vendor.** A person who manufactures, sells, distributes, furnishes or supplies gaming machines, equipment or material who is licensed pursuant to Section 67-7715, Idaho Code. ()
- 25. Manufacturer.** Any person who fabricates or assembles a completed piece of gaming equipment or pieces of gaming equipment, or supplies completed gaming equipment, or pieces of gaming equipment for use in gaming activities, including, but not limited to, bingo and raffles, and who sells or otherwise furnishes the completed gaming equipment or pieces of gaming equipment to any distributor, operator, or retail outlet. ()
- 26. Net Proceeds of a Charitable Raffle.** The gross revenues of a charitable raffle less the cost of prizes awarded. Net proceeds of a duck race mean gross revenues less the cost of prizes awarded and the rental cost of the ducks used in the race (if there are rental costs). See Section 67-7710(3), Idaho Code. Donated prizes are considered to have no cost and do not reduce the receipts when calculating net proceeds. ()
- 27. Nonprofit Organization.** See definition in Section 67-7702, Idaho Code. ()
- 28. Organization.** A charitable organization or a nonprofit organization. ()
- 29. Raffle.** An event in which prizes are won by random drawings or other selections of a ticket, duck or other means of identifying the one (1) or more persons purchasing chances. See Section 67-7702(14), Idaho Code. Duck races are a form of raffles. See Sections 67-7702(5) and 67-7702(9), Idaho Code. ()
- 30. Reusable Bingo Cards.** Bingo cards constructed out of a durable material that use sliding windows or shutters or chips to cover the numbers and that can be reused from one (1) game to another. ()
- 31. Separate Bank Account.** A bank account in the name of, and controlled by, a charitable or nonprofit organization established for purposes of complying with the accounting requirements of Section 67-7709(1), Idaho Code, regarding accounting for revenues and disbursements for bingo operations. All gross revenues received in connection with licensed bingo games must be placed in the separate bank account. Concessions and other moneys received (if any) from non-gaming revenues should not be deposited in the separate bank account. ()
- 32. Session.** A period of time not to exceed eight (8) hours in any one (1) day in which players are allowed to participate in bingo games operated by a charitable or nonprofit organization. See Sections 67-7702(15) and 67-7708, Idaho Code. ()
- 33. Site System.** See definition in Section 67-7702, Idaho Code. ()
- 34. Tracking.** The documentation of sales by sequentially numbered bingo paper or numbered tickets in raffles. See Section 67-7709(3), Idaho Code. ()
- 35. U-Pick Ems.** A game where players select their own numbers on a two (2) part duplicated bingo card. One (1) copy is retained by the player and used as a bingo card. Numbers are called until there is a winner. The winner is determined by the first player to cover the numbers on a "U-Pick-Em" card. ()
- 36. Vendor.** See definition in Section 67-7702, Idaho Code. ()

SUB AREA: CONDUCT OF BINGO GAMES

301. BINGO BY CHARITABLE OR NONPROFIT ORGANIZATIONS.

All organizations operating bingo games, whether licensed or unlicensed, must abide by these rules. It is unlawful to conduct bingo sessions or bingo games in violation of Title 67, Chapter 77, Idaho Code, or in violation of these rules, and persons doing so may be subject to administrative, civil or criminal penalties. See Section 67-7707, Idaho Code. Sections 301 through 306 of these rules apply to all bingo operators. Sections 307 through 310 of these rules apply to operators using paper bingo cards. Sections 311 through 313 of these rules apply to operators using electronic bingo machines, as defined in Section 311 of these rules. Sections 306 through 309 of these rules apply to all bingo operators. ()

302. NUMBER OF SESSIONS PER WEEK.

Licensed operators of bingo games are limited to a maximum of three (3) bingo sessions per any calendar week (Sunday-Saturday). None of these sessions may exceed eight (8) consecutive hours in any one (1) day. See Section 67-7708, Idaho Code. A session is determined by the sale of paper for a continuous series of bingo games offered for a predetermined period of time. For special sessions it is permissible to extend the hours past midnight, but all hours past midnight up to 2 a.m. on the following day will count as hours for the day during which the session started.

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303. POSTING OF LICENSE AND HOURS.

The organization's current charitable gaming license issued by the Lottery must be displayed during bingo games and bingo sessions in plain view for all players and interested persons. Lottery Gaming Rules must be kept on site and available during all sessions. Days/hours of operation must be posted in plain view for all players and interested persons. If days or times change, it is the responsibility of the organization to provide written notice to the Lottery. House rules pertaining to bingo must be posted in plain view for all players and interested persons.

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304. MEMBERS OF ORGANIZATION IN ATTENDANCE -- TRAINING OF EMPLOYEES.

At least one (1) member or representative of the licensed organization must be in attendance at each session of bingo to supervise all bingo-related activities of a licensed organization. See Section 67-7711(3), Idaho Code. All bingo game employees, volunteers, and managers of all organizations, whether licensed or unlicensed, must be trained in the proper conduct of the game and the control of funds.

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305. EMPLOYEES INELIGIBLE TO PLAY.

All bingo game employees and managers are prohibited from playing in any game or in any session for which the employee or manager takes part as employee or manager. There should be no conflict of interest perceived by the public.

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306. MINORS.

Persons under the age of eighteen (18) years are prohibited from playing bingo in a game in which a cash prize is offered, or where the prize exceeds twenty-five dollars (\$25) in value for merchandise, or where any merchandise is redeemable, in whole or in part, for cash. See Section 67-7707(2), Idaho Code. Bingo operators may allow minors to work in a bingo game or session as per local house rules.

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307. TRACKING REQUIREMENTS IN GAMES USING PAPER BINGO CARDS.

01. Bingo Paper -- For Whom Required. All licensed organizations operating bingo sessions that use paper bingo cards and all organizations exempt from licensing under Section 67-7713, Idaho Code, that use paper bingo cards must track their bingo sales for each session by using sequentially numbered/colored bingo paper. Each such organization must keep a ledger of the numbers of all bingo papers used. The non-reusable colored paper cards must be manufactured with a pre-printed series and a pre-printed serial number on each card. These cards may be assembled in multiple card sheets, single sheets, or packets. A sequential series and serial number must be printed on each individual card.

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02. Tracking by Game For Bingo Paper. The tracking may vary according to games sold at each session (packets, specials, singles, six (6) ons, three (3) ons, etc.) and may be designated by game name or color of paper.

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03. Tracking By Bingo Paper Packet. If sales are completed by packet, then those packets must not be separated for sale as singles. Individual games or packets sold must be recorded sequentially for effective tracking. The tracking records must be retained with permanent records. Tracking records are not required to be submitted with the Annual Bingo Report form.

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04. Late Players When Bingo Paper Used. Packets of bingo paper sold to late players must have the previously played games sheets removed and voided. The tracking must account for sheets removed and voided.

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05. Designation of Bingo Paper Color For Games. Each game is assigned a particular color of paper card. Other colors will not be accepted.

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06. Documentation For Bingo Paper. All bingo paper must be tracked as either sold, damaged, donated, or omitted from the original distributor or manufacturer. Invoices from the distributor or manufacturer and other documentation of transactions involving bingo funds must be kept with the records for that bingo operation. Operators may contact the Lottery Security Division for clarification concerning proper documentation to track sold, damaged, donated, or omitted bingo paper. ()

308. DUTIES OF BINGO CALLER AND EMPLOYEES OR VOLUNTEERS IN GAMES USING PAPER BINGO CARDS.

01. Pre-Game Duties. Before selecting or calling the first number in any game, the bingo caller must check the machine and balls for defects. This can be done by running all of the balls through the machine and placing them in their assigned slots to determine that there is one (1) ball for each number and only one (1) ball for each number. The caller will draw numbers for the Bonanza, Progressive or Hot Ball games if used and verified by a player. The caller must announce the color of paper card assigned to each game, the pattern or arrangement of squares to be covered to win the game, and the prize amount. ()

02. Displaying Numbers During Play. Each time that a number is selected, the bingo caller must display the ball or other designator in a receptacle to prevent it from being placed back into the selection pool. If electronic display boards are used the placement of the selected ball should activate the number or if not, the operator is required to manually activate each number on the board. ()

03. End of Game. After a winner has been verified as set forth in Section 108 of these rules, the caller must ask if there are additional winners. After asking for and verifying whether there are additional winners, the game is declared to be completed, and the ball machine must be cleared for the next game. ()

309. DETERMINING WINNERS WHEN A PLAYER USING A PAPER BINGO CARD CLAIMS TO BE A WINNER.

01. Winning Cards. A winning card is a card upon which the numbers drawn by the caller cover the previously designated arrangement of winning squares. ()

02. Player's Responsibility. It is the player's responsibility to notify the game operator or caller that the player has a winning card by yelling "bingo" loud enough for the caller to hear the player. ()

03. Game Stops to Verify Winner. When a player announces a winning card, the game must stop for winner verification before the next number is selected. The game must be secured so that it can be continued if the declaration of a winning bingo card is incorrect. If a player mistakenly announces a winning card and the card is not a winner, the game proceeds until a winner is declared. ()

04. Verification of Winning Card. To verify a winning card a bingo operator's employee or volunteer must call back the combination of numbers in the assigned pattern and the color of the paper card. The caller must verify the numbers called back. Electronic verifying devices may be used by entering the serial number of the winning card. A monitor must reveal the card and the winning pattern to verify its status as a valid bingo or an invalid bingo. Once a winner is declared the caller must announce "one (1) good winner" or "two (2)" or more if it applies to the game. ()

05. Prizes For Multiple Winners. If more than one (1) winner is declared, cash prizes must be divided equally, and merchandise prizes of equal value awarded. ()

310. MISCELLANEOUS RULES FOR GAMES USING NON-ELECTRONIC BINGO CARDS.

01. Hard Cards. Unlicensed charitable or nonprofit organizations with an annual gross bingo revenue of ten thousand dollars (\$10,000) or less may use hard cards. A licensed organization may request a special one (1) time use of hard cards for community fund-raising projects that it is sponsoring. No hard cards are allowed to be reserved for any players, with the exception of Braille cards. ()

02. Braille Cards. Braille cards are allowed in any bingo game for use by individuals who need them.

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- if: **03. Two Part Disposable Cards.** Two (2) part disposable cards may be used in “U-Pick-Em” games, ()
- a.** Original and Duplicate Copies. The cards are printed on two (2) part, self-duplicating paper that provides for an original and duplicate copy; ()
- b.** Operating Controls. Players mark their numbers on each card in a distinct, clear and legible manner before separation of the duplicate and original card, and operators establish and set forth in plain view house rules setting out any conditions by which an entry may be added, deleted or changed before separation, and changes are verified by a worker authorized by the bingo manager; and ()
- c.** Retention and Play of Duplicate Copy. The player retains and plays the duplicate copy, and all winning cards and their duplicate copies are retained by the operator as part of the operator’s daily bingo records. ()
- 04. Card-Minding Devices.** Card-minding devices are prohibited unless they meet the requirement for allowable electronic bingo devices set forth in Section 67-7702(7)(a)(i) through 67-7702(7)(a)(iv), Idaho Code. ()
- 05. Autodaubing Features.** Autodaubing features are prohibited. ()
- 06. Use of Nonreusable Cards.** With the exception of Braille bingo cards authorized for use pursuant to Subsection 310.02 of these rules, every organization that uses nonreusable paper bingo cards must use only nonreusable colored bingo paper or electronic bingo paper so that all sales can be tracked. Nonreusable colored bingo paper must have a series and serial number on each card. After each bingo session, an organization using nonreusable bingo paper must track its bingo sales for that session by recording the series and serial numbers of all paper sold, damaged, donated, used for promotion, or omitted by the manufacturer or distributor. See Section 67-7709(3), Idaho Code. ()

311. BINGO OPERATIONS USING ELECTRONIC BINGO MACHINES.

- 01. Electronic Bingo Machines Defined.** Electronic bingo cards, electronic bingo devices, host systems, or site systems are individually and collectively called electronic bingo machines in these rules. ()
- 02. Use of Approved Hardware and Software.** All organizations that offer or use any electronic bingo machines during play must use hardware or software, or both, approved by the Commission, provided that printers used in connection with site systems may be obtained from any source. See Sections 67-7716 and 67-7719(1), Idaho Code. ()
- 03. List of Approved Hardware and Software.** The Director will maintain a list of approved hardware and software for electronic bingo machines and promptly update the list after any changes. ()
- 04. Requirements For Approved Site Systems.** All site systems licensed by the Commission must have the ability to track, either with or without input from the bingo game’s operators, the number of games played that are connected to the site system, revenue from the games played that are connected to the site system, the number of winners who are connected to the site system, and the distribution of cash and merchandise prizes to winners connected to the site system for each session played using the site system. ()
- 05. Inspection and Testing.** All electronic bingo machines used by bingo game operators and all records that the electronic bingo machines generate must be available to be inspected or tested, or both, to determine whether the electronic bingo machines are properly functioning. Any agency or officer listed in Section 67-7709(5), Idaho Code, or their representative, is authorized to conduct an inspection and testing. See Sections 67-7717(8) and 67-7717(9), Idaho Code. ()
- 06. Pre-Game Testing.** The Director or Lottery Security Division may by letter or other written

communication prescribe appropriate pre-game testing procedures for electronic bingo machines as in their judgment are necessary for the particular hardware and software used. ()

312. REQUIREMENTS FOR BINGO GAME OPERATIONS USING ELECTRONIC BINGO MACHINES.

01. Maximum Number of Faces. Electronic bingo devices are hereby prohibited from monitoring more than fifty-four (54) faces (electronic bingo cards) per game. All electronic bingo devices are required to be restricted by their hardware or software so that they can monitor no more than fifty-four (54) faces per game. See Section 67-7717(1), Idaho Code. ()

02. Identification Number. Every electronic bingo device that requires a site system to download electronic bingo cards to the device must comply with the requirements of Section 67-7717(2), Idaho Code, concerning identification numbers. ()

03. Erasing Numbers. Every electronic bingo device must be programmed to erase electronic bingo cards and bingo card face numbers after a session has been completed, as required by Section 67-7717(3), Idaho Code. ()

04. Players Cannot Choose Numbers. No electronic bingo device that allows bingo players to design their own bingo cards by choosing, rearranging, or placing numbers on a card is permitted. See Section 67-7717(4), Idaho Code. ()

05. Connections to Site System. Site systems are prohibited from engaging in sales, voids, or reload transactions for an electronic bingo device unless the device is connected to and communicating with the site system. See Section 67-7717(5), Idaho Code. ()

06. Printouts. Site systems must be electronically connected to an on-site printer that upon request is capable of printing a transaction log for each player that shows the device identification number and all bingo cards and face numbers loaded into the device. The site system must be able to record and print on-site a receipt showing the device identification number, the date of the bingo session, the number of electronic bingo cards purchased or loaded, and the total amount charged for each of the electronic bingo cards. This receipt must be given to the player on request or as required by any agency or officer listed in Section 67-7709(5), Idaho Code, or their representative. See Section 67-7717(6), Idaho Code. The site system must be connected to an on-site printer that can print the winning game combinations on demand for the entire bingo session. See Section 67-7717(7). ()

07. Malfunctioning Electronic Bingo Machines. ()

a. Whenever the Lottery or any agency or officer listed in Section 67-7709(5), Idaho Code, or their representative, detects or discovers a malfunction or other problem with an electronic bingo machine that could affect the security or integrity of a bingo game or of an electronic bingo machine, every bingo operator using such a malfunctioning electronic bingo machine must discontinue its use as directed by a representative of the Lottery or correct the malfunction or other problem as directed by a representative of the Lottery. Failure to take the directed action may result in confiscation or seizure of the electronic bingo machine that is malfunctioning or has other problems. See Section 67-7717(8), Idaho Code. ()

b. Whenever a manufacturer, a distributor, a licensed bingo operation, a player, or any other person detects or discovers a malfunction or other problem with an electronic bingo machine that could affect the security or integrity of a bingo game or of an electronic bingo machine, every bingo operator using such a malfunctioning electronic bingo machine must discontinue the use of that electronic bingo machine and notify the Commission by telephone no later than the next working day of the action taken and the nature of the malfunction or other problem. The Commission may request further written explanation as necessary. See Section 67-7717(9), Idaho Code. For purposes of this paragraph, notification to an officer or employee of the Lottery Security Division will be considered notification to the Commission. ()

08. Receipts. The cash register or the site system must provide a receipt for the sale of all bingo cards used in conjunction with an electronic bingo device. Additional paper bingo cards must be separately receipted. The

cash register receipt and the player's receipt must identify and show the sale of disposable paper bingo cards separately from receipts for electronic bingo cards. See Section 67-7719(12), Idaho Code. ()

313. PLAY USING ELECTRONIC BINGO MACHINES.

01. No Player-Owned Devices. Use of player-owned electronic bingo devices is prohibited. See Section 67-7719(2), Idaho Code. ()

02. Provision of Devices. Only the bingo game operator can provide electronic bingo devices. The operator may charge for the use of an electronic bingo device. If there is a charge for use of an electronic bingo device, the fee must be separately stated on the cash register and the bingo player's receipt and be included in the gross revenues. See Section 67-7719(3) and (11), Idaho Code. ()

03. Use of Devices On Premises. A player using an electronic bingo device must be on the premises during play to be eligible to play bingo or to win a prize. See Section 67-7719(3), Idaho Code. ()

04. Available Devices. Electronic bingo devices must be made available on a first-come, first-served basis, and no device can be reserved for any player, except a device may be reserved for players with a disability (within the meaning of the Americans with Disabilities Act) if the disability would restrict or impair the player's ability to mark bingo cards. A bingo game operator may provide and reserve electronic bingo devices exclusively for persons with disabilities and forbid their use by all other persons. See Section 67-7719(5), Idaho Code. ()

05. One Device Per Player. It is prohibited for any player to use more than one (1) electronic bingo device at a time. See Section 67-7719(6), Idaho Code. No electronic bingo device can be used to monitor hard bingo or shutter cards. See Section 67-7719(7), Idaho Code. ()

06. Reserve Devices. Every bingo game operator using electronic bingo devices must keep at least one (1) electronic bingo device in reserve as a backup in case a device in use malfunctions. See Section 67-7719(4), Idaho Code. A reserve device is not considered an available device under Subsection 302.04 of this rule. If a reserve device is put in use to replace a malfunctioning electronic bingo device, and if there are no more unused electronic bingo devices available to serve as a reserve device, the operator is not required to take an electronic bingo device from a player that is then using the device in order to maintain a reserve device, and the operator may continue to offer bingo games without a reserve device throughout the remainder of the session, unless one (1) or more electronic bingo devices are turned in before the session ends, in which case a device that was turned in will then become the reserve device. ()

07. Loading Electronic Bingo Devices. A bingo operator using an electronic bingo device is prohibited from downloading electronic bingo cards into an electronic bingo device before payment by the player. The player must be on the bingo operator's premises when the device is downloaded with electronic bingo cards. The device can only be downloaded with electronic bingo cards during the session. See Section 67-7719(10), Idaho Code. Players are prohibited from choosing or rejecting individual electronic bingo cards loaded into an electronic bingo device. See Section 67-7719(8), Idaho Code. ()

08. Additional Paper Cards. When a player who has purchased fifty-four (54) bingo cards per game is using an electronic bingo device to monitor up to fifty-four (54) cards, a bingo operator may allow the player to purchase additional disposable paper bingo cards to play using a manual daubing or marking method. See Section 67-7719(9), Idaho Code. ()

09. Other Requirements. The Director or the Director of Lottery Security, or his designee may by letter or other written communication prescribe appropriate procedures for play and determination of winners and other matters generally covered by Sections 307 through 309 of these rules for paper bingo cards whenever it is necessary to do so in conjunction with the use or playing characteristics or other attributes of a given hardware or software. These letters are public records within the meaning of Title 74, Chapter 1, Idaho Code. ()

314. MAXIMUM PRIZES.

Maximum prizes are defined in Section 67-7708, Idaho Code. ()

315. (RESERVED)

316. LIMITS ON BINGO OPERATION'S PRIZE PAYOUT RATIOS AND ADMINISTRATIVE EXPENSES.

01. Applicability. All organizations conducting bingo games, whether licensed or unlicensed, must adhere to the required limits of statute and of this rule in dedicating their gross revenues from bingo operations. These limits or percentages, or both, pertain to annual gross revenues during a twelve (12) month license year. See Section 67-7708, Idaho Code. ()

02. Donated Merchandise. Donated merchandise offered as prizes is not included in the prize amounts paid out when calculating the prize payout ratio. The organization conducting the bingo game must document the value of the donated items, describe the donated items, and list the donated items on the daily reports as prizes. ()

03. Donated Cash Funds Prohibited. Donated cash may not be offered as prizes in bingo games nor deposited into the separate bingo account. ()

317. PAYMENT OF EXPENSES, WINNINGS, AND CHARITABLE CONTRIBUTIONS.

All payments for expenses and donations for charitable purposes must be paid by check from the Separate Bank Account and recorded in the bingo operation's general ledger. See Section 67-7709, Idaho Code. ()

318. MINIMUM CHARITABLE OR NONPROFIT DONATION.

A minimum of twenty percent (20%) of annual gross revenues of a bingo operation must be paid to a charitable or nonprofit organization to be used for charitable purposes. The licensed bingo operation must maintain records showing the charitable activities to which the proceeds are applied. See Section 67-7709, Idaho Code. Organizations are permitted and encouraged to donate more than twenty percent (20%) of their gross revenues from bingo operations to charitable or nonprofit organizations to be used for charitable purposes. No part of this twenty percent (20%) can be used, whether directly or indirectly, for any bingo expense. ()

319. MAXIMUM PRIZES.

By this rule the Commission exercises its authority over maximum prizes are set forth in Section 67-7708, Idaho Code. ()

01. Maximum Prize For One Game. The maximum prize in cash and merchandise that may be offered for any one (1) bingo game is three thousand dollars (\$3,000). ()

02. Maximum Prizes For One Session. The total of the maximum prizes in cash and merchandise that may be offered at any one (1) bingo session is twenty-five thousand dollars (\$25,000). ()

320. (RESERVED)

321. ACCOUNTING AND REPORTING REQUIRED.

Every organization conducting bingo games, whether licensed or unlicensed, must comply with the accounting requirements of Sections 121 through 126 of these rules. ()

322. SEPARATE BANK ACCOUNT AND LIMITATIONS ON USE.

01. Establishment of Account. All net proceeds received in connection with a bingo game required to be licensed under Title 67, Chapter 77, Idaho Code, and by these rules must be placed in a Separate Bank Account. See Section 67-7709(1), Idaho Code. Only bingo funds generated from bingo games may be distributed as prizes, administrative expenses, or charitable/nonprofit donations. ()

02. Disbursements Use of Funds. All disbursements must be documented as defined in Section 67-7709(1), Idaho Code, and by these rules. ()

323. GENERAL LEDGER.

01. Establishment of General Ledger. A general ledger must be established to account separately for the bingo operation and track all transactions for the funds generated from bingo. ()

02. Documentation. The accounting of revenues from sales of bingo cards or other entry fees and all disbursements must be documented. The accounting should include, but not be limited to, total prize payouts per session, and bingo related expenses per session, charitable contributions per session, wages, date and purpose or payee for each entry. ()

03. Annual Report. Copies of general ledgers must accompany the Annual Bingo Report filed with the Lottery. Copies of the Charitable Contribution Acknowledgement Report Forms and Charitable Donation Reporting Form shall also accompany the Annual Bingo Report. All disbursements shall be recorded in the general ledger. ()

04. Retention of Records. An accounting of all gross revenues and disbursements required by statute and these rules must be retained in records with the organization for a period of five (5) years, including the date and amount of each transaction, as well as the name and address of each payee for all prize payments exceeding one hundred dollars (\$100). A copy of each CCARF and the Charitable Donation Reporting Form shall be retained in permanent records of the organization. ()

324. ANNUAL REPORT.

01. When Due. Every licensed charitable or nonprofit organization conducting bingo games shall prepare an annual report within thirty (30) days after the close of its license year and file the annual report with the Lottery. See Section 67-7709(2), Idaho Code. ()

02. Information Required By Forms. The nightly reports, receipts, winner records, and payouts must be documented and kept with the organization's records for five (5) years along with any further information required by the forms prescribed by the Lottery pursuant to statute and rule. ()

03. Independent Audit. Organizations that exceed two hundred thousand dollars (\$200,000) in annual gross revenue from bingo games, raffle events, or bingo games and raffles combined must submit an independent audit performed by a certified public accountant licensed in Idaho and who meets peer review requirements set forth by the Idaho State Board of Accountancy. This independent audit must be submitted within ninety (90) days of the end of the licensed organization's license year. ()

325. RECORDS OF PRIZE DISBURSEMENTS.

Organizations conducting bingo games must record names and addresses of winners for prize disbursements exceeding one hundred dollars (\$100). Any prizes exceeding one thousand one hundred ninety-nine dollars (\$1,199) must have a W2-G on file for a gaming income for these amounts as required by the Internal Revenue Service. See 26 U.S.C. Section 6041 and 26 CFR 7.6041-1 and 35a.9999-3 (question and answer 19). ()

326. ACCOUNTING OF REVENUES AND EXPENSES.

01. Deposit of Receipts. Bingo funds received in check form must be payable to the organization. All funds must be deposited in a Separate Bank Account. ()

02. Ledger Entries and Receipts For Expenses. All ledger entries must track disbursements of cash and checks with expenses documented with receipts. The receipts shall include the payee's name and address, date, and an authorized signature from the licensed organization. ()

03. Recording of Wages. Wages paid must be recorded on expense records as gross amounts before withholding of taxes or other withholding and net amount paid, with each item of withholding shown. Wages paid must be documented with copies of pay stubs, or other records showing gross wages and withholding. ()

04. Submission With Annual Report. Copies of ledgers containing the documentation of all transactions must be submitted with the Annual Bingo Report. Inventory tracking of sequentially numbered paper

must be retained in records for a period of five (5) years and kept available for examination. All documents must be legible and compiled in an orderly manner. ()

327. INSPECTION OF FINANCIAL RECORDS AND DOCUMENTS.

All financial records and documents of an organization shall be kept as required by these rules and be open to inspection by the county sheriff of the county where the bingo games were held, the chief of police of the city where the bingo games were held, the prosecuting attorney of the county where the bingo games were held, the Attorney General or the Lottery, or any of their agents, at reasonable times and during reasonable hours. All records must be kept for five (5) years. ()

328. -- 399. (RESERVED)

SUB AREA: CONDUCT OF RAFFLES

400. REQUIREMENTS FOR ORGANIZATIONS CONDUCTING RAFFLES.

All organizations conducting raffles, whether licensed or unlicensed, must abide by these rules. It is unlawful to conduct raffles in violation of Title 67, Chapter 77, Idaho Code, or in violation of these rules, and persons doing so may be subject to administrative, civil or criminal penalties. See Section 67-7710, Idaho Code. ()

401. LIMITATION ON ANNUAL NUMBER OF RAFFLES.

Charitable or non-profit organizations are limited to conducting twelve (12) raffle events per year, provided that this limitation shall not apply to public or private elementary or secondary schools located in the state. See Section 67-7710(2), Idaho Code. ()

402. OWNERSHIP OF PRIZES.

Organizations must be able to substantiate ownership of all prizes or other legally enforceable rights to obtain the prizes to be offered in a raffle prior to advertising or selling tickets for such prizes. Proof of ownership of prizes or other legally enforceable rights to obtain prizes must be provided to the Lottery upon request. ()

403. MAXIMUM PRIZES.

The maximum aggregate value of cash prizes that may be offered or paid for any single raffle event, which is not a duck race, is one thousand dollars (\$1,000). There is no limit on the maximum value of merchandise that may be offered as raffle prizes if the merchandise is not redeemable for cash. There is no limit on the maximum amount of the aggregate cash prizes for a duck race if the cash prize is underwritten by insurance, otherwise the maximum aggregate cash prize for a duck race is one thousand dollars (\$1,000). There is no limit on the maximum value for the merchandise used as prizes for a duck race if the merchandise is not redeemable for cash. See Section 67-7710(2), Idaho Code. ()

404. REQUIREMENTS FOR DONATION TO CHARITY -- LIMITATION ON EXPENSES.

At least eighty percent (80%) of the net proceeds from sales of raffle tickets or chances and duck races must be donated to a charitable or nonprofit organization to be used for a charitable purpose. (Net proceeds are defined in Subsection 301.30 of these rules.) The name and address of the charitable or nonprofit organizations awarded these funds must be listed on the annual raffle report submitted to the Lottery. The annual raffle report must also include the charitable purpose for which the charitable donation was used by the charitable organization or non-profit organization. A maximum of twenty percent (20%) of net proceeds is allowed for expenses. See Section 67-7710(3), Idaho Code. ()

405. GENERAL LEDGER AND RECORDKEEPING.

Every organization conducting a raffle event must establish a general ledger for the raffle. The organization must keep records that show the total number of tickets or chances sold, the revenues from tickets or chances sold, the expenses of conducting the raffle, and the prizes for each raffle. ()

406. ANNUAL RAFFLE REPORT.

Every licensed organization conducting a raffle shall prepare an annual raffle report and Charitable Donation Report and submit both reports to the Lottery within thirty (30) days after the close of its license year. See Section 67-7710, Idaho Code. ()

407. INDEPENDENT AUDIT OF LARGE RAFFLES.

Every charitable or non-profit organization whose gross annual revenues exceed two hundred thousand dollars (\$200,000) from the operation of raffles shall provide the Commission with a copy of an annual report of raffle events. The audit shall be performed by a certified public accountant licensed in Idaho and who meets the peer review requirements set forth by the Idaho State Board of Accountancy. The audit must be submitted within ninety (90) days after the end of the organizations license year. ()

408. -- 499. (RESERVED)

**SUB AREA: LICENSING AND LICENSE FEES FOR ORGANIZATIONS
CONDUCTING BINGO GAMES OR RAFFLES**

500. APPLICATION.

All persons required by statute and by these rules to obtain a license before operating a bingo game or conducting a raffle must pay the license fees and apply for and receive a license under the rules in this sub area. See Section 67-7711(1), Idaho Code. ()

501. LICENSE FEES.

Each organization that applies to the Lottery for a license under these rules shall pay annually to the Lottery a nonrefundable license fee that is due upon submission of the application. An application approved by the Lottery, complete with all required information, must be submitted along with the appropriate fee to the Lottery Security Division. See Section 67-7712(1), Idaho Code. These non-refundable fees are based on flat initial fee for applicants without a license and a fee based on annual gross revenues from bingo sessions or raffle events for applicants with a license as follows:

\$100 fee - initial application
\$100 fee - up to \$25,000 annual gross revenues
\$200 fee - up to \$75,000 annual gross revenues
\$300 fee - over \$75,000 annual gross revenues

()

502. INFORMATION TO BE PROVIDED IN APPLICATION.

01. Background Check of Applicants. The application for an initial license and for a renewal license to operate a bingo game or to conduct a raffle will be reviewed and relevant background investigations will be conducted on all persons listed on the application as officers, directors or members of the charitable or nonprofit organization. The signature from the organization's representative on the application gives the Lottery authority to conduct the required investigations. The persons listed on the application must be officers or directors of the organization applying for a license and the application must be signed by an officer of the organization. ()

02. Proper Identification. The application must list the name, address, date of birth, driver's license number and social security or tax identification number of the applicant, if applicable. If the applicant is a corporation, association or similar legal entity, the application must also list the full name, current home address and phone number, date of birth, social security number, driver's license number and state of issuance, of each listed officer and director in order to conduct background investigations. See Section 67-7711(2)(a) and (b), Idaho Code. ()

03. Charitable Organizations. The application of a charitable organization must include a copy of the application for recognition of exemptions and a determination letter from the Internal Revenue Service that indicates that the organization is a charitable organization and that states the section of the tax code under which the exemption is granted, except that if the organization is a state or local branch, lodge, post of chapter or a national organization, a copy of the determination letter of the national organization will satisfy this requirement. See Section 67-7711(2)(c)(i), Idaho Code. The applicant must also provide verifiable documentation to prove charitable function, purpose and activities. Acceptable documentation includes, but is not limited to, meeting minutes, donation documentation, and membership list. ()

04. Incorporated Nonprofit Organizations. The application of an incorporated nonprofit organization must include a copy of the certificate of existence issued by the secretary of state pursuant to Title 30, Chapter 3, Idaho Code, establishing the organization's good corporate standing in the state. See Section 67-7711(2)(c)(ii), Idaho Code. The applicant must also provide verifiable documentation to prove charitable function, purpose and activities. Acceptable documentation includes, but is not limited to, meeting minutes, donation documentation, and membership list. ()

05. Locations. The application must list the location or locations at which the applicant will conduct bingo games or bingo sessions or drawings for raffles. See Section 67-7711(2)(d), Idaho Code. ()

06. Raffle Drawings. Raffle drawings must be held in Idaho and conducted within the license year for licensed organizations or within twelve (12) months from the date the first ticket was sold for unlicensed organizations. ()

07. License Year and Fiscal Year. An organization may apply for a license to coincide with the organization's fiscal year. See Section 67-7711(5), Idaho Code. ()

08. Failure to Provide Information. Failure to provide all information required for an application may result in a delay in considering an application or denial or dismissal of an application for a bingo/raffle license. See Section 67-7711(1), Idaho Code. ()

503. MULTIPLE CHAPTERS LICENSED TOGETHER.

Different chapters of an organization may apply for and share one (1) raffle license so long as the information required in Subsections 502.01 through 502.06 of these rules is provided to the Lottery before the issuance of the license. See Section 67-7711(4), Idaho Code. When two (2) or more chapters share a license, in aggregate they are subject to the limitations of a single organization with a license; multiple chapters sharing a license are not entitled to multiples of the event or prize limits for a license. ()

504. COMPENSATION OF CERTAIN PERSONS AND CONTRACTS WITH CERTAIN PERSONS PROHIBITED.

Persons listed on the application as officers or directors and their relatives and members of their household are prohibited from being compensated for their participation in the organizations bingo operation. No organization shall contract with any person not employed by, or a volunteer for, the organization for the purpose of conducting a bingo game or raffle on the organizations behalf. See Section 67-7711(3), Idaho Code. ()

505. ACTION ON LICENSES.

01. Applications For Licenses. An application for a license will be approved, denied or dismissed in writing within fifteen (15) days of receipt of the written application and all other required documentation, except as provided in Section 67-7712(2)(j), Idaho Code, when a criminal prosecution of an applicant is pending or an appeal from a criminal prosecution of an applicant is pending. The application will be denied if the applicant does not meet the requirements of statute and of these rules. If an application is not received thirty (30) days in advance of a proposed event, it is possible that a license may not be granted before the event, and the event will not be allowed to proceed without a license. See Section 67-7711(1), Idaho Code. ()

02. Issuance of Licenses. A license will be issued when an application for a license is approved. A license expires one (1) year after its issuance. See Section 67-7711(1), Idaho Code. ()

03. Notice of Intended Actions. If the Lottery intends to deny an application for a license or the renewal of a license or intends to revoke, cancel, rescind or suspend a license, it will provide fifteen (15) days' written notice to the applicant or to the licensee of the general basis for its intended action. If the applicant or licensee does not agree to the Lottery's intended action, the applicant or licensee must in writing request a hearing within the fifteen (15) day notice period. If a timely written request for a hearing is made, the hearing will be conducted in the same manner as a contested case hearing under Title 67, Chapter 52, Idaho Code. If a timely written request for a hearing is not made, the intended action is final and not subject to appeal. See Section 67-7712(3), Idaho Code. ()

506. SUSPENSION OR REVOCATION OF LICENSE -- CIVIL AND CRIMINAL PENALTIES.

Violation of the bingo and raffle statutes or of these bingo/raffle rules or of any conditions of a license may be grounds for administrative, civil or criminal actions, including, but not limited to, placement on probationary status, suspension of operations, license revocation, penalties, or fines. See Section 67-7707, Idaho Code. See also Sections 500 through 504 of these rules. ()

507. EXEMPTION FROM LICENSING AND LICENSING FEES.

Section 67-7713, Idaho Code, exempts charitable and non-profit organizations operating certain low-stakes bingo or raffle games from licensing. ()

01. Low-Stakes Bingo. A charitable or nonprofit organization conducting a bingo game does not need to obtain a license if its gross annual bingo sales (gross revenues from bingo operations) are less than ten thousand dollars (\$10,000). ()

02. Low-Stakes Raffle. A charitable or nonprofit organization does not need to obtain a license to conduct a raffle if the maximum aggregate value of merchandise awarded as prizes for the raffle does not exceed five thousand dollars (\$5,000). ()

03. Exemption From Licensing Not Exemption From Rules. Organizations exempt from licensing under this rule must still comply with applicable requirements of statute and bingo/raffle rules. This information is available by contacting the Lottery. ()

508. RULES AND FORMS.

The Lottery will provide forms and reports necessary in regulating the charitable or nonprofit bingo and raffle events. The Commission is authorized to promulgate rules consistent with and in compliance with Title 67, Chapter 52, Idaho Code. ()

509. -- 599. (RESERVED)

SUB AREA: VENDORS AND VENDORS' LICENSES AND FEES – APPROVED GAMING DEVICES

600. VENDOR'S LICENSE REQUIRED.

All businesses or persons who manufacture, sell, distribute, furnish, or supply to any person or organization any gaming devices, equipment, or materials in this state shall first obtain a vendor's license from the Lottery. See Section 67-7715, Idaho Code. Vendors must file an application and submit all required forms for background investigations. ()

601. LICENSE FEES.

Each initial application for a vendor's license must be accompanied by a five hundred dollar (\$500) non-refundable annual license fee that is due upon submission of the application. An application form approved by the Lottery, completed with all required information, must be submitted with the appropriate fee to the Director of Lottery Security, or his designee. See Section 67-7715(3)-(5), Idaho Code. ()

602. INFORMATION TO BE PROVIDED IN APPLICATION.

01. Identification of Applicants. The application for initial license and for renewal of a license must list: ()

a. The name, address, date of birth, driver's license number and social security number of the applicant, and if the applicant is a corporation, proprietorship, association, partnership or other similar legal entity, the name, home address, date of birth, driver's license number and social security number of each of the officers of the corporation and their spouses, as well as the name and address of the directors and their spouses, or other persons similarly situated and the financial information required to complete the application form. See Section 67-7715(3)(a), Idaho Code. ()

b. The locations from which or persons with which the applicant will provide any gaming devices,

equipment or material in this state or for use in this state. See Section 67-7715(3)(b), Idaho Code. ()

02. Incomplete Applications. Financial reports submitted with the license application will be reviewed as part of the background investigation. All requested data must be included on the application to avoid any delay. The application may be dismissed if it is incomplete. ()

603. APPROVAL, DENIAL OR DISMISSAL OF APPLICATION FOR ISSUANCE OF LICENSE.
The Lottery will approve, deny or dismiss an application for a vendor's license, within fifteen (15) days. At the applicant's request the Lottery may defer decision for a longer time. The application will be approved, denied or dismissed in writing. The Lottery will issue vendor licenses to successful applicants. See Section 67-7715, Idaho Code. ()

604. SUSPENSION OR REVOCATION OF LICENSE.
Any licensed vendor in violation of statute or of these rules or of any conditions of its license may face suspension or revocation of its vendor's license. ()

605. -- 609. (RESERVED)

610. GAMING DEVICES, EQUIPMENT OR MATERIALS.
Gaming devices, equipment, and materials include but are not limited to: ()

01. Number Selectors and Related Equipment. Number selection machines, manual mixing drums, or computerized random selectors, site systems, host systems or other electronic bingo machines used to select numbers for bingo or raffles are gaming devices, equipment or materials. ()

02. Bingo Cards. Numbered paper bingo cards and hard bingo cards as described in Paragraphs 310.03.a. and 301.19 of these rules, including Bonanza cards, "U-Pick-Ems," and electronic bingo cards, are gaming devices, equipment or materials. ()

03. Miscellaneous. Daubers, raffle tickets, record keeping materials, electronic bingo devices and other items used in the operation of bingo or raffles are gaming devices, equipment or materials. ()

611. PAPER BINGO CARD MANUFACTURERS STANDARDS.
Card manufacturers must follow these standards for paper cards: ()

01. Quality of Paper. The paper must be of sufficient weight and quality to allow for clearly readable numbers and to prevent ink from spreading or bleeding through a packet and obscuring other numbers or cards. ()

02. Random Assignment of Numbers. Numbers printed on the card must be randomly assigned. ()

03. Serial Numbers. Each set of cards must be comprised of cards bearing the same serial number. No serial number may be duplicated by a manufacturer in a given calendar year. ()

04. Packet Assembly. Cards assembled in books or packets must be glued, not stapled. ()

05. Labeling. A label must be placed on the exterior of each carton of bingo paper listing the type of product, number of packets or loose sheets, serial numbers, per (series) numbers, number of cases, cut of paper, and color of paper. ()

06. Packing Slips. A packing slip inside each case must list the same information as listed on the label. ()

07. Invoice. All orders must be accompanied by an invoice which lists the type of product, number of packets or loose sheets, serial numbers of all packets or loose sheets, per (series) numbers, number of cases, cut of paper, color of paper and pricing by item. The invoice must also include the supplier (vendor) name, and the name

and address of the organization purchasing the paper. ()

612. NUMBER SELECTORS.

All number selectors for bingo operations must be approved by the Commission after review and advice by the Bingo-Raffle Advisory Board. Electronic random selectors must interact with players. Auto daubing systems for paper bingo cards are prohibited. ()

613. DISTRIBUTION AND USE OF ELECTRONIC BINGO MACHINES.

01. Approved Sources. A licensed distributor of electronic bingo machines must purchase, rent, lease or otherwise provide electronic bingo machines only from a licensed manufacturer and purchase, lease, rent, or otherwise provide only electronic bingo machines that have been approved by the Commission. See Section 67-7718(1), Idaho Code. ()

02. Approved Users. A licensed distributor of electronic bingo machines is permitted to sell, rent, lease or otherwise provide electronic bingo machines only to licensed bingo operators. See Section 67-7718(2), Idaho Code. ()

03. Initial Use. The licensed distributor of electronic bingo machines must notify the Commission in writing of the sale, rental, lease, provision or installation of any electronic bingo machines before a licensed bingo operator's first use of the machines as follows: ()

- a. The complete name and address of the licensed bingo operator and their license number. ()
- b. The type of equipment and the serial numbers of equipment that was sold, rented, leased, provided or installed. ()
- c. The expected date upon which the licensed bingo operator will begin to use the equipment. ()
- d. A copy of any and all agreements or contracts between the licensed distributor and the licensed bingo operator regarding use of the equipment. ()

04. Installation, Maintenance, Service and Repair. The licensed distributor must be the initial contact for installation, service, maintenance or repair of electronic bingo machines and for ordering electronic bingo cards. The distributor may enlist the manufacturer's assistance for installation, service, maintenance or repair of electronic bingo machines. With the Commission's approval, a licensed manufacturer may authorize or subcontract with others for service, repair or maintenance of electronic bingo machines, but the licensed manufacturer retains ultimate responsibility and liability for service, maintenance and repair. See Section 67-7718(4), Idaho Code. ()

05. Invoices and Payments. The licensed distributor of electronic bingo machines must be the person who invoices for and collects payments for a licensed bingo operator's use of electronic bingo machines. The manufacturer may generate the invoice. All payments must be to the distributor and not the manufacturer. The invoice must contain the licensed distributor's name, complete address and license number of the licensed bingo operator. See Section 67-7718(5), Idaho Code. ()

06. Transportation Of Electronic Bingo Devices. A licensed distributor may transport electronic bingo devices from one (1) location to another for use by one (1) or more licensed bingo operator after the distributor has notified the Commission in writing of its schedule for rotating the electronic bingo devices from one (1) location to another. The notification must list the locations at which the devices will be used and name the licensed bingo operators that will be using the devices at each location. See Section 67-7718(6), Idaho Code. ()

07. Site Systems and Transportation of Site Systems. Each licensed bingo operator that uses a site system must have its own site system. A licensed bingo operator that uses a site system cannot transport its site system from one (1) location to another or allow another bingo operator to use its site system without prior written approval from the Commission. See Section 67-7718(6), Idaho Code. ()

614. -- 699. (RESERVED)

SUB AREA: SUSPENSION, REVOCATION, OR DENIAL OF A LICENSE

700. SUSPENSION, REVOCATION OR DENIAL OF LICENSE.

Any licensee or applicant for a license found by a court of competent jurisdiction or by the Lottery pursuant to the procedures of Section 67-7712, Idaho Code, to be in violation of any statutes or rules governing operating, supplying of equipment for, participating in, or establishing of gaming in the state of Idaho may be subject to suspension, revocation or denial of its license. See Sections 67-7712 and 67-7715, Idaho Code. ()

701. GROUNDS FOR SUSPENSION, REVOCATION OR DENIAL OF LICENSE.

The Lottery may suspend, revoke or deny a license if it finds that the licensee or applicant for a license has violated any provision of Title 67, Chapter 77, Idaho Code, any of these rules, or any county ordinance adopted pursuant to Title 67, Chapter 77, Idaho Code, (See Section 67-7712(2), Idaho Code). ()

702. COMPLAINT AGAINST AND INVESTIGATION OF LICENSEES.

The Lottery may, upon its own motion, or upon a written verified complaint of any other person, investigate the operation of any gaming purportedly authorized by Title 67, Chapter 77, Idaho Code, or by these rules, whether the gaming is conducted by a licensed or an exempt operation, and whether gaming equipment or supplies comply with the requirements of Title 67, Chapter 77, Idaho Code. If the Lottery has reasonable cause to believe that any gaming described in Title 67, Chapter 77, Idaho Code, or in these rules, violates the provisions of the Idaho Code or of these rules, in its discretion it may under the procedures set forth in Section 67-7712(3), Idaho Code, and as provided by these rules propose to revoke, cancel, rescind or suspend any license for a period not to exceed one (1) year, or refuse to grant a renewal of the license, or take other action as may be appropriate under Idaho Code or these rules. See Section 67-7712(3), Idaho Code. ()

703. PROCEDURE UPON FINDING OF REASONABLE CAUSE.

If the Lottery refuses to grant a license or refuse to grant a renewal of a license or revoke, cancel, rescind or suspend a license, it shall give the applicant or licensee fifteen (15) calendar days' written notice of its intended action stating generally the basis for its action. Within the fifteen (15) calendar days' notice period, the applicant or licensee shall indicate its acceptance of the decision of the Lottery or request a hearing to be held in the same manner as hearings in contested cases pursuant to Title 67, Chapter 52, Idaho Code. See Section 67-7712(3), Idaho Code. ()

704. CONDUCT OF HEARING IN CONTESTED CASE.

The hearing in a contested case shall be conducted within twenty-one (21) days of the request. The applicant or licensee may appeal the decisions of the Lottery after the hearing pursuant to Title 67, Chapter 52, Idaho Code. Failure to make the request for hearing as provided in these rules shall render the decision of the Lottery final and not subject to further appeal. See Section 67-7712(3), Idaho Code. ()

705. -- 999. (RESERVED)