

## DEPARTMENT OF REVENUE

### Colorado Lottery

## LOTTERY RULES AND REGULATIONS

### 1 CCR 206-1

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## RULE 10.A IN-STATE JACKPOT GAME “COLORADO LOTTO”

### BASIS AND PURPOSE OF RULE 10.A

The purpose of Rule 10.A is to provide details and requirements for the Colorado Lottery In-State Jackpot Game “Colorado Lotto” such as sale of Tickets, payment of Prizes, and method for selecting and validating winning Tickets. The statutory basis for Rule 10.A is found in C.R.S. 44-40-109 (1)(a) and (2), 44-40-113 and 44-40-114.

#### 10.A.1 General Provisions

The In-State Jackpot Game to be known as “Colorado Lotto” shall be conducted pursuant to the following Rules and Regulations and under such further instructions and directives as the Colorado Lottery Director and Colorado Lottery Commission may issue. If a conflict arises between Rule 10 In-State Jackpot Lottery Games and this Rule 10.A, Rule 10.A shall apply.

#### 10.A.2 Definitions

In addition to the definitions provided in section 1.2 of Rule 1 General Rules Regulations, and Definitions and section 10.2 of Rule 10 In-State Jackpot Lottery Games:

- A. “Game Board” means that area of the Play Slip where the grid contains forty (40) squares, numbers one (1) through forty (40).
- B. “Jackpot Prize” means a pari-mutuel Prize that is advertised to be paid with per-winner annuities or as a lump sum cash payment, unless otherwise specified by the Lottery.
- C. “Number” means any Play integer from one (1) through forty (40) inclusive.
- D. “Play” means the six (6) numbers selected on each Game Board and printed on the Ticket.
- E. “Roll-over” means the amount from the direct Prize Category contribution from previous Drawing(s) in the Jackpot Prize Category that is carried forward to the Jackpot Prize Category for the next Drawing.

#### 10.A.3 Price of “Colorado Lotto” Ticket

The price of each “Colorado Lotto” Play shall be Two Dollars (\$2.00).

#### 10.A.4 Play for “Colorado Lotto”

- A. A “Colorado Lotto” player must select six (6) numbers per Play; six (6) numbers out of forty (40). A winning Play is achieved only when the following combinations of numbers selected match, in any order, three (3), four (4), five (5), or six (6) of the winning Numbers drawn by the Lottery.
- B. The player can use Play Slips, as described in Section 10.A.8.C to make number selections. The Jackpot Gaming Terminal reads the Play Slip and issues a Ticket with corresponding Play(s). If a Play Slip is not available, the Licensee may enter the selected numbers via the keyboard. If offered by the Lottery, a player may leave all or a portion of his/her Play selections

to a random number generator operated by the computer, commonly referred to as a Quick Pick or partial Quick Pick.

- C. Each Ticket has a randomly selected multiplier value of 2X, 3X, 4X, or 5X that applies to all non-jackpot Prizes.

**10.A.5 Prizes For “Colorado Lotto”**

- A. The Jackpot Prize shall be determined on a pari-mutuel basis. The Prize money allocated to the Jackpot Prize Category shall be divided equally by the number of Plays matching all six (6) of the winning Numbers. All other Prizes awarded shall be paid as set Prizes with the following odds of winning a Prize.

WINNING COMBINATIONS	BASE PRIZE CATEGORY	2X PRIZE CATEGORY	3X PRIZE CATEGORY	4X PRIZE CATEGORY	5X PRIZE CATEGORY	ODDS OF WINNING
All six (6) numbers in a Play	Jackpot	N/A	N/A	N/A	N/A	1 in 3,838,380
Any five (5) numbers in a Play	\$250	\$500	\$750	\$1,000	\$1,250	1 in 18,816
Any four (4) numbers in a Play	\$25	\$50	\$75	\$100	\$125	1 in 456
Any three (3) numbers in a Play	\$3	\$6	\$9	\$12	\$15	1 in 32
MULTIPLIER ODDS	N/A	1 in 2	3 in 10	1 in 10	1 in 10	N/A
OVERALL ODDS						1 in 30

- B. The projected aggregate prizes as a percentage of sales for “Colorado Lotto” is fifty-five (55.5%). This projection does not include unclaimed prizes.

C. Prize Categories

1. Jackpot Prize – The Jackpot will start at an annuitized value of One Million Dollars (\$1,000,000) for the first Drawing after it is won. The total Prize Category contribution for a Drawing may include the following:
  - a. A direct Prize Category contribution of twenty-five percent (25%) of Net Sales for the Drawing, which may be adjusted as authorized by the Director.
  - b. A base contribution of \$500,000. The “Colorado Lotto” base contribution may be adjusted as authorized by the Director if increased sales warrant a higher starting jackpot.

- c. A roll-over contribution as defined in Paragraph 10.A.2.E of this Rule 10.A.
  - d. An indirect Prize Category contribution authorized by the Director.
2. Second Prize – The second Prize Category may include the following:
- a. The set base prize amount (\$250) times the number of Shares for the Prize Category.
  - b. An indirect Prize Category contribution as authorized by the Director.
- A Prize Amount shall be calculated by multiplying the base prize amount (\$250) times the multiplier value displayed on the winning ticket.
3. Third Prize – The third Prize Category may include the following:
- a. The set base prize amount (\$25) times the number of Shares for the Prize Category.
  - b. An indirect Prize Category contribution as authorized by the Director.
- A Prize Amount shall be calculated by multiplying the base prize amount (\$25) times the multiplier value displayed on the winning ticket.
4. Fourth Prize – The fourth Prize Category may include the following:
- a. The set base prize amount (\$3) times the number of Shares for the Prize Category.
  - b. An indirect Prize Category contribution as authorized by the Director.
- A Prize Amount shall be calculated by multiplying the base prize amount (\$3) times the multiplier value displayed on the winning ticket.
5. Additional Lottery Prizes may be awarded as authorized by the Director from the Indirect Prize Category contribution.

#### **10.A.6 Payment of Prizes**

- A. The holder of a winning Ticket may win only one Prize per Play in connection with the winning Numbers drawn and shall be entitled only to the highest Prize Category won by those Numbers.
- B. Players will be given the option of receiving their Share of the Jackpot Prize over a period of twenty-five (25) years through a fixed progressive twenty-five (25) year annuity with the initial payment made by the Lottery on the date of claim and twenty-four (24) additional payments made yearly on the anniversary of the first payment, or a one-time lump sum payment equal to fifty percent (50%) of their Share of the annuitized Jackpot Prize Amount.
- C. The annuitized future value of the Jackpot Prize Category shall be twice the cash value of the total Jackpot Prize Category contribution as defined in section 10.A.5.C.1.
- D. To determine the annuitized future value of each Prize Amount, the annuitized future value of the Prize Category is divided by the Shares. A Share is the matching combination, in one Play, of all six (6) numbers drawn (in any sequence).
- E. If the annuitized future value of each Prize Amount results in an initial payment of Ten Thousand Dollars (\$10,000) or more and the annuity option has been selected, the Prize Amount shall be a fixed progressive twenty-five (25) year annuity. The initial annuity payment shall be paid by the Lottery at the time of claim and be 2.5% of the future value of the annuity.

Each subsequent annual payment; two (2) through twenty-five (25) shall increase by 3.7% of the previous annual payment.

- F. Players who select the annuitized payment shall have the ability to change their Prize payment selection from annuitized payment to lump sum payment for up to ninety days (90) from the original date of claim. This period may be extended at the discretion of the Director or designee. If a player chooses the lump sum payment after the initial annuitized payment is made to the player by the Lottery, the player will receive the remaining amount of the original cash value Prize, less taxes, in a single second payment.
- G. If the annuitized future value of each Prize Amount results in an initial payment of less than Ten Thousand Dollars (\$10,000) the annuity option will not be allowed and the Prize Amount will be paid in one (1) payment.

#### **10.A.7 Drawings**

- A. The “Colorado Lotto” Drawings shall be held ~~twice~~ each week on Monday, Wednesday and Saturday evenings, unless the Drawing schedule is changed by the Lottery. In the event of an act of Force Majeure, the Drawing shall be rescheduled at the discretion of the Director or designee.
- B. The Drawings will be conducted by Lottery officials and comply with all Colorado Lottery Statutes, Rules and Regulations, and Drawing Guidelines.
- C. Each Drawing shall determine, at random, six (6) winning Numbers in accordance with Drawing guidelines. Any Numbers drawn are not declared winning Numbers until the Drawing is certified by the Lottery in accordance with section 10.A.7.E. The winning Numbers shall be used in determining all “Colorado Lotto” Prize Winners for that Drawing. If a Drawing is not certified, another Drawing will be conducted to determine certified Prize Winners.
- D. Each Drawing shall be witnessed by an independent auditor as required in C.R.S. 44-40-109(2)(d). All Drawing equipment used shall be examined prior to and immediately after a Drawing. All Drawings, inspections, and tests shall be recorded.
- E. A Drawing shall not be invalidated because the numbers drawn create excessive Prize liability for the Lottery.

#### **10.A.8 Sale of Tickets**

- A. “Colorado Lotto” Tickets may be purchased from a Licensee authorized to sell In-State Jackpot Tickets.
- B. “Colorado Lotto” Tickets shall show, at a minimum, the player’s selection of numbers, the number of Plays, the Drawing date, and Validation numbers.
- C. Plays may be entered manually using the Jackpot Gaming Terminal keypad or by means of a Play Slip provided by the Lottery. Facsimiles of Play Slips, copies of Play Slips, or other materials which are inserted into the Jackpot Gaming Terminal’s Play Slip reader and which are not printed or approved by the Lottery shall not be used to enter a Play. No device shall be connected to a Jackpot Gaming Terminal to enter Plays, except as may be approved by the Lottery. Unapproved Play Slips or other devices may be seized by the Lottery.
  - 1. All Plays shall be marked on the Play Slip by hand. No machine-printed Play Slips shall be used to enter Plays. Machine-printed Play Slips may be seized by the Lottery.
- D. “Colorado Lotto” Tickets may not be cancelled.

#### **10.A.9 Advance Play**

Advance Play provides the opportunity to purchase “Colorado Lotto” Tickets for more than one (1)

consecutive Drawing. Advance Play Tickets shall be available for purchase in variable increments. The Advance Play feature shall be available at the discretion of the Director.