RULE 5 LOTTERY SCRATCH GAMES

BASIS AND PURPOSE OF RULE 5

The purpose for Rule 5 is to provide details and requirements for all Colorado Lottery Instant Scratch Games, such as the sale of Tickets, payment of Prizes, and the method for selecting and validating winning Tickets. The statutory basis for Rule 5 is found in C.R.S. 44-40-109(1), (2) and (3), 44-40-113 and 44-40-114.

5.1 General Provisions

Instant Scratch Games will be conducted pursuant to the following Rules and Regulations, specific Instant Scratch Game Guidelines, and any further instructions and directives issued by the Colorado Lottery Director and/or Colorado Lottery Commission.

A. The Commission will adopt each Instant Scratch Game Guideline prior to launching an Instant Scratch Game. Instant Scratch Game Guidelines will define, at a minimum, determination of an instant Prize Winner, price of Ticket, number and sizes of Prizes, Ticket Validation requirements, and prize structure.

B. If a conflict arises between Rule 5 and the Instant Scratch Game Guideline, the Instant Scratch Game Guideline shall apply.

For the purpose of this Rule 5 “Ticket” shall mean Instant Scratch Ticket.

5.2 Definitions

In addition to definitions provided Rule 1, the following definitions apply to Instant Scratch Games.

A. “Instant Scratch Drawing Guideline” means the additional guideline for Second-Chance or Promotional Drawings that are associated with a specific Instant Scratch Game.

B. “Instant Scratch Game” means an individual Instant Scratch Game as described in the individual Instant Scratch Game Guideline.

C. “Instant Scratch Game Guideline” means the additional guideline that includes detailed information about that particular Instant Scratch Game.

D. “Play Area” means the area on a Ticket covered with a latex coating that is removed by the player.

E. "Prize Fund" means the amount of money allocated for Prizes as defined in the Prize Structure.

F. "Prize Structure" means the number and amount of available Prizes within a specific Instant Scratch Game.

G. “Retailer Validation Code” means the computer-generated images on the Ticket play area used to sight validate a specific Prize amount.
H. “Second-Chance Drawing Guidelines” means guidelines for a drawing where the Prize is part of the Instant Scratch Game prize structure.

I. “Validation Number” means the unique number identified within the VIRN which is used to validate the Ticket.

J. “Void If Removed Number” (VIRN) means the unique number on the front of the Ticket under the latex cover within the play area.

5.3 Price of Tickets & Prizes

A. The purchase price of each Ticket shall be set forth in the Instant Scratch Game Guideline for each specific game.

B. The number of Prizes for each Instant Scratch Game shall be set forth in the Instant Scratch Game Guideline for each specific game.

5.4 Promotional Opportunities

5.4.1 Second-Chance and Promotional Drawings

A. Prize(s) for second-chance and promotional drawings shall be set forth in the Instant Scratch Drawing Guideline.

1. Details for second-chance and promotional drawings, including but not limited to, eligibility, drawing procedures, determination of winners, and fulfillment of Prizes are defined in the Instant Scratch Drawing Guideline.

5.4.2 Use of Coupons and Free Tickets

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

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

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

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

5.4.3 Redemption of Bar-Coded Coupons

The Director may from time to time authorize the use of bar-coded coupons to promote the Lottery's 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 the Lottery's Tickets only and not for cash.

5.5 Sale of Tickets

A. Licensees shall make Tickets available for sale to the public during the Licensee's normal business hours.

B. A Licensee shall sell Tickets only at the premises specified in the license.
C. All Ticket sales are final and the return of a Ticket after sale shall not be accepted by the Licensee, unless otherwise directed by the Director.

D. The Lottery itself may sell Instant Scratch Tickets.

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

5.6 Cancellation of Tickets

A Ticket may not be cancelled.

5.6.1 Mutilated Tickets

If a Ticket has been mutilated or altered in any way, credit will not be issued to the Ticket Holder, unless the Director or designee is satisfied that the Ticket is genuine. Tickets submitted to the Lottery for credit becomes the property of the Lottery and the Ticket becomes invalid and ineligible for a Prize.

5.7 Validation Requirements

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

1. The Ticket must be intact and not be mutilated, altered, unreadable, reconstituted, or tampered with in any manner;

2. The Ticket must not be counterfeit in any way;

3. The Retailer Validation Code must appear in the Play Area of the Ticket as described in the Instant Scratch Game Guideline;

4. The Ticket must have been issued by an authorized Instant Scratch Game Licensee in an authorized manner;

5. The Ticket must not have been acquired illegally or appear on any list of omitted Tickets at the Lottery;

6. The Ticket must meet all validation requirements in the Instant Scratch Game Guideline;

7. The Validation Number must appear in the validation file;

8. Prizes will not be paid twice on Tickets with the same Validation Number;

9. No portion of the Ticket may be blank and the Ticket may not be mis-registered, defective, or printed/produced in error; and

10. The Ticket must pass all other confidential security checks of the Lottery.

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

C. In the event a defective Ticket is purchased, the only responsibility or liability of the Lottery or the Licensee shall be the replacement of the defective Ticket with another Ticket of equivalent purchase price from any current Instant Scratch Game.

D. No Prizes will be awarded to the Ticket Holder of a defective Ticket.

5.8 Payment of Prizes
A. The Ticket Holder of a winning Ticket in the amount of $599.00 or less may take the Ticket to any Licensee location during the Licensee’s normal business hours and game operation hours for Validation and payment. The Licensee has the option of validating winning Tickets in the amount of $151.00 to $599.00. All Prizes shall be paid by the Licensee upon Validation of the Ticket pursuant to instructions on the back of the Ticket and instructions specified in the specific Instant Scratch Game Guideline.

B. A winning Ticket in any amount also 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 Ticket and instructions specified in the Instant Scratch Game Guideline.

C. In order to claim a Prize of $600.00 or more, a Prize Winner, or his or her authorized representative must complete a claim form and submit the completed form and Ticket by mail or in person at a Lottery Claims Center. The Lottery shall pay the Prize upon completion of the claim form and Validation if the Ticket pursuant to instructions on the back of the Ticket. If a Prize Winner has outstanding obligations within the meaning of C.R.S. 44-40-113(6) and 44-40-114, the remaining balance of any Prize will not be paid until such obligations are paid.

1. A Prize Winner, or a Prize Winner’s legally authorized representative, shall sign the winning 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 information used to verify the following:
   a. Verification that the Prize Winner is not a Person disqualified by law or by these Rules and Regulations to claim or otherwise accept a Prize from the Lottery;
   b. Notification that the Prize Winner’s name, city of residence, and Prize amount are public information. This same notification is given to one signing on behalf of a Prize Winner under a disability that prevents the Prize Winner from signing on his/her own behalf; and
   c. The Lottery is not liable for any loss caused by a misrepresentation by the Prize Winner or the Person claiming the Prize on the Prize Winner’s behalf.

2. The claim form may contain any other provision that the Director or designee may deem necessary and proper to promote the public interest and trust, and the security and efficient operation of the Lottery.

3. Payment for a winning Ticket will not occur unless all of the requirements on the claim form and winning Ticket have been met or an acknowledgement that the information is unknown or unavailable. There is no obligation or duty of the Lottery, its employees or Licensees, to make any inquiry of the truthfulness of information that appears on the claim form before payment to the Prize Winner.

D. If a Prize is paid in a lump sum, payment will be made within a reasonable time of presentment or Validation.

E. If a Prizewinner chooses to be paid through an annuity, the annuitized payments shall be paid as specified in the specific Instant Scratch Game Guideline.

F. 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 may have come to his or her attention.

G. The Director’s decision with respect to the payment of all Prizes shall be final and binding.

H. The Director reserves the right to require a Prize Winner to disclose the location or Person from where the Ticket was purchased.
I. Payment of any Prize shall be made to the Ticket Holder of the Ticket. Any liability of the State, its officers and employees, and the Commission shall terminate upon payment.

5.8.1 Termination Date and Claims Period
A. The Director will announce an end-of-game date for each Instant Scratch Game, after which date no further Tickets for that game shall be issued nor activated.

1. All Instant Scratch Game Prizes must be claimed within one hundred and eighty (180) days after the announced end-of-game date. In the event of Force Majeure the claim period will be extended at the Director’s discretion.

2. Any Person who fails to claim a Prize during the one hundred and eighty (180) day claim period shall forfeit all rights to the Prize and the amount of the Prize shall remain in the Prize Fund.

3. Prizes claimed by mail must be documented as received at Lottery Headquarters by the one hundred and eightieth (180th) day after the announced end-of-game date.

5.8.2 Assignment of Prizes
A. The winner of a Prize paid by annuity who desires to assign the right to unpaid future payments must comply with C.R.S. 44-40-113(1)(b) and (2). Pursuant to C.R.S. 44-40-113(2)(f), reasonable fees to defray administrative expenses shall be reviewed and approved by the Director on an annual basis.

B. The death of a Prize Winner does not result in the acceleration of annuity payments. The Lottery will pay the remaining annuity payments in accordance with law, and any liability of the Lottery is discharged upon the final annuity payment.

5.8.3 Determination of Scratch Prize Winners
A. Prize Winners for Instant Scratch Games shall be determined as set forth in the specific Instant Scratch Game Guideline and, if applicable, Instant Scratch Game Drawing Guideline.

B. The number of times a Person may win on a single Ticket shall be set forth in the specific Instant Scratch Game Guideline.

C. The determination of Prize Winners shall be subject to the general Ticket Validation requirements set forth on the back of each Ticket and as set forth in the Instant Scratch Game Guideline and, if applicable, the specific Instant Scratch Game Drawing Guidelines.

5.10 Lost or Stolen Tickets
If a Ticket has been reported as lost or stolen, the Director reserves the right to withhold payment of a Prize pending an investigation. At the Director’s discretion, Tickets that are determined to be stolen will not be paid.