### OFFICE OF THE SECRETARY OF STATE

TOBIAS READ SECRETARY OF STATE

MICHAEL KAPLAN
DEPUTY SECRETARY OF STATE



# ARCHIVES DIVISION

STEPHANIE CLARK DIRECTOR

800 SUMMER STREET NE SALEM, OR 97310 503-373-0701

# **NOTICE OF PROPOSED RULEMAKING**

INCLUDING STATEMENT OF NEED & FISCAL IMPACT

**CHAPTER 177** 

**OREGON STATE LOTTERY** 

**FILED** 

07/14/2025 10:05 AM ARCHIVES DIVISION SECRETARY OF STATE

FILING CAPTION: Adopting regulations for retailers who work with a courier (corrected notice)

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

500 Airport Rd SE

Filed By:

503-540-1181

Salem 97302,OR 97301

Kris Skaro

kris.skaro@lottery.oregon.gov

Rules Coordinator

#### HEARING(S)

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

DATE: 08/20/2025

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: 493499467 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)**

Introduction and Overview

The Oregon State Lottery needs to adopt and amend rules described in this notice to address significant legal and integrity concerns associated with courier sales. These concerns have been raised by industry stakeholders, media outlets, and both domestic and international lottery organizations. They underscore the urgent need to establish a regulatory framework for an area that has historically operated without formal oversight in Oregon.

The absence of clear rules presents substantial risks to the Lottery's constitutional obligation to uphold fairness, integrity, security, and honesty in all operations. Failure to act promptly may jeopardize Oregon's participation in national games such as Powerball and Mega Millions, strain relationships with key national and international partners, and hinder the development of future gaming initiatives. Moreover, the current lack of regulation may inadvertently contribute to violations of international law.

Implementing these rules is a critical step toward safeguarding the integrity of Oregon's lottery system, ensuring compliance with legal standards, and maintaining the trust of our partners and the public.

The proposed rules prohibit sales to persons who are outside the state of Oregon at the time of purchase and impose new requirements on a retailer that chooses to contract with a courier service. (For more details on the proposed rule changes, see the rule summary sections in this notice.) The proposed rules meet the identified need by providing a regulatory framework that ensures ticket sales conform to Powerball and Mega Millions game rules and U.S. and international gambling laws.

## Background

Courier services are third-party businesses that facilitate ticket orders through online platforms or apps. They purchase physical tickets from approved Oregon retailers, send scanned images to customers, and retain the tickets until results are determined. Depending on their business model, couriers may pay prizes directly and claim reimbursement or require customers to physically claim the ticket and prize themselves.

#### **Recent Developments**

Recent developments have promoted the Lottery to reevaluate its approach to courier services. Since April 2024, concerns about couriers have escalated through media reports, foreign regulators, and state legislatures. Concerns include potential violations of state, federal, or international gambling laws, prize integrity, cross border sales, and breaches of game rules. Multiple jurisdictions including California, Texas, Indiana, and international bodies such as the World Lottery Association and European Lotteries have called for enforcement or outright bans. Direct communications to the Oregon Lottery from both international and U.S. lotteries as well as national gaming bodies have further intensified the pressure and made it clear that Oregon needs clear regulatory guidance for Lottery retailers who work with couriers.

## In Conclusion

The Lottery needs to adopt and amend its rules, as described in this notice, to clearly define a currently unregulated segment of lottery operations in Oregon. This action reinforces the Lottery's commitment to maintaining the trust of its stakeholders and upholding the high standards required by state and federal law, as well as by national and international partners. Taking a proactive regulatory approach will help provide clarity and ensure the continued availability of popular gaming options while safeguarding the core values of fairness, integrity, security, and honesty as outlined in the Oregon Constitution.

The Lottery recognizes this change may impact some current lottery retailers, particularly those whose business models involve third-party partnerships with courier services. Additionally, we acknowledge this change may affect lottery revenue and transfers to the state.

However, these actions are necessary to uphold brand integrity, trust, and our core values, and to preserve and

strengthen critical relationships with national games, industry partners, and regulatory bodies. The loss of national partnerships such as Powerball and Mega Millions would represent a significant financial detriment to the Lottery and the state programs it supports. Maintaining these relationships is essential to our long-term success and to upholding the integrity, trust, and core values that define the Oregon Lottery brand.

Please note, this is a corrected notice. Lottery previously filed a notice on this topic on July 11, 2025. However, the base rule text for OAR 177-046-0100 was not copied correctly, which may have caused confusion. We regret the error, This corrected notice shows the correct base rule text for OAR 177-046-0100 and proposed changes.

#### 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:

- Laws, rules, regulations, and application forms relating to courier services from other states like Colorado, New York, New Jersey, Arizona, Texas, and Indiana.
- Industry publication on emerging best practices relating to state lottery oversight of courier services.
- Oregonian reporting on April 28, 2024 on the Lottery Office (GPN) available at https://www.oregonlive.com/entertainment/2024/04/how-an-australian-company-scored-48-million-in-the-oregon-lottery.html.
- May 2, 2024 California Lottery directive to Lottery retailers re courier services available at https://static.www.calottery.com/-/media/Project/calottery/PWS/PDFs/Online-Ticket-Order-Apps-Directive-05022024.pdf?rev=2b0c2de874614c408b23fc8c13dedaee&hash=DD20DA16F1234E087837F95A4D43CCD5.
- Letters the Lottery received regarding courier operations from the Mega Millions Consortium, the Multi-State Lottery Association (MUSL), the Washington State Lottery, the Lottery Corporation in Australia, the Israeli National Lottery, European Lotteries, and World Lottery Association.
- Lottery internal analysis of international courier sales.

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

The adoption and amendment of these rules will have no effect on racial equity in this state. Out of thousands of currently active Lottery retailers, only a small number work with a courier service. Lottery is only aware of a handful of courier services currently operating in Oregon, although there may be some Lottery is not aware of. Lottery does not have reason to believe those impacted retailers or couriers are more or less likely to be members of a racial minority.

#### FISCAL AND ECONOMIC IMPACT:

Adopting and amending the rules as described in this notice will have a negative fiscal impact on the Lottery, the Lottery's transfer to the Economic Development Fund (EDF), and to any Lottery retailer who currently works with a courier service that facilitates out-of-state and international ticket sales, as those sales will be prohibited by the rules. See the Lottery's cost of compliance statement for more details.

### **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, units of local government, and members of the public likely to be economically affected by the rule(s).

State Agencies and Units of Local Government: If international sales were discontinued at the end of Business Year 2025 (BY25), the loss in gross revenue to the Lottery for BY26 is estimated at between \$32.6 and \$54.9 million, with state transfers to the Economic Development Fund (EDF) decreasing by an estimated \$11.1 to \$18.7 million annually. However, due to the lack of insight into courier operations, this figure is only a rough estimate.

State agencies and units of local government receive revenue from the EDF, so they will be negatively affected by the \$11.1 to \$18.7 million annual decline in revenue in the EDF. (For context, the overall transfer to the EDF is forecasted to be close to \$1.9 billion for the 2025-2027 biennium, so the overall estimated revenue decline in the EDF is modest in context. For reference, see the May 2025 Economic and Revenue Forecast, Table B.9, published by the Office of Economic Analysis.)

Money from the EDF goes to various state agencies and units of local government, but Lottery is unable to estimate the impact to specific state agencies or units of local government, since those distributions are determined by the Legislature.

### Members of the Public:

Lottery Retailers: The Lottery estimates a negative fiscal impact on any current Lottery retailer who works with a courier service that facilitates international and out-of-state ticket sales. Under the rules, those ticket sales will be prohibited, resulting in a loss of commissions earned by the retailer from those sales. The impact will vary from retailer to retailer depending on the volume of international and out-of-state ticket sales, but to illustrate the possible impact, the average monthly commission per location across all retailers who were known to facilitate international ticket sales in calendar year 2024 was approximately \$32,300 per month.

Courier Services: A courier service who facilitates international and/or out-of-state ticket sales will be negatively affected by the rules, which will prohibit such ticket sales. The fiscal impact will vary depending on the courier's sales volume. Lottery does not have insight into the sales data of courier services, but for one example, a high-volume international courier service that Lottery is aware of is estimated to have sold \$4.4 million in tickets to international customers in the first four months of 2025. In contrast, a lower-volume international courier sold about \$1.2 million worth of tickets in the same time period.

Lottery is aware of a handful of courier services operating in Oregon but there may be more than Lottery is unaware of. Lottery is also unaware of the extent of their ticket sales. But for any courier service currently operating in Oregon, they would lose all revenue from international and out-of-state ticket sales and may be further impacted if they are unable to comply with the business operation standards in the rule, which they must meet to be authorized to facilitate in-state ticket sales, such as for example, ensuring secure storage of tickets purchased.

- (2) Effect on Small Businesses:
- (a) Estimate the number and type of small businesses subject to the rule(s);

Retailers: 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.

While all 3,200 retailers are subject to the rule, only retailers who work with a courier service will be affected by the rules. Lottery is currently aware of around seven retailers who work with courier services and six retailers who work with a courier service who facilitates out-of-state and international ticket sales. There may be others; because couriers are unregulated, Lottery does not know for sure how many retailers currently work with a courier service.

Courier Services: Lottery is aware of a handful of courier services operating in Oregon who will be subject to and affected by the rule, but Lottery expects there may be more. Courier services are third-party businesses that facilitate ticket orders through online platforms or apps. They purchase physical tickets from approved Oregon retailers, send scanned images to customers, and retain the tickets until results are determined. Depending on their business model, couriers may pay prizes directly and claim reimbursement or require customers to physically claim the ticket and prize themselves.

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

As noted above, to comply with the rule, retailers and courier services will need to cease sales to customers who are located outside the state of Oregon (and not on tribal lands) at the time of purchase. The fiscal impact associated with the loss of out-of-state sales was discussed and estimated above, i.e. the negative fiscal impact being equal to any profit a retailer or courier service would otherwise earn from ticket sales to customers outside the state.

For those retailers and courier services who chose to work together to facilitate in-state sales, they will need to undertake reporting, recordkeeping, and administrative activities to comply with the rules, which may impose costs on the retailer and the courier.

For example, the retailer must report their courier relationship to the Lottery and make certain agreements, such as to share information with Lottery about the courier upon request, verify that the courier service complies with the requirements of the rule, and agree to indemnify the Lottery for damages that may result from the actions of the courier service.

To reduce the staff time and other costs associated with complying with the rules, the Lottery will provide a standard form the retailer can complete in consultation with the courier service the retailer plans to work with.

The estimated cost of these compliance activities is the staff time needed to complete the paperwork in consultation with the courier. This could be as little as one-day's wages for the staff person, but it may be more if more time is needed to complete the paperwork. Lottery is unable to provide a confident estimate as the costs may vary from retailer to retailer. Lottery invites retailers to give input on costs of compliance during the rulemaking process.

Similarly, a courier service that wants to work with a Lottery retailer will need to ensure they comply with the requirements of the rules, which may impose costs of compliance, such as ensuring accurate records of ticket purchases and storing tickets securely. It's Lottery's understanding that reputable courier services may already meet the requirements because they are required in other lottery jurisdictions in which the couriers operate. (For example, several states require a courier service to verify each customer's age and location and to ensure secure storage of tickets held on behalf of customers.) But for those that do not yet comply, they will need to undertake various reporting, recordkeeping, and administrative activities to meet the requirements of the rule. Lottery does not have relationships with couriers or insight into their operations to be able to provide an estimate of the costs of compliance but invites couriers to provide input on costs of compliance during the public rulemaking process.

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

Lottery does not expect retailers will need to procure professional services, equipment, or special supplies to comply with the rules. As noted above, there are increased administrative and labor costs associated with completing the required paperwork, which will vary from retailer to retailer, but would be equal to the cost of the staff time to complete those activities. Lottery invites retailers to give input on costs of compliance during the rulemaking process but expects the paperwork costs to be minimal. No retailer is required to work with a courier service, and thus any retailer can avoid increased costs of compliance by not working with a courier service.

A courier service who wants to meet the requirements of the rule will need to ensure they meet the operational requirements like protecting personal and financial information of its customers, recording ticket transactions, and securely storing tickets for customers. As noted above, it's Lottery's understanding that reputable courier services may already meet these requirements because they are required in other lottery jurisdictions in which the couriers operate. But for those that do not, they will need to procure professional services (such as cybersecurity advice), equipment (like software and secure ticket storage containers), labor, and administrative costs in order to meet the standards of the rule. Lottery does not have relationships with couriers or insight into their operations to be able to provide an estimate of the costs of compliance but invites couriers to provide input on costs of compliance during the public rulemaking process.

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

Lottery plans to share the draft rules with impacted retailers to provide additional notice and time for individuals who are most impacted to review the rules and provide comment to the Lottery during the public comment period.

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

Lottery did not consult a formal Administrative Rule Advisory Committee because the Lottery plans to use other methods to solicit input from impacted people and businesses, such as by sharing the draft rules with impacted retailers. Lottery also holds public meetings of the Commission, which provides additional opportunities for interested parties to share their views on the policy changes reflected in the rules.

### **RULES PROPOSED:**

177-040-0053, 177-046-0100

ADOPT: 177-040-0053

RULE SUMMARY: The Lottery is proposing to adopt OAR 177-040-0053 to establish a regulatory framework for retailers working with third-party couriers, including but not limited to requiring retailers to notify Lottery in writing; prohibiting out of-state ticket sales; mandating age and location verification of customers; safeguarding tickets held on behalf of customers; and securing the personal and financial information of players. The proposed rule also addresses the status of tickets purchased through a courier service and describes the penalties for retailers who violate the rule.

The draft rule language Lottery is proposing to adopt is provided in this notice. The Lottery may change the rule in response to information or public comment received during the rulemaking process. The Lottery may also make non-substantive edits during the public rulemaking process 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:**

## 177-040-0053

### **Courier Services**

- (1) General Policy: A retailer under contract with the Lottery may facilitate ticket sales through a courier service only pursuant to a written contract with the courier service subject to Lottery's review and approval and only as provided in this rule. For purposes of this rule, "courier service" means a person or business that purchases Oregon Lottery tickets from a retailer on behalf of customers for a fee. A courier service may not facilitate the sale of Oregon Lottery tickets other than pursuant to a contract with a retailer and subject to this rule. Under no circumstances may a retailer knowingly facilitate ticket sales to a person who is physically located outside the state of Oregon at the time of purchase, through a courier service or any other method. ¶
- (2) Notification, Attestation, and Indemnification Required: A retailer shall notify the Lottery in writing within 14 calendar days of contracting with a courier service or otherwise knowingly facilitating tickets sales through a courier service. The retailer must attest, on a form provided by the Lottery, that the courier service meets the standards described in section (3) of this rule, and that the retailer agrees to the following:¶
- (a) The retailer agrees that the Lottery has a right to review any service agreements or contracts that the retailer has or will have with a courier service and that the Lottery may require the retailer to disclose the names and addresses of persons associated with the courier service and other relevant information about the courier service.¶
- (b) The retailer agrees they have an ongoing duty to ensure that the courier service complies with the requirement of this rule, and to present any evidence of such compliance to the Lottery upon request.¶
- (c) The retailer agrees that if the Lottery determines that the courier service has or will facilitate Lottery ticket sales to persons physically outside the state of Oregon or has otherwise acted in a manner contrary to law, Lottery rules, or the retailer contract or otherwise presents an actual or apparent threat to the fairness, integrity, security, and honesty of the Lottery, the Lottery may prohibit the retailer from working with a courier service, or may take any other compliance action against the retailer up to and including terminating the retailer contract.¶
- any other compliance action against the retailer up to and including terminating the retailer contract.¶

  (d) The retailer agrees to indemnify, defend, and hold harmless the State of Oregon, the Oregon State Lottery

  Commission, the Oregon State Lottery, the Oregon State Police, and their agents, officers, employees, and
  representatives from and against all claims, suits, actions, losses, damages, liabilities, costs, and expenses arising
  out of, or relating to, the acts or omissions of the courier service, its officers, employees, subcontractors, or agents
  under any contract or understanding between the retailer and the courier Service, or in any way related to
  retailer's performance under its contract with Lottery, including, but not limited to, the purchase of courier
  services through the courier service's system, placement of requests for courier services through such courier
  service's system or the generation of, or failure to generate, tickets to complete ticket purchases related to such
  requests for courier services. The retailer's obligations will include, but are not limited to, any and all losses,
  damages, liabilities, settlements, judgments, fines, costs, fees, and expenses of any nature whatsoever, including,
  but not limited to, fees of attorneys and other professionals at trial and on appeal.¶
- (e) The retailer agrees that transactions for tickets between the courier and the retailer will only occur on the retailer's premises when the retailer is open to the public during regular business hours.¶
- (f) The retailer agrees not to permit any device to be connected to the gaming system except as specifically approved in writing in advance by the Lottery.¶
- (3) Courier Service Minimum Standards: A retailer may not contract with a courier service or otherwise knowingly facilitate sales through a courier service unless the retailer has attested to and continues to ensure that the courier service meets the following requirements:¶
- $\hbox{ (a) The courier service complies with all laws, rules, and regulations applicable to the courier service.} \P$
- (b) The courier service verifies the identity and age of a prospective customer to prevent people under age 18 from placing orders for tickets.¶
- (c) The courier service uses geolocation to verify that the customer is located within the state of Oregon and not on tribal lands at the time of purchase.¶
- (d) An independent third party periodically tests the courier service's technology including geolocation. The courier service must provide testing results to the retailer and the Lottery upon request.¶
- (e) The courier service takes reasonable steps to protect the personal and financial information of its customers as required by law.¶
- (f) The courier service notifies the retailer and the Lottery of significant incidents relating to the operation of the courier's platform such as major system errors or outages, security breaches, or similar situations that may impact the fairness, integrity, security, and honesty of Lottery and its operations.¶
- (g) The courier service discloses all fees charged by the courier in a manner that makes clear that those fees are separate from the ticket price set by the Lottery prior to taking payment from and finalizing a customer's order. The courier service may not charge a fee for the payment of any prize amount or require or otherwise collect or accept any portion or percentage of a prize as payment for courier services.¶
- (h) The courier service provides a method for the public and customers to contact the courier service and quickly

- resolves customer service issues, disputes, and complaints. This information must be clearly displayed to the public and customers on its website and on its online and mobile platforms.¶
- (i) The courier service uses play slips that conform to MUSL standards and has mechanisms in place to ensure the accurate processing of orders for tickets.¶
- (j) The courier service allows the purchase of tickets for future draws only to the extent that such tickets could be purchased directly from a retailer.¶
- (k) The courier service adheres to ticket delivery, storage, and retention standards: ¶
- (A) The courier service scans the front and back of every ticket purchased and sends the image to the customer within a reasonable time period. The courier service notifies the customer of a winning ticket within 24 hours. 

  (B) The courier service provides an option for any customer to obtain any ticket purchased by the customer through the courier service for the purpose of claiming a prize at any time subsequent to its purchase. The courier service may not charge a fee to deliver the ticket to the customer.
- (C) Each physical ticket not provided to the customer shall be securely stored in a safe or vault with a minimum fire rating of Class 150-1 Hour issued by Underwriter Laboratories, Inc., or such equivalent rating. The premises housing such safe or vault shall be protected by a burglary alarm system with 24-hour monitoring. (D) A courier service shall securely store tickets purchased on behalf of customers for 30 days following either the prize being claimed and paid to the customer or the expiration of the prize claim period, whichever comes first. (I) The courier service maintains secure records of all tickets purchased through the courier service linked to the
- (I) The courier service maintains secure records of all tickets purchased through the courier service linked to the respective customers and makes such records available to the retailer or the Lottery on demand. (m) The courier service allows customers to place daily, weekly, and monthly limits on their spending or to self-
- exclude from ordering tickets through the courier. The courier service displays information online and on its mobile app on how to seek help for problem gambling, such as through the problem gambling helpline or website. In the courier service does not target advertisements for Oregon Lottery tickets to underage persons or persons located outside the state of Oregon.
- (o) The courier service states in their marketing that the service is a private business entity that has no official affiliation with the state of Oregon or the Oregon State Lottery. The courier service refrains from unauthorized use of Lottery trade or service marks as described in OAR 177-010-0110 and does not otherwise state or imply that the courier service has a relationship with or affiliation to or is acting as an agent of the Lottery.¶

  (p) The courier service maintains liability insurance.¶
- (q) The courier service states in its contracts and agreements with its affiliates, vendors, and customers that nothing in the contract or agreement shall give rise to liability of the State or the Oregon State Lottery or Oregon State Lottery Commission, its officials, or employees. The courier service shall state on its websites and mobile applications, along with any other disclaimers, legally required notices, or other notices concerning liability of the courier service, that nothing appearing on the courier service website and no transactions conducted on or through the courier service website or systems shall give rise to liability of the State or the Oregon Lottery, its officials, or employees¶
- (4) Penalties: Any violation of this rule, including, but not limited to, a failure to notify the Lottery promptly within 14 days of contracting with a courier service or failure to provide the Lottery with information regarding a courier service, is a violation of the retailer contract and provides grounds for the Lottery to take compliance action against the retailer up to and including contract termination.¶
- (5) Status of Purchased Tickets: The Director may withhold payment to investigate whether a ticket was sold in violation of these rules. The Director's determination on the validity of the claim is final and binding on all parties as stated in OAR 177-046-0110. A person may not claim a prize using a power of attorney (see OAR 177-046-0110) on behalf of a customer who was outside the state of Oregon at the time of purchase.
- <u>Statutory/Other Authority: Or Const, Art XV, § 4(4)(a), ORS 461.100, 461.120, 461.130, 461.150, 461.190, 461.250, 461.260, 461.300</u>
- <u>Statutes/Other Implemented: Or Const, Art XV, §4(4), ORS 461.100, 461.120, 461.130, 461.150, 461.190, 461.250, 461.260, 461.300</u>

AMEND: 177-046-0100

RULE SUMMARY: The Lottery is proposing to amend OAR 177-046-0100 about the ownership of Lottery tickets and shares to allow a Lottery retailer to transfer ownership of a ticket to an individual who has purchased the ticket or the retailer may authorize a courier service to do so, provided the individual has also authorized the courier service to do so.

The draft rule language Lottery is proposing is provided in this notice. The Lottery may change the rule in response to information or public comment received during the rulemaking process. The Lottery may also make non-substantive edits during the public rulemaking process 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:**

## 177-046-0100

Ownership of Lottery Tickets and Shares ¶

- (1) Bearer Instrument: ¶
- (a) Except for a Lottery ticket or share claimed jointly in accordance with the provisions of OAR 177-046-0110(5), until such time as a name of an individual or individuals is placed upon a physical Lottery ticket or share, the ticket or share is a bearer instrument and is owned by the bearer of the ticket or share. When a name or names is placed on the ticket or share, the ticket or share ceases to be a bearer instrument and the individual whose name appears on the ticket or share is the owner of the ticket or share. Only a natural person at or above the age of game eligibility may own a ticket or share and claim a prize.¶
- (b) A retailer may transfer ownership of a ticket to an individual who has purchased the ticket by placing the individual's name on the ticket. The retailer may authorize a courier service contracted with the retailer to place the individual's name on the ticket on the individual's behalf, provided that the individual also has authorized the courier service to do so.¶
- (2) Multiple Names: Multiple individuals at or above the age of game eligibility may jointly own, possess, and claim a prize as owners of a winning ticket or share as provided in OAR 177-046-0110(5). Multiple individuals each hold individual and equal shares of ownership in the ticket or share.  $\P$
- (3) Notwithstanding sections (1) and (2) of this rule: ¶
- (a) Second Chance Drawing: Only one natural person can claim ownership of a non-winning ticket or share used to enter a second chance drawing. Non-winning tickets submitted and accepted as a valid entry in a Lottery second chance drawing cannot be jointly owned. Only the person who claims ownership may submit the non-winning ticket as an entry to a second chance drawing and only that person may claim the prize if the person's entry is selected as a winning entry in a second chance drawing.¶
- (b) In the DraftKings Sportsbook, only the registrant of the player account can claim ownership of a prize on a winning bet purchased through the player account.¶
- (c) Win for Life: Only one natural person can claim ownership of the Top Prize in Win for Life as described in OAR 177-094-0080.

Statutory/Other Authority: Or Const, Art XV, § 4(4)(a), ORS 461.120, 461.130, 461.150, 461.230, 461.250, 461.260, 461.400, 461.440

Statutes/Other Implemented: Or Const, Art XV, § 4(4), ORS 461.020, 461.200, 461.210, 461.220, 461.240, ORS 461.120, 461.130, 461.150, 461.230, 461.250, 461.260, 461.400