

**OREGON STATE LOTTERY
SPECIALTY GAME PROJECT**

**TEMPORARY RULES
March 10, 2010**

**OREGON STATE LOTTERY
DIVISION 40
RETAILER CONTRACT**

177-040-0050 Retailer Duties

(1) **General:** This rule contains duties to be performed by a Lottery retailer beyond those duties described in the Lottery retailer contract. The duties listed herein are not meant to be exclusive. Other duties and requirements for retailers may be contained elsewhere in OAR Division 177, ORS Chapter 461, or in the retailer contract as negotiated individually with each Lottery retailer.

(2) **All Retailers:** All Lottery retailers shall:

(a) **Stock Equipment:** Keep all Lottery equipment on the retailer's premises stocked with a variety of Scratch-itSM tickets, play slips, computer-generated tickets, and any other Oregon Lottery[®] product required to be sold. Unless exempted by the Lottery, if a Lottery retailer fails to stock or replenish these items as they are made available for sale by the Lottery, or as they are depleted because of purchase or use, the Lottery may remove the equipment.

(b) **Perform Minor Maintenance:** Replace ribbons, ticket stock, and clear paper jams as may be required for any of the equipment provided by the Lottery for the sale of Lottery tickets or shares.

(c) **Maintain Paper Stock:** Install and use only approved Lottery paper stock which has been specifically assigned to the selling retailer when selling Lottery tickets and shares.

(d) **Obtain Permits:** Be required to arrange for and obtain all necessary permits required by federal, state, and local governments for electrical installation, electrical power, telephone service, fiber optic lines and connections, and coaxial cable and connections required to sell Lottery tickets or shares at the retail site.

(e) **Pay Amounts Due:** Pay the amount due to the Lottery for the sale of Lottery tickets or shares by the use of an electronic funds transfer (EFT). In most instances, this EFT shall occur at the end of the fourth day after the close of each Lottery business week. When an applicant operates multiple Lottery retail sites before the effective date of this rule, the routine date of the EFT collection may be set beyond the fourth day after the close of the business week in order to accommodate the needs of the combined sites.

(3) **Traditional Lottery Game Retailers:** A Lottery retailer authorized to sell traditional Lottery games shall:

(a) **Scratch-ItSM Validation:** Validate a Scratch-ItSM ticket prize through equipment provided by the Lottery connected to the Lottery's central computer system ~~the Instant Ticket System (ITS)~~ and destroy it after validation and payment of the prize. Any Lottery retailer who does not destroy the ticket after validation and payment of a winning ticket shall be liable for a prize paid by another Lottery retailer who subsequently sight validates the ticket.

(b) **Draw Game Validation:** Validate Draw game prizes through the Draw game terminal before paying a Draw game prize.

(c) **Underage Play:** Monitor player-operated vending machines, as defined in OAR 177-045-0000, to prevent underage play.

(4) **Video Retailers:** A Video LotterySM game retailer shall:

(a) **Cash Slip Validation:** Validate all Video LotterySM cash slips, except those required to be validated and paid at Lottery Headquarters in Salem, through the Video Site Controller (VSC) before paying a Video LotterySM prize.

(b) **Restrict Visibility:** Restrict Video LotterySM game terminals from visibility from areas outside of the business and from view of dining areas or other areas where minors are permitted to linger.

(c) **Age-Posted Area:** Maintain Video LotterySM game terminals in an area of the business that is prohibited to minors. The area must be posted as such by the Oregon State Lottery or the Oregon Liquor Control Commission. This restriction against minors does not apply to minors who qualify under the exceptions permitted by the Oregon Liquor Control Commission for access to areas normally prohibited to minors.

(5) **Sanctions:** The Director may sanction a Lottery retailer for the loss, damage, or destruction of any winning game ticket or share. This includes, but is not limited to: Imposing a requirement for remedial training for the retailer or the retailer's employees, and any other actions for failure to perform contract duties or requirements as described in the Lottery retailer contract or OAR Chapter 177.

177-040-0051 Designated Employees and Payment of Prizes

(1) **Designated Employees:** A traditional Lottery retailer must designate employees authorized to redeem winning Lottery tickets and shares. A Video LotterySM retailer must designate employees authorized to redeem Video LotterySM cash slips as defined in OAR 177-200-0005(1).

(2) **Traditional Lottery Retailers:** A traditional Lottery retailer must redeem winning Lottery tickets and shares during all of the retailer's designated hours of redemption.

(3) **Video LotterySM Retailers:** A Video LotterySM retailer must redeem all Video LotterySM cash slips, except those required to be validated and paid at Lottery Headquarters in Salem, during all of the retailer's business hours of operations, except as follows:

(a) In the event of exceptional circumstances, a retailer may delay payment of a cash slip for a period of time not to exceed 24 hours from the time the cash slip is player initially submitted s the cash slip to the retailer for payment. **"Exceptional circumstances"** means rare and unforeseen circumstances beyond the reasonable control of the retailer.

(b) Within 48 hours from the time the cash slip player is initially submitted the cash slip to the retailer for payment, the retailer must submit to the Lottery a written report of the delay of payment and the exceptional circumstances that required the delay.

(c) The Director may review claims of exceptional circumstances and whether delayed payment was appropriate under the circumstances. Upon the Director's request, the retailer must provide the Director with evidence supporting a claim of exceptional circumstances. If a retailer fails to comply with a request or fails to adequately support a claim of exceptional circumstances, the Director shall find that the delay was not appropriate.

(d) If the Director finds that the delay was not appropriate, the retailer's delay of payment shall be considered a failure to perform contract duties or requirements, and the Lottery may take appropriate action including termination of the retailer contract. The Director's decision is final.

(4) **Payment:** Except as provided in sections (2) and (3) of this rule, a retailer must immediately pay prizes in cash or by check, or any combination thereof, when a player presents a winning Lottery ticket or share is presented, including a Video LotterySM cash slip, for payment meeting the requirements of these rules. A retailer must not pay prizes in tokens, chips, or merchandise or charge a fee for paying a prize or for issuing payment.

(5) **Validation:** Notwithstanding sections (2) and (3) of this rule, once a Lottery retailer validates a winning ticket or share, including a Video LotterySM cash slip, the retailer must immediately pay it. The Lottery retailer's terminal will not validate a cash slip that is required to be validated and paid at Lottery Headquarters in Salem.

OREGON STATE LOTTERY

DIVISION 200

GENERAL VIDEO LOTTERYSM GAME RULES

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177-200-0005 Definitions

For purposes of Division 200, the following definitions apply except as otherwise provided in OAR Chapter 177, or unless the context requires otherwise.

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(1) **“Cash slip”** means the receipt issued by a Video LotterySM game terminal for the payment of a player’s credits remaining at the end of play or for the payment of a Jackpot Prize.

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(2) **“Specialty Game(s)”** refers to Video LotterySM games that offer some prizes greater than \$600.

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(3) **“Jackpot Prize”** refers to a prize won during Specialty Game play that is greater than \$600.

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177-200-0010 Game Requirements

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(1) **General:** To play a Video LotterySM game, a player deposits cash into a Video LotterySM game terminal that displays the deposit as a number of credits to which the player is entitled. Each credit represents a monetary amount as specified in each Video LotterySM game. The player purchases a game play by wagering one or more credits. A prize for a winning wager shall not exceed \$600. Prizes are paid on the terminal in the form of credits. A player may wager the credits that the player has won on additional game plays or may direct the terminal to issue a cash slip for the remaining credits. For Jackpot Prizes, the terminal will automatically cash out the Jackpot Prize and issue a cash slip for the amount of the prize to the player.

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(2) **Bonus Game Plays:** In addition to the prizes paid as credits, and depending on the specific game, bonus game plays may be awarded to a player. A prize awarded on an individual bonus game play is independent of the original game play and except for a Jackpot Prize, may not exceed \$600.

(3) **Odds of Winning:** A close approximation of the odds of winning some prize for each game must be displayed on a Video LotterySM game terminal screen or a help screen. Each game also must display the amount wagered and the amount awarded for each possible winning occurrence based on the number of credits wagered on a game play.

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(4) **Payout Tables:** Each game shall provide a method for a player to view payout tables for that game.

(5) **Age Requirement:** To play a Video LotterySM game, A player must be at least 21 years of age.

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177-200-0020 Payment of Video LotterySM Game Cash Slips

(1) **Original Cash Slip:** Except as set forth in sections (5) and (6) of this rule, an original cash slip is the only valid receipt for claiming prizes or for redeeming credits remaining on a terminal. A copy of a cash slip has no pecuniary or prize value and does not constitute evidence of a cash slip.

(2) **Retailer Validation Requirements:** A retailer shall pay a cash slip only if:

(a) The ~~player presents the~~ cash slip is presented for payment at the retailer location that issued the cash slip.

(b) The ~~person presenting the cash slip player is a person~~ 21 years of age or older and authorized to play under these rules or Oregon statutes.

(c) The cash slip is presented to the retailer within 28 days of the date it was properly issued.

(d) It is intact and legible and meets all the Lottery's security requirements.

(e) It is not stolen, counterfeit, fraudulent, lacking the correct captions, altered, or tampered with in any manner.

(f) The information appearing on the cash slip corresponds with the computer record of the cash slip data recorded in the Lottery's central computer system.

(g) It has not been previously paid, ~~and~~

(h) It is not a Jackpot Prize that must be validated and paid at Lottery Headquarters in Salem.

(3) **Retailer Validation Exception:** ~~If a cash slip is presented for payment, and the cash slip meets the requirements of sections (1) and (2) of this rule, except the~~ If a cash slip is not intact or legible, or did not print, the prize or credits that would have otherwise appeared on the cash slip may nevertheless be paid by the retailer or the Lottery as follows:

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(a) **Software Validation:** Upon notification by a player that a ~~V~~ideo LotterySM game terminal issued a cash slip that is not intact or legible, or did not print, the retailer shall request a validation number from the terminal. If the retailer is able to obtain a validation number from the terminal that corresponds to the time and amount of the credits claimed by the player, then the retailer shall validate the prize or credits that would otherwise have appeared on the cash slip through the validation terminal and pay the player.

(A) **Software Validation Report:** If the retailer pays the player pursuant to section (3)(a) of this rule, the retailer must complete a Retailer Software Validation Report signed by the player and the retailer. The retailer must retain the report for one year. The retailer must group the reports by month and must make them available for audit by the Lottery immediately upon request. The retailer must retain and attach the damaged or illegible cash slips to the reports.

(B) **Validation Number Unavailable:** If the retailer is unable to obtain a validation number from the terminal that corresponds to the time and amount of the credits claimed by the player as required by subsection (3)(a), the player may request payment of the cash slip from the Lottery as provided in section (65) of this rule.

(b) **Jackpot Prize Cash Slip Not Issued, Intact, or Legible:** If a cash slip for a Jackpot Prize is not intact or legible, or did not print, the player and the retailer must complete a Video Problem Report form, attach the cash slip or all available portions of the cash slip to the form if available, and must submit the form and the cash slip to the Lottery for investigation. The Jackpot Prize may be paid as set forth in subsection (6) of this rule.

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(4) **Retailer Payment of Cash Slip:** Upon validation of a cash slip as set forth in sections (2) and (3) of this rule, a retailer may pay the amount due in cash or check, or any combination thereof.

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(a) **Dishonored Retailer Check:** If a retailer's check is dishonored, the player may seek payment from the Lottery by presenting a copy of the dishonored check to Lottery Headquarters, Player Services Office, 500 Airport Road SE, Salem, Oregon during Lottery business hours, or by mailing a copy of the dishonored check with a winner claim form to Lottery Headquarters, P.O. Box 14515, Salem, Oregon 97309. If the Lottery determines that payment of the cash slip is authorized, the retailer has not paid the cash slip, and it is unlikely that the retailer will pay the cash slip, the Lottery may then issue a check to the claimant in the amount of the cash slip.

(b) **Possible Contract Termination:** A retailer that pays a cash slip with a check that is dishonored may be subject to termination of the Lottery Retailer Contract.

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(5) **Lottery Validation and Payment of Cash Slips:** Payment of a cash slip may be made at Lottery Headquarters, Player Services, 500 Airport Road SE, Salem, Oregon. Validation and payment of a cash slip issued for a Jackpot Prize must be made at Lottery Headquarters in Salem. The cash slip presented for payment must meet all of the requirements in sections (1) and (2) of this rule and must be delivered to the Lottery in person or by mail at P.O. Box 14515, Salem, Oregon 97309 (registered mail recommended) before 5:00 P.M. within one year of the date that the cash slip was issued. If the final day of the one-year claim period falls on a day when the Oregon Lottery Headquarters is not open to the general public, such as a weekend, Lottery holiday, or

furlough closure day, the claim period shall be extended until 5:00 p.m. on the next day the Oregon Lottery Headquarters is open to the general public. Upon validation of a cash slip, the Lottery will pay the amount of the credits showing on the cash slip. For cash slips of \$600 or less, payment may be made by check or in cash, or any combination thereof. Cash prize payments are limited to \$50 per person per day. For cash slips of more than \$600, payment will be made by check. Payment may be made in person or by mail, except that the Lottery will not mail cash.

(6) **Lack of Cash Slip or Validation Number:** If a player does not have a cash slip, or a retailer was unable to obtain a validation number, the Lottery will conduct an investigation of a claim presented for payment to the Lottery. The investigation will determine the reasons or causes for the failure of the terminal to produce a cash slip or to print an intact and legible cash slip, and why the retailer was unable to obtain a validation number.

(a) **Payment:** The Lottery may pay the claim if the Lottery can determine from its investigation that the credit was on the terminal identified by the player at the time claimed, and that no cash slip has been paid on the claim.

(b) **Signed Statement:** The Lottery will not pay any such claim without a signed statement by a player. The player's statement must contain game play information that can be compared to data in the Lottery's central computer system that substantiates that the player won a prize in the amount and at the time claimed, and information from which the Lottery reasonably can determine that the claim has not been paid.

(c) **Jackpot Prize:** The Lottery will not pay a claim for a Jackpot Prize without receipt of a Video Problem Report form as described in section (3)(b) of this rule.

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(7) **Lottery Validation Exceptions:** If a cash slip cannot be validated because the cash slip data is not recorded on the Lottery's central computer system, the Director may still authorize payment if:

(a) The Lottery conducts an investigation of the claim, and

(b) The Director concludes that the claimant was an authorized player and that the absence of a record of the cash slip data in the Lottery's central computer system was the result of either a technical problem in the [Video LotterySM game](#) terminal or a communications problem that prevented the recording of the credits in the Lottery's central computer system.

(8) **Subsequent Claims:** If a cash slip paid by a retailer is later submitted for payment to the Lottery, the Lottery may pay the cash slip and debit the retailer's account for the amount of the cash slip. The Lottery will conduct an investigation in accordance with section (6) of this rule to determine that the Lottery properly may make payment.

(9) **Withholding of Payment:** The Lottery may withhold payment of any cash slip claim presented to it until the expiration of the 28-day prize claim period at the retailer's

location for prizes payable by the retailer or until the completion of any investigation by the Lottery to determine if payment is proper.

177-200-0032 Retailer Payment Credit/Debit

(1) ~~Retailer Payment Credit/Debit:~~ The Lottery shall credit the retailer's electronic funds transfer (EFT) account with the amount of any cash slip, other than those from Jackpot Prizes, issued at that retailer during a business week as shown in the records of the Lottery's central computer system.

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(2) ~~Debit:~~ Except for eThe Lottery shall debit the retailer's EFT account with the amount of any cash slips, other than those from Jackpot Prizes, issued at that retailer that is are presented for payment to the Lottery within 28 days of the date it was issued and any payments made by the Lottery under OAR 177-200-0020(6) or (7) which have not been recorded in the Lottery's central computer system, the amount of any cash slip paid by the Lottery, at its headquarters shall be debited from the electronic funds transfer (EFT) account of the retailer from which the prize was won unless the retailer's account has already been debited under section (32) of this rule. Prizes paid by the retailer upon a validated cash slip shall be credited to the retailer's EFT account. Prizes that are paid by a retailer but not validated at the time of payment shall be credited to the retailer's account if payment is authorized under OAR 177-200-0020(1) and (2).

(32) ~~Automatic Debit of Unredeemed claimed Prizes:~~ If a cash slip, other than those from Jackpot Prizes, is not redeemed within 28 days of the date it was issued, the Lottery will debit the retailer's EFT account echarge baek for the amount of that e-cash slip to the retailer's account.

(43) ~~Limitation on Redemption-Location:~~ A retailer must not attempt to redeem and may not pay a cash slip for any Jackpot Prize. A retailer shall only redeem cash slips for prizes awarded on terminals located on its premises. If a retailer redeems a cash slip from another location or redeems a cash slip for a Jackpot Prize, the Lottery will not credit the retailer's EFT account for the payment.

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177-200-0077 Specialty Games

(1) ~~General:~~ The Lottery may offer Specialty Games. Specialty Games may be offered as Poker Games or Video Line Games.

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(2) ~~Jackpot Prize Funding:~~ Lottery will establish statewide Jackpot Prize funding for Jackpot Prize payment. Lottery will allocate a percentage of the pay table for a Jackpot Prize payout. Each retailer offering a Specialty Game shall contribute to Jackpot Prize funding. The retailer's contribution is based on the retailer's portion of the payout percentage allocated to Jackpot Prizes. This is calculated weekly on total dollars played on Specialty Games within the retailer's establishment multiplied by the payout percentage allocated to Jackpot Prizes multiplied by the retailer's commission rate. For example, if the payout percentage attributed to Jackpot Prizes is 2.31%, the weekly amount played on Specialty Games at the retailer's establishment is \$19,935.15, and the

retailer's commission rate is 23%, the contribution to Jackpot Prize funding is calculated as follows:

<u>Amount Played</u>	<u>Percentage Payout for Jackpot Prizes</u>	<u>Amount to Jackpot Prize funding</u>	<u>Retailer's Commission Rate</u>	<u>Retailer's Contribution</u>	<u>Lottery's Contribution</u>
<u>\$19,935.15</u>	<u>X 2.31%</u>	<u>= \$460.50</u>	<u>X 23%</u>	<u>= \$105.92</u>	<u>\$460.50</u> <u>-\$105.92</u> <u>\$354.58</u>

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(3) Payment of Jackpot Prizes: A player must claim a Jackpot Prize of more than \$600 by:

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(a) Claiming in Person: Bringing the cash slip issued for the Jackpot Prize to the Lottery Headquarters, Player Services Office, 500 Airport Road SE, Salem, Oregon during Lottery business hours and presenting the cash slip to the Lottery; or

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(b) Claiming by Mail: Signing the cash slip issued for the Jackpot Prize in the designated area on the cash slip, writing the winner's mailing address on the cash slip in the place indicated on the cash slip, completing a winner claim form, and mailing it together with the winning cash slip to the Lottery Headquarters, P.O. Box 14515, Salem, Oregon 97309. Registered mail is recommended. The winner claim form may be obtained from any Lottery retailer, from a Lottery kiosk, or from the Lottery Headquarters at the addresses listed above.

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(4) Validation of Jackpot Prize Cash Slip: A cash slip issued for a Jackpot Prize may only be validated and may only be paid at Lottery Headquarters in Salem pursuant to subsection (3) of this rule.

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