

DEPARTMENT OF REVENUE

Colorado Lottery

1 CCR 206 - 1 RULES AND REGULATIONS

AMENDED RULE 5 - LOTTERY INSTANT SCRATCH GAMES

BASIS AND PURPOSE OF ~~AMENDED~~ RULE 5

The purpose for ~~Amended~~ Rule 5 is to provide ~~general rules~~details and requirements for all Colorado Lottery ~~Scratch game~~Instant Scratch Games, ~~such as which shall govern the~~the sale of ~~T~~tickets, payment of ~~P~~prizes, ~~and the method for selecting and validating winning T~~tickets, ~~as well as to establish the amount of commission for the licensee~~. The statutory basis for ~~Amended~~ Rule 5 is found in C.R.S. ~~44-40-10924-35-208~~(1), (2) and (3), ~~and~~24 44-4035-113212 and ~~44-40-11424-35-212.5~~.

5.1 ~~Commission to Adopt Specific Rules, Regulations and Guidelines for Lottery Scratch Games~~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.

~~Scratch games are authorized to be conducted under the following Rules, Regulations and Guidelines and such further instructions and directives the Lottery Director may issue. The Commission shall adopt specific Guidelines designating among other things the number and sizes of prizes, the manner of selecting winning tickets, and the allocation of total revenues among prizes and costs.~~

~~To the extent not inconsistent with such specific Guidelines as may be adopted, the following general provisions under this Rule 5 shall apply to each Scratch game conducted. If a conflict arises between Rule 5 and the game guideline, the game guideline shall apply.~~

5.2 Definitions

In addition to definitions provided Rule 1, ~~t~~he following definitions apply to Instant Scratch Games, shall provide clarification to various terms used by the Lottery in conjunction with the definitions provided in Rule 1 and as set forth in each specific Scratch game guideline.

- a. ~~"Bar Code" means the unique bar coded representation normally found on the back of the scratch ticket.~~
- b. ~~"Book" means a pack of Scratch game tickets. Books are also commonly called packs.~~
- c. ~~"Book Ticket Number" means the number printed on the back of each Colorado Lottery Scratch game ticket.~~
- d. ~~"Caption" means the code appearing beneath the computer-generated images.~~
- Ae. "Instant Scratch Drawing Guidelines" means the additional guidelines ~~that are promulgated to address for Ssecond-cChance or Ppromotional Ddrawings~~ that are associated with a specific ~~Scratch game~~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.
- f. ~~"Force Majeure" means an unexpected event (i.e. a natural disaster) that prevents the scheduled completion of an activity~~
- g. ~~"Game Guideline" means the specific Scratch game guideline that includes all the detail related to an individual Scratch game.~~
- h. ~~"Life" means the specific lifetime of a natural person.~~
- Di. "Play Area" means the ~~portion area on aof a Scratch tTicket covered that is covered~~ with a latex coating that is removed by the player ~~removes~~.
- j. ~~"Play Spot" means a component of the Play Area.~~
- k. ~~"Play Symbols" mean the computer-generated images that appear within the Play Area of a ticket.~~
- l. ~~"Prize Expense" means the accrued portion of net sales from all Lottery products that has been paid or obligated for the payment of prizes.~~
- m. ~~"Prize Expense Minimum" refers to C.R.S. 24-35-210(9)~~
- En. "Prize ~~Pool~~Fund" means the amount of money allocated for ~~prize~~Prizes as defined in the Prize Structure.
- Fe. "Prize Structure" means the number and amount of available ~~prize~~Prizes within a specific ~~scratch game~~Instant Scratch Game.
- p. ~~"Prize Symbol" means a component of the Play Area that represents a unique prize amount on the ticket play area.~~
- Gq. "Retailer Validation Code" means the computer-generated images on the Tticket play area used to sight validate a specific ~~prize~~Prize amount.

H. "Second-Chance Drawing Guidelines" means guidelines for a drawing where the Prize is part of the Instant Scratch Game prize structure.

r. "Scratch Game" means an individual Lottery game as described in the individual game guideline.

s. "UPC Bar Code" means the machine readable representation of the Universal Product Code number on the back of each ticket.

t. "UPC Code" means the unique number Universal Product Code number that is used to identify each Colorado Lottery Scratch game.

u. "Validation Number" means the unique number identified within the VIRN which is used to validate the Scratch Ticket.

v. "Void If Removed Number" ~~also known as~~ "(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. ~~The purchase price of each ticket for Colorado Lottery Scratch Games shall be set per the Game Guideline. The licensee may be permitted to make gifts of Scratch 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 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.

5.54 Sale of Tickets

- Aa. Licensees shall make ~~Scratch T~~ tickets available for sale to the public during the Licensee's normal business hours.
- Bb. A Licensee shall sell ~~Scratch T~~ tickets only at the premises specified in the license, ~~issued to licensee by the Colorado Lottery unless otherwise allowed by special permission from the Lottery Director.~~
- Cc. All ~~retail T~~ ticket sales are final and the return of a Ticket after sale shall not be accepted by the Licensee, ~~shall not accept the return of a Scratch ticket after sale,~~ unless otherwise directed by the ~~Lottery~~ Director.
- Dd. The Lottery itself may sell Instant Scratch Tickets.
- Ee. 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. ~~Upon prior approval of the Lottery Director, notwithstanding any provision contained in these Rules, Regulations and Guidelines to the contrary, a licensee may be permitted to make gifts of Scratch 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.

5.5 Ownership of Tickets

- a. ~~A Scratch ticket is a bearer instrument.~~
- b. ~~Each winning ticket must contain the signature of the owner and should include the name and address of the owner or holder of the Scratch ticket where indicated. This information may be submitted by affidavit upon request to the Lottery by the claimant. The Lottery may make payment based upon the information submitted on the claim form or affidavit proving ownership.~~
- c. ~~The Lottery Director shall only recognize one (1) person whose signature appears upon the winning Scratch ticket, in the designated area, as the true owner of the ticket.~~
 - 1. ~~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.~~

- ~~2. 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 Lottery 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.~~
- ~~3. In the event of an inconsistency in the information submitted on the claim form when compared to the winning ticket being claimed the Lottery Director, or designee, may request an investigation and withhold all winnings associated with the winning ticket.~~
- ~~d. Once a ticket is validated it will be held by the Lottery along with the completed claim form and will not be returned to the winner. In the event the claimed ticket is a non-winning ticket it may be returned to the claimant at the discretion of the Director or designee.~~

5.6 — Purchaser's Obligation

~~By purchasing a Scratch ticket, the purchaser agrees to comply with all provisions of §24-35-201, C.R.S., et seq, these Rules and Regulations, the Game Guideline, and all instructions and directives established by the Lottery Director for Scratch games.~~

5.7 — Persons Ineligible to Purchase Tickets

- ~~a. No person under the age of eighteen (18) may purchase Colorado Lottery Scratch tickets.~~
- ~~b. Colorado Lottery Scratch tickets may not be purchased by any of the following as set forth in C.R.S. 24-35-209:
 - ~~1. Any member of the Lottery Commission;~~
 - ~~2. Any employee of the Lottery, except when authorized by the Lottery Director for investigative purposes. In no event shall such employee be entitled to payment of any prize;~~
 - ~~3. Any officer, director, or employee of any supplier of Colorado Lottery Scratch ticket materials or equipment, or the subcontractors thereof that have participated, in any manner, in the supplying of Colorado Lottery Scratch ticket materials or equipment, except when authorized by the Lottery Director;~~
 - ~~4. Any vendor precluded by its contract with the Lottery;~~
 - ~~5. Any person who operates drawing equipment during a drawing or officially witnesses a drawing;~~
 - ~~6. Any immediate family member living at the same residence, as defined in Rule 1-Definitions, of items 1., 2., 3., 4. and 5. above.~~~~

5.78 Ticket Validation Requirements for Colorado Lottery Scratch Games

- ~~Aa. To be a valid winning Scratch Game Ticket, all the following conditions must be met: validation requirements shall be set forth in the Game Guideline and shall meet the requirements set forth below:~~

- ~~1. The ticket shall be intact.~~
- ~~12. The Ticket must be intact and not be mutilated, altered, unreadable, reconstituted, or tampered with in any manner;:-~~
- ~~23. The Ticket must not be counterfeit in whole or in part any way;:-~~
- ~~34. The Retailer Validation Code shall must appear in the Play Area of the Ticket and shall be printed as described and as set forth in the Instant Scratch Game Guideline;:-~~
- ~~45. The Ticket must have been issued by an authorized Instant Scratch Game Licensee in an authorized manner; The ticket must have been issued by the Lottery in an authorized manner.~~
- ~~56. The Ticket must not have been acquired illegally or The ticket must not be stolen nor appear on any list of omitted Tickets on file at the Lottery;:-~~
- ~~67. The Ticket must be completed as specified in the associated meet all validation requirements in the Instant Scratch Game Guideline; "Ticket Validation Requirements" section.~~
- ~~78. The Validation Number of an apparent winning ticket shall must appear on the Lottery's validation file; and the ticket with that Validation Number shall not have been previously paid.~~
- ~~8. Prizes will not be paid twice on Tickets with the same Validation Number;~~
- ~~9. No portion of the Ticket must not may be blank and the Ticket may not be or partially blank, mis-registered, defective, or printed/ or produced in error; and~~
- ~~10. The Ticket must pass the provisions of Rule 5, the associated Game Guideline and all other of the additional confidential security checks of the Lottery validation tests performed by the Colorado Lottery.~~

~~Bb. Any Ticket failing one of the Validation requirements listed in subsection A. above is invalid and the Claimant is ineligible for a Prize. Any Scratch tickets not passing all of the required validation checks as designated by the Colorado Lottery are void and ineligible for any prize and shall not be paid.~~

~~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. In the event a defective ticket is purchased, the Colorado Lottery shall be responsible for the replacement of the defective ticket with a Ticket of equivalent sales purchase price from any current Colorado Lottery Scratch game Instant Scratch Game, at the discretion of the Lottery Director or designee.~~

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

5.89 Payment of Prizes

aA. 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.

~~The holder of a winning scratch 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 scratch 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 Scratch ticket and/or pursuant to instructions specified in the Game Guideline.~~

Bb. Any winning ~~scratch T~~ticket in any amount also may be mailed or presented to a Lottery ~~e~~Claims ~~C~~center for payment. The ~~prize~~Prizes shall be paid by the Lottery upon presentation and Vvalidation of the Tticket pursuant to instructions on the back of the Scratch Tticket and/or ~~pursuant to~~ instructions specified in the Instant Scratch Ggame Guideline.

Cc. ~~The holder of a prize-winning ticket~~In order to claim a Prize of \$600.00 or more, a Prize Winner, or his or her authorized representative must ~~shall~~ complete a ll of the information detailed on the Colorado Lottery claim form and submit the completed form and Tticket by mail or in person at a Lottery Claims Center, to the Lottery. The ~~Colorado~~ Lottery shall pay the Pprize ~~to the owner of the ticket upon validation~~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 ~~prizewinner~~Prize Winner, or a ~~prizewinner~~Prize Winner's legally authorized representative, shall sign the winning Scratch Tticket 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 ~~information~~:
 - ai. Verification that the Pprize Wwinner is not a Pperson disqualified by law or by these Rules and Regulations to claim or otherwise accept a Pprize from the Lottery;
 - bii. Notification that the ~~prizewinner~~Prize Winner's name, city of residence, and pPrize amount are public information. This same notification is given to one signing on behalf of a Scratch ticket ownerPrize Winner under a disability that prevents the ~~prizewinner~~Prize Winner from signing oin his/her own behalf; and
 - ciii. The Lottery is not liable for any loss caused by a misrepresentation by the Scratch ticket ownerPrize Winner or the Pperson claiming the Pprize on the Prize Wwinner's behalf.
2. The claim form may contain any other provision that the ~~Lottery~~Director or designee may deem necessary and proper to promote the public interest and trust, and the ~~or~~ security and efficient operation of the Lottery.
3. Payment for a winning Tticket will not occur unless all of the requirements on the claim form and winning Tticket 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~~Prize Winner.

Dd. If a Prize is paid in a lump sum, payment will be made within a reasonable time of presentment or Validation. Payment of prizes shall be made to the claimant in person or by mail to the address provided by the claimant.

- ~~Ee.~~ ~~If a Prize Winner chooses to be paid through an annuity, the annuitized payments shall be paid as specified in the specific Instant Scratch Game Guideline. 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.~~
- ~~Ff.~~ ~~The Lottery 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 their his or her 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.~~
- ~~Gg.~~ ~~The Lottery Director's decision with respect to the payment of all Prizes shall be final and binding upon all participants in the game with respect to the payment of all prizes.~~
- ~~Hh.~~ ~~The Lottery Director reserves the right to require a claimant Prize Winner to disclose the location or Person from whereom the Ticket was purchased. claimant purchased the ticket.~~
- ~~ii.~~ ~~Payment of any prize Prize shall be made to the owner Ticket Holder of the Scratch Ticket or their designee. Any 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.~~

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.~~

5.48.20 Assignment of Prizes

~~aA.~~ The winner of ~~an a Prize paid by -annuity~~~~ized or installment payment prize in any Scratch 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. ~~44-40-113(1)(b) and (2).24-35-212(1)(b) and (1.5).~~ Pursuant to C.R.S. ~~44-40-113~~~~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.

~~Bb.~~ ~~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.~~ ~~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.~~

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.~~

5.11 Numbers and Sizes of Prizes

~~a.~~ ~~The number and sizes of scratch cash and non-cash winning prizes in Colorado Lottery Scratch Games shall be as set forth in the Game Guideline and/or Specific Game Drawing Guidelines.~~

~~b.~~ ~~Entry into drawings shall be as set forth in the Game Guideline and/or Specific Game Drawing Guidelines and shall include the number and sizes of prizes available in those drawings.~~

5.12 Determination of Scratch Prizewinners

~~a.~~ ~~Scratch prizewinners for Colorado Lottery Scratch Games shall be determined as set forth in the Game Guideline and Specific Game Drawing Guidelines.~~

~~b.~~ ~~The number of times a person may win on a single ticket shall be set forth in the Game Guideline.~~

- c. ~~The determination of prizewinners shall be subject to the general ticket validation requirements set forth on the back of each Scratch ticket and as set forth in the Game Guideline and/or the specific game drawing guidelines.~~

5.13 ~~Termination Date and Claims Period~~

- a. ~~The Lottery Director will announce a termination date for each Colorado Lottery Scratch Game, after which date no further tickets for that game shall be activated. All Scratch Game cash prizes must be claimed within one hundred eighty (180) days after the announced end of the game. In the event of force majeure the claim period will be extended at the Director's, or the Director's designee, discretion.~~
- b. ~~Any prize not claimed within the period specified in the Game Guideline and/or in the manner specified on the back of each ticket shall remain the property of the Lottery.~~

5.14 ~~Mutilated, Erroneous or Defective Tickets~~

~~No credit or prize will be issued to the holder of a ticket that is mutilated, erroneous or defective unless the Lottery Director is satisfied that the ticket is genuine. Tickets printed in error shall be returned to the Lottery and licensees will be reimbursed for the purchase price of said tickets, less the commission.~~

5.15 ~~Lost or Stolen Tickets~~

~~The Lottery Director reserves the right to withhold payment, pending the findings of an investigation, when the claimed ticket for the prize has been reported stolen or lost by a licensee.~~

5.16 ~~Use of Coupons, Lottery Bucks, and Free Tickets~~

- a. ~~Coupons, Lottery Bucks, and free tickets (hereafter referred to as "coupons") are marketing tools used by the Lottery for promotions.~~
- b. ~~In the event the Lottery uses a promotional partner to distribute coupons, the promotional partner must ensure all coupons are issued to the consumer or public and any unused coupons are returned to the Lottery.~~
- c. ~~At no time may coupons be sold, used to purchase goods or services, pay off Lottery debts, reimburse a licensee(s) for any loss or used for licensee compensation. Coupons may be used for prizes and/or promotion gifts to consumers and retail employees to promote the Lottery as long as the expense of these are debited to the appropriate budget line.~~
- d. ~~The Lottery Director may deem it proper to authorize the use of bar coded coupons to promote Lottery products. In the event such use is authorized, licensees shall comply with all requirements and restrictions specified on the coupon and shall redeem and exchange said bar coded coupons for Lottery tickets only and not for cash.~~

5.17 ~~Retail Licensee Commission, Cashing Bonus and Marketing Performance Bonus~~

- a. ~~Each licensee shall be entitled to receive a commission of seven percent (7%) of sales from Scratch 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 or her designee.~~
- e. ~~In order to receive a marketing performance bonus, each Scratch 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 Scratch 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 (5.17.b) and/or the five tenths of one percent (.5%) marketing bonus (5.17.c) have been expensed, the Lottery Director may provide additional compensation to licensees as described in 5.17.c or may revert the excess amount thereby decreasing the bonus expense.~~

DEPARTMENT OF REVENUE

Colorado Lottery

1 CCR 206-1 RULES AND REGULATIONS

RULE 1 – GENERAL RULES, REGULATIONS, AND DEFINITIONS

BASIS AND PURPOSE FOR RULE 1

The purpose of Rule 1 is to provide details and requirements for the Colorado Lottery General Rules, Regulations, and Definitions for all Lottery Games. The statutory basis for Rule 1 is found in C.R.S. 44-40-101(5), ~~and 44-40-109(1)(a) and (2), and 44-40-110.~~

1.1 General Provisions

~~These Rules and Regulations are adopted by~~ The Colorado Lottery Commission adopts these Rules and Regulations to governing the establishment and operation of the Lottery pursuant to the authority provided in State Lottery Division Title 44, Article 40.

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

1.2 Definitions

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

- A. “Act” means State Lottery Division, Title 44, Article 40 of the Colorado Revised Statutes.
- B. “Activation” means the process by which Instant Scratch Tickets become active and available for sale on the Lottery’s Gaming System.
- C. “Additional Lottery Prizes” means cash, merchandise, and/or services, as determined by the Director.
- D. “Advance Play” means the ability option to purchase Jackpot Tickets for more than one future consecutive drawing, with the first advance play ticket purchased for the next available drawing. draw of the purchase being the current open draw.
- E. “Aggregate Prize Fund” means the maximum percentage of sales for each Jackpot Game that may be used to pay Prizes.
- F. “Automated Draw Machine” (ADM) means the computer operating the certified random number generator software used to select the Jackpot Game winning numbers.
- G. “Bar-Code Reader” means the computer hardware/software used by retailers to read bar-coded information on Instant Scratch Tickets.
- H. “Certified Drawing” means a drawing which complies with all requirements of C.R.S. 44-40-109(2)(d).
- I. “Claimant” means a Person claiming a Lottery Prize.

- J. "Claims Center" means any location designated by the Director where a Person may file a claim for any Lottery Prize.
- K. "Commission" means the Colorado Lottery Commission established under the Act.
- L. "Director" means the Senior Director of the Colorado State Lottery Division.
- M. "Division" means the Colorado State Lottery Division.
- N. "Draw Break" means the period of time prior to a drawing during which sales activity is suppressed and which no Jackpot Tickets may not be sold, purchased, or validated for the suppressed game(s).
- O. "Drawing" means a random selection process to determine winning numbers as set forth in specific Game Rules.
- P. "Drawing Sales Period" means the period ~~of time~~ during which Jackpot Tickets may be sold, purchased, and validated, excluding the draw break.
- Q. "Duplicate Ticket" means a ticket produced by any method other than an authorized Jackpot Gaming Terminal.
- R. "Executive Director" means the Executive Director of the Colorado Department of Revenue.
- S. "Force Majeure" means an unexpected event (i.e. a natural disaster) that prevents the scheduled completion of an activity.
- T. "Game Prize Fund" means the projected Prize payout percentage as approved by the Commission for each Lottery Game.
- U. "Immediate Family" shall include any spouse, child, brother, sister, and/or parent residing in the same household. ~~_of any of the Persons specified in section 1.3.3.~~
- V. "Instant Scratch Game" means a game with preprinted play symbols or characters on the Lottery Ticket.
- W. "Jackpot Game" is a game in which a player or the Jackpot Gaming System selects a combination of numbers.
- X. "Jackpot Gaming System" means the computer system(s) consisting of Jackpot Gaming Terminals, central processing equipment, and a communication network used to administer Jackpot Games.
- Y. "Jackpot Gaming Terminal" means the computer system through which Jackpot Tickets are generated, validated, and Instant Scratch Tickets are supported.
- Z. "Jackpot Ticket" means a computer-generated ticket issued by a retailer to a player reflecting as a receipt for the combination of numbers selected for In-State and Multi-State Jackpot Games. That ticket shall be the only acceptable evidence of the combination numbers selected.
- AA. "Licensee" or "Retailer" means any business licensed to sell Lottery Products pursuant to the Act.
- BB. "Lottery" means the Colorado Lottery created and operated pursuant to the Act.

- CC. “Key Employee” means an officer, director, or employee of a Vendor or an officer, director, or employee of a Vendor’s subcontractor whose job responsibilities could reasonably pose a risk to the Lottery, including but not limited to, employees whose job duties include the marketing, development, operation, or security of a Lottery product or related system.
- GGDD. “Net Sales” means gross sales less cancellations or returns.
- DDDE. “Person” means a natural person.
- EEFF. “Play Slip” means a mark-sense game slip used to select plays in Jackpot Games. A play slip has no financial value and is not evidence of a ticket purchase or of numbers selected.
- FFGG. “Player-Selected Item” means a number or group of numbers selected by a player in connection with a Lottery Jackpot Game.
- GGHH. “Prize” means an award, financial or otherwise, from the Lottery.
- HHII. “Prize Amounts” means the amount of money payable for Jackpot Games in each Prize category, or to each share, or the annuitized future value of each share in a Prize category for each drawing.
- JJH. “Prize Category” means the matching combinations as described in specific Game Rules.
- KKJJ. “Prize Expense” means the accrued portion of net sales from all Lottery Products paid or designated to be paid out in Prizes.
- LLKK. “Prize Expense Minimum” 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 Lottery Games.
- MMLL. “Prize Winner” means a natural Person who has signed the back of the winning Lottery Ticket.
- NNMM. “Product” means any goods produced by the Lottery (i.e. Instant Scratch Ticket, In-State Jackpot Ticket, and Multi-State Jackpot Ticket).
- NNOO. “Promotional Drawing Guidelines” means guidelines for pPromotional dDrawings associated with a specific Lottery Game or related marketing activity.
- OOPP. “Quick Pick” means a computer generated selection of a number, item, or group of numbers in connection with a Jackpot Game.
- PPQQ. “Retailer Business Analyst” means the employee of the Division whose duties include the marketing, selling, handling, and distribution of Lottery Tickets to Licensees.
- QQRR. “Shares” means the total number of matching combinations within each Prize category as determined for each draw.
- RRSS. “Ticket” means any Lottery Ticket approved by the Commission for sale to the general public.
- SSTT. “Ticket Holder” means a Person who has physical possession of a Lottery Ticket.
- TTUU. “Validation” means the process of determining whether a Lottery Ticket presented for payment is a winning ticket.
- UVVV. “Validation Number” means the number printed on a Lottery Ticket that is used for validation.

~~VVVV~~. "Vendor" means any third party that is contracted with the Lottery to provide services or materials related to any Lottery product, including but not limited to, the marketing, development, operation, or security of a Lottery product or related system. Vendor may include, but is not limited to, a supplier as described in C.R.S. 44-40-106.

~~XX~~. "Winning Combination" means the combination of numbers randomly selected during a drawing.

1.3 General Rules and Regulations

1.3.1 Ownership of Tickets

- A. ~~Until a~~ Lottery Ticket is a bearer instrument until signed by a person in the area designated on the ticket, ~~it is a bearer instrument~~.
- B. ~~Each winning~~ Lottery Tickets must be signed by the Prize Winner in order to collect a prize, ~~the designated area~~.
- C. The Director shall award a Prize only to ~~only~~ a natural Person whose signature appears on the ticket in the designated area. Groups, family units, clubs, or organizations must designate one individual as the Claimant and he or she must sign the ticket. ~~Any~~ Prize will be awarded only to the Claimant.
- D. In the event there is an inconsistency in the information submitted on a claim form and as shown on the winning Lottery Ticket, the Director shall ~~request an investigation and~~ delay the award of a Prize pending investigation of the inconsistency, ~~until the Director is satisfied that the proper Person is being paid~~.
- E. Once a Lottery Ticket is validated at a Lottery Claims Center, it will not be returned to the Prize Winner, but will remain the property of the Lottery.

1.3.2 Purchaser's Obligations

- A. In purchasing a Lottery Ticket, the purchaser agrees to comply with all provisions of the State Lottery Division, Title 44, Article 40 of the Colorado Revised Statutes, these Rules and Regulations, and all final decisions, instructions, and directives established by ~~of~~ the Director.
- B. It shall be the sole responsibility of the player to verify the accuracy of the game play or plays and other data printed on his or her ticket.

1.3.3 Persons Ineligible to Purchase Tickets

- A. No Person under the age of eighteen (18) may purchase Lottery Tickets.
- B. ~~No~~ Lottery Tickets may not be purchased by, and no Prize shall be paid to, any of the following:
 - 1. ~~Any Members~~ of the Commission or their Immediate Families;
 - 2. ~~Any e~~Employees of the Lottery or their Immediate Families, except when authorized by the Director for investigative purposes. But, in no event shall such persons an employee be entitled to payment of a Prize;

3. ~~Any Key Employee; Colorado Lottery gaming vendor, marketing firm, or application provider employee shall purchase or be eligible to receive any Lottery Prize.;~~
4. ~~Any Immediate Family member of a Key Employee Any vendor precluded by its contract with the Lottery; and~~
5. ~~Any Persons who operates Drawing equipment during a Lottery Drawing or officially witnesses a Drawing; and members of their Immediate Family.~~
6. ~~Any member of the Immediate Family of items 1, 2, and 5 above.~~

1.3.4 Lost or Stolen Tickets

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