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**IDAPA 52
TITLE 01
CHAPTER 02**

52.01.02 - GAMING RULES OF THE IDAHO STATE LOTTERY COMMISSION

Subchapter A -- Introductory Provisions and Definitions

000. LEGAL AUTHORITY (RULE 0).

These rules are adopted by the Idaho State Lottery Commission under the general authority of Title 67, Chapter 77, Idaho Code, and the specific authority of Section 67-7714, Idaho Code. (7-1-97)

001. TITLE AND SCOPE (RULE 1).

01. Title. The title of these rules is "Gaming Rules of the Idaho State Lottery Commission." (7-1-97)

02. Scope. The purpose of these rules is to 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. See Sections 67-7701 and 67-7714, Idaho Code. (7-1-97)

002. WRITTEN INTERPRETATION (RULE 2).

Field manuals and other agency guidance documents, as well as agency policy statements or interpretations not rising to the legal effect of a rule, if any, are available for inspection and copying at the office of the Lottery during regular business hours. (7-1-97)

003. ADMINISTRATIVE PROCEDURE AND ADMINISTRATIVE APPEAL (RULE 3).

All administrative procedures and appeals under these rules are governed by the procedures of IDAPA 52.01.01.000 et seq., "Rules of Practice and Procedure of the Idaho State Lottery Commission," in particular Sections 000 through 026. (7-1-97)

004. ADMINISTRATIVE ARM OF IDAHO STATE LOTTERY (RULE 4).

The Lottery Security Division is the administrative arm of the Lottery that will be responsible for licensing, controlling and regulating bingo games and raffles and assuring that profits realized by charitable groups and institutions through the conduct of charitable gaming are used for charitable purposes. The Lottery Security Division shall provide all application forms, reporting forms and other documents necessary for submission to the Lottery. See Section 67-7714, Idaho Code. (2-19-09)

005. PUBLIC RECORDS ACT COMPLIANCE (RULE 5).

Documents in the possession of the Lottery are subject to the provisions of Sections 9-337 through 9-349, Idaho Code, dealing with documents open to inspection and copying and documents exempt from disclosure. (7-1-97)

006. CITATION (RULE 6).

The official citation of this chapter is IDAPA 52.01.02.000, et seq. For example, this section's official citation is IDAPA 52.01.02.006. In documents submitted to the Lottery or issued by the Lottery, these Rules may be cited as Gaming Rules or GR. For example, this rule may be cited as Gaming Rule 6 or GR 6. (7-1-97)

007. -- 009. (RESERVED)

010. DEFINITIONS (RULE 10).

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: (4-2-08)

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. (2-19-09)

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. (4-2-08)

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: (4-2-08)

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). (4-2-08)

b. Bingo Cards, Electronic, or Face. An electronic facsimile of a regular bingo card. See Section 67-7702(6), Idaho Code. (4-2-08)

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. (4-2-08)

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. (4-2-08)

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. (4-2-08)

05. Blackout. A game of bingo where all numbers are covered on a bingo card. This game is also referred to as "coverall." (4-2-08)

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. (4-2-08)

07. Charitable Contribution Acknowledgement 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. (4-2-08)

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. (2-19-09)

- 09. Charitable Organization.** See definition in Section 67-7702, Idaho Code. (2-19-09)
- 10. Charitable Purpose.** A purpose of supporting a bona fide charitable organization, as defined by Section 67-7702(3), Idaho Code. (4-2-08)
- 11. 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. (4-2-08)
- 12. 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. (4-2-08)
- 13. Director.** The Director of the Idaho State Lottery appointed and confirmed according to Section 67-7407, Idaho Code. (4-2-08)
- 14. Disposable Paper Bingo Card.** A non-reusable, paper bingo card. (4-2-08)
- 15. 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. (4-2-08)
- 16. Duck Race.** A charitable raffle as defined in Section 67-7702(5), Idaho Code. (4-2-08)
- 17. 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. (4-2-08)
- 18. 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. (4-2-08)
- 19. Gaming.** Gambling as defined in Section 18-3801, Idaho Code, including gaming authorized by Title 67, Chapters 74 and 77, Idaho Code. (4-2-08)
- 20. Gross Revenues.** See definition in Section 67-7702, Idaho Code. (2-19-09)
- 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. (4-2-08)
- 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. (4-2-08)
- 21. 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. (4-2-08)
- 22. Holiday Christmas Tree Fundraiser.** A charitable game played by persons bidding on decorated holiday trees, as defined by Section 67-7702(9), Idaho Code. (4-2-08)
- 23. Host System.** See definition in Section 67-7702, Idaho Code. (2-19-09)

- 24. 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. (4-2-08)
- 25. 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. (4-2-08)
- 26. 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. (4-2-08)
- 27. 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. (4-2-08)
- 28. 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. (4-2-08)
- 29. 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. (4-2-08)
- 30. 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. Net proceeds of a holiday Christmas tree fundraiser mean the gross revenues less the costs of procuring the tree or other prizes. 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. (4-2-08)
- 31. Nonprofit Organization.** See definition in Section 67-7702, Idaho Code. (2-19-09)
- 32. Organization.** A charitable organization or a nonprofit organization. (2-19-09)
- 33. Person.** See definition in Section 67-7702, Idaho Code. (2-19-09)
- 34. 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 and holiday Christmas tree fundraisers are forms of raffles. See Sections 67-7702(5) and 67-7702(9), Idaho Code. (4-2-08)
- 35. 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. (4-2-08)
- 36. Separate Bank Account.** A bank account 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. (4-2-08)
- 37. 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. (4-2-08)
- 38. Site System.** See definition in Section 67-7702, Idaho Code. (2-19-09)
- 39. Special Committee.** Persons (including officers and directors, if so designated) listed on an organization's application for a license who are designated to be responsible for insuring that a bingo game or bingo

session conducted by that organization will be run according to the requirements of statute and of these rules. If no persons are designated as a special committee, the members of the governing body of the applicant will be held responsible for the operations of the bingo games and sessions or the operations of the raffle. See Section 67-7711(3), Idaho Code. (4-2-08)

40. Special Permit. A permit that can be obtained by an unlicensed charitable organization that qualifies the organization to operate an exempt bingo operation. This permit allows a qualified organization to operate bingo games at a state or county fair for the duration of the fair. See Section 67-7702(17), Idaho Code. (4-2-08)

41. Tracking. The documentation of sales by sequentially numbered bingo paper or numbered tickets in raffles. See Section 67-7709(3), Idaho Code. (4-2-08)

42. 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. (4-2-08)

43. Vendor. See definition in Section 67-7702, Idaho Code. (2-19-09)

011. -- 099. (RESERVED)

Subchapter B -- Conduct of Bingo Games

100. BINGO BY CHARITABLE OR NONPROFIT ORGANIZATIONS (RULE 100).

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 100 through 105 of these rules apply to all bingo operators. Sections 106 through 109 of these rules apply to operators using paper bingo cards. Sections 110 through 112 of these rules apply to operators using electronic bingo machines, as defined in Section 110 of these rules. Sections 115 through 118 of these rules apply to all bingo operators. (4-2-08)

101. NUMBER OF SESSIONS PER WEEK (RULE 101).

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. (2-19-09)

102. POSTING OF LICENSE AND HOURS (RULE 102).

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. (3-30-01)

103. MEMBERS OF SPECIAL COMMITTEE IN ATTENDANCE -- TRAINING OF EMPLOYEES (RULE 103).

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. (7-1-97)

104. EMPLOYEES INELIGIBLE TO PLAY (RULE 104).

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. (7-1-97)

105. MINORS (RULE 105).

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, or in a game operated by a licensed charitable or non-profit organization. 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. (3-30-01)

106. TRACKING REQUIREMENTS IN GAMES USING PAPER BINGO CARDS (RULE 106).

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. (4-2-08)

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. (4-2-08)

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. (4-2-08)

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. (4-2-08)

05. Designation of Bingo Paper Color For Games. Each game is assigned a particular color of paper card. Other colors will not be accepted. (4-2-08)

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 permanent 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. (4-2-08)

107. DUTIES OF BINGO CALLER AND EMPLOYEES OR VOLUNTEERS IN GAMES USING PAPER BINGO CARDS (RULE 107).

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. (4-2-08)

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. (4-2-08)

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 must be declared to be completed, and the ball machine must be cleared for the next game. (4-2-08)

108. DETERMINING WINNERS WHEN A PLAYER USING A PAPER BINGO CARD CLAIMS TO BE A WINNER (RULE 108).

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. (4-2-08)

02. Player's Responsibility. It is the player's responsibility to notify the game operator or caller that the player has a winning card. The player must yell "bingo" loud enough for the caller to hear the player. (4-2-08)

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. (4-2-08)

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. (4-2-08)

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 must be awarded. (4-2-08)

109. MISCELLANEOUS RULES FOR GAMES USING NON-ELECTRONIC BINGO CARDS (RULE 109).

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. (4-2-08)

02. Braille Cards. Braille cards are allowed in any bingo game for use by individuals who need them. (3-30-01)

03. Two Part Disposable Cards. Two (2) part disposable cards may be used in "U-Pick-Em" games, if: (7-1-97)

a. Original and Duplicate Copies. The cards are printed on two (2) part, self-duplicating paper that provides for an original and duplicate copy; (7-1-97)

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 (7-1-97)

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. (7-1-97)

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. (4-2-08)

05. Autodaubing Features. Autodaubing features are prohibited. (3-30-01)

06. Use of Nonreusable Cards. With the exception of Braille bingo cards authorized for use pursuant to Subsection 109.02 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. (4-2-08)

110. BINGO OPERATIONS USING ELECTRONIC BINGO MACHINES (RULE 110).

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. (4-2-08)

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. (4-2-08)

03. List of Approved Hardware and Software. The Director must maintain a list of approved hardware and software for electronic bingo machines. The Director must promptly update the list after any hardware or software is added or deleted from the list. (4-2-08)

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. (4-2-08)

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. (4-2-08)

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. (4-2-08)

111. REQUIREMENTS FOR BINGO GAME OPERATIONS USING ELECTRONIC BINGO MACHINES (RULE 111).

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. (4-2-08)

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. (4-2-08)

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. (4-2-08)

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. (4-2-08)

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. (4-2-08)

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 bingos 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 for the entire bingo session. This printout must be available on demand for the entire session. See Section 67-7717(7). (4-2-08)

07. Malfunctioning Electronic Bingo Machines. (4-2-08)

a. When Discovered by the Lottery or Other Officers. 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. (4-2-08)

b. When Discovered by Licensees or Others. 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. (4-2-08)

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. (4-2-08)

112. PLAY USING ELECTRONIC BINGO MACHINES (RULE 112).

01. No Player-Owned Devices. Use of player-owned electronic bingo devices is prohibited. See Section 67-7719(2), Idaho Code. (4-2-08)

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 must be included in the gross revenues. See Section 67-7719(3) and (11), Idaho Code. (4-2-08)

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. (4-2-08)

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. (4-2-08)

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. (4-2-08)

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 112.04 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 must then become the reserve device. (4-2-08)

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. (4-2-08)

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. (4-2-08)

09. Other Requirements. The Director or Lottery Security Division may by letter or other written communication prescribe appropriate procedures for play and determination of winners and other matters generally covered by Sections 107 through 109 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 Sections 9-337 through 9-347, Idaho Code. (4-2-08)

113. MAXIMUM PRIZES (RULE 113). Maximum prizes are defined in Section 67-7708, Idaho Code. (7-1-97)

114. (RESERVED)

115. LIMITS ON BINGO OPERATION'S PRIZE PAYOUT RATIOS AND ADMINISTRATIVE EXPENSES (RULE 115).

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. (4-2-08)

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. (7-1-97)

03. Donated Cash Funds Prohibited. Donated cash may not be offered as prizes in bingo games nor deposited into the separate bingo account. (7-1-97)

116. PAYMENT OF EXPENSES, WINNINGS, AND CHARITABLE CONTRIBUTIONS (RULE 116).

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. (2-19-09)

117. MINIMUM CHARITABLE OR NONPROFIT DONATION (RULE 117).

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. (2-19-09)

118. MAXIMUM PRIZES (RULE 118).

By this rule the Commission exercises its authority over maximum prizes are set forth in Section 67-7708, Idaho Code. (4-2-08)

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). (4-2-08)

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). (4-2-08)

119. (RESERVED)

120. ACCOUNTING AND REPORTING REQUIRED (RULE 120).

Every organization conducting bingo games, whether licensed or unlicensed, must comply with the accounting requirements of Sections 121 through 126 of these rules. (7-1-97)

121. SEPARATE BANK ACCOUNT AND LIMITATIONS ON USE (RULE 121).

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. (3-30-01)

02. Disbursements Use of Funds. All disbursements must be documented as defined in Section 67-7709(1), Idaho Code, and by these rules. (7-1-97)

122. GENERAL LEDGER (RULE 122).

01. Establishment of General Ledger. A general ledger must be established to account separately for the bingo operation. Ledgers must track all transactions for the funds generated from bingo. (3-30-01)

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. (7-1-97)

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. (2-19-09)

04. Retention of Records. An accounting of all gross revenues and disbursements required by statute and these rules must be retained in permanent records with the organization, 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. (2-19-09)

123. ANNUAL REPORT (RULE 123).

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 shall file the annual report with the Lottery. See Section 67-7709(2), Idaho Code. (3-30-01)

02. Information Required By Forms. The nightly reports, receipts, winner records, and payouts must be documented and kept with the organization's permanent records for three (3) years. Any further information required by the forms prescribed by the Lottery pursuant to statute and rule. (7-1-97)

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 from a public accountant or accounting firm. This independent audit must be submitted within ninety (90) days of the end of the licensed organization's license year. (3-30-01)

124. RECORDS OF PRIZE DISBURSEMENTS (RULE 124).

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). (7-1-97)

125. ACCOUNTING OF REVENUES AND EXPENSES (RULE 125).

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 for bingo funds. (7-1-97)

02. Ledger Entries and Receipts For Expenses. All ledger entries must track disbursements of cash and checks. Expenses must be documented with receipts. The receipts shall include the payee's name and address, date, and an authorized signature from the licensed organization. (7-1-97)

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. (7-1-97)

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 permanent records and kept available for examination. Do not submit these records with the annual bingo report. All documents must be legible and compiled in an orderly manner. (7-1-97)

126. INSPECTION OF BOOKS (RULE 126).

All financial books, papers, records and documents of an organization shall be kept as required by these rules and shall be open to inspection by the county sheriff of the county where the bingo games were held, or the chief of police of the city where the bingo games were held, or the prosecuting attorney of the county where the bingo games were held, or the attorney general or the Lottery, or any of their agents, at reasonable times and during reasonable hours. All records must be kept for three (3) years. (7-1-97)

127. -- 199. (RESERVED)

Subchapter C -- Conduct of Raffles

200. REQUIREMENTS FOR ORGANIZATIONS CONDUCTING RAFFLES (RULE 200).

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. (7-1-97)

201. LIMITATION ON ANNUAL NUMBER OF RAFFLES (RULE 201).

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. (3-30-01)

202. OWNERSHIP OF PRIZES (RULE 202).

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. (2-19-09)

203. MAXIMUM PRIZES (RULE 203).

The maximum aggregate value of cash prizes that may be offered or paid for any single raffle event, which is not a duck race or a holiday Christmas tree fundraiser, 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 of a tree that may be raffled in a holiday Christmas tree fundraiser. There is no limit on the maximum value for the merchandise used as prizes for a duck race or a holiday Christmas tree fundraiser if the merchandise is not redeemable for cash. See Section 67-7710(2), Idaho Code. (4-2-08)

204. REQUIREMENTS FOR DONATION TO CHARITY -- LIMITATION ON EXPENSES (RULE 204).

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 010.30 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. (4-4-13)

205. GENERAL LEDGER AND RECORDKEEPING (RULE 205).

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. (7-1-97)

206. ANNUAL RAFFLE REPORT (RULE 206).

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. (2-19-09)

207. INDEPENDENT AUDIT OF LARGE RAFFLES (RULE 207).

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 an independent public accountant and submitted within ninety (90) days after the end of the organizations license year. (3-30-01)

208. -- 299. (RESERVED)

**Subchapter D -- Licensing and License Fees for Organizations
Conducting Bingo Games or Raffles**

300. APPLICATION (RULE 300).

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 subchapter. See Section 67-7711(1), Idaho Code. (7-1-97)

301. LICENSE FEES (RULE 301).

Each organization that applies to the Lottery for a license under these rules shall pay annually to the Lottery a nonrefundable license fee that shall be 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

(7-1-97)

302. INFORMATION TO BE PROVIDED IN APPLICATION (RULE 302).

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 special committee. The members of the governing board will be considered the de facto special committee if the governing board has not designated a special committee in its application. See Section 67-7711(3), Idaho Code. The signature from the organization's representative on the application gives the Lottery authority to conduct investigations of members of the special committee. The persons listed on the application must be officers or directors of the organization or members of the special committee applying for a license. (4-2-08)

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, director or member of the special committee in order to conduct background investigations. See Section 67-7711(2)(a) and (b), Idaho Code. (4-2-08)

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. (2-19-09)

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. (2-19-09)

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. (7-1-97)

06. 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. (4-2-08)

07. 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. (4-2-08)

303. MULTIPLE CHAPTERS LICENSED TOGETHER (RULE 303).

Different chapters of an organization may apply for and share one (1) raffle license so long as the information required in Subsections 302.01 through 302.06 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. (7-1-97)

304. COMPENSATION OF CERTAIN PERSONS AND CONTRACTS WITH CERTAIN PERSONS PROHIBITED (RULE 304).

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. (7-1-97)

305. ACTION ON LICENSES (RULE 305).

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. (2-19-09)

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. (4-2-08)

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 Lottery's intent to deny, revoke, cancel, rescind or suspend the license and 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. (4-2-08)

306. SUSPENSION OR REVOCATION OF LICENSE -- CIVIL AND CRIMINAL PENALTIES (RULE 306).

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, suspension of operations, license revocation, penalties, or fines. See Section 67-7707, Idaho Code. See also Sections 500 through 504 of these rules. (4-2-08)

307. EXEMPTION FROM LICENSING AND LICENSING FEES (RULE 307).

Section 67-7713, Idaho Code, exempts charitable and non-profit organizations operating certain low-stakes bingo or raffle games from licensing. (4-2-08)

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). (4-2-08)

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 one

thousand dollars (\$1,000). (4-2-08)

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. (7-1-97)

308. RULES AND FORMS (RULE 308).

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. (7-1-97)

309. -- 399. (RESERVED)

Subchapter E -- Vendors and Vendors' Licenses and Fees
-- Approved Gaming Devices

400. VENDOR'S LICENSE REQUIRED (RULE 400).

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. (7-1-97)

401. LICENSE FEES (RULE 401).

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 along with the appropriate fee to the Lottery Security Division. See Section 67-7715(3)-(5), Idaho Code. (4-2-08)

402. INFORMATION TO BE PROVIDED IN APPLICATION (RULE 402).

01. Identification of Applicants. The application for initial license and for renewal of a license must list: (4-2-08)

a. Personal Data and Corporate Data. 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. (4-2-08)

b. Locations. 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. (4-2-08)

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. (4-2-08)

403. APPROVAL, DENIAL OR DISMISSAL OF APPLICATION FOR ISSUANCE OF LICENSE (RULE 403).

The Lottery has fifteen (15) days to approve, deny or dismiss an application for a vendor's license, provided that 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. (4-2-08)

404. SUSPENSION OR REVOCATION OF LICENSE (RULE 404).

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. (4-2-08)

405. -- 409. (RESERVED)

410. GAMING DEVICES, EQUIPMENT OR MATERIALS (RULE 410).

Gaming devices, equipment, and materials include but are not limited to: (7-1-97)

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. (4-2-08)

02. Bingo Cards. Numbered paper bingo cards and hard bingo cards as described in Paragraph 010.03.a. of these rules, including Bonanza cards, "U-Pick-Ems," and electronic bingo cards, are gaming devices, equipment or materials. (4-2-08)

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. (4-2-08)

411. PAPER BINGO CARD MANUFACTURERS STANDARDS (RULE 411).

Card manufacturers must follow these standards for paper cards: (4-2-08)

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. (4-2-08)

02. Random Assignment of Numbers. Numbers printed on the card must be randomly assigned. (4-2-08)

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 year. (4-2-08)

04. Packet Assembly. Cards assembled in books or packets must be glued, not stapled. (4-2-08)

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. (4-2-08)

06. Packing Slips. A packing slip inside each case must list the same information as listed on the label. (4-2-08)

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. (2-19-09)

412. NUMBER SELECTORS (RULE 412).

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. (4-2-08)

413. DISTRIBUTION AND USE OF ELECTRONIC BINGO MACHINES (RULE 413).

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 must purchase, lease, rent, or otherwise provide only electronic bingo machines that have been approved by the Commission. See Section 67-7718(1), Idaho Code. (4-2-08)

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. (4-2-08)

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. See Section 67-7718(3), Idaho Code. The notice must include: (4-2-08)

a. Licensed Operator. The complete name and address of the licensed bingo operator and their license number. (4-2-08)

b. Equipment Provided. The type of equipment and the serial numbers of equipment that was sold, rented, leased, provided or installed. (4-2-08)

c. Start-Up Date. The expected date upon which the licensed bingo operator will begin to use the equipment. (4-2-08)

d. Agreement. A copy of any and all agreements or contracts between the licensed distributor and the licensed bingo operator regarding use of the equipment. (4-2-08)

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. (4-2-08)

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. (4-2-08)

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 must name the licensed bingo operators that will be using the devices at each location. See Section 67-7718(6), Idaho Code. (4-2-08)

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. (4-2-08)

414. -- 499. (RESERVED)

Subchapter F -- Suspension, Revocation, or Denial of A License

500. SUSPENSION, REVOCATION OR DENIAL OF LICENSE (RULE 500).

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. (4-2-08)

501. GROUNDS FOR SUSPENSION, REVOCATION OR DENIAL OF LICENSE (RULE 501).

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). (7-1-97)

502. COMPLAINT AGAINST AND INVESTIGATION OF LICENSEES (RULE 502).

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. (4-2-08)

503. PROCEDURE UPON FINDING OF REASONABLE CAUSE (RULE 503).

If the Lottery shall refuse 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 shall 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. (7-1-97)

504. CONDUCT OF HEARING IN CONTESTED CASE (RULE 504).

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. (7-1-97)

505. -- 999. (RESERVED)

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