

TEMPORARY ADMINISTRATIVE ORDER

CHAPTER 177 OREGON STATE LOTTERY

FILING CAPTION: *Relating to bets on virtual sporting events in Scoreboard*

EFFECTIVE DATE: TBD

AGENCY APPROVED DATE: TBD

NEED FOR THE RULE(S):

The Lottery needs to adopt temporary rules to allow players to place bets on virtual sporting events in Scoreboard. Sporting events around the world have been cancelled because of the COVID-19 public health emergency. The Lottery could offer bets on virtual sporting events, which are computer simulations of real-life sporting events in which winners are determined by a random number generator. The availability of such games could keep Scoreboard players engaged and entertained during the public health emergency and help the Lottery raise revenue for public programs, but the current Scoreboard rules do not envision virtual sporting events. Therefore, the rules need to be amended to define virtual sporting events, explain how winners are determined, and explain how Lottery will ensure game integrity in virtual sporting events. Amending the rules in that manner will allow the Lottery to offer bets on virtual sporting events in Scoreboard, which will support the Lottery's constitutional mission to raise money for public programs and maintain player engagement throughout the COVID-19 public health emergency.

JUSTIFICATION OF TEMPORARY FILING:

The Lottery finds that failure to act promptly by immediately amending these rules will result in serious prejudice to Scoreboard players and the public programs that rely on Lottery revenue. The months-long permanent rulemaking process would negatively impact the Lottery's ability to engage and entertain Scoreboard players, which could have a long-term negative fiscal impact to the Lottery's ability to raise money for public programs. Adopting temporary rules allows the Lottery to offer bets on virtual sporting events, allowing the Lottery to raise revenue and maintain Scoreboard player engagement during the COVID-19 public health emergency.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

- Virtual sports betting rules available from Lottery upon request.

CONTACT:

Kris Skaro
503-540-1181
Kris.skaro@lottery.oregon.gov
500 Airport Rd. S.
Salem, OR 97301

RULES:

177-092-0010, 177-092-0025, 177-092-0035

AMEND: 177-092-0010

RULE TITLE: Definitions

RULE SUMMARY: *This rule about definitions applicable to the game Scoreboard and rules in division 92 is amended to expand the definition of sporting event to include virtual sporting events and to explain to players what a virtual sporting event is and how it is distinct from a "real-world" sporting event. See rule text showing changes.*

AMEND: 177-092-0025

RULE TITLE: Purchasing a Share and Placing a Bet

RULE SUMMARY: *This rule about how to purchase a share and place a bet in Scoreboard is amended to reflect the availability of bets on virtual sporting events and explain the requirements for such bets. See rule text showing changes.*

AMEND: 177-092-0035

RULE TITLE: Method for Validating Bets and Determining Winners

RULE SUMMARY: *This rule about how bets are validated and winners are determined in Scoreboard is amended to explain how official event results are determined for virtual sporting events, specifically, that these are determined through a pseudo random number generator hosted on an independent server and the virtual sporting event has been independently tested and certified. See rule text showing changes.*

177-092-0010

Definitions

(Adopted 3/29/20)

- (1) "American odds" means a way of representing the probability that something will happen using a baseline of \$100. For example, a bet with odds of +585 means a player needs to bet \$100 to win \$585 and a bet with odds of -760 means a player would need to bet \$760 to win \$100.
- (2) "Bet" means the amount of money paid by a player for a share in Scoreboard and risked on a particular outcome of a sporting event or occurrence within or related to a sporting event. A bet may be one of a variety of types including, but not limited to, pre-game, live, or parlay. Available bets are determined by the Lottery and displayed to players within Scoreboard on the mobile app or site.
- (3) "Bonus" has the meaning given in [OAR 177-046-0015](#).
- (4) "Confirmed" means a bet was placed by a player, the Lottery accepted the bet, the bet amount was successfully debited from the player balance, the bet was recorded by the Lottery, and the player received a bet identification number or similar confirmation number.
- (5) "Digitally" has the meaning given in [OAR 177-046-0015](#).
- (6) "Duplicative or identical bets" means a series of bets that contain the same identical selections made by the same person or a group of people in their favor.
- (7) "Eligible player" means a person who is eligible to play Scoreboard pursuant to [OAR 177-046-0022](#) and [OAR 177-092-0020](#).
- (8) "Funding account" has the meaning given in [OAR 177-046-0015](#).
- (9) "Funds balance" has the meaning given in [OAR 177-046-0015](#).
- (10) "Governing body" means a recognized organization that has regulatory or sanctioning authority or control over a particular sport.
- (11) "In-game rules" means general betting and sport-specific information available to players on the Scoreboard mobile app or site.
- (12) "Mobile app" has the meaning given in [OAR 177-046-0015](#).
- (13) "Official event results" means the results of a sporting event that the Lottery determines will be used to determine winning bets as described in [OAR 177-092-0035](#).
- (14) "Player account" has the meaning given in [OAR 177-046-0015](#).
- (15) "Player balance" has the meaning given in [OAR 177-046-0015](#).
- (16) "Share" has the meaning given in [OAR 177-010-0003](#).

(17) "Site" has the meaning given in [OAR 177-046-0015](#).

(18) "Sporting event" ~~means~~ includes real-world sporting events and virtual sporting events:

(a) A real-world sporting event means a game, match, race, or similar competitive event associated with a governing body in its entirety or a particular occurrence within or related to the game, match, race, or similar competitive event such as, but not limited to, a particular play or score.

(b) A virtual sporting event means a computer simulation of a real-world sporting event that:

(A) Uses motion graphics, sounds, and play-by-play to simulate the overall experience of a real-world sporting event;

(B) Assigns random probabilities to each participant in the virtual sporting event;

(C) Uses a pseudo random number generator to determine winners; and

(D) Has been tested and certified by a reputable certification authority.

Statutory/Other Authority: [OR Const. Art. XV § 4\(4\)\(a\)](#), [ORS 461.120](#), [461.210](#), [461.220](#), [461.230](#), [461.240](#), [461.250](#), [461.260](#)

Statutes/Other Implemented: [OR Const. Art. XV § 4](#), [ORS 461.120](#), [461.200](#), [461.210](#), [461.220](#), [461.230](#), [461.240](#), [461.250](#), [461.260](#)

177-092-0025

Purchasing a Share and Placing a Bet

(Adopted 3/29/20)

- (1) An eligible player purchases shares in Scoreboard and places a bet on a sporting event through their player account on the mobile app or site.
- (2) The odds and prize amount or "winnings" associated with each bet are determined by the Lottery and must be digitally displayed to the player before the bet is confirmed.
- (3) The Lottery only accepts bets placed digitally.
- (4) A bet may only be placed when the player is physically located within the geographic boundary of the state of Oregon and not on tribal lands.
 - (a) The Lottery must be able to verify the physical location of the player when the bet is placed. Players must consent to the Lottery's use of geolocation technologies as described in [OAR 177-046-0022](#).

- (b) The Lottery will use official, publicly available data sources to geolocate tribal lands and prohibit mobile gaming therein. For purposes of this rule, "tribal lands" means federal Indian reservations, lands held in trust by the federal government for the benefit of federally recognized tribes, and lands held in fee by federally recognized tribes.
- (5) The bet amount may not exceed the player balance; under no circumstances will the Lottery extend credit to a player.
- (6) The Lottery may, in its sole discretion, from time to time, offer bonuses, free bets, or similar promotional incentives. These appear in the player balance and may be used to place bets but have no cash value and are not eligible for withdrawal. (The prize from a winning bet placed using bonus funds or free bets is eligible for withdrawal subject to applicable rules about prizes and prize payment.) Each bonus or promotional offer is subject to terms and conditions or limitations that will be disclosed to players on the mobile app or site such as, but not limited to, the requirement to use the full amount of the bonus in a single transaction or forfeit the unused portion. Players must comply with any additional terms and conditions or requirements to be eligible to use bonuses, free bets, and similar promotional incentives.
- (7) Except for bets on virtual sporting events, Bets may only be placed on sporting events associated with a recognized governing body. For virtual sporting events, bets may only be placed on games that have been tested and certified by a reputable certification authority. For all bets, The Lottery determines available bets at any given time at the Lottery's sole discretion. Available bets are displayed to players on the mobile app or site. The Lottery may refuse a bet at any time for any reason.
- (8) Placing duplicative or identical bets is prohibited.
- (9) Once confirmed, a bet cannot be cancelled or changed by the player. It is the sole responsibility of the player to verify the accuracy of the bet prior to confirmation. The Lottery is not responsible for any bet placed in error.
- (10) Some bets may, from time to time, display an option to settle a confirmed bet early for a certain percentage of the original bet. This feature is known as "Cash Out" or "Bet Back" and is available only at the Lottery's sole discretion on some bets at some times.
- (11) Disputes regarding player eligibility, the amount of a bet, the time a bet was placed, odds on a particular bet, whether a bet is a winning bet, and the amount of any prize are resolved at the sole discretion of the director of the Oregon State Lottery or the director's designee.

Statutory/Other Authority: [OR Const. Art. XV § 4\(4\)\(a\)](#), [ORS 461.120](#), [461.210](#), [461.220](#), [461.230](#), [461.240](#), [461.250](#), [461.260](#)

Statutes/Other Implemented: [ORS 461.120](#), [461.200](#), [461.210](#), [461.220](#), [461.230](#), [461.240](#), [461.250](#), [461.260](#) & [OR Const. Art. XV § 4](#)

177-092-0035

Method for Validating Bets and Determining Winners

(Adopted 3/29/20)

- (1) An eligible player wins a prize in Scoreboard by placing a confirmed and validated winning bet. Lottery decisions regarding the validity of a bet are final and binding. The Lottery has the sole discretion to determine winning bets based on the official event results.
- (2) A bet in Scoreboard is valid if the bet was placed in accordance with [OAR 177-092-0025](#) and other applicable rules by an eligible player through a valid player account, the bet was confirmed, and the bet is not otherwise voided or refunded by the Lottery pursuant to any applicable rule or the terms and conditions.
- (3) A validated bet is a winning bet if the outcome on which the shares were risked accords with the official event results as provided in this section and the in-game rules.
 - (a) The Lottery has sole discretion to determine the official event results. The scores and results for a game become the official event results when the Lottery enters the results in the Lottery's sports betting platform. The Lottery reserves the right to delay entering official event results when needed to review information relevant to the outcome of the sporting event. Some game results only become official after a certain time delay as determined by the applicable governing body for any given sporting event. The Lottery will generally defer to the governing body for official event results but the Lottery retains ultimate discretion to determine winners and pay prizes.
 - (b) Notwithstanding subsection (a) of this section, for bets on virtual sporting events only, the official event results are determined by a pseudo random number generator. The pseudo random number generator is hosted on an independent server and the virtual sporting event has been tested and certified by a reputable certification authority.
 - (b)c If a sporting event is cancelled, suspended, abandoned, or interrupted or the Lottery is for any reason unable to determine the outcome of a sporting event or particular occurrence within a sporting event on which bets were placed, then related bets may be voided at the Lottery's sole discretion as provided in [OAR 177-092-0050](#) and the in-game rules for the sporting event.

Statutory/Other Authority: [OR Const. Art. XV § 4\(4\)\(a\)](#), [ORS 461.120](#), [461.210](#), [461.220](#), [461.230](#), [461.240](#), [461.250](#), [461.260](#)

Statutes/Other Implemented: [OR Const. Art. XV § 4](#), [ORS 461.120](#), [461.210](#), [461.220](#), [461.230](#), [461.240](#), [461.250](#), [461.260](#)