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Subtitle T

New York State Gaming Commission

Chapter III

Division of Lottery

Subchapter A

State Lottery

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PART 5000

General Provisions

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§ 5000.1. Purpose and scope.

This chapter is promulgated by the commission pursuant to Article 1 of the Racing, Pari-Mutuel Wagering and Breeding Law and governs the establishment, operation, and administration of the commission in regard to the State Lottery, and such additional responsibilities as may be assigned by law. Subjects covered by this chapter include, but are not limited to: frequency of drawings, price of tickets, structure of prizes, payment of prizes, licensing of lottery sales agents, use of vending machines, safekeeping operations and control and distribution of lottery tickets. This Part pertains to the Division of Lottery and supplements those rules and regulations of general applicability promulgated by the commission.

§ 5000.2. Definitions.

Unless the context indicates otherwise, the following definitions are applicable throughout this Chapter.

(a) *Act* or *acts* means article 34 of the Tax Law, commonly known and cited as the New York State Lottery for Education Law, and article 1 of the Racing, Pari-Mutuel Wagering and Breeding Law.

(b) *Affiliate* means a parent company or subordinate business entity of a courier service.

(c) *Agent commission* means a lottery sales agent's portion of sales, or other person's portion of sales, related to activity of sales, processing of claims, distribution and handling of tickets and revenue, and other services performed at the request of the lottery director.

(d) *Annuity option* means the manner in which a designated prize may be paid in annual installments.

(e) *Assigned drawing* means a unique multi-digit consecutive number assigned by the central gaming system, which corresponds to a specified drawing.

(f) *Bet ticket* means the ticket generated by the computer terminal based on input received from the purchaser, whether by play slip, quick-pick option, manual entry or other means approved by the commission, or electronically generated by a central gaming system as directed by a subscription purchaser.

(g) *Central gaming system* means the information system that includes infrastructure components to implement and/or support lottery sales and claims functions.

(h) *Claimant* means any person or entity submitting a prize claim within the required time period of a game or promotion to collect a lottery prize. A claimant may be a person or entity named on a signed ticket or claim form or may be the bearer of an unsigned ticket.

(i) *Claims center* or *customer service center* means any place designated by the commission where a ticket holder or such ticket holder's representative may file a claim for a prize in accordance with instructions of such commission.

(j) *Commission* means the New York State Gaming Commission established pursuant to article 1 of the Racing, Pari-Mutuel Wagering and Breeding Law.

(k) *Computer terminal* means the device at the Lottery sales agent location or site licensed by the commission authorized for use in purchasing Lottery game tickets and performing other Lottery transactions.

(l) *Courier customer* means a natural person who is the holder of an account on a network operated by a courier service and who requests delivery of a lottery ticket through such network.

(m) C*ourier service* means a person licensed pursuant to this subchapter as a vendor to carry out transactions as an agent for customers as permitted by this subchapter.

(n) *Drawing date* means the date designated by the commission on which the winning numbers, symbols or characters are drawn for a game or promotion.

(o) *Draw game* refers to a game that may from time to time be implemented on the commission's central gaming system and requires a drawing to determine winning numbers, symbols, or characters.

(p) *Drawing* means the formal process, determined by the commission, by which the winning numbers, symbols or characters are drawn.

(q) *Drawing cutoff* or *draw close* means the deadline to purchase a lottery ticket for a particular lottery drawing as determined by the commission.

(r) *Field* means a set of numbers, symbols, or characters available for selection and from which numbers, symbols or characters are drawn according to a game design to determine winning plays in a draw game. A game may be designed to include two or more fields, which may be designated as *field 1*, *field 2*, and so forth.

(s) *Fixed prize* means a prize to be paid by a single payment and, except in instances specified otherwise in this Subchapter, will be equal to the prize amount established for the associated prize level.

(t) *Game panel* means the area of the play slip that contains a number of defined spaces from which a purchaser may select a subset of numbers, symbols or characters to be played for a particular drawing. Selections made by the purchaser in the game panel are used to produce an individual wager shown on the bet ticket.

(u) *Gross sales* means the dollar value of the bet tickets eligible for a particular draw game's scheduled drawing.

(v) *Jackpot prize* means the top prize awarded in a lottery game or promotion. Jackpot prize may also be referred to from time to time as *grand prize*.

(w) *Lottery director* means the director of the Division of Lottery within the commission.

(x) *Lottery fund* means the State lottery fund established pursuant to section 92-c of the State Finance Law.

(y) *Lottery* or *State lottery* means the lottery established and operated pursuant to the Lottery for Education Law and article 1 of the Racing, Pari-Mutuel Wagering and Breeding Law.

(z) *Lottery sales agent* means a person who or that is licensed by the commission pursuant to the acts to sell lottery tickets.

(aa) *Lump-sum option* means the manner in which particular prize levels may be paid in a single payment in an amount equal to the prize won, discounted to the present value of the prize, as determined by the commission, as set forth in this Subchapter. *Lump sum* means the amount of such single payment.

(ab) *Manual entry* means the capability of the computer terminal or lottery self-service vending machine to record a purchaser's plays in response to instruction from a purchaser.

(ac) *Measuring life* means the period over which a life-contingent annuitized prize is paid out. For each winning play, the measuring life shall be determined according to the period in which payments shall be made pursuant to section 5002.13 of this Title. The measuring life shall be determined at the time an annuitized prize is claimed.

(ad) *MUSL* means the Multi-State Lottery Association.

(ae) *Network* means an online-enabled technology application service or electronic system offered or used by a courier service agent that enables courier customers of the network within the State to request the courier service to purchase lottery tickets on the courier customer's behalf as the courier customer's agent and receive delivery of a facsimile or other electronic confirmation of the lottery tickets issued on behalf of the courier customer through the network.

(af) *Pari-mutuel basis* means, for a draw game, a method of determining prize amounts for a designated prize level calculated by dividing the total amount of prize money

allocated to pay prizes at such level for a specified drawing, divided among the number of winning plays at such prize level for such drawing.

(ag) *Party lotteries* mean one or more of the lotteries established and operated pursuant to the laws of any jurisdiction that becomes a signatory to an agreement to participate in a multi-jurisdictional game.

(ah) *Person* means an individual, partnership, association, organization, corporation, limited liability company, club, company, trust, estate, society, joint-stock company, receiver, trustee, assignee, referee or any other form of business organization or any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, and any combination of individuals, as well as agencies and instrumentalities of the State and counties, cities, towns and villages.

(ai) A *play* means a single entry into a specific game's prize pool for a scheduled event to select winnings plays.

(aj) *Play slip* means a tangible instrument, in a form approved by the commission, that a bet-ticket purchaser uses to designate the game and numbers, symbols or characters that the bet-ticket purchaser has selected to play (on the purchaser's own behalf or as agent for a principal) and to communicate such selections to a lottery sales agent to generate a bet ticket. A play slip may provide for wagering on future drawings and multiple drawings, up to a number of consecutive draws the commission may specify.

(ak) *Prize fund* means the percentage of a game's gross sales set aside for the prize pool, inclusive of any prize reserves, for the payment of prizes.

(al) *Prize pool* means the designated portion of revenue from ticket sales that is allocated for the payment of prizes in a specific lottery game or drawing.

(am) *Purchaser* means a natural person who purchases a bet ticket within New York State, whether on the purchaser's own behalf or as agent for a principal.

(an) *Quick pick* means a method in which some or all number, symbol, or character selections are determined at random by the central gaming system or the computer terminal at the time of purchase. If a purchaser communicates some number, symbol, or character selections orally or by play slip, any remaining number, symbol or character selections required to effect a play may be determined by quick pick.

(ao) *Ticket* means a representation, the form of which is prescribed by the commission, of the lottery play or plays sold to a purchaser.

(ap) *Ticket processing* means, with respect to a courier service, the process inclusive of the following:

(1) accepting a request to purchase lottery tickets as the courier customer's agent;

(2) generation of lottery tickets necessary to complete a request through a computer terminal pursuant to the requirements of section 5004.9 of this Title;

(3) scanning legibly the front and back of a ticket and creating an image thereof;

(4) matching the ticket to a courier customer's request and verifying the accuracy thereof; and

(5) providing a courier customer with an image of the front and back of a ticket.

(aq) *Validation* means the process of determining whether a ticket presented for prize payment does or does not represent a winning play.

§ 5000.3. Powers reserved.

All powers not specifically defined in this Chapter are reserved to the commission under the laws creating the commission and specifying the commission's powers and duties.

§ 5000.4. Name, official seal and offices.

(a) The commission may use the names "New York State Lottery" or "New York Lottery" in advertisements, public announcements, correspondence, or for any other lawful purpose, and whenever so used such names shall be deemed to refer to the commission with the same force and effect as if the full name of the commission was used.

(b) The commission shall adopt an official seal, which shall be used in the cases prescribed by law and in such other cases as authorized by the commission.

§ 5000.5. Director, division and the commission.

(a) The lottery division shall be supervised by a director. The Division of Lottery shall be responsible to operate and administer the State Lottery for Education, as prescribed by Article 34 of the Tax Law, excepting responsibilities for video lottery gaming, which shall be under the Division of Gaming. Notwithstanding the foregoing, the Division of Lottery shall retain the responsibility for all aspects of promotional activities related to video lottery gaming.

(b) The commission shall have the authority to implement and execute such procedures as the commission may deem appropriate for the efficient administration of the acts, and to promulgate rules and regulations governing the establishment, administration and operation of the lottery at the commission's discretion to accomplish the purposes of the acts and to amend, repeal or supplement such rules and regulations. The commission

may delegate authority to the executive director and the lottery director, at the commission's discretion.

(c) The commission shall conduct a continuous study and investigation of all matters pertinent to the efficient operation of the lottery.

(d) The commission shall maintain full and complete records of the operation of the division. The commission shall report on a regular basis to the Governor on the status of the lottery.

§ 5000.6. Hearings on suspension or revocation of lottery sales agent license.

(a) A lottery sales agent is entitled to notice and an opportunity to be heard before suspension or revocation of the licensed provided that the Lottery sales agent requests such a hearing within 20 days from the date of notice of the suspension or revocation. If the commission or the commission's designee finds that the public health, safety, or welfare imperatively requires emergency action, and incorporates a finding to that effect in a written order, summary suspension of a Lottery sales agent license may be temporarily ordered, pending proceedings for license suspension or revocation.

(b) A petition requesting a hearing shall be in writing signed by the petitioner or an attorney on behalf of the petitioner and shall include the petitioner's mailing address.

(c) Upon receipt of a petition requesting a hearing, the commission shall issue a notice of hearing fixing the date, time and place at which the hearing shall be held, stating the legal authority and jurisdiction under which the hearing is to be held, referring to the particular sections of the statutes and rules involved, where possible setting forth a short and plain statement of matters asserted, and stating that interpreter services shall be made available, at no charge, pursuant to section 301 of the State Administrative Procedure Act provided that such interpreter services are requested a reasonable time in advance of the hearing. Upon the written application of any party, a more definite and detailed statement of the matters asserted shall be furnished whenever the director or the director's designee finds that the statement in the notice of hearing is not sufficiently definite or not sufficiently detailed. Any more definite and detailed statement so furnished shall be deemed to be a part of the notice of hearing. A notice of hearing shall give at least 10 days notice to the petitioner and other parties and shall be served either in person or by certified mail.

(d) The hearing officer shall be a person designated by the commission. Upon the filing in good faith by a party of a timely and sufficient affidavit of personal bias or disqualification of a hearing officer, the commission shall determine the matter as part of the record of the proceedings. Whenever a hearing officer is disqualified or it becomes impractical for him or her to continue, another hearing officer may be designated to continue the proceedings unless it is shown that substantial prejudice would result. The hearing officer's written report of the hearing containing findings of fact, conclusions of law, and recommended decisions shall be filed with the commission and mailed to the

parties of record, and all parties of record shall have 10 days in which to file exceptions, objections, and replies thereto, after which the commission shall adopt, reverse, or modify the report and recommended decision.

(e) A party shall be required to make disclosures prior to a hearing only as provided by this subdivision. When the revocation of a lottery sales agent license is sought, any party shall, upon written demand and at least seven days prior to the date of the hearing, disclose the evidence that the party intends to introduce at the hearing, including documentary evidence and identification of witnesses who may testify at the hearing, except material protected by law from disclosure, including privileged or confidential information. If after making such disclosure, a party decides to rely on other witnesses or documents, the party shall, as soon as practicable, supplement such party's disclosure by providing the names of such witnesses or copies of such documents.

(f) The hearing officer shall rule on matters of procedure and evidence, and shall conduct the hearing in such manner as, in the hearing officer's discretion, will best serve the attainment of justice. The hearing officer may direct questions to any party or witness.

(g) (1) The order of proof shall be as follows:

(i) testimony by witnesses in support of the matters asserted against the licensee;

(ii) cross-examination of such witnesses;

(iii) testimony by the licensee and witnesses produced by the licensee; and

(iv) cross-examination of the licensee and the licensee's witnesses.

The hearing officer may, in the hearing officer's discretion, change the order of proof.

(2) Objections or exceptions may be made to the rulings of the hearing officer and the reasons therefor shall be stated, but such objections or exceptions will not be deemed to have been made unless duly noted on the record.

(3) The formal rules of evidence shall not be rigidly enforced in the hearing. Unless objection or exception is made, sustained, and duly noted on the record, all evidence appearing in the record shall be deemed to have been properly admitted for consideration by the commission.

(4) The introduction of cumulative evidence shall be avoided, and the hearing officer may limit the testimony of any witness that the hearing officer deems to be merely cumulative; however, the party offering such testimony may make a short avowal of the testimony that would have been given and if the witness asserts that such avowal is true, the avowal shall be made part of the record.

(5) The hearing officer shall have the authority upon application of any party to reopen an adjourned hearing for the presentation of new or additional evidence. Such application shall be in writing and shall set forth a brief description of the new or additional evidence to be presented.

(6) Oral argument may be made only before the hearing officer. Within the discretion of the hearing officer, such oral argument may be curtailed or limited.

(h) (1) The record shall include:

(i) all notices, pleadings, motions, and intermediate rulings;

(ii) evidence presented;

(iii) a statement of matters officially noticed except matters so obvious that a statement of them would serve no useful purpose;

(iv) questions and offers of proof, objections thereto, and rulings thereon;

(v) proposed findings and exceptions, if any;

(vi) findings of fact, conclusions of law, and recommendations made by the hearing officer; and

(vii) the decision, determination, opinion, order, or report rendered in the matter by the commission.

(2) The hearing shall be recorded by either stenographic or electronic means.

(3) Upon application made by a licensee, a copy of the record shall be furnished to the licensee. If the stenographic or electronic recording of the hearing has not been transcribed, that portion of the record shall be furnished to the licensee only upon payment of the cost of transcription.

§ 5000.7. Reward payments.

The commission in the commission's discretion may authorize the payment of a reward in the amount of up to $100 per offense to any person for information leading to the arrest and conviction of any person or persons for any offense involving the theft or misuse of lottery tickets, records, or equipment.

§ 5000.8. Declaratory rulings.

(a) On petition of any person, the commission may issue a declaratory ruling with respect to:

(1) the applicability to any person, property, or state of facts of any rule or statute enforceable by the commission, or

(2) whether any action by the commission should be taken pursuant to a rule or regulation.

(b) A petition for a declaratory ruling must be submitted in writing to the commission by certified mail, return receipt requested, addressed to New York State Gaming Commission, 354 Broadway, Schenectady, NY 12305. The returned postal service receipt shall constitute proof of service, which shall be deemed effective on the day the petition is received. The petition shall state that a declaratory ruling is requested, cite the statute, rule, or regulation relied upon, and set forth a complete and precise statement of the state of facts, persons or property with respect to which a ruling is sought, together with a full disclosure of the petitioner's interest. Any facts alleged in the petition shall be verified under oath by the petitioner.

(c) Counsel to the commission shall receive any such petition and recommend a responsive declaratory ruling or advise that a petition should be declined by the commission as incomplete, ambiguous, inappropriate, or unnecessary under the facts and circumstances recited therein.

(d) The issuance of a declaratory ruling shall be within the discretion of the commission, and nothing contained in this section shall confer upon any person the right to compel the commission to issue a declaratory ruling. Within 60 days from the receipt of any petition seeking a declaratory ruling with respect to whether any action by the commission should be taken pursuant to a rule, the commission shall issue either a declaratory ruling or a statement declining to issue a declaratory ruling.

(e) The commission shall be bound by the conclusions stated in any declaratory ruling unless such ruling is

(1) changed by the commission to be effective prospectively;

(2) altered or set aside by a court of competent jurisdiction; or

(3) superseded by duly enacted legislation.

(f) No opinion, letter, announcement, or other communication by the commission shall be deemed to be a declaratory ruling unless it contains a statement that it is a declaratory ruling or it is a ruling issued in response to a petition submitted pursuant to this section.

PART 5001

Lottery Sales Agents

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§ 5001.1. Application.

Tickets may be sold only within New York State by lottery sales agents. Any person may apply for a license to become a lottery sales agent by submitting a completed application form to the commission and any supplements thereto as may be required.

§ 5001.2. Eligibility.

(a) No license as a lottery sales agent shall be issued to any person in business exclusively as a lottery sales agent. Before issuing such a license, the commission shall consider such factors as:

(1) financial responsibility and security of the business or activity in which such person is engaged;

(2) accessibility of the place of business or activity to the public;

(3) sufficiency of existing licenses to serve the public convenience;

(4) whether the place of business or activity is predominantly frequented by persons under the age of 18 years;

(5) volume of expected sales;

(6) conviction of any offense as defined in the Penal Law;

(7) veracity and completeness of information supplied on the application form or any supplement thereto;

(8) applicant's indebtedness, if any, to State or local government; and

(9) business experience and reputation of the applicant.

§ 5001.3. Minors.

No person under legal age shall be licensed as a lottery sales agent.

§ 5001.4. Residency.

Lottery sales agent licenses shall be issued only to persons who are residents of this State or whose place of business is located in this State.

§ 5001.5. Issuance of license.

The commission shall license as lottery sales agents to sell lottery tickets only such persons as in the opinion of the commission will best serve public convenience consistent with the purposes of the acts.

§ 5001.6. Duration of license.

A lottery sales agent's license shall remain in force until suspended, revoked or terminated by the commission in accordance with the provisions of the act or those set

forth in this Part. The commission may extend the initial or subsequent licensing period at the commission's discretion, or may set starting and expiration dates for new or renewed licenses. Upon reasonable notice to existing licensees, the director may require renewal of licenses, establish probation, or set other conditions upon the license. A license fee may be established and required at the discretion of the commission.

§ 5001.7. Display of license.

Every lottery sales agent shall prominently display such lottery sales agent's license in an area visible to the general public in each place of business where lottery tickets are sold. In addition, a lottery sales agent shall display an authorized lottery agent decal on a prominent front window or door of the lottery sales agent's premises so as to be readily visible to the public. A lottery sales agent shall maintain and display all informational and promotional material in connection with ticket sales of each lottery game in accordance with instructions issued by the commission.

§ 5001.8. [Reserved]

§ 5001.9. Temporary licenses and special licenses.

(a) The commission may issue a temporary license under such terms and conditions as it may deem necessary and proper to effectuate the provisions of the Acts.

(b) The commission may issue a special one-time license upon application approved by a local school district board or the governing board of a non-public school, to sell lottery tickets for one drawing only per calendar year as authorized pursuant to section 1605(c) of the Tax Law. A special license to sell tickets for an instant game or any game other than one for which a weekly drawing is held shall be valid for seven calendar days only.

§ 5001.10. Conditions of licensing.

Upon issuance of a license, a lottery sales agent shall agree to the following conditions:

(a) The lottery sales agent shall comply with the provisions of the act, the licensing agreement, and any rules, regulations, procedures, policies and instructions promulgated or issued by the commission.

(b) The lottery sales agent shall offer tickets to the public for sale during normal business hours.

(c) The lottery sales agent shall use, display and maintain authorized displays, notices, entry boxes and other marketing materials used in connection with ticket sales as instructed by the commission.

(d) All tickets accepted by the lottery sales agent from the commission, or from such lottery sales agent's distribution or safekeeping depository, are deemed to have been purchased by the lottery sales agent at the price established by the commission, less appropriate sales commission discounts, if any. At the discretion of the commission tickets may be released to lottery sales agents on a consignment basis and the commission may agree to accept for credit any unsold tickets; however, if unsold tickets are not returned to the authorized distribution or safekeeping depository on or before the stated deadline, the lottery sales agent is responsible to pay for them in full.

(e) The lottery sales agent shall maintain current and accurate records of all transactions in connection with ticket sales in conformity with the rules, regulations, licensing agreement, policies, procedures and instructions relating thereto, as promulgated or issued by the commission.

(f) The lottery sales agent shall redeem for cash all lottery tickets with a value of $25 or less.

(g) The lottery sales agent shall make available to representatives of the division upon request for inspection and audit such records as the lottery sales agent may be required to maintain.

(h) The lottery sales agent's license issued under this Part may be suspended or revoked or have the renewal of such license rejected.

(i) The lottery sales agent shall hold the commission harmless from any liability that may arise as a result of conducting lottery ticket sales.

(j) A lottery sales agent is an independent contractor, and any contractual or tortious liability the lottery sales agent may incur in connection therewith shall be the sole responsibility of the lottery sales agent.

(k) The lottery sales agent's license shall be issued for a fixed period of time, and thereafter renewed on an annual basis unless such licensing period shall be extended or changed at the discretion of the commission.

(l) The lottery sales agent shall surrender to the commission upon request the license, lottery sales agent identification card, and all lottery forms and materials supplied by the commission upon the suspension, revocation, or termination of such license, including temporary suspension.

(m) Lottery sales agents and distributors are responsible for all lost, stolen, or destroyed tickets provided by the commission and will pay for such tickets at the appropriate settlement time. The commission will not reimburse lottery sales agents or distributors for such tickets. Lottery tickets are valuable and should be handled with care.

§ 5001.11. License fee.

(a) A fee for a license as a lottery sales agent may be required in an amount determined by the commission and is payable at the time of licensure. The fee is intended to cover the cost of licensing and is not refundable.

(b) A license renewal fee may be charged annually in an amount determined by the commission. The fee is intended to cover the cost of the licensing renewal operation and is not refundable.

§ 5001.12. Bonding of lottery sales agents.

The commission may require a surety bond from any lottery sales agent in such amount as the commission may determine so as to avoid monetary loss to the State because of a lottery sales agent's activities in the sale of tickets. The bond, if required by the commission, is a condition of becoming or continuing as a lottery sales agent. A financial statement may also be required of any person applying for a lottery sales agent license. The commission may also seek additional surety or guarantee of financial security consistent with the purposes of the acts, as may be deemed appropriate.

§ 5001.13. Non-transferability of license

(a) A license issued pursuant to this Part shall not be transferable.

(b) If the business to which a license is issued changes hands or the ownership or type of business undergoes a substantial change, the commission must be notified immediately of such change in writing. At the commission’s option the commission may terminate or continue the license of such lottery sales agent. A substantial change in ownership shall mean a transfer of 50 percent or more of the equity of any business licensed pursuant to this Part. If the business for which a license has been issued changes such business’ location, said license shall terminate as of the date of the change and an application for a new license must be filed with the commission. Every such change of business location or contemplated change of ownership shall be reported in writing to the division at least 20 days prior to any proposed change.

§ 5001.14. Access to lottery sales agent records.

A lottery sales agent shall grant access to such lottery sales agent’s books and records related to lottery sales, together with any and all papers and information required for purposes of auditing, at such times as deemed appropriate by the commission in connection with the application or license as a lottery sales agent.

§ 5001.15. Location of sales

The sale of lottery tickets shall be made only pursuant to a lottery sales agent's license at the specific location named therein or at such other locations as the commission may approve.

§ 5001.16. Conversion to vending machines or manual sales.

Upon mutual agreement between a lottery sales agent and the commission, any licensed location may be converted from a manual-type operation to a vending machine-type operation, and from a vending machine-type operation to a manual-type operation, for the sale of lottery tickets.

§ 5001.17. Lottery sales agent inspections.

Each lottery sales agent shall permit inspections of such lottery sales agent's premises upon request by authorized employees of the commission to determine whether said lottery sales agents are complying with the provisions of the acts, the rules, regulations and instructions of the commission, and the licensing agreement. Inspections may be made without notice during normal business hours.

§ 5001.18. Sales by gaming commission.

The commission itself may sell lottery tickets at any branch location or at any other location that the commission may establish in the State.

§ 5001.19. Suspension and revocation of license.

(a) At the discretion of the commission, a lottery sales agent's license may be suspended or revoked or have such license renewal rejected for any of the reasons set forth in section 1607 of the Tax Law or for any of the following reasons, or any combination thereof:

(1) failure to file any returns or reports or to keep records or to pay any fee or tax as may be required by this Part;

(2) a material change since issuance of the license with respect to any matter required to be considered by the commission as provided in this Part;

(3) failure to sell a sufficient number of lottery tickets required by the licensing agreement between the lottery sales agent and the commission, when the commission has notified the lottery sales agent of such insufficiency in writing and the lottery sales agent fails to make satisfactory improvements, in the discretion of the commission, within the time set forth in the notice of insufficiency;

(4) violation of any the provisions of the acts, rules and regulations of the commission, the licensing agreement between the lottery sales agent and the commission or any of the conditions of licensing set forth in section 5000.10 of this Title, or failure to follow procedures, policies or instructions of the commission;

(5) failure of the lottery sales agent to display commission point-of-sale material in a manner readily available to the public;

(6) finding by the commission that the lottery sales agent's experience, character and general fitness are such that the lottery sales agent's participation as a lottery sales agent is inconsistent with public interest or convenience or for any other reason within the discretion of the commission;

(7) the failure to notify the commission, in writing, within a reasonable time of any arrest, indictment, or service of a summons, or conviction for any felony whether within or without the State of New York, or within or without the United States, occurring during the term of the license or the renewal thereof; or

(8) failure to cooperate with an investigation of the commission, attempt to frustrate or obstruct such an investigation or provision of false or misleading information to the commission during the course of such an investigation.

(b) A lottery sales agent may establish, as an affirmative defense to a suspension or revocation based upon insufficient sales, whether under paragraph (a)(3) of this section or otherwise, that such lottery sales agent's failure to sell a sufficient number of tickets was caused by factors outside the control of the lottery sales agent that the lottery sales agent has taken reasonable steps to mitigate, such as extreme weather, natural disaster, flood, earthquake, war, discharge of hazardous material, blackout or power interruption, civil unrest or other events or circumstances and that nevertheless, despite such mitigation, reasonably excuse such lottery sales agent's sales performance.

(c) If the commission orders the temporary suspension of a lottery sales agent's license pending any prosecution, investigation or hearing, the lottery sales agent shall permit the commission to retrieve lottery equipment, tickets and other material provided by the commission that may be in the lottery sales agent's possession. Failure to cooperate in the commission's retrieval effort shall constitute separate grounds for suspension or revocation of the lottery sales agent's license. A lottery sales agent under a temporary suspension shall continue to remit amounts owed to the commission when required during such temporary suspension.

(d) Upon termination of a lottery sales agent's license for any reason, the lottery sales agent shall comply with the commission's instructions in regard to payment of remaining amounts owed by the lottery sales agent and surrender of the lottery sales agent's license, lottery equipment, tickets and other material provided by the commission. If the lottery sales agent fails to comply with such instructions, the commission may take steps to

impose such penalties and exercise such enforcement powers as may be provided for by law, including referral of the debt for collection or further action. The lottery sales agent may be liable in the amount of the debt, plus any collection costs, penalties, interest and attorney fees to which the commission may be entitled.

§ 5001.20. Lottery sales agent accountability for lottery tickets.

(a) The proceeds from lottery ticket sales that cannot be accounted for by the lottery sales agent on the settlement date, regardless of reason, shall be due from the lottery sales agent.

(b) The commission reserves the right to require a claimant of any winning ticket to disclose the location of person from whom said claimant purchased said ticket.

(c) The commission reserves the right to hold prize money in escrow pending the findings of any investigation by the commission or by other legal authority, when the claimed ticket for that prize has been reported lost or stolen from a lottery sales agent.

(d) It is the responsibility of the lottery sales agent to report any lost or stolen tickets at once both to local law enforcement officials and to the commission.

§ 5001.21. Consignment of tickets to lottery sales agents.

Upon instructions of the commission, vendors shall consign lottery tickets to lottery sales agents and shall collect tickets that the lottery sales agents have not sold. Vendors shall not deliver tickets to a lottery sales agent who has failed to settle such lottery sales agent's account with respect to outstanding tickets.

§ 5001.22. Fair chance.

A lottery sales agent is prohibited from playing lottery tickets using any method other than fair chance or any method that is contrary to the principle that every ticket has an equal and random chance of winning.

§ 5001.23. [Reserved]

§ 5001.24. Lottery sales agent bonus plan.

(a) The commission may, at the commission's option, establish for any game a lottery sales agent bonus plan for lottery sales agents who sell winning tickets. The bonus shall be paid only to persons authorized to sell lottery tickets as lottery sales agents.

(b) The lottery sales agent bonus plan is that which is shown below, unless some other plan is established by the director for a particular game:

Prize	Bonus prize*
Less than $1,000	$0
$1,000 winning ticket	$10
$2,500	$25
$5,000	$50
$10,000	$100
$15,000	$150
$20,000	$200
$25,000	$250
$50,000	$500
$1,000 a week for life (a million dollars)	$5,000

(c) The commission may establish the criteria for awarding lottery sales agent bonuses for any lottery game as well as the prizes to be awarded for that game.

§ 5001.25. Deposit of lottery revenues by lottery sales agents.

(a) *Deposit of receipts*. All lottery sales agents are required to deposit in a designated depository or bank all monies received by such lottery sales agents from the sale of lottery tickets, less lottery sales agent compensations, and credit, if any, for redeemed tickets along with reports of receipts and transactions on forms provided by the commission for such purpose. In preparing such forms and reports, lottery sales agents shall refer to the manuals and other instructions made available by the commission for each lottery game.

(b) All tickets accepted by a lottery sales agent from the commission or the commission's vendor are deemed to have been purchased by the lottery sales agent, unless returned to the commission or the commission's vendor within the time specified by the commission and the purchase price shall be paid to the commission, less the appropriate lottery sales agent compensation, if any. The lottery sales agent is responsible for lost, stolen or missing tickets not returned, and must pay for such tickets as required by the commission.

(c) The commission may authorize any person to perform functions, activities, or services in connection with the operation of the lottery as the commission may deem advisable to accomplish the purposes of the acts. Such functions, activities or services shall constitute

* For amounts other than those shown, bonus prize shall be equal to one percent of the prize won on the ticket except that for tickets valued at more than $100,000 the prize will be one-half of one percent.

lawful functions, activities or services of such person. Banks shall provide the commission with statements of all transactions as required by the commission.

§ 5001.26. Notification of prize winners.

At the conclusion of each drawing that results in the selection of numbers, every lottery sales agent shall cause the winning numbers to be posted in a prominent place in full view at the lottery sales agent's business location. In addition, any other numbers for bonus awards or other prizes should be posted in compliance with instructions from the commission.

§ 5001.27. Ticket sales.

(a) *Price charged*. Tax Law section 1609(a) governs restrictions on the price charged for lottery tickets and who may sell lottery tickets. The price for each play in each draw game or each instant ticket shall be determined by the commission unless a price is otherwise set forth explicitly in this Subchapter. A price change shall be announced by the commission prior to the effective date of such change. From time to time, the commission may authorize the sale of lottery tickets at a discount for promotional purposes. In addition, a courier service may charge a convenience charge to a courier customer for services approved by the commission pursuant to Part 5014 of this Title. Any such fee shall be deemed to be independent of a ticket price and shall be subject to the requirements of section 5014.19 of this Title.

(b) *Sale cutoff*. No ticket for a lottery draw game may be sold after the draw close or commencement of a drawing for that particular lottery game.

(c) *Sales to minors*.

(1) No ticket shall be sold to any person under the age of 18 but this shall not prohibit the purchase of a ticket for the purpose of making a gift by a person 18 years of age or older to a person less than that age, as set forth in Tax Law section 1610(a).

(2) The commission shall penalize a licensee found to have violated paragraph (1) of this subdivision as follows:

(i) for a first violation, a written warning of such violation;

(ii) for a second violation within one year of a violation, a fine of $500;

(iii) for a third violation within one year of a violation, a fine of $1,000; and

(iv) for a fourth or subsequent violation within one year of a violation, such further action as the commission may deem appropriate, which may include without

limitation the suspension or revocation of any license or privilege to sell lottery tickets.

(d) *Finality of sale*. All ticket sales shall be final and no ticket return shall be accepted by a lottery sales agent except as otherwise provided by the commission.

(e) *Credit to lottery sales agent*. A lottery sales agent may receive credit for a ticket issued that is misprinted or damaged by the vendor or vendor's system, as determined by the commission. A lottery sales agent's request for consideration of credit for a bet ticket must be postmarked before the bet-ticket draw date or the first bet-ticket drawing date for a bet ticket with multiple drawings and include required documentation in order to receive consideration of credit for any such bet ticket. A lottery sales agent's request for consideration of credit for an instant-game ticket must be postmarked before the instant game expires and include required documentation, in order for a lottery sales agent to receive consideration of credit for any such instant-game ticket.

(f) *Exchange bet tickets*. If a player redeems a bet ticket containing a winning play prior to all drawings referred to thereon having been completed, an exchange ticket shall be issued, indicating the remaining drawing to which the wager applies and the associated plays as originally played. An exchange ticket cannot be cancelled.

(g) *Purchasers*. Neither a lottery sales agent nor the commission shall sell a lottery bet ticket to anyone other than a purchaser.

(h) *Use of codes for purchases*. No lottery sales agent is permitted to use or accept a code to effect the purchase of a lottery bet ticket, unless such code has been produced by the commission.

(i) *Unreasonable use of machines*. No lottery sales agent may permit a prospective purchaser to use or occupy a lottery computer terminal or vending machine, otherwise accessible to the public, for an unreasonable length of time, as the commission may determine, in the commission's discretion.

(j) *Facilitating bulk purchases prohibited*. Neither the commission nor a lottery sales agent, lottery vendor or lottery courier service shall participate in or facilitate any attempt or scheme by any person, group or entity to purchase, in whole or in part, all or substantially all of the combinations in a draw game or all or substantially all of the remaining bet tickets in an instant game. No lottery sales agent may accept a wire transfer or other electronic transfer of funds in connection with any such attempt or scheme. Neither the commission nor any lottery sales agent, lottery vendor or lottery courier service shall collaborate with or share information with any person, group or entity in connection with any such attempt.

(k) *Duty to report*. A lottery sales agent, lottery vendor or lottery courier service shall have an affirmative duty to report to the commission any information concerning any act,

practice or attempt by any person, group, or entity, to purchase, in whole or in part, all or substantially all of the combinations in a draw game or all or substantially all of the remaining bet tickets in an instant game.

(l) *Suspension of sales*. The commission may suspend or limit sales and/or support of a draw game or instant game at any sales agent location at which the commission suspects an attempt by any person, group, or entity, to purchase, in whole or in part, all or substantially all of the combinations in a draw game or all or substantially all of the remaining bet tickets in an instant game is occurring.

(m) *Temporary lottery computer terminals or vending machines*. The commission shall not provide any lottery sales agent with additional terminals or vending machines on a temporary basis.

(n) *Device connections prohibited*. No lottery sales agent may permit any device to be connected to any lottery equipment without the express approval of the commission.

§ 5001.28. Special lottery sales agents.

(a) The commission may license special lottery sales agents, subject to such conditions or limitations as the commission, in the commission's discretion, may deem appropriate. These limitations or conditions may include, but are not limited to:

(1) length of license period;

(2) hours or days of sale;

(3) location or site of sale;

(4) specific persons who are allowed to sell lottery tickets;

(5) specific sporting, charitable, social, or other special events where lottery tickets may be sold in conformity with the acts.

(b) Special lottery sales agents shall be subject to this Part wherever applicable.

§ 5001.29. Penalty on delinquent accounts.

The commission may impose a penalty of 1½ percent monthly (18 percent per annum) on any monies due to the commission from lottery sales agents whose accounts are delinquent for more than 30 days.

PART 5002

Payment of Prizes

Section
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5002.2 Requirement of additional information
5002.3 Time of payment of prize
5002.4 Place of payment
5002.5 Manner of payment
5002.6 Discharge of State liability upon payment
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5002.9 Prizes payable after death of prizewinner
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5002.11 Prize rights non-assignable
5002.12 Publicity release
5002.13 Prize payable for life
5002.14 Annuity option or lump-sum option prizes
5002.15 Withholdings
5002.16 Prizes to deceased persons

§ 5002.1. Information furnished by winning ticket holder.

Each claimant shall fill out a prize claim form, unless the prize is less than $600 and is claimed at a lottery sales agent location, and surrender such claimant's winning ticket. Nothing in this section shall prohibit the commission from authorizing a courier service licensed pursuant to Part 5014 of this Title to provide a claimant with an electronic version of a prize claim form. No claimant may assert rights different from the rights acquired by the original purchaser of the ticket at the time of purchase.

§ 5002.2. Requirement of additional information.

In the commission's discretion, the commission may require such additional information, notarized statements, or other evidence, as the commission may deem appropriate, to be supplied by a claimant.

§ 5002.3. Time of payment of prize.

Payment of a prize shall be made only after the prize claim form has been filed, validated and verified, and the claimant has been identified to the satisfaction of the commission.

§ 5002.4. Place of payment.

Payment of a prize shall be made to the claimant or claimants at the address or addresses furnished to the commission on the prize claim form or as authorized by the claimant or

claimants for deposit in another manner, on such supplemental forms as the commission may require.

§ 5002.5. Manner of payment.

(a) *By mail*. Any prize may be claimed by mailing a completed prize claim form to the commission at the address announced by the commission for such purpose.

(b) *Prizes at or above threshold claimed in person*. Any prize paid at an office of the commission, claims center, or by an agent designated by the commission to pay prizes of $600 or more each on behalf of the commission, shall be paid by check or by any alternative method of payment determined by the commission (such as a commission-issued debit card). Any prize of $600 or more must be claimed directly from an office of the commission (in person or by mail), a claims center, or an agent designated by the commission for such payment, pursuant to this subdivision or subdivision (a) of this section. In the event that a single bet ticket contains two or more winning plays, the cumulative prize amount for all winning plays represented on such bet ticket shall be the amount of the prize for purposes of applying the threshold set forth in this subdivision and in subdivision (c) of this section.

(c) *Prizes below threshold claimed in person*. Any prize of less than $600 may be claimed at any lottery sales agent location, at an office of the commission, at a claims center, or from an agent designated by the commission, and the prize shall be paid in cash or by any alternative method of payment determined by the commission (such as a commission-issued debit card). A prize of such amount resulting from a ticket issued on behalf of a courier customer to a courier service may be claimed pursuant to section 5014.14 of this Title.

(d) *Subscriptions*. Any prize won by a subscriber through a subscription pursuant to Part 5005 of this Title shall be payable as follows:

(1) by check or alternative method of payment determined by the commission (such as a commission-issued debit card), if the prize is $600 or more; or

(2) the prize amount shall be made available in the subscriber's account, if the prize is less than $600.

§ 5002.6. Discharge of State liability upon payment.

The State and the State's agents, officers, employees, and the commission and the commission's agents, officers and employees shall all be discharged of any and all liability upon payment of a prize to a ticket holder.

§ 5002.7. Claim requirements.

(a) *One prize claim form per claimant*. Each prize claim form shall be filed in the name of a single legal entity as claimant, either one individual or one entity.

(b) *Entity as claimant*. A prize claim may be entered in the name of an entity (*e.g.*, a limited liability company, partnership, corporation, trust) only if the entity possesses a Federal employer identification number (*FEIN*) issued by the Internal Revenue Service and such number is shown on the prize claim form. Each person who will receive any beneficial interest in a portion of the prize through the claiming entity shall submit such personal identifying information as the commission may require, to assist the commission in applying any offset liability required by Tax Law sections 1613-a, 1613-b and 1613-c. Groups or entities without an FEIN are not permitted to claim in the name of the group or entity.

§ 5002.8. Payment of prizes to persons under 18 years of age.

(a) *Payment.* If the person entitled to a prize on any winning ticket is under the age of 18 years, pursuant to Tax Law section 1610(a), the commission may make payment pursuant to the requirements of Tax Law section 1613(b).

(b) *Evidence*. The commission may withhold prize payment until satisfactory evidence, including, but not limited to, notarized statements, or other evidence of family relationship, guardianship, custodianship, or other matter deemed appropriate, is established on behalf of the minor.

§ 5002.9. Prizes payable after death of prizewinner

Payment of prize money shall not be accelerated before its normal date of payment because of the death of the prize winner. All prizes or any portion thereof that shall remain payable at the time of death of the prize winner shall be paid to the estate of such deceased prize winner, unless the commission is directed otherwise pursuant to an appropriate judicial order. If the deceased prize winner has failed to exercise any power of appointment, the payment will be made directly to those persons who would succeed to the assets of the deceased prize winner under the laws of the State of New York. Upon payment, as provided by this section, the commission shall be discharged of any further liability.

§ 5002.10. Unclaimed and abandoned prize money.

(a) No prize claim shall be valid if submitted to the commission following the expiration of a one-year time period from the date of the drawing or from the close of the game in which the prize was won, and the person otherwise entitled to such prizes shall forfeit any claim or entitlement to such prize moneys. All unclaimed prize money shall be transferred to the State Lottery Fund as required by law.

(b) The commission may determine that a prize has been abandoned whenever more than 18 months have elapsed since a prize payment check was mailed to the last known address of the claimant and either such check has been returned undelivered and the claimant cannot be located or such check has not been returned undelivered and has not been presented for payment. Any prize so determined to have been abandoned shall be paid to the State Comptroller for administration pursuant to the Abandoned Property Law.

§ 5002.11. Prize rights non-assignable.

(a) No right of any person to a prize shall be assignable, except that any prize may be paid to the estate of a deceased prize winner, and except that any assignee, pursuant to an appropriate judicial order of a court of competent jurisdiction, may be paid the prize to which the winner is entitled. For the purposes of this section, payment of a prize or a portion thereof to any of the agencies described in this section shall be deemed to be paid pursuant to an appropriate judicial order of a court of competent jurisdiction. The commission shall be discharged of all liability upon payment of a prize pursuant to this section. A prize, or a portion thereof, may be paid to:

(1) the Office of Temporary and Disability Assistance, pursuant to an agreement under Tax Law section 1613-a where the Office of Temporary and Disability Assistance has informed the commission that the claimant has failed to obey a court order requiring the claimant to pay past-due support;

(2) the Office of Temporary and Disability Assistance, pursuant to an agreement under Tax Law section 1613-b where the Office of Temporary and Disability Assistance has identified the claimant as a recipient of public assistance benefits who is liable to reimburse the State for such benefits; and

(3) the Department of Taxation and Finance, pursuant to an agreement under Tax Law section 1613-c where the Department of Taxation and Finance has informed the commission that the claimant has past-due tax liabilities.

(b) Any potential assignee seeking a court-ordered assignment pursuant to Tax Law section 1613(d) shall pay to the commission a processing fee of $435 per assignment in connection with consideration of such assignment, as authorized by Tax Law section 1613(d)(7). If the Commission incurs costs exceeding such fee for a particular assignment, the Commission may assess and collect from the potential or actual assignee an additional fee of $86.50 for each hour expended in relation to the consideration or administration of such proposed or ordered assignment, less the original processing fee.

§ 5002.12. Publicity release.

(a) Each prizewinner grants to the commission the right to use his or her name, town or city of residence, and photograph in order to publicize his or her winnings. The name and

town or city of residence of a prize winner may be regarded as public information; however, the commission shall not release the street address or telephone number of a prize winner, except as may be required pursuant to lawful authority or urgent necessity. At the discretion of the commission, photographs of winners may be taken and used for publicity, or to compile a photographic record of winners either printed or electronically presented on the official commission or division of Lottery website or to compile a photographic or other visual record of winners.

(b) The commission requires personal information from prize winners pursuant to the commission's authority under Tax Law section 1604 to operate and administer the New York Lottery, which includes the marketing and advertising of the New York Lottery and the identification of the person entitled to a prize award. The name and city of residence of prize winners, among other things, shall be regarded as public information; however, it shall be the policy of the commission not to release the street address or telephone number of prize winners, except as may be required pursuant to lawful authority or urgent necessity.

(c) As provided in this Part, each claimant agrees to cooperate with the commission in attending a news event and/or releasing a public announcement if required by the commission. The commission may defer the determination of a prize claim pending a claimant's participation in a news conference, announcement, the conclusion of any investigation, or litigation concerning the right to a prize.

§ 5002.13. Prize payable for life.

When a prize claim is filed on a jackpot ticket eligible for a prize payable for life, such as the "$1,000 a week for life" prize, payments shall be made annually for:

(a) the natural life of the person filing the prize claim, if the claimant is a single natural person who is not a minor under the age of 18, provided, however, that if the person filing the prize claims dies before 20 annual payments elapse, the prize shall continue to be paid, to the decedent's estate or otherwise as provided by law, until a total of 20 annual payments have been made for the prize claim, at which time such prize payment shall cease and the State shall have no further obligation with respect to such prize claim; and

(b) 20 annual payments, if the claimant is:

(1) an entity;

(2) a group comprising, directly or indirectly, more than one natural person, without regard to the lifespan of any natural person with an interest in such prize claim; or

(3) a minor under the age of 18.

In the event of death of any natural person who is a member of a group claiming the prize, such decedent's interest in such prize claim shall be paid to the decedent's estate or otherwise as provided by law.

(c) Prize claims filed before April 1, 2024 for a prize payable for life shall be governed by the rules and regulations in effect at the time such prize claim is filed, notwithstanding anything to the contrary in this section.

§ 5002.14. Annuity option or lump-sum option prizes.

(a) *Election of option by claimant*. A claimant entitled to a prize that may be paid in either an annuity option or a lump-sum option must elect either one of such options no later than 60 days after the claimant becomes entitled to the prize. If the payment option election is not made by a claimant within 60 days after the claimant becomes entitled to the prize, then the prize shall be paid as an annuity prize according to the term established in connection with the game. An election made after the claimant becomes entitled to the prize is final and cannot be revoked, withdrawn or otherwise changed without the approval of the commission.

(b) *Advertised or estimated annuity prize amount*. The commission, MUSL or the party lotteries shall not be responsible or liable for differences in the advertised or estimated annuity prize amount and the actual amount determined after sales are final and the prize payment method is actually known to the commission, MUSL or the party lotteries.

§ 5002.15. Withholdings.

(a) *Taxes*. In accordance with all applicable provisions of law, Federal, State and local withholding taxes shall be withheld by the commission from a prize as may be required.

(b) *Other statutory withholdings.* The commission shall withhold from a prize the amounts required to be withheld pursuant to Tax Law sections 1613-a, 1613-b and 1613-c.

(c) *Other applicable law*. The commission shall withhold from a prize the amounts required to be withheld pursuant to other applicable law.

§ 5002.16. Prizes to deceased persons.

The payment of prizes to those who die before receiving any or all of a particular prize shall be paid as prescribed in law, including, without limitation, Tax Law section 1613(a) and applicable commission rules and regulations.

PART 5003

General Rules Applicable to All Lottery Games

Section
5003.1 Applicability
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§ 5003.1. Applicability.

The provisions of this Part shall apply to all lottery games. In the event any rule or regulation or a particular lottery game substantially duplicates or is inconsistent with this Part, this Part shall control.

§ 5003.2. Validation conditions.

(a) A ticket matching all game play and validation data recorded in the commission's central gaming system shall be the only valid proof of the play and only valid mechanism for claiming or redeeming any prize. If, for any reason, a ticket is not entirely legible or is misprinted or altered in any way, then the computer record on the central gaming system shall be the sole method of determining whether such ticket is a valid ticket. Neither the commission nor the commission's contractors shall be responsible for tickets inadvertently returned to a purchaser following redemption or cancellation by a lottery sales agent. In such cases, the computer file shall be the sole method for determining whether the ticket has been redeemed or cancelled. In addition to the general requirements of this section, ticket validation requirements for instant-game tickets are set forth in section 5006.8 of this Title.

(b) In order to be deemed a valid and winning lottery ticket all of the following conditions must be met, as the commission may determine in the commission's discretion:

(1) the validation data must be present in its entirety and must correspond, using the computer validation file on the central gaming system, to:

(i) number selections, draw date(s), ticket serial number, ticket security code, and ticket stock serial number printed on the ticket, in the case of a draw-game bet ticket; and;

(ii) validation barcode and ticket identifying barcode and associated numbers printed on the ticket, in the case of an instant ticket;

(2) the ticket must be intact;

(3) the ticket must not be mutilated, altered, reconstituted, or tampered with in any manner;

(4) the ticket must not be counterfeit or an exact duplicate of another winning ticket;

(5) the ticket must have been issued by the commission or a lottery sales agent in an authorized manner;

(6) the commission must not have actual knowledge that the ticket has been stolen;

(7) the ticket must be submitted for payment in accordance with the commission's procedures for claiming and payment of a prize;

(8) for a draw-game bet ticket, the ticket data must have been recorded on the commission's central 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 commission's central gaming system, the play accepted by the commission's central gaming system shall be the valid play;

(9) a ticket with that exact validation data must not have been previously paid as recorded on the central gaming system;

(10) the ticket must not be mis-registered, defectively printed, or produced in error to an extent that such ticket cannot be processed by the commission;

(11) the bet ticket for a multi-jurisdictional lottery game must pass any validation test required in connection with such multi-jurisdictional game;

(12) there must not be any other breach of the game rules or regulations in relation to the ticket that, in the discretion of the commission, justifies invalidation;

(13) no bet ticket for a multi-jurisdictional lottery game purchased outside the State of New York shall be paid by either the commission or lottery sales agent; and

(14) the ticket must pass all additional confidential and security validation tests of the commission.

§ 5003.3. Void ticket.

Any ticket that does not conform to the requirements of this Part, including, without limitation, any validation conditions, shall be void and may not be paid, as determined by the commission. The commission may, at the commission's sole discretion, replace a void ticket with a ticket for a future drawing in such game or an equivalent one in sales price from any other game.

§ 5003.4. Limitation of commission liability.

In all and any events, the liability and responsibility of the commission for any defective or disputed ticket (including without limitation, any dispute concerning whether the ticket is a winning ticket at all or is a winning ticket in the amount claimed by the claimant) shall be, as a sole and exclusive remedy, the replacement of such ticket in that or an equivalently priced other lottery game.

§ 5003.5. Ticket responsibility.

(a) *Presumption*. Lottery tickets are presumptively bearer instruments. A winning ticket is deemed to be owned by the person identified on the ticket as the claimant, or, in the case of a ticket not completed with name, by the claimant.

(b) *Commission not responsible*. The commission shall not be responsible for:

(1) lost or stolen tickets;

(2) tickets claimed in error or redeemed by a lottery sales agent in error for a prize that differs from the prize that should have been paid pursuant to the computer record on the central gaming system;

(3) tickets that are not intact;

(4) tickets that are mutilated, altered, reconstituted, counterfeit in whole or in part, or tampered with in any manner, or mis-cut; or

(5) tickets that have not been issued in an authorized manner, or are mis-registered, defective, or printed or produced in error.

(3) *MUSL not responsible*. Neither MUSL nor its agents shall be responsible for lost or stolen tickets for games MUSL administers. MUSL shall not be responsible to a claimant for a ticket redeemed in error by a lottery sales agent.

§ 5003.6. Prohibited players.

(a) *Persons prohibited*. No lottery ticket shall be sold to or purchased by and no lottery prize shall be paid to any of the following persons, as required by Tax Law section 1610(b) and this subdivision:

(1) any member, officer or employee of the commission;

(2) any contractor, subcontractor, or consultant, or officer or employee of a contractor, subcontractor, or consultant, if such person is directly involved in the production of lottery tickets, the operation, auditing, or observation of lottery games or drawings, or the processing of lottery prize claims or payments;

(3) any person subject to a contract with the commission if such contract contains a provision prohibiting such person from purchasing a lottery ticket or receiving a lottery prize;

(4) any person designated as ineligible to play a lottery game in any jurisdiction selling bet tickets for such game;

(5) for any game administered by MUSL, any MUSL employee, officer, or director; any contractor or consultant under agreement with MUSL to review MUSL audit and security procedures; or any employee of an independent accounting firm retained by MUSL to observe drawings or site operations and actually assigned to the MUSL account and all partners, shareholders, or owners in the local office of the firm assigned to the headquarters of MUSL; or any spouse, child, brother, sister or parent residing as a member of the same household in the principal place of abode of any such person; or

(6) any spouse, child, brother, sister or parent residing as a member of the same household in the principal place of abode of any of the foregoing persons.

(b) *Multi-jurisdictional games*. No ticket for a multi-jurisdictional lottery game offered in New York shall be sold to or purchased by, in any other state or jurisdiction, any prohibited person, as defined in this subdivision. No lottery prize for a multi-jurisdictional lottery game offered in New York shall be paid to any prohibited person, as defined in this subdivision.

(c) *Activity authorized by the commission*. This subdivision shall not be deemed to prohibit the sale of a lottery ticket to an officer or employee of the commission or to a contractor, subcontractor, or consultant or to an officer or employee of a contractor, subcontractor, or consultant if such sale payment is not for the individual benefit of such person and is made in connection with an official investigation, audit, marketing effort or other activity authorized by the commission. No prize shall be paid in connection with any lottery ticket sold pursuant to this subdivision.

§ 5003.7. Game termination and changes.

(a) *Game termination*.

(1) Announcement and consequences of game termination. The commission may at any time, in the commission's sole discretion, authorize a termination date for any lottery game, subsequently recommence any lottery game, or extend termination or closing dates for any lottery game. The commission shall announce the termination date for a lottery game. When a lottery game's termination date ends, no further tickets will be sold. In the event of termination of a lottery game for any reason, any prize monies remaining in the New York lottery prize account undistributed in connection with such lottery game may be used for prizes in other lottery games at the discretion of the commission. If a bet ticket for a lottery game is a prize, for a promotion or otherwise, and such lottery game is terminated, the price of the bet ticket that was to be the prize shall instead be paid in cash, as a substitute prize, to the person entitled to such bet-ticket prize.

(2) Refunds in the event of game termination. If a game is terminated and either:

(i) a person holding a bet ticket containing plays for drawings that will not occur because such drawings are scheduled to occur after the termination date; or

(ii) a subscriber, as defined section 5005.2 of this Title, who has registered plays for drawings that will not occur because such drawings are scheduled to occur after the termination date,

such person may request a refund for the purchase price of the plays for drawings that will not occur, so long as such request is made within a refund-request time period the commission may, in the commission's discretion, establish.

(b) *Game changes*. The commission reserves the right, for any lottery game, to change the prize structure, frequency of draws, draw dates, or the game itself. The commission shall publicly announce any such changes in advance. Any such public announcement provided for in this subdivision shall be made in a news release, an advertisement, on the commission website, or in such other form as the commission, in the commission's discretion, may prescribe to maximize public awareness.

§ 5003.8. Subscription program.

The commission may, in the commission's discretion, offer a subscription sales program, pursuant to Part 5005 of this Title, for any lottery game.

§ 5003.9. Governing law.

In purchasing a lottery ticket or in presenting a lottery ticket for payment, the customer agrees to comply with and abide by all applicable laws, rules, regulations, instructions, conditions and final decisions of the commission, as well as procedures established by the commission for the conduct of any lottery game. In the event of a conflict between the rules of party lotteries governing a multi-jurisdictional game and the statutes, rules or regulations of the commission and the State of New York, the statutes, rules and regulations of the commission and the State of New York shall control. The purchaser of a lottery ticket, and the principal of the purchaser, if the purchaser is acting as the agent of the principal, agrees that any claim arising out of a ticket purchased in New York State for a multi-jurisdictional lottery game can be pursued only against the commission and no other lottery, party lottery or MUSL. Litigation, if any, arising from the purchase of a multi-jurisdictional lottery game ticket in New York State from a lottery sales agent shall be maintained against the commission only within the State of New York.

§ 5003.10. Other lottery games or drawings.

(a) *Special lottery games and special promotion drawings*. The commission may establish special lottery games for specified time periods and may establish special promotion drawings. The prizes for such games or drawings may include cash prizes, or non-cash prizes such as trips, automobiles, or other tangible or non-tangible items in addition to or in lieu of cash prizes, as determined by the commission. The retail cash value of items offered shall be considered only as a guide to establishing the value of the prize for marketing and promotional purposes, and such announced value may not reflect the actual cost to the commission. The nature and number of prizes shall be determined by the commission within the total prize requirements of the act and the game design. The drawing of promotional prizes may be held independently or in conjunction with other drawings. Part 5004 of this Subchapter shall apply to such drawings, even if such drawings are not related to draw games.

(b) *Eligibility*. A winner of a lottery game prize may also be entitled to a promotional prize or other prizes as allowed by game design and drawing system used.

(c) *Drawings*. Drawings and manner of conducting such drawings shall be determined by the commission.

(d) *Incentive awards*. The commission may also establish incentive awards for lottery sales agents and persons selling any special lottery game or promotional drawing ticket and also may, at the commission's discretion, discontinue such awards without prior notice.

§ 5003.11. Cancellation.

Unless otherwise provided in this Subchapter, a lottery bet ticket may not be cancelled.

§ 5003.12. Commission determinations binding.

All determinations or decisions by the commission, including the declaration of prizes and the payment thereof and the interpretation of this Subchapter shall be final and binding on all purchasers, all principals of purchasers (if the purchaser is acting as agent for a principal), and on every person making a claim in respect thereof.

PART 5004

Draw Games

Section
5004.1 Types of drawings
5004.2 Time of drawings
5004.3 Place of drawings
5004.4 Manner of conducting drawings
5004.5 Number and amount of prizes
5004.6 [Repealed]
5004.7 Postponement of drawings
5004.8 Guidelines
5004.9 Entry of play
5004.10 Purchaser's responsibility for accuracy
5004.11 Bet ticket as receipt
5004.12 Validity of drawing
5004.13 Reporting errors
5004.14 Expiration
5004.15 One prize per play
5004.16 Limits of particular numbers
5004.17 Game features
5004.18 Prizes
5004.19 Applicability

§ 5004.1. Types of drawings.

Drawings shall be held for lottery games using methods, controls and equipment approved by the commission so as to ensure random equal chance among all participants. These drawings shall take the form designated by the commission (*e.g.*, frequency of drawings, semi-finalist and finalist drawings, special drawings). The commission may, from time to time, designate special features of a drawing, for which additional prizes may be awarded from accumulated prize reserve monies.

§ 5004.2. Time of drawings.

Lottery drawings shall be held at the times designated by the commission. Drawings for multi-jurisdictional games shall be conducted at times authorized by requirements applicable to the party lotteries participating in such games.

§ 5004.3. Place of drawings.

Drawings shall be held at locations approved by the commission. Drawings for multi-jurisdictional games shall be conducted at places authorized by requirements applicable to the party lotteries participating in such games. Drawings in New York State shall be open to the public and representatives of the news media, subject to advance notice to the commission and any procedures the commission may require in the commission's discretion.

§ 5004.4. Manner of conducting drawings.

The manner of conducting drawings shall be announced and designated by the commission in accordance with the rules and regulations governing each lottery game. Drawings for multi-jurisdictional games shall be conducted in a manner authorized by requirements applicable to the party lotteries participating in such games. The manner of conducting drawings shall be designed to ensure an equal chance of winning to each participant.

§ 5004.5. Number and amount of prizes.

For each lottery game, the commission shall designate the number and type of prizes to be awarded. The number of winning plays in each drawing may vary depending upon game design, the combinations played, the number of tickets sold, and the number of valid winning tickets claimed.

§ 5004.6. [Repealed]

§ 5004.7. Postponement of drawings.

The commission may postpone any drawing and publicize the same if the commission finds, in the commission's discretion, that such postponement will serve and protect the public interest.

§ 5004.8. Guidelines.

The commission shall establish guidelines for each drawing that detail the type, time, place and manner of drawing; the number and amount of prizes to be awarded, and the procedures or changes in procedures applicable to that drawing.

§ 5004.9. Entry of play.

For a lottery draw game, a purchaser may submit a completed play slip applicable to such game to a lottery sales agent for the issuance of a bet ticket. Play slips shall be available at no cost to the purchaser and shall have no pecuniary or prize value or constitute evidence of purchase or number selections. A purchaser's game and number, symbol, or

character selections may also be entered manually into a computer terminal by a lottery sales agent or into a self-service vending machine by the purchaser, for draw games that permit the purchaser to make selections. (See Section 5007.14 of this Title for lottery raffle game rules.) A purchaser may make any selections by quick pick, unless specific games rules state otherwise. A play may be entered by other means only as approved by the commission. A lottery sales agent shall not permit the use of facsimiles of play slips, copies of play slips, or other materials that are inserted into the terminal's play-slip reader or read by the terminal's optical reader that are not printed or approved by the commission. A purchaser may purchase plays for several drawings on the same bet ticket, unless specific game rules state otherwise or limit the number of successive drawings. A purchaser may purchase plays for a specified future drawing, unless specific game rules state otherwise, subject to limits the commission may set concerning how far into the future a purchaser may purchase a play for an identified drawing.

§ 5004.10. Purchaser's responsibility for accuracy.

It shall be the sole responsibility of the purchaser to verify the accuracy and condition of the data printed on a bet ticket at the time of purchase. Neither the lottery sales agent nor the commission shall be liable for any errors in the accuracy and condition of the data printed on the bet ticket occurring for any reason, after the purchaser leaves the lottery sales agent location. A purchaser should, while still at the point of purchase, verify the game and number selections on the bet ticket. All number, symbol, or character selections or other information appearing on any bet ticket shall be deemed to be made or given exclusively by the purchaser, whether on the purchaser's own behalf or as agent for a principal. Where a purchaser purchases a ticket as agent for a principal, the commission shall not be deemed to have any knowledge of such agency relationship, and all dealings of the commission will be conducted solely with the bearer of the ticket.

§ 5004.11. Bet ticket as receipt.

A physical bet ticket is the only valid receipt for a play placed at a lottery sales agent location.

§ 5004.12. Validity of drawing.

When any question shall arise as to the validity of a lottery drawing for any reason whatsoever, the commission shall make the determination as to the validity of said drawing on the basis of information at the commission's disposal. The determination of the commission shall be final.

§ 5004.13. Reporting errors.

Winning plays are determined by the numbers, symbols or characters drawn and not the numbers, symbols, or characters reported. The commission shall not be responsible for

winning numbers, symbols, or characters reported in error. MUSL shall not be responsible for winning numbers, symbols, or characters reported in error.

§ 5004.14. Expiration.

No prize claim shall be valid if submitted to the commission after one year has elapsed from the draw date, as required by Tax Law section 1614(a).

§ 5004.15. One prize per play.

A claimant may win only one prize category per single play in connection with a draw game's winning numbers, symbols, or characters and shall be entitled only to the highest prize related to matching winning numbers, symbols, or characters.

§ 5004.16. Limits on particular numbers.

The commission reserves the right at any time, in the commission's sole discretion, to suspend play on any number, symbol, character, or combination thereof, or to limit the number of plays accepted on any number, symbol, character, or combination thereof.

§ 5004.17. Game features.

The commission may add a game feature to a draw game at the commission's discretion. A game feature is an alternative or additional method for playing the game within the same basic game design. The commission shall announce on a website any such feature, including price, odds, and how to participate.

§ 5004.18. Prizes.

(a) *Prize reserve accounts*. Prize reserve accounts may be established by game to hold excess funds remaining after paying all prizes for a specific drawing. If funds in the prize pool for a specific drawing are insufficient to pay prizes, funds from such game's reserve accounts shall be used to cover the prize liability, fund a guaranteed jackpot, or fund promotions. A prize reserve account may also be established for prizes that remain unclaimed after one year. If a draw game is no longer offered in New York state, any amount in a prize reserve account for such draw game shall be carried forward to a replacement prize reserve account, disbursed for the benefit of winners of other lottery games offered by the commission, or used in a manner as otherwise permitted by New York State law.

(b) *Prize liability limits*. A threshold prize liability limit may be established for a draw-game drawing to which the threshold applies. A liability limit may be a limit on total prize amounts awarded for a prize level or for a game in total, or it may be a limit on the number of winning plays that entitle claimants to share a prize, before the prize level is adjusted. The commission shall post any such limit on a website. In the event that such liability limit

might be exceeded for a particular drawing, the prize amounts for each prize level shall be adjusted in accordance with a formula established by the party lotteries, for multi-jurisdictional games, or by the commission, for games other than multi-jurisdictional games, so that the aggregate liability for prizes in such drawing shall not exceed the liability limit. Any prize adjustments shall be posted on a website.

(c) *Jackpot prizes*.

(1) The prize money allocated for a jackpot prize, plus any jackpot-prize money brought forward from a previous drawing, plus any money added from the prize reserve funds or any other available source pursuant to a jackpot-prize-amount announcement shall be divided equally among all winning plays of the jackpot prize for a specified drawing, including, for multi-jurisdictional games, all winning plays of the jackpot prize in all participating lottery jurisdictions. Prior to each drawing in a game with a jackpot prize, the annuitized jackpot-prize amount will be publicly announced.

(2) If in any drawing in a game with a rolling jackpot prize there are no plays that qualify for the jackpot prize, the portion of the prize fund allocated to such jackpot prize shall be added to the amount allocated for the jackpot prize in the next consecutive drawing of such game. The commission may, at the commission's discretion, set a maximum amount payable for a jackpot prize for any drawing. If such a maximum amount is set, the commission shall announce such in advance of the drawing for the draw date for which it is effective.

(3) If in any drawing in a game with a jackpot prize there are multiple winning jackpot plays, shares of the jackpot prize shall be determined by dividing the cash available in the jackpot-prize pool equally among all winning plays of the jackpot prize for that drawing, including, for multi-jurisdictional games, all winning plays of the jackpot prize in all participating lottery jurisdictions.

(d) *Prizes paid on pari-mutuel basis*. The commission may determine that it is necessary to pay a set prize as a pari-mutuel prize. For a multi-jurisdictional game, the commission shall make such determination in consultation with other lottery jurisdictions selling bet tickets for such game.

(e) *Changes for promotional purposes*. The number of prize categories and the allocation of a prize fund among the prize categories may be changed at the discretion of the commission from time to time for promotional purposes. Such change shall be announced by public notice, which may be accomplished by posting an appropriate notice on a website.

§ 5004.19. Applicability.

This Part applies to all lottery draw games. In the event any rule or regulation or a particular lottery game substantially duplicates or is inconsistent with this Part, this Part shall control.

PART 5005

Lottery Subscriptions

Section
5005.1 Subscription program
5005.2 Subscription definitions
5005.3 Subscription cost
5005.4 Subscription application requirements
5005.5 Valid subscription entry
5005.6 Payment of subscription prizes
5005.7 Subscription disputes
5005.8 Subscription miscellaneous
5005.9 Non-sufficient funds
5005.10 Suspicious transactions

§ 5005.1. Subscription program.

(a) *Subscription play*. The commission may establish a commission-administered subscription program for any commission game or games. The subscription program may permit a subscriber to play the same game character selections for a period of consecutive drawings over a stated period in such games as the commission may decide.

(b) *Application or renewal forms*. Entry into a subscription program will require the completion and submission of an electronic subscription application form or an electronic subscription renewal form. The subscriber may provide the subscriber's social security number or taxpayer identification number on the respective application form so that prizes requiring tax reporting or withholding may be sent or credited to the winning subscriber.

(c) *Social security number or taxpayer identification number*. By providing the social security number or taxpayer identification number, the subscriber authorizes the commission to retain and use the number for the purpose of tax reporting and any other lawful purpose of the commission.

§ 5005.2. Subscription definitions.

(a) *Application form* or *application* means either the subscription application form or the renewal of such application form.

(b) *Confirmation* means the electronic correspondence sent to a subscriber from, or on behalf of, the commission confirming the game or games, game characters for each game panel played, the effective date and the expiration date.

(c) *Effective date* means the game's first drawing date for which a subscription is effective.

(d) *Expiration date* means the last drawing date for which a subscription is effective.

(e) *Game numbers* means the numbers selected for each of the game panels played on an application.

(f) *Game panel* means the electronic panel and/or paper panel on which game characters are chosen.

(g) *Quick Pick* means the option for a subscriber to have game characters randomly selected by a computer. Once selected, the same quick pick characters will be used for each drawing for the duration of the subscription.

(h) *Subscriber* means the individual identified on an application as the person entitled to any prize the individual may win.

(i) *Subscriber identifying information* means the name, address, subscription number and, taxpayer identification number (if provided) of the subscriber.

(j) *Subscription file* means a file maintained by the commission or the commission's contractors containing subscription information and used in the determination of sales and prizes.

(k) *Subscription number* means the number assigned by the commission to a subscription record when the original application is processed.

(l) *Valid subscription entry* means one that includes the following: subscriber identifying information (as defined in this section), game characters entered on the appropriate commission or contractor computer system that is the official record of subscription entry.

§ 5005.3. Subscription cost.

(a) *Minimums*. For each subscription, a minimum of one game panel must be selected for a minimum number of weeks or drawings, as determined by the commission.

(b) *Game panels*. A subscription may be for one or more game panels, as may be determined by the commission.

(c) *Cost*. The cost of a subscription shall be determined by the commission. The commission may establish a subscription account program through which a subscriber may purchase a subscription or subscriptions and receive payment of a prize, as

determined by the commission. The commission may require that a subscriber maintain a minimum balance in such a subscription account to continue to participate in the program.

(d) *Reservation of commission rights*. The commission reserves the right to alter, temporarily or permanently, the cost of a subscription at the discretion of the commission. The commission reserves the rights to suspend or cancel any drawing or the game itself or change the prize structure, frequency of draws or draw dates. In the event of such a change, an affected subscriber will receive participation in a revised game, equivalent in value to the remainder of such subscriber's subscription, or a refund, at the sole option of the commission.

(e) *Commission determinations*. Any determination by the commission described in this section may be made for any of the following reasons:

(1) to make the subscription program more appealing or convenient for players;

(2) to further the commission's mission of raising revenue for aid to education; or

(3) to allow the commission to administer the subscription program more effectively.

§ 5005.4. Subscription application requirements.

(a) *Rejection of application.* A subscription application may be rejected for any of the following reasons:

(1) all information required by the commission is not provided;

(2) the application includes a form of payment that is not acceptable to the commission or the form of payment is rejected;

(3) the applicant is under 18 years of age;

(4) the applicant's identity cannot be verified;

(5) the applicant's physical location cannot be identified at time of attempted purchase;

(6) the applicant's physical location is outside the State or any commission-designated prohibited sales area at time of attempted purchase; or

(7) the applicant is on the commission's voluntary self-exclusion list.

(b) *Termination*. A subscription may be terminated after acceptance if, before or after the start date, the commission is notified that the payment for the subscription is invalid (*e.g.*, a payment returned for non-sufficient funds). In such event, the subscription shall be

deemed invalid, and no prizes will be paid to the applicant relating to any period in which the subscription was invalid.

§ 5005.5. Valid subscription entry.

To be a valid entry, a subscription must meet the following requirements:

(a) *Official record*. To be eligible to win a prize, an application, including the subscriber-identification information, and the game character selections must be entered into the commission's subscription file to create the official record of subscription entry.

(b) *Confirmation*. A confirmation shall be issued by the commission to the subscriber confirming a subscription entry is valid and has been processed.

§ 5005.6. Payment of subscription prizes.

(a) *Amount below a threshold*. A prize that is less than $600 will be placed into the subscriber account created prior to purchase of the subscriber’s first subscription. Such prize may be used to purchase additional subscriptions or the subscriber may request a cash-out and receive payment for any unpaid prizes. Payment will be made to the individual subscriber whose name appears on the application.

(b) *Amount at or above a threshold*. A prize that is $600 or more will be remitted to the individual subscriber whose name appears on the application minus any required withholding amount and offsets.

§ 5005.7. Subscription disputes.

(a) *Remedy*. In any dispute with the commission concerning the right to a subscription prize, the commission shall have the right to resolve such dispute by refunding the price of the disputed subscription panel. If a refund is paid, the refund shall be the sole and exclusive remedy of the subscriber.

(b) *Resolution of discrepancies*. If there is a discrepancy between the information set forth on an application and the information set forth in a confirmation notification, the subscriber may ask the commission, by written or electronic communication, to resolve the discrepancy. After such a report is received by the commission, the commission shall resolve the discrepancy as soon as possible and issue a revised confirmation notification. Resolution may include, without limitation, cancellation of the subscription. No change in the subscription shall be effective until a revised confirmation notification is issued. No request to resolve a subscription panel game character selection or subscription date range discrepancy shall be accepted after the effective date in the confirmation notification issued.

§ 5005.8. Subscription miscellaneous.

(a) *Games*. The commission, pursuant to the commission's statutory authority, may from time to time add games to the commission's subscription program.

(b) *Renewal*. A subscription renewal must be processed prior to the expiration date of a current subscription in order to avoid a lapse in the subscription. A renewal application containing current subscription number, games, game numbers, effective date and expiration date will be sent to the subscriber electronically. The commission will make reasonable efforts to process renewal applications to assure no interruptions; however, the commission shall not be responsible for an interruption if a renewal application is not processed in sufficient time.

(c) *Non-refundability*. Once a subscription is entered into the subscription file, the funds paid for the subscription are not refundable.

(d) *Promotions*. If the commission offers any promotional offer for a subscription, the commission reserves the right to limit the number of promotional subscriptions that may be received by a subscriber.

(e) *Reservation of commission rights*. The commission reserves the right to exclude subscribers from participation in a promotion offering special payments or prizes.

§ 5005.9. Non-sufficient funds.

If the commission receives notice that there are non-sufficient funds to pay for any portion of a subscription purchase, the portion of the attempted ticket purchase for which there are non-sufficient funds shall be null and void.

§ 5005.10. Suspicious transactions.

The commission may suspend a subscription account if the commission determines that transactions or attempted transactions are suspicious, excessive, or potentially fraudulent.

PART 5006

New York Instant Lottery

Section
5006.1 New York instant lottery
5006.2 Method of play
5006.3 Price
5006.4 Definitions
5006.5 Determination of prize winners
5006.6 Ticket responsibility

5006.7 Claim period
5006.8 Ticket validation requirements
5006.9 Disputes
5006.10 Lottery sales agent compensation
5006.11 Termination of the game
5006.12 Governing law
5006.13 Number and amount of prizes
5006.14 Lottery sales agent conduct

§ 5006.1. New York instant lottery.

There is hereby created a type of game known as an instant lottery game. This Part pertains to all instant games.

§ 5006.2. Method of play.

Tickets of any instant lottery game shall be played by removing the rub-off coating from play spots. The specific method of play will be published for each game in a game brochure readily available to the public.

§ 5006.3. Price.

Unless otherwise indicated on the face of the ticket, an instant lottery ticket shall sell for $1.

§ 5006.4. Definitions.

(a) *Director* means the Director of the New York State Division of the Lottery or any other person to whom the director's authority is lawfully delegated.

(b) *Play symbols*, in those games using play symbols, means those symbols that appear under each of the play spots on the front of the ticket.

(c) *Play symbol caption*, in those games using play symbols, means the small printed material appearing below each play symbol that explains the play symbol. One and only one play symbol caption appears under each play symbol.

(d) *Prize symbols* means the dollar values associated with the prizes available in the game. Prize symbols appear on the face of the ticket in the play area and are generally covered with a rub-off coating.

(e) *Prize symbol caption* is the small printed material appearing below each prize symbol that explains the prize symbol. One and only one prize symbol caption appears under each prize symbol.

(f) *Book-ticket number* means the 11-digit numeric code that appears on the back of the ticket. The first seven digits are the book number, followed by a one-digit check number. The last three digits are the ticket number. A two-digit display printed game identification number shall be printed above the book-ticket number.

(g) *Validation number* means the unique eight-digit number found at the bottom of the rub-off-coating-covered play surface of the ticket.

(h) *Agent validation code* means the one-letter code that appears among the play symbols in varying locations on the main part of the ticket. The agent validation code is used by the lottery sales agent to verify winners and is covered by a rub-off coating.

§ 5006.5. Determination of prize winners.

(a) The rub-off coating covering the play area on the ticket is to be rubbed off to determine winning or losing status as described in the appropriate game brochure.

(b) No portion of the display printing nor any extraneous matter whatsoever shall be usable or playable as a part of the instant game. The validation number is not a play symbol and may not be utilized as such.

(c) In all events, the determination of prize winners shall be subject to the ticket validation requirements set forth in this Part.

§ 5006.6. Ticket responsibility.

(a) An instant lottery ticket is a bearer instrument.

(b) The commission shall not be responsible for lost or stolen instant lottery tickets.

(c) The commission shall not be responsible for tickets claimed by a player in error for a lower prize at a lottery sales agent location.

§ 5006.7. Claim period.

All prizes must be claimed within one year of the announced end of the game.

§ 5006.8. Ticket Validation Requirements.

To be a valid instant lottery winning ticket, the following requirements must be met:

(a) Exactly one symbol must appear under each of the rub-off spots on the play surface of the ticket.

(b) Each play symbol must have a play symbol caption thereunder that must agree with the play symbol.

(c) Each of the play symbols must be present in its entirety and be fully legible.

(d) Each of the play symbol captions must be present in its entirety and be fully legible.

(e) Exactly one prize symbol must appear under each of the rub-off spots on the play surface of the ticket.

(f) Each prize symbol must have a prize symbol caption thereunder that must agree with the prize symbol.

(g) Each prize symbol must be present in its entirety and be fully legible.

(h) Each prize symbol caption must be present in its entirety and be fully legible.

(i) The ticket must be intact.

(j) The book-ticket number, validation number, and agent validation code must be present in their entirety and must be fully legible. The validation number must correspond with the play symbols on the ticket in accordance with the official list of validation numbers on file at the offices of the commission.

(k) The ticket must not be mutilated, altered, unreadable, reconstituted, or tampered with in any manner.

(l) The ticket must not be counterfeit in whole or in part.

(m) The ticket must have been issued by the commission in an authorized manner.

(n) The ticket must not be stolen nor appear on any list of omitted tickets on file with the commission.

(o) The play symbols, play symbol captions, prize symbols, prize symbol captions, validation number, validation code, and book-ticket number must be right-side-up and not reversed in any manner.

(p) The ticket must be complete, and not mis-cut, and have exactly one play symbol or prize symbol and exactly one play symbol caption or prize symbol caption under each of the rub-off spots on the front of the ticket; exactly one book-ticket number, exactly one agent validation code, and one validation number must appear on the ticket.

(q) The validation number of an apparent winning ticket shall appear on the division's official list of validation numbers of winning tickets; and a prize for a ticket with that validation number shall not have been paid previously.

(r) The ticket must not be blank or partially blank, mis-registered, defective, or printed or produced in error.

(s) The display printing must be regular in every respect and correspond precisely with the artwork on file at the commission.

(t) The ticket must pass all additional validation tests of the commission. Any ticket not passing all the validation requirements of this section is void and ineligible for any prize.

§ 5006.9. Disputes.

In the event a dispute between the division and the ticket bearer occurs as to whether the ticket is a winning ticket, and if no prize is paid, the commission may, solely at the option of the commission, replace the disputed ticket with an unplayed ticket (or a ticket of equivalent sales price from any other current instant lottery game). This remedy shall be the sole and exclusive remedy of the bearer of the ticket.

§ 5006.10. Lottery sales agent compensation.

The commission shall allow a compensation rate of six percent for each ticket sold to a lottery sales agent. The commission shall allow such compensation by permitting a lottery sales agent to deduct such compensation rate from the face value otherwise payable by the lottery sales agent to the commission.

§ 5006.11. Termination of the game.

The commission shall announce a termination date for each instant game.

§ 5006.12. Governing law.

The ticket customer agrees to comply and abide by the provisions of the act and all rules and regulations of the commission and all procedures established by the commission for the conduct of the game.

§ 5006.13. Number and amount of prizes.

Notwithstanding the provisions of any other rule or regulation, the number and amount of prizes to be paid for an instant lottery game shall be as determined by the commission for each game. Prize structures developed and approved by the commission shall be computed to provide for payment of the maximum amounts permissible by law.

§ 5006.14. Lottery sales agent conduct.

(a) A lottery sales agent is prohibited from exchanging books of instant lottery tickets.

(b) A lottery sales agent is prohibited from playing instant lottery tickets using any method other than fair chance or any method that is contrary to the principle that every ticket has an equal and random chance of winning.

PART 5007

Raffle Games

Section
5007.1 Definitions
5007.2 Game description
5007.3 Price
5007.4 Prize structure
5007.15 Cash 4 Life

§ 5007.1. Definitions.

The following definitions shall apply to a lottery raffle game, in addition to the general definitions set forth in section 5000.2 of this Title:

(a) *Raffle game* means a game played at any lottery sales agent location by purchasing a bet ticket that will be sold for a limited sales period, in which a set total number of plays will be offered.

(b) *Raffle play* means, at a minimum, a unique number produced by the central gaming system and printed on a bet ticket by a licensed lottery sales agent through a computer terminal.

(c) *Sales period* means a period of time starting from the initial sales date of the raffle game bet tickets as specified by the commission and ending:

(1) on the date when all available plays for such raffle-game sales period have been sold; or

(2) a date specified by the commission.

(d) *Winning raffle ticket* means the raffle-game bet ticket with numbers that exactly match the unique numbers randomly selected in the specified raffle drawing as a winning play.

§ 5007.2. Game description.

Raffle is a lottery game with a limited number of tickets that awards prizes to bet-ticket holders exactly matching a raffle play to the unique numbers randomly selected in the raffle drawing that represent a winning play. A purchaser requests a raffle bet ticket from a lottery sales agent. Each raffle bet ticket contains a unique number, which is assigned by the central gaming system. During the raffle drawing, winning plays are selected from a pool of all purchased raffle plays for a specified drawing. Raffle-game winning plays shall be selected at random, with the aid of drawing equipment pursuant to the controls and methods established for the game. A unique raffle number can be selected only once during the raffle drawing. Each unique raffle number on a bet ticket purchased shall

constitute a single play. A raffle bet ticket shall contain no more than one raffle play. A purchaser shall not select specific raffle numbers. Numbers shall be generated in an order based on instruction by the commission and produced by the central gaming system.

§ 5007.3. Price.

The price of each raffle wager shall be the price set by the commission.

§ 5007.4. Prize structure.

(a) *Odds*. The odds of winning a raffle-game prize on a single raffle bet ticket shall be determined by the number of prizes awarded divided by the number of total plays in the drawing. The odds of winning a raffle-game prize if all tickets are sold shall be determined by the commission prior to the sales period and announced publicly.

(b) *Prizes*. Prize levels and amounts for the game shall be determined by the commission prior to the sales period and announced publicly.

(c) *Prize pool*. The prize pool for all prize categories shall consist of up to 40 percent of each drawing period's gross sales for New York-only raffle games and up to 55 percent for multi-jurisdictional raffle games.

§ 5007.15. Cash 4 Life.

(a) *Definitions*. The following definitions apply to the Cash 4 Life game:

(1) *Annuity option* means the manner in which the Cash 4 Life jackpot prize or second-level prize level may be paid in annual installments.

(2) *Cash 4 Life play slip* means a computer-readable form, printed and issued by the commission, used in purchasing a Cash 4 Life ticket, having up to five separate play areas. The play slip shall also provide for multiple-drawing wagering up to a specified number of draws.

(3) *Cash 4 Life ticket* means a game ticket, produced on official paper stock, by a lottery sales agent in an authorized manner, bearing player- or computer-selected numbers, game name, drawing date (or dates), amount of wager and validation data.

(4) *Jackpot prize* means the prize awarded for selecting all the winning numbers drawn from both fields for the Cash 4 Life. If more than one player from all participating lottery states has selected all the winning numbers drawn, the jackpot prize shall be divided among those players, as set forth in subdivision (h) of this section.

(5) *Liability limit* means a pre-established upper threshold, as determined and announced by the party lotteries before sales commence for a drawing to which such

threshold applies, equal to a fixed percentage of the gross ticket sales receipts for a particular drawing (or such fixed percentage plus an additional reserve amount), according to the established procedures agreed to by the party lotteries.

(6) *Lump sum option* means the manner in which particular Cash 4 Life prize levels may be paid in a single payment, as set forth in this section.

(7) *Measuring life* means the period over which a jackpot or second-level annuitized prize is paid out. For each winning ticket, the measuring life shall be determined according to the period in which payments shall be made pursuant to section 5002.13 of this Title. The measuring life shall be determined at the time a jackpot or second-level prize is claimed.

(8) *Party lotteries* mean one or more of the State lotteries established and operated pursuant to the laws of any state that becomes a signatory to the Cash 4 Life agreement.

(9) *Play area* is the area on a Cash 4 Life play slip containing two separate fields: one field of 60 one- or two-digit numbers (1 to 60 inclusive) and a separate and distinct second field of four one-digit numbers (1 to 4 inclusive) (which may be referred to as the *Cash Ball number*). This is the area from which the player, or computer, if the player is using the quick pick option, selects five numbers from the first field and one number from the second field.

(10) *Prize pool* means that portion of Cash 4 Life gross sales set aside for the payment of prizes.

(11) *Purchaser* means a player of the Cash 4 Life game who purchases a ticket within New York State in accordance with Cash 4 Life rules and New York State governing laws and regulations.

(12) *Quick pick* has the meaning set forth in section 5004.9(a)(11) of this Title.

(13) *Winning numbers* are five one- or two-digit numbers (1 to 60, inclusive) and one Cash Ball number (1 to 4, inclusive), randomly selected at each Cash 4 Life drawing, that shall be used to determine winning Cash 4 Life plays contained on Cash 4 Life tickets.

(b) *Ticket price and sales*.

(1) A Cash 4 Life ticket may be purchased for $2 per play per drawing. The purchaser receives one entry into a Cash 4 Life drawing (a play) for each $2 wagered in Cash 4 Life. Tickets may contain multiple plays. The commission may authorize the sale of Cash 4 Life tickets at a different purchase price. Such a change in the purchase price

shall be announced publicly by the commission prior to the effective date of such change.

(2) From time to time, the commission may authorize the sale of Cash 4 Life tickets at a discount for promotional purposes.

(3) Cash 4 Life tickets shall be sold only through lottery sales agents or other means authorized by the commission.

(4) A Cash 4 Life ticket may not be cancelled.

(5) It shall be the sole responsibility of a player to verify the accuracy and readability of the information displayed on a Cash 4 Life ticket at the time of purchase. Neither a lottery sales agent nor the commission shall be liable for any errors in the accuracy and readability of a ticket occurring for any reason, after the purchaser leaves a lottery sales agent location.

(6) A play may be entered only:

(i) manually using a lottery terminal keypad or touch screen;

(ii) by means of a play slip provided by the commission and hand-marked by the player; or

(iii) by other means approved by the commission.

(7) Cash 4 Life play slips shall be available at no cost to a player, shall have no pecuniary or prize value, shall not constitute evidence of purchase and shall not constitute evidence of a player’s number selections. A lottery sales agent shall not permit the use of facsimiles of play slips, copies of play slips or other materials that are not printed or approved by the commission to be inserted into a terminal's play slip reader. A lottery sales agent shall not permit any device to be connected to a lottery terminal to enter plays, except as approved by the commission.

(c) *Game description*.

(1) To play Cash 4 Life, a player shall select five different numbers (from 1 to 60, inclusive) and one additional Cash Ball number (from 1 to 4, inclusive) for each play. The additional number may be the same as one of the five numbers a player selects in the first field. A player may select numbers by communicating the six numbers to a lottery sales agent; by marking six numbered spaces in any one panel on a play slip and submitting the play slip to a lottery sales agent; or by requesting quick pick from a lottery sales agent. The lottery sales agent shall then issue a ticket containing the selected set or sets of numbers, each of which constitutes a game play.

(2) The commission reserves the right to change the field of numbers in the Cash 4 Life game. Any change in the field of numbers shall be announced publicly by the commission in advance of the effective date of such change.

(3) A Cash 4 Life subscription sales program may be offered at the discretion of the commission. No subscription for the Cash 4 Life game shall remain in effect longer than one year.

(4) A Cash 4 Life feature may be added at the discretion of the commission. A game feature is an alternative or additional method for playing the game within the same basic design.

(d) *Play characteristics and restrictions*.

(1) A Cash 4 Life ticket matching all game play, serial number and other validation data recorded in the commission's gaming system computer shall be the only valid proof of the wager placed and the only valid receipt for claiming or redeeming any prize.

(2) A multi-draw Cash 4 Life ticket may be purchased for a specified number of future drawings. Such multi-draw ticket shall not be considered a subscription pursuant to paragraph (c)(3) of this section or Part 5005 of this Title.

(3) A Cash 4 Life ticket may not be purchased anywhere by any commission employee or any spouse, child, brother, sister or parent residing as a member of the same household in the principal place of abode of any commission employee.

(e) *Drawings*. Cash 4 Life drawings shall be conducted each calendar day at a time and at a location authorized by the party lotteries. The time, frequency and location of the Cash 4 Life drawings may be changed following a public announcement.

(f) *Pool, prize structure and probability of winning*.

(1) *Prize pool*. The prize pool for the aggregate of all prize categories shall consist of 55 percent of the sales for each drawing period after the prize reserve accounts are funded to predetermined amounts. If the Cash 4 Life game is no longer offered in New York State, any amount remaining in the prize pool at the end of the game shall be carried forward to a replacement game or used in a manner as permitted by New York State law.

(2) *Prize reserve accounts*. The prize reserve account may be adjusted as needed to maintain an approved maximum balance and shares from each of the party lotteries as specified by the party lotteries. If the Cash 4 Life game is no longer offered in New York State, any amount remaining in a prize reserve account at the end of the game

shall be carried forward to a replacement prize reserve account or used in a manner as permitted by New York State law.

(3) *Prize payout and structure*. There are nine prize levels in the Cash 4 Life game. The prize payout percentage and prize structure are as follows, unless there are multiple winners in a prize category, in which case prize amounts may be reduced as set forth in subdivision (h) of this section:

Match Field 1	Match Field 2	Odds 1 in	Prize Category	Level
5	1	21,846,048	$1,000/day for life	Jackpot
5	0	7,282,016	$52,000/year for life	2
4	1	79,440	$2,500	3
4	0	26,480	$500	4
3	1	1,471	$100	5
3	0	490	$25	6
2	1	83	$10	7
2	0	28	$4	8
1	1	13	$2	9
Overall chances of winning:		1 in 8		

Total aggregate payout: 55%

(4) Odds. The odds of winning a prize may be modified if such changes are publicly announced by the commission in advance of the effective date.

(g) *Jackpot and second-level prize payment options*. A claimant of a valid winning jackpot or second-level prize in New York must select either an annuity option or lump sum option. A jackpot or second-level prize shall be paid as an annuity prize, unless a winner elects, within 60 days after the claimant becomes entitled to such prize, to be paid a lump sum payment or unless a lump sum payment is required as set forth in subdivision (h) of this section. If a lump sum payment is selected the prize amount shall be determined according to a methodology that shall be established by the party lotteries. An election made by a claimant is final and cannot be revoked, withdrawn or otherwise changed without the approval of the commission. The schedule of payments for an annuity prize shall be determined by the commission. If paid in a lump sum payment, a jackpot prize or second-level prize amount shall be rounded to the nearest whole dollar.

(h) *Prize liability limits*. In the event that a liability limit would be exceeded for a particular draw, the prize amounts for each level shall be adjusted in accordance with a formula

established by the party lotteries so that the aggregate liability for prizes in such draw shall not exceed the liability limit.

(1) Jackpot prize level. A jackpot prize payout shall be divided equally among the number of jackpot winning plays as set forth in this paragraph.

(i) One jackpot prize winner. If there is one jackpot prize winner, the annuitized prize value shall be $7,000 per week for life and the lump sum payment shall be based on the measuring life of the winner.

(ii) Two to 14 jackpot prize-winning plays. If there is more than one and less than or equal to 14 jackpot prize-winning plays, the annuitized payment option, based on a total annuitized prize value of $7,000 per week, shall be divided by the total number of jackpot prize-winning plays. Any of these winners may choose the lump sum option as an alternative to the annuitized payment option, pursuant to subdivision (g) of this section. The amount of a lump sum option for this prize category shall be the amount of the lump sum option if there were only one winner, divided by the total number of jackpot prize winning plays.

(iii) Fifteen or more jackpot prize-winning plays. If there are more than 14 jackpot prize-winning plays, the aggregate jackpot prize liability shall be the liability limit and shall be divided equally among all jackpot prize-winning plays and paid in one lump sum payment to each winner, without an annuitized payment option. The minimum jackpot prize value shall be not less than any lower-tier prize in regard to the same drawing.

(2) Second-level prizes. A second-level prize payout shall be paid as follows:

(i) Each winning play shall be paid $52,000 per year for life or a lump-sum payment based on the measuring life of such claimant, unless a liability limit would be exceeded.

(ii) The minimum prize value for a second-level prize shall be not less than any lower-tier prize in regard to the same drawing.

(iii) If a prize liability limit is exceeded and the annuity prize value of a second-level prize falls below $500 per week for life, then all winning plays will be paid in one lump sum payment to each winner, without an annuitized payment option.

(3) A third-level prize shall be paid as a $2,500 lump sum payment, unless a liability limit would be exceeded. A third-level prize shall be rounded to the nearest whole dollar.

(4) Each of the prize levels from four through nine shall be paid as a set, lump sum payment, as set forth in paragraph (f)(3) of this section, unless a liability limit would be exceeded.

(5) In addition to the prize structure set forth in this section, the commission may offer special prizes from time to time.

(i) Neither the commission nor the party lotteries shall be responsible for any Cash 4 Life ticket that is not deemed to be a valid or winning draw-game ticket pursuant to Parts 5003 and 5004 of this Title.

(j) This section applies to the Cash 4 Life game only.

PART 5008

Lotto

Section
5008.1 Definitions
5008.2 Game description
5008.3 Price
5008.4 Prize structure

§ 5008.1. Definitions.

The following definition shall apply to the Lotto game, in addition to the general definitions set forth in section 5000.2 of this Title: *Lotto winning numbers* means the first six numbers from one field and a seventh bonus number from the same field, randomly selected at each Lotto drawing, which shall be used to determine winning Lotto plays shown on a bet ticket.

§ 5008.2. Game description.

Lotto is a game that awards prizes to Lotto bet-ticket holders matching specified combinations of numbers for designated drawing dates to randomly selected numbers from corresponding drawings. A player selects six numbers from a field that comprises numbers 1 through 59. During each Lotto drawing, seven Lotto numbers are selected from a field of numbers in the following manner: Six winning numbers are drawn from a field of 1 through 59. A seventh bonus number is drawn from the remaining pool of numbers in such field. Lotto winning numbers and the bonus number shall be selected at random with the aid of drawing equipment pursuant to the controls and methods established for the game.

§ 5008.3. Price.

The price of two single plays on a bet ticket shall be $1. The purchaser receives two plays for each $1 wagered, which is the minimum amount of plays and cost per bet ticket. A Lotto bet ticket may contain multiple plays and may cover multiple drawings. The cost of a Lotto bet ticket depends on the number of plays and number of drawings the purchaser selects.

§ 5008.4. Prize structure.

(a) *Odds, prizes and prize pool*. The prize structure shall be as follows:

Matches*	Odds 1 in	Prize	% of prize pool	Level
6	45,057,474.0000	Jackpot	75.00%	1
5 plus bonus number	7,509,579.0000	Second prize	7.25%	2
5	144,414.9808	Third prize	5.50%	3
4	2,179.8488	Fourth prize	6.25%	4
3	96.1698	Fifth prize	6.00%	5

* The bonus number applies only to the second-prize level.

Overall odds of winning: 1 in 92.0463.

(b) *Prize pool*. The prize pool for all prize categories shall consist of up to 40 percent of each drawing period's gross sales.

(c) *Jackpot prize payments*. A claimant may elect an annuity option or a lump-sum option, calculated according to the provisions of section 5004.18(c) of this Title, unless this subdivision otherwise provides that the annuity option is not available:

(1) If there are multiple winning plays of the Lotto jackpot prize for a specified drawing, and if the annuitized amount of the jackpot prize being awarded all winning plays equals or exceeds $1 million, then the winners shall be paid in accordance with the claimant's selection of the lump-sum or annuity option. If there are multiple winning plays of the Lotto jackpot prize for a specified drawing, and if the annuitized amount of the prize being awarded for all winning plays is less than $1 million, then the winning jackpot plays shall be paid to winners in a lump-sum amount.

(2) Annuity-option jackpot prizes shall be paid according to a payment schedule established by the commission in consecutive annual installments. The initial payment shall be paid upon successful completion of internal validation procedures. The subsequent payments shall be paid approximately one year from the initial payment date, and then annually thereafter.

(3) If the lottery director determines that it is in the best interest of the State, the commission may, at the commission's discretion, set a maximum amount payable for a jackpot prize for any Lotto drawing. If such a maximum is set, the commission will publicly announce such maximum in advance of the drawing for the game for which it is effective. In the event such a maximum is set for a drawing, any dollars in the jackpot-prize fund for the particular game drawing that are in excess of the amount required to fund the maximum jackpot prize shall be carried forward to the next starting Lotto jackpot, after the maximum jackpot-prize drawing amount has been won.

(c) *Second- through fifth-level prizes*. In addition to the provisions set forth in section 5004.18(c) of this Title:

(1) The prize money allocated from the prize pool to the second prize, plus any money brought forward from a previous drawing, shall be divided equally by the number of plays qualifying for a second prize, less any adjustment required by paragraph (4) of this subdivision. If, in any Lotto drawing, there is no play qualifying for the second-prize level, the amount allocated to the second-prize level, plus any amount brought forward from a previous drawing shall be added the second-prize level for the next drawing.

(2) The prize money allocated from the prize pool to the third prize shall be divided equally by the number of plays qualifying for a third prize, less any adjustment required by paragraph (4) of this subdivision.

(3) The prize money allocated from the prize pool to the fourth prize shall be divided equally by the number of game plays qualifying for a fourth prize, less any adjustment required by paragraph (4) of this subdivision.

(4) The prize money allocated from the prize pool for the fifth prize shall be divided equally by the number of plays qualifying for a fifth prize. The fifth prize shall pay a minimum amount of $1. If there are insufficient funds in the prize pool to award a minimum of $1 to all fifth prize qualifying plays, then the second-, third-, and fourth-prize allocations shall contribute equally to provide sufficient monies to pay a minimum $1 fifth prize to all fifth-prize qualifying plays.

(d) *Rounding*. For the purpose of calculating any prize to be paid, the calculation shall be rounded down to the nearest whole dollar.

PART 5009

Daily Numbers

Section
5009.1 Definitions
5009.2 Game description

5009.3 Price and types of plays
5009.4 Prize structure

§ 5009.1. Definitions.

The following definitions shall apply to the Daily Numbers game, in addition to the general definitions set forth in section 5000.2 of this Title:

(a) *Back pair* means a type of play that results in a winning play when the selected numbers match the Daily Numbers winning numbers in exact order from field 2 and field 3 only.

(b) *Box* means a type of play that results in a winning play when the selected numbers match the Daily Numbers winning numbers in any order.

(c) *Combination* means a type of play that creates multiple straight plays on one bet ticket.

(d) *Daily Numbers winning numbers* means one number from field 1, one number from field 2, and one number from field 3, randomly selected at each Daily Numbers drawing, which shall be used to determine winning Daily Numbers plays shown on a bet ticket.

(e) *Front pair* means a type of play that results in a winning play when the selected numbers match the Daily Numbers winning numbers in exact order from field 1 and field 2 only.

(f) *Straight* means a type of play that results in a winning play when the selected numbers match the Daily Numbers winning numbers in exact order.

§ 5009.2. Game Description.

Daily Numbers is a game that awards prizes to Daily Numbers bet-ticket holders matching specified combinations of numbers for designated drawing dates and drawing times to randomly selected numbers from corresponding drawings. A player selects a permutation or segment of a three-digit number from 000 through 999. During each Daily Numbers drawing, three Daily Numbers game numbers are selected from three fields of numbers, each one comprising the numbers 0 through 9, in the following manner: The first winning number is selected from field 1, the second winning number is selected from field 2, and the third winning number is selected from field 3. Daily Numbers winning numbers shall be selected at random with the aid of drawing equipment, pursuant to the controls and methods established for the game.

§ 5009.3. Price and types of plays.

(a) *Price*. The price of a single play shall be a minimum of 50 cents and in multiples thereof to a maximum of $10. A Daily Numbers bet ticket may contain multiple plays and may

cover multiple drawings. The cost of a Daily Numbers bet ticket depends on the types of plays and number of drawings the purchaser selects.

(b) *Types of plays*. The following types of plays may be made available for purchase:

(1) Straight. A three-digit number (for example, “123”) designed to match in exact order the Daily Numbers winning numbers for a specified drawing.

(2) Six-way box. A three-digit number in which all three digits are unique (for example, “123”), designed to match in any order the Daily Numbers winning numbers for a specified drawing.

(3) Three-way box. A three-digit number in which two of the digits are the same (for example, “122”), designed to match in any order the Daily Numbers winning numbers for a specified drawing.

(4) Front pair. A two-digit number designed to match in exact order the numbers drawn from field 1 and field 2 from the Daily Numbers winning numbers for a specified drawing.

(5) Back pair. A two-digit number designed to match in exact order the numbers drawn from field 2 and field 3 from the Daly Numbers winning numbers for a specified drawing.

(6) Straight/six-way box. A three-digit number in which all three digits are unique (for example, “123”) that provides the purchaser with one straight play and one six-way box play. The minimum cost of a straight/six-way box play is $1 (two plays x $ .50 minimum play).

(7) Straight/three-way box. A three-digit number in which two of the digits are the same (for example, “122”) that provides the purchaser with one straight play and one three-way box play. The minimum cost of a straight/three-way box play is $1 (two plays x $ .50 minimum play).

(8) Six-way combination. A three-digit number in which all three digits are unique (for example, “123”) that provides the purchaser with all combinations of the three-digit number as straight plays, with any one three-digit-number combination matching in exact order the Daily Numbers winning numbers for a designated drawing. The minimum cost of a combination six-way play is $3 (six plays x 50 cents minimum play).

(9) Three-way combination. A three-digit number in which two of the digits are the same (for example, “122”) that provides the purchaser with all three combinations of the three-digit number as straight plays, with any one three-digit-number combination matching in exact order the Daily Numbers winning numbers for a designated drawing.

The minimum cost of a combination three-way wager is $1.50 (three plays x 50 cents minimum play).

(c) *Ticket cancellation*. A bet ticket may be cancelled at the request of the purchaser at the computer terminal that produced such bet ticket, so long as such cancellation is effected within 45 minutes of the time such bet ticket was issued or prior to the draw close, whichever occurs first.

(d) *Suspension of play on numbers and combinations*. The commission reserves the right at any time, in the commission's sole discretion, to suspend play on any number or numbers or to limit the number of bets made on any number or numbers or combination or combinations.

§ 5009.4. Prize structure.

(a) *Odds and prizes*. The odds and prizes shall be as follows:

Play type	**Odds 1 in**	**Prize $.50 play**	**Prize $1 play**
Straight	1,000.0000	$250	$500
Six-way box	167.6667	$40	$80
Three-way box	333.3333	$80	$160
Play type	**Odds 1 in**	**Prize $.50 play**	**Prize $1 play**
Front pair	100.0000	$25	$50
Back pair	100.0000	$25	$50
Straight/six-way box	167.6667	n/a	(Straight and box both) $290 (Box only) $40
Straight/three-way box	333.3333	n/a	(Straight and box both) $330 (Box only) $80
Play type	**Odds 1 in**	**Prize $3 play**	**Prize $6 play**
Six-way combination	167.6667	$250	$500
Play type	**Odds 1 in**	**Prize $1.50 play**	**Prize $3 play**
Three-way combination	333.3333	$250	$500

(b) *Prize pool*. The prize pool for all prize categories shall consist of up to 50 percent of each drawing period's gross sales.

PART 5010

Win 4

Section
5010.1 Definitions
5010.2 Game Description
5013.3 Price and types of play
5010.4 Drawings

§ 5010.1. Definitions.

The following definition shall apply to the Win 4 game, in addition to the general definitions set forth in section 5000.2 of this Title:

(a) *Back pair* means a type of play that results in a winning play when the selected numbers match the Win 4 winning numbers in exact order from field 3 and field 4 only.

(b) *Box* means a type of play that results in a winning play when the selected numbers match the Win 4 winning numbers in any order.

(c) *Combination* means a type of play that creates multiple straight plays on one bet ticket.

(d) *Win 4 winning numbers* means one number from field 1, one number from field 2, one number from field 3, and one number from field 4, randomly selected at each Win 4 drawing, which shall be used to determine winning Win 4 plays shown on a bet ticket.

(e) *Front pair* means a type of play that results in a winning play when the selected numbers match the Win 4 winning numbers in exact order from field 1 and field 2 only.

(f) *Straight* means a type of play that results in a winning play when the selected numbers match the Win 4 winning numbers in exact order.

§ 5010.2. Game description.

Win 4 is a game that awards prizes to Win 4 bet-ticket holders matching specified combinations of numbers for designated drawing dates and drawing times to randomly selected numbers from corresponding drawings. A player selects a permutation or segment of a four-digit number from 0000 through 9999. During each Win 4 drawing, four Win 4 numbers are selected from four fields of numbers, each one comprising the numbers 0 through 9, in the following manner: The first winning number is selected from field 1, the second winning number is selected from field 2, the third winning number is selected from field 3, the fourth winning number is selected from field 4. Win 4 winning numbers shall be selected at random with the aid of drawing equipment, pursuant to the controls and methods established for the game.

§ 5010.3. Price and types of plays.

(a) *Price*. The price of a single play shall be a minimum of 50 cents and in multiples thereof to a maximum of $10. A Win 4 bet ticket may contain multiple plays and may cover multiple drawings. The cost of a Win 4 bet ticket depends on the types of plays and number of drawings the purchaser selects.

(b) *Types of plays*. The following types of plays may be made available for purchase:

(1) Straight. A four-digit number (for example, “1234”) designed to match in exact order the Win 4 winning numbers for a specified drawing.

(2) Twenty-four-way box. A four-digit number in which all four digits are unique (for example, “1234”), designed to match in any order the Win 4 winning numbers for a specified drawing.

(3) Twelve-way box. A four-digit number in which two of the digits are the same (for example, “1233”), designed to match in any order the Win 4 winning numbers for a specified drawing.

(4) Six-way box. A four-digit number in which there are two pairs of identical numbers (for example, “1122”), designed to match in any order the Win 4 winning numbers for a specified drawing.

(5) Four-way box. A four-digit number in which three of the digits are the same (for example, “1112”), designed to match in any order the Win 4 winning numbers for a specified drawing.

(6) Front pair. A two-digit number chosen to match in exact order the numbers drawn from field 1 and field 2 from the Win 4 winning numbers for a specified drawing.

(7) Back pair. A two-digit number chosen to match in exact order the numbers drawn from field 3 and field 4 from the Win 4 winning numbers for a specified drawing.

(8) Straight/twenty-four-way box. A four-digit number in which all four digits are unique (for example, “1234”) that provides the purchaser with one straight play and one 24-way box play. The minimum cost of a straight/box play is $1 (two plays x $ .50 minimum play).

(9) Straight/twelve-way box. A four-digit number in which two of the digits are the same (for example, “1233”) that provides the purchaser with one straight play and one 12-way box play. The minimum cost of a straight/twelve-way box play is $1 (two plays x $ .50 minimum play).

(10) Straight/six-way box. A four-digit number in which there are two pairs of identical digits (for example, “1122”) that provides the purchaser with one straight play and one six-way box play. The minimum cost of a straight/six-way box play is $1 (two plays x $ .50 minimum play).

(11) Straight/four-way box. A four-digit number in which three of the digits are the same (for example, “1112”) that provides the purchaser with one straight play and one four-way box play. The minimum cost of a straight/four-way box play is $1 (two plays x $ .50 minimum play).

(12) Twenty-four-way combination. A four-digit number in which all four digits are unique (for example, “1234”) that provides the purchaser with all 24 combinations of the four-digit number as straight plays, with any one four-digit number combination matching in exact order the Win 4 winning numbers for a specified drawing. The minimum cost of a 24-way combination play is $12 (24 plays x $ .50 minimum play).

(13) Twelve-way combination. A four-digit number in which two of the digits are the same (for example, “1233”) that provides the purchaser with all 12 combinations of the four-digit number as straight plays, with any one four-digit number combination matching in exact order the Win 4 winning numbers for a specified drawing. The minimum cost of a 12-way combination wager is $6 (12 plays x $ .50 minimum play).

(14) Six-way combination. A four-digit number in which there are two pairs of identical digits (for example, “1122”) that provides the purchaser with all six combinations of the four-digit number as straight plays, with any one four-digit number combination matching in exact order the Win 4 winning numbers for a specified drawing. The minimum cost of a six-way combination wager is $3 (six plays x $ .50 minimum play).

(15) Four-way combination. A four-digit number in which three of the digits are the same (for example, “1112”) that provides the purchaser with all four combinations of the four-digit number as straight plays, with any one four-digit number combination matching in exact order the Win 4 winning numbers for a specified drawing. The minimum cost of a four-way combination wager is $2 (four plays x $ .50 minimum play).

(c) *Ticket cancellation*. A bet ticket may be cancelled at the request of the purchaser at the computer terminal that produced such bet ticket, so long as such cancellation is effected within 45 minutes of the time such bet ticket was issued or prior to the draw close, whichever occurs first.

(d) *Suspension of play on numbers and combinations*. The commission reserves the right at any time, in the commission’s sole discretion, to suspend play on any number or numbers or to limit the number of bets made on any number or numbers or combination or combinations.

§ 5010.4. Prize structure.

(a) *Odds and prizes*. The odds and prizes shall be as follows:

Play type	Odds 1 in	Prize $.50 play	Prize $1 play
Straight	10,000.0000	$2,500	$5,000
Twenty-four-way box	416.6667	$100	$200
Twelve-way box	833.3333	$200	$400
Six-way box	1,666.6667	$400	$800
Four-way box	2,500.0000	$600	$1,200
Front pair	100.0000	$25	$50
Back pair	100.0000	$25	$50
Straight/24-way box	416.6667	n/a	(Straight and box both) $2,600 (Box only) $100
Straight/12-way box	833.3333	n/a	(Straight and box both) $2,700 (Box only) $200
Straight/six-way box	1,666.6667	n/a	(Straight and box both) $2,900 (Box only) $400
Straight/four-way box	2,500.0000	n/a	(Straight and box both) $3,100 (Box only) $600

Play type	Odds 1 in	Prize $12 play	Prize $24 play
Twenty-four-way combination	416.6667	$2,500	$5,000

Play type	Odds 1 in	Prize $6 play	Prize $12 play
Twelve-way combination	833.3333	$2,500	$5,000

Play type	Odds 1 in	Prize $3 play	Prize $6 play
Six-way combination	1,667.6667	$2,500	$5,000

Play type	Odds 1 in	Prize $2 play	Prize $4 play
Four-way combination	2,500.0000	$2,500	$5,000

(b) *Prize pool*. The prize pool for call prize categories shall consist of up to 50 percent of each drawing period's gross sales.

PART 5011

Pick 10

Section
5011.1 Definitions
5011.2 Game description
5011.3 Price
5011.4 Prize structure

§ 5011.1. Definitions.

The following definition shall apply to the Pick 10 game, in addition to the general definitions set forth in section 5000.2 of this Title: *Pick 10 winning numbers* means the 20 one- or two-digit numbers from one field randomly selected at each Pick 10 drawing, which shall be used to determine winning Pick 10 plays shown on a bet ticket.

§ 5011.2. Game description.

Pick 10 is a game that awards prizes to Pick 10 bet-ticket holders matching specified combinations of numbers for designated drawing dates to randomly selected numbers from corresponding drawings. A player selects 10 numbers from a field comprising numbers 1 through 80. During each Pick 10 drawing, 20 numbers are selected from a field of numbers comprising the numbers 1 through 80. Pick 10 winning numbers shall be selected at random with the aid of drawing equipment, pursuant to the controls and methods established for the game.

§ 5011.3. Price.

The price of a single play shall be $1. The purchaser receives one play for each $1 wagered. A Pick 10 bet ticket may contain multiple plays and may cover multiple drawings. The cost of a Pick 10 bet ticket depends on the number of plays and number of drawings the purchaser selects.

§ 5011.4. Prize structure.

(a) *Odds and prizes*. The odds and prizes shall be as follows:

Matches	Odds 1 in	Prize	% of prize pool	Level
10	8,911,711.1765	$500,000	11.3128%	1
9	163,381.3716	$6,000	7.4007%	2
8	7,384.4688	$300	8.1871%	3
7	620.6773	$40	12.9865%	4
6	87.1126	$10	23.1498%	5
0	21.8385	$4	36.9429%	6

Overall odds of winning: 1 in 16.9426

(b) *Prize pool*. The prize pool for all prize categories shall consist of up to 50 percent of each drawing period's gross sales.

(c) *Level 1 prize.* For any drawing in which more than 10 plays match 10 winning numbers, the total level 1 prize pool available for such winning plays shall be limited to $5 million, and the amount of the level 1 prize payable for each qualifying play shall be determined by dividing the sum of $5 million by the number of such plays.

(d) *Prize levels 1 through 6*. Unless a liability limit would be exceeded, prize levels 1 through 6 shall be paid as a fixed prize as set forth in subdivision (a) of this section and shall be paid in one single cash payment.

PART 5012

Take 5

Section
5012.1 Definitions
5012.2 Game description
5012.3 Price
5012.4 Prize structure

§ 5012.1. Definitions.

The following definition shall apply to the Take 5 game, in addition to the general definitions set forth in section 5000.2 of this Title: *Take 5 winning numbers* means the five numbers from one field, randomly selected at each Take 5 drawing, which shall be used to determine winning Take 5 plays shown on a bet ticket.

§ 5012.2. Game description.

Take 5 is a game that awards prizes to Take 5 bet-ticket holders matching numbers for designated drawing dates and drawing times to randomly selected numbers from corresponding drawings. A player selects five numbers from a field comprising numbers 1 through 39. During each Take 5 drawing, five numbers are selected from a field of numbers comprising the numbers 1 through 39. Take 5 winning numbers shall be selected at random with the aid of drawing equipment, pursuant to the controls and methods established for the game.

§ 5012.3. Price.

The price of a single play shall be $1. The purchaser receives one play for each $1 wagered. A Take 5 bet ticket may contain multiple plays and may cover multiple drawings. The cost of a Take 5 bet ticket depends on the number of plays and number of drawings the purchaser selects.

§ 5012.4. Prize structure.

(a) *Odds and prizes*. The prize structure shall be as follows:

Matches	Odds 1 in	Prize	% of prize pool	Level
5	575,757.0000	Pari-mutuel	20.00%	1
4	3,386.8059	Pari-mutuel	30.00%	2
3	102.6305	Pari-mutuel	50.00%	3
2	9.6216	Free play	0.00%	4

Overall odds of winning: 1 in 8.7740.

(b) *Prize pool*. The prize pool for all prize categories shall consist of up to 50 percent of each drawing period's gross sales.

(c) *Prize calculation*. Prizes shall be calculated as follows for each drawing:

(1) The prize money allocated from the prize pool to the level 1 prize shall be divided equally by the number of plays qualifying for a level 1 prize. For any Take 5 drawing in which there is no play qualifying for a level 1 prize, the prize money allocated to the level 1 prize shall be added to the prize money allocated to the level 2 prize pool.

(2) The prize money allocated from the prize pool to the level 2 prize shall be divided equally by the number of plays qualifying for the level 2 prize. For any Take 5 drawing in which there is no play qualifying for a level 2 prize, the prize money allocated to the level 2 prize shall be added to the prize money allocated to the level 3 prize pool.

(3) The prize money allocated from the prize pool to the level 3 prize shall be divided equally by the number of plays qualifying for a level 3 prize.

(4) No prize money shall be allocated from the prize pool to the level 4 prize. The level 4 prize for each play that qualifies for such prize shall be one free play in a future drawing of the Take 5 game.

(d) *Rounding*. Take 5 prizes at any level shall be rounded down to the nearest multiple of 50 cents.

PART 5013
Quick Draw

Section
5013.1 Definitions
5013.2 Game description
5013.3 Ticket price and types of plays
5013.4 Prize structure

§ 5013.1. Definitions.

The following definitions shall apply to the Quick Draw game, in addition to the general definitions set forth in section 5000.2 of this Title:

(a) *Extra symbol* means a symbol in a feature of the Quick Draw game that will be selected after the Quick Draw base-play winning numbers have been selected in a Quick Draw game.

(b) *Money Dots* means a feature of the Quick Draw game in which a purchaser may make a wager on the Money Dots winning number that will be selected after the Quick Draw base-play winning numbers have been selected in a Quick Draw game.

(c) *Quick draw base-play winning numbers* means 20 numbers from one field randomly selected at each Quick Draw drawing, which shall be used to determine winning Quick Draw plays shown on a bet ticket.

(d) *Spot* means the quantity of numbers a purchaser chooses to play in the base play of a Quick Draw game. For example, in a 10-spot play, the purchaser chooses 10 numbers; in a 9-spot play, the purchaser chooses nine numbers; etc.

§ 5013.2. Game description.

Quick Draw is a game that awards prizes to Quick Draw bet-ticket holders matching specified combinations of numbers for designated drawing dates and drawing times to randomly selected numbers from corresponding drawings. For a Quick Draw base play,

a purchaser selects a quantity of numbers to play (spots) from 1 to 10 and then selects the same quantity of numbers (spots) from a field comprising the numbers 1 through 80. A purchaser can add a Money Dots play and/or an Extra play to the Quick Draw base play. During each Quick Draw base-play drawing, 20 Quick Draw numbers are selected from a field of numbers in the following manner: 20 winning numbers from a field comprising the numbers 1 through 80. After the Quick Draw base-play winning numbers are drawn, one Extra symbol is selected, then one winning Money Dots number is selected from the remaining pool of Quick Draw numbers. Quick Draw and Money Dots winning numbers and Extra symbols shall be selected at random with the aid of drawing equipment, pursuant to the controls and methods established for the game.

§ 5013.3. Ticket price and types of plays.

(a) *Price*. Ticket price of a single Quick Draw base play is determined by the purchaser and can be $1 through $10 per drawing. The purchaser receives one play for each Quick Draw base play. A Quick Draw bet ticket may contain multiple plays and may cover multiple drawings. The cost of a Quick Draw bet ticket depends on the number of plays and number of drawings the purchaser selects.

(b) *Types of plays*.

(1) Quick Draw base play.

(i) To make a Quick Draw base play, a purchaser selects:

(*a*) a quantity of spots, from 1 to 10;

(*b*) a wager amount of $1 through $10 per draw;

(*c*) the number of consecutive drawings the purchaser wishes to play, beginning with the next scheduled drawing; and

(*d*) numbers from a field of 80 numbers in the same quantity of spots selected, or chooses a quick-pick option.

(ii) Prizes for winning Quick Draw base plays shall be awarded for bet tickets on which various numbers of purchaser selections match the winning numbers drawn for the assigned drawing, with prizes and payouts as set forth in section 5013.4 of this Part.

(iii) The commission may offer a Quick Draw Extra feature as an addition to a purchaser's Quick Draw base play.

(*a*) A Quick Draw Extra play shall double the cost of the Quick Draw base play. For example, if a purchaser purchases a $1 Quick Draw base play and Quick

Draw Extra is also played, the total cost of the wager shall be $2 ($1 for the Quick Draw base play and $1 for the Quick Draw Extra play).

(*b*) When this feature is active, the randomly selected Extra symbol, with odds of selection as set forth in clause (*c*) of this subparagraph, shall appear on the video monitor immediately following selection of the winning Quick Draw base-play numbers.

(*c*) A purchaser who has purchased a Quick Draw Extra play shall win only the play's base-play prize, if any, when the "No extra" symbol is selected. A purchaser who has purchased a Quick Draw Extra play shall win a multiple of the play's base-play prize, if any, in the multiple indicated by the number associated with the symbol when one of the following symbols is selected: 2X, 3X, 4X, 5X or 10X (subject to the limitation set forth in section 5013.4(c) of this Part).

Symbol	**Odds of selection, 1 in**
No extra	2.5000
2X	2.3529
3X	16.0000
4X	16.0000
5X	26.6667
10X	80.0000

(2) Money Dots. The rules set forth in this paragraph shall apply when the commission chooses to offer Money Dots within a Quick Draw game. If Money Dots is offered, a purchaser may make the wager separate from a Quick Draw base play.

(i) To play Money Dots, a purchaser completes a Money Dots play slip or requests manual entry.

(ii) The price of a single play for Money Dots shall be $1.

(iii) A purchaser's Money Dots ticket shall contain eight randomly assigned numbers from the Quick Draw field of 80 and shall constitute a play for the assigned drawing or drawings on the ticket.

(iv) A purchaser making a Money Dots wager shall be issued a bet ticket on which eight randomly assigned numbers from the Quick Draw field of 80 are displayed.

(v) After the 20 Quick Draw base-play winning numbers are drawn in a Quick Draw game and after the Extra symbol is drawn, dollar values of $5, $10, $20 or $50 shall be assigned randomly to each of the remaining 60 numbers that were not

selected as base-play winning numbers for that Quick Draw game, consistent with the odds set forth in section 5013.4(a)(2) of this Part.

(vi) After the 60 remaining numbers in the Quick Draw game (which have not been selected as base-play winning numbers) have been assigned dollar values, a randomly selected Money Dots winning number shall be displayed. A purchaser wins a Money Dots play, in the dollar amount assigned to the winning number pursuant to subparagraph (v) of this paragraph, if the Money Dots winning number drawn matches one of the numbers assigned to the purchaser's Money Dots bet ticket for the assigned drawing pursuant to subparagraph (iv) of this paragraph.

(c) *Minimum age*.

(1) No Quick Draw bet ticket shall be sold to a person under the age of 18 years, as set forth also in section 5001.27(c) of this Title. On the premises of a lottery sales agent who holds a license issued pursuant to the Alcoholic Beverage Control Law to sell alcoholic beverages for consumption on the premises, no Quick Draw bet ticket shall be sold to a person under the age of 21 years and no person under the age of 21 years may participate in a Quick Draw game.

(2) The commission shall penalize a licensee found to have violated paragraph (1) of this subdivision according to the provisions of section 5001.27(c)(2) of this Title.

(d) *Premises*. Quick Draw bet tickets may be purchased only at a licensed Quick Draw lottery sales agent location. Quick Draw bet tickets shall be sold only on premises satisfying the following, as required by Tax Law section 1612(a)(1)(A):

(1) If the premises are not used for the sale of alcoholic beverages for consumption on the premises, the premises shall comprise an area greater than 2,500 square feet. For purposes of this paragraph, *premises* shall include such areas where members of the public may be and shall not include areas where members of the public are excluded.

(2) Exceptions. The provisions of paragraph (1) of this subdivision relating to 2,500 square feet shall not be applicable to premises used as either:

(i) a commercial bowling establishment; or

(ii) a facility authorized under the Racing, Pari-Mutuel Wagering, and Breeding Law to accept pari-mutuel wagers.

(e) *Ticket cancellation*. A bet ticket may be cancelled at the request of the purchaser at the computer terminal that produced such bet ticket, so long as such cancellation is effected prior to the Quick Draw close for the first drawing date and time on such bet ticket.

§ 5013.4. Prize structure.

(a) *Odds, prizes and prize pool*. For the Quick Draw game, the prize structure shall be as follows:

(1) Quick draw base play. Prizes will be paid for bet tickets on which a purchaser's Quick Draw base-play bet ticket matches the winning numbers drawn for the assigned drawing. The number of selections that must match the winning numbers drawn, the prizes won for a $1 play and the odds of winning are shown in the tables below:

(i) 10-spot play.

Matches	Odds 1 in	% of prize pool	Prize
10	8,911,711.1765	1.8654%	$100,000
9	163,381.3716	5.0874%	$5,000
8	7,384.4688	6.7535%	$300
7	620.6773	12.0523%	$45
6	87.1126	19.0829%	$10
5	19.4448	17.0982%	$2
0	21.8385	38.0603%	$5

Overall odds of winning in 10-spot play: 1 in 9.0538.

(ii) 9-spot play.

Matches	Odds 1 in	% of prize pool	Prize
9	1,380,687.6471	3.6313%	$30,000
8	30,681.9477	16.3409%	$3,000
7	1,690.1073	12.3604%	$125
6	174.8387	19.1175%	$20
5	30.6735	27.2424%	$5
0	15.6868	21.3075%	$2

Overall odds of winning in 9-spot play: 1 in 9.7377.

(iii) 8-spot play.

Matches	Odds 1 in	% of prize pool	Prize
8	230,114.6078	7.2968%	$10,000
7	6,232.2706	14.8181%	$550
6	422.5268	29.8045%	$75
5	54.6371	18.4391%	$6
0	11.3294	29.6415%	$2

Overall odds of winning in 8-spot play: 1 in 9.1659.

(iv) 7-spot play.

Matches	Odds 1 in	% of prize pool	Prize
7	40,979.3137	20.5427%	$5,000
6	1,365.9771	12.3256%	$100
5	115.7608	29.0885%	$20
4	19.1604	17.5743%	$2
0	8.2254	20.4689%	$1

Overall odds of winning in 7-spot play: 1 in 5.4597.

(v) 6-spot play.

Matches	Odds 1 in	% of prize pool	Prize
6	7,752.8431	21.4870%	$1,000
5	323.0351	28.3629%	$55
4	35.0411	28.5240%	$6
3	7.7030	21.6261%	$1

Overall odds of winning in 6-spot play: 1 in 6.1888.

(vi) 5-spot play.

Matches	Odds 1 in	% of prize pool	Prize
5	1,550.5686	32.0755%	$300
4	82.6970	40.0943%	$20
3	11.9140	27.8302%	$2

Overall odds of winning in 5-spot play: 1 in 10.3442.

(vii) 4-spot play.

Matches	Odds 1 in	% of prize pool	Prize
4	326.4355	28.2051%	$55
3	23.1225	36.1991%	$5
2	4.7029	35.5958%	$1

Overall odds of winning in 4-spot play: 1 in 3.8618.

(viii) 3-spot play.

Matches	Odds 1 in	% of prize pool	Prize
3	72.0702	53.4884%	$23
2	7.2070	46.5116%	$2

Overall odds of winning in 3-spot play: 1 in 6.5518.

(ix) 2-spot play.

Matches	Odds 1 in	% of prize pool	Prize
2	16.6316	100.0000%	$10

Overall odds of winning in 2-spot play: 1 in 16.6316.

(x) 1-spot play.

Matches	Odds 1 in	% of prize pool	Prize
1	4.0000	100.0000%	$2

Overall odds of winning in 1-spot play: 1 in 4.0000.

(2) Money Dots. Prizes will be paid for all bet tickets on which one of the Money Dot issued numbers matches the winning Money Dot number selected for the assigned drawing. The odds of winning prizes on a $1 Money Dot wager for a drawing are as follows:

Odds 1 in	% of prize pool	Prize
400.0000	20.8333%	$50
266.6667	12.5000%	$20
88.8889	18.7500%	$10
17.3913	47.9167%	$5

Overall odds of winning in Money Dots wager: 1 in 13.3333.

(b) *Prize pool*. The prize pool for all prize categories, including add-on features, shall consist of up to 60 percent of each drawing period's gross sales.

(c) *Total prize amount limitation*.

(1) 10-spot base-play wagers. For any drawing in which there are more than the equivalent of 50 Quick Draw base plays of $1 in which the purchaser selections match 10 winning numbers, the total prize amount available for payment of Quick Draw prizes on such winning base plays shall be limited to $5,000,000, and the amount of the prize payable to the holder of each bet ticket for such a play shall be determined by dividing $5,000,000 by the equivalent number of such winning plays of $1, with the prize payable rounded down to the nearest whole dollar.

(2) Extra feature in 10-spot wagers. For any drawing in which the Extra multiplier is greater than 1 and there are plays in which the purchaser selections match 10 winning numbers, the total prize amount attributable to the Extra multiplier shall be limited to $1,000,000. If the total presumptive top-prize amount, attributable to the Extra multiplier only, exceeds such limit, then the amount of the prize per play attributable to the Extra multiplier shall instead be $1,000,000 divided by the equivalent number of such Extra winning plays of $1, with the prize payable rounded down to the nearest whole dollar.

(3) Illustrations. By way of illustration, and for the avoidance of doubt:

(i) If there are 51 $1 10-spot base-play wagers that match 10 winning numbers, pursuant to paragraph (1) of this subdivision, the 51 plays would result in a prize in the amount of $98,039 per winning play ($5,000,000 divided by 51).

(ii) If there are multiple 10-spot base-play wagers that match 10 winning numbers, 11 of those plays had also been played with the Extra feature for $1, and the 2X

symbol is drawn, pursuant to paragraph (2) of this subdivision, the 11 plays would result in a prize attributable to the Extra multiplier in the amount of $90,909 per winning play (2X represents a $100,000 top prize for the base wager and $100,000 attributable to the Extra symbol; because the presumptive amount attributable to the Extra multiplier is $1,100,000, the prize attributable to the Extra multiplier instead becomes $1,000,000 divided by 11, pursuant to this paragraph).

PART 5014

Courier Services

Section

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§ 5014.1. License requirement.

No person shall carry on a business in which such person acts as agent for another person in purchasing a lottery ticket, unless such person is duly licensed as a courier service pursuant to this subchapter.

§ 5014.2. Courier license application and evaluation.

(a) *Application*. An applicant for a courier service license shall file an application in a form provided by the commission. An applicant shall have an ongoing duty to supplement such application as may be necessary to maintain updated information and accuracy. In addition to other requirements the commission may establish, such application shall

describe how the audit and financial controls, technical standards and internal controls proposed for applicant's network will comply with the requirements of this subchapter.

(b) *Evaluation of application*. In evaluating an application for a courier service license, the commission shall consider such factors as:

(1) financial responsibility and security of the business or activity in which such person is engaged;

(2) sufficiency of existing lottery sales agent and courier service licenses to serve the public convenience;

(3) whether the proposed network is predominantly frequented by persons under the age of 18 years;

(4) volume of expected sales;

(5) conviction of any offense as defined in the Penal Law;

(6) veracity and completeness of information supplied on the application form or any supplement thereto;

(7) applicant's indebtedness, if any, to State or local government;

(8) business experience operating a network;

(9) reputation of the applicant;

(10) whether the audit and financial controls, technical standards, internal controls, proposed for applicant's network comply with the requirements of this Part; and

(11) whether the application submitted contains a business plan demonstrating that compliance with all conditions of a courier service license is achievable.

(c) *Temporary licenses*. The commission may issue a temporary courier service license to an applicant on a provisional basis pending completion of an initial application review process. As a condition to the issuance of a temporary service license, the applicant shall waive any right to a hearing or to challenge any commission decision in regard to a temporary courier service license. Any such temporary courier service license may be issued only if:

(1) the applicant has filed a complete application with the commission;

(2) the completed application, on the face of such application, discloses no grounds from which the commission readily may ascertain that there are reasonable grounds to deny the application; and

(3) the commission receives and reviews a fingerprint report from the New York State Division of Criminal Justice Services and Federal Bureau of Investigation that does not indicate any grounds to withhold a temporary approval.

(d) *Cooperation required*. An applicant for a courier service license shall cooperate fully with the commission in the course of the application process. Failure to cooperate with the commission shall be a violation of this section and shall be in itself sufficient grounds for denial of such license application.

(e) *Commission reservation of rights*. Nothing in this subchapter prohibits the commission itself from engaging in the sale of lottery tickets through a network the commission operates or that is operated on the commission's behalf.

§ 5014.3. Conditions and requirements of licensure.

(a) *Conditions*. A courier service shall, as a condition of licensure:

(1) display prominently on its platform a warning of the risk of being defrauded by lottery scams and information on playing responsibly, which information shall be substantially similar to the information displayed on the New York Lottery website or such other information approved by the commission;

(2) maintain a courier customer self-exclusion list and provide a mechanism for courier customers to register through the network to exclude themselves from using the network. Such list shall include any person who appears on a statewide exclusion list maintained by the commission. A courier service shall ensure to the satisfaction of the commission that any courier customer placed on the self-exclusion list is prevented from requesting tickets through the network;

(3) ensure the network includes the following features:

(i) a daily courier customer request limit of an amount approved by the commission, which may provide that prize amounts of less than $600 awarded to a courier customer and credited to the courier customer's account may be excluded from the daily request limit;

(ii) the ability for a courier customer to set a lower personal daily request limit; and

(iii) a waiting period, as determined by the commission, before a courier customer can raise a previously set personal daily request limit;

(4) maintain a courier customer and ticket management system that includes a secure database of all tickets requested through the network;

(5) maintain at a separate physical location a secure backup database;

(6) not use trademarks or other marks owned or controlled by the commission or any multi-state lottery consortium except with the express approval of the commission;

(7) offer for delivery only games approved by the commission for delivery by such licensee; and

(8) provide courier customer support, for purposes of responding to courier customer inquiries and disputes, in a manner approved by the commission.

(b) *Approval of lottery games offered*. No courier service may offer for sale or delivery any lottery game unless the commission has approved in writing the offering of such game by such licensee. The commission may consider, without limitation, technical requirements and multistate game requirements in determining whether to grant such approval. Any commission approval may establish a date before which the licensee may not offer the delivery of such lottery game tickets.

(c) *Compliance audits*. At the sole expense of the courier service, the network shall be audited and certified to be compliant with this Part at least annually by an independent party approved by the commission.

(d) *Indemnification, release and hold harmless*. As a condition to the issuance and acceptance of a courier service license, such licensee agrees to:

(1) indemnify and hold harmless the State, the commission and any of the employees of the State or the commission from any and all claims, damages, claims for damages, causes of action or suits that may arise or occur directly or indirectly as a result of

(i) any act or omission of such licensee that affects the State, the commission and any of the employees of the State or the commission; and

(ii) any purchase of courier services through the courier service's network or any operation carried on, under and pursuant to a courier service;

(2) release the State, the commission and any of the employees of the State or the commission from any and all claims, damages, claims for damages, causes of action or suits that shall accrue to the licensee, such licensee's employees, representative or agents that may arise or occur directly or indirectly as a result of any operation carried on, under or pursuant to such license; and

(3) defend, at such licensee's own expense, any and all causes of action or suits against the State that may be brought by any party, including any courier customer, that may arise or occur directly or indirectly out of any act or omission of such licensee or operation carried on pursuant to or in accordance with such license, the placement of requests for courier services through such licensee's network or the generation of, or failure to generate, lottery tickets to complete ticket purchases related to such requests for courier services.

(e) *Insurance*. Each courier service shall obtain insurance, which may include cyber liability insurance, errors and omissions insurance and such other insurance coverage as the commission may require, with limits and coverage requirements and minimum carrier ratings satisfactory to the commission.

(f) *Independent third-party testing*. As a condition to the issuance and acceptance of a courier license, a licensee shall implement, prior to offering a network, independent third-party testing required by the commission as provided in section 5014.9 of this Part.

(g) *Facilitating bulk purchases prohibited*. See section 5001.27(j) of this Title for rules concerning courier services and bulk purchases.

(h) *Duty to report concerning bulk purchases*. See section 5001.27(k) of this Title for rules concerning courier services and the duty to report with respect to bulk purchases.

§ 5014.4. Display of license.

Each courier service shall make available on such licensee's website and platform a true copy of the license issued by the commission pursuant to this subchapter.

§ 5014.5. Disclosure of games offered.

Each courier service shall disclose to the commission the lottery games, each of which the commission has considered and approved consistent with section 5014.3(b) of this Part, that such courier service intends to offer for sale. Each courier service shall notify the commission of any proposed changes to such list of lottery games already approved for delivery by such courier service, pursuant to section 5014.3(b) of this Part, no later than 30 days prior to the effective date of such change.

§ 5014.6. Courier customer agreements.

By creating an account using the network of a courier service to place a request for courier services, a courier customer agrees:

(a) to be bound by the commission's regulations;

(b) to release and hold harmless the courier service, the State and the commission from any liability related to a request for courier services to purchase tickets that is not completed before the drawing cutoff and never results in the generation of the tickets requested; and

(c) that, in the event a dispute occurs as to whether a ticket generated to complete a draw game ticket purchase request in connection with a request for courier services placed through a network would have been a winning ticket had the ticket purchase occurred and no prize is paid, the commission may, at the commission's option, replace the ticket with a ticket equal in value to the price of the ticket that is the subject of the dispute, which remedy shall be the sole and exclusive remedy of the claimant against the commission.

§ 5014.7. Requirements for network.

(a) *Location of courier customers within the State*. A network shall employ a method of restricting requests for courier services to only those made by courier customers physically located in the State of New York at the time of purchase of courier services. The purchase of courier services, within the meaning of this subdivision, shall occur when the courier customer:

(1) requests the courier service purchase and deliver a particular lottery ticket or tickets on behalf of the courier customer; and

(2) initiates the transfer of funds to such courier service to cover the cost in full of the lottery ticket or tickets requested to be purchased.

Both of the elements described in paragraphs (1) and (2) of this subdivision must occur while the courier customer is physically located in the State of New York. For avoidance of doubt, the element described in paragraph (2) of this subdivision is satisfied if the courier service, at the time the courier customer initiates the transfer of funds, verifies the courier customer's physical location in New York and:

(3) the courier customer pays for the full amount of the ticket order;

(4) the courier service commits or segregates funds in the customer's courier service account for the purpose of covering the full cost of the ticket order; or

(5) the courier service debits the customer's method of payment (*e.g.*, credit card, debit card, customer's courier service account) to cover the cost of the ticket order.

(b) *Prohibited sales areas*. A network shall employ a method of restricting requests for courier services made from any area within the State of New York that the commission designates as a prohibited sales area.

(c) *Geolocation*. A network shall employ a method of providing a courier customer with the location of the nearest lottery sales agents using GPS technology. In the event a courier customer attempts to request courier services through the network of a courier service in the period between the halt of requests via the network but prior to the drawing cutoff, such method shall be capable of directing the courier customer to the nearest lottery sales agent.

(d) *Courier service location*. A courier service shall receive and process in a location in New York requests from courier customers for courier services. Ticket processing shall occur in New York.

(e) *Play slips*. A courier service may employ a method or means to print play slips or facsimiles thereof, only after approval by the commission pursuant to these regulations. No such approval shall be granted by the commission unless such method or means has been tested, at the licensee's expense, and verified by an independent third-party testing facility to the satisfaction of the commission that such play slips perform at least as accurately as the commission's official play slips.

(f) *Ticket confirmation to the courier customer*. The network shall employ a mechanism to provide a user with the following:

(1) immediately following a request for courier services, a secure confirmation of the request including the relevant game, applicable request data and player's name;

(2) immediately following ticket processing of a draw game ticket or issuance of a ticket pursuant to a lottery promotion, a secure confirmation of the ticket processing including the serial number of the ticket and the relevant game, applicable data and player's name;

(3) for a draw game ticket, an image of the front and back of an issued ticket in its entirety, which image shall contain a watermark on the ticket. Such mechanism shall ensure that the image is available within the time frame required for ticket processing as set forth in section 5014.12(a) of this Part and only for the purchaser of the ticket to view through the network, and is not accessible by any other user of the network.

(4) immediately following ticket processing of a printed instant ticket, a secure confirmation of the ticket processing including the instant ticket game, pack and ticket number of the ticket, applicable data and player's name;

(5) for a printed instant ticket, an image of the front and back of an issued ticket in its entirety and relevant shipment tracking information. Such mechanism shall ensure that the image and tracking information is available no later than 4:00 a.m. Eastern Time the day after ticket is shipped.

(g) *Record of courier customer purchases.* Each courier service shall provide to the commission, in an electronic format acceptable to the commission, the following data:

(1) In regard to each drawing for which such courier service provides a ticket:

(i) lottery game;

(ii) drawing date and time;

(iii) full name of the courier customer as set forth in such customer's account;

(iv) customer account number;

(v) electronic mail address of the courier customer;

(vi) date the ticket was issued;

(vii) lottery transaction identification number for the purchase transaction;

(viii) location of the purchase; and

(ix) time of the purchase.

Such data shall be submitted to the commission no later than 15 minutes before the drawing to which such data relates. The provisions of such data to the commission does not constitute ticket processing and shall not be sufficient evidence of a purchased ticket. Ticket processing must occur pursuant to the requirements of section 5014.12 of this Part in order to generate a ticket that may be submitted for a prize claim.

(2) In regard to each instant game for which such courier service provides a printed ticket:

(i) the name and game number of the instant lottery game;

(ii) full name of the courier customer as set forth in such customer's account;

(iii) customer account number;

(iv) electronic mail address of the courier customer;

(v) date the ticket was purchased;

(vi) date the courier service shipped the ticket to the customer;

(vii) location of the purchase; and

(viii) time of the purchase.

Such data shall be submitted to the commission daily, no later than 4:00 a.m. Eastern Time for the prior day's shipments. The provisions of such data to the commission does not constitute ticket processing and shall not be sufficient evidence of a purchased ticket. A prize claim shall present the printed instant ticket purchased from the lottery sales agent, which must meet the validation requirements set forth in section 5006.8 of this Title in order to claim the prize.

(h) *Incident notice*. A licensee shall report immediately all significant incidents related to the operation of such licensee's platform, either personally or by telephone, within one hour of the discovery of the incident, followed by a letter addressed to the lottery director of operations within 24 hours of the incident. At a minimum, the licensee shall provide a written report for each of the following types of events:

(1) platform outages;

(2) major communications failures;

(3) significant operator errors;

(4) out of balance conditions;

(5) emergency software or hardware changes;

(6) security violations;

(7) requests where purchase occurred as prescribed per regulations but either lottery or player purchase notification did not occur prior to a drawing;

(8) customer reports that the courier service delivered a bet ticket that failed to meet the validation requirements set forth in section 5003.2 of this Title, in the case of a draw game bet ticket, or in sections 5003.2 and 5006.8 of this Title, in the case of an instant lottery ticket;

(9) other conditions as defined by a memorandum of understanding;

(10) any situation that may cause the general public to become alarmed and/or that may damage the integrity or public image of the commission.

§ 5014.8. Prevention of use by prohibited persons.

(a) *Participation prohibited*. A courier service shall prevent the following persons from opening an account or placing a request for courier services through such licensee's network:

(1) persons under the age of 18;

(2) employees, officers, directors or direct or indirect owners of such licensee;

(3) any spouse, child, brother, sister or parent residing as a member of the same household in the principal place of abode of any employee, officer, director or direct or indirect owner of such licensee; and

(4) any person identified on a restricted list the commission provides.

(b) *Procedures to prevent prohibited play*. A courier service shall submit for commission approval procedures to prevent prohibited players from placing a request for courier services through such licensee's network. A courier service shall implement any changes to such procedures as the commission may direct at any time.

(1) Such plan shall include the following, in regard to prevention of play by a minor:

(i) specification of parental controls procedures to allow parents and guardians to exclude persons under the age of 18 from placing a request for courier services through such licensee's network. The licensee shall explain what information is made available about the specific steps a parent or guardian may take to implement parental controls, including the toll-free number that a licensee shall provide for individuals seeking help in establishing such parental controls;

(ii) detailed explanation of the steps taken to prevent persons under the age of 18 from placing a request for courier services through such licensee's network. The licensee shall explain what types of native or third-party age verification procedures are implemented to verify that each person registering for an account with such licensee is not under the age of 18;

(iii) procedures used to identify and deactivate accounts created or used by persons under the age of 18 and to exclude such persons from all paid activity offered through such licensee's network;

(iv) verification that any account balance attributable to a person under the age of 18 shall be refunded, less any prizes already awarded, within no more than two business days of discovery that such account is attributable to such person. The licensee also shall explain how deposits will be refunded; and

(v) procedures to ensure that persons under the age of 18 do not receive promotional materials that relate to a licensee's network.

(2) Such plan shall include, in regard to verification of geolocation capabilities, procedures to ensure the network's ability to prevent requests for courier services by players not physically present in the state of New York at the time of such request.

(c) *Required terms of use*. A courier service shall specify in the terms of use applicable to such licensee's network that each category of individuals identified in this section is prohibited from placing requests for courier services through such licensee's network.

(d) *Operator liability for violations*. A courier service shall be strictly liable for permitting any prohibited courier customer, as set forth in subdivision (a) of this section, to use such licensee's network. The commission shall consider, however, before imposing any penalty or sanction upon a licensee for a violation of this section, other than a mandatory penalty set forth in subdivision (e) of this section, any circumstances that such licensee presents in writing to the commission as mitigating factors for the commission's consideration, including, without limitation, good-faith reliance on false or misleading information provided by the prohibited person and good-faith compliance with appropriate internal controls designed to prevent play by a prohibited person.

(e) *Mandatory sanctions for allowing play by minors*. The commission shall penalize a courier service found to have allowed a minor to use such licensee's network as follows:

(1) for a first violation, a fine of $5,000;

(2) for a second violation within one year of a violation, a fine of $20,000;

(3) for a third violation within one year of a violation, a fine of $25,000; and

(4) for a fourth violation or subsequent violation within one year of a violation, a fine of $25,000 and such further action as the commission may deem appropriate, which may include, without limitation, the suspension or revocation of license.

§ 5014.9. Independent third-party testing.

(a) *Testing required*. Prior to engaging in courier operations, each licensed courier service shall submit such interactive systems, equipment and/or related components to an independent testing laboratory approved by the commission to conduct such category of testing, at the licensee's expense.

(b) *Topics for testing*. An independent testing laboratory shall use technical standards, as approved in writing by the commission, for the testing, certification and/or verification of the following topics:

(1) player account registration;

(2) player account controls;

(3) control program;

(4) client software;

(5) gaming disable/enable;

(6) shutdown and recovery;

(7) malfunction;

(8) geolocation;

(9) advertising;

(10) player loyalty programs;

(11) reporting;

(12) player interface;

(13) game recall;

(14) information security policy;

(15) administrative controls;

(16) technical controls;

(17) physical and environmental controls; and

(18) any other function or feature as required by the commission.

(c) *Independence of tester*. An independent testing laboratory shall adhere to the requirements for independence set forth in sections 5318.4 through 5318.6 of this Title as if a courier service or any of the vendors of a courier service were a gaming facility licensee.

(d) *Waivers*. A courier service may submit a written request to the commission for a waiver for one or more of the requirements in this section. Any such request shall:

(1) include supporting documentation demonstrating how the courier service system, equipment or associated equipment for which the waiver has been requested will still meet operational integrity requirements; and

(2) be approved in writing by the commission.

§ 5014.10. Courier customer accounts.

(a) *Establishment of account*. Prior to placing a request for courier services through a network, a courier customer shall establish an account with the licensee operating such network.

(b) *Limitation on number of accounts*. A courier service shall establish controls to ensure that no courier customer is able to establish more than one courier customer account with such courier service. Each such account shall be non-transferable and unique to the courier customer who established the account.

(c) *Funding of accounts*. A courier customer account may be funded through the use of a courier customer's credit or debit card; promotional or other credit issued by the licensee, or such other method as the commission may approve.

(d) *Trust account for courier customer funds*. Each courier service shall establish and maintain a trust account or trust accounts in national or State chartered banking institutions with balances sufficient to pay all money deposited by or on behalf of courier customers for the purchase of tickets, including all courier customer prizes. All prizes collected on behalf of courier customers shall be placed promptly in such trust account or accounts. Monies may be withdrawn from such trust account or accounts for no purpose other than to transfer a courier customer’s funds to such courier customer, purchase courier services through the network as requested by such courier customer or as otherwise may be provided by the Abandoned Property Law. A courier service shall make available within five business days funds a courier customer requests to withdraw from such courier customer’s account. A courier service shall make available to the commission any documents the commission requests in order to monitor compliance with this section.

(e) *Approval required to sell or provide courier customer data*. No courier service may sell or provide to another person or entity courier customer information or data on purchasers of courier services.

(f) *Abandoned property*. Each courier service shall remit all funds in abandoned customer accounts of courier customers as may be required by Abandoned Property Law section 1315. Unclaimed and abandoned prize money is governed by Tax Law section 1614.

§ 5014.11. Ticket sale occurrence.

(a) *Receipt is not a ticket*. No courier customer request for courier service and no receipt or acknowledgment of any such request constitutes evidence of a validly issued lottery ticket. A ticket, in order to be a validly issued ticket, shall be generated by a lottery terminal authorized by the commission or be a printed instant ticket produced by the commission for sale. A ticket is not deemed validly issued when a request for purchase is made of a courier service, when such a request is acknowledged or when a courier customer makes a payment to a courier service.

(b) *Required disclosures to courier customers.* A courier service shall disclose prominently on such licensee's network:

(1) text of subdivision (a) of this section;

(2) the text of section 5004.9(c) of this Title;

(3) the text of section 5006.6 of this Title;

(4) a warning to customers to take care to ensure the safekeeping of lottery tickets and not to risk claim complications by disseminating images of purchased tickets;

(5) that the commission is not responsible for the courier service's failure to deliver or delay in delivering any lottery ticket to a courier customer; and

(6) that the commission is not responsible for any acts, omissions or errors a courier service may make that cause a lottery ticket to fail to meet the commission's ticket validation requirements.

§ 5014.12. Courier service fulfillment.

(a) *Time requirements.*

(1) Completion of ticket processing. For each request for courier services through a network placed during normal business hours, a courier service shall complete ticket processing by:

(i) the sooner of 30 minutes before the relevant drawing cutoff or within 24 hours of the placement of the request, for a draw game ticket; or

(ii) within 24 hours of the placement of the request, for an instant lottery game ticket available for sale by a lottery sales agent.

(2) Cutoff for accepting requests for a draw game ticket. A courier service shall cease accepting requests for courier services for a draw game ticket no more than two hours and no less than a time period prior to the drawing cutoff, as specified by the commission. A platform shall provide a message to all courier customers who attempt to place requests after the drawing cutoff but prior to the drawing, informing such courier customers that the ticket purchase associated with the request will be fulfilled for the next available drawing, unless such courier customer chooses to cancel the request.

(3) Cutoff for accepting requests for an instant lottery game ticket. A courier service shall not accept a request for courier services for an instant lottery game ticket after the announced end of the game relating to such ticket.

(4) A courier service shall not accept a request to purchase an instant game ticket that is not available for sale to the public by a lottery sales agent at the time such request is made.

(b) *Required cancellation.* A network shall cancel a request for courier services automatically, notify the courier customer and refund any payment, including any courier customer fee, in the event ticket processing is not complete prior to:

(1) the drawing cutoff, for a draw game ticket; or

(2) the announced end of the game, for an instant lottery game ticket.

(c) *Purchase of multi-drawing lottery tickets.* A courier service may offer to purchase on behalf of a courier customer multi-draw tickets only to the extent that such tickets would be permitted to be purchased by a lottery customer directly from a lottery sales agent.

(d) *Ticket processing*. Each courier service shall accomplish all ticket processing requirements for each ticket issued on behalf of a courier customer. Each ticket purchased or obtained pursuant to a lottery promotion by a courier service on behalf of a courier customer shall represent the unique, individualized transaction of the courier customer on whose behalf the ticket was issued.

(e) *Storage of tickets*. Each courier service shall store each physical draw game ticket purchased on behalf of a courier customer securely in a safe or vault with a minimum fire rating of Class 150-1 Hour issued by Underwriter Laboratories Inc., or such equivalent rating approved by the commission. The premises housing such safe or vault shall be protected by a burglary alarm system with 24-hour central station monitoring.

(f) *Retention requirements*. Each courier service shall retain each draw game ticket issued for a courier customer until at least 90 days have passed from the expiration of the applicable period in which a prize claim validly may be made to the commission in regard

to such ticket. In the event of a required cancellation pursuant to subdivision (b) of this section, the courier service shall destroy, prior to the drawing cutoff, the bet ticket for which ticket processing had not been completed and shall notify the commission within 24 hours of such action, providing in such notice the information set forth in section 5014.7(g)(1) of this Part with respect to such ticket.

(g) *Instant lottery game tickets*. A courier service shall deliver each printed instant lottery game ticket to the courier customer who requested and paid for the purchase of such ticket. The commission shall not be responsible for any acts, omissions or errors a courier service may make in revealing an instant ticket's prize symbols or validation data or anything else that may cause such ticket to fail to meet the validation requirements set forth in sections 5003.2 or 5006.8 of this Title. The commission shall not pay any prize on an instant lottery game ticket that does not meet the validation requirements set forth in sections 5003.2 or 5006.8 of this Title.

§ 5014.13. Ticket ownership.

A courier service that purchases a lottery ticket on instruction from a courier customer holds such ticket in trust for such courier customer and acquires no ownership interest in such ticket. Notwithstanding such lack of ownership, a courier service may destroy a draw game lottery ticket so long as such courier service complies with the retention requirements set forth in section 5014.12(f) of this Part.

§ 5014.14. Notification of and payment of prizewinners in draw games.

(a) *Notification*. A licensee shall notify a courier customer on whose behalf such licensee has purchased a winning draw game ticket of the amount of the prize within one hour of the commission's publication of the winning numbers and prize amounts. Such notification shall be made electronically through the network, secure electronic mail or other method approved by the commission. If the prize is $600 or more, the licensee shall also notify the commission promptly of the identity of the prizewinner, the prize amount, the type of game, the date of the drawing and, for a draw game conducted more than once per day, the time of the drawing.

(b) *Draw game prizes below threshold*. For a draw game prize of less than $600, a courier service shall validate the winning ticket and redeem the prize on behalf of the courier customer. Such prize amount shall be disbursed to the courier customer by crediting the courier customer's account, direct deposit to the courier customer's bank account, redeemed for cash or by other means approved by the commission.

(c) *Draw game prizes at or above threshold*.

(1) For a draw game prize of $600 or more, a courier service shall deliver the physical winning ticket to the courier customer.

(2) A courier service shall provide electronically a courier customer who is a draw game prizewinner with a digitally completed prize claim form, tax withholding form and any other documentation required to redeem such prize, which the courier customer may use to claim the prize.

(3) A courier service shall provide the commission with all information the commission may request in regard to a prize of $600 or more.

(4) In all respects, payment of such draw game prize shall be in accordance with Part 5002 of this Title.

(5) The commission shall not be responsible for any acts, omissions or errors a courier service may make that cause a draw game bet ticket to fail to meet the validation requirements set forth in section 5003.2 of this Title. The commission shall not pay any prize on a draw game bet ticket that does not meet the validation requirements set forth in section 5003.2 of this Title.

(d) *Printing prizewinner name on ticket*. Within a reasonable time after notifying a courier customer of winning a draw game prize of $600 or more, a courier service shall print the prizewinner's full name, as set forth in such prizewinner’s account, on the back of the draw game ticket.

§ 5014.15. Audit and financial controls.

(a) *Financial statements*.

(1) A courier service shall provide annually to the commission, no later than 120 days following the end of such licensee’s fiscal year, financial statements audited in accordance with generally accepted auditing standards, unless the commission, in writing, waives such requirement. The commission may require additional financial information in a format the commission prescribes. The preparation of annual or other financial statements shall be at the sole expense of the licensee.

(2) In addition to the licensee’s audited financial statements, each courier service shall submit a copy of the management letter prepared by the independent certified public accountant that lists any internal control or operational weaknesses noted during the financial statement audit and recommendations for improvement. The licensee shall prepare a response to the issues outlined in the management letter that describes any corrective actions taken or planned to be taken and include a copy of this response with its submission to the commission.

(3) If a courier service or any of its affiliates is publicly held, such licensee or affiliate shall make available and provide, to the commission, written notice of any report, including, without limitation, forms S-1, 8-K, 10-Q, 10-K, proxy or information

statements, and all registration statements required to be filed by such licensee or affiliates with the United States Securities and Exchange Commission or other domestic or foreign securities regulatory agency, at the time of filing with such agency.

(4) The commission has the authority to conduct, or to have conducted at a licensee's expense, an audit or review of any of such licensee's financial controls and records.

(b) *Anti-money laundering*. A courier service shall submit to the commission by April 15th of each year an anti-money laundering compliance finding statement on a form issued by the commission and duly executed by the licensee's designated anti-money laundering compliance officer. A courier service shall implement anti-money laundering procedures that shall, at a minimum:

(1) establish a system of internal policies, procedures and controls to assess anti-money-laundering-related risks present within its business, considering, among other things, play volume and character, range of financial services offered, characteristics of certain games, contestant behaviors and contestant characteristics;

(2) designate an anti-money laundering compliance officer and file the name of such officer with the commission, updating such filing as may be necessary to maintain a current and accurate record at the commission;

(3) conduct an internal and/or external independent audit to test for compliance and provide copies to the commission;

(4) train appropriate employees in reportable currency transactions and identifying unusual or suspicious transactions;

(5) assign an individual or group of individuals to be responsible for day-to-day compliance; and

(6) employ the use of automated programs to aid in assuring compliance when automated processing systems are in use.

§ 5014.16. Internal Controls.

Each courier service shall submit to the commission for approval a written description of its initial system of internal controls prior to the start of operations. Such system of internal controls shall demonstrate to the satisfaction of the commission that such courier service has adequate controls in place to address data security, responsiveness to cybersecurity events to mitigate any negative events, recovery from cybersecurity events and restoration of normal operations and services, risk assessment and mitigation, training, access controls and identity management, systems operations and availability concerns,

courier customer data privacy, incident response, disaster recovery, document retention and any other control issue the commission may identify.

§ 5014.17. Advertising and marketing.

(a) *Promotions in general*. A network shall offer any promotion, discount or other marketing feature authorized by the commission and offered by lottery sales agents licensed in accordance with Part 5001 of this Title. In addition, a courier service may offer to courier customers, at such licensee's own expense, any promotion, discount or other marketing feature not inconsistent with this subchapter. The commission may order a licensee to cease any promotion that the commission deems to be not in the best interests of the lottery program, in the discretion of the commission. Each licensee shall provide to each courier customer each promotional benefit to which such courier customer is entitled and shall in no case retain for such licensee's benefit any promotional benefit intended for a lottery player.

(b) *Promotions at lottery sales agents*. A network shall be capable of promoting lottery games that may be available only at lottery sales agent locations, including advertising new instant games, as the commission may direct.

(c) *Commission website*. A network shall provide links to lottery web pages as the commission may direct from time to time.

(d) *Approval of announcements.* No courier service may make any announcement of a prizewinner, whether live or through any media, without the prior written approval of the commission.

(e) *Advertising restrictions*.

(1) Definitions. As used in this subdivision:

(i) *advertisement* means any notice or communication to the public or any information or statement concerning the lottery or courier-service-related business presented through telecasting, publication or any other means of dissemination, including electronic dissemination. Social media, promotional activities content on the courier-service platform, targeted communication such as newsletters and alerts, press releases, and statements made about the lottery or courier-service-related business are considered advertisements for purposes of this subdivision; and

(ii) *direct advertisement* means any advertisement as described in subparagraph (i) of this paragraph that is disseminated to a specific individual or individuals.

(2) Any advertisement for a courier service shall be submitted to the commission in draft form for review at least 15 days prior to publication or other dissemination. If the commission determines, in the commission's discretion, that such draft does not comply with this subdivision, the commission may so notify such courier service, within 10 days of submission of the draft, and such courier service then is not permitted to publish or otherwise disseminate such advertisement. The commission may authorize continual use of a particular advertising template (*e.g.*, a form of jackpot announcement).

(3) Advertising shall be based upon fact and shall not be false, deceptive or misleading.

(4) Advertisements shall comply with the advertising guidelines issued by the North American Association of State and Provincial Lotteries (approved March 19, 1999), 7757 Auburn Rd. Unit #7, Concord, OH 44077, which is hereby incorporated by reference. Such advertising guidelines are available for public inspection at the commission's office located at 354 Broadway, Schenectady, NY 12305 and at the Department of State, 99 Washington Avenue, Albany, NY 12231.

(5) No advertising by or on behalf of a lottery courier service licensee shall:

(i) use any type, size, location, lighting, illustration, graphic depiction or color resulting in the obscuring of any material fact;

(ii) fail to clearly and conspicuously specify and state any material conditions or limiting factors;

(iii) depict any person under the age of 18 engaging in lottery and related activities;

(iv) contain content that contradicts contest guidelines or terms and conditions of the courier service site; or

(v) conflict with New York Lottery brand messaging, as determined in the commission's discretion.

(6) Each advertisement shall, clearly and conspicuously, contain a problem gambling assistance message comparable to one of the following:

(i) If you or someone you know has a gambling problem, help is available. Call the HOPEline at 1-877-8-HOPENY (1-877-846-7369) or text HOPENY (467369);

(ii) Gambling Problem? Call 1-877-8-HOPENY (1-877-846-7369) or text HOPENY (467369); or

(iii) any other message approved in writing by the commission.

(7) Each direct advertisement shall, clearly and conspicuously, describe a method or methods by which an individual may notify the courier service that the individual does not wish to receive any future direct advertisement.

(i) The described methods must include at least two of the following:

(a) telephone;

(b) regular U.S. mail; or

(c) electronic mail.

(ii) Upon receipt of an individual's request to discontinue receipt of future direct advertisements, a courier service shall block the individual in the courier service's database so as to prevent the individual from receiving future direct advertisements, with such block to take effect within 15 days of the courier service's receipt of the individual's request.

(8) Each courier service shall provide to the commission at its main office a complete and accurate copy of all advertisements within five business days of the advertisement's public dissemination. Courier services shall discontinue the public dissemination upon receipt of notice from the commission to discontinue an advertisement.

(9) A courier service shall maintain a complete record of all of its advertisements for a period of at least two years. Records shall be made available to the commission upon request.

(10) A courier service shall prevent self-excluded customers and self-excluded former customers from receiving direct advertisements.

(f) *Marketing restrictions*.

(1) A courier service shall not market nor advertise such courier service's platform as providing an opportunity to "play" lottery games or "buy" lottery tickets directly from the courier service through such platform. A courier service may market or advertise services such as the procurement or delivery of a lottery ticket, for example, referring to itself as a "digital lottery courier." A courier service shall not market services as "digital lottery."

(2) A courier service shall not use misleading embedded keywords or similar methods in its platform to:

(i) attract minors, self-excluded persons or persons who are or may be problem gamblers; or

(ii) accomplish any other misleading or deceptive purpose.

(g) *Directive to cease use*. The commission may direct a courier service to cease using any advertisement that does not comply with either or both of subdivisions (e) or (f) of this section. Any such directive, and any violation issued for failure to comply with such directive, may be in addition to any other sanction the commission may impose pursuant to applicable law for a violation or violations.

§ 5014.18. Courier customer complaints.

Each courier service shall maintain for a period of two years a record of each courier customer complaint, the inquiry or investigation undertaken by the licensee, action taken by the licensee to resolve the complaint and the final disposition of the complaint. Such records shall contain the original or copies of the complaint, all written communications between the licensee and the complainant, all documents or telephone recordings created in connection with a complaint and any documentation provided to the courier customer by the licensee. Such courier customer complaint records shall include:

(a) the name and address of the complainant;

(b) the purpose of the complaint;

(c) the date the complaint was received by the courier service;

(d) the complaint denial whenever a complaint is denied; and

(e) any additional information used by the courier service in determining how to resolve the complaint.

The courier service shall also maintain a permanent record summarizing the number and nature of consumer complaints and the resolution or outcome of such complaints.

§ 5014.19. Fees.

(a) *Service charges*. The commission may grant approval to a courier service to charge courier customers a reasonable service charge per request for courier services, and not per ticket requested to be purchased on the customer's behalf, or other charge for service associated with use of a network and fulfillment of a request for services.

(b) *Other charges prohibited*. No courier service is permitted to charge any fee other than the service charge described in subdivision (a) of this section. Prohibited fees include,

without limitation, any fee relating to validation of a winning ticket, payment of a prize or a withdrawal from a courier customer's account.

(c) *Service charges not part of ticket price*. Any charge assessed or collected in accordance with this section shall not be deemed to be part of the lottery ticket price.

(d) *Refunds for tickets requested but not generated*. Any fee charged for a transaction in which requested tickets were never generated, for whatever reason, shall be refunded.

§ 5014.20. License suspension and revocation.

(a) *Grounds.* A courier service license may be suspended or revoked:

(1) for any of the grounds set forth in Tax Law section 1607 or section 5001.19 of this Title, with a courier service being considered a lottery sales agent for purposes of applying section 5001.19 of this Title;

(2) a violation of any of the conditions and requirements of licensure set forth in section 5014.3 of this Part; or

(3) if the commission determines that there are an excessive number of courier customer complaints about such licensee, with due disregard being given to complaints that are vexatious or wholly without merit.

(b) *Review*. A courier service whose license has been suspended or revoked may seek review or hearing on such action according to the procedures set forth in section 5000.6 of this section, as if such licensee were a lottery sales agent.

PART 5015

Mega Millions

Section
5015.1 Definitions
5015.2 Game description
5015.3 Price
5015.4 Prize structure

§ 5015.1. Definitions.

The following definitions shall apply to the Mega Millions game, in addition to the general definitions set forth in section 5000.2 of this Title:

(a) *Mega Millions winning numbers* means the six numbers, the first five from field 1 and the last one from field 2, randomly selected at each Mega Millions drawing, which shall be used to determine winning Mega Millions plays shown on a bet ticket.

(b) *Multiplier* means a unique number that shall be selected at random, with the aid of drawing equipment, pursuant to the controls and methods established for the game, for each play on a Mega Millions bet ticket pursuant to the chances of selection set forth in section 5015.4(a) of this Part.

§ 5015.2. Game description.

Mega Millions is multi-jurisdiction lottery game that awards prizes to Mega Millions bet ticket holders matching specified combinations of numbers for designated drawing dates to randomly selected numbers from corresponding drawings. A purchaser selects five numbers from field 1, which comprises numbers 1 through 70, and one number from field 2, which comprises numbers 1 through 24. During each Mega Millions drawing, six Mega Millions numbers are selected from two fields of numbers in the following manner: five winning numbers from field 1 and one winning number from field 2. Mega Millions winning numbers shall be selected at random, with the aid of drawing equipment, pursuant to the controls and methods established for the game.

§ 5015.3. Price.

The price of a single play shall be $5. The purchaser receives one play for each $5 wagered. A Mega Millions bet ticket may contain multiple plays and may cover multiple drawings. The cost of a Mega Millions bet ticket depends on the number of plays and number of drawings the purchaser selects.

§ 5015.4. Prize structure.

(a) *Odds and prizes*. The prize structure shall be as follows:

Matches in field 1	Matches in field 2	Odds 1 in	Prize (before multiplier is applied)	% of prize pool	Level
5	1	290,472,336.0000	Jackpot	55.2610%	1
5	0	12,629,232.0000	$1,000,000	9.5018%	2
4	1	893,761.0338	$10,000	1.3426%	3
4	0	38,859.1754	$500	1.5440%	4
3	1	13,965.0162	$200	1.7186%	5
3	0	607.1746	$10	1.9764%	6
2	1	665.0008	$10	1.8046%	7
1	1	85.8066	$7	9.7884%	8
0	1	35.1666	$5	17.0606%	9

Overall odds of winning: 1 in 23.0737.

(b) *Prize pool*. The prize pool for all prize categories shall consist of up to 55 percent of each drawing period's gross sales.

(c) *Multiplier*. The multiplier applies to all Mega Millions prize levels except the jackpot prize. The computer-selected multiplier for each Mega Millions play shall be one of the following: 10X, 5X, 4X, 3X or 2X. The odds of selection for each multiplier are:

Multiplier	Odds 1 in
10X	32.0000
5X	16.0000
4X	8.0000
3X	3.2000
2X	2.1333

(d) *Jackpot prize payment options*. A claimant may elect an annuity option or a lump-sum option, according to the provisions of section 5004.18(c) of this Title, unless this subdivision otherwise provides that the annuity option is not available.

(1) If there are multiple winning plays of the Mega Millions jackpot prize for a specified drawing from among all participating lottery jurisdictions, and if the annuitized amount of the prize being awarded for each winning play equals or exceeds $1 million, then the winner or winners in New York shall be paid in accordance with their selection of lump-sum or annuity option. If there are multiple winning plays of the Mega Millions jackpot prize for a specified drawing from among all participating lottery jurisdictions, and if the annuitized amount of the prize being awarded to each winning play is less than $1 million, then the winner or winners in New York each shall be paid in a lump-sum amount.

(2) Annuity option jackpot prizes shall be paid through a 30-year graduated annuity in 30 consecutive annual installments. The initial payment shall be paid upon successful completion of internal validation procedures. The subsequent 29 payments shall be paid approximately one year from the initial payment date, and then annually thereafter.

(3) Lump-sum-option jackpot prizes shall be paid in a single, one-time payment in the amount determined by the Mega Millions finance committee.

(e) *Prize levels 2 through 9*. Unless a liability limit would be exceeded, prize levels 2 through 9 shall be paid as a fixed prize as set forth in subdivision (a) of this section, multiplied by the multiplier, and shall be paid on one single cash payment.

(f) *Prizes rounded*.

(1) Annuitized payments of the jackpot prize or a share of the jackpot prize may be rounded down to the nearest multiple of $1,000 to facilitate the purchase of an appropriate funding mechanism. Amounts remaining after rounding of an annuitized jackpot prize shall be added to the initial payment to the winner or winners.

(2) Prizes other than the jackpot prize, which, pursuant to this Subchapter, may become single-payment, pari-mutuel prizes, may be rounded down so that prizes can be paid in multiples of whole dollars. Amounts remaining after rounding shall be carried forward to the prize fund for the next drawing.

PART 5016

Powerball

Section
5016.1 Definitions
5016.2 Game description

5016.3 Price
5016.4 Prize structure
5016.5 Power Play game feature
5016.6 Double Play game feature

§ 5016.1. Definitions.

The following definitions shall apply to the Powerball game, in addition to the general definitions set forth in section 5000.2 of this Title:

(a) *Double Play* means a game feature of the Powerball game that offers purchasers of a Powerball bet ticket with a Double Play play (or plays) a second chance to win a new set of prizes, using the same numbers the player selected (manually or by quick pick) for the Powerball bet ticket purchased.

(b) *Double Play drawing* means the drawing for the selection of the game feature results that determine Double Play winning numbers.

(c) *Double Play play* means a single purchased wager for the Double Play game feature.

(d) *Double Play winning numbers* means the numbers selected in the Double Play drawing, which are selected after selection of the Powerball winning numbers and shall be drawn from the same complete fields of numbers from which Powerball winning numbers are drawn.

(e) *Double Play low-tier prize* means all Double Play prizes other than the Double Play first prize, which shall be equal to the prize amount established for the prize level, except as otherwise provided in section 5016.6 of this Part.

(f) *Power Play* means a game feature of the Powerball game that offers purchasers of a Powerball bet ticket with a Power Play play (or plays) a chance to multiply the amount of any prize level 2 through 9 won in a Powerball drawing by 2, 3, 4, 5 or 10 times, pursuant to the rules set forth in section 5016.5 of this Part.

(g) *Power Play drawing* means the drawing for the selection of the Power Play multiplier.

(h) *Power Play multiplier* means the number selected in the Power Play drawing, which shall be either 2, 3, 4, 5 or 10, pursuant to the rules set forth in section 5016.5 of this Part.

(i) *Power Play play* means a single purchased wager for the Power Play game feature.

(j) *Powerball winning numbers* means the six numbers, the first five from field 1 and the last one from field 2, randomly selected at each Powerball drawing, which shall be used to determine winning Powerball plays shown on a bet ticket.

§ 5016.2. Game description.

Powerball is a multi-jurisdiction lottery game that awards prizes to Powerball bet-ticket holders matching specified combinations of numbers for designated drawing dates to randomly selected numbers from corresponding drawings. A purchaser selects five numbers from field 1, which comprises numbers 1 through 69, and one number from field 2, which comprises numbers 1 through 26. During each Powerball drawing, six Powerball numbers are selected from two fields of numbers in the following manner: five winning numbers from field 1 and one winning number from field 2. Powerball winning numbers shall be selected at random, with the aid of drawing equipment, pursuant to the controls and methods established for the game.

§ 5016.3. Price.

The price of a single play shall be $2. The purchaser receives one play for each $2 wagered. A Powerball bet ticket may contain multiple plays and may cover multiple drawings. The cost of a Powerball bet ticket depends on the number of plays and number of drawings the purchaser selects.

§ 5016.4. Prize structure.

(a) *Odds and prizes*. The prize structure shall be as follows:

Matches in field 1	Matches in field 2	Odds 1 in	Prize	% of prize pool	Level
5	1	292,201,338.0000	Jackpot	68.0131%	1
5	0	11,688,053.5200	$1,000,000	8.5558%	2
4	1	913,129.1812	$50,000	5.4757%	3
4	0	36,525.1673	$100	0.2738%	4
3	1	14,494.1140	$100	0.6899%	5
3	0	579.7646	$7	1.2074%	6
2	1	701.3281	$7	0.9981%	7
1	1	91.9775	$4	4.3489%	8
0	1	38.3239	$4	10.4373%	9

Overall odds of winning: 1 in 24.8671.

(b) *Prize pool*. The prize pool for all prize categories shall consist of up to 55 percent of each drawing period's gross sales.

(c) *Jackpot prize payment options*. A claimant may elect an annuity option or a lump-sum option, according to the provisions of section 5002.14 of this Title, unless this subdivision otherwise provides that the annuity option is not available:

(1) If there are multiple winning plays of the Powerball jackpot prize for a specified drawing from among all participating lottery jurisdictions, and if the annuitized amount of the prize being awarded to each winner equals or exceeds $1 million, then the winner or winners in New York shall be paid in accordance with their selection of lump sum or annuity payment option. If there are multiple winning plays of the Powerball jackpot prize for a specified drawing from among all participating lottery jurisdictions, and if the annuitized amount of the prize being awarded to each winner is less than $1 million, then the winner or winners in New York shall be paid in a lump-sum amount.

(2) Annuity option jackpot prizes shall be paid through a 30-year graduated annuity in 30 consecutive annual installments. The initial payment shall be paid upon successful completion of internal validation procedures. The subsequent 29 payments shall be paid approximately one year from the initial payment date, and then annually thereafter.

(3) Lump-sum-option jackpot prizes shall be paid in a single, one-time payment in the amount determined by MUSL.

(d) *Prize levels 2 through 9*. Unless a liability limit would be exceeded, prize levels 2 through 9 shall be paid as a fixed prize as set forth in subdivision (a) of this section, and shall be paid on one single cash payment.

(e) *Prizes rounded*.

(1) Annuitized payments of the jackpot prize or a share of the jackpot prize may be rounded down to the nearest multiple of $1,000 to facilitate the purchase of an appropriate funding mechanism. Amounts remaining after rounding of an annuitized jackpot prize shall be added to the initial payment to the winner or winners.

(2) Prizes other than the jackpot prize, which, pursuant to this Subchapter, may become single-payment, pari-mutuel prizes, may be rounded down so that prizes can be paid in multiples of whole dollars. Amounts remaining after rounding shall be carried forward to the prize fund for the next drawing.

§ 5016.5. Power Play game feature.

(a) *Feature description*. A Power Play play must be made, if at all, at the same time a Powerball play is purchased. A Power Play play is in addition to, and does not include, a Powerball play or a play of any other feature of the Powerball game. A Power Play play cannot be cancelled. Power Play plays may be included in a lottery subscription program. A Power Play drawing shall occur in conjunction with a Powerball drawing. During each Power Play drawing for which the associated Powerball drawing has an annuitized jackpot prize initially advertised as $150 million or less, a single number shall be selected to become the Power Play multiplier from among the following: 2, 3, 4, 5 or 10. During each Power Play drawing for which the associated Powerball drawing has an annuitized jackpot prize initially advertised as more than $150 million, a single number shall be selected to become the Power Play multiplier from among the following: 2, 3, 4 or 5. A Power Play multiplier shall be selected at random, with the aid of drawing equipment, pursuant to the controls and methods established for the Powerball game. A player who has purchased a Power Play play and wins a Powerball prize at any level 2 through 9 shall win a Powerball prize amount as set forth in subdivision (c) of this section, in lieu of the prize set forth in section 5016.4(a) of this Part. The Powerball jackpot prize (Powerball prize level 1) shall not be increased through the Power play feature. Power Play is not applicable to the Powerball Double Play game feature described in section 5016.6 of this Part.

(b) *Price*. The price for a Power Play play shall be $1 per Powerball play.

(c) *Prize structure.* Odds and prizes. The prize structure for the Power Play game feature shall be as follows:

Powerball prize level	**Prize amount for Power Play number selected**				
	10	**5**	**4**	**3**	**2**
2	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000
3	$500,000	$250,000	$200,000	$150,000	$100,000
4	$1,000	$500	$400	$300	$200
5	$1,000	$500	$400	$300	$200
6	$70	$35	$28	$21	$14
7	$70	$35	$28	$21	$14
8	$40	$20	$16	$12	$8
9	$40	$20	$16	$12	$8

The commission may announce, as a promotion, a higher prize for a Power Play play applicable to a level 2 Powerball prize for a specified drawing, in which case such higher

announced prize shall be awarded in lieu of the prize amount set forth in this subdivision. If a liability limit reduces the Powerball prize amounts for levels 2 through 9, as set forth in section 5016.4(d) of this Part, then the prize amounts set forth in this subdivision shall be changed accordingly, to amounts the commission announces after the drawing. By way of illustration, if the Powerball level 3 prize becomes $25,000 instead of $50,000 pursuant to section 5016.4(d) of this Part for a drawing, and a Power Play multiplier of 5 is selected in connection with such drawing, then a winning Powerball level 3 play with a Power Play play would win $125,000.

The odds of a Power Play multiplier being selected are as follows:

(1) When the number 10 is included as a possible Power Play multiplier:

Power Play multiplier	Odds 1 in
10	43.0000
5	21.5000
4	14.3333
3	3.3077
2	1.7917

(2) When the number 10 is not included as a possible Power Play multiplier:

Power Play multiplier	Odds 1 in
5	21.0000
4	14.0000
3	3.2308
2	1.7500

§ 5016.6. Double Play game feature.

(a) *Feature description*. A Double Play play must be made, if at all, at the same time a Powerball play is purchased. A Double Play play is in addition to, and does not include, a Powerball play or a play of any other game feature of the Powerball game. A Double Play play cannot be cancelled. Double Play plays may be included in a lottery subscription program. A Double Play drawing shall occur in conjunction with a Powerball drawing. When a Double Play play is purchased, the player's Powerball play numbers for a drawing shall be compared with the Double Play winning numbers associated with such Powerball drawing. If the player's Powerball play numbers in a single play match the Double Play winning numbers in the manner set forth in this section, the Double Play game feature shall entitle the holder of the Powerball bet ticket for that drawing to a fixed prize as set

forth in this section, which prize is different from the Powerball prizes set forth in section 5016.4(a) of this Part.

(b) *Price*. The price for a Double Play play shall be $1.

(c) *Prize structure.*

(1) Odds and prizes. The prize structure for the Double Play feature shall be as follows:

Matches in field 1	Matches in field 2	Odds 1 in	Prize	% of prize pool	Level
5	1	292,201,338.0000	First prize	9.0707%	1
5	0	11,688,053.5200	$500,000	7.7780%	2
4	1	913,129.1813	$50,000	9.9558%	3
4	0	36,525.1673	$500	2.4889%	4
3	1	14,494.1140	$500	6.2721%	5
3	0	579.7646	$20	6.2721%	6
2	1	701.3281	$20	5.1850%	7
1	1	91.9775	$10	19.7677%	8
0	1	38.3239	$7	33.2097%	9

Overall odds of winning: 1 in 24.8671.

(2) Prize pool. The prize pool for all prize categories shall consist of up to 55 percent of each drawing period's gross sales.

(3) Prize payment. The first prize shall be $10 million divided equally by the number of Double Play plays winning the first prize. If in any Double Play drawing there are no Double Play plays that qualify for the first prize, first prize shall remain at $10 million for the next drawing. Except as otherwise provided in this subdivision, all Double Play prizes other than the first prize are fixed prize amounts. The holder of a winning Double Play play may win only one prize per Double Play play in connection with the winning numbers drawn for the Double Play feature and shall be entitled only to the prize won by those numbers in the highest matching prize category. The holder of a bet ticket may win both a Powerball prize and a Double Play prize for the same related drawings, if the purchaser's selected numbers as shown on the bet ticket for a Powerball play match both sufficient Powerball winning numbers and sufficient Double Play winning numbers.

(4) Pari-mutuel prize determinations. If the total of the Double Play fixed prizes awarded in a drawing exceeds the percentage of the prize pool allocated to the Double Play fixed prizes and the sources of additional funding by the participating lotteries in the game are depleted pursuant to applicable agreements among the participating lotteries, then the highest Double Play fixed prize shall become a pari-mutuel prize. If the amount of the highest Double Play fixed prize, when paid on a pari-mutuel basis, drops to or below the next highest Double Play fixed prize and there are still not sufficient funds to pay the remaining Double Play set prizes awarded, then the next highest Double Play fixed prize shall become a pari-mutuel prize. This procedure shall continue down through all Double Play fixed prize levels, if necessary, until all Double Play fixed prize levels become pari-mutuel prize levels, in which circumstance, the money available from the funding sources agreed to by the participating lotteries shall be divided among the winning Double Play plays in proportion to their respective prize percentages.

(5) Changes for promotional purposes. The number of prize categories and the allocation of the prize fund among the prize categories may be changed for promotional purposes. The commission shall announce publicly any such change.

PART 5017

Millionaire for Life

Section
5017.1 Definitions
5017.2 Game description
5017.3 Price
5017.4 Prize structure
5017.5 Payment of prizes

§ 5017.1. Definitions.

The following definition shall apply to the Millionaire for Life game, in addition to the general definitions set forth in section 5000.2 of this Title: *Millionaire for Life winning numbers* means the six numbers, the first five from field 1 and the last one from field 2, randomly selected at each Millionaire for Life drawing, which shall be used to determine winning Millionaire for Life plays shown on a bet ticket.

§ 5017.2. Game description.

Millionaire for Life is a daily multi-jurisdictional lottery game that awards prizes to Millionaire for Life bet-ticket holders matching specified combinations of numbers for designated drawing dates to randomly selected numbers from corresponding drawings. A purchaser selects five numbers from field 1, which shall comprise a set of numbers from 1 through 58, and one number from field 2, which shall comprise a set of numbers from

1 through 5. During each Millionaire for Life drawing, six Millionaire for Life numbers are selected from the two fields of numbers in the following manner: five winning numbers from field 1 and one winning number from field 2. Millionaire for Life winning numbers shall be selected at random, with the aid of drawing equipment (which may be electronic), pursuant to the controls and methods established for the game.

§ 5017.3. Price.

The price of a single play shall be $5. The purchaser receives one play for each $5 wagered. A Millionaire for Life bet ticket may contain multiple plays and may cover multiple drawings. The cost of a Millionaire for Life bet ticket depends upon the number of plays and number of draws that the purchaser selects.

§ 5017.4. Prize structure.

(a) *Odds and prizes*. For the Millionaire for Life game, the prize structure shall be as follows:

Matches in field 1	Matches in field 2	Odds 1 in	Prize	% of prize pool	Level
5	1	22,910,580.0000	$1 million per year for life	30.2623%	Jackpot prize
5	0	5,727,645.0000	$100,000 per year for life	15.9275%	Second prize
4	1	86,455.0189	$7,500	3.1656%	3
4	0	21,613.7547	$500	0.8442%	4
3	1	1,662.5965	$250	5.4870%	5
3	0	415.6491	$50	4.3896%	6
2	1	97.7998	$25	9.3280%	7
2	0	24.4499	$8	11.9398%	8
1	1	15.6480	$8	18.6559%	9

Overall odds of winning: 1 in 8.4677.

(b) *Prize pool*. The prize pool for all prize categories shall consist of up to 55 percent of each drawing period's gross sales of the Millionaire for Life game.

§ 5017.5. Payment of prizes.

(a) *Jackpot-prize payment options*. A player may elect an annuity option or a lump-sum option, according to the provisions of section 5002.14 of this Title, unless this subdivision otherwise provides that the annuity option is not available.

(1) Except as provided in this paragraph the jackpot prize shall be paid either as an annuity or single lump-sum cash payment. A jackpot prize shall be divided equally among the total number of jackpot-prize-winning plays for a specific drawing as set forth in this Part. In certain circumstances, as set forth in paragraph (2)(iii) of this subdivision, a jackpot prize is required to be paid in a single lump-sum cash payment and no annuity option is available.

(2) A jackpot-prize payout shall be divided equally among the number of jackpot-prize-winning plays as set forth in this paragraph.

(i) If there is one jackpot-prize-winning play among all party lotteries for a specific drawing, the jackpot-prize value shall be $1,000,000 per year for life, paid in annual installments, or a single lump-sum cash payment (as described in section 5002.14 of this Title).

(ii) If there are more than one and fewer than or equal to 20 jackpot-prize-winning plays among all selling lotteries for a specific drawing:

(*a*) for a winner of a jackpot-prize-winning play who chooses the annuity option, the jackpot-prize payment shall be $1,000,000 divided equally by the total number of jackpot-prize-winning plays, per year for life, paid in annual installments. The minimum annuity-option payment pursuant to this clause is $50,000 per year for life; and

(*b*) for a winner of a jackpot-prize-winning play who chooses the lump-sum option as an alternative to the annuity option, the cash value of the lump sum shall be the jackpot-prize cash value divided equally by the total number of jackpot-prize-winning plays.

By way of illustration, and for the avoidance of doubt, and so long as no prize liability limit as set forth in section 5004.18(b) of this Title applies, if there are five jackpot-prize-winning plays, each play shall entitle the prizewinner of such play to $200,000 per year for life as an annuity option payment, and if a prizewinner for one of those plays elects the lump-sum option, the cash value of the jackpot prize for such prizewinner shall receive a lump-sum calculated as if there were one prize-winning play, and such cash value shall then be divided by 5.

(iii) If there are 21 or more jackpot-prize-winning plays among all selling lotteries for a specific drawing, no annuity option shall be available and the jackpot-prize cash value shall be divided equally by the number of jackpot-prize-winning plays, provided, however, that in no event shall the payout for any jackpot-prize-winning play be less than the lowest tier prize amount for that drawing. By way of illustration, and for the avoidance of doubt, and so long as no prize liability limit as set forth in section 5004.18(b) of this Title applies, if there are 25 jackpot-prize-winning plays, the cash value of the jackpot prize shall be calculated as if there were one prize-winning play, and such cash value shall then be divided by 25.

(3) If paid in a lump-sum payment, a jackpot-prize amount may be rounded down to the nearest whole dollar.

(b) *Second-prize payment options*. A player may elect an annuity option or a lump-sum option, according to the provisions of section 5002.14 of this Title, unless this subdivision otherwise provides that the annuity option is not available.

(1) If there are seven or fewer second-prize-winning plays among all selling lotteries for a drawing, the second-prize value for each such play shall be $100,000 per year for life, paid in annual installments, or a single lump-sum cash payment (as described in section 5002.14 of this Title) in an amount as determined by the party lotteries.

(2) If there are eight or more second-prize-winning plays among all selling lotteries for a specific drawing, no annuity option shall be available. The second-prize liability shall be capped at an amount as determined by the party lotteries and shall be split equally among all second-prize-winning plays and shall be paid in a single lump-sum cash payment, provided, however, in no event shall the payout for any second-prize-winning play be less than any lower-tier prize amount for that drawing.

(3) If paid in a lump-sum payment, a second-level prize amount shall be rounded down to the nearest whole dollar.

(c) *Prize levels 3 through 9*. Prize levels 3 through 9 shall be paid as a fixed prize as set forth in section 5017.4(a) of this Part and shall be paid in one single cash payment.

(d) *Life annuity requirements and restrictions*.

(1) Initial payment. The initial prize payment of an annuity option prize pursuant to this Part shall be paid as soon as practicable after completion of all validation procedures.

(2) Minimum Annuity Period. A prizewinner receiving an annual payment pursuant to this section shall be paid according to section 5002.13 of this Title.

(3) Proof of Life. The commission shall, prior to making a 21st or later annual prize payment to a prizewinner pursuant to this Part, send to such prizewinner a form affidavit and require such prizewinner to return such form affidavit to the commission, unaltered, completed, signed and notarized, as evidence that such prizewinner remains alive and entitled to the next annual prize payment. The commission shall not make further prize payment to such prizewinner unless and until the commission receives the completed affidavit in valid form according to the requirements of this paragraph. If such prizewinner demonstrates to the commission reasonable cause for not having timely returned to the commission such completed affidavit in valid form, the commission, in the commission's sole discretion, may withhold prize payments for such prizewinner who failed to return the required affidavit, in which case the commission shall not be liable for any interest on the value of any prize installment from the customary date of annual payment to the date of actual subsequent payment, if the required affidavit is properly provided thereafter, and the next annual payment is thereafter made. The commission may, at its sole discretion, require affidavits prior to a period specified in this paragraph. Affidavits shall not be required for annuitants that have a measuring life fixed at 20 years, pursuant to section 5002.13 of this Title. It shall be a condition of a prize assignment that proof-of-life affidavits are required from the prizewinner whose life is the measuring life for purposes of the prize.

(4) Prizewinner's death after 20 payments. After a prizewinner (or the prizewinner's successor) has received the 20th payment pursuant to this Part, the commission shall not make any subsequent prize payment after the prizewinner's death.

(5) A prizewinner receiving annual payments pursuant to this Part shall be responsible for keeping the commission informed of the address to which payments shall be sent, even if such prizewinner has assigned a payment to another pursuant to applicable law.