

031. CRITERIA FOR REVIEW OF RETAILER APPLICATIONS AND CONDUCT OF OPERATIONS

01. Retailers Application. Any person interested in obtaining a contract for a certificate to sell lottery tickets must first file an application on forms provided by the Director. The forms shall include, but are not limited to, an applicant's personal, financial, and criminal history, and an authorization to investigate the applicant's criminal and credit history. (7-1-93)

02. Fees, Procedure and Criteria Precluding Issuing Contract. (7-1-93)

a. All certificate applications must be accompanied by a minimum, nonrefundable, fee of twenty-five dollars (\$25). If a certificate is awarded, an additional, nonrefundable, certificate fee of one hundred dollars (\$100) must be paid. (7-1-93)

b. Certified retailers may apply for a certificate modification to allow the sale of additional lottery products. A current retailer may be required to complete an additional application or application supplements. If a current retailer requests that the existing certificate be modified to allow the sale of additional lottery products, no additional application fee will be charged. (7-1-93)

c. The State Lottery may waive the payment of any certificate fee to facilitate an experimental program or a research project. (7-1-93)

03. Provisional Certifications. (7-1-93)

a. The State Lottery may issue a provisional certificate to an applicant for a lottery certificate after receipt of a fully completed certificate application, the authorization of a complete personal background check, completion of a credit check, and completion of a preliminary background check. The provisional certificate shall expire at the time of issuance of the requested certificate or ninety (90) days from the date the provisional certificate was issued, whichever occurs first, unless the provisional certificate is extended by the lottery. (7-1-93)

b. The following criteria shall preclude the Director from entering into a contract with an applicant. No contract shall be made with an applicant: (7-1-93)

i. Who is under eighteen (18) years of age (7-1-93)

ii. Who will be engaged exclusively in the business of selling tickets; (7-1-93)

iii. Who is an employee of the State Lottery; (7-1-93)

iv. Who is, or is owned or controlled or affiliated with, a supplier of instant tickets or a manufacturer of computer equipment used to operate instant and/or on-line games; (7-1-93)

v. Who is not a resident of this state, or a corporation that is not incorporated in this state or authorized to do business in this state; (7-1-93)

vi. Who has been found to have violated any rule, regulation, or order of the Commission or the Director; (7-1-93)

vii. When any person, firm, association, or corporation other than the applicant will participate in the management of the affairs of the applicant. (7-1-93)

04. Criteria Which May Be Grounds for Refusal. Before contracting with an applicant, the Director shall consider the factors set out below. In considering these factors, the Director shall seek to determine which applicants will best serve the economical and efficient operation of a statewide lottery through their ticket sales. If the facts in respect of a particular applicant which are relevant to any of these factors lead the Director to determine that contracting with the applicant would not so promote the economical and efficient operation of a statewide lottery consonant with the public interest, or would not serve the public interest, convenience, or trust, the Director may deny the application. (7-1-93)

a. The Director shall consider the financial responsibility and security of the person and the person's business or activity. The Director shall consider the person's credit worthiness and integrity in past financial transactions. In this connection, the State Lottery may conduct an investigation into the credit worthiness of the applicant by utilizing the services of a commercial credit reporting agency. The Director shall also consider the physical security of the applicant's place of business to determine that tickets which are sold to the applicant, and the proceeds from ticket sales, will be kept safe. (7-1-93)

b. The Director shall consider the accessibility to the public of an applicant's place of business or activity. The Director's purpose shall be to contract with applicants who have regular contact with significant numbers of persons at the applicant's place of business. Before contracting with any organization that has restricted membership policies, the Director shall determine whether such restrictions are generally acceptable to the public and whether contracting with such groups or organizations would best serve the interests of the State Lottery. (7-1-93)

c. The Director shall consider the sufficiency of existing retailers to serve the public interest. The Director shall seek to maximize total ticket sales by encouraging retailers with the highest potential volume in a particular area or neighborhood. (7-1-93)

d. The Director shall consider the volume of expected sales by the applicant. In determining the anticipated actual sales volume of the applicant, the Director may rely upon the experience and knowledge of the State Lottery's staff as well as any other available professional expertise. The Director should determine that the volume of an applicant's sales will be such that contracting with the applicant will be economically feasible. (7-1-93)

e. The Director shall consider the types of products, services, or entertainment offered at the applicant's place of business. The Director shall determine whether the aforementioned products, services, or entertainment are generally acceptable to the public and whether they bear adversely upon the general credibility, integrity, and reputation of the State Lottery. (7-1-93)

f. The Director shall consider the experience, character, or general fitness of the applicant. Entering into a contract with the applicant must be consistent with the public interest, convenience, and trust. (7-1-93)

g. The Director shall consider the veracity and completeness of the information submitted with the retailer's application. The Director shall consider the criminal history of the applicant and any person whose name is required to be disclosed under Section 67-7412, Idaho Code, of the Idaho State Lottery Act and may refuse to enter into a contract with any applicant when the applicant or such person has been convicted of violating any of the gambling laws of this state, general or local, or has been convicted at any time of any crime other than traffic infraction. (7-1-93)

05. Duplicate Certificate. Upon the loss, mutilation, or destruction of any certificate issued by the lottery, application for a duplicate shall be made. A statement signed by the retailer which details the circumstances under which the certificate was lost, mutilated, or destroyed may be required by the State Lottery. (7-1-93)

06. Reporting Changes in Circumstances of the Retailer. Every change of business structure of a certificated business, such as from a sole proprietorship to a corporation, and every change in the name of a business must be reported to the lottery prior to the change. Substantial changes in the ownership of a certificated business must also be reported to the lottery prior to the change. A substantial change of ownership is defined as the transfer of ten percent (10%) or more equity in the certificated business from or to another single individual or legal entity. If a change involves the addition or deletion of one or more existing owners or officers, the certificate holder shall submit a certificate application reflecting the change and any other documentation the State Lottery may require. All changes will be reviewed by the lottery to determine if the existing certificate should be continued. (7-1-93)

07. Certificate Not a Vested Right. The possession of a certificate issued by the State Lottery to any person to act as a retailer in any capacity is a privilege personal to that person and is not a legal right. The possession of a certificate issued by the State Lottery to any person to act as a retailer in any capacity does not automatically entitle that person to sell tickets or obtain materials for any particular game. (7-1-93)

08. Suspension or Revocation of a Certificate. The State Lottery may suspend or revoke any certificate

issued pursuant to these rules for one or more of the following reasons: (7-1-93)

- a. Failure to meet or maintain the eligibility criteria for certificate application and issuance established by chapter 74, title 67, Idaho Code, or these rules; (7-1-93)
 - b. Violation of any of the provisions of chapter 74, title 67, Idaho Code, these rules, or the certificate terms and conditions; (7-1-93)
 - c. Failure to file any return or report or to keep records required by the State Lottery; (7-1-93)
 - d. Failing to maintain an acceptable level of financial responsibility as evidenced by the financial condition of the business, incidents of failure to pay taxes or other debts, or by the giving of financial instruments which are dishonored; (7-1-93)
 - e. Fraud, deceit, misrepresentation, or other conduct prejudicial to the public confidence in the lottery; (7-1-93)
 - f. If the public convenience is adequately served by other certificate holders, failing to sell a minimum number of tickets as established by the State Lottery; (7-1-93)
 - g. A history of thefts or other forms of losses of tickets or revenue from the business; (7-1-93)
 - h. Violating federal, state, or local law or allowing the violation of any of these laws on premises occupied by or controlled by any person over whom the retailer has substantial control; (7-1-93)
 - i. Obtaining a certificate by fraud, misrepresentation, concealment or through inadvertence or mistake; (7-1-93)
 - j. Making a misrepresentation of fact to the Commission or State Lottery on any report, record, application form, or questionnaire required to be submitted to the Commission or State Lottery; (7-1-93)
 - k. Denying the State Lottery or its authorized representative, including authorized local law enforcement agencies, access to any place where a certificate activity is conducted; (7-1-93)
 - l. failing to promptly produce for inspection or audit any book, record, document, or other item required to be produced by law, these rules, or the terms of the certificate; (7-1-93)
 - m. Systemically pursuing economic gain in an occupational manner or context which is in violation of the criminal or civil public policy of this state if such pursuit creates cause to believe that the participation of such person in these activities is inimical to the proper operation of the authorized State Lottery; (7-1-93)
 - n. Failing to follow the instructions of the State Lottery for the conduct of any particular game or special event; (7-1-93)
 - o. Failing to follow security procedures of the State Lottery for the management of personnel, handling of tickets, or for the conduct of any particular game or special event; (7-1-93)
 - p. Making a misrepresentation of fact to a purchaser, or prospective purchaser, of a ticket, or to the general public with respect to the conduct of a particular game or special event; (7-1-93)
 - q. Allowing activities on the licensed premises which could compromise the dignity of the state. (7-1-93)
09. Surrender of Certificate Upon Revocation. Upon revocation or suspension of a retailer's certificate, the retailer shall surrender to the lottery, by a date designated by the lottery, the certificate and all other lottery property. (7-1-93)

10. Certified Retailers. All lottery retailers shall be certified in the manner provided in these rules. Retailers shall abide by all applicable laws and administrative rules, the terms and conditions of the contract and certificate, and all other directives and instructions issued by the State Lottery. (7-1-93)

11. Requirements for the Sale of Tickets. (7-1-93)

a. Retailers shall be knowledgeable about the State Lottery and lottery products and may be required to take training in the operation of lottery games. Retailers shall make the purchase of tickets convenient to the public. (7-1-93)

b. Tickets shall be sold at the price designated by the State Lottery. Retailers shall not sell tickets for a greater amount than the amount specified by the State Lottery. Retailers may sell tickets for a lesser amount for promotional purposes if authorized by the State Lottery. (7-1-93)

c. No retailer or any employee or member of a retailer shall attempt to identify a winning ticket prior to the sale of the ticket. (7-1-93)

d. Retailers shall pay all prizes which the State Lottery requires retailers to pay during normal business hours at the location designated on the certificate. (7-1-93)

e. Retailers shall not purchase tickets previously sold by the retailer. (7-1-93)

12. Display of Certificate and Other Materials. Retailers shall display the lottery certificate in an area visible to the general public wherever tickets are being sold. Retailers shall also display point-of-sale material provided by the State Lottery in a manner which is readily seen by and available to the public. Retailers may advertise and use or display other appropriate promotional and point-of-sale material. The State Lottery may require the removal of objectionable material or the discontinuance of objectionable advertising which may have an adverse impact on the State Lottery. (7-1-93)

13. Ticket Stamping. On the back of each scratch ticket sold by a retailer, the retailer shall stamp the retailer's name, address, and retailer number in the area provided for retailer identification using the equipment provided by the State Lottery. (7-1-93)

14. Dishonored Checks and Electronic Fund Transfers. Any payment made to the State Lottery by an applicant for a certificate or by a certificated retailer either by a check which is dishonored or by an electronic funds transfer (EFT) which is not paid by the depository, shall be grounds for immediate denial of the application for a certificate or for the suspension or revocation of an existing certificate. The State Lottery may assess a surcharge of ten dollars (\$10) for each dishonored check or EFT. The State Lottery may also alter the payment terms of a retailer's certificate and require a retailer to reimburse the State Lottery for costs which occur as a result of a dishonored check or EFT. (7-1-93)

15. Retailer Identification Card. The State Lottery may issue to each retailer an identification card which must be presented by its authorized representative when taking delivery of tickets. In the event that the identification card is lost or otherwise misplaced or mutilated, the retailer must immediately notify the State Lottery. (7-1-93)

16. Inspection of Lottery Materials and Retailer Premises. Retailers shall allow the State Lottery to enter upon the certificated premises in order to inspect lottery materials, tickets, and the premises. All books and records pertaining to the retailer's lottery activities shall be available to the State Lottery for inspection and copying during the normal business hours of the retailer and between 8 a.m. and 5 p.m., Monday through Friday. All books and records pertaining to the retailer's lottery activities are subject to seizure by the State Lottery without prior notice. (4-18-89)

032. GENERAL INSTANT TICKET GAME OPERATING RULES

01. Instant Games-Authorized-Director's Authority. (7-1-93)

a. The Commission hereby authorizes instant games which meet the criteria set forth in these rules.

- (7-1-93)
- b. The Director is hereby authorized to select, operate, and contract relating to and for the operation of instant games which meet the criteria set forth in these rules. (7-1-93)
02. Definitions. (7-1-93)
- a. "Director" means the Director of the Idaho Lottery or any other person to whom the Director's authority is lawfully delegated. (7-1-93)
- b. "Ticket" means an Idaho instant game ticket. (7-1-93)
- c. "Play Symbols" are the figures printed in approved ink which appear under each of the rub-off spots on the front of the ticket. (7-1-93)
- d. "Ticket Validation Number" is the unique number on the front of the ticket. (7-1-93)
- e. "Play Symbol Caption" is the small printed material appearing below each play symbol which repeats or explains the play symbol. One and only one of these play symbol captions appears under each play symbol. (7-1-93)
- f. "Retailer Validation Code" means the small letters found under the removable rub-off covering over the play symbols on the front of the ticket, which the ticket retailer uses to verify winners of twenty-five dollars (\$25) or less. The letters appear in varying locations beneath the removable rub-off covering and among the play symbols. (7-1-93)
- g. "Book" means a pack of fanfolded instant game tickets which are attached to each other by perforations, which perforations the retailer tears when he/she sells a ticket, and which fanfolded tickets are packed in plastic shrink-wrapping. (7-1-93)
- h. "Book-Ticket Number" is the number printed on the ticket. A game identification number shall be included in the book-ticket number. (7-1-93)
- i. "Instant Ticket Validation Bar Code" means the bar code that enables retailers to validate instant tickets. (7-1-93)
- j. "Boomerang & GVT" means the devices that read the validation bar code. (7-1-93)
- k. "ITA System" means the Instant Ticket Automation system that validates winning instant tickets. (7-1-93)
03. Sale of Tickets. (7-1-93)
- a. No person other than a retailer under a contract for the sale of tickets with the State Lottery may sell lottery tickets except that nothing in this section shall be construed to prevent a person who may lawfully purchase tickets from making a gift of lottery tickets to another. (7-1-93)
- b. Unless authorized by the State Lottery, tickets may not be sold at a location other than the address listed on the Retailer's contract with the State Lottery. (7-1-93)
- c. Nothing in this section shall be construed to prohibit the Commission from designating certain of its agents and employees to sell lottery tickets directly to the public. (7-1-93)
04. Retailer Compensation. (7-1-93)
- a. The compensation paid to Lottery retailers shall be five percent (5%) of the retail price of the tickets or shares. (7-1-93)

b. Instant ticket retailers may be paid a commission of up to one percent (1%) of the tickets sold by the retailer by the director as a bonus to the retailer. The Director may pay lottery game retailers and additional one percent (1%) incentive bonus based on attainment of sales volume or other objectives specified by the Director for each lottery game. (7-1-93)

05. Instant Games Ticket Price. The price of an instant game ticket shall be authorized by the Director. No person may sell a ticket at a price other than that established in accordance with these rules. (7-1-93)

06. Prize Structures. The Director shall provide to all lottery game retailers a detailed tabulation of the estimated number of prizes of each particular prize denomination that are expected to be awarded in each lottery game and the close approximation of the odds of winning such prizes. (7-1-93)

07. Number And Value of Instant Ticket Prizes. Lottery game prize structures, odds of winning, number of tickets, number and value of prizes, play symbol and captions used for validation will not be adopted by administrative rules. Rather, the director shall submit proposed games to the Commission, who shall approve each game's general format prior to the initiation of each game. All instant games shall be conducted in accordance with the rules of the Commission. (7-1-93)

08. Official Start of Game. (7-1-93)

a. Games with a prize structure adopted by the Commission under the above rule may be started at a time selected by the Director. The Director shall publicly announce the starting date of a new game by use of a press release or any other appropriate means. The Director shall also issue game information which includes a description of the game, odds of winning a prize, the number and value of prizes, and the play symbols and captions used for prize validation. (7-1-93)

b. Games using a prize structure other than a prize structure previously approved by the Commission must be approved by the Commission before game tickets can be sold to the public. (7-1-93)

09. Determination of Winners. (7-1-93)

a. Winners of an instant game are determined by the matching or specified alignment of the play symbols on the tickets. The play symbols are revealed by scratching or rubbing off the latex or similar secure material covered spots on the ticket. The ticket bearer must notify the State Lottery of the win and submit the winning ticket to the State Lottery as specified in these rules. The winning ticket must be validated by the State Lottery through use of the validation number or by any other means as specified by the Director. (7-1-93)

b. Unless otherwise provided by game rules, only the highest instant prize amount will be paid on a given ticket. (7-1-93)

c. No portion of the play symbol captions, retailer validation codes, display printing nor any extraneous matter whatever shall be usable or playable as a part of the instant game. (7-1-93)

d. The ticket validation number or any portion thereof is not a play spot and is not usable or playable as such. (7-1-93)

e. In all events, the determination of prize winners shall be subject to the general ticket validation requirements set forth in Subsections 028.15 et seq., 032.11 of these rules set out below, and the requirements set out on the back of each instant game ticket. (7-1-93)

f. The length of operation of an instant game shall be determined by the Director. The start date and closing date of the instant game shall be publicly announced. (7-1-93)

10. Payment of Prizes. The procedures for claiming instant ticket prizes are as follows: (7-1-93)

a. Instant ticket prizes of six hundred dollars (\$600) or less shall be claimed by one of the following

methods: (7-1-93)

i. By presenting the winning ticket to any Lottery retailer. The retailer shall verify the claim and, if acceptable, make payment of the amount due the claimant. In the event the retailer cannot verify the claim, the claimant shall fill out a claim form, which the retailer shall provide, and present the completed form together with the disputed ticket to the Director. If the claim is validated by the Director, a check shall be forwarded to the claimant in payment of the amount due. In the event that the claim is not validated by the Director, the claim shall be denied and the claimant shall be promptly notified. (7-1-93)

ii. A retailer may pay prizes in cash or by business check, or money order, or any combination thereof. A retailer that pays a prize with a check which is dishonored may be subject to suspension or termination of the retailer's contract. (7-1-93)

iii. By bringing the ticket to the Boise lottery office or by completing a claim form and mailing it with the ticket to the Idaho State Lottery, P.O. Box 6537, Boise, Idaho 83707-6537 (registered mail recommended). Claim forms may be obtained from any lottery game retailer or from the Lottery at the following address: 1199 Shoreline Lane, Suite 100, Boise, Idaho 83702. (7-1-93)

b. To claim an instant prize of six hundred dollars (\$600) or more, the claimant must either bring the winning ticket to the Boise lottery office or complete a claim form and mail the completed form together with the winning ticket to the Idaho State Lottery, P.O. Box 6537, Boise, Idaho 83707-6537 (registered mail recommended) (7-1-93)

c. Prizes of six hundred dollars (\$600) or more can be paid only from the Boise lottery office. Upon validation by the Director, a check shall be forwarded to the claimant in payment of the amount due, less any applicable federal income tax withholding. (7-1-93)

d. Any ticket not passing all the validation checks is void and ineligible for any prize and shall not be paid. However, the Director may, solely at the Director's option, replace an invalid ticket with an unplayed ticket (or ticket of equivalent sales price from any other current game). In the event a defective ticket is purchased, the only responsibility or liability of the State Lottery shall be the replacement of the defective ticket with another unplayed ticket (or ticket of equivalent sale price from any other current game). (7-1-93)

e. All prizes shall be paid within a reasonable time after they are awarded and after the claims are verified by the Director. For each prize requiring annual payments, all payments after the first payment shall be made on the anniversary date of the first payment in accordance with the type of prize awarded. The Director may, at any time, delay any payment in order to review a change of circumstances relative to the prize awarded, the payee, the claim, or any other matter that may have come to his or her attention. All delayed payments will be brought up to date immediately upon the Director's confirmation and continue to be paid on each original anniversary date thereafter. (7-1-93)

11. Ticket Validation Requirements. Besides meeting all of the other requirements in these Rules or as may be printed on the back of each instant game ticket, the following validation requirements will apply with regard to instant game tickets: (7-1-93)

a. To be a valid instant game ticket, all of the following requirements must be met: (7-1-93)

i. The ticket must have been issued by the Director in an authorized manner. (7-1-93)

ii. The ticket must not be altered, unreadable, or tampered with in any manner. (7-1-93)

iii. The ticket must not be counterfeit in whole or in part. (7-1-93)

iv. The ticket must not be stolen nor appear on any list of omitted tickets on file with the State Lottery. (7-1-93)

v. The ticket must be complete and not blank or partially blank, miscut, misregistered, defective, or

printed or produced in error. (7-1-93)

vi. Under the opaque covered play area, the ticket must have play symbols and the correct corresponding captions, exactly one pack-ticket number, exactly one agent verification code, and exactly one validation number as required by each approved set of game rules. They must be present in their entirety, legible, right-side up, and not reversed in any manner. (7-1-93)

vii. The validation number of an apparent winning ticket shall appear on the State Lottery's official list of validation numbers of winning tickets; and a ticket with that validation number shall not have been previously paid. (7-1-93)

viii. The ticket must pass all additional confidential validation requirements established by the Director. (7-1-93)

b. Any ticket not passing all the validation checks in this part is void and ineligible for any prize and shall not be paid. However, the Director may, solely at the Director's option, replace an invalid ticket with an unplayed ticket (or tickets of equivalent sales price) from any other current Lottery game. In the event a defective ticket is purchased, the only responsibility or liability of the Lottery shall be the replacement of the defective ticket with another unplayed ticket (or ticket of equivalent sales price from any other current Lottery game). (7-1-93)

c. The Director may authorize reconstruction of an alleged winning ticket which was not received and/or cannot be located by the State Lottery. Provided, the person requesting reconstruction submits to the State Lottery sufficient evidence to enable reconstruction and that they have submitted a claim for the prize, if any, for that ticket. If the reconstructed ticket is a winning ticket and meets the validation requirements contained in subsection 032.11.a. of this section and specific validation requirements contained in the rules for its specific game, the Director may authorize payment of the prize. Provided, the ticket shall not be validated nor the prize paid prior to the one hundred eighty-first day following the official end of that instant game. A ticket(s) validated pursuant to this subsection shall not entitle the claimant entry into the grand prize drawing, if any, for that or any subsequent instant game. (7-1-93)

12. Prize Rights Unassignable. No right of any person to a prize drawn shall be assignable, except that payment of any prize drawn may be paid to the estate of a deceased prize winner, and except that any person pursuant to an appropriate judicial order may be paid the prize to which the winner is entitled. The Director shall be discharged of all liability upon payment of a prize pursuant to this rule. (7-1-93)

13. Payment of Prizes to Persons Under Eighteen (18) Years of Age. In the event a person entitled to a prize for any winning ticket is under the age of eighteen (18) years, the Director may direct payment of the prize by delivery, to an adult member of the minor's family or a guardian of the minor, of a check or draft payable to the adult member of the minor's family or the minor's guardian. The person so named as custodian shall have the same duties and powers as a person designated as a custodian in accordance with Idaho law and, for purposes of this section, the term "adult member of a minor's family" and "guardian of a minor" shall have the same meaning as in the Idaho Gifts to Minors Law. The Director shall be discharged of all liability upon payment of a prize to a minor pursuant to this rule. (7-1-93)

14. Prizes Payable after Death or Disability of Owner. (7-1-93)

a. All prizes or a portion thereof which remain unpaid at the time of the prize winner's death shall be payable to the duly qualified Personal Representative of his/her estate, once the Director is satisfied that such payment is lawful and proper. The Director may rely wholly on the presentment of certified copies of a court's appointment of a Personal Representative or any other evidence of a person entitled to the payment of any prize winnings when due. (7-1-93)

b. The payment to the estate of the deceased owner of any prize winnings by the State Lottery shall absolve the State Lottery and its representatives of any further liability for payment of said prize winnings. The State Lottery need not look to the payment of the prize winnings beyond the payee thereof. The Director reserves the right to petition any court of competent jurisdiction to request a determination for the payments of any prize winnings which are or may become due the estate of a deceased owner or an owner under a disability because of, but not

limited to, under age, mental deficiency, physical or mental incapacity. If the legatee(s) or heir(s) of a deceased owner entitled to prize winnings obtains an order from a court of competent jurisdiction directing payments due and to become due from the State Lottery to be paid directly to said legatee(s) or heir(s) or otherwise directing the State Lottery to make payments to another in the event of an owner's disability or otherwise, the State Lottery shall pay the prize winnings accordingly. (7-1-93)

15. **Governing Law.** In purchasing a ticket, the customer agrees to comply with, and abide by, the Idaho law, and all rules and regulations and final decisions of the State Lottery, and all procedures and instructions established by the State Lottery or the Director for the conduct of the game. (7-1-93)

16. **Discharge of All Liability Upon Payment.** The State of Idaho, its agents, officers, employees, and representatives, the State Lottery, its Director, agents, officers, employees and representatives, shall be discharged of all liability upon payment of a prize or any one installment thereof to the holder of any winning lottery ticket or in accordance with the information set forth on the claim form supplied by the Director. If there is a conflict between the information on a winning lottery ticket and the information on the claim form, the State Lottery may rely on the claim form after the ticket for which it has been filed has been validated as a winning ticket and, in so doing, it will be relieved of all responsibility and liability in the payment of a prize in accordance with the information set forth therein. The State Lottery's decisions and judgments in respect to the determination of a winning ticket or of any other dispute arising from payment or awarding of prizes shall be final and binding upon all participants in the State Lottery unless otherwise provided by law or these Rules. In the event a question arises relative to the winning ticket, a claim form, the payment, or the awarding of any prize, the State Lottery may deposit the prize winnings into an escrow fund until it determines the controversy and reaches a decision, or it may petition a court of competent jurisdiction for instructions and a resolution of the controversy. (7-1-93)

17. **Unclaimed Prize Money.** Any prize not claimed within the specified period shall be forfeited and thereafter placed into the State Lottery Account. (7-1-93)

18. **Disclosure.** The State Lottery may use the names, addresses, and photographs of winners in any State Lottery promotional campaign. The address used shall not contain the street or house number of the winner without the winner's consent. (7-1-93)

19. **Confidentiality of Tickets.** No retailer or its employees or agents shall attempt to ascertain the numbers or symbols appearing in the designated areas under the removable latex or similar secure coverings or otherwise attempt to identify winning tickets. (7-1-93)

20. **Official End of Game.** (7-1-93)

a. The official end of an instant game shall be announced by the state lottery. Prizes may be claimed up to 180 days after the official end of the game. In the event the final day of the claim period falls on a weekend or an official state holiday, the claim period will be extended to the end of the next business day. A player may submit a winning ticket claim for prize payment up to one hundred eighty (180) days after the official end of the game. Depending on the prize amount, the ticket should be submitted to the location specified in Rule Subsection 032.10, "Payment of Prizes." To participate in one of the State Lottery's special drawings, if any, a player must redeem a ticket which qualifies for entry into that special drawing within the time limits specified by the Director. (7-1-93)

b. A retailer must return to the State Lottery unsold lottery tickets for each game within ninety (90) days of the official end of that game in order to receive credit from the State Lottery as provided for in retailer's contract. The State Lottery has no obligation to grant credit for tickets returned after the time limit specified by the Director. (4-18-89)

033. RULES FOR STATE LOTTERY'S TELEVISION GAME SHOW

01. **Purpose.** The rules contained herein set forth the general guidelines for the conduct of a State Lottery television game show. These rules are being adopted by the Commission for prospective application. (7-1-93)

02. **Player Entry.** (7-1-93)

- a. A player who purchases and claims an instant ticket with the correct and approved number of symbols for eligibility to the television game show on it, each with the correct caption below it, automatically becomes eligible for entry to the television game show. (7-1-93)
- b. The player shall follow the directions for submitting the winning ticket to the State Lottery contained on the back of the ticket, including providing all identification materials required. (7-1-93)
- c. A winning television game show ticket can only be redeemed at the Boise lottery office, either in person or by mail (registered mail recommended). (7-1-93)
- d. Upon validation of a winning ticket, the player shall receive any prize provided by the particular game rules. Arrangements for participation in the television game show may be made by the State Lottery staff. (7-1-93)
- e. After a player has claimed his or her prize, a State Lottery representative will contact the player to schedule the player's appearance on the game show. The Director will determine the total number of players per show and on which game show a player will appear. (7-1-93)
- f. From the total number of players scheduled to appear on a show, a number of contestants will be selected at random to participate in the television game. The remaining players will make up the game show audience. (7-1-93)
03. Appointment of a Proxy. (7-1-93)
- a. Upon approval of the Director, a player may select a proxy to appear on the player's behalf at the game show. (7-1-93)
- b. If a player is unable or fails to show at the scheduled date and time for appearance on the game show, the Director reserves the right to appoint a proxy to appear on the show on behalf of the player. (7-1-93)
- c. If a player appears at the location for the game show under the influence of intoxicants, or is a player the Director deems inappropriate, the Director reserves the right to appoint a proxy to appear on the show on behalf of the player. (7-1-93)
- d. A proxy shall not be entitled to any prizes won by the proxy on behalf of a player. (7-1-93)
04. Description of Game. (7-1-93)
- a. The television game show format will be determined by the Director and approved by the Commission and is played through the use of an approved game mechanism. (7-1-93)
05. Playing Rules. (7-1-93)
- a. The television game show rules will be determined by the Director. In general, the game is played by five (5) contestants for a certain number of play rounds. The first round starts with the first contestant drawn from the audience; the second round starts with the second player drawn; and so forth. (7-1-93)
- b. During each play round, each of the contestants has an opportunity to play the game. Each contestant plays a game round within a period of time determined by the Director. (7-1-93)
- c. After the completion of all play rounds, the contestant with the most money in his/her bank earns the right to play for the grand prize. If two (2) or more contestants end with the same amount of money as the most money won after all play rounds, these contestants play a tie breaker round. (7-1-93)
06. Grand Prize Round. (7-1-93)

a. The contestant who has accumulated the most money shall be given the opportunity to win an additional amount of prize money. The Director shall determine the actual game show mechanism to be used to provide the contestant the opportunity to win the grand prize. (7-1-93)

b. Regardless of the choices and the outcome of those choices made during the grand prize round, the contestant shall receive the money accumulated in his/her bank prior to the grand prize round. (7-1-93)

07. Audience Participation. (7-1-93)

a. The players in the audience shall divide equally an amount that is identical to the total of all the money in the contestants' banks. Any money won in the grand prize round is not added to the contestants' banks for the purpose of calculating the audience prizes. Notwithstanding the total value of the money in the contestants' banks, each player in the audience is guaranteed to receive a prize. Any cash prize amount awarded to players in the audience shall be rounded up to the nearest five dollars (\$5). (7-1-93)

b. Each of the game contestants is guaranteed to win at least the same amount of money as each member of the player audience. (7-1-93)

08. Prize Reserve. Funding for the television game show prizes will come from a prize reserve established for this purpose. The following moneys shall be credited to this reserve: (7-1-93)

a. One percent (1%) of instant ticket sales; (7-1-93)

b. The prize share of interest income and other nonticket distributable income; (7-1-93)

c. Three percent (3%) of Lotto sales up to a weekly amount of fifty thousand dollars (\$50,000). (7-1-93)

09. Television Game Show Home Play. To be eligible for entry into the State Lottery's "Home Play" drawing an entrant must: (7-1-93)

a. Be eligible to win a prize pursuant to the statutes and rules governing the operation of the Idaho State Lottery. (7-1-93)

b. Collect five (5) valid non-winning instant game tickets. A valid non-winning ticket is a ticket which meets all the requirements of these rules and regulations but which does not otherwise qualify for any other prize established by the State Lottery's administrative rules. (7-1-93)

c. Complete the back of at least one (1) of the five (5) ticket with the entrant's name, address, and telephone number. An entry containing more than one (1) name shall be disqualified. (7-1-93)

d. Place the five (5) tickets in a plain white envelope no larger than 4-1/8" x 9-1/2". An envelope which contains extraneous material, or which has had the exterior altered for the apparent sole purpose of making the envelope more prominent, shall be disqualified. (7-1-93)

e. Mail the envelope with proper postage to the P.O. Box designated by the Director. (7-1-93)

f. There is no limit to the number of entries a person may submit, but each entry must be submitted in a separate envelope and both the entry and the entrant of each must meet the qualifications set forth above. (7-1-93)

g. Entries must be received by 5 p.m. on the day before the preliminary drawing to be eligible to participate in that week's drawing. The Director shall establish the date of the preliminary drawing. Entries received after the deadline shall be entitled to participation in the next home play drawing. The Director reserves the right to place an entry which was entitled to, but which was not entered into a drawing, into a subsequent preliminary drawing. (7-1-93)

h. A non-conforming entry or an entry which contains one (1) or more stolen tickets shall be

disqualified by the Director. (7-1-93)

i. The State Lottery shall not be responsible for any other material, including winning tickets, mailed or delivered to the home play drawing. All mail becomes the property of the Idaho State Lottery and shall not be returned. All entries not drawn shall be destroyed without being opened on the day of the preliminary drawing. (7-1-93)

j. The Director shall establish and approve the procedures for the selection of entrants into the weekly drawing. The drawing shall be open to the public and be witnessed by an independent certified public accountant. (7-1-93)

k. The Director shall determine the number of entries drawn each week who shall become home play contestants. Each Home Play contestant shall be matched with an on-air contestant. (7-1-93)

l. The Director shall determine the number of entries drawn each week who shall become players on a future Money Game television show. (7-1-93)

m. The odds of being drawn as a home play contestant or future Television Game Show player are dependent on the number of entries received by the State Lottery each week. (7-1-93)

n. Notwithstanding the requirements of this rule, the Director reserves the right to waive minor informalities. The determination of what constitutes an informality shall reside solely with the Director. (7-1-93)

034. ON-LINE COMPUTER GAMES.

01. On-Line Games-Authorized-Director's Authority. The Commission hereby authorizes the Director to select and operate on-line games which meet the criteria set forth in these rules. (7-1-93)

02. Definitions. (7-1-93)

a. "On-line Game." A lottery game in which a player selects a combination of numbers or symbols, the type of game and amount of play, and the drawing date(s) by use of a computer. In return for paying the appropriate fee, the player receives a computer-generated ticket with the player's selection printed on it. The State Lottery or it's designee will conduct a drawing to determine the winning combination in accordance with the rules of the specific game being played. Each ticket bearer whose valid ticket includes a winning combination shall be entitled to a prize if claim is submitted within the specified time period. (7-1-93)

b. "On-line Retailer." A person or business authorized by the State Lottery to sell on-line tickets. (7-1-93)

c. "On-line Terminal (OLT)." The computer hardware by which an on-line retailer or player enters the combination selected by the player and by which on-line tickets are generated and claims are validated. (7-1-93)

d. "On-line Ticket." A computer-generated ticket issued by an on-line terminal to a player as a receipt for the combination a player has selected. That ticket shall be the only acceptable evidence of the combination of numbers or symbols selected. (7-1-93)

e. "Drawing." The procedure determined by the Director by which the State Lottery selects the winning combination in accordance with the rules of the game. Drawings are open to the public, and are required to be witnessed by an independent certified public accountant. Furthermore, the equipment used in any drawing must be inspected by the independent certified public accountant and the Director of Security or his designee both before and after the drawing. All drawings and inspections are required to be recorded on both video and audio tape. (7-1-93)

f. "Winning Combination." One or more numbers or symbols randomly selected by the State Lottery or it's designee in a public drawing. (7-1-93)

g. "Validation." The process of determining whether an on-line ticket presented for payment is a

- winning ticket. (7-1-93)
- h. "Ticket Bearer." The person who has signed the on-line ticket or who has possession of an unsigned ticket. (7-1-93)
03. Distribution of Tickets. (7-1-93)
- a. Tickets will be sold by retailers selected by the Director. (7-1-93)
- b. The Director is authorized to arrange for the distribution of OLTs, PATs, ticket stock, and supplies to certificated retailers. (7-1-93)
04. Sale of Tickets. (7-1-93)
- a. No person other than a retailer under a contract for the sale of tickets with the State Lottery may sell on-line lottery tickets except that nothing in this section shall be construed to prevent a person who may lawfully purchase tickets from making a gift of lottery tickets to another. (7-1-93)
- b. Tickets may not be sold at a location other than the address listed on the Retailer's contract with the State Lottery. (7-1-93)
- c. Nothing in this section shall be construed to prohibit the Director from designating certain of its agents and employees to sell lottery tickets directly to the public. (7-1-93)
05. On-Line Games Criteria. (7-1-93)
- a. The base price of an on-line ticket shall not be less than fifty cents (\$.50), except to the extent of discounts authorized by the Commission. (7-1-93)
- b. The price for a ticket in any particular on-line game will be set out in the game rules adopted by the Commission for that game. No person may sell a ticket at a price other than that established in accordance with these rules. On the average, the total of all prizes available to be won in an on-line game shall not be less than forty-five percent (45%) of the on-line game's projected revenue. (7-1-93)
- c. The manner and frequency of drawings may vary with the type of on-line game. (7-1-93)
- d. The times, locations, and drawing procedures shall be determined by the Director. (7-1-93)
- e. A ticket bearer entitled to a prize shall submit the winning ticket as specified by the Director. The winning ticket must be validated by the State Lottery or an on-line retailer through use of the validation number and any other means as specified by the Director. (7-1-93)
06. Payment of Prizes. (7-1-93)
- a. To claim an on-line game prize of less than six hundred dollars (\$600) the claimant may present the winning on-line ticket to any on-line retailer, or to the Boise lottery office: (7-1-93)
- i. If the claim is presented to an on-line retailer, the on-line retailer shall validate the claim and, if determined to be a winning ticket, make payment of the amount due the claimant. If the on-line retailer cannot validate the claim, the claimant may obtain and complete a claim form and submit it with the disputed ticket to the State Lottery by mail or in person. Upon determination that the ticket is a winning ticket, the State Lottery shall present or mail a check to the claimant in payment of the amount due. If the ticket is determined to be a non winning ticket, the claim shall be denied and the claimant shall be promptly notified. Non winning tickets will not be returned to the claimant. (7-1-93)
- ii. If the claim is presented to the Boise lottery office, the claimant may be required to complete a claim form regardless of the prize amount and submit it with the winning ticket, either by mail or in person. Upon

determination that the ticket is a winning ticket, the State Lottery shall present or mail a check to the claimant in payment of the amount due, less any withholding required by the Internal Revenue Code. If the ticket is determined to be a non winning ticket, the claim shall be denied and the claimant shall be promptly notified. Non winning tickets will not be returned to the claimant. (7-1-93)

b. To claim an on-line prize of six hundred dollars (\$600) or more, the claimant shall obtain and complete a claim form and submit it with the winning ticket to the Boise lottery office in Boise by mail or in person. Prizes of six hundred dollars (\$600) or more can only be paid from the Boise lottery office. Upon determination that the ticket is a winning ticket, the State Lottery shall present or mail a check to the claimant in payment of the amount due, less any withholding required by the Internal Revenue Code. The amount due shall be calculated according to the rules adopted for the particular on-line game. If the ticket is determined to be a non-winning ticket, the claim shall be denied and the claimant shall be promptly notified. Non winning tickets will not be returned to the claimant. (7-1-93)

c. All prizes must be claimed within one hundred eighty (180) days from the drawing in which the prize was won. In the event the final day of the one hundred eighty (180) day period falls on a Sunday or a state holiday, the claim period will be extended to the end of the next business day. Any prize not claimed within the specified period shall be forfeited and thereafter placed into the State Lottery account. (7-1-93)

07. Drawings and End of Sales Prior to Drawings. (7-1-93)

a. Drawings shall be conducted in a location and at days and times designated by the Director. (7-1-93)

b. For each type of on-line game, the Director shall establish a time prior to the drawing for the end of sales. (7-1-93)

c. The Director shall designate a Drawing Manager who shall oversee each drawing. The Drawing Manager shall attest whether the drawing was conducted in accordance with proper drawing procedures at the end of each drawing. (7-1-93)

d. 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 on-line game. Drawing procedures shall include provisions for the substitution of backup drawing equipment in the event the primary drawing equipment malfunctions or fails for any reason. (7-1-93)

e. The equipment used to determine the winning combination shall not be electronically or otherwise connected to the central computer or to any tapes, discs, files, etc., generated or produced by the central computer. The equipment shall be tested prior to and after each drawing to assure proper operation and lack of tampering or fraud. Drawings shall not be held until all preinspection checks are completed. No prizes shall be paid until after all post-inspection checks have been completed. (7-1-93)

f. All drawings shall be broadcast live on television provided the facilities for such broadcasts are available and operational and can be done at a reasonable cost. (7-1-93)

g. The Director shall establish procedures governing the conduct of drawings for each type of on-line game. The procedures shall include provisions for deviations which include but are not limited to: (7-1-93)

i. Malfunction of the drawing equipment before determination of the winning combination; (7-1-93)

ii. Video and/or audio malfunctions during the drawing; (7-1-93)

iii. Fouled drawing; (7-1-93)

iv. Delayed drawing; and (7-1-93)

v. Other equipment, facility and/or personnel difficulties. (7-1-93)

h. In the event a deviation occurs, the drawing will be completed under the supervision of the State Lottery or its designee. The drawing shall be videotaped for later broadcast, if broadcast time is available. The winning combination will be provided to the television network for dissemination to the public. (7-1-93)

i. If, during any live-broadcasted drawing for a game, a mechanical failure or operator error causes an interruption in the selection of all numbers or symbols, a "foul" shall be called by the State Lottery Drawing Manager or the State Lottery's designee. Any number drawn prior to a "foul" being called will stand and be deemed official after passing inspection and certification by the Drawing Manager or the State Lottery's designee. (7-1-93)

j. The Director shall delay payment of all prizes if any evidence exists or there are grounds for suspicion that tampering or fraud has occurred. Payment shall be made after an investigation is completed and the drawing approved by the Drawing Manager or the State Lottery's designee. If the drawing is not approved, it shall be void and another drawing will be conducted to determine the actual winner. (7-1-93)

08. Validation Requirements. (7-1-93)

a. To be a valid winning on-line ticket, all of the following conditions must be met: (7-1-93)

i. All printing on the ticket shall be present in its entirety, be legible, and correspond, using the computer validation file, to the combination and the date printed on the ticket. (7-1-93)

ii. The ticket shall be intact. (7-1-93)

iii. The ticket shall not be mutilated, altered, or tampered with in any manner. (7-1-93)

iv. The ticket shall not be counterfeit or an exact duplicate of another winning ticket. (7-1-93)

v. The ticket must have been issued by an authorized on-line retailer or dispensed by a player-activated terminal in an authorized manner. (7-1-93)

vi. The ticket must not have been stolen or cancelled. (7-1-93)

vii. The ticket must not have been previously paid. (7-1-93)

viii. The ticket shall pass all other confidential security checks of the State Lottery. (7-1-93)

b. Any ticket failing any of the validation requirements listed above is invalid and ineligible for a prize. The final decision on whether a prize is paid will be made by the Director. (7-1-93)

c. In the event of a dispute between the Director and a claimant as to whether a ticket is a winning ticket, and if the Director determines that the ticket is not valid and a prize is not paid, the Director may replace the disputed ticket with a ticket of equivalent sales price for a future drawing of the same type of game. This shall be the sole and exclusive remedy of the claimant. (7-1-93)

d. In the event a defective on-line ticket is purchased, the only responsibility or liability of the State Lottery or the on-line retailer shall be the replacement of the defective on-line ticket with another on-line ticket of equivalent value for a future drawing of the same type of game. (7-1-93)

09. Retailer Duties. (7-1-93)

a. The following duties shall be performed by retailers with an on-line terminal (OLT): (7-1-93)

i. Pay costs associated with providing a telephone line connection that must be located within approximately five feet of where the terminal is to be located as specified by the State Lottery. Payment of the telephone line connection is nonrefundable after installation except in the event the State Lottery denies, through no fault of retailer, the installation of the on-line terminal. (7-1-93)

- ii. Pay the State Lottery for the local monthly telephone charges per OLT as specified by the State Lottery. The State Lottery will pay for the mileage charges between the retailer's location and the State Lottery's central site. (7-1-93)
- iii. Hold funds generated from the sale of on-line tickets in trust for the State Lottery. At a time specified by the State Lottery, retailer shall pay these funds to the State Lottery plus the monthly communications charge specified above in Subsection 034.09.a.ii., less: (7-1-93)
- (1) Prizes paid; and (7-1-93)
- (2) Any credit(s); and (7-1-93)
- (3) The retailer discount. (7-1-93)
- iv. Locate the OLT within the retailer's premises at a point-of-sale location approved by the State Lottery. The retailer shall not move an OLT unless the retailer follows the procedures established by the Director, including reimbursing the State Lottery for any telephone or radio charges associated with the change of OLT location if the retailer requested the change. (7-1-93)
- v. Provide dedicated AC power to within approximately five (5) feet of where the terminal is to be located. Dedicated AC power means that there is no other equipment on the line that is to be utilized for the on-line terminal. The retailer is responsible for all costs associated with providing this dedicated AC power. A schematic of outlet requirements will be provided to the retailer's electrical contractor. (7-1-93)
- vi. Sell all lottery games, including but not limited to instant game tickets offered by the State Lottery. Retailer agrees to continue the sale of instant tickets from all cash registers or other points of purchase. (7-1-93)
- vii. Conduct the sale of on-line tickets during all hours and days that the retailer's business is open and the on-line system is functioning. Retailer shall post the hours that redemption of winning tickets takes place if these hours are different from the retailer's normal business hours. Retailer shall monitor supply levels and give timely notice when any item is in short supply. (7-1-93)
- viii. Post winning numbers prominently where tickets are sold as soon as possible following the drawing. (7-1-93)
- ix. Provide secure storage for OLT supplies and a secure area for the OLT. (7-1-93)
- x. Exercise due diligence in the operation of the OLT and immediately notify the State Lottery and the central computer facility of any telephone line, radio, or OLT malfunction, such as the issuance of invalid on-line lottery ticket(s); inability to sell or redeem an on-line ticket; and non-issuance of an on-line ticket. The retailer shall not perform mechanical or electrical maintenance on the OLT. (7-1-93)
- xi. Replace ribbons and on-line or instant ticket stock and clear paper jams as required for the OLT per the instructions provided by the State Lottery. (7-1-93)
- xii. Pay, without reimbursement, all electricity charges in connection with the operation of OLT. (7-1-93)
10. Payment of Prizes by On-Line Retailers. (7-1-93)
- a. An on-line retailer shall pay to the ticket bearer on-line games prizes of less than six hundred dollars (\$600) for any validated claims presented to that on-line retailer. These prizes shall be paid during all normal business hours of that on-line retailer, unless redemption hours different from normal business hours have been posted as per Rule Subsection 034.09, provided, the on-line system is operational and claims can be validated. (7-1-93)

b. An on-line retailer may pay prizes in cash or by business check, certified check, or money order, or any combination thereof. An on-line retailer that pays a prize with a check which is dishonored may be subject to suspension or termination of its contract. (7-1-93)

11. Retailer Compensation. The compensation paid to on-line State Lottery retailers shall be as follows: (7-1-93)

a. A discount of five percent (5%) shall be applied to on-line tickets sold from a clerk-activated terminal (CAT); (7-1-93)

b. A discount of five percent (5%) shall be applied to on-line tickets sold from a player-activated terminal (PAT); (7-1-93)

c. The Director may pay lottery game retailers an additional one percent (1%) incentive bonus based on attainment of sales volume or other objectives specified by the Director for each lottery game. (7-1-93)

12. Retailer Settlement. (7-1-93)

a. On-line retailers specified by the Director shall establish an account for deposit of monies derived from on-line games with a financial institution that has the capability of electronic funds transfer (EFT). (7-1-93)

b. The amount deposited shall be sufficient to cover monies due the State Lottery. The State Lottery will withdraw by EFT the amount due the State Lottery on the day specified by the Director. In the event the day specified for withdrawal falls on a state holiday, withdrawal will be accomplished on the next following business day. (7-1-93)

13. Prizes Rights Unassignable. No right of any person to a prize drawn shall be assignable, except that payment of any prize drawn may be paid to the estate of a deceased prize winner, and except that any person pursuant to an appropriate judicial order may be paid the prize to which the winner is entitled. The Director shall be discharged of all liability upon payment of a prize pursuant to this rule. (7-1-93)

14. Payment of Prizes to Persons Under eighteen (18) Years of Age. In the event a person entitled to a prize for any winning ticket is under the age of eighteen (18) years, the Director may direct payment of the prize by delivery to an adult member of the minor's family or a guardian of the minor a check or draft payable to the adult member of the minor's family or to the minor's guardian. The person so named as custodian shall have the same duties and powers as a person designated as a custodian in accordance with Idaho Law and for purposes of this section the term "adult member of a minor's family" and "guardian of a minor" shall have the same meaning as in the Idaho Gifts to Minors Law. The Director shall be discharged of all liability upon payment of a prize to a minor pursuant to this rule. (7-1-93)

15. Prizes Payable After Death or Disability of Owner. (7-1-93)

a. All prizes or a portion thereof which remain unpaid at the time of the prize winner's death shall be payable to the duly qualified Personal Representative of his/her estate, once the Director is satisfied that such payment is lawful and proper. The Director may rely wholly on the presentment of a certified copy of a court's appointment of a Personal Representative or any other evidence of a person entitled to the payment of any prize winnings when due. (7-1-93)

b. The payment to the estate of the deceased owner of any prize winnings by the State Lottery shall absolve the State Lottery and its representatives of any further liability for payment of said prize winnings. The State Lottery need not look to the payment of the prize winnings beyond the payee thereof. The Director reserves the right to petition any court of competent jurisdiction to request a determination for the payment of any prize winnings which are or may become due the estate of a deceased owner or an owner under a disability because of, but not limited to, under age, mental deficiency, physical or mental incapacity. If the legatee(s) or heir(s) of a deceased owner entitled to prize winnings obtains an order from a court of competent jurisdiction directing payments when and to become due from the State Lottery to be paid directly to said legatee(s) or heir(s) or otherwise directs the State Lottery to make payments to another in the event of an owner's disability or otherwise, the State Lottery shall pay the prize winnings

accordingly. (7-1-93)

16. Discharge of State Lottery Upon Payment. The State of Idaho, its agents, officers, employees and representatives, the State Lottery, its Director, agents, officers, employees and representatives shall be discharged of all liability upon payment of a prize or any one installment thereof to the holder of any winning lottery ticket or in accordance with the information set forth on the claim form supplied by the Director. If there is a conflict between the information on a winning lottery ticket and the information on the claim form, the State Lottery may rely on the claim form after the ticket for which it has been filed has been validated as a winning ticket and, in so doing, it will be relieved of all responsibility and liability in the payment of a prize in accordance with the information set forth therein. The State Lottery's decisions and judgments in respect to the determination of a winning ticket or of any other dispute arising from payment or awarding of prizes shall be final and binding upon all participants in the State Lottery unless otherwise provided by law or these rules. In the event a question arises relative to the winning ticket, a claim form, the payment, or the awarding of any prize, the State Lottery may deposit the prize winnings into an escrow fund until it determines the controversy and reaches a decision, or it may petition a court of competent jurisdiction for instructions and a resolution of the controversy. (7-1-93)

17. Discharge. The State Lottery may use the names, addresses, and photographs of winners in any State Lottery promotional campaign. The address used shall not contain the street or house number of the winner without the consent of the winner. (4-18-89)

035. BREAKOPEN INSTANT TICKET GAMES

The Commission hereby authorizes the Director to select and operate breakopen instant ticket games which meet the criteria set forth in these rules. (7-1-93)

01. Definitions. (7-1-93)

a. "Breakopen Instant Ticket" means a single folded or banded ticket or a card, the face of which is initially covered or otherwise hidden from view to conceal numbers and/or symbols, a few of which numbers or symbols have been designated in advance and at random as prize winners when, for the opportunity to obtain each such folded or banded ticket or card, view the numbers or symbols thereon and possibly obtain a prize, a person pays an established price to a breakopen instant ticket retailer. (7-1-93)

b. "Authorized Dispensing Device" means any machine, or mechanism designed for use of vending or dispensing of breakopen instant tickets. Such device may include mechanical, electrical, electro-mechanical or other devices approved by the Director of the Lottery pursuant to Rule Section 028. (7-1-93)

c. "Breakopen Instant Ticket Retailer" means any person who has been approved, certified and contracted with by the Lottery to sell breakopen instant tickets. (7-1-93)

d. "Breakopen Instant Ticket Vendor" means any person who produces and provides breakopen instant tickets to the Lottery. (7-1-93)

e. "Distributor" means any person who purchases or otherwise obtains authorized dispensing devices for use in breakopen instant ticket games from any person and sells or otherwise furnishes such device to another person for the resale of or the display or operation of that device. (7-1-93)

i. As used in these rules, the term "distributor" shall include a person who services and repairs authorized dispensing devices, so long as the person performing such servicing or repairs is approved by the distributor or distributor's representative, and makes no addition to, or modification or alteration of, the authorized device. (7-1-93)

ii. A manufacturer who sells or otherwise furnishes such authorized device not manufactured by him to any other person for resale or for display or operation of that authorized device is also a "distributor." (7-1-93)

f. "Distributor's Representative" means any natural person who represents a distributor in any of their activities in connection with the sale or furnishing of authorized dispensing device for use in breakopen instant ticket activities. (7-1-93)

g. "Manufacturer" means any person who assembles from raw materials or subparts a completed authorized dispensing device or pieces of the authorized device for use in breakopen instant ticket activities and who sells or otherwise furnishes the same to any distributor or retail outlet. (7-1-93)

h. "Manufacturer's representative" means any person who represents a manufacturer in any one of the manufacturer's activities in connection with the sale or furnishing of authorized dispensing device for use in breakopen instant ticket activities. (7-1-93)

i. "Flare" means a vendor provided informational sign which, as a minimum, displays the prize structure, the serial number of the sleeve in play, the odds of winning a prize and the price of the ticket. (7-1-93)

j. "Box" means a group of breakopen instant tickets with the same unique serial number. (7-1-93)

k. "Sleeve" is a portion of a box; and is the smallest unit offered. (7-1-93)

l. "Breakopen Instant Ticket Game" means a group of breakopen instant ticket boxes with the same thematic design and prize structure. (7-1-93)

02. Breakopen Instant Ticket Special Inspection. The Director or authorized representative shall have the authority to select any breakopen instant ticket sleeve and examine the quality and/or integrity of the breakopen instant ticket sleeve in any manner, including pulling all chances remaining thereon: Provided, that if the sleeve so inspected is thereby altered by such inspection in any manner and no defect, alteration, deceptive condition, or other violation is discovered, then the owner shall be reimbursed by the Lottery at the owner's cost for the sleeve or portion thereof, and the sleeve shall become the property of the Lottery. Provided further, that for each sleeve inspected which is found to be defective in any area related to a vendor's quality control deficiency, a fee may be assessed by the Director against the vendor of the breakopen instant ticket. (7-1-93)

03. Breakopen Instant Ticket Operation. (7-1-93)

a. No person under the age of eighteen (18) years of age shall be allowed to play or sell any breakopen instant tickets. It shall be the responsibility of the retailer to determine that no unauthorized person is allowed to play or sell breakopen instant tickets. (7-1-93)

b. No retailer shall permit the display or operation of any breakopen instant ticket which may have in any manner been marked, defaced, tampered with or otherwise placed in a condition, or operated in a manner, which may deceive the public or which affects the chances of winning or losing upon the taking of any chance thereon. (7-1-93)

c. All records, reports, receipts and any unsold tickets relating to a breakopen instant ticket sleeve must be retained on the retailer premises at least ninety (90) days after the sleeve is removed from play and must be made available on demand to representatives of the Idaho Lottery. (7-1-93)

04. Breakopen Instant Ticket Price Per Play To Be Posted. No breakopen instant ticket sleeve shall be placed out for public play unless the cost to the player for each ticket is clearly posted on the flare. The price per ticket shall be determined by the Director. (7-1-93)

05. Claiming of Prizes. Prizes must be redeemed on the same day as purchased at the location where the winning ticket was purchased and it shall be awarded in cash or by check. (7-1-93)

06. Limitation on Breakopen Instant Ticket Dispensing. (7-1-93)

a. No ticket once placed in an authorized dispensing device out for public play shall be removed from the authorized device until the sleeve is permanently removed from public play, except only: (7-1-93)

a. Those tickets actually played by consumers, (7-1-93)

- b. Those tickets removed by representatives of the Lottery inspecting the device or sleeve and, (7-1-93)
- c. Those tickets temporarily removed during necessary repair or maintenance of the device. Excepting only tickets removed under Subsections 035.06.b. and 035.06.c. of this section, once a ticket has been removed from public play it shall not again be put out for public play. (7-1-93)
07. All Devices Must Comply with Requirements. No retailer shall display or put out for play, and no distributor or manufacturer or their representatives shall sell or otherwise furnish any device for the dispensing of breakopen instant tickets, unless such device is approved for use by the Director of the Lottery, thereby making it an authorized device. (7-1-93)
- a. No person shall sell or transfer to another person in this state, or for use within this state, or shall place out for public play any device for the dispensing of breakopen instant tickets not so constructed as to allow a consumer to clearly see each ticket within the device prior to playing the device. (7-1-93)
- b. No person shall put out for public play any device for the dispensing of breakopen instant tickets which is not so constructed as to provide for at least one (1) sleeve in play in the device. (7-1-93)
- c. No person shall put out for public play any device for the dispensing of breakopen instant tickets which is designed, used, or constructed, in a matter that detracts from the breakopen instant tickets or is deceptive in any way as determined by the Director. (7-1-93)
08. Breakopen Instant Ticket Series Assembly and Packaging. Vendors of breakopen instant ticket games shall manufacture, assemble and package each game sleeve in such a manner that none of the winning tickets, nor the location or approximate location of any of the winning tickets can be determined in advance of opening the tickets in any manner or by any device, including but not limited to any pattern in manufacture, assembly, packaging or markings. All breakopen instant ticket games must be approved and will be distributed and sold exclusively by the Idaho Lottery. The Lottery may adopt quality control standards for the manufacture of breakopen instant ticket games. (7-1-93)
09. Standards for Flares. The flare advertising prizes available from the operation of any sleeve of breakopen instant tickets shall: (7-1-93)
- a. Be placed near or upon the upper face, or on the top, of any authorized device used to dispense breakopen instant tickets in a manner clearly visible to the public; and (7-1-93)
- b. Clearly set out each of the prizes available and the combination of numbers or symbols which win prizes. (7-1-93)
- c. Each flare describing the prizes and winning number or symbols for a sleeve of breakopen instant tickets in play shall clearly set out the sleeve number assigned to that sleeve by the vendor. The sleeve number will be placed upon the flare by the vendor. (7-1-93)
- d. The total number of tickets originally in the sleeve will be placed upon the flare by the vendor. (7-1-93)
10. Prize Structure: The Director shall establish a prize structure detailing the estimated number of prizes that are expected to be awarded in each sleeve and the close approximation of the odds of winning such prizes. (7-1-93)
11. Retailers Eligible to Sell Breakopen Tickets. Any person interested in obtaining a contract for a certificate to sell lottery tickets must first file an application on forms provided by the Director. The forms shall include, but are not limited to, an applicant's personal, financial, and criminal history, and an authorization to investigate the applicant's criminal and credit history. (7-1-93)
12. Retailer Application and Fee. All applications to sell breakopen instant tickets must be

accompanied by a nonrefundable fee of twenty-five dollars (\$25). If a certificate is awarded to sell only breakopen instant tickets, no additional certificate fee must be paid. (7-1-93)

13. Certificate Modification. (7-1-93)

a. Certified instant ticket retailers may apply for a certificate modification to allow for the sale of breakopen instant tickets. A current instant ticket retailer will be required to complete an additional application or application supplements. If a current instant ticket retailer requests that the existing certificate be modified to allow for the sale of breakopen instant tickets, no additional application fee will be charged upon approval. (7-1-93)

b. Certified breakopen instant ticket retailers may apply for a certificate modification to allow for the sale of instant tickets. A current breakopen instant ticket retailer will be required to complete an additional application or application supplements. If a current breakopen instant ticket retailer requests that the existing certificate be modified to allow for the sale of instant tickets, an additional certificate fee of one hundred dollars (\$100) will be charged upon approval. (7-1-93)

14. Retailer Compensation. (7-1-93)

a. The compensation paid to Lottery retailers shall be five percent (5%) of the retail price of the breakopen instant tickets. (7-1-93)

b. The Director may pay lottery game retailers an additional one percent (1%) incentive bonus based on attainment of sales volume or other objectives specified by the Director for each lottery game. (7-1-93)

036. -- 999. (RESERVED)