

Dear Senators MCKENZIE, Davis, Stennett, and
Representatives LOERTSCHER, Batt, Smith:

The Legislative Services Office, Research and Legislation, has received the enclosed rules of
the Idaho State Lottery Commission:

IDAPA 52.01.02 - Rules Pertaining To The Gaming Rules of the Idaho State Lottery Commission
(Docket No. 52-0102-1301).

Pursuant to Section 67-454, Idaho Code, a meeting on the enclosed rules may be called by the
cochairmen or by two (2) or more members of the subcommittee giving oral or written notice to Research
and Legislation no later than fourteen (14) days after receipt of the rules analysis from Legislative
Services. The final date to call a meeting on the enclosed rules is no later than 10/09/2013. If a meeting is
called, the subcommittee must hold the meeting within forty-two (42) days of receipt of the rules analysis
from Legislative Services. The final date to hold a meeting on the enclosed rules is 11/07/2013.

The germane joint subcommittee may request a statement of economic impact with respect to a
proposed rule by notifying Research and Legislation. There is no time limit on requesting this statement,
and it may be requested whether or not a meeting on the proposed rule is called or after a meeting has
been held.

To notify Research and Legislation, call 334-4845, or send a written request to the address on the
memorandum attached below.



Jeff Youtz
Director

Legislative Services Office Idaho State Legislature

Serving Idaho's Citizen Legislature

MEMORANDUM

TO: Rules Review Subcommittee of the Senate State Affairs Committee and the House State Affairs Committee
FROM: Division Manager - Mike Nugent
DATE: September 20, 2013
SUBJECT: Idaho State Lottery Commission

IDAPA 52.01.02 - Rules Pertaining To The Gaming Rules of the Idaho State Lottery Commission (Docket No. 52-0102-1301)

In 2013 the Legislature enacted Senate Bill No. 1127. SB1127 was the result of an Office of Performance Evaluations' report on lottery operations and charitable gaming in which it made certain recommendations to reduce the unnecessary regulatory burden on nonprofit organizations and the workload of the Lottery staff. Recommendations entailed providing clarification on time frames for record retention for nonprofit organizations; removing references to holiday Christmas tree fund raisers in Idaho Code since they do not constitute gaming; and removing prize maximums for raffles from Idaho Code and providing for that to be set by rule of the Lottery Commission to coincide with how bingo prize maximums are handled. Also, inconsistencies and ambiguities in statutory language regarding bingo and raffles were removed by the bill.

It appears the proposed rules comply with SB1127 and that statutory authority is granted to the Lottery Commission in Chapter 77, Title 67, Idaho Code.

cc: Idaho State Lottery Commission
Jeffrey Anderson

IDAPA 52 - IDAHO STATE LOTTERY COMMISSION

52.01.02 - GAMING RULES OF THE IDAHO STATE LOTTERY COMMISSION

DOCKET NO. 52-0102-1301

NOTICE OF RULEMAKING - 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 Section 67-7714, Idaho Code.

PUBLIC HEARING SCHEDULE: Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than October 16, 2013.

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

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

Last legislative session (2013), legislation was passed that modified certain statutes in Chapter 77, Title 67 (Bingo/Raffle Act) regarding record retention requirements, and including removal of Holiday Christmas Tree Fundraising, among others. Corresponding rule changes were not promulgated at that time, but are now required in order to render them consistent with that law change. The Lottery needs to amend applicable administrative rules to coincide with this change in law and render its rules consistent with now-existing law. They are currently inconsistent, instead mirroring the applicable law prior to the passing of SB 1127 last session. This rulemaking amends IDAPA 52.01.02 to render the rules consistent with Sections 67-7709 and 67-7710, Idaho Code, regarding record retention requirements, removal of Holiday Christmas Tree Fundraising among others. This rulemaking simply renders applicable rules consistent with Idaho Code.

FEE SUMMARY: The following is a specific description of the fee or charge imposed or increased: None.

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 resulting from this rulemaking: None.

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(2), Idaho Code, it is not feasible or necessary to conduct negotiated rulemaking for this rulemaking. The changes are proposed simply to render applicable rules consistent with applicable Idaho Code. Legislation was passed last session (2013) that modified record retention requirements, removed Holiday Christmas Tree Fundraising, among others. Corresponding rule changes were not promulgated at that time, but are now required in order to render them consistent with the statute changes. There is nothing to be negotiated.

INCORPORATION BY REFERENCE: Pursuant to Section 67-5229(2)(a), Idaho Code, the following is a brief synopsis of why the materials cited are being incorporated by reference into this rule: N/A

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Jeffrey Anderson, Executive Director, at (208) 334-2600.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before October 23, 2013.

DATED this 30th day of August, 2013.

Jeffrey Anderson
Executive Director
Idaho State Lottery
1199 Shoreline Ln., Ste. 100

P. O. Box 6537
Boise, ID 83707-6537
Phone: (208) 334-2600
Fax: (208) 334-3522

THE FOLLOWING IS THE PROPOSED TEXT FOR DOCKET NO. 52-0102-1301

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 a 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)~~

~~365.~~ **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. (4-2-08)()

~~376.~~ **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)

~~387.~~ **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)

~~438.~~ **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)

~~4239.~~ **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)

~~430.~~ **Vendor.** See definition in Section 67-7702, Idaho Code. (2-19-09)

(BREAK IN CONTINUITY OF SECTIONS)

103. MEMBERS OF ~~SPECIAL COMMITTEE~~ ORGANIZATION 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)()

(BREAK IN CONTINUITY OF SECTIONS)

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)()

(BREAK IN CONTINUITY OF SECTIONS)

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 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. (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~~ five (5) 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 performed by~~ a certified public accountant ~~or accounting firm~~ 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. (3-30-01)()

(BREAK IN CONTINUITY OF SECTIONS)

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 for a period of five (5) years 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~~ five (5) years. (7-1-97)()

(BREAK IN CONTINUITY OF SECTIONS)

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)()

(BREAK IN CONTINUITY OF SECTIONS)

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~~ 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. (3-30-01)()

(BREAK IN CONTINUITY OF SECTIONS)

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 charitable or nonprofit organization.~~ ~~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 the required 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 and the application must be signed by an officer of the organization. (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 and 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. 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. ()

067. 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)

078. 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)

(BREAK IN CONTINUITY OF SECTIONS)

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, 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. (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 five thousand dollars (\$5,000). (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)