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 games such as the sale of tickets, payment of prizes, 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. 24-35-201(5), 24-35-208(1)(a) and (2), and 24-35-212.

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

In-State Jackpot Lottery games are authorized to be conducted under the following Rules and Regulations and such further instructions and directives as the Director may issue in furtherance thereof. For the purposes of this Amended Rule 10 “Jackpot Game” shall mean “In-State Jackpot Lottery Games”.

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 to the definitions provided in 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).
“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.

“Drawing Guidelines” means the document that outlines the procedure and eligibility requirements for game or promotional drawing.

“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.

“Duplicate Ticket” means a ticket produced by any unauthorized method.

“Force Majeure” means an unexpected event (i.e. a natural disaster) that prevents the scheduled completion of an activity.

“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.

“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.

“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.

“Jackpot Game System” means the computer system(s) consisting of Retailer terminals, central processing equipment, and a communication network utilized to conduct Jackpot games.

“Net Sales” means gross sales less cancellations.

“Retailer Terminal” means the computer hardware through which Jackpot Game tickets are generated.

“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. 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.

“Player-Selected Item” means a number or item or group of numbers or items selected by a player in connection with an 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.

“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.

“Prize Category” means the matching combinations as described in Specific Game Playing Rules.

“Prize Expense” means the accrued portion of net sales from all Lottery products that has been paid or obligated for the payment of prizes.
“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.

“Quick Pick” means a number or item or group of numbers or items random selected by the Jackpot Game vendor system in connection with an Jackpot game.

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

“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.”

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

“Validation” means the process of determining whether an Jackpot Game ticket presented for payment is a winning ticket.

“Validation Number” means the number printed on the front of each Jackpot Game ticket that is used for validation.

“Winning Combination” means one or more digits, numbers, or symbols randomly selected by the Lottery in a drawing that has been certified.

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.

10.4 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.
b. Any winning Jackpot Game 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 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. 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 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 an 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

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.

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.

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.

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.

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.