

RULE 3 - GENERAL RULES AND REGULATIONS

BASIS AND PURPOSE FOR RULE 3

The purpose of Rule 3 is to establish and provide the general rules and regulations for Lottery Products, including the Purchase, price and payment of Lottery Products. The statutory basis for Rule 3 is found in C.R.S. 44-40-103, 44-40-104, 44-40-107, C.R.S. 44-40-109, and Article 40 of Title 44.

3.1 Ownership of Tickets not Sold Through Registered Play

- A. A Lottery Ticket that is not sold through Registered Play is a bearer instrument until signed by the Claimant in the area designated on the Ticket.
- B. Lottery Tickets not sold through Registered Play must be signed by the Prize Winner in order to collect a Prize.
- C. For Lottery Tickets not sold through Registered Play, the Director shall award a Prize only to a natural Person whose signature appears on the Ticket in the designated area. Groups, family units, clubs, or organizations must designate one individual as the Claimant and he or she must sign the Ticket. A Prize will be awarded only to the Claimant.
- D. In the event there is an inconsistency between in the information submitted on a claim form and as shown on the winning Lottery Ticket, the Director shall delay the award of a Prize pending investigation of the inconsistency.
- E. Once a Lottery Ticket not sold through Registered Play is presented and Validated at a Lottery Claims Center, it will not be returned to the Prize Winner, and will remain the property of the Lottery.

3.2 Player's Obligations

- A. In purchasing a Lottery Ticket, the Player agrees to comply with all provisions of the Act, Lottery Rules and Regulations and all final decisions, instructions, and directives of the Director.
- B. It shall be the sole responsibility of the Player to verify the accuracy of the game play or plays and other data printed on his or her Ticket.

3.3 Sale of Tickets

- A. A Retailer shall Sell authorized Lottery Products on the Licensed Premises pursuant to the terms and conditions of the Retailer Agreement and the Lottery Rules and Regulations.
- B. Retailers shall Sell Jackpot Tickets to the public during their regular business hours between the hours of 4:30 a.m. and 11:59 p.m. MST Monday through Saturday and 8:00 a.m. and 11:59 p.m. MST on Sunday if those hours are included in the Retailer's normal business hours and when the Gaming System is available.
- C. Retailers shall make Instant Scratch Tickets available for Sale to the public during the Retailer's normal business hours which shall be identified on their application for licensure.
- D. All Ticket Sales are final and the return of a Lottery Ticket after Sale shall not be accepted by the Retailer, unless otherwise directed by the Director, or as set forth in these Rules and Regulations.
- E. The Division may Sell Instant Scratch Games and Jackpot Games, as determined by the Director and consistent with responsible gaming best practices, including but not limited to online, via mobile application, at special events, vending machines and Claims Centers. For sales by the Division that occur outside of a physical location, i.e. online or via mobile application or another manner other than an in-person transaction, shall utilize KYC to verify the age of the Player and Geolocation to verify that the Player is physically present within the State of Colorado and not within the designated boundaries of federally recognized Indian lands at the time that the Courier Customer submits an order for Ticket(s) from a Courier.
- F. A Retailer may be permitted, upon prior written approval of the Director or designee, to use Lottery Products as a means of promoting the Sale of goods and services to the public.
- G. The Director may limit the number of Lottery Tickets that may be Sold at a Retailer as is necessary to protect the security and the integrity of the Lottery.
- H. No device shall be connected to a Gaming Terminal for any reason, except as may be approved by the Division. Unapproved devices may be seized by the Division.

3.4 Persons Ineligible to Purchase or Sell Tickets

- A. No Person under the age of eighteen (18) may Purchase or Sell Lottery Products.

B. Lottery Tickets may not be Purchased by, and no Prize shall be paid to, any of the following:

1. Members of the Commission or their Immediate Families;
2. Employees of the Lottery or their Immediate Families, except when authorized by the Director for investigative purposes. But in no event shall such Persons be entitled to payment of a Prize;
3. Any Key Employee or a member of their Immediate Family; or,
4. Persons who operate Drawing equipment during a Drawing or officially witness a Drawing and members of their Immediate Family.

3.5 Lost or Stolen Tickets

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

3.6 Payment of Prizes

- A. A Claimant may claim a Prize worth less than \$600 at any Retailer's Licensed Premise during the Retailer's normal business hours and game operation hours for Validation and payment. The Retailer must Validate Tickets and pay Prizes worth \$150.00 or less. The Retailer may Validate Tickets and pay Prizes worth more than \$150 and less than \$600. A Prize shall be paid by the Retailer upon Validation of the Ticket pursuant to Lottery Rules and Regulations and Instant Scratch Game Guidelines, where applicable.
- B. A Claimant may claim a Prize worth any amount by presenting a Ticket at a Lottery Claims Center for Validation and payment.
- C. The Director shall prescribe a digital claims process that allows Claimants to claim Prizes via electronic means, including but not limited to, payment of Prizes through EFT.
- D. The Lottery's claims process for any Prize worth \$600.00 or more, whether electronic or in-person, shall, at a minimum, incorporate the following:
 1. Verification that the Claimant is not a Person disqualified by law or by these Rules and Regulations to claim or otherwise accept a Prize from the Lottery;

2. Notification that the Claimant's first name, last initial, city of residence, and Prize amount are public information. This same notification is given to an authorized representative or a Person signing on behalf of a Claimant who has a disability that prevents the Claimant from signing on his/her own behalf; and
3. Withholding of taxes as required by state and/or federal law; and,
4. Verification that the Claimant has no outstanding obligations pursuant to C.R.S. 44-40-113(6) and 44-40-114. If the intercept system identifies an outstanding obligation owed by the Claimant, the Prize or a portion thereof shall be withheld from the Claimant to pay any outstanding obligations pursuant to C.R.S. 44-40-113(6) and 44-40-114. No Prize or portion thereof shall be paid to a Claimant until the obligation identified in the intercept system is paid in full.

E. The Lottery is not liable for any loss that results from a misrepresentation by a Prize Winner or Claimant, or the Person claiming the Prize on the Prize Winner or Claimant's behalf.

F. The claims and/or Validation process may contain any other provision that the Director or the Director's designee may deem necessary and proper to promote the public interest and trust, and the security and efficient operation of the Lottery.

G. Payment of a Prize will not occur unless all of the requirements of the claims prescribed by the Lottery Rules and Regulations and the Director have been met.

H. There is no obligation or duty of the Division, its employees or Retailers, to make any inquiry of the truthfulness of information that is presented as part of the claims process before payment of the Prize to the Prize Winner.

I. If a Prize is paid in a lump sum, the Prize shall be paid within a reasonable time of Validation.

J. Any Prize requiring annuitized or installment payments shall be paid as specified in the specific game rules or game guidelines, or as otherwise provided in these Rules and Regulations. In the event of the death of a Claimant during the payment period and upon the petition of the estate of the Claimant (the Estate) to the Lottery, and subject to federal, state or district applicable laws, the Lottery may accelerate the payment of all of the remaining Lottery proceeds to the Estate. If the Lottery makes such a determination, then securities and/or cash held to fund the deceased Claimant's annuitized Prize may be distributed to the Estate. The identification of the securities to fund the annuitized Prize shall be at the sole discretion of the Lottery.

- K. The Director may delay any payment of a Prize in order to review a change of circumstances relative to the Prize awarded, the payee, the claim, or any other matter that is required to promote the integrity and the security of the Lottery. All delayed payments will immediately upon the Director's confirmation that the payee is entitled to such payment; any remaining payments shall be paid per the specific Game Rule.
- L. The Director's decision with respect to the payment of all Prizes shall be final and binding.
- M. The Director reserves the right to request additional information from a Claimant, including disclosure of the location or Person from where the Ticket was Purchased or otherwise obtained.
- N. Payment of any Prize shall be made to the Prize Winner of the Ticket. Any liability of the State, its officers and employees, and the Commission shall terminate upon payment of the Prize.

3.6.1 Use of Coupons and Promotional Tickets

- A. All Coupons and Promotional Tickets are only intended for the public to promote the Lottery. In the event the Lottery uses a promotional partner or Retailer to distribute Coupons or Promotional Tickets, the promotional partner or Retailer must ensure distribution only to the public and return any remaining Coupons or Promotional Tickets to the Lottery.
- B. At no time may Coupons or Promotional Tickets be sold, used to Purchase goods or services, used to pay off Lottery debts or reimburse a Retailer for any loss.
- C. If Coupons or Promotional Tickets shall be redeemable for Lottery Tickets at Retailers, but Retailers shall not Purchase Coupons or Promotional Tickets from any Person.
- D. At no time may a co-promoter or Vendor, who has received a cash payment from the Lottery as part of a promotional agreement, use the cash payment to Purchase Tickets for the promotion that the payment funded.

3.6.2 Use of Barcodes for Entry into Promotional Drawings

- A. The Director may authorize the use of Barcodes to be printed on Jackpot Tickets to promote the Lottery.
- B. A Ticket may have a barcode that allows for entry into Promotional Drawings through the Lottery Mobile Application.

- C. Second chance Drawings are a type of Promotional Drawing that are approved by the Director. If the Purchase of an Instant Scratch Game is eligible for entry into a second chance Drawing, it shall be noted in the Scratch Game Guidelines. However, the second chance Drawing itself is a Promotional Drawing and not a Lottery.
- D. Promotional Drawings are offered at the sole discretion of the Director and details for the Promotional Drawing, including but not limited to, eligibility, determination of winners and fulfillment of Prizes are defined in the Promotional Drawing Guidelines approved by the Director.

3.6.3 Redemption of Coupons

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

3.7 Director's Discretion

The Director has the sole discretion to determine if any Prize shall be paid pursuant to the Lottery Rules and Regulations. If no Prize is paid, the Director, at their sole discretion, may authorize a refund for the price of the Lottery Product or replace the disputed Ticket or game with the same or similar Product with the same retail value. This remedy shall be the sole and exclusive remedy available to the Person who Purchased the Lottery Product.