

# DEPARTMENT OF REVENUE

## Colorado Lottery Commission

### 1 CCR 206-1 RULES AND REGULATIONS

#### AMENDED-RULE 1 -- GENERAL RULES, REGULATIONS, AND DEFINITIONS

##### BASIS AND PURPOSE FOR ~~AMENDED~~ RULE 1

The purpose of ~~Amended~~ Rule 1 is to provide details and requirements for the Colorado Lottery of the Colorado Lottery Commission is to present General Rules, Regulations, and Definitions for all of various terms used throughout Colorado Lottery rules Games, so that said rules can be uniformly applied and understood. The statutory basis for Rule 1 is found in C.R.S. ~~424-4035-101208 (5) (a) and (2) and 4424-4035-109(1)(a) and (2)201 (5).~~

##### 1.1 General ENERAL RULES AND REGULATIONS Provisions

These Rules and Regulations are adopted by the Colorado Lottery Commission ~~governing the establishment and operation of the Colorado Lottery pursuant to the authority provided in State Lottery Division Title 44, Article 40. by Part 2, Article 35, Title 24, C.R.S.~~

For the purpose of this Rule 1, "Lottery Ticket" shall include Instant Scratch Ticket, In-State Jackpot Ticket, and Multi-State Jackpot Ticket. "Jackpot Ticket" shall include In-State Jackpot Ticket and Multi-State Jackpot Ticket.

##### 1.2 Definitions

Unless the context in these Rules and Regulations otherwise ~~requires~~ states:

- A. "Act" or "Law" means State Lottery Division, Title 44, Article 40 of the Colorado Revised Statutes. Part 2, Article 35, Title 24, C.R.S.
- B. "Activation" means the process used by which retailers to make a book of bar coded Instant Scratch Tickets become active and available for sale on the Lottery's computer Gaming System.
- C. "Additional Lottery Prizes" means cash, merchandise, and/or services, as determined by the Director.
- ~~D.~~ "Advance Play" means the ability to purchase Jackpot Tickets for more than one consecutive drawing with the first draw of the purchase being the current open draw.
- E. "Aggregate Prize Fund" means the maximum percentage of sales for each Jackpot Game that may be used to pay Prizes.
- F. "Automated Draw Machine" (ADM) means the computer operating the certified random number generator software used to select the Jackpot Game winning numbers.
- ~~G.~~ "Bar-Code Reader" means the computer hardware/software used by retailers to read bar-coded information on Instant Scratch Tickets.

- HE. “Certified Drawing” means a drawing which complies with all requirements of C.R.S. ~~424-4035-109208~~(2)(d).
- I. “Claimant” means a Person claiming a Lottery Prize.
- JF. “Claims Center” means any location designated by the Director where a ~~person~~Person may file a claim for any Lottery ~~game-p~~Prize.
- KG. “Commission” means the Colorado Lottery Commission established under the Act.
- LH. “Director” means the Senior Director of the Colorado State Lottery Division.
- Mt. “Division” means the Colorado State Lottery Division, ~~and any employee thereof, including the Director.~~
- NJ. “Draw Break” means the period of time sales activity is suppressed and ~~during~~ which no Jackpot ~~T~~tickets may be sold, ~~or~~ purchased, or validated for the suppressed game(s).
- OK. “Drawing” means ~~the procedure by which~~ a random selection process to determine winning numbers, such as a selection of digits, numbers or symbols, is conducted in accordance with the rules of the game as set forth in Specific Game Playing Rules.
- PL. “Drawing Sales Period” means the period of time during which Jackpot Tickets may be sold, purchased, and validated, excluding the draw break, between ticket sales activation (during which Jackpot tickets may be sold, purchased and validated) and the draw break.
- QM. “Duplicate Ticket” means a ticket produced by any method other than an authorized Jackpot Gaming Terminal, photograph, xerography or any other method other than generation by a Jackpot terminal.
- RN. “Executive Director” means the Executive Director of the Colorado Department of Revenue.
- S. “Force Majeure” means an unexpected event (i.e. a natural disaster) that prevents the scheduled completion of an activity.
- TO. “Game Prize Fund” means the projected ~~prize~~Prize payout percentage as approved by the ~~Colorado Lottery~~ Commission for each Lottery Ggame.
- U. “Immediate Family” shall include any spouse, child, brother, sister, and/or parent residing in the same household of any of the Persons specified in section 1.3.3.
- V. “Instant Scratch Game” means a game with preprinted play symbols or characters on the Lottery Ticket.
- WP. “Jackpot Game” ~~means a lottery is a game which utilizes a computer system to administer plays and in which a player or the Jackpot Gaming System selects a combination of numbers, the type of game and amount of play, for a specific drawing.~~
- X.Q. “Jackpot Gaming System” means the computer system(s) consisting of Jackpot Gaming Terminals, central processing equipment, and a communication network ~~utilized~~used to ~~conduct~~ administer Jackpot Ggames.
- YR. -“Jackpot Gaming Terminal” means the computer ~~hardware system~~ through which ~~the Jackpot licensee enters the combination(s) selected by a player and by which~~ Jackpot Tickets are generated, validated, and Instant Scratch Tickets are supported, claims are validated.

- Z. “Jackpot Ticket” means a computer-generated ticket issued by a retailer to a player as a receipt for the combination of numbers selected for In-State and Multi-State Jackpot Games. That ticket shall be the only acceptable evidence of the combination numbers selected.
- AAS. “Licensee” or “Retailer” means any business licensed to sell Lottery Products as a lottery sales agent pursuant to the Act. ~~to sell Lottery tickets.~~
- BBT. “Lottery” or “Colorado Lottery” means any the Colorado Lottery created and operated pursuant to the Act.
- ~~U.~~ “Lottery Sales Representative” means the employee of the Division whose duties include the marketing, selling, handling, and distribution of Lottery tickets to licensees.
- CCV. “Net Sales” means gross sales less cancellations or returns.
- DDW. “Person” means a natural person and includes any individual, association, corporation, club, trust, estate, receiver, trustee, guardian, custodian, personal representative or any other person acting in a representative capacity who is appointed by a court, charitable institution, or fraternal organization. “Person” shall also mean and include all departments, agencies, commissions, instrumentalities and political subdivisions of the State of Colorado, as well as any city, county and city and county within the State of Colorado
- ~~EE.X.~~ “Play Slip” means a mark-sense game card slip used to select plays in by players of Jackpot Games. ~~to select plays.~~ A play slip has no pecuniary financial value and ~~shall not constitute~~ is not evidence of a ticket purchase or of numbers selected.
- FFY. “Player-Selected Item” means a number ~~or item~~ or group of numbers ~~or items~~ selected by a player in connection with a Lottery multi-state and in-state Jackpot Ggame. ~~Player selected numbers or items shall include selections generated randomly by the Jackpot computer system. Such computer-generated numbers or items are also known as “Quick-Picks”.~~
- GGZ. “Prize” means ~~the an~~ award, financial or otherwise, from awarded by the ~~State~~ Lottery.
- HHAA. “Prize Amounts” means the amount of money payable for Jackpot Games in each ~~prize~~ Prize category, or to each share, or the annuitized future value of each share in a ~~prize~~ Prize category for each drawing.
- IIBB. “Prize Category” means the matching combinations as described in s Specific Game Playing Rules.
- JJCC. “Prize Expense” means the accrued portion of net sales from all Lottery Pproducts paid or designated to be paid out that has been paid or obligated for the payment of in ~~prize~~ Prizes.
- KKDD. “Prize Expense Minimum” means the total amount of ~~prize~~ Prize expense must be a minimum of fifty percent (50%) of the annual aggregate net Lottery Ticket Sales from all Lottery Ggames, ~~including Scratch, Jackpot, and multi-state Jackpot.~~
- LL. “Prize Winner” means a natural Person who has signed the back of the winning Lottery Ticket.
- MMEE. “Product” means any goods produced by the Lottery (i.e. Instant Scratch Ticket, In-State Jackpot Ticket, and Multi-State Jackpot Ticket). ~~the specific game type produced by the Colorado Lottery i.e. Scratch, Jackpot or Multi-State.~~
- NN. “Promotional Drawing Guidelines” means guidelines for Promotional Drawings associated with a specific Lottery Game.

~~FF.~~ “Provisional License” means a license issued by the Director which temporarily authorizes a licensee to conduct the sale of lottery tickets pending processing of the license application or renewal.

~~OOGG.~~ “Quick Pick” means a computer generated selection of a number, item, or group of numbers in connection with a ~~multi-state or in-state~~ Jackpot ~~G~~game.

~~PP.~~ “Retailer Business Analyst” means the employee of the Division whose duties include the marketing, selling, handling, and distribution of Lottery Tickets to Licensees.

~~HH.~~ “Scratch Game” means a lottery game which utilizes a Lottery ticket with preprinted play symbols or characters.

~~II.~~ “Settlement” means the time at which a pack of bar coded Scratch tickets is determined to be billable pursuant to Lottery policy.

~~QQ.~~ “Shares” means the total number of matching combinations within each Prize category as determined for each draw.

~~JJ.~~ “Specific Game Playing Rules” means where the term “Playing Rules” and/or “Specific Game Playing Rules” is used it shall, as though set forth verbatim, include the term “Specific Game Playing Rules which are incorporated by reference as though fully set forth herein.”

~~RRKK.~~ “Ticket” means any Lottery ~~T~~ticket approved by the Commission for sale to the general public.

~~LL.~~ “Ticket Bearer” means the person who has signed the Jackpot or Scratch ticket or who has possession of an unsigned Jackpot or Scratch ticket.

~~SS.~~ “Ticket Holder” means a Person who has possession of a Lottery Ticket.

~~TTMM.~~ “Validation” means the process of determining whether a ~~Jackpot or Scratch Lottery T~~ticket presented for payment is a winning ticket.

~~UUNN.~~ “Validation Number” means the number printed on ~~the front of each Jackpot~~ a ~~Lottery T~~ticket that is used for validation.

~~VVOO.~~ “Winning Combination” means ~~one or more digits, numbers or symbol~~the combination of numbers randomly selected during a ~~Certified D~~rawing.

### 1.3 General Rules and Regulations

#### 1.3.1 Ownership of Tickets

A. Until a Lottery Ticket is signed in the area designated, it is a bearer instrument.

B. Each winning Lottery Ticket must be signed by the Prize Winner in the designated area.

C. The Director shall award a Prize to only a natural Person whose signature appears on the ticket in the designated area. Groups, family units, clubs, or organizations must designate one individual as the Claimant and he or she must sign the ticket. Any Prize will be awarded to the Claimant.

D. In the event there is an inconsistency in the information submitted on a claim form and as shown on the winning Lottery Ticket, the Director shall request an investigation and delay the award of a Prize until the Director is satisfied that the proper Person is being paid.

E. Once a Lottery Ticket is validated at a Lottery Claims Center, it will not be returned to the Prize Winner, but will remain the property of the Lottery.

### **1.3.2 Purchaser's Obligations**

A. In purchasing a Lottery Ticket, the purchaser agrees to comply with all provisions of the State Lottery Division, Title 44, Article 40 of the Colorado Revised Statutes, these Rules and Regulations, and all final decisions of the Director.

B. It shall be the sole responsibility of the player to verify the accuracy of the game play or plays and other data printed on his or her ticket.

### **1.3.3 Persons Ineligible to Purchase Tickets**

A. No Person under the age of eighteen (18) may purchase Lottery Tickets.

B. No Lottery Ticket may be purchased by, and no Prize shall be paid to, any of the following:

1. Any member of the Commission;

2. Any employee of the Lottery, except when authorized by the Director for investigative purposes. In no event shall an employee be entitled to payment of a Prize;

3. Any Colorado Lottery gaming vendor, marketing firm, or application provider employee shall purchase or be eligible to receive any Lottery Prize.;

4. Any vendor precluded by its contract with the Lottery;

5. Any Person who operates Drawing equipment during a Lottery Drawing or officially witnesses a Drawing; and

6. Any member of the Immediate Family of items 1, 2, and 5 above.

### **1.3.4 Lost or Stolen Tickets**

The Director reserves the right to withhold award of a Prize, pending the findings of an investigation, when the Lottery Ticket presented for validation has been reported lost or stolen. At the Director's discretion, Lottery Tickets that are determined to be stolen will not be paid.

# DEPARTMENT OF REVENUE

## Colorado Lottery Commission

### 1 CCR 206-1 RULES AND REGULATIONS

#### ~~AMENDED~~ RULE 10 - IN-STATE JACKPOT LOTTERY GAMES

#### ~~Amended Rule 10 General Rules and regulations~~

##### ~~BASIS AND PURPOSE OF AMENDED AND RESTATED RULE 10~~

The purpose for ~~Amended~~ Rule 10 is to provide details and requirements for all Colorado Lottery ~~In-State~~ Jackpot ~~G~~games such as the sale of tickets, payment of ~~p~~Prizes, ~~and the~~ method for selecting and validating winning tickets, ~~as well as to establish the amount of commission for the licensee.~~ The statutory basis for ~~Amended~~ Rule 10 is found in C.R.S. ~~424-4035-1201(5), 424-4035-109208(1)(a) and (2), and 4424-4035-113212., and 44-40-114.~~

##### ~~10.1 Commission to Adopt Specific Rules and Regulations for In-State Jackpot Lottery Games.General Provisions~~

In-State Jackpot ~~Lottery g~~Games ~~are authorized to be~~ will be conducted ~~pursuant to~~ under the following Rules and Regulations and such further instructions and directives as the Colorado Lottery Director and Colorado Lottery Commission may issue ~~in furtherance thereof.~~

For the purposes of this ~~Amended~~ Rule 10 "Jackpot Game" shall mean "~~In-State Jackpot Lottery Games and "Jackpot Ticket" shall mean In-State Jackpot Ticket.~~"

~~To the extent not inconsistent with such specific Rules and Regulations as may be adopted, the following general provisions under this Amended Rule 10 shall apply to each Lottery Jackpot game conducted.~~

##### ~~10.2 Definitions~~

~~In addition Refer to the definitions provided in Rule 1 Section 1.2. Paragraph 1.2 of Rule 1, and unless the context in these Rules and Regulations otherwise requires:~~

- ~~a. "Additional Lottery Prizes" may include cash, merchandise, and/or services as determined by the Director.~~
- ~~b. "Advance Play" means the ability to purchase tickets for more than one consecutive draw with the first draw in the purchase being the current open draw.~~
- ~~c. "Aggregate Limit" means the maximum prize liability established for each drawing for a specified matching combination.~~
- ~~d. "Aggregate Prize Fund" means the maximum percentage of sales for each Jackpot Lottery game approved by the Lottery Commission that may be used to pay prizes in the game.~~
- ~~e. "Automated Draw Machine" (ADM) means the computer operating the certified random number generator software used to select the Jackpot game winning combination.~~

- f. ~~“Certified Drawing” means a drawing which complies with all requirements of C.R.S. 24-35-208(2)(d).~~
- g. ~~“Draw Break” means the period of time sales activity is suppressed and during which no Jackpot Game Tickets may be sold, purchased or validated for the suppressed game(s).~~
- h. ~~“Drawing” means the procedure by which a random selection process of a winning combination of, but not limited to, digits, numbers or symbols, is conducted in accordance with the rules of the game as set forth in Specific Game Playing Rules.~~
- i. ~~“Drawing Guidelines” means the document that outlines the procedure and eligibility requirements for game or promotional drawing.~~
- j. ~~“Drawing Sales Period” means the period of time between ticket sales activation (during which Jackpot Game Tickets may be sold, purchased or validated) and the draw break.~~
- k. ~~“Duplicate Ticket” means a ticket produced by any unauthorized method.~~
- l. ~~“Force Majeure” means an unexpected event (i.e. a natural disaster) that prevents the scheduled completion of an activity.~~
- m. ~~“Indirect Prize Category Contribution” means the difference between the “Aggregate Prize Fund” and actual prize expense that the Director, at his discretion, may authorize to be used to increase prizes or pay additional prizes.~~
- n. ~~“Jackpot Game” means an individual Lottery game as described in specific game playing rules that utilizes a computer system to administer plays and in which a player or the computer system selects a combination of digits, numbers, or symbols. The Lottery will conduct periodic drawings to determine the winning combination(s) in accordance with the Specific Game Playing Rules for each Jackpot game.~~
- o. ~~“Jackpot Game Licensee” means a Lottery Licensee authorized by the Lottery to sell Jackpot Game Tickets. Jackpot Game Licensees shall sell all Lottery games including, but not limited to, instant game tickets offered by the Lottery.~~
- p. ~~“Jackpot Game System” means the computer system(s) consisting of Retailer terminals, central processing equipment, and a communication network utilized to conduct Jackpot games.~~
- q. ~~“Net Sales” means gross sales less cancellations.~~
- r. ~~“Retailer Terminal” means the computer hardware through which Jackpot Game Tickets are generated.~~
- s. ~~“Jackpot Game Ticket” means a computer-generated ticket issued by a Jackpot Game Licensee to a player as a receipt for the combination of digits, numbers, or symbols selected. That ticket shall be the only acceptable evidence of the combination of digits, numbers, or symbols selected. Jackpot Game Tickets may be purchased only from Jackpot Game Licensees.~~
- t. ~~“Player-Selected Item” means a number or item or group of numbers or items selected by a player in connection with a Jackpot game. The number or group of numbers can be selected by a player using a Play Slip or on the behalf of the player by the Licensee manually using the Jackpot Game terminal.~~

- u. ~~“Prize Amounts” means the amount of money payable in each prize category to each share or the annuitized future value of each share in a prize category for each drawing.~~
- v. ~~“Prize Category” means the matching combinations as described in Specific Game Playing Rules.~~
- w. ~~“Prize Expense” means the accrued portion of net sales from all Lottery products that has been paid or obligated for the payment of prizes.~~
- x. ~~“Prize Expense Minimum” refers to C.R.S. 24-35-210 (9) and means the total amount of prize expense must be a minimum of fifty percent (50%) of the annual aggregate net Lottery ticket sales from all games, including instant, Jackpot Game and multi-state games.~~
- y. ~~“Quick Pick” means a number or item or group of numbers or items randomly selected by the Jackpot Game vendor system in connection with a Jackpot game.~~
- z. ~~“Shares” means the total number of matching combinations within each prize category as determined for each draw.~~
- aa. ~~“Specific Game Playing Rules” means the rules that are promulgated to govern separate Jackpot games and shall include, as though set forth verbatim, the term “Specific Game Playing Rules that are incorporated by reference as though fully set forth herein.”~~
- bb. ~~“Ticket Bearer” means the person who has signed the Jackpot Game Ticket or who has possession of an unsigned ticket.~~
- cc. ~~“Validation” means the process of determining whether a Jackpot Game Ticket presented for payment is a winning ticket.~~
- dd. ~~“Validation Number” means the number printed on the front of each Jackpot Game Ticket that is used for validation.~~
- ee. ~~“Winning Combination” means one or more digits, numbers, or symbols randomly selected by the Lottery in a drawing that has been certified.~~
- ff. ~~“PATP Terminal” or “Play at the Pump Terminal” means a gasoline pump having the capability to sell PATP Tickets.~~
- gg. ~~“PATP Ticket” means a Quick Pick Jackpot Game Ticket issued electronically by a Jackpot Game Licensee to a player via a Play at the Pump Terminal, which item or item or group of number or items are electronically associated with the debit card used by the Player to purchase the ticket. The receipt for the purchase of the PATP Ticket is only a receipt for the Player’s records. The receipt does not constitute a Jackpot Game Ticket and shall not be used to redeem any prize.~~
- hh. ~~“PATP Validation” means the process of determining whether a Player’s debit card has a winning Jackpot Game Ticket associated with it.~~

### **10.3 Price of Tickets & Prizes**

- A. The purchase price of each Jackpot Ticket shall be set forth in specific Game Rules.
- B. The Prize amounts or total amount of Prize money allocated to the Prize categories for Jackpot Games shall be set forth in specific Game Rules.



C. In the event the Prize expense is less than the Commission approved Aggregate Prize Fund for specific game, the Director may authorize the difference to be used to increase Prize amounts or pay additional Lottery Prizes for that game.

#### **10.4 Drawings and End of Sales Prior To Drawings**

A. The manner and frequency of Drawings shall be as set forth in specific Game Rules. In the event of a Force Majeure, the Drawing shall be rescheduled at the Director or designee's discretion.

B. Drawings shall be conducted at a location, on days, and at times indicated in the specific Game Rules. Drawing results are not official until verified.

C. The Director shall determine when each Jackpot Game goes into Draw Break before the Drawing. Once a Jackpot Game is in Draw Break, Jackpot Game Terminals will not allow any further purchases for that Drawing.

D. The Lottery shall designate the type of equipment to be used and shall establish procedures to randomly select the Winning Combination for each type of Jackpot Game.

E. An independent auditor, as required in C.R.S. 44-40-109(2)(d), will observe each Jackpot Drawing.

1. The auditor must submit a report in a timely manner that documents compliance or non-compliance to established Drawing procedures. The report must include each discrepancy detected, if any, during the Drawing procedure and recommendations that may strengthen the integrity of the Drawings. The report will become part of the Lottery's Drawing records. Reports that identify a discrepancy and/or propose a recommendation must be distributed to the appropriate Lottery personnel.

2. All Drawing equipment used shall be examined by the auditor located at the In-State Drawing Site within thirty (30) minutes before a Drawing and within thirty (30) minutes after the Drawing.

#### **10.5 Promotional Opportunities**

##### **10.5.1 Use of Bar Codes on Jackpot Tickets**

A. An additional bar code printed on Jackpot Tickets allows for entry into Promotional Drawings through the Lottery Mobile Application.

1. Details for Promotional Drawings, including but not limited to Prizes, Prize Winners, assignment of Prizes, and Prize payment are defined in specific Promotional Drawing Guidelines.

##### **10.5.2. Use of Coupons and Free Tickets**

A. Coupons and free tickets (hereafter referred to as "coupons") are marketing tools used by the Lottery for promotions.

B. All coupons, when used for promotions, must be given to the consumer or public. In the event the Lottery uses a promotional partner to distribute coupons, the promotional partner must ensure all coupons are issued to the consumer or public and any unused coupons are returned to the Lottery.

C. At no time may coupons be sold, used to purchase goods or services, pay off Lottery Debts or reimburse a Licensee for any loss.

D. At no time may a co-promoter, who has received a cash payment from the Lottery or a Lottery Contractor as part of a promotional agreement, use the cash payment to purchase Lottery Tickets for the promotion that the payment funded.

### **10.5.3 Redemption of Bar-Coded Coupons**

The Director may from time to time deem it proper to authorize the use of bar-coded coupons to promote Lottery Products. In the event such use is authorized by the Director, Licensees shall comply with all requirements and restrictions specified on the coupon and shall redeem and exchange bar-coded coupons for Lottery Tickets only and not for cash.

### **10.6 Sale of Tickets**

A. Licensees shall make Jackpot Tickets available for sale to the public between the hours of 4:30 a.m. and 11:59 p.m. MST Monday through Saturday and 8:00 a.m. and 11:59 p.m. MST on Sunday if those hours are included in the Licensee's normal business hours and when the Jackpot Gaming System is available.

B. A Licensee shall sell Jackpot Tickets only at the premises specified in the license.

C. All Jackpot Ticket Sales are final and the return of a Jackpot Ticket after sale shall not be accepted by the Licensee, unless otherwise directed by the Director, or as set forth in section 10.7 or in specific Game Rules.

D. The Lottery itself may sell Jackpot Tickets.

E. A Licensee may be permitted, upon prior approval of the Director or designee, to use Jackpot Tickets as a means of promoting the sale of goods and services to the public.

### **10.3 Sale of Tickets**

~~a. Licensees shall make Lottery Jackpot Game Tickets available for sale to the public between the hours of 4:30 a.m. and 11:59 p.m. Monday through Saturday and 8:00 a.m. and 11:59 p.m. Sunday if those hours are included in the licensee's normal business hours and if the Jackpot Game system is available.~~

~~b. A licensee shall sell Lottery Jackpot Game Tickets only at the premises specified in the license.~~

~~c. All retail Jackpot Game Ticket sales are final and the return of a Lottery Jackpot Game Ticket after sale shall not be accepted by the licensee, unless otherwise directed by the Director or as set forth in Paragraph 10.9 and Paragraph 10.17.d. or as may be set forth in Specific Game Playing Rules.~~

~~d. The Division itself may sell Lottery Jackpot Game Tickets.~~

~~e. Notwithstanding any provision contained in these Rules and Regulations to the contrary, a licensee may be permitted, upon prior approval of the Director or his/her designee, to make gifts of Lottery tickets as a means of promoting the sale of goods and services to the public.~~

### **10.7 Cancellation of Tickets**

A player may cancel a Jackpot Ticket and receive a refund of the purchase price for any draw provided the following criteria are met:

1. The legible Jackpot Ticket is returned to the Retailer from where it was purchased;
2. It is returned within one (1) hour of purchase;
3. The Retailer is open;
4. The Jackpot Gaming System is available for wagering; and
5. The Jackpot Gaming System has not converted to the next Drawing period.

#### **10.7.1 Mutilated or Erroneous Tickets**

Unless the Director is satisfied that a mutilated Jackpot Ticket is genuine, no credit will be issued to the Ticket Holder.

- A. If the Jackpot Ticket is mutilated at the time of purchase, it must meet all criteria listed in section 10.7 above in order to be cancelled.
- B. In the event that the ticket cannot be cancelled at the Jackpot Gaming Terminal, the ticket must be submitted to the Lottery for investigation to determine if credit should be issued.
- C. A ticket submitted to the Lottery for credit becomes the property of the Lottery and the ticket becomes invalid and ineligible for a Prize.
- D. All credits for Jackpot Tickets must be approved by the Director or designee.

#### **10.8 Validation Requirements**

- A. To be a valid winning Jackpot Ticket, all of the following conditions must be met:
  1. All printing on the ticket shall be present in its entirety, be legible, and correspond to the Jackpot Gaming System Record;
  2. The ticket must be intact;
  3. The ticket must not be mutilated, altered, or tampered with in any manner;
  4. The ticket must not be counterfeit or an exact duplicate of another winning ticket;
  5. The ticket must have been issued by an authorized Jackpot Game Licensee in an authorized manner;
  6. The ticket must not have been acquired illegally;
  7. The ticket must not have been canceled or previously paid; and
  8. The ticket must pass all other confidential security checks of the Lottery.
- B. Any ticket failing one of the Validation requirements listed in subsection A. above is invalid and the claimant is ineligible for a Prize.

- C. The Director may authorize award of a Prize for a winning Jackpot Ticket that is partially mutilated or is not intact if the Jackpot Ticket can still be validated by other Validation methods and requirements.
- D. In the event a defective Jackpot Ticket is purchased, the only responsibility or liability of the Lottery or the Licensee shall be the replacement of the defective Jackpot Ticket with another Lottery Product or refund of the purchase price.

### **10.9 Payment of Prizes**

- A. The holder of a winning Jackpot Ticket in the amount of \$150.00 or less may take the ticket to any Licensee location during the Licensee's normal business hours and game operation hours for Validation and payment. The holder of a winning Jackpot Ticket in the amount of \$151.00 to \$599.00 may take the ticket to any Licensee location during the Licensee's normal business hours and game operation hours. Licensees have the option of validating winning Jackpot Tickets in the amount of \$151.00 to \$599.00. All Prizes shall be paid by the Licensee upon presentation and Validation of the ticket pursuant to instructions on the back of the Jackpot Ticket and instructions specified in the specific Game Rule.
- B. A winning Jackpot Ticket in any amount may be mailed or presented to a Lottery Claims Center for payment. The Prizes shall be paid by the Lottery upon presentation and Validation of the ticket pursuant to instructions on the back of the Jackpot Ticket and instructions specified in the specific Game Rule.
- C. The holder of a Prize-Winning Jackpot Ticket of \$600.00 or more shall complete all of the information detailed on the claim form and submit the completed form and ticket by mail or in Person to the Lottery. The Lottery shall pay the Prize upon presentation and Validation of the ticket pursuant to instructions on the back of the Jackpot Ticket and instructions specified in the specific Game Rule. In the event that the intercept program reveals an outstanding obligation for a winner of a Prize, the Prize will not be awarded until the intercept obligation is paid as set forth in C.R.S. 44-40-113(6) and 44-40-114.
1. A Prize Winner, or a Prize Winner's legally authorized representative, shall sign the winning Jackpot Ticket and complete a claim form that is available from any Licensee, Lottery Claims Center, or the Colorado Lottery Website. The claim form shall incorporate the following information:
    - a. Verification that the Prize Winner is not a Person disqualified by law or by these Rules and Regulations to claim or otherwise accept a Prize from the Lottery;
    - b. Notification that the Prize Winner's name, city of residence, and Prize amount are public information. This same notification is given to one signing on behalf of a Prize Winner under a disability that prevents the Prize Winner from signing on his/her own behalf; and
    - c. The Lottery is not liable for any loss caused by a misrepresentation by the Prize Winner or the Person claiming the Prize on the Prize Winner's behalf.
  2. The claim form may contain any other provision that the Director may deem necessary and proper to promote the public interest and trust, and the security and efficient operation of the Lottery.
  3. Payment for a winning ticket will not occur unless all of the requirements on the claim form and winning ticket have been met or an acknowledgement that the information is unknown or unavailable. There is no obligation or duty of the Lottery, its employees or

Licensees, to make any inquiry of the truthfulness of information that appears on the claim form before payment to the Prize Winner.

- D. Payment of Prizes shall be made to the Prize Winner in Person or by mail to the address provided.
- E. All Prizes shall be paid within a reasonable time after they are awarded and after the claims are validated by the Lottery. Any Prize requiring annuitized or installment payments shall be paid as specified in the specific Game Rules.
- F. In the event of the death of a Prize Winner during the payment period and upon the petition of the estate of the Prize Winner (the Estate) to the Lottery, and subject to federal, state or district applicable laws, the Lottery may accelerate the payment of all of the remaining Lottery proceeds to the Estate. If the Lottery makes such a determination, then securities and/or cash held to fund the deceased Prize Winner's annuitized Prize may be distributed to the Estate. The identification of the securities to fund the annuitized Prize shall be at the sole discretion of the Lottery.
- G. The Prize Winner of an annuitized or installment payment Prize in any Jackpot Game who desires to assign the right to unpaid future annuitized or installment payments must comply with C.R.S. 44-40-113(1)(b) and (2). Pursuant to C.R.S. 44-40-113(2)(f), reasonable fees to defray administrative expenses shall be reviewed and approved by the Director on an annual basis.
- H. The Director may delay any payment in order to review a change of circumstances relative to the Prize awarded, the payee, the claim, or any other matter that may have come to their attention. All delayed payments will be paid to date immediately upon the Director's confirmation that the payee is entitled to such payment; any remaining payments shall be paid per the specific Game Rule.
- I. The Director's decision shall be final and binding with respect to the payment of all Prizes.
- J. The Director reserves the right to require a Prize Winner to disclose the location or Person from where the ticket was purchased.
- K. A Prize must be claimed no later than one hundred and eighty (180) days after the Drawing for which the Jackpot Ticket was purchased. Any Person who fails to claim a Prize during the one hundred and eighty (180) day claim period shall forfeit all rights to the Prize and the amount of the Prize shall remain in the Lottery Fund. Prizes claimed by mail must be documented as received at Lottery Headquarters by the one hundred and eightieth (180<sup>th</sup>) day after the announced end-of-game date.
- L. Payment of any Prize shall be made to the holder of the Jackpot Ticket. All liability of the State, its officers and employees, and the Commission shall terminate upon payment.
- M. In the event that the intercept program reveals an outstanding obligation for a Prize Winner, the Prize will not be awarded until the intercept obligation is paid as set forth in C.R.S. 44-40-114(6) and 44-40-114.

#### **10.4 — Payment of Prizes**

- a. The holder of a winning Jackpot Game Ticket in the amount of \$150.00 or less may take the ticket to any licensee location during the licensee's normal business hours for validation and payment. The holder of a winning Jackpot Game Ticket in the amount of \$151.00 to \$599.00 may take the ticket to any licensee location during the licensee's normal business hours where licensees have the option of validating the ticket. All prizes shall be paid by the licensee upon

~~presentation and validation of the ticket pursuant to instructions on the back of the Jackpot Game Ticket and/or pursuant to instructions specified in the Game Guideline.~~

- ~~1. Winning PATP Tickets in the amount of \$1.00 to \$599.00 shall be automatically paid via a deposit to the account associated with the debit card used by the Player to purchase the ticket. Winning PATP Tickets in the amount of \$1.00 to \$599.00 shall not be redeemed in any other manner.~~
- ~~b. Any winning Jackpot Game Ticket in any amount may be mailed or presented to a Lottery claims center for payment, except winning PATP Tickets may not be redeemed by mail. The prizes shall be paid by the Lottery upon presentation and Validation of the ticket or PATP Validation pursuant to instructions on the back of the Jackpot Game Ticket and/or pursuant to instructions specified in the game Guideline.~~
- ~~c. The holder of a prize-winning ticket of \$600.00 or more shall complete all of the information detailed on the Colorado Lottery claim form and submit the completed form and ticket by mail or in person to the Lottery. A Player having a debit card with a winning PATP Ticket associated with it shall present said debit card to the Colorado Lottery for PATP Validation. The Colorado Lottery shall pay the prize to the owner of the ticket upon validation.~~
  - ~~1. A prizewinner, or a prizewinner's legally authorized representative, shall sign the winning Jackpot Game Ticket and complete a claim form that is available from any licensee, Lottery Claim Center or the Colorado Lottery website. The claim form shall incorporate the following information:
    - ~~i. Verification that the prizewinner is not a person disqualified by law or by these Rules and Regulations to claim or otherwise accept a prize from the Lottery;~~
    - ~~ii. Notification that the prizewinner's name, city of residence and prize amount are public information. This same notification is given to one signing on behalf of a Jackpot Game Ticket owner under a disability that prevents the prizewinner from signing in his/her own behalf;~~
    - ~~iii. The Lottery is not liable for any loss caused by a misrepresentation by the Jackpot Game Ticket owner or the person claiming the prize on the winner's behalf.~~~~
  - ~~2. The claim form may contain any other provision that the Lottery Director may deem necessary and proper to promote the public interest and trust or security and efficient operation of the Lottery.~~
  - ~~3. Payment for a winning ticket will not occur unless all of the requirements on the claim form and winning ticket have been met or an acknowledgement that the information is unknown or unavailable. There is no obligation or duty of the Lottery, its employees or licensees, to make any inquiry of the truthfulness of information that appears on the claim form before payment to the claimant.~~
- ~~d. Payment of prizes shall be made to the claimant in person or by mail to the address provided by the claimant.~~
- ~~e. All prizes shall be paid within a reasonable time after they are awarded and after the claims are validated by the Lottery. Any prize requiring annuitized or installment payments shall be paid as specified in the Game Guideline.~~

- ~~f. The Lottery Director may delay any payment in order to review a change of circumstances relative to the prize awarded, the payee, the claim, or any other matter that may have come to their attention. All delayed payments will be paid to date immediately upon the Lottery Director's confirmation that the payee is entitled to such payment; any remaining payments shall be paid per the Game Guideline.~~
- ~~g. The Lottery Director's decision shall be final and binding upon all participants in the game with respect to the payment of all prizes.~~
- ~~h. The Lottery Director reserves the right to require a claimant to disclose the location or person from whom the claimant purchased the ticket.~~
- ~~i. Payment of any prize shall be made to the owner of the Jackpot Game Ticket or their designee. All liability of the State, its officers and employees, and the Commission shall terminate upon payment.~~
- ~~j. In the event that a claim is filed on behalf of a legal entity other than the owner of the ticket for a prize payable for life, the legal entity shall designate an officer or director of that legal entity as the person on whose life such prize is to be paid and shall execute an agreement evidencing such designation. The specific requirements for payment will be detailed in the Game Guideline and/or Specific Drawing Guidelines.~~
- ~~k. In the event that the intercept program reveals an outstanding obligation for a winner of a prize, the prize will not be awarded until the intercept obligation is paid as set forth in 24-35-212(5) and 24-35-212.5.~~
- ~~l. A prize must be claimed no later than one hundred eighty (180) days after the drawing for which the in-state Jackpot Game Ticket was purchased. Any person who fails to claim a prize which is held by the Lottery or its designee during the one hundred eighty (180) day claim period shall forfeit all rights to the prize and the amount of the prize shall remain in the Lottery Fund. Prizes claimed by mail must be documented as received at Lottery Headquarters by the 180th day after the announced end-of game date.~~

#### **10.5 — Redemption of Bar-Coded Coupons**

~~The Director, at his discretion, may from time to time deem it proper to authorize the use of bar-coded coupons to promote Lottery products. In the event such use is authorized by the Director, Licensees shall comply with all requirements and restrictions specified on the coupon and shall redeem and exchange bar-coded coupons for Lottery tickets only and not for cash.~~

#### **10.6 — Use of Coupons, Lottery Bucks, and Free Tickets**

- ~~a. Coupons, Lottery Bucks and free tickets (hereafter referred to as "coupons") are marketing tools used by the Lottery for promotions.~~
- ~~b. All coupons, when used for promotions, must be given to the consumer or public. In the event the Lottery uses a promotional partner to distribute coupons, the promotional partner must ensure all coupons are issued to the consumer or public and any unused coupons are returned to the Lottery.~~
- ~~c. At no time may coupons be sold, used to purchase goods or services, pay off Lottery debts or reimburse a Licensee(s) for any loss.~~

- d. ~~At no time may a co-promoter, who has received a cash payment from the Lottery or a Lottery contractor as part of a promotional agreement, use the cash payment to purchase Lottery tickets for the promotion that the payment funded.~~

#### **10.7 — Payment of Prizes Upon the Death of the Prize Winner**

~~Under no circumstances will the payment of a prize requiring annuitized or installment payments be accelerated before its normal date of payments because of the death of the prize winner. All prizes, or any portion thereof, that shall remain payable at the time of death of the prize winner shall be paid to the estate of such deceased prize winner (in accordance with the last will and testament of the deceased prize winner), unless the Director is directed otherwise pursuant to an appropriate judicial order. If the deceased prize winner died intestate, the payment will be made in accordance with the laws of descent and distribution of intestate property of the jurisdiction of domicile of the deceased prize winner, unless the Director is directed otherwise pursuant to an appropriate judicial order. Upon payment as provided by this Rule, the Division shall be discharged of any further liability.~~

#### **10.8 — Ownership of Tickets**

- a. ~~Until such time as the Jackpot Game Ticket is signed in the area designated, a Lottery Jackpot Game Ticket shall be a bearer instrument, owned by the physical possessor of such ticket.~~
- b. ~~The Director shall only recognize as the true owner of a winning Lottery Jackpot Game Ticket the person whose signature appears upon the ticket in the area designated for said purpose.~~
- c. ~~Jackpot Game Tickets are bearer instruments; therefore, ownership of the ticket is established once a signature is placed on the back of the ticket where indicated. If ownership is questioned, the Division may make payment based upon information submitted to it on an affidavit proving ownership.~~
- d. ~~In the event there is an inconsistency in the information submitted on a claim form and as shown on the winning Jackpot Game Ticket, the Director shall make an investigation and withhold all winnings awarded to the ticket owner or holder until such time as the Director is satisfied that the proper person is being paid.~~
- e. ~~The Director shall only recognize as the true owner of a winning PATP Ticket the person whose bank account is associated with the debit card used to purchase the ticket. In the event there is an inconsistency in the information submitted on a claim form and as revealed in the PATP Validation, the Director shall make an investigation and withhold all winnings awarded to the debit card holder until such time as the Director is satisfied that the proper person is being paid.~~
- e. ~~The Director shall recognize only one (1) person as claimant on an Jackpot Game Ticket. A claim may be made in the name of an organization only if the organization possesses a Federal Employer Identification Number (FEIN) issued by the Internal Revenue Service and such number is shown on the claim form. Groups, family units, clubs, or organizations without an FEIN shall designate one individual in whose name the claim is to be filed. If a claim is erroneously entered with multiple claimants, the claimants shall designate one of them as the individual recipient of the prize, or, if they fail to designate an individual recipient, the Director may designate any one of the claimants as the sole recipient. In either case, the claim shall then be considered as if it were originally entered in the name of the designated individual and payment of any prizes won shall be made to that single individual. Once a Jackpot Game Ticket is validated, it will not be returned to the winner, but remains the property of the Lottery.~~

#### **10.9 — Mutilated or Erroneous Tickets**



~~Unless the Director is satisfied that a mutilated Lottery Jackpot Game Ticket is genuine, no credit will be issued to the holder of said ticket. If the Jackpot Game Ticket is mutilated at the time of purchase, it must be returned to the licensee by the ticket holder within one (1) hour of purchase provided that the licensee is open, the Jackpot Game system is available for wagering and the Jackpot Game system has not converted to the next drawing period. In the event that the ticket cannot be cancelled at the terminal, the ticket must be submitted to the Lottery for investigation to determine if credit should be issued. A ticket submitted to the Lottery by the licensee for credit becomes the property of the Lottery, is invalid and ineligible for a prize. All credits for tickets must be approved by the Lottery Director or designee.~~

#### ~~10.10 — Lost or Stolen Tickets or Lost or Stolen Debit Cards~~

~~The Director reserves the right to hold any prize, pending the findings of an investigation, when the Jackpot Game Ticket presented for validation has been reported stolen or lost. At the Director's discretion, Jackpot Game Tickets that are determined to be stolen will not be paid.~~

#### ~~10.11 — Purchaser's Obligations~~

~~In purchasing an Jackpot Game Ticket, the purchaser agrees to comply with all provisions of the §24-35-201, C.R.S., et seq, these Rules and Regulations, all final decisions of the Director, and all instructions and directives established by the Director for the conduct of Jackpot games.~~

#### ~~10.12 — Persons Ineligible to Purchase Tickets~~

- ~~a. — No person under the age of eighteen (18) may purchase Lottery Jackpot Game Tickets.~~
- ~~b. — No Jackpot Game Ticket shall be purchased by and no prize shall be paid to any of the following:
  - ~~1. — Any member of the Commission;~~
  - ~~2. — Any employee of the Division, except when authorized by the Director for investigative purposes. But, in no event shall such employee be entitled to payment of any prize;~~
  - ~~3. — Any officer, director, or employee of any supplier of Colorado Lottery Jackpot Game Ticket materials or equipment, or the subcontractors thereof that have participated, in any manner, in the supplying of Colorado Lottery Jackpot Game Ticket materials or equipment, except when authorized by the Director for investigative purposes. But, in no event shall any of such persons be entitled to payment of any prize;~~
  - ~~4. — Any vendor precluded by its contract with the Lottery;~~
  - ~~5. — Any member of the immediate family of 1., 2., 3. and 4. above.~~~~
- ~~c. — No person who operates drawing equipment during a drawing or officially witnesses a drawing, and no member of the person's immediate family, shall purchase a ticket or receive a prize for the drawing in which said person operates drawing equipment or witnesses a drawing.~~
- ~~d. — For the purposes of this Rule, "immediate family" shall include any spouse, child, brother, sister, and/or parent residing in the same household of any of the persons specified in Paragraph 10.12.b.~~

#### ~~10.13 — Licensee Commission, Cashing Bonus and Marketing Performance Bonus~~

- ~~a. — Each licensee shall be entitled to receive a commission of six percent (6%) of sales from Jackpot Game Tickets lawfully sold or disbursed by said licensee. Each Licensee having PATP Terminals shall share half of its sales commission with a vendor that administers PATP Ticket~~

~~sales through the PATP Terminals. Vendor that administers the PATP Ticket sales will receive a commission of six percent (6%) of sales from Jackpot Game Tickets lawfully sold or disbursed through PATP Terminals. Vendor will pay licensee a commission of three percent (3%) of sales from Jackpot Game Tickets lawfully sold or disbursed through PATP Terminals.~~

- ~~b. Each licensee shall be entitled to receive a cashing bonus of one percent (1%) of each prize paid by the licensee up to and including \$599. A cashing bonus for an automatically validated winning PATP ticket shall be paid to the vendor administering the sale of the winning PATP Ticket and not the licensee.~~
- ~~c. A Marketing Performance Bonus up to five-tenths of one percent (0.5%) may be earned by licensees that meet the criteria set forth by the Lottery Director or their designee.~~
- ~~d. The requirements of the marketing performance bonus plan to be met by licensees shall be established by the Lottery Director or his/her designee on an annual basis.~~
- ~~e. In order to receive a marketing performance bonus, each licensee must meet the following criteria:
  - ~~1. A licensee must be licensed on the date the marketing performance bonus is declared;~~
  - ~~2. A licensee must sell Jackpot Game Tickets up to and including the final sales day in which the marketing performance bonus is declared;~~
  - ~~3. A licensee must meet or exceed the requirements of the marketing performance bonus plan for the period for which the marketing performance bonus is declared.~~~~
- ~~f. In the event there is a residual resulting from the accrual of the one percent (1%) cashing bonus (10.13.b) and/or the five-tenths of one percent (.5%) marketing bonus (10.13.c) have been expensed, the Lottery Director may provide additional compensation to licensees as described in 10.13.c or may revert the excess amount thereby decreasing the bonus expense.~~

#### ~~10.14 Price of Tickets and Prizes~~

- ~~a. The purchase price of each ticket for Colorado Lottery Jackpot Games shall be set per the Game Guideline. The licensee may be permitted to make gifts of Jackpot Game Tickets as a means of promoting the sale of goods or services to the public upon receipt of prior approval by the Lottery Director.~~
- ~~b. The prize amounts or total amount of prize money allocated to the prize categories for Jackpot games shall be set forth in Specific Game Playing Rules.
  - ~~— In the event the prize expense is less than the Lottery Commission approved "Aggregate Prize Fund" for a specific game, the Director, in his discretion, may authorize the difference to be used to increase Lottery prize amounts or pay additional prizes for that game.~~~~
- ~~c. A vendor administering the sale of PATP Tickets may charge a transaction fee not to exceed \$1.00 per sales transaction. Such transaction fee shall not constitute a change in the purchase price of the ticket.~~

#### ~~10.15 Drawings and End of Sales Prior To Drawings~~

- ~~a. Drawings shall be conducted at a location and on days and at times indicated in the individual game drawing guidelines. Drawing results are not official until verified.~~

~~b. The Director shall determine for each type of Jackpot game the draw break or time for the end of sales prior to the drawings. Jackpot Game Terminals will not process orders for Jackpot Game Tickets for that drawing after the time established by the Director.~~

~~c. The Director shall designate the type of equipment to be used and shall establish procedures to randomly select the winning combination for each type of Jackpot game.~~

#### **10.16 — Number and Size of Prizes**

~~The number and sizes of Jackpot Game cash and non-cash-winning prizes shall be as set forth in the specific game rule and/or specific game drawing guidelines.~~

#### **10.17 — Validation Requirements**

~~a. To be a valid winning Jackpot Game Ticket, all of the following conditions must be met:~~

~~1. All printing on the ticket shall be present in its entirety, be legible, and correspond, using the computer validation file, to the combination and date printed on the ticket.~~

~~2. The ticket shall be intact.~~

~~3. The ticket shall not be mutilated, altered, or tampered with in any manner.~~

~~4. The ticket shall not be counterfeit or an exact duplicate of another winning ticket.~~

~~5. The ticket must have been issued by an authorized Jackpot Game Licensee in an authorized manner.~~

~~6. The ticket must not have been stolen.~~

~~7. The ticket must not have been canceled or previously paid.~~

~~8. The ticket shall pass all other confidential security checks of the Lottery.~~

~~9. In the case of a PATP Ticket, the debit card used to purchase the ticket must be presented. In the event of a lost or stolen debit card, written bank verification that the card was lost or stolen must be presented.~~

~~b. Any ticket failing any validation requirement listed in subsection 10.17.a is invalid and ineligible for a prize. If a court of competent jurisdiction determines that a claim based on a ticket that has failed to validate solely because of subsection 10.17.a. 7. of this section is valid, the claim shall be paid as a prize pursuant to Section 10.4 and Specific Game Playing Rules. The Licensee that canceled or paid such ticket shall indemnify the Lottery for payment of the prize and shall also indemnify the Lottery from any other claim, suit, or action based on that ticket.~~

~~c. The Director may require the payment of the prize for a ticket that is partially mutilated or is not intact if the Jackpot Game Ticket can still be validated by other validation methods and requirements.~~

~~d. In the event a defective Jackpot Game Ticket is purchased, the only responsibility or liability of the Lottery or the Jackpot Game Licensee shall be the replacement of the defective Jackpot Game Ticket with another Jackpot Game Ticket (or a ticket of equivalent sales price from any other current Lottery game).~~

#### **10.18 — Assignment of Prizes**

- a. ~~The winner of an annuitized or installment payment prize in any Jackpot game being paid in annuitized or installment payments who desires to assign the right to unpaid future annuitized or installment payments must comply with C.R.S. 24-35-212(1)(b) and (1.5). Pursuant to C.R.S. 24-35-212 (1.5)(f), reasonable fees to defray administrative expenses shall be reviewed and approved by the Colorado Lottery Director on an annual basis.~~
  
- b. ~~Payment of a prize upon death of a prize winner will not be accelerated before its normal date of payments due to the death of the prizewinner. The remaining portion of the prize shall be paid to the estate in accordance with the last will and testament of the deceased prizewinner, unless overruled by a court of law. If the prizewinner dies without a will, the payment will be made in accordance with the applicable state laws of the deceased prizewinner, unless overruled by a court of law. Once payment is made in accordance with this rule the Lottery will hold no further liability.~~

# DEPARTMENT OF REVENUE

## Colorado Lottery

### 1 CCR 206 - 1 RULES AND REGULATIONS

#### ~~AMENDED~~ RULE 14 MULTI-STATE JACKPOT ~~GAME~~ LOTTERY GAMES

##### BASIS AND PURPOSE OF ~~AMENDED~~ RULE 14

The purpose ~~for of amended Rule~~ULE 14 is to provide details and requirements for all Colorado Lottery ~~M~~ulti-~~S~~tate Jackpot Games conducted as a member of a ~~M~~ulti-~~S~~tate ~~G~~roup, such as the sale of tickets, payment of ~~prize~~Prizes, ~~and the~~ method for selecting and validating winning tickets. The statutory basis for ~~Rule~~ULE 14 is found in C.R.S. ~~24-35-201(5) and (6), 24-35-204(3)(a) and (i), 24-35-208 (1)(a) and (i), and (2), 24-35-212 and 24-35-212.544-40-101(5) and (6), 44-40-104(4)(a), 44-40-109(1)(a) and (h), and (2), 44-40-113 and 44-40-114.-~~

##### 14.1 ~~Commission to Adopt Specific Guidelines for Multistate Jackpot Lottery Games~~General Provisions

Multi-~~s~~State Jackpot ~~Lottery~~ Games ~~will be are authorized to be~~ conducted ~~pursuant to under~~ the following Rules and Regulations and such further instructions and directives ~~as the Colorado Lottery Director may issue in furtherance thereof.~~

For the purposes of this Rule 14 “Jackpot Game” shall mean Multi-State Jackpot Game and “Jackpot Ticket” shall mean Multi-State Jackpot Ticket.

- Aa. All Multi-~~S~~tate Guidelines and Multi-~~S~~tate Board decisions must be approved by the ~~Colorado Lottery (hereafter referred to as Lottery) and the Lottery Commission,~~ prior to implementation ~~within Colorado.~~
- Bb. The Director will be a voting member of the Multi-~~S~~tate Board during the timeframe in which the Lottery ~~shall is be~~ a member of the ~~M~~ulti-~~S~~tate ~~G~~roup.
- Cc. If at any time the ~~Lottery~~ Director determines that any provisions of the ~~M~~ulti-~~s~~State ~~G~~overning ~~R~~ules or of the ~~Multi-State~~multistate specific ~~G~~game-playing ~~R~~ules do not sufficiently provide for the security and integrity necessary to protect the Lottery, the Director shall recommend to the ~~Lottery~~ Commission that the Lottery end its membership with the specified ~~M~~ulti-~~S~~tate ~~G~~roup or ~~G~~game. Upon concurrence by the ~~Lottery~~ Commission, membership can end at any time.
- d. ~~To the extent not inconsistent with such specific Rules and Regulations as may be adopted, the following general provisions under this Rule 14 shall apply to each Lottery Jackpot Game conducted as a member of a multistate group.~~

##### 14.2 Definitions

In addition to the definitions provided in ~~Paragraph section~~ 1.2 of Rule 1, and unless the context in these Rules and Regulations otherwise requires:

- A. “Breakage” means the results of rounding Prize amounts down to the nearest whole dollar.

- B. "Multi-State Agreement" means the document made and entered into by the Party Lotteries, containing the mutual covenants agreed to by the Party Lotteries.
- C. "Multi-State Drawing Procedures" means the document that outlines the procedure and eligibility requirements for a Multi-State Jackpot Game Drawing.
- D. "Multi-State Jackpot Game" means an individual Lottery Game as described in specific Game Rules which utilizes a Jackpot Gaming System to administer plays in which a player or random number generator selects a combination of numbers. The Lottery, in conjunction with all other participating Multi-State Game Members, will either conduct or oversee a Drawing to determine the Winning Combination, used by all Multi-State Game Members, in accordance with the specific Game Rules for each Jackpot Game.
- E. "Multi-State Jackpot Ticket" means a computer-generated ticket issued by a Lottery Licensee (Licensee) to a player as a receipt for the combination of numbers selected in a Jackpot Game. That ticket shall be the only acceptable evidence of the combination of numbers selected. Jackpot Tickets may be purchased only from Lottery authorized Licensees.
- F. "Multi-State Board" means the governing body of a specific Jackpot Game, which is comprised of the chief executive officer of each Party Lottery.
- G. "Multi-State Guidelines" means the statements of policy having authority over an activity in an individual Game.
- H. "MUSL" means the Multi-State Lottery Association.
- I. "Party Lottery" means a State Lottery or Lottery of a political subdivision or entity which has joined a Multi-State Game and, in the context of the Product Group Rules, has joined in selling the specified Jackpot Game.
- J. "Product Group" means a group of Lotteries which have joined together to offer a product pursuant to the terms of the Multi-State Agreement and the group's own rules.~~a. "MULTISTATE AGREEMENT" means the document made and entered into by the Party Lotteries, containing the mutual covenants agreed to by the Party Lotteries.~~
- K. "Roll-over" means the amount from the direct prize category contribution from previous Drawing(s) in the Grand Prize category, that is not won, that is carried forward to the Grand Prize category for the next Drawing.
- L. "Set Prize" means all other Prizes except the Grand Prize and, except in instances outlined in these rules, will be equal to the Prize amount established within the specific Game Rules.
- ~~b. "MULTISTATE JACKPOT GAME" means an individual lottery game as described in specific game playing rules which utilizes a computer system to administer plays and in which a player or the computer system selects a combination of digits, numbers, or symbols. The Lottery, in conjunction with all other participating multistate game members, will either conduct or oversee a drawing to determine the winning combination(s), used by all multistate game members, in accordance with the Specific Game Playing Rules for each multistate Jackpot game.~~
- ~~d. "MULTISTATE JACKPOT GAME TICKET" means a computer-generated ticket issued by an Jackpot Game licensee to a player as a receipt for the combination of digits, numbers or symbols selected in a multistate Jackpot game. That ticket shall be the only acceptable evidence of the~~

~~combination of digits, numbers or symbols selected. Multistate Jackpot Game tickets may be purchased only from Lottery authorized Jackpot Game licensees.~~

- ~~e. "MULTISTATE BOARD" means the governing body of a specific multistate Jackpot game, which is comprised of the chief executive officer of each Party Lottery.~~
- ~~f. "MULTISTATE GUIDELINES" means the statements of policy having authority over an activity in an individual multistate game.~~
- ~~g. "PARTY LOTTERY" means a state lottery or lottery of a political subdivision or entity which has joined a multistate game and, in the context of the Product Group Rules, has joined in selling the specified multistate Jackpot game.~~
- ~~h. "PRODUCT" means any multistate Jackpot game.~~
- ~~i. "PRODUCT GROUP" means a group of lotteries which have joined together to offer a product pursuant to the terms of the Multistate Agreement and the Group's own rules.~~
- ~~j. "PATP TERMINAL" or "Play at the Pump Terminal" means a gasoline pump having the capability to sell PATP Tickets.~~
- ~~k. "PATP TICKET" means a Quick Pick Multistate Jackpot Game Ticket issued electronically by a licensee to a player via a Play at the Pump Terminal, which group of numbers are electronically associated with the debit card used by the Player to purchase the ticket. The receipt for the purchase of the PATP Ticket is only a receipt for the Player's records. The receipt does not constitute a Multistate Jackpot Game Ticket and shall not be used to redeem any prize.~~
- ~~l. "PATP VALIDATION" means the process of determining whether a Player's debit card has a winning Multistate Jackpot Game Ticket associated with it.~~

### **14.3 Price of Tickets & Prizes**

- ~~A. The purchase price of each Jackpot Ticket shall be set forth in specific Game Rules.~~
- ~~B. The Prize amounts or total amount of Prize money allocated to the Prize categories for Jackpot Games shall be set forth in specific Game Rules.~~
- ~~C. In the event the Prize expense is less than the Commission approved Aggregate Prize Fund for a specific game, the Director may authorize the difference to be used to increase Prize amounts or pay additional Lottery Prizes for that game.~~

~~The purchase price of each Multistate Jackpot Game Ticket shall be set forth in Specific Game Playing Rules. A vendor administering the sale of PATP Tickets may charge a transaction fee not to exceed \$1.00 per sales transaction. Such transaction fee shall not constitute a change in the purchase price of the ticket.~~

### **14.4 Drawings and End of Sales Prior To Drawings**

- ~~A. The manner and frequency of Drawings shall be as set forth in specific Game Rules. In the event of a Force Majeure, the Drawing shall be rescheduled at the Director or designee's discretion.~~
- ~~B. Drawings shall be conducted at a location, on days, and at times to be announced. Drawing results are not official until verified.~~

C. The Director shall determine when each Jackpot Game goes into Draw Break before the Drawing. Once a Jackpot Game is in Draw Break, Jackpot Game Terminals will not allow any further purchases for that Drawing.

D. An independent auditor, as required in C.R.S 44-40-109(2)(d), will observe each Jackpot Drawing.

1. All Drawing equipment used shall be examined by the auditor located at the Multi-State Drawing Site within thirty (30) minutes before a Drawing and within thirty (30) minutes after the Drawing.

## **14.5 Promotional Opportunities**

### **14.5.1 Use of Bar Codes on Jackpot Tickets**

A. An additional bar code printed on Jackpot Tickets allows for entry into Promotional Drawings through the Lottery Mobile Application.

1. Details for Promotional Drawings, including but not limited to Prizes, Prize Winners, assignment of Prizes, and Prize payment are defined in specific Promotional Drawing Guidelines.

### **14.5.2 Use of Coupons and Free Tickets**

A. Coupons and free tickets (hereafter referred to as "coupons") are marketing tools used by the Lottery for promotions.

B. All coupons, when used for promotions, must be given to the consumer or public. In the event the Lottery uses a promotional partner to distribute coupons, the promotional partner must ensure all coupons are issued to the consumer or public and any unused coupons are returned to the Lottery.

C. At no time may coupons be sold, used to purchase goods or services, pay off Lottery Debts, or reimburse a Licensee for any loss.

D. At no time may a co-promoter, who has received a cash payment from the Lottery or a Lottery Contractor as part of a promotional agreement, use the cash payment to purchase Lottery Tickets for the promotion that the payment funded.

### **14.5.3 Redemption of Bar-Coded Coupons**

The Director may from time to time deem it proper to authorize the use of bar-coded coupons to promote Lottery Products. In the event such use is authorized by the Director, Licensees shall comply with all requirements and restrictions specified on the coupon and shall redeem and exchange bar-coded coupons for Lottery Tickets only and not for cash.

## **14.6 Sale of Tickets**

A. Licensees shall make Jackpot Tickets available for sale to the public between the hours of 4:30 a.m. and 11:59 p.m. MST Monday through Saturday and 8:00 a.m. and 11:59 p.m. MST on Sunday if those hours are included in the Licensee's normal business hours and when the Jackpot Gaming System is available.



- B. A Licensee shall sell Jackpot Tickets only at the premises specified in the license.
- C. All Jackpot Ticket Sales are final and the return of a Jackpot Ticket after sale shall not be accepted by the Licensee, unless otherwise directed by the Director, or as set forth in section 14.7 or in specific Game Rules.
- D. The Lottery itself may sell Jackpot Tickets.
- E. A Licensee may be permitted, upon prior approval of the Director or designee, to use Jackpot Tickets as a means of promoting the sale of goods and services to the public.

#### **14.4 — Sale of Tickets**

- a. Licensees shall make Multistate Jackpot Game Tickets available for sale to the public during Lottery normal hours of operation of the Jackpot Game gaming system that are within the licensee's normal business hours.
- b. A licensee shall sell Multistate Jackpot Game Tickets only at the premises specified in the license.
- c. All retail Multistate Jackpot Game Ticket sales are final and the return of a Multistate Jackpot Game Ticket after sale shall not be accepted by the licensee, unless otherwise directed by the Director or as set forth in Paragraphs 14.5 of this Rule 14 or as may be set forth in Specific Game Playing Rules.
- d. The Lottery itself may sell Multistate Jackpot Game Tickets.

#### **14.5 — Cancellation of Tickets**

#### **14.7 Cancellation of Tickets**

A Jackpot Ticket may not be cancelled.

##### **14.7.1 Mutilated or Erroneous Tickets**

Unless the Director is satisfied that a mutilated Jackpot Ticket is genuine, no credit will be issued to the Ticket Holder.

- A. If the Jackpot Ticket is mutilated at the time of purchase, the ticket must be submitted to the Lottery for investigation to determine if credit should be issued.
- B. A ticket submitted to the Lottery for credit becomes the property of the Lottery and the ticket becomes invalid and ineligible for a Prize.
- C. All credits for Jackpot Tickets must be approved by the Director or designee.

A Multistate Jackpot Game Ticket cannot be cancelled in any way. Unless the Director is satisfied that a mutilated Multistate Jackpot Game Ticket is genuine, no credit will be issued to the holder.

- a. If the Multistate Jackpot Game Ticket is mutilated at the time of purchase, it must be returned to the licensee by the ticket holder within one (1) hour of purchase provided that the licensee is open, the Multistate Jackpot Game system is available for wagering and the Multistate Jackpot Game system has not converted to the next drawing period.

~~b. Licensees must submit evidence of machine-damaged or non-printed ticket(s) to the Lottery for investigation to determine if credit should be issued. A ticket submitted to the Lottery by the licensee for credit becomes the property of the Lottery and the ticket is invalid and ineligible for a prize. Following an investigation of circumstances, the Director may issue a credit in the amount of the purchase price to the licensee should the claim be deemed genuine.~~

#### **14.8 Validation Requirements**

~~A. To be a valid winning Jackpot Ticket, all of the following conditions must be met:~~

- ~~1. All printing on the ticket shall be present in its entirety, be legible, and correspond to the Jackpot Gaming System Record;~~
- ~~2. The ticket must be intact;~~
- ~~3. The ticket must not be mutilated, altered, or tampered with in any manner;~~
- ~~4. The ticket must not be counterfeit or an exact duplicate of another winning ticket;~~
- ~~5. The ticket must have been issued by an authorized Jackpot Game Licensee in an authorized manner;~~
- ~~6. The ticket must not have been acquired illegally;~~
- ~~7. The ticket must not have been previously paid; and~~
- ~~8. The ticket must pass all other confidential security checks of the Lottery.~~

~~B. Any ticket failing one of the Validation requirements listed in subsection A. above is invalid and the Claimant is ineligible for a Prize.~~

~~C. The Director may authorize award of a Prize for a winning Jackpot Ticket that is partially mutilated or is not intact if the Jackpot Ticket can still be validated by the other Validation methods and requirements.~~

~~D. In the event a defective Jackpot Ticket is purchased, the only responsibility or liability of the Lottery or the Licensee shall be the replacement of the defective Jackpot Ticket with another Lottery Product or refund of the purchase price.~~

#### **14.6 Ownership of Tickets**

~~a. Until such time as the Multistate Jackpot Game Ticket is signed in the area designated, a Multistate Jackpot Game Ticket shall be a bearer instrument, owned by the physical possessor of such ticket.~~

~~b. The Director shall only recognize as the true owner of a winning Multistate Jackpot Game Ticket the person whose signature appears upon the ticket in the area designated for said purpose.~~

~~c. Each winning Multistate Jackpot Game Ticket must have placed thereon the signature of the owner in the area designated for such purpose. The Division may make payment based upon information submitted to it on an affidavit proving ownership.~~

~~d. In the event there is an inconsistency in the information submitted on a claim form and as shown on the winning Multistate Jackpot Game Ticket, the Director shall request an investigation and~~

~~withhold all winnings awarded to the ticket owner or holder until such time as the Director is satisfied that the proper person is being paid.~~

- ~~e. The Director shall only recognize as the true owner of a winning PATP Ticket the person whose bank account is associated with the debit card used to purchase the ticket.~~
- ~~f. The Director shall recognize only one (1) person as claimant of a Multistate Jackpot Game Ticket. A claim may be made in the name of an organization only if the organization possesses a Federal Employer Identification Number (FEIN) issued by the Internal Revenue Service and such number is shown on the claim form. Groups, family units, clubs or organizations without an FEIN shall designate one individual in whose name the claim is to be filed. If a claim is erroneously entered with multiple claimants, the claimants shall designate one of them as the individual recipient of the prize, or, if they fail to designate an individual recipient, the Director may designate any one of the claimants as the sole recipient. In either case, the claim shall then be considered as if it were originally entered in the name of the designated individual and payment of any prizes won shall be made to the single individual. Once a Multistate Jackpot Game Ticket is validated, it will not be returned to the winner, but remain the property of the Lottery.~~

#### **14.7 Purchaser's Obligations**

- ~~a. In purchasing a Multistate Jackpot Game Ticket, the purchaser agrees to comply with all provisions of part 2 of article 35 of title 24, these Rules and Regulations, all final decisions of the Director, all instructions and directives established by the Director, all Multistate Guidelines, which have been approved by the Lottery, and all Multistate Board decisions for the conduct of the Multistate Jackpot Games.~~
- ~~b. It shall be the sole responsibility of the player to verify the accuracy of the game play or plays and other data printed on the ticket. The placing of plays is done at the player's own risk through the licensee, who is acting on behalf of the player in entering the play or plays.~~

#### **14.8 Persons Ineligible to Purchase Tickets**

- ~~a. No person under the age of eighteen (18) may purchase Multistate Jackpot Game Tickets.~~
- ~~b. No Multistate Jackpot Game Ticket may be purchased by, and no prize shall be paid to, any of the following as set forth in C.R.S. 24-35-209:
  - ~~1. Any member of the Commission;~~
  - ~~2. Any employee of the Lottery, except when authorized by the Lottery Director for investigative purposes. In no event shall such employee be entitled to payment of any prize;~~
  - ~~3. Any officer, director or employee of any supplier of Colorado Lottery Multistate Jackpot Game Ticket materials or equipment, or the subcontractors thereof which have participated, in any manner, in the supplying of Colorado Lottery Multistate Jackpot Game Ticket materials or equipment, except when authorized by the Director for investigative purposes. But, in no event shall any such persons be entitled to payment of any prize;~~
  - ~~4. Any vendor precluded by its contract with the Lottery;~~
  - ~~5. Any person who operates drawing equipment during a Multistate Jackpot Game drawing or officially witnesses a drawing;~~~~

- ~~6. Any member of the immediate family as defined in Rule 1-Definitions, of items 1., 2., 3., 4. and 5. above.~~

#### ~~14.9 Drawings and End of Sales Prior to Drawings~~

- ~~a. The manner and frequency of drawings shall be as set forth in Specific Game Playing Rules. In the event of force majeure the drawing shall be rescheduled at the Director's, or the Director's designee, discretion.~~
- ~~b. Drawings shall be conducted at a location and on days and at times to be announced.~~
- ~~c. The Director shall determine for each type of Multistate Jackpot Game the draw break or time for the end of sales prior to the drawings in accordance with Multistate Guidelines. Jackpot Game terminals will not process orders for Multistate Jackpot Game Tickets for that drawing after the time established by the Director.~~
- ~~d. An auditor, as required in C.R.S 24-35-208 (2)(d), will observe each multistate drawing and document compliance or non-compliance to drawing procedures required by the Multistate Board and the Lottery as described in the Lottery's drawing guidelines.~~
- ~~e. The auditor must submit a report after each drawing that documents compliance or non-compliance to established drawing procedures as described in the drawing guidelines. The report must include each discrepancy detected, if any, during the drawing procedure and recommendations, if any that may strengthen the integrity of the drawings. The report will become a part of the Lottery's drawing work papers. Reports that include a discrepancy and/or a recommendation must be distributed to the Lottery Commission, the Director, the Lottery Security Director and the Lottery Controller.~~
- ~~f. All drawing equipment used shall be examined by the auditor located at the multistate drawing site immediately prior to, but no sooner than thirty (30) minutes before, a drawing and immediately after, but no later than thirty (30) minutes following the drawing.~~

#### ~~14.10 Validation Requirements~~

- ~~a. To be a valid winning Multistate Jackpot Game Ticket, all of the following conditions must be met:
  - ~~1. All printing on the ticket shall be present in its entirety, be legible and correspond, using the computer validation file, to the combination and date printed on the ticket.~~
  - ~~2. The ticket shall be intact.~~
  - ~~3. The ticket shall not be mutilated, altered or tampered with in any manner.~~
  - ~~4. The ticket shall not be counterfeit or an exact duplicate of another winning ticket.~~
  - ~~5. The ticket must have been issued by a Colorado authorized Jackpot Game licensee in an authorized manner.~~
  - ~~6. The ticket must not have been stolen.~~
  - ~~7. The ticket must not have been previously paid.~~
  - ~~8. The ticket shall pass all other confidential security checks of the Lottery.~~~~

- ~~9. In the case of a PATP Ticket, the debit card used to purchase the ticket must be presented. In the event of a lost or stolen debit card, written bank verification that the card was lost or stolen must be presented instead.~~
- ~~b. Any ticket failing any validation requirement listed in Section (a) above is invalid and ineligible for a prize. If a court of competent jurisdiction determines that a claim based on a ticket which has failed to validate solely because of subsection (a) (7) of this section is valid, the claim shall be paid as a prize pursuant to Paragraphs 14.11 of this Rule 14 and Specific Game Playing Rules. The licensee that paid such ticket erroneously shall indemnify the Lottery for payment of the prize and from any other claim, suit or action based on that ticket.~~
- ~~c. The Director may pay the prize for a Multistate Jackpot Game Ticket that is partially mutilated or is not intact if the Multistate Jackpot Game Ticket can still be validated by the other validation methods and requirements.~~
- ~~d. In the event a defective Multistate Jackpot Game Ticket, pursuant to paragraph 14.5 of this rule 14, is purchased, the only responsibility or liability of the Lottery or the licensee shall be the replacement of the defective Multistate Jackpot Game Ticket with another Multistate Jackpot Game Ticket (or a ticket of equivalent sales price from any other current Lottery game) or refund of the purchase price.~~

#### **14.9 Payment of Prizes**

- ~~A. The holder of a winning Jackpot Ticket in the amount of \$150.00 or less may take the ticket to any Licensee location during the Licensee's normal business hours and game operation hours for Validation and payment. The holder of a winning Jackpot Ticket in the amount of \$151.00 to \$599.00 may take the ticket to any Licensee location during the Licensee's normal business hours and game operation hours. Licensees have the option of validating winning Jackpot Tickets in the amount of \$151.00 to \$599.00. All Prizes shall be paid by the Licensee upon presentation and Validation of the ticket pursuant to instructions on the back of the Jackpot Ticket and instructions specified in the specific Game Rule.~~
- ~~B. Any winning Jackpot Ticket in any amount may be mailed or presented to a Lottery Claims Center for payment. The Prizes shall be paid by the Lottery upon presentation and Validation of the ticket pursuant to instructions on the back of the Jackpot Ticket and instructions specified in the specific Game Rule.~~
- ~~C. The holder of a Prize-Winning Jackpot Ticket of \$600.00 or more shall complete all of the information detailed on the claim form and submit the completed form and ticket by mail or in Person to the Lottery. The Lottery shall pay the Prize upon presentation and Validation of the ticket pursuant to instructions on the back of the Jackpot Ticket and instructions specified in the specific Game Rule. In the event that the intercept program reveals an outstanding obligation for a winner of a Prize, the Prize will not be awarded until the intercept obligation is paid as set forth in C.R.S. 44-40-113(6) and 44-40-114.~~
- ~~1. A Prize Winner, or a Prize Winner's legally authorized representative, shall sign the winning Jackpot Ticket and complete a claim form that is available from any Licensee, Lottery Claims Center, or the Colorado Lottery Website. The claim form shall incorporate the following information:~~
- ~~a. Verification that the Prize Winner is not a Person disqualified by law or by these Rules and Regulations to claim or otherwise accept a Prize from the Lottery;~~
- ~~b. Notification that the Prize Winner's name, city of residence, and Prize amount are public information. This same notification is given to one signing on behalf of a~~

Prize Winner under a disability that prevents the Prize Winner from signing on his/her own behalf; and

- c. The Lottery is not liable for any loss caused by a misrepresentation by the Prize Winner or the Person claiming the Prize on the Prize Winner's behalf.
  2. The claim form may contain any other provision that the Director may deem necessary and proper to promote the public interest and trust, and the security and efficient operation of the Lottery.
  3. Payment for a winning ticket will not occur unless all of the requirements on the claim form and winning ticket have been met or an acknowledgement that the information is unknown or unavailable. There is no obligation or duty of the Lottery, its employees or Licensees, to make any inquiry of the truthfulness of information that appears on the claim form before payment to the Prize Winner.
- D. Payment of Prizes shall be made to the Prize Winner in Person or by mail to the address provided.
  - E. All Prizes shall be paid within a reasonable time after they are awarded and after the claims are validated by the Lottery. Any Prize requiring annuitized or installment payments shall be paid as specified in the specific Game Rules.
  - F. In the event of the death of a Prize Winner during the payment period, the Multi-State Board's Finance and Audit Committee, in its sole discretion, upon the petition of the estate of the Lottery winner (the Estate) to the Lottery, and subject to federal, state, or district applicable laws, may accelerate the payment of all of the remaining Lottery proceeds to the Estate. If the Finance & Audit Committee makes such a determination, then securities and/or cash held to fund the deceased Prize Winner's annuitized Prize may be distributed to the Estate. The identification of the securities to fund the annuitized Prize shall be at the sole discretion of the Finance and Audit Committee.
  - G. The Prize Winner of an annuitized or installment payment Prize in any Jackpot Game who desires to assign the right to unpaid future annuitized or installment payments must comply with C.R.S. 44-40-113(1)(b) and (2). Pursuant to C.R.S. 44-40-113(2)(f), reasonable fees to defray administrative expenses shall be reviewed and approved by the Director on an annual basis.
  - H. The Director may delay any payment in order to review a change of circumstances relative to the Prize awarded, the payee, the claim, or any other matter that may have come to their attention. All delayed payments will be paid to date immediately upon the Director's confirmation that the payee is entitled to such payment; any remaining payments shall be paid per the specific Game Rule.
  - I. The Director's decision shall be final and binding with respect to the payment of all Prizes.
  - J. The Director reserves the right to require a Prize Winner to disclose the location or Person from where the ticket was purchased.
  - K. A Prize must be claimed no later than one hundred and eighty (180) days after the Drawing for which the Jackpot Ticket was purchased. Any Person who fails to claim a Prize during the one hundred and eighty (180) day claim period shall forfeit all rights to the Prize and the amount of the Prize shall remain in the Lottery Fund. Prizes claimed by mail must be documented as received at Lottery Headquarters by the one hundred and eightieth (180<sup>th</sup>) day after the announced end-of-game date.

L. Payment of any Prize shall be made to the Ticket Holder of the Jackpot Ticket. All liability of the State, its officers and employees, and the Commission shall terminate upon payment.

M. In the event that the intercept program reveals an outstanding obligation for a Prize Winner, the Prize will not be awarded until the intercept obligation is paid as set forth in C.R.S. 44-40-113(6) and 44-40-114.

#### **14.10 Annuity Payments**

The Multi-State Board shall act as an agent for the Party Lotteries jointly operating games requiring annuitized payments and shall purchase investments for the benefit of the Party Lotteries who receive valid claims for each Prize paid as an annuity. The investment purchase process shall be handled according to the Multi-State Game Rules Processes (solicitation of bids, selection of investment, premium payment, etc.). The investment so purchased shall be held in the trust account for the benefit of each Party Lottery for eventual distribution to a Prize Winner.

#### **14.11 Lost or Stolen Tickets**

The Director reserves the right to hold any Prize, pending the findings of an investigation, when the Jackpot Ticket presented for Validation has been reported stolen or lost. At the Director's discretion, Jackpot Tickets that are determined to be stolen will not be paid.

#### **14.12 Audit of Lottery Contributions to the Multi-State Group**

The Lottery is responsible for verifying all Multi-State Group Prize Fund and reserve allocations, interest earnings and expenditures received or paid on behalf of the Lottery. The Lottery's Fiscal Department will perform analytical procedures on the Multi-State Group's audited financial statements annually as set forth in Recommendation #2 of the June 30, 2003 financial audit. If anything of concern surfaces by applying these procedures, the Director and the Lottery Controller will be notified.

#### **14.13 Interest Earnings**

A. The Director shall request the Multi-State Group to distribute all interest earned on the unreserved account on a quarterly basis. If the interest earned on the unreserved account is immaterial, the Director may postpone the distribution request until the end of the fiscal year.

B. At the end of each fiscal year, the Multi-State group shall prepare a schedule of revenues and expenses resulting in the Multi-State Group's net income for the fiscal year. The revenues will include all investment earnings, except the interest earned on the unreserved account. The net income will be available to be distributed to each Party Lottery in accordance with procedures as set forth by the Multi-State Group. The chief executive officer of each Party Lottery shall request the remittance of their proportionate share of net income following the close of the fiscal year.

#### **14.11 Payment of Prizes**

a. The prize amounts or total amount of prize money allocated to the prize categories for multistate Jackpot games shall be set forth in Specific Game Playing Rules.

1. In the event the prize expense is less than the Lottery Commission approved "Aggregate Prize Fund" for a specific game, the Director or designee may authorize the difference to be used to increase Lottery prize amounts or pay additional prizes for that game within the current fiscal year, within the Multistate Guidelines.

b. The holder of a winning multistate Jackpot Game ticket in the amount of \$150.00 or less may take the ticket to any licensee location during the licensee's normal business hours and game

~~operation hours for validation and payment. The holder of a winning multistate Jackpot Game ticket in the amount of \$151.00 to \$599.00 may take the ticket to any licensee location during the licensee's normal business hours and game operation hours. Licensees have the option of validating winning tickets in the amount of \$151.00 to \$599.00. All prizes shall be paid by the licensee upon presentation and validation of the ticket pursuant to instructions on the back of the multistate Jackpot Game ticket.~~

- ~~1. Winning PATP Tickets in the amount of \$1.00 to \$599.00 shall be automatically paid via a deposit to the account associated with the debit card used by the Player to purchase the ticket. Winning PATP Tickets in the amount of \$1.00 to \$599.00 shall not be redeemed in any other manner.~~
  - ~~2. In the event of a lost or stolen debit card that is disabled before a prize is deposited, the Player must contact the vendor that administered the PATP Ticket sale to provide written verification from the Player's bank that the debit card was lost or stolen. Upon receipt of such bank verification, the vendor that administered the PATP Ticket sale shall issue a check to the Player in the amount of the prize.~~
- ~~c. Any winning Multistate Jackpot Game Ticket in any amount may be mailed or presented to a Lottery claims center for payment, except winning PATP Tickets may not be redeemed by mail. The prizes shall be paid by the Lottery upon presentation and validation of the ticket or PATP Validation pursuant to instructions on the back of the Multistate Jackpot Game Ticket.~~
- ~~e. The holder of a prize-winning Multistate Jackpot Game Ticket of \$600.00 or more shall complete all of the information detailed on the Colorado Lottery claim form and submit the completed form and ticket by mail or in person to the Lottery. A Player having a debit card with a winning PATP Ticket associated with it shall present said debit card to the Colorado Lottery for PATP Validation. In the event of a lost or stolen debit card, the Player shall present written verification from the Player's bank that the debit card was lost or stolen. The Colorado Lottery shall pay the prize to the owner of the ticket upon validation. In the event that the intercept program reveals an outstanding obligation for a winner of a prize, the prize will not be awarded until the intercept obligation is paid as set forth in 24-35-212.5.~~
- ~~1. A prizewinner, or a prizewinner's legally authorized representative, shall sign the winning multistate ticket and complete a claim form that is available from any licensee, Lottery Claim Center or the Colorado Lottery website. The claim form shall incorporate the following information:
    - ~~i. Verification that the prizewinner is not a person disqualified by law or by these Rules and Regulations to claim or otherwise accept a prize from the Lottery;~~
    - ~~ii. Notification that the prizewinner's name, city of residence and prize amount are public information. This same notification is given to one signing on behalf of a Multistate Jackpot Game Ticket owner under a disability that prevents the prizewinner from signing in his/her own behalf;~~
    - ~~iii. The Lottery is not liable for any loss caused by a misrepresentation by the Multistate Jackpot Game Ticket owner or the person claiming the prize on the winner's behalf.~~~~
  - ~~2. The claim form may contain any other provision that the Lottery Director may deem necessary and proper to promote the public interest and trust or security and efficient operation of the Lottery.~~



3. ~~Payment for a winning ticket will not occur unless all of the requirements on the claim form and winning ticket have been met or an acknowledgement that the information is unknown or unavailable. There is no obligation or duty of the Lottery, its employees or licensees, to make any inquiry of the truthfulness of information that appears on the claim form before payment to the claimant.~~
- f. ~~Payment of prizes shall be made to the claimant in person or by mail to the address provided by the claimant.~~
- g. ~~All prizes shall be paid within a reasonable time after they are awarded and after the claims are validated by the Lottery.~~
- h. ~~The Lottery Director may delay any payment in order to review a change of circumstances relative to the prize awarded, the payee, the claim, or any other matter that may have come to their attention. All delayed payments will be paid to date immediately upon the Lottery Director's confirmation that the payee is entitled to such payment.~~
- i. ~~The Lottery Director's decision shall be final and binding upon all participants in the game with respect to the payment of all prizes.~~
- j. ~~The Lottery Director reserves the right to require a claimant to disclose the location or person from whom the claimant purchased the ticket.~~
- k. ~~A prize must be claimed no later than 180 days after the drawing for which the Multistate Jackpot Game Ticket was purchased. Any person who fails to claim a prize which is held by the Lottery or its designee during the one hundred eighty (180) day claim period shall forfeit all rights to the prize and the amount of the prize shall remain in the Lottery Fund. Prizes claimed by mail must be documented as received at Lottery Headquarters by the 180th day after the announced end of game date.~~
- l. ~~Payment of any prize shall be made to the owner of the Multistate Jackpot Game Ticket or their designee. All liability of the State, its officers and employees, and the Commission shall terminate upon payment.~~
- m. ~~In the event that a claim is filed on behalf of a legal entity other than the owner of the ticket for a prize payable for life, the legal entity shall designate an officer or director of that legal entity as the person on whose life such prize is to be paid and shall execute an agreement evidencing such designation. The specific requirements for payment will be detailed in the game rule and/or Specific Drawing Guidelines.~~
- n. ~~In the event that the intercept program reveals an outstanding obligation for a winner of a prize, the prize will be awarded based upon C.S.R. 24-35-212(5) and 24-35-212.5.~~

#### ~~14.12 — Lost or Stolen Tickets~~

~~The Director reserves the right to hold any prize, pending the findings of an investigation, when the Multistate Jackpot Game Ticket presented for validation has been reported stolen or lost. At the Director's discretion, Multistate Jackpot Game Tickets, which are determined to be stolen, will not be paid.~~

#### ~~14.13 — Payment of Annuity Prizes upon the Death of the Prize Winner~~

~~In the event of the death of a Lottery winner during the payment period, the Multistate Board's Finance & Audit Committee, in its sole discretion, upon the petition of the estate of the Lottery winner (the 'Estate') to~~

~~the Lottery, and subject to federal, state, or district applicable laws, may accelerate the payment of all of the remaining lottery proceeds to the Estate. If the Finance & Audit Committee makes such a determination, then securities and/or cash held to fund the deceased Lottery winner's annuitized prize may be distributed to the Estate. The identification of the securities to fund the annuitized prize shall be at the sole discretion of the Finance & Audit Committee.~~

#### **14.14—Assignment of Prizes**

~~The winner of an annuitized or installment payment prize in any Multistate Jackpot Game being paid in annuitized or installment payments who desires to assign the right to unpaid future annuitized or installment payments must comply with C.R.S 24-35-212 (1) (b) and (1.5).~~

#### **14.15—Annuity Payments**

~~The Multistate Board shall act as an agent for the Party Lotteries jointly operating games requiring annuitized payments and shall purchase investments for the benefit of the Party Lotteries who receive valid claims for each prize paid as an annuity. The investment purchase process shall be handled according to the Multistate Guidelines (solicitation of bids, selection of investment, premium payment, etc.). The investment so purchased shall be held in the trust account for the benefit of each Party Lottery for eventual distribution to a prizewinner.~~

#### **14.16—Audit of Lottery Contributions To The Multistate Group**

~~The Lottery is responsible for verifying all multistate group prize fund and reserve allocations, interest earnings and expenditures received or paid on behalf of the Lottery. The Lottery's fiscal department will perform analytical procedures on the multistate group's audited financial statements annually as set forth in recommendation #2 of the June 30, 2003 financial audit. If anything of concern surfaces by applying these procedures, the Lottery Director and the Lottery Controller will be notified.~~

#### **14.17—Interest Earnings**

- ~~a. The Director shall request the multistate group to distribute all interest earned on the unreserved account on a quarterly basis. If the interest earned on the unreserved account is immaterial, the Director may postpone the distribution request until the end of the fiscal year.~~
- ~~b. At the end of each fiscal year, the multistate group shall prepare a schedule of revenues and expenses resulting in the multistate group's net income for the fiscal year. The revenues will include all investment earnings, except the interest earned on the unreserved account. The net income will be available to be distributed to each Party Lottery in accordance with procedures as set forth by the multistate group. The Director of each Party Lottery shall request the remittance of their proportionate share of net income following the close of the fiscal year.~~

#### **14.18—Use of Coupons, Lottery Bucks and Free Tickets**

- ~~a. Coupons, Lottery Bucks, and free tickets (hereafter referred to as "coupons") are marketing tools used by the Lottery for promotions.~~
- ~~b. In the event the Lottery uses a promotional partner to distribute coupons, the promotional partner must ensure all coupons are issued to the consumer or public and any unused coupons are returned to the Lottery.~~
- ~~c. At no time may coupons be sold, used to purchase goods or services, pay-off Lottery debts, reimburse a licensee(s) for any loss or used for licensee compensation. Coupons may be used for prizes and/or promotion gifts to consumers and retail employees to promote the Lottery as long as the expense of these are debited to the appropriate budget line.~~

~~d. The Lottery Director may deem it proper to authorize the use of bar coded coupons to promote Lottery Products. In the event such use is authorized, licensees shall comply with all requirements and restrictions specified on the coupon and shall redeem and exchange said bar coded coupons for Lottery tickets only and not for cash.~~

#### ~~14.19 Licensee Commission~~

~~Each licensee shall be entitled to receive a commission of Six Percent (6%) for each Multistate Jackpot Game Ticket lawfully sold or disbursed by said licensee. Licensee having PATP Terminals will share half of its sales commission with a vendor that administers PATP Ticket sales through the PATP Terminals. Vendor that administers the PAPT Ticket sales will receive a commission of six percent (6%) of sales from Jackpot Game Tickets lawfully sold or disbursed through PATP Terminals. Vendor will pay licensee a commission of three percent (3%) of sales from Jackpot Game Tickets lawfully sold or disbursed through PATP Terminals. In addition to said commission, the Director may provide such additional compensation to licensees as is set forth in Specific Game Playing Rules.~~