



NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 177
OREGON STATE LOTTERY

FILED

07/11/2025 3:26 PM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Prohibiting bulk purchases of Lottery tickets

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 08/29/2025 5:00 PM

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

CONTACT: Kris Skaro
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500 Airport Rd SE
Salem 97302, OR 97301

Filed By:
Kris Skaro
Rules Coordinator

HEARING(S)

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

DATE: 08/19/2025

TIME: 10:00 AM - 11:00 AM

OFFICER: Kris Skaro

REMOTE HEARING DETAILS

MEETING URL: [Click here to join the meeting](#)

PHONE NUMBER: 971-323-0081

CONFERENCE ID: 118806281

SPECIAL INSTRUCTIONS:

Written comment can be submitted to Kris Skaro at lottery.adminrules@lottery.oregon.gov until 5 p.m. on Friday, August 29, 2025.

The public may also comment at a virtual hearing over Microsoft Teams. Click the meeting URL above to join online on your computer, tablet, or through the Teams app. You can also join by phone using the call-in information above.

If you have questions about how to attend the hearing or comment, please contact Kris Skaro at kris.skaro@lottery.oregon.gov or 503-540-1181.

NEED FOR THE RULE(S)

Recent incidents have come to light in which a group of individuals conspired to purchase all or most of the possible number combinations to ensure a jackpot win. See for example recent reporting in the New York Times in which foreign investors bought 26 million tickets for \$1 each to ensure a \$95 million jackpot win.

In a similar scheme, a group of students purchased a large number of Scratch-it Tickets in an attempt to ensure a top prize win. See for example reporting in the Indianapolis Star.

Due to the negative public response to these schemes, other state lotteries are taking steps to prevent these schemes from happening in their jurisdictions. For example, Texas has outlawed the sale of “all or substantially all possible winning tickets for a drawing.” (See SB 1346 (2025).) Other state lotteries have internal policies limiting the distribution of ticket printing equipment for the purpose of bulk ticket purchases. Other state lotteries are considering adopting new rules, policies, or statutory changes to prohibit bulk purchasing. (See for example rules adopted by the Arizona State Lottery.)

Oregon Lottery has internal procedures in place to control the distribution of inventory and ticket printing equipment to retailers, which should prevent most bulk ticket purchases from occurring. But, in addition to these internal controls, Lottery needs to amend its rules as described in this notice to state that bulk ticket purchases intended to guarantee a jackpot or top prize are prohibited unless preapproved by the Director and Lottery Commission, and, further, that tickets purchased in a manner that violates laws or rules applicable to the Lottery are ineligible for prize payment.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

Lottery relied upon the following documents when considering the need for and in preparing the proposed rules. They are available at the URL provided or upon request to Kris Skaro at Kris.skaro@lottery.oregon.gov or 503-540-1181:

- April 21, 2025, by J. David Goodman, “How Texas Officials Invited the Rigging of the State Lottery,” available at <https://www.nytimes.com/2025/04/20/us/rigged-texas-lottery.html>.
- November 11, 2020, by Tim Evans and Tony Cook, “66 winning lottery tickets. \$6.3 million. What's up with Ivy League group's winning streak?,” available at <https://www.indystar.com/story/news/investigations/2020/11/11/group-recent-princeton-grads-winning-lotteries-across-u-s/6146979002/>.
- Texas Legislature SB 1346 (2025) available at <https://www.legis.state.tx.us/tlodocs/89R/billtext/pdf/SB01346S.pdf>.
- Arizona Lottery rule available at <https://www.arizonalottery.com/fast-play/game-rules-and-prohibition>.

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

Lottery has no reason to believe this rule change will affect racial equity in Oregon.

FISCAL AND ECONOMIC IMPACT:

Lottery estimates amending these rules will have no fiscal or economic impact on state agencies, units of local government, or members of the public. Lottery retailers, most of whom are small businesses, are subject to these rules but Lottery estimates no costs of compliance for business, including small business.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

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

Lottery estimates amending these rules will have no fiscal or economic impact on state agencies, units of local government, or members of the public. Lottery is not aware that bulk ticket purchases have occurred or are occurring and thus there should be no change to ticket sales or other fiscal impacts of the rule changes.

(2) Effect on Small Businesses:

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

About 3,200 Lottery retailers are subject to the rules described in this notice. Lottery estimates that most, but not all, of those retailers are small businesses as defined in ORS 183.310. The type of business that contracts with Lottery to sell traditional Lottery games are: grocery stores, convenience stores, gas stations, multistate chain retail stores, bars, restaurants, taverns, bowling alleys, pizzerias, and the like.

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

Lottery estimates no costs of compliance.

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

Lottery estimates no costs of compliance.

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

Lottery does not believe small businesses will be affected by or interested in this rule change but welcomes comment from small businesses during the rulemaking process.

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

Lottery did not convene or consult a rule advisory committee because this is a relatively straightforward rule change and we plan to use other means to solicit feedback from interested and impacted persons, such as distributing to Lottery's interested parties list and discussing at public meetings of the Oregon Lottery Commission.

RULES PROPOSED:

177-046-0020, 177-046-0090

AMEND: 177-046-0020

RULE SUMMARY: The Lottery is proposing to amend OAR 177-046-0020 about the sale of tickets and shares to prohibit bulk ticket purchases without preapproval by the Commission and Director. A bulk ticket is defined as one in which an individual or individuals working together purchase more than 50,000 tickets in the same Scratch-It Ticket game or more than 50,000 unique possible winning number combinations in a single drawing.

The Lottery may make other or alternative changes in response to information or public comment received during the rulemaking process. For example, Lottery may decide that a different threshold number of tickets is more appropriate than 50,000. The Lottery may also make non-substantive edits, such as to update statutory and rule citations; improve grammar, organization, or ease of reading; or otherwise improve the clarity and accuracy of the rule.

CHANGES TO RULE:

177-046-0020

Sale of Lottery Tickets and Shares ¶¶

(1) General: The Director may contract with retailers for the sale of Lottery tickets and shares. Except as provided in section (3) of this rule, only a retailer under contract with the Lottery may sell Lottery tickets or shares. Nothing in this section shall be construed to prevent a person who lawfully purchases or possesses a Lottery ticket or share from making a gift of such ticket or share to another.¶¶

(2) Retailer Sales Locations: Unless authorized by the Lottery, Lottery tickets or shares may only be sold by a Lottery retailer at the location listed in the retailer contract.¶

(3) Lottery Sales: The Lottery may designate its agents or employees to sell Lottery tickets or shares directly to the public, either in person at Lottery Headquarters, digitally through a mobile app or site, at a Lottery kiosk, other locations designated by the Director for the sale of Lottery tickets and shares, or sales by the Lottery through electronic means. For purposes of Lottery's traditional lottery game rules, reference to a "retailer," "Lottery retailer," or "Lottery On-line retailer" includes Lottery sales unless the context or a specially applicable provision indicates otherwise.¶

(4) Bulk Ticket Purchases Prohibited: Lottery games should not be played for investment purposes. Unless preapproved by the Director and Commission, an individual or group of individuals working together may not purchase more than 50,000 tickets in the same Scratch-It Ticket game or more than 50,000 unique possible winning number combinations for a single drawing.¶

(5) Future Drawings: A player may purchase a ticket or tickets for future consecutive drawings to the extent permitted by the Lottery for each Lottery game. The player must specify at the time of purchase that the ticket or tickets include future consecutive drawings.¶

(56) Sales Are Final: Unless otherwise provided in OAR chapter 177, the sale of all Lottery tickets and shares is final. A player may not return a Lottery ticket or share for a refund of the purchase price or exchange unless the specific game rules provide otherwise. The Lottery is not liable for Lottery tickets or shares that are purchased in error.¶

(67) Distribution: The Director is authorized to arrange for the direct distribution of Lottery equipment, ticket stock, and supplies shipped directly from the manufacturer or supplier to an authorized retailer.

Statutory/Other Authority: OR~~R~~ Const., Art. XV, § 4(4)(a), ORS 461.020, 461.100, 461.120, 461.210, 461.2630, 461.240, 461.250, 461.260, 461.300

Statutes/Other Implemented: OR~~R~~ Const., Art. XV, § 4(4), ORS 461.020, 461.2100, 461.22120, 461.210, 461.230, 461.240, 461.250, 461.260, 461.300

RULE SUMMARY: The Lottery is proposing to amend OAR 177-046-0090 about prize claim validation requirements to say that a general validation requirement for all tickets and shares is that the ticket or share was not purchased in violation of laws or rules that apply to the Lottery. This language would make a ticket invalid and ineligible for prize payment if it was purchased in bulk in violation of OAR 177-046-0020. (See proposed amendment to OAR 177-046-0020 above.)

The Lottery may make other or alternative changes in response to information or public comment received during the rulemaking process. The Lottery may also make non-substantive edits, such as to update statutory and rule citations; improve grammar, organization, or ease of reading; or otherwise improve the clarity and accuracy of the rule.

CHANGES TO RULE:

177-046-0090

Validation Requirements ¶¶

(1) General: Each type of Lottery game rule may specify unique or additional requirements necessary for validation for that specific game.¶¶

(2) Requirements: In general, to be a valid Lottery ticket or share:¶¶

(a) The ticket or share must not be counterfeit, fraudulent, or a forgery in whole or in part or lacking the appropriate captions.¶¶

(b) The Lottery must have issued the ticket or share in an authorized manner.¶¶

(c) The ticket or share must not be altered, unreadable, reconstituted, or tampered with in any manner including, but not limited to, the signature area, and must meet all of the Lottery's security requirements.¶¶

(d) The ticket or share must not appear on any list of omitted, inactive, missing, previously paid, or stolen tickets on file at the Lottery, and, if applicable, the Lottery's Instant Ticket System (ITS) must accept and validate the ticket or share as a winner.¶¶

(e) The ticket or share must not be blank or partially blank, misregistered, non-scratchable, or printed or produced in error.¶¶

(f) The ticket or share is subject to all additional confidential validation tests of the Lottery including validation through the Lottery's computer system.¶¶

(g) The ticket was not purchased or sold in violation of any statutes or rules applicable to Lottery.¶¶

(3) Proof of Play: A Lottery ticket or share is the only proof of a game play or plays and the submission of a winning ticket or share to the Lottery or an authorized retailer is the sole method of claiming a prize or prizes unless otherwise provided in OAR chapter 177. A play slip or a copy of a ticket or share has no pecuniary or prize value and does not constitute evidence of ticket or share purchase or otherwise represent an opportunity to win a prize.

Statutory/Other Authority: OR~~r~~ Const., Art. XV, § 4(4)(a), ORS 461.020, 461.100, 461.120, 461.210, 461.2520, 461.230, 461.250, 461.260

Statutes/Other Implemented: OR~~r~~ Const., Art. XV, § 4(4), ORS 461.020, 461.100, 461.120, 461.210, 461.220, 461.230, 461.250, 461.260