

OFFICE OF THE SECRETARY OF STATE

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ARCHIVES DIVISION

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NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 177
OREGON STATE LOTTERY

FILED

10/25/2022 10:25 AM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Updating Lottery's Powerball and Mega Millions game rules to align with MUSL rules

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 11/30/2022 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

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Salem, OR 97301

Filed By:
Kris Skaro
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 11/15/2022

TIME: 10:00 AM - 11:00 AM

OFFICER: Kris Skaro

ADDRESS: Zoom Meeting (see SPECIAL INSTRUCTIONS)

N/A

Salem, OR 97302

SPECIAL INSTRUCTIONS:

To join virtual hearing, go to <https://us06web.zoom.us/j/83473771825> or call 253-215-8782 and enter meeting ID #83473771825.

If you need assistance or accommodation, please contact Kris Skaro at 971-719-0794 or kris.skaro@lottery.oregon.gov.

Please be aware that the Oregon State Lottery Commissioners will not attend this hearing but they will receive a summary of all written and in-person comment received and must consider all comment before considering adopting permanent rules. The public can provide comment directly to the Commission at every other Lottery Commission meeting. Visit <https://www.oregonlottery.org/about/how-we-operate/commission-and-director-info/> for more information.

NEED FOR THE RULE(S)

The Lottery needs to amend rules governing its multistate draw games Powerball and Mega Millions to align with changes made by the Multi-State Lottery Association (MUSL).

BACKGROUND AND DISCUSSION

The Lottery has been a member of the Multi-State Lottery Association known as MUSL since 1988. Through its

membership, Lottery has offered Powerball since 1992 and Mega Millions since 2010. These games are governed by Lottery's administrative rules; specifically, OAR chapter 177, divisions 85 and 98.

In June 2022, member lotteries approved changes to the MUSL rules governing multistate draw games. The Lottery does not need to adopt the changes that are not applicable to Lottery, such as the changes that authorize ticketless purchases. But some of the basic definitions in the MUSL rules have changed, such as to "ticket" and "play slip" and the Lottery is proposing to align for the sole purpose of facilitating easier review and comparison of MUSL and Lottery rules in the future. These changes are not intended to substantively change game play, ticket sales, or the prize claim process.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

The Lottery relied on the revised MUSL rules for Powerball and Mega Millions distributed by MUSL to member lotteries in June 2022. These are available upon request to the Lottery. Additionally, in drafting the proposed changes, the Lottery compared its current rules governing Mega Millions and Powerball in OAR chapter 177, divisions 46; 70; 85; and 98. These are available at <https://secure.sos.state.or.us/oard/displayChapterRules.action?selectedChapter=153> or upon request to the Lottery.

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

The Lottery does not expect the adoption of the proposed rule changes will impact racial equity in Oregon. The proposed rule changes are housekeeping in nature and consistent with how the games are currently played, sold, and claimed. Therefore, the Lottery has not identified any disparate racial impacts that could result from the adoption of the proposed rule changes. The Lottery is considering ways to collect racial demographic data on players and Lottery retailers in the future to improve Lottery's ability to identify and mitigate racial impacts.

FISCAL AND ECONOMIC IMPACT:

For background, the Lottery transfers the net proceeds earned from the sale of tickets in Mega Millions and Powerball to the Economic Development Fund (EDF) each quarter. From there, revenue is transferred to public programs such as education, state parks and natural resources, and veterans' services based on constitutional and legislative appropriations.

For example, in business year (BY) 2022, the Lottery transferred \$8.3 million from Mega Millions ticket sales and \$19.4 million from Powerball ticket sales.

Additionally, businesses that contract with the Lottery to sell Mega Millions and Powerball tickets (called traditional Lottery retailers) earn a commission on sales. In BY 22, retailers earned about \$2.3 million from Mega Millions ticket sales and about \$4.5 million from Powerball ticket sales.

The Lottery does not expect the proposed rule changes will impact tickets sales, net revenue, or retailer commissions. Thus, Lottery estimates no fiscal impact to state agencies (including the Lottery), units of local government, or the public, including players and retailers. The Lottery estimates no costs of compliance for business, including small business.

See the Lottery's Cost of Compliance Statement below for more information.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the

expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) Identify any state agencies, unit of local government, and members of the public likely to be economically affected by the rule(s).

No state agencies, units of local government, or members of the public are likely to be economically affected by the proposed rule changes. The Lottery has offered Powerball and Mega Millions tickets for sale since 1992 and 2010 respectively. The games raise money for Lottery's beneficiaries including education, state parks, and economic development. Game sales also provide commissions to Lottery retailers. The Lottery does not expect these rule changes to changes sales, prizes paid, or commissions paid.

(2) Effect on Small Businesses:

(a) Estimate the number and type of small businesses subject to the rule(s);

More than 3,000 businesses contract with the Lottery to sell Powerball and Mega Millions tickets, and Lottery estimates that many, but not all, of those businesses are small businesses as defined in ORS 183.310. The type of business that contracts with Lottery to sell Powerball and Mega Millions tickets are: grocery stores, convenience stores, gas stations, multistate chain retail stores, and some bars and restaurants.

(b) Describe the expected reporting, recordkeeping, and administrative activities and cost required to comply with these rule(s);

The Lottery estimates no reporting, recordkeeping, or administrative activities to comply with the changes. The changes are consistent with current requirements, so should not be any change for retailers to comply.

(c) Estimate the cost of professional services, equipment supplies, labor, and increased administration required to comply with the rule(s).

The Lottery estimates no professional services, equipment, supplies, labor, or increased administrative costs will be imposed on small businesses to comply with the rules. As noted, these changes are minor edits to align with MUSL rules and should not change any current practices for retailers.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

The Lottery does not expect the changes to impact small businesses. Small businesses, including, but not limited to, traditional Lottery retailers, are welcome to comment during the rulemaking process.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

The Lottery does not expect any impacts to result from the proposed rule changes, which are technical in nature, and needed to align with MUSL rules. The Lottery welcomes input during the rulemaking process.

RULES PROPOSED:

177-085-0005, 177-085-0015, 177-085-0040, 177-098-0010, 177-098-0020, 177-098-0070

AMEND: 177-085-0005

RULE SUMMARY: The Lottery is proposing to amend OAR 177-085-0005 about definitions that apply to the Lottery's

Powerball game. The definitions of "game ticket," "ticket," "game slip," "play slip," and "draw game terminal" are amended to align with how those terms are used by the Multi-State Lottery Association or MUSL, the organization of member lotteries that offers the multijurisdictional draw games of Powerball and Mega Millions. The amended definitions match current practice and also improve alignment with how those terms are used for Mega Millions, which may avoid confusion for players and Lottery personnel.

The Lottery may make other or alternative changes during the public rulemaking process in response to information or public comment received. The Lottery may also make additional changes to: improve the accuracy and clarity of the rule; improve readability, grammar, and organization of the rule; or update the legal citations section of the rule as required by ORS 183.335(2)(b)(A) and (b).

CHANGES TO RULE:

177-085-0005

Definitions ¶¶

The following definitions apply unless the context requires a different meaning.¶¶

- (1) "Advertised Grand Prize" or "Advertised Jackpot Prize" means the estimated, annuitized Grand Prize amount as determined by the MUSL Central Office by use of the MUSL Annuity Factor and communicated through the selling lotteries prior to the Grand Prize drawing. The Advertised Grand Prize is not a guaranteed prize amount and the actual Grand Prize amount may vary from the advertised amount, except in circumstance where there is a guaranteed Grand Prize amount as described in OAR 177-085-0035(11).¶¶
- (2) "Drawing" refers collectively to the formal draw event for randomly selecting the winning indicia that determine the number of winners for each prize level of the Powerball[®] game and the Power Play[®] multiplier. Winning indicia include the winning numbers for the Powerball[®] game and the Power Play[®] multiplier.¶¶
- (3) "Game Board" or "boards" means that area of the game slip, also known as a panel, that contains sets of numbered squares to be marked by the player.¶¶
- (4) "Game Ticket" or "ticket" means ~~an acceptable~~the physical evidence of play, which is a ticket produced in a manner which contains the caption Powerball[®], one or more lettered game plays followed by the drawing date, the price of the ticket, a six digit retailer number and a serial number that is coprinted by terminals on paper that meets the play and security data required by the Lottery, these rules, and the MUSL rules that allow redemptible with the Lottery's central computer system of a prize.¶¶
- (5) "Licensee Lottery" means a state lottery or lottery of a governmental unit, political subdivision, or entity thereof that is not a Party Lottery but has agreed to comply with all applicable MUSL and Product Group requirements and has been authorized by the MUSL and by the Powerball[®] Product Group to sell the Powerball[®] game.¶¶
- (6) "Lottery" means the Oregon State Lottery.¶¶
- (7) "MUSL" means the Multi-State Lottery Association, a government-benefit association wholly owned and operated by the Party Lotteries.¶¶
- (8) "MUSL Annuity Factor" means the annuity factor as determined by the MUSL central office through a method approved by the MUSL Finance and Audit Committee and which is used as described in these rules.¶¶
- (9) "MUSL Board" means the governing body of the MUSL which is comprised of the chief executive officer of each Party Lottery.¶¶
- (10) "MUSL Finance and Audit Committee" means the committee of that name established by the MUSL Board.¶¶
- (11) "Party Lottery" means a state lottery or lottery of a political subdivision or entity that has joined the MUSL and is authorized to sell the Powerball[®] game. Unless otherwise indicated, Party Lottery or Member Lottery does not include Licensee Lotteries.¶¶
- (12) "Game Play" or "play" means the six numbers, the first five from a field of sixty-nine numbers and the last one from a field of twenty-six numbers that appear on a ticket as a single lettered selection and are to be played by a player in the Powerball[®] game.¶¶
- (13) ~~"Game Slip" means the paper used in marking a player's game plays and containing one or more boards~~Play Slip or Bet Slip" means a physical or electronic means by which a player communicates their intended play selection to a retailer as defined and approved by the Lottery. A Play Slip or Bet Slip is not a ticket.¶¶
- (14) "Grand Prize" or "Jackpot Prize" refers to the top prize in the Powerball[®] game.¶¶
- (15) "Product Group" means a group of lotteries which has joined together to offer a product pursuant to the terms of the Multi-State Lottery Agreement and the Product Group's own rules.¶¶
- (16) "Quick Pick" means the random selection by the computer of indicia that appear on a ticket and are played by

a player in the game.¶

(17) "Retailer" means a person or entity authorized by the Lottery to sell lottery tickets.¶

(18) "Selling Lottery" or "Participating Lottery" means a lottery authorized by the Product Group to sell Powerball[®] tickets, including Party Lotteries and Licensee Lotteries.¶

(19) "Set Prize", also referred to as "low-tier prize", means all prizes except the Grand Prizes, and, except in instances outlined in these Division 85 rules, will be equal to the prize amount established by the Product Group for the prize level.¶

(20) "Draw game terminal" or "terminal" ~~has the meaning set forth in OAR 177-070-0005(5)~~ means a device that meets all security and definitional requirements of the Lottery and MUSL Rules, and which is authorized by the Lottery to function in an on-line, interactive mode with the Lottery's computer gaming system for the purpose of issuing tickets and entering, receiving, and processing lottery transaction, including making the purchases, validating tickets, and transmitting reports.¶

(21) "Winning numbers" means the indicia randomly selected during a drawing event which are used to determine winning plays for the Powerball[®] game contained on a game ticket.

Statutory/Other Authority: OR Const., Art: XV, Sec. 4(4)(a), ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260, 461.300

Statutes/Other Implemented: ~~ORS 461.2r~~ Const, Art XV, 4(4), ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260, 461.300

AMEND: 177-085-0015

RULE SUMMARY: The Lottery is proposing to amend OAR 177-085-0015 that describes the Powerball game. The proposed changes align with changes to MUSL rules governing Powerball that clarify (1) that printed plays must be sold through an authorized retailer and (2) shall be printed on paper that meets the requirements of the Lottery and MUSL. Both of these are consistent with current practice.

Additionally, the section on how plays are entered is amended to align with MUSL rules and clarifies (1) that plays may be entered as approved by Lottery; (2) retailers may not permit the use of unauthorized play slips; and (3) retailers may not permit any device to enter plays, except as allowed by Lottery.

The Lottery may make other or alternative changes during the public rulemaking process in response to information or public comment received. The Lottery may also make additional changes to: improve the accuracy and clarity of the rule; improve readability, grammar, and organization of the rule; or update the legal citations section of the rule as required by ORS 183.335(2)(b)(A) and (b).

CHANGES TO RULE:

177-085-0015

Powerball[®] Game Description ¶

(1) General Information: Powerball[®] is a five out of sixty-nine numbers plus one out of twenty-six numbers lottery game, drawn every Monday, Wednesday, and Saturday as part of the Powerball[®] drawing event, which pays the Grand Prize, at the election of the player made in accordance with these rules or by a default election made in accordance with these rules, either on an annuitized pari-mutuel basis or as a single lump sum payment of the total funding held in the Grand Prize Pool Account for the winning drawing on a pari-mutuel basis. Except as provided in the rules, all other prizes are paid as a single lump sum payment. Powerball[®] winning numbers applicable to determine Powerball[®] prizes are determined in the Powerball[®] drawing event.¶

(2) Selection of Numbers: To play Powerball[®], a player shall select (or computer pick) five different numbers, from one through sixty-nine and one additional number from one through twenty-six. The additional number may be the same as one of the first five numbers selected by the player, as long as it is from one through twenty-six.¶

(3) Purchase of Tickets: Tickets can be purchased for two dollars from an Oregon Lottery[®] approved retailer in a manner approved by the Oregon Lottery[®] and in accordance with these rules. A player may purchase tickets for future consecutive drawings up to the maximum permitted by the Lottery.¶

(4) Player's Responsibility: It is the sole responsibility of the player to verify the accuracy of the game play or plays and other data printed on the ticket. A ticket may not be voided or canceled by returning the ticket to the retailer or to the Lottery, including tickets that are printed in error. No ticket shall be returned to the Lottery for credit. The placing of plays is done at the player's own risk through the Lottery retailer, who when entering the play or plays is acting on behalf of the player. When the purchase of a ticket fails to complete because the ticket does not print, the player is responsible for notifying the retailer prior to the drawing(s) on the ticket to obtain a refund or a replacement ticket.¶

(5) ~~Entry of Printed~~ Plays: ~~Plays may be entered manually using a Lottery terminal keypad or touch screen or by means of a play slip provided by the Lottery and marked by the player or by such other means shall be sold through an authorized retailer and shall be printed on paper that meets the security requirements of the Lottery and other requirements adopted by the MUSL Board and the Product Group.~~¶

(6) ~~Entry of~~ Plays: ~~Plays may be entered as approved by the Lottery. Retailers can shall not permit the use of facsimiles of play slips, copies of play slips, or other materials that are inserted into a terminal's play slip reader that are not printed or play slips that are not approved by the Lottery. Retailers must shall not permit any device to be connected to a Lottery terminal to enter plays, except as approved~~ Plays may be entered as approved by the Lottery. Retailers shall not permit the use of facsimiles of play slips, copies of play slips, or other materials that are inserted into a terminal's play slip reader that are not printed or play slips that are not approved by the Lottery. Retailers must shall not permit any device to be connected to a Lottery terminal to enter plays, except as approved¶

(6Z) Determination of Winning Numbers: The winning numbers for the Powerball[®] game shall be determined at a drawing conducted under the supervision of the MUSL Board. The MUSL Board shall determine the frequency of Powerball[®] game drawings. Winning numbers shall be selected at random with the aid of mechanical drawing equipment or a random number generator. The Lottery Director shall designate a Drawing Manager who shall review and randomly observe the drawings conducted by the MUSL Board. The drawing procedures shall include procedures for randomly selecting the Powerball[®] game winning numbers and the Power Play[®] multiplier.

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, 461.300

Statutes/Other Implemented: Or Const, Art XV, § 4, ORS 461.120, ~~461.150~~, 461.210, 461.220, 461.230, 461.240,
461.250, 461.260, 461.300

AMEND: 177-085-0040

RULE SUMMARY: The Lottery is proposing to amend OAR 177-085-0040 about Powerball ticket validation requirements to clarify that the ticket must be issued by an authorized Lottery retailer. This is consistent with current requirements (see, for example, OAR 177-070-0035), but restating in the general validation rule for Powerball avoids confusion and is consistent with MUSL and Mega Millions rules (see, for example, OAR 177-098-0070).

The Lottery may make other or alternative changes during the public rulemaking process in response to information or public comment received. The Lottery may also make additional changes to: improve the accuracy and clarity of the rule; improve readability, grammar, and organization of the rule; or update the legal citations section of the rule as required by ORS 183.335(2)(b)(A) and (b).

CHANGES TO RULE:

177-085-0040

Ticket Validation ¶

To be a valid ticket and eligible to receive a prize, a Powerball[®] ticket shall satisfy all the requirements established by the Lottery for validation of winning tickets sold through its central computer system and any other validation requirements adopted by the MUSL Board, the Product Group, and published as the Confidential MUSL Minimum Game Security Standards. The ticket must have been issued by an authorized Lottery retailer. The Lottery and MUSL shall not be responsible for tickets which are altered in any manner, (or which fail to print except as provided in OAR 177-085-0015(4)). When a winning ticket is submitted to the Lottery for validation along with the Lottery's completed claim form, and the Lottery has initiated the validation procedures, the Lottery retains possession of the winning ticket and claim form.

Statutory/Other Authority: ~~ORS 461.250 & OR Const. Art. XV, Sec. 4(4)~~ Const. Art XV, § 4(4)(a), ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260, 461.300

Statutes/Other Implemented: ~~ORS 461.25r Const. Art XV, § 4,~~ ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260, 461.300

AMEND: 177-098-0010

RULE SUMMARY: The Lottery is proposing to amend OAR 177-098-0010 about definitions that apply to the Lottery's Mega Millions game. The definitions of "game ticket," "ticket," "game slip," "play slip," and "draw game terminal" are amended to align with how those terms are used by the Multi-State Lottery Association or MUSL, the organization of member lotteries that offers the multijurisdictional draw games of Powerball and Mega Millions. The amended definitions match current practice and also improve alignment with how those terms are used for Powerball, which may avoid confusion for players and Lottery personnel. (See proposed amendment to these terms for Powerball above; OAR 177-085-0010.)

The Lottery may make other or alternative changes during the public rulemaking process in response to information or public comment received. The Lottery may also make additional changes to: improve the accuracy and clarity of the rule; improve readability, grammar, and organization of the rule; or update the legal citations section of the rule as required by ORS 183.335(2)(b)(A) and (b).

CHANGES TO RULE:

177-098-0010

Definitions ¶¶

The following definitions apply unless the context requires a different meaning:¶¶

(1) "Advertised Grand Prize" or "Advertised Jackpot Prize" means the estimated annuitized Grand Prize amount as determined by the Mega Millions² Finance Committee and communicated through the Selling Lotteries prior to the Grand Prize drawing. The advertised Grand Prize is not a guaranteed prize amount and the actual Grand Prize amount may vary from the advertised amount, except in circumstances where there is a guaranteed Grand Prize amount as described in OAR 177-098-0060(5).¶¶

(2) "Drawing" refers collectively to the formal draw event for randomly selecting the winning indicia that determine the number of winners for each prize level of the Mega Millions² game. Winning indicia includes the winning numbers for the Mega Millions² game.¶¶

(3) "Draw game terminal" or "terminal" ~~has the meaning set forth in OAR 177-070-0005(5)~~ means a device that meets all security and definitional requirements of the Lottery and MUSL Rules, and which is authorized by the Lottery to function in an on-line, interactive mode with the Lottery's computer gaming system for the purpose of issuing tickets and entering, receiving, and processing lottery transaction, including making the purchases, validating tickets, and transmitting reports.¶¶

(4) "Finance & Audit Committee" means the committee established by the Multi-State Lottery Association Agreement.¶¶

(5) "Game board" or "boards" means that area of the play slip, which contains sets of numbered squares to be marked by the player.¶¶

(6) "Game ticket" or "ticket" means ~~a ticket produced by a terminal which contains the caption Mega Millions², one or more lettered game plays followed by the drawing date, the price of the ticket, whether or not the player has purchased the Megaplier² option, the number of draws, the drawing dates if more than one drawing was purchased, a six digit retailer number, and a serial number that is compatible with the Lottery's computer gaming system~~ the physical evidence of a play, printed on paper that meets the play and security data required by the Lottery, these rules, and the MUSL rules that allow redemption of a prize. Tickets shall be printed by terminals as permitted by the Lottery.¶¶

(7) "Jackpot" or "Grand Prize" refers to the top prize in the Mega Millions² game.¶¶

(8) "Mega Millions² Finance Committee" means a committee of the Mega Millions² Lotteries, which determines the Jackpot Prize amount (cash value option and annuity).¶¶

(9) "Mega Millions² Lottery" or "lotteries" means those lotteries which have joined under the Mega Millions² Lottery Agreement and through a Cross-Selling Agreement with MUSL, to operate and sell the Mega Millions² game.¶¶

(10) "Megaplier²" means a Mega Millions² game feature, known as "Megaplier²", by which a player, for an additional wager of \$1 per play, can increase the guaranteed prize amount or pari-mutuel prize amount, as applicable, excluding the Jackpot Prize, by a factor of two, three, four, or five times depending upon the multiplier number that is drawn prior to the Mega Millions² game drawing.¶¶

(11) "MUSL" means the Multi-State Lottery Association, a government benefit association wholly owned and operated by the Party Lotteries.¶¶

- (12) "MUSL Board" means the governing body of MUSL, which is comprised of the chief executive officer of each Party Lottery.¶
- (13) "Participating Lottery" or "Selling Lottery" means a state lottery or lottery of a political subdivision or entity which is participating in selling the Mega Millions[®] game and which may be a member of either MUSL or the Mega Millions[®] lotteries.¶
- (14) "Party Lottery" means a state lottery or lottery of a political subdivision or entity, which has joined the MUSL and, in the context of these Product Group Rules, which has joined in selling the games offered by the MUSL Mega Millions[®] Product Group.¶
- (15) "Play" or "game play" means a set of six numbers, the first five from a field of seventy numbers and the last one from a field of twenty-five numbers that appear on a ticket as a single lettered selection and are to be played by a player in the game. Each play is played separately in determining matches to winning numbers and prize amounts.¶
- (16) "Play slip" or "Bet slip" means a physical or electronic means by which a player communicates the ~~player's~~ intended play selection to the retailer as defined and approved by the Lottery. A Play Slip or Bet Slip is not a ticket.¶
- (17) "Product Group" or "the Group" means the group of lotteries which has joined together to offer the Mega Millions[®] lottery game product pursuant to the terms of a Cross-Selling Agreement with the Mega Millions[®] Lotteries, the Multi-State Lottery Agreement and the Product Group's own rules.¶
- (18) "Quick Pick" means the random selection of indicia by the Lottery's computer gaming system that appear on a ticket and are played by a player in the game.¶
- (19) "Retailer" means a person or entity authorized by the Lottery to sell lottery tickets.¶
- (20) "Set Prize," also referred to a "low-tier prize," means all other prizes except the Jackpot Prize and, except in instances outlined in these rules, will be equal to the prize amount established by the MUSL Board for the prize level.¶
- (21) "Winning numbers" means the indicia randomly selected during a drawing event which shall be used to determine winning plays for the Mega Millions[®] game contained on a game ticket.
- Statutory/Other Authority: ORS 190, 461, OR Const. Art. XV, Sec. 4(4) or Const. Art XV, § 4(4)(a), ORS chapter 190, ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260, 461.300
- Statutes/Other Implemented: ~~ORS 461~~ or Const. Art XV, § 4, ORS chapter 190, ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260, 461.300

AMEND: 177-098-0020

RULE SUMMARY: The Lottery is proposing to amend OAR 177-098-0020 that describes the Mega Millions game. The proposed changes align with changes to MUSL rules governing Mega Millions that clarify (1) that printed plays must be sold through an authorized retailer and (2) shall be printed on paper that meets the requirements of the Lottery and MUSL. Both of these are consistent with current practice.

Additionally, the section on how plays are entered is amended to align with MUSL rules and clarifies (1) that plays may be entered as approved by Lottery; (2) retailers may not permit the use of unauthorized play slips; and (3) retailers may not permit any device to enter plays, except as allowed by Lottery.

The Lottery may make other or alternative changes during the public rulemaking process in response to information or public comment received. The Lottery may also make additional changes to: improve the accuracy and clarity of the rule; improve readability, grammar, and organization of the rule; or update the legal citations section of the rule as required by ORS 183.335(2)(b)(A) and (b).

CHANGES TO RULE:

177-098-0020

Game Description ¶

(1) General Information: Mega Millions² is a five out of seventy plus one out of twenty-five lottery game, drawn on the day(s), time(s) and location(s) as determined by the Mega Millions² Lotteries, and which pays the Jackpot Prize, at the election of the player made in accordance with these rules or by a default election made in accordance with these rules, either on a graduated annuitized annual pari-mutuel basis or as a cash value option using a rate determined by the Mega Millions² Finance Committee on a pari-mutuel basis. Except as provided in these rules, all other prizes are paid as a single lump sum payment. Mega Millions² winning numbers applicable to determine Mega Millions² prizes will be determined on the day(s), time(s), and location(s) as determined by the Mega Millions² lotteries. During a drawing event, five numbers shall be drawn from the first set of seventy numbers and one number shall be drawn from the second set of twenty-five numbers, which shall constitute the winning numbers.¶

(2) Selection of Numbers: To play the Mega Millions² game, a player shall select (or computer pick) five different numbers, from one through seventy and one additional number from one through twenty-five (the Mega ball). The additional number may be the same as one of the first five numbers selected by the player, as long as it is from one through twenty-five.¶

(3) Purchase of Tickets: Tickets can be purchased for two dollars (U.S. \$2.00), either from a terminal operated by a retailer (i.e., a clerk-activated terminal) or from a terminal operated by the player (i.e., a player-activated terminal).¶

(a) Purchase from Retailer: If purchased from a retailer, the retailer will issue a ticket, via the terminal, containing the player's selected set or sets of numbers or other indicia, each of which constitutes a game play. The player may select a set of five numbers from one to seventy and one additional number from one through twenty-five by:¶

(A) Marking six numbered squares in any one game board on a play slip and submitting the play slip to the retailer; or¶

(B) Requesting "Quick Pick" from the retailer.¶

(b) Player-activated Terminal: Tickets can be purchased from a player-activated terminal by use of a touch screen or by inserting a play slip into the machine.¶

(c) Future Drawings: A player may purchase tickets for future consecutive drawings up to the maximum permitted by the Lottery.¶

(4) Player Responsibility: It is the sole responsibility of the player to verify the accuracy of the game play or plays and other data printed on the ticket. A ticket may not be voided or canceled by returning the ticket to the retailer or to the Lottery, including tickets that are printed in error. No ticket may be returned to the Lottery for credit. The placing of plays is done at the player's own risk through the Lottery retailer, who when entering the play or plays is acting on behalf of the player. When the purchase of a ticket fails to complete because the ticket does not print, the player is responsible for notifying the retailer prior to the drawing(s) on the ticket to obtain a refund or a replacement ticket.¶

(5) ~~Entry of Printed Plays: Plays may be entered manually using a~~ Plays shall be sold through the Lottery terminal keypad

or touch screen or by means of a play slip as approved by the Lottery or by such other means and shall be printed on paper that meets the security requirements for paper used in the Lottery's other games and other requirements adopted by the MUSL Board and the Product Group.¶

(6) Entry of Plays: Plays may be entered as approved by the Lottery. Retailers can shall not permit the use of play slips that are not approved by the Lottery. Retailers must shall not permit any device to be physically or wirelessly connected to a Lottery terminal to enter plays, except as approved by the Lottery.¶

(67) Determination of Winning Numbers: The winning numbers for the Mega Millions game shall be determined at a drawing conducted under the supervision of the Mega Millions Lotteries and the MUSL Board. Winning numbers shall be selected at random with the aid of mechanical drawing equipment or a random number generator. The Lottery Director shall designate a Drawing Manager who shall review and randomly observe the Mega Millions game drawings conducted.

Statutory/Other Authority: ORS 190, 461, OR Const. Art. XV, Sec. 4(4) Const. Art XV, § 4(4)(a), ORS chapter 190, ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260, 461.300

Statutes/Other Implemented: ORS 461 Const. Art XV, § 4, ORS chapter 190, ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260, 461.300

AMEND: 177-098-0070

RULE SUMMARY: The Lottery is proposing to amend OAR 177-098-0070 that describes validation requirements for Mega Millions. "Official paper stock" is changed to paper that complies with MUSL and Oregon Lottery requirements. Lottery does not view this as a substantive change, but simply aligning with how MUSL refers to the paper on which valid tickets must be printed.

The Lottery may make other or alternative changes during the public rulemaking process in response to information or public comment received. The Lottery may also make additional changes to: improve the accuracy and clarity of the rule; improve readability, grammar, and organization of the rule; or update the legal citations section of the rule as required by ORS 183.335(2)(b)(A) and (b).

CHANGES TO RULE:

177-098-0070

Ticket Validation ¶

(1) Validation Requirements: To be a valid ticket and eligible to receive a prize, a Mega Millions² ticket shall satisfy all the requirements established by Lottery for validation of winning Mega Millions² tickets sold through Lottery's computer gaming system and any other validation requirements adopted by the Product Group, the MUSL Board and any other requirements published as the Confidential MUSL Minimum Game Security Standards. The Lottery and MUSL are not responsible for tickets which are altered in any manner (or which fail to print except as provided in OAR 177-098-0020(4)). When a winning Mega Millions² ticket is submitted to the Lottery for validation along with the Lottery's completed claim form, and the Lottery has initiated the validation procedures, the Lottery retains possession of the winning ticket and claim form.¶

(2) Mega Millions² Ticket Required: Under no circumstances will a claim be paid for either the Jackpot Prize or a lower tier set prize without an official Mega Millions² ticket matching all game play, serial number and other validation data residing in Lottery's computer gaming system and such ticket shall be the only valid proof of the wager placed and the only valid receipt for claiming or redeeming such prize.¶

(3) Additional Validation Requirements: In addition to the validation requirements set forth in sections (1) and (2) of this rule, in order to be deemed a valid, winning Mega Millions² ticket, all of the following conditions must be met:¶

(a) The validation data must be present in its entirety and must correspond, using the computer validation file, to the number selections printed on the ticket for the drawing date(s) printed on the ticket;¶

(b) The ticket must be intact;¶

(c) The ticket must not be mutilated, altered, reconstituted, or tampered with in any manner;¶

(d) The ticket must not be counterfeit or an exact duplicate of another winning ticket;¶

(e) The ticket must have been issued by a Lottery retailer authorized to sell Mega Millions² tickets ~~on official paper stock of the Lottery~~ and printed on paper in compliance with MUSL Rules;¶

(f) The ticket must not have been stolen, to the knowledge of the Lottery;¶

(g) The ticket must be submitted for payment in accordance with these rules.¶

(h) The ticket data must have been recorded on the Lottery's computer gaming system prior to the drawing and the ticket data must match this computer record in every respect. In the event of a contradiction between information as printed on the ticket and as accepted by the Lottery's computer gaming system, the wager accepted by the Lottery's computer gaming system shall be the valid wager;¶

(i) The player or computer pick number selections, validation data and the drawing date(s) of an apparent winning ticket must appear on the official file of winning tickets, and a ticket with that exact data must not have been previously paid;¶

(j) The ticket must not be misregistered, defectively printed, or printed or produced in error to an extent that it cannot be validated by the Lottery;¶

(k) The ticket must pass validation tests using a minimum of three of the five validation methods as defined in the Mega Millions² Finance and Operations Procedures, Section 15. In addition, the ticket must pass all other confidential security checks of the Lottery;¶

(l) In submitting a Mega Millions² ticket for validation, the claimant agrees to abide by applicable laws, all rules and regulations, instructions, conditions and final decisions of the Lottery Director;¶

(m) There must not be any other breach of these Mega Millions² Rules in relation to the ticket, which, in the opinion of the Lottery Director, justifies invalidation; and¶

(n) The ticket must be submitted to the Lottery.

Statutory/Other Authority: ORS 190, 461, OR Const. Art. XV, Sec. 4(4) OR Const. Art XV, § 4(4)(a), ORS chapter 190, ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260, 461.300
Statutes/Other Implemented: ORS 461 OR Const. Art XV, § 4, ORS chapter 190, ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260, 461.300