

OFFICE OF THE SECRETARY OF STATE

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AND TRIBAL LIAISON



ARCHIVES DIVISION

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NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 177
OREGON STATE LOTTERY

FILED

10/25/2024 10:47 AM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Updating rules regarding claiming and paying prizes in Oregon State Lottery games

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 11/22/2024 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
503-540-1181
kris.skaro@lottery.oregon.gov

500 Airport Rd SE
Salem, OR 97301

Filed By:
Kris Skaro
Rules Coordinator

HEARING(S)

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

DATE: 11/18/2024

TIME: 9:00 AM - 10:00 AM

OFFICER: Kris Skaro

REMOTE HEARING DETAILS

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

PHONE NUMBER: 971-323-0081

CONFERENCE ID: 101046360

SPECIAL INSTRUCTIONS:

Written comment can be submitted to Kris Skaro at kris.skaro@lottery.oregon.gov until 5 p.m. on Friday, November 22, 2024.

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

Lottery recently reviewed its rules and practices relating to prize claims and payment. Based on that review, Lottery identified the need to amend rules as described in this notice to ensure Lottery's rules reflect current practices and/or support and implement new best practices relating to claiming and paying prizes in Oregon State Lottery games.

Need for the Rules:

(1) Require Photo ID for Prize Claims

The Lottery needs to amend OAR 177-046-0110 about payment of prizes and OAR 177-200-0020 about payment of Video Lottery prizes to require that any person presenting a prize claim directly to the Lottery (as opposed to lower-tier prizes that can be claimed at a retail location) must provide government-issued photo identification.

The Lottery needs to make this change because, while it has been a long-standing practice of the Lottery to request photo identification from in-person claimants, the requirement is not in rule and it's not been required for claims submitted to Lottery through the mail or secure drop-box.

This change is intended to enhance the integrity, accuracy, and security of the prize claiming process. For example, requiring ID allows Lottery to verify the claimant is over 18 or 21 years of age, as required by law. (See ORS 461.250.) Also, verifying the claimant's identity ensures accurate withholding and reporting for tax purposes, and that any debt checks are properly conducted, as required by state law for prizes over a certain amount. (See ORS 316.194; 461.715; and 461.719.)

This change will align the Oregon Lottery with other state lotteries in the US and Oregon state agencies that require identification from customers.

In Lottery's experience requesting ID from in-person claimants, most claimants provide identification without objection. However, Lottery expects that some claimants may face barriers in obtaining government-issued photo identification, including financial, language, legal status, or housing barriers. Therefore, the proposed amendment allows Lottery to make exceptions to the ID requirement when the requirement imposes a hardship on a claimant. The ability to make exceptions also aligns with other state lotteries in the US and other Oregon state agencies.

(2) Improve the Multiple Claimant Prize Claim Process

The Lottery needs to amend OAR 177-046-0100; OAR 177-046-0110; 177-075-0027; 177-085-0035; 177-098-0060; 177-200-001; 177-200-0020; and 177-200-0077 as described in this notice to impose new requirements and restrictions that will apply when one prize is claimed by more than one person.

Discussion:

Lottery rules allow more than one person to own and claim the same prize. This is allowed for winning tickets in traditional Lottery games and for cash slips in Video Lottery games. (It's not allowed for sports betting or second chance drawings.)

The Lottery has identified the need to clarify the requirements that apply when a prize is claimed by more than one person and to impose new requirements and restrictions to streamline the process and prevent people from splitting prizes to avoid taxes or debt offsets.

The proposed changes summarized in this notice impose several new requirements and restrictions on the multiple claimant prize claim process, such as, but not limited to, requiring each claimant to take an equal share of the prize; requiring each claimant to a jackpot prize to choose the same payment option; prohibiting adding new claimants to a claim after the claim is presented to the Lottery for payment; and clarifying signature requirements.

(3) Clarify Prize Payment After Death

The Lottery needs to amend OAR 177-046-0120 about payment of prizes after death to clarify that Lottery may pay remaining prize amounts pursuant to a beneficiary designation form if one is on file. This is consistent with current practice and state law (see ORS 461.250(8)(a)(A)) but the rule lacks clarity because section (2) references beneficiary designation forms but section (1) does not. The proposed change clarifies that for all Lottery games, if a beneficiary designation form is on file, Lottery may pay the remaining prize amount to the beneficiaries listed on a beneficiary designation form if the original winner filed one with the Lottery before their death.

(4) Clarify Prize Payment Methods and Provisions

Lottery's current rules on method of prize payment are not consistent with current practice. For example, Lottery no longer pays prizes in cash and Lottery can use payment devices (an electronically loaded card) to pay prizes that are greater than \$20,000. Therefore, the Lottery needs to amend OAR 177-046-0015, 177-046-0110, and 177-200-0005 to clarify that Lottery does not pay prizes in cash and that Lottery may determine the appropriate prize payment method in all cases, including using a payment card for prizes worth more than \$20,000 if Lottery determines that is the best method. The proposed changes meet the identified need by aligning the rules with current prize payment practices and preferences of the Lottery.

(5) Housekeeping

The Lottery needs to amend OAR 177-046-0015 and 177-046-0110 to improve the accuracy of the rules. Specifically, Lottery needs to amend OAR 177-046-0015 to update a definition and OAR 177-046-0110 to clarify state of emergency language and Lottery's recommended method to mail prize claims to Lottery for processing. The proposed changes ensure the accuracy of Lottery's rules but should not have any major substantive effect on the public.

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:

- ORS chapter 461 available at https://www.oregonlegislature.gov/bills_laws/ors/ors461.html.
- OAR chapter 177 available at

<https://secure.sos.state.or.us/oard/displayChapterRules.action?selectedChapter=153>.

- The results of Lottery's review of the identification requirements of other state lotteries and Oregon state agencies available upon request to kris.skaro@lottery.oregon.gov.

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

Many of the proposed changes described in the notice will not have any significant impact on the public or people who play Lottery games. This is because the changes align with current practice or because the changes are not substantive in nature, such as housekeeping changes. Therefore, as to those changes, Lottery does not believe the rules will affect racial equity in Oregon.

Lottery has experience requesting photo identification from in-person prize claimants. Most claimants provide their identification without objection. This suggests to Lottery that most players are willing and able to provide identification when claiming a prize.

That said, Lottery understands that some people will have difficulty obtaining and providing ID, such as persons experiencing homelessness or persons with financial, transportation, language, or legal status barriers. Research shows that racial minorities are disproportionately represented among people facing these types of barriers, and thus, may be more affected by identification requirements. (See publicly available research on impacts of voter identification laws and Portland State University Point in Time study on homelessness in Oregon.)

In considering the need for and drafting the proposed rules, the Lottery consulted with members of Lottery's Diversity, Equity, Inclusion, and Belonging (DEIB) Committee. Lottery also reviewed the exception processes that other state lotteries and other Oregon state agencies offer. The Lottery has incorporated an exception process into the proposed rules and intends to use the exception process to avoid any negative impacts to players.

FISCAL AND ECONOMIC IMPACT:

The Lottery estimates that amending the rules as described in this notice will have no fiscal or economic impact on state agencies, including the Lottery, and units of local government. The Lottery estimates the requirement to provide government-issued photo identification will have a small negative fiscal impact to some prize claimants who do not have identification or (for people claiming a prize by mail or drop box) who do not have access to a photocopier. The Lottery estimates approximately 4,000 businesses are subject to some provisions of the rules being amended, most of which are likely to be small businesses as defined in ORS 183.310. However, Lottery estimates no new costs of compliance for small business. See the Lottery's cost of compliance statement for more information.

COST OF COMPLIANCE:

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

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

State agencies and units of local government:

The Lottery estimates that amending the rules as described in this notice will have no fiscal or economic impact on state agencies, including the Lottery, and units of local government.

Members of the Public:

Prize claimants could be economically affected by the rules. If a claimant does not currently have government-issued photo identification, they will need to obtain that, which costs time and money. For example, an Oregon driver license costs \$60. If a claimant needs to be away from work without pay to get their license, that would cost a half-day or full day of wages, depending on how close they are to a Department of Motor Vehicles office.

Lottery's prize claim personnel at the Salem and Wilsonville offices report that over many years, they could only remember one or two cases where a claimant did not have any photo identification. Therefore, Lottery estimates amending these rules will not affect that many prize claimants, but Lottery is unable to provide an estimate with confidence. To account for those claimants who are unable to obtain a government-issued photo identification due to financial or other barriers, the proposed rule allows Lottery to accept alternate forms of identification.

Prize claimants who have a government-issued identification, but who are unable to claim their prize in person, will need to make a photocopy of their identification to include with the prize claim form if they are claiming by mail or through the Lottery's drop box service. Grocery stores and local libraries may provide photocopy services for less than \$1. In an average month, Lottery receives about 1,500 claims by mail. Lottery does not have data to estimate how many do not currently have access to a photocopier or printer, but it is reasonable to assume many claimants do not and thus would incur the cost to make a photocopy. If a claimant is unable to make a photocopy (for example, a claimant who lives in a remote area or who is unable to drive), the proposed rule allows Lottery to authorize a different method for providing their identification to the Lottery.

(2) Effect on Small Businesses:

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

Most of the proposed rules described in this notice do not impose requirements on small businesses in and of themselves. However, Lottery retailers, through their contract with the Lottery, agree to comply with Lottery's rules and in that respect, some provisions of the rules being amended may affect them.

As of this writing, there are about 3,700 Lottery retailers. Most, but not all, Lottery retailers are small businesses as defined in ORS 183.310. (Lottery does not have the information needed to determine exactly how many retailers are small businesses as defined in the Administrative Procedures Act. For example, Lottery does not know how many employees each retailer has. However, in Lottery's experience, most have fewer than 50 employees and would otherwise be considered a small business. Industry data also suggests this is the case. There are some retailers, however, such as the multi-state chain retailers or large grocery stores, who would not be considered a small business. Thus, Lottery says most Lottery retailers (but not all) are likely to be small businesses.) The types of businesses who are Lottery retailers include: grocery stores, convenience stores, gas stations, bars, restaurants, taverns, bowling alleys, small café eateries, pizzerias, and the like.

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

The rules described in this notice do not impose any new reporting, recordkeeping, or administrative activities or costs on small businesses beyond what is already required of retailers under other rules and their contract with the Lottery.

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

The rules described in this notice do not impose any new costs of professional services, equipment, supplies, labor, or increased administration on small businesses beyond what is already required of retailers under other rules and their contract with the Lottery.

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

The proposed changes described in this notice apply only to prizes claimed directly through the Lottery, so Lottery expects no impact to small businesses. Therefore, Lottery did not solicit input from small businesses during the development of the proposed rules. Small businesses are welcome to comment during the rulemaking process and Lottery will consider all comment received before taking final action on the rules.

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

The Lottery formed an internal cross-departmental workgroup to consider the policy changes and draft the proposed rules. The workgroup included people who were advocates for the player/prize claimant experience and experts in diversity, equity, and inclusion. The Lottery does not expect that the proposed changes will have a significant impact on any particular group or community and therefore did not convene or consult a rule advisory committee. The Lottery welcomes public comment during the rulemaking process and Lottery will consider all comment received before taking final action on the rules.

RULES PROPOSED:

177-046-0015, 177-046-0100, 177-046-0110, 177-046-0120, 177-075-0027, 177-085-0035, 177-098-0060, 177-200-0005, 177-200-0012, 177-200-0020, 177-200-0077

AMEND: 177-046-0015

RULE SUMMARY: The Lottery is proposing to amend OAR 177-046-0015 about the definitions that apply to terms used in most divisions of chapter 177. The Lottery is proposing to update definitions in the rule. For example, the definition of "Lottery Headquarters" is updated to refer more generally to the part of Lottery Headquarters that processes prize claims. Lottery is also proposing to remove the cap on the use of payment devices to align with the change being made to OAR 177-046-0110 (described in this notice) that allows payment device cards to be used for prize amounts over \$20,000 if determined appropriate by the Lottery. The Lottery may make additional 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:

177-046-0015

Definitions ¶¶

For purposes of divisions 10, 46, 50, 52, 69, 70, 75, 81, 83, 85, 92, 93, 94, 98, and 99, and if specifically cross-referenced in division 200, the following definitions apply, unless another definition is specifically provided or the context requires otherwise:¶¶

- (1) "Bonus" means free plays or similar promotional deposits, credits, or similar incentives that are credited to the player balance when the player meets any requirements that are applicable to the particular promotion. Each bonus may be subject to unique restrictions on use. Bonuses can be used to play Lottery games subject to limitations and restrictions, but bonuses have no cash value.¶¶
- (2) "Cash" means United States currency.¶¶
- (3) "Digitally" means an action done through a player account on the mobile app or site.¶¶
- (4) "Dormant" means a player account has had no login activity for at least 36 months.¶¶
- (5) "DraftKings Sportsbook" has the meaning given in OAR 177-093-0005.¶¶
- (6) "Drawing" means the procedure whereby the Lottery, or a drawing agent, selects the winner or the winning combination in accordance with the rules of the game.¶¶
- (7) "Drawing agent" means a Lottery vendor or other designee who, subject to the approval of the Director, is designated by the Assistant Director of Security to conduct specified drawings on behalf of the Lottery.¶¶
- (8) "Electronic drawing" means any drawing that involves the use of a random number generator or other computer-driven or computer-assisted device to determine winners or winning combinations, and manual interaction is incidental to the selection process.¶¶
- (9) "Electronic drawing equipment" includes any computer-driven or computer-assisted device used by the Lottery, or a drawing agent, for the purpose of determining winners or winning combinations, including, but not limited to, devices used by the Lottery's central gaming system for the Lottery's Draw games, or for the Lottery's periodic internet entry, raffle, second-chance drawings, or promotional games.¶¶
- (10) "Funds balance" means the amount of money in a player account including deposits and prizes (after required withholdings are successfully completed) but not bonuses.¶¶
- (11) "Highest Prize" means the highest level of prize according to the rules applicable to the game in which the prize is won, including, but not limited to, a Jackpot prize won in the Mega Millions game, a Grand Prize in the

Megabucks game, or a High Tier prize in the Powerball game.¶¶

(12) "In-game rules" has the meaning given in OAR 177-093-0005.¶¶

(13) "Lottery Branch" means Wilsonville Payment Center or such other office as the Director may designate.¶¶

(14) "Lottery Headquarters" means the ~~Player Services Office~~ of the Oregon State Lottery located at 500 Airport Road SE, Salem, Oregon 97301 that is responsible for processing prize claims and payments.¶¶

(15) "Lottery Kiosk" means a location, other than Lottery Headquarters, designated by the Director as a Lottery Kiosk, where Lottery tickets or shares are sold directly to the public by Lottery employees.¶¶

(16) "Mailing Address" means P.O. Box 14515, Salem, Oregon 97309.¶¶

(17) "Manual drawing" means any drawing that does not involve the use of a random number generator or any other computer-driven or computer-assisted device to determine winners or winning combinations, and manual interaction is primary to the selection process.¶¶

(18) "Manual equipment" includes any mechanical equipment or non-electronic method used by the Lottery, or a drawing agent, for the purpose of determining winners or winning combinations, including, but not limited, to Lottery's periodic raffle games.¶¶

(19) "Mobile app" means application software operated by the Lottery that is designed to operate on a mobile device or tablet through which a player can access their player account and play Lottery games. "Mobile app" includes the DraftKings Sportsbook mobile application through which players can play sports betting games.¶¶

(20) "Payment Device" means an electronically loaded card or other device loaded with or representing Lottery prize winnings ~~or other dollar amounts of \$20,000 or less~~, which may include, but is not limited to a debit card with a corresponding player account.¶¶

(21) "Person" means a natural person 18 years of age or older.¶¶

(22) "Player account" means a digital gaming account that an individual 21 years of age or older opens as described in OAR 177-046-0022 that allows eligible players to play games digitally. A player account includes a personal DraftKings Sportsbook digital sports betting account as described in OAR chapter 177, division 93.¶¶

(23) "Player balance" means the amount available for the player to play games digitally. The player balance is a reflection of the funds balance plus any bonuses.¶¶

(24) "Privacy policy" means a statement that discloses the type of personal information an entity may collect and how the entity will use, store, or disclose such information. Such disclosures, as amended from time to time, are provided to players online and are also available upon request from the Lottery. A privacy policy may be incorporated by reference into terms of use and terms and conditions that a player agrees to when creating a player account.¶¶

(25) "Private express carrier" has the meaning given in ORS 293.660.¶¶

(26) "Random number generator" means a computer-driven electronic device capable of producing numbers at random.¶¶

(27) "Site" means any website operated by the Lottery through which a player can access their player account and play Lottery games. "Site" includes <https://sportsbook.draftkings.com/> where a player can access their player account and play sports betting games as described in OAR chapter 177, division 93.¶¶

(28) "Terms and conditions" means an agreement between an individual and the Lottery that sets out each party's rights and responsibilities regarding use of a Lottery-authorized mobile app and site and playing games and claiming prizes digitally.¶¶

(29) "Terms of use" means an agreement between a player and a third party that sets out each party's rights and responsibilities. For example, but not limited to, an individual may agree to the DraftKings terms of use that set out each party's rights and responsibilities regarding the DraftKings Sportsbook player account, including funding the player account as described in OAR 177-046-0027, and playing sports betting games on the mobile app or site. Statutory/Other Authority: Or Const, Art XV, § 4(4)(a), ORS 461.120, 461.130, 461.150, 461.200, 461.210, 461.220, 461.230, 461.250, 461.260

Statutes/Other Implemented: Or Const, Art XV, § 4(4), ORS 461.010, 461.020, 461.050, 461.100, 461.190, 461.400, ORS 461.120, 461.130, 461.150, 461.200, 461.210, 461.220, 461.230, 461.250, 461.260

AMEND: 177-046-0100

RULE SUMMARY: The Lottery is proposing to amend OAR 177-046-0100 about ownership of Lottery tickets and shares to remove provisions relating to when a prize is owned by more than one person. The deleted provision is not consistent with changes being made to the multiple claimant process in OAR 177-046-0110. (See changes to OAR 177-046-0110 described in this notice.) The Lottery may make additional 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:

177-046-0100

Ownership of Lottery Tickets and Shares ¶¶

(1) Bearer Instrument: 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.¶¶

(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 hold the ticket or share as tenants in common. ~~Multiple individuals may specify the percentage of ownership each person holds. Each person must hold \$1.00 of the prize at a minimum.~~¶¶

(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), 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, 461.120, 461.130, 461.150, 461.230, 461.250, 461.260, 461.400, 461.440

RULE SUMMARY: The Lottery is proposing to amend OAR 177-046-0110 about payment of prizes. The proposed changes include: requiring photo identification to be provided when claiming a prize through the Lottery; clarifying Lottery's recommended method of mailing claims to the Lottery; expanding Lottery's authority to limit prize claiming methods during a state of emergency to apply to any state of emergency, not just COVID-19; updating prize payment authority and methods; imposing new requirements that apply whenever one prize is owned and claimed by more than one person; and making other non-substantive housekeeping updates. The Lottery may make additional 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:

177-046-0110

Payment of Prizes ¶¶

(1) General Provisions for Claiming Prizes; Determining the Validity of Claims; and Paying Claims:¶¶

(a) All winning Lottery tickets or shares may be presented to the Oregon State Lottery for payment or, if permitted by the applicable game rule, some winning tickets or shares for prizes of \$600 or less may also be presented for payment to the appropriate Lottery retailer.¶¶

(b) Timing and Deadline for Submitting a Claim: Any winning draw game ticket of \$50,000 and over is not eligible for prize payment until the next Lottery business day after it is issued. Whether a claim for a prize is submitted to a retailer or to the Lottery by mail, private express carrier, secure drop box, or by an individual personally presenting the claim, the winning ticket or share (including the completed claim form, if applicable) must be received by the retailer or the Lottery within one-year after the drawing results become official (for draw games) or one year after the end of the lottery game in which the prize was won, unless a different time period is specified by the Lottery in the rules for a particular game or promotion. If the final day of the one-year claim period falls on a day when the Lottery is not processing prize claims, such as a weekend, Lottery holiday, furlough closure day, or unforeseen circumstances, the claim period shall be extended until 5:00 p.m. on the next day the Lottery is processing prize claims.¶¶

(c) Failure of Delivery: The claimant of a prize bears all risk associated with the method chosen to submit a claim, the timeliness of the claim submission and, in the case of submission by mail, private express carrier, or secure drop box, failure of the claim to be received by the Lottery or a retailer.¶¶

(d) If the Director determines that the ticket or share is invalid, or a non-winning ticket or share, or the claim is invalid, the Director shall deny the claim and the Lottery will notify the claimant. An invalid ticket or share will not be returned to the claimant and is not eligible for any second chance or promotional drawing. A non-winning ticket will only be returned to the claimant if the claimant provides return postage and a self-addressed envelope or mailing container in which to return the ticket.¶¶

(e) Conflicting Information or Discrepancies: If there is conflicting information or discrepancies including, but not limited to, between the name or names on a winning Lottery ticket or share and the name or names on a claim form, the Lottery may withhold prize payment until the conflicting information has been resolved to the Director's satisfaction. Discrepancies include, but are not limited to, names or addresses scratched out or erased or unreadable or altered names or addresses.¶¶

(f) Investigations: At the discretion of the Director or Assistant Director for Security, the Lottery may conduct an investigation to aid in the determination of the rightful owners prior to payment of any prize. An investigation may be conducted under circumstances including, but not limited to, multiple signatures on a ticket or share or a signature that appears altered or forged.¶¶

(g) Determinations: The Director's decisions regarding the determination of a winning Lottery ticket or share, or the determination of the rightful owner or owners of a prize, or of any other dispute or matter arising from payment or awarding of prizes are final and binding on all parties claiming an ownership interest in a prize.¶¶

(h) Payment Decisions: The Director shall make the final decision on whether any prize is paid or any annual prize payment is made. All prizes shall be paid within a reasonable time after they are validated, unless the Director delays a prize payment. The Director may, at any time, delay any prize payment in order to review the validity of a prize claim, or review a change of circumstances relative to the prize awarded, the payee, or the claim, or review any other relevant matter that may come to the Director's attention. Except as set forth in OAR 177-098-0060, for any prize requiring annual payments, all payments after the first payment shall be made on the anniversary date of the first payment in accordance with the type of prize awarded. Any delayed annual payment will be

brought up to date immediately when payment is authorized by the Director.¶

(i) Social Security Numbers or Individual Taxpayer Identification Numbers (ITIN): Each United States resident or nonresident who is to receive a payment of winnings greater than \$600 shall furnish to the Lottery the information required on the Internal Revenue Service Form W-2G (or any other form required by the IRS,) including but not limited to the winner's name, address, and social security number or ITIN. This disclosure is mandatory and the authority for such disclosure is 42 USC 405(c)(2)(C), 26 CFR 31.3402(q)-1(e), ORS 461.715(1)(a), and 461.719(2)(a). A winner's social security number or ITIN will be used for the purpose of identifying child support or public assistance overpayment obligors and payments owed and to administer state and federal tax laws, including collection of tax.¶

(j) Deductions from Prize Amount Paid: When a prize claim is submitted or claimed digitally through a player account, the Lottery will reduce the amount of the prize actually paid to the winner by any amounts required by law to be withheld from payment, including without limitation applicable tax withholding, a writ of garnishment or other legal attachment, child support, or other obligations owed to the State of Oregon. A winner will not be entitled to the full prize amount in such cases and the amounts withheld will be transferred or retained by the Lottery as required by law.¶

(2) Retailer Validation and Payment of Prizes: To determine whether a physical Lottery ticket or share presented for payment entitles the holder to a prize, a retailer must validate the claim with the Lottery by scanning the bar code or manually entering the bar code number printed on each Lottery ticket or share into equipment provided by the Lottery, and, if authorized by the Lottery, pay the holder the prize amount due.¶

(a) Retailer Payment: Unless the prize has multiple owners, a retailer is authorized to pay a prize of \$600 or less and shall pay that prize in cash or check, or any combination thereof.¶

(b) Dishonored Check: If a retailer's prize payment check is dishonored, the payee of the check may seek payment from the Lottery by presenting a copy of the dishonored check at Lottery Headquarters or a Lottery Branch during Lottery business hours, or by mailing a copy of the dishonored check with a winner claim form to the Lottery Mailing Address. If the Lottery determines that payment of the prize is authorized, the retailer has not paid the prize, and it is unlikely that the retailer will pay the prize, the Lottery may then issue a check to the payee of the dishonored check in the amount of the prize due. The Lottery may require submission of the original check issued by the retailer prior to making payment to the payee.¶

(c) Retailer Sanction: A retailer that pays a prize with a check that is dishonored may be subject to termination of its Lottery Retailer Contract.¶

(3) Submission of Prize Claim to Lottery: The holder of a winning ticket or share may claim a prize by submitting the winning ticket or share using one of the methods described in this section, unless a different method is provided for claiming a Highest Prize in the specific rules for the game from which the Highest Prize is derived. A winner claim form may be obtained from any Lottery retailer, from the Lottery Headquarters or a Lottery Branch, or may be downloaded from the Lottery's website.¶

(a) Presenting Claim at Lottery Headquarters or Lottery Branch:¶

(A) Except as provided in subsections (d) and (e) of this section, a claimant may bring and present a ticket or share at Lottery Headquarters or a Lottery Branch during Lottery business hours, unless the ticket or share, or a Lottery rule, specifies that the ticket or share may only be presented at Lottery Headquarters. Prize claims worth \$50,000 or more must be presented to the Lottery in person unless an exception is approved under subsection (b) of this section.¶

(b) Presenting Claim by Mail, Private Express Carrier, or Secure Drop Box:¶

(AB) Except as otherwise provided in this paragraph, when presenting a claim to the Lottery, including a Video Lottery cash slip claimed pursuant to OAR 177-200-0020, the claimant must provide government-issued photo identification that is acceptable to the Lottery.¶

(i) If a claimant is unable to obtain or provide government-issued photo identification, Lottery may accept alternative forms of identification. The decision to accept alternative identification and the type of identification required shall be subject to Lottery's discretion.¶

(ii) For a prize claimed jointly under section (5) of this rule, all claimants must provide identification.¶

(b) Presenting Claim by Mail, Private Express Carrier, or Secure Drop Box:¶

(A) When submitting a claim by mail, private express carrier, or drop box, the claimant must provide a photocopy of the claimant's government-issued photo identification with the claim form. If a claimant is unable to obtain a government-issued photo identification or obtain a photocopy, Lottery may accept alternative identification or may authorize an alternative method for verifying the claimant's identity. The decision to authorize alternative forms of identification or an alternative method for verifying the claimant's identity and the type of identification required shall be subject to Lottery's discretion.¶

(B) A claimant may present a claim by mail or private express carrier by signing the ticket or share, writing the claimant's mailing address on the ticket or share, completing a winner claim form, attaching a photocopy of their government-issued photo identification, and mailing it together with the winning ticket or share to the Lottery

Mailing Address. ~~Register~~ Certified mail is recommended.¶

(B) The Lottery may provide a secure drop box on Lottery Headquarters premises into which a claimant may deposit a signed ticket or share and a completed winner claim form, and a photocopy of their government-issued photo identification. Such secure drop box will be marked as such with Lottery signage. The claim is considered received by the Lottery on the date the claim is retrieved by Lottery personnel from the secure drop box.¶

(C) Unless an exception is approved by the Director or Assistant Director for Security (or, in the event of both of their absences, a person acting as a designee for the Director or Assistant Director for Security), only claims worth less than \$50,000 may be submitted to the Lottery by mail, private express carrier, or secure drop box.¶

(c) Electronic Claim Form: A winner may submit an electronic claim form through the Internet if a winning ticket or share has already been presented using one of the methods specified in subsection (a) or (b) of this section. If the winner submits an electronic claim, the form is received by the Lottery only when the claim enters the Lottery's information processing system in a form that is retrievable by the Lottery and at the time and date noted by the Lottery's information processing system. The Lottery is not responsible for any electronic transmission failures or errors. An electronic winner claim form must include the winner's electronic signature that meets the requirements specified by the Lottery on the instructions for the winner claim form.¶

(d) Claiming Through the DraftKings Sportsbook Player Account: In the DraftKings Sportsbook, a prize is considered claimed immediately upon validation that the share is a winning share as determined by the rules for the particular game. Upon such validation, any taxes or other offsets required by law to be withheld will be withheld and any amounts remaining will be credited to the player account. There are no unclaimed prizes in the DraftKings Sportsbook game and prizes in such games may only be claimed as provided in this subsection.¶

(e) During the public health emergency related to COVID-19, the Lottery will comply with executive orders intended to prevent the spread of COVID-19 and may limit available methods for claiming prizes, especially in-person claiming, during the state of emergency. Claimants may be able to schedule appointments to claim prizes in person, although appointments may be limited as needed to protect the health and safety of staff and the public and to comply with other emergency, the Lottery may limit available methods for claiming prizes, especially in-person claiming, during the state of emergency.¶

(4) Lottery and Prize Payment Methods:¶

~~(a) Except as provided in subsection (b) of this section, the Lottery shall~~ (a) Except as provided in subsection (b) of this section, the Lottery shall

~~(4) Lottery and Prize Payment Methods: Upon, upon validation of a winning Lottery ticket or share presented to the Lottery for payment, the Director may~~ (4) Lottery and Prize Payment Methods: Upon, upon validation of a winning Lottery ticket or share presented to the Lottery for payment, the Lottery shall pay the amount of the prize due to the owner of the ticket or share in the payment method determined by the Lottery to be the most appropriate subject to the following:¶

~~(a) Lottery Cash Payment: Cash prize payments are only made at Lottery Headquarters and are limited to \$50 per person per day. Any prize payment balance remaining above \$50 shall be paid by check or payment device. Lottery will not mail cash.¶~~ (a) Lottery Cash Payment: Cash prize payments are only made at Lottery Headquarters and are limited to \$50 per person per day. Any prize payment balance remaining above \$50 shall be paid by check or payment device. Lottery will not mail cash.¶

~~(b) Prize Payments over \$20,000: Any prize in an amount that is over \$20,000 will be paid by the Lottery using the method that it determines is most secure and effective in light of the circumstances of the winner and the Lottery. Any merchandise by check, payment device, or other appropriate payment method. The prize payment method is at the Lottery's discretion. Lottery does not pay prizes valued in excess of \$20,000 will be paid as merchandise.¶~~ (b) Prize Payments over \$20,000: Any prize in an amount that is over \$20,000 will be paid by the Lottery using the method that it determines is most secure and effective in light of the circumstances of the winner and the Lottery. Any merchandise by check, payment device, or other appropriate payment method. The prize payment method is at the Lottery's discretion. Lottery does not pay prizes valued in excess of \$20,000 will be paid as merchandise.¶

~~(c) Payment Through the DraftKings Sportsbook Player Account: in cash.¶~~ (c) Payment Through the DraftKings Sportsbook Player Account: in cash.¶

~~(b) In the DraftKings Sportsbook digital sports betting game, the Lottery only pays prizes digitally by crediting the player account after the withholding of any amounts required by law to be withheld.¶~~ (b) In the DraftKings Sportsbook digital sports betting game, the Lottery only pays prizes digitally by crediting the player account after the withholding of any amounts required by law to be withheld.¶

~~(5) Claiming Lottery Tickets or Shares Jointly: If more than one name appears on a Lottery ticket or share, or if a Lottery ticket or share is owned by two or more claimant persons, and the names appearing and joint ownership by more than one person was mutually agreed upon, the prize must be claimed in accordance with the following:¶~~ (5) Claiming Lottery Tickets or Shares Jointly: If more than one name appears on a Lottery ticket or share, or if a Lottery ticket or share is owned by two or more claimant persons, and the names appearing and joint ownership by more than one person was mutually agreed upon, the prize must be claimed in accordance with the following:¶

~~(a) Limitations: A ticket or share may not be claimed jointly for the purpose of avoiding or reducing the amount of the prize that will be offset against outstanding debts.¶~~ (a) Limitations: A ticket or share may not be claimed jointly for the purpose of avoiding or reducing the amount of the prize that will be offset against outstanding debts.¶

~~(b) General: All persons claiming ownership of the winning Lottery ticket or share must complete and sign a claim form and the Lottery's Request to Divide and Release Form or Release in Quishment of Ownership Form at the time the prize is claimed. Each of the claimants signing the form must indicate his or her proportionate share of the prize. Each claimant must receive at least \$1.00. At least one of the claimant owners of the ticket or share must sign the ticket or share. That person's signature must also appear on the Request to Divide and Release Form. If a winning ticket or share is mailed to the Lottery with multiple signatures on it, the Lottery will mail the request and release form to each of the claimants.¶~~ (b) General: All persons claiming ownership of the winning Lottery ticket or share must complete and sign a claim form and the Lottery's Request to Divide and Release Form or Release in Quishment of Ownership Form at the time the prize is claimed. Each of the claimants signing the form must indicate his or her proportionate share of the prize. Each claimant must receive at least \$1.00. At least one of the claimant owners of the ticket or share must sign the ticket or share. That person's signature must also appear on the Request to Divide and Release Form. If a winning ticket or share is mailed to the Lottery with multiple signatures on it, the Lottery will mail the request and release form to each of the claimants.¶

~~(b) Relinquishment of Interest: If a person has signed a Lottery ticket or share to relinquish the person's ownership interest in the Lottery ticket or Lottery retailers are not authorized to pay multiple owners who share a single winning prize.¶~~ (b) Relinquishment of Interest: If a person has signed a Lottery ticket or share to relinquish the person's ownership interest in the Lottery ticket or Lottery retailers are not authorized to pay multiple owners who share a single winning prize.¶

~~(c) Unless an exception is approved by the director or the director's designee, each owner will receive an equal share, of that person must sign the Lottery's release of ownership form relinquishing the person's ownership interest to the person the owner designates on the form prize. For example, if the prize is \$600 and there are~~ (c) Unless an exception is approved by the director or the director's designee, each owner will receive an equal share, of that person must sign the Lottery's release of ownership form relinquishing the person's ownership interest to the person the owner designates on the form prize. For example, if the prize is \$600 and there are

~~three owners, each owner will receive \$200. In no event will a person owner be permitted to relinquish ownership interest once it is determined that the person owes money for child support, other legal attachment has taken place or other amounts are otherwise required to be withheld by law. Once the Lottery receives the release of public assistance overpayment.~~¶

~~(d) Unless an exception is approved by the director or the director's designee, each owner of a ticket for the top prize in Megabucks, Powerball, or Mega Millions must select the same payment option, either single lump sum or annuity.~~¶

~~(e) Deceased Signatories: A deceased signatory who dies before signing the request and release form will be presumed to have an ownership interest equal to that of the other signatories. In the event there is a deceased signatory, the Director may withhold payment for 60 days from the date of validation to allow co-owners the opportunity to seek a declaratory ruling from a court.~~¶

~~(f) Issuance of Prize Checks to Multiple Owners: Owners of a ticket for the top prize in Megabucks, Powerball, or Mega Millions must select the same payment option, either single lump sum or annuity.~~¶

~~(g) The Lottery may issue a single prize payment to an owner whose name appears on the ticket or share instead of multiple prize payments to the owners of the ticket or share if the value of each separate prize share would be less than \$50 or if the number of owners claiming a share of the prize exceeds 100 people.~~¶

~~(h) Unless directed otherwise by judicial order pursuant to ORS 461.253, the Lottery only pays prizes to the owner of a validated winning Lottery ticket or share. If a validated winning Lottery ticket or share is claimed by multiple owners, the Lottery will not pay part of a prize to another person who is not an owner, such as a relative.~~¶

~~(i) Unless an exception is approved by the Director, the Lottery will pay each owner claiming a share of the prize amount that portion of the prize amount claimed by each owner, with the total shares paid not to exceed the total prize amount. No cash payments will be made to multiple owners. However, the Director reserves the right to issue a single prize payment to an owner whose name appears on the ticket or share. After the initial presentment of the claim to the Lottery, owners may not be changed or added.~~¶

~~(j) Relinquishment of Interest: To relinquish a person's ownership interest in a Lottery ticket or share, the person must sign the Lottery's Relinquishment of Ownership Form relinquishing the person's ownership interest to the Lottery. In no event will a person be permitted to relinquish ownership interest once it is determined that the person owes money for child support, other legal attachment has taken place, or other amounts are otherwise required to be withheld by law. Once the Lottery receives the release of ownership form, it is irrevocable.~~¶

~~(k) Second Chance Drawing Prize: Sections (5) and (7) of this rule are not applicable to a prize claim from a second chance drawing. Prizes awarded by the Lottery from second chance drawings must be claimed in accordance with the provisions of OAR 177-052-0060 and only the person who submitted the winning entry in a second chance drawing may claim and be paid the prize.~~¶

~~(l) Power of Attorney.~~¶

~~(m) General: The owner of a winning ticket or share may designate in a written power of attorney an agent to act on the owner's behalf and to receive a prize payment on behalf of the owner. The Director shall confirm both the written authorization and the agent. An owner is encouraged to select a bonded agent. The Director may pay a prize to an agent for the owner of a winning ticket or share only if the Director determines that the agent has presented a valid power of attorney under Oregon law authorizing the Lottery to disburse a winning prize amount to the agent on behalf of the owner named on the winning ticket or share. The Director may require that any power of attorney submitted to the Lottery be in a form prescribed by the Lottery. The Director will accept a power of attorney for a winning ticket or share only when there is a single owner of the ticket or share. The owner of the ticket or share for whom a claim is submitted under a power of attorney must be a natural person over the age prescribed in the applicable game rules and be otherwise eligible to play Lottery games and claim a Lottery prize.~~¶

~~(n) Method of Payment: The Lottery will not disburse cash to an agent for a winner. The Lottery will disburse payment to the designated agent for a ticket owner only by check, payment card device, or other method payable to the named owner of the ticket or share, not to the name of the agent.~~¶

~~(o) Power of Attorney Form: A power of attorney submitted to the Lottery must, at a minimum: (i) be in written form, (ii) specify the name, address and telephone number of the owner of the ticket or share; (iii) be dated with a date that is later than the determination of the winner for the game in which a winning prize is being claimed, (iv) specifically identify the winning prize and the game won, (v) specify the name, address and telephone number of the agent who is authorized to claim the prize for the owner; and (vi) clearly state that the agent may complete a claim form and sign the ticket or share in the name of the owner and receive payment of the prize for the owner. The Director, in his or her discretion, may also accept a general power of attorney form for a disabled or incompetent player if the Director determines that the general power of attorney is valid under Oregon law and~~

that payment to the agent of a Lottery prize is within the authority conferred upon the agent under the general power of attorney.¶¶

(d) Identification of Owner: The Director may confirm to the Director's satisfaction that the agent is authorized to claim a prize on behalf of the owner of a winning ticket or share. The Director may attempt to verify or contact the owner of a winning ticket or share that is being claimed by an agent. The Director may request copies of additional documentation to establish the identity of the owner and the validity of the power of attorney including, without limitation, a driver's license, passport or similar identification and documents pertaining to the identity and signature of the owner in order to verify the validity of the power of attorney.¶¶

(e) Appearance: An agent may not present a winning ticket or share through the mail or by private express carrier, but must physically present the winning ticket or share with the power of attorney and any supporting documentation at the Lottery Headquarters to claim the prize payment on behalf of the owner. Subsequent to receipt of acceptable identification, along with a completed claim form from the agent, and the Director's review and approval of the power of attorney and other supporting documentation required by this rule or requested by the Director, the agent, in the presence of a duly authorized Lottery official, shall sign the owner's name on the winning Lottery ticket or share in the place indicated on the ticket or share and immediately return it to the Lottery. The Director shall then disburse payment as provided in these rules.¶¶

(f) Discharge of Lottery from Liability: The owners of lottery tickets or shares are responsible for safeguarding their tickets or shares and assume the risk of an agent with apparent authority from the owner presenting a claim for payment from the Lottery on behalf of the owner. The State of Oregon, its agents, officers, employees, and representatives, including but not limited to, the Oregon Lottery, its Director, agents, officers, employees, and representatives, are discharged of all liability upon payment to an apparent agent for the owner of a winning ticket or share in accordance with this rule. The Lottery is not responsible in any way for the fulfillment or completion of any agreement or power of attorney between the owner and the agent. The Director's decisions regarding the determination that a Lottery ticket or share is, or is not, a winning ticket or share or any question or dispute arising from the payment of such a prize is final and binding on all parties. In the event a question or issue arises regarding payment of a prize through an agent, the Director may withhold payment until the question or issue is resolved. The Lottery, the owner or the purported agent may petition a court of competent jurisdiction for judicial resolution of the matter.¶¶

(g) This section does not apply to the DraftKings Sportsbook digital sports betting game. Prizes in the DraftKings Sportsbook may not be claimed through a power of attorney; provided, however, moneys may be withdrawn from a player account through a power of attorney, if the form of power of attorney is approved and given effect by Lottery.¶¶

(8) Validation and Payment of Lost, Damaged or Destroyed Tickets or Shares: If a player of a game cannot submit an intact winning ticket or share because a retailer lost, damaged, or destroyed the ticket or share while attempting to perform validation procedures on the game ticket or share, or because the ticket or share was otherwise damaged so that it cannot be validated through the Lottery's central computer system or because it is otherwise unreadable, a prize claim based on such lost, damaged, or destroyed ticket or share may still be validated provided the claim is made before the end of the applicable claim period. For purposes of this rule, a ticket or share is unreadable if there is insufficient information remaining on the ticket or share for the Lottery's Security Section to reconstruct and validate the ticket or share.¶¶

(a) Player Form and Affidavit: To claim a prize based on a lost, damaged, or destroyed ticket or share, the player must obtain, complete, and sign a winner claim form and a claim affidavit furnished by the Lottery. The player shall submit the two completed forms along with any other evidence of the validation attempt that is in the player's possession (including, but not limited to, any slips, receipts or other evidence of play produced by the terminal at the time of the validation attempt) to the Lottery either by mail to the Lottery Mailing Address (registered mail recommended) or in person at the Lottery Headquarters or a Lottery Branch during Lottery business hours.¶¶

(b) Evidence: The evidence submitted by the claimant must corroborate any validation attempt of the ticket or share by a retailer including, but not limited to, identification of the Lottery game retailer or clerk who attempted to validate the prize, the time and date of the validation attempt, the ticket or share validation number, the terminal number, and the prize amount.¶¶

(c) Investigation: The Assistant Director for Security will conduct an investigation to determine if the claim and winning game ticket or share are valid.¶¶

(d) Retailer Affidavit: A retailer who is the subject of an investigation conducted under this section must complete and provide to the Lottery a retailer affidavit form explaining the events in question.¶¶

(e) Director's Determination: Based upon all the facts and information available, the Director shall determine whether prize payment is warranted and authorized.¶¶

(f) Payment of Prize: Upon the Director's determination that the ticket or share submitted under this section is a valid, winning ticket or share, and that the player is the proper person to whom a prize is payable, the Lottery shall present or mail a check to the claimant in the amount of the prize due to the claimant.¶¶

(g) Restriction of Payment: Payment of claims submitted under this section is restricted to the prize amount. A winner is not entitled to lost interest earnings or any other form of damages due to a delay in a payment of a prize while the validation process described in this rule is completed.¶¶

(h) Retailer Sanctions: The Director may sanction a Lottery game retailer for the loss, damage or destruction of a winning ticket or share including, but not limited to imposing, a requirement for training for the retailer or the retailer's employees, and any other actions that the Lottery may take in response to a retailer's failure to perform contract duties or requirements as described in the Lottery retailer contract.¶¶

(i) Notification of Denial: If the Director determines that the ticket or share is invalid, or a non-winning ticket or share, or the claim is invalid, the Director shall deny the claim and notify the claimant. An invalid ticket or share will not be returned to the claimant and is not eligible for any second chance or promotional drawing. A non-winning ticket or share will be returned to the claimant if the claimant provides return postage and a self-addressed envelope or mailing container in which to return the ticket or share. If a claim is denied, the Director may, in his or her discretion, provide the claimant with one or more replacement tickets as provided by OAR 177-046-0160.

Statutory/Other Authority: Or Const, Art XV, ¶ 4(4)(a), ORS 461.120, 461.130, 461.150, 461.210, 461.230, 461.240, 461.250, 461.260, 461.400, 461.440, 461.715, 461.719

Statutes/Other Implemented: Or Const, Art XV, ¶ 4(4), ORS 316.194, 461.020, 461.220, 461.240, 461.560, ORS 461.120, 461.130, 461.150, 461.210, 461.230, 461.240, 461.250, 461.260, 461.400, 461.440, 461.715, 461.719

RULE SUMMARY: The Lottery is proposing to amend OAR 177-046-0120 about prizes payable after death. The proposed change adds reference to the beneficiary designation form to section (1) of the rule. This is the form Lottery uses pursuant to ORS 461.250(8)(a) to determine who to pay the remaining prize to in the event that an annuity winner dies before the annuity is paid in full. The Lottery may make additional 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:

177-046-0120

Prizes Payable after Death ¶¶

(1) General: If the winner of a Lottery game dies before claiming his or her prize, the decedent's claim may be presented and validated as provided in this rule within any applicable deadlines for claiming the prize. If a prize winner dies after the prize has been claimed and validated, but before the prize has been entirely paid (such as an annuity prize payment), the remaining prize amount may be paid to the parties listed on a beneficiary designation form, if one is on file, or to the estate of the deceased prize winner as provided in this rule, unless a rule specific to that prize provides otherwise. The Director may rely on the presentment of certified copies of the court's appointment of a personal representative, the death certificate for the deceased prize winner, or other evidence of person(s) entitled to payment of the decedent's prize winnings and may make payment to the estate of the deceased winner once the Director is satisfied that such payment is lawful and proper.¶¶

(2) Release Form: For a deceased prize winner, the personal representative of the winner's estate, or all the parties listed on a beneficiary designation form if one is on file, must sign the Lottery's release form before payment of the prize or any remaining portions of the prize.¶¶

(3) Court Petition: The Director reserves the right to petition any court of competent jurisdiction to determine the proper payment of any prize winnings due to a deceased prize winner.¶¶

(4) Any amounts held in a player account upon the death of a player may be withdrawn by the estate of the player, a trust established by the player or other heirs or devisees of the player, in accord with the procedures established by the entity holding the account for the withdrawal of amounts held in the account of a decedent.

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

Statutes/Other Implemented: Or Const, Art XV, ¶ 4(4), ORS 461.020, 461.210, 461.220, 461.230, ORS 461.120, 461.130, 461.150, 461.250, 461.260, 461.400, 461.440

RULE SUMMARY: The Lottery is proposing to amend OAR 177-075-0027 about the annuity conversion option for the Megabucks Grand prize. The proposed change says that unless an exception is approved, when a Megabucks Grand prize is claimed by more than one person, each person must choose the same payment option – cash or annuity. This change aligns with the change to OAR 177-046-0110(5) described in this notice that requires that persons who are jointly claiming a jackpot prize must choose the same payment option, cash or annuity. The Lottery may make additional 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:

177-075-0027

Annuity Conversion Option ¶¶

- (1) General: ~~A~~Except as provided otherwise in section (6) of this rule, a Grand prize winner has the option of receiving the advertised Grand prize in a single lump sum payment consisting of one-half of the advertised Grand prize or of receiving the full value of the Grand prize paid out in equal annual installments over a period of 30 years.¶¶
- (2) Presentment: A Grand prize winner shall present the winner's ticket and completed claim form, in person, at the Lottery Headquarters, pursuant to OAR 177-046-0110 and 177-070-0025. Upon the Lottery's determination and validation that the winner's ticket is a winning ticket of the Grand prize, the prize winner may exercise the payment option provided in this rule.¶¶
- (3) Election of Option: Within 60 days of the date of validation of the Grand prize, a winner, prior to receiving any prize payment from the Lottery, may acknowledge in writing the winner's election to receive either the single lump sum payment or the annuitized prize payments. A winner's election is irrevocable once the winner's written election is received by the Lottery subject to the limited exception provided in section (5) below.¶¶
- (4) Failure to Exercise Option: In the event a winner does not exercise the above option within 60 days of the validation of the Grand prize, the winner shall receive the full value of the prize paid in equal annual installments over a period of 30 years pursuant to OAR 177-075-0020(2).¶¶
- (5) Last Chance Exercise of Option: A Grand prize winner who has elected the annuitized prize payment method or who has failed to make an election and is placed on the annuitized prize payment plan according to section (4) above, may be permitted at the Lottery's sole discretion to convert to the lump sum payment provided the Lottery has not yet made any payments to the prize winner. Once the Lottery makes any payment of a Grand prize to a Grand prize winner, the choice of payment is irrevocably fixed.¶¶
- (6) Multiple Winners: ~~M~~Unless an exception is approved, multiple winners, jointly claiming ownership of a Grand prize winning ticket in accordance with OAR chapter 177, shall make individual determinations whether to exercise the option to receive their portion of the prize in the form of a single lump sum payment or annuitized payments. Each of the multiple winners exercising the option to receive a single lump sum payment or annuitized payments must do so pursuant to the terms of this rule. Each winner has the option of choo177-046-0110(5), must choose the same payment option, sing~~the~~le lump sum payment or the annuitized payments when the entire prize is more than \$100,000 even if each individual's portion of the prize is less than \$100,000.¶¶
- (7) No Obligation: A winner is under no obligation to exercise the option made available by this rule.
- Statutory/Other Authority: ~~ORS 461 & ORr~~ Const., Art: XV, Sec. ~~¶~~ 4(4)(a), ORS 461.120, 461.130, 461.150, 461.220, 461.250
- Statutes/Other Implemented: ~~ORSr~~ Const, Art XV, ~~¶~~ 4(4), ORS 461.120, 461.130, 461.150, 461.220, 461.250

RULE SUMMARY: The Lottery is proposing to amend OAR 177-085-0035 about Powerball prize payment. The proposed change says that unless an exception is approved, when a Powerball Grand Prize is claimed by more than one person, each person must choose the same payment option – cash or annuity. This change aligns with the change to OAR 177-046-0110(5) described in this notice that requires that persons who are jointly claiming a jackpot prize must choose the same payment option, cash or annuity. The Lottery may make additional 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:

177-085-0035

Powerball Prize Payment ¶

- (1) Selection of Payment Type: Except as provided otherwise in section (2) of this rule, the Grand Prizes shall be paid, at the election of the player made no later than 60 days after validation of the prize, with either a per-winner annuity or single lump sum payment. If the payment election is not made by the player within 60 days after validation, then the prize shall be paid as an annuity prize. The election to take the single lump sum payment may be made at the time of validation of the prize claim or within 60 days thereafter. An election made after validation is final and cannot be revoked, withdrawn, or otherwise changed.¶
- (2) Multiple Claimants: Unless an exception is approved, when a Grand Prize is claimed jointly in accordance with OAR 177-046-0110(5), each claimant must select the same payment option, either single lump sum or annuity.¶
- (3) Share of the Grand Prize: Shares of the Grand Prize shall be determined by dividing the amount available in the Grand Prize Pool Account equally among all tickets with winning game plays of the Grand Prize.¶
- ~~(34)~~ Lump Sum Payment: Winner(s) who elect a lump sum payment shall be paid their share(s) in a single lump sum payment.¶
- (45) Annuity Payment: The annuitized option prize shall be determined by multiplying a winner's share of the Grand Prize Pool Account by a process as approved by the MUSL Board. Neither MUSL nor the Party Lotteries or the Licensee Lotteries shall be responsible or liable for changes in the advertised or estimated annuity prize amount and the actual amount purchased after the prize payment method is actually known to MUSL. In certain instances announced by the Product Group, the Grand Prize shall be a guaranteed amount and shall be determined pursuant to section (142) of this rule. If individual shares of the Grand Prize Pool Account funds held to fund an annuity are less than \$250,000.00, the Product Group, in its sole discretion, may elect to pay the winners their share of the amount held in the Grand Prize Pool Account.¶
- (56) Initial and Annual Payments: Except as may be controlled by statute, all annuitized prizes shall be paid annually in thirty payments with the initial payment being made directly with available funds, to be followed by twenty-nine payments funded by the annuity. All annuitized prizes shall be paid annually in thirty graduated payments (increasing each year) by a rate as determined by the Product Group. Prize payments may be rounded down to the nearest \$1,000. Annual payments after the initial payment shall be made by the lottery on the anniversary date of the first payment or if such date falls on a non-business day, then the first business day following the anniversary date of the first payment. Funds for the initial payment of an annuitized prize or the lump sum payment prize shall be made available by MUSL for payment by the Selling Lottery no earlier than the 15th calendar day (or the next banking day if the fifteenth day is a holiday) following the drawing.¶
- ~~(67)~~ Lack of Available Funds: If necessary, when the due date for the payment of a prize occurs before the receipt of sufficient funds in the prize pool trust to pay the prize, then the transfer of funds for the payment of the full lump sum payment amount may be delayed pending receipt of funds from the Selling Lotteries. The Lottery may elect to make the initial payment from its own funds after validation, with notice to MUSL.¶
- ~~(78)~~ Death of Winner: In the event of the death of a lottery winner during the annuity payment period, unless prohibited by state law, the MUSL Finance and Audit Committee, in its sole discretion excepting a discretionary review by the Product Group, upon the petition of the estate of the lottery winner (the "Estate") or the persons identified on the winner's Beneficiary Designation form (BDF), whichever is applicable, to the state lottery of the state in which the deceased lottery winner purchased the winning ticket, and subject to applicable federal, state, or district laws, may make payment to the Estate or the designated beneficiary of the discounted present value of the remaining annuitized prize payments. If a determination is made, then securities and/or amounts held to fund the deceased lottery winner's annuitized prize may be distributed to the Estate or the persons on the BDF. The identification of the securities, if any, to fund the annuitized prize is at the sole discretion of the MUSL Finance and

Audit Committee or the Product Group.¶¶

(89) Low-Tier Prizes: All prizes are paid directly through the Lottery that sold the winning ticket, and at the discretion of the Selling Lottery may be paid by cash, check, warrant, or electronic transfer. The Lottery may begin paying low-tier prizes after receiving authorization to pay from the MUSL central office.¶¶

(910) Rounding of Powerball® Grand Prize Payments: Annuitized payments of the Grand Prize or a share of the Grand Prize may be rounded to facilitate the purchase of an appropriate funding mechanism. Breakage on an annuitized Grand Prize win shall be added to the first payment to the winner or winners. Prizes other than the Grand Prize which, under OAR 177-085-0025(4)(c) and OAR 177-085-0065(11), may become single-payment, pari-mutuel prizes, may be rounded down so that prizes can be paid in multiples of whole dollars. Breakage resulting from rounding these prizes shall be carried forward to the prize pool for the next drawing.¶¶

(101) Roll Over of Powerball® Grand Prize: If the Grand Prize is not won in a drawing, the prize money allocated for the Grand Prize shall roll over and be added to the Grand Prize Pool Account for the following drawing.¶¶

(112) Guaranteed Powerball® Prizes:¶¶

(a) The Product Group may offer guaranteed minimum Grand Prize amounts or minimum increases in the Grand Prize amount between drawings or make other changes in the allocation of prize money where the Product Group finds that it would be in the best interest of the game.¶¶

(b) If a minimum Grand Prize amount or a minimum increase in the Grand prize amount between drawings is offered by the Product Group, then the Grand Prize amount shall be determined as follows:¶¶

(A) All Winners Select Annuity: If there are multiple Grand Prize winners during a single drawing, each selecting the annuitized option prize, then a winner's share of the guaranteed annuitized Grand Prize shall be determined by dividing the guaranteed annuitized Grand Prize by the number of tickets with winning game plays.¶¶

(B) Mix of Lump Sum and Annuity: If there are multiple Grand Prize winners during a single drawing and at least one of the Grand Prize winners has elected the annuitized option prize, then the MUSL annuity factor shall be utilized to determine the cash pool. The cost of the annuitized prize(s) will be determined at the time the annuity is purchased through a process approved by the MUSL Board.¶¶

(C) No Winners Select Annuity: If no winner of the Grand Prize during a single drawing has elected the annuitized option prize, then the amount of the cash in the Grand Prize Pool Account shall be an amount equal to the guaranteed annuitized amount divided by the MUSL annuity factor.¶¶

(c) Changes in Allocation of Prizes: Minimum guaranteed prizes or increases may be waived if the alternate funding mechanism set out in OAR 177-085-0025(4)(c) becomes necessary. Approval of the Group is required to change the guaranteed minimum Grand Prize amounts or minimum increases in the Grand Prize amount. Effective after the drawing on April 8, 2020, the Group may increase, decrease, or eliminate the guaranteed minimum Grand Prize amount of any announced minimum Grand Prize increases effective at any time following the next drawing following the action taken by the Group.¶¶

(d) Funding of Guaranteed Grand Prizes: If the amount in the Grand Prize Pool Account, Grand Prize Carry Forward Pool Account, and Set Aside Pool Account and contributions from Licensee Lotteries who are not participating in the Prize Reserve Account are insufficient to fund the amount required by awarded Guaranteed Grand Prize(s), then the Prize Reserve Account, and thereafter contributions from individual Member Lotteries and Licensee Lotteries participating in the Prize Reserve Account, may be required to fund Guaranteed Grand Prize award deficiencies. Contributions from the Prize Reserve Account shall first be utilized, and then from individual Member Lotteries and Licensee Lotteries participating in the Prize Reserve Account if necessary. Contributions required from the Prize Reserve Account or from Member Lotteries and Licensee Lotteries participating in the Prize Reserve Account shall be determined on a pro rata basis based on sales since the most recent Grant Prize win.¶¶

(123) One Prize per Board: The holder of a winning ticket may win only one prize per play in connection with the winning numbers drawn, and shall be entitled only to the prize won by those numbers in the highest matching prize category. All liabilities for a Powerball® prize are discharged upon payment of a prize claim.¶¶

(134) Claim Expires in One Year: Claims for all prize categories, including the Grand Prize, must be submitted within one year after the date of the drawing.

Statutory/Other Authority: OR Const, Art XV, § 4(4)(a), ORS 461.120, 461.210, 461.220, 461.230, 461.250

Statutes/Other Implemented: OR Const, Art XV, § 4(4), ORS 461.120, 461.210, 461.220, 461.230, 461.250

RULE SUMMARY: The Lottery is proposing to amend OAR 177-098-0060 about Mega Millions prize payment. The proposed change says that unless an exception is approved, when a Mega Millions Jackpot Prize is claimed by more than one person, each person must choose the same payment option – cash or annuity. This change aligns with the change to OAR 177-046-0110(5) described in this notice that requires that persons who are jointly claiming a jackpot prize must choose the same payment option, cash or annuity. The Lottery may make additional 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:

177-098-0060

Prize Payment ¶¶

(1) Selection of Payment Type: Except as provided otherwise in section (2) of this rule, Jackpot Prizes shall be paid, at the election of the player made no later than 60 days after validation of the prize, with either a per winner annuity or single lump sum payment. If the payment election is not made by the player within 60 days after validation, then the prize shall be paid as an annuity prize. The election to take the single lump sum payment may be made at the time of validation of the prize claim or within 60 days thereafter. An election made after validation is final and cannot be revoked, withdrawn or otherwise changed.¶¶

(2) Multiple Claimants: Unless an exception is approved, when a Jackpot Prize is claimed jointly under OAR 177-046-0110(5), each claimant must select the same payment type, either single lump sum or annuity.¶¶

(3) Share of the Jackpot Prize: Shares of the Jackpot Prize shall be determined by dividing the amount available in the Grand Prize Pool equally among all tickets with winning game plays of the Jackpot Prize in all participating lotteries. The prize money allocated from the current Mega Millions Grand Prize Pool for the Jackpot Prize, plus any previous portions of prize money allocated to the Jackpot Prize category in which no matching tickets were sold will be divided equally among all Jackpot Prize winning tickets in all participating lotteries.¶¶

(34) Lump Sum Payment: Jackpot Prize winner(s) who elect a lump sum payment (cash value option) shall be paid their share(s) in a single lump sum payment. The lump sum payment amount shall be determined by the Mega Millions lotteries. The lump sum payment shall be paid upon completion of all internal validation procedures. Prize payments may be rounded down to the nearest \$1,000.¶¶

(45) Initial and Annual Annuitized Payments: All annuitized prizes shall be paid in graduated annual payments. The annuity option Jackpot Prize amount will be paid in thirty graduated annual installments. The initial payment shall be paid upon completion of all internal validation procedures. The subsequent twenty-nine payments shall be paid graduated annually to coincide with the month of the Federal auction date at which the bonds were purchased to fund the annuity, with graduated annual installments defined in the Mega Millions Lotteries' Finance and Operations Procedures. Payments shall escalate by a factor of five percent annually, and annual payments shall be rounded down to the nearest even one thousand dollar increment. All such payments shall be made within seven days of the anniversary of the annual auction date.¶¶

(56) Jackpot Prizes and Increases: The Mega Millions lotteries may set a minimum guaranteed annuity Jackpot Prize amount, which shall be advertised by the selling lotteries as the starting guaranteed annuity Jackpot Prize amount.¶¶

(67) Roll Over of Jackpot Prize: If in any Mega Millions drawing there are no Mega Millions plays which qualify for the Jackpot Prize category, the portion of the prize fund allocated to such Jackpot Prize category shall remain in the Jackpot Prize category and be added to the amount allocated for the Jackpot Prize category in the next consecutive Mega Millions drawing.¶¶

(78) Funding the Annuity: Funds for the initial payment of an annuitized prize or the lump sum prize shall be made available by MUSL for payment by the Party Lottery on a schedule approved by the Product Group. If individual shares of the Grand Prize pool funds held to fund an annuity is less than \$250,000, the Product Group, in its sole discretion, may elect to pay the winners their share of the held in the Grand Prize Pool. Neither MUSL nor the party lotteries shall be responsible or liable for changes in the advertised or estimated annuity prize amount and the actual amount purchased after the prize payment method is actually known to MUSL.¶¶

(89) Lack of Available Funds: If necessary, when the due date for the payment of a prize occurs before the receipt of funds in the prize pool trust sufficient to pay the prize, the transfer of funds for the payment of the full lump sum cash amount may be delayed pending receipt of funds from the Party Lotteries or other lotteries participating in the Mega Millions Game. A Party Lottery may elect to make the initial payment from its own funds after

validation, with notice to MUSL.¶¶

(910) Death of Winner: In the event of the death of a lottery winner during the annuity payment period, unless prohibited by state law, the MUSL Finance & Audit Committee, in its sole discretion excepting a discretionary review by the Product Group, upon the petition of the estate of the lottery winner (the "Estate") or the persons identified on the winner's Beneficiary Designation form (BDF), whichever is applicable, to the state lottery of the state in which the deceased lottery winner purchased the winning ticket, and subject to applicable federal, state, or district laws, may make payment to the Estate or the designated beneficiary of the discounted present value of the remaining annuitized prize payments. If such a determination is made, then securities and/or amounts held to fund the deceased lottery winner's annuitized prize may be distributed to the Estate or the persons on the BDF. The identification of the securities to fund the annuitized prize is at the sole discretion of the Finance & Audit Committee or the Product Group.¶¶

(101) No Recourse: If a party lottery purchases or holds the prize payment annuity for a prize won in that jurisdiction, that party lottery's game rules, and any prize payment agreement with the prize winner, shall indicate that the prize winner has no recourse on MUSL or any other party lottery for payment of that prize.¶¶

(112) Prize Payments: All prizes are paid through the Lottery that sold the winning ticket(s), and at the discretion of the Selling Lottery may be paid by cash, check, warrant, or electronic transfer. The Lottery may begin paying low-tier prizes after receiving authorization to pay from the MUSL central office.¶¶

(123) Rounding of Prize Payments: Annuitized payments of the Jackpot Prize or a share of the Jackpot Prize may be rounded to facilitate the purchase of an appropriate funding mechanism. Breakage on an annuitized Jackpot Prize win shall be added to the first payment to the winner or winners. Prizes other than the Jackpot Prize which, under these rules, may become single-payment, pari-mutuel prizes, may be rounded down so that prizes can be paid in multiples of whole dollars. Breakage resulting from rounding these prizes shall be carried forward to the prize pool for the next drawing.¶¶

(134) One Prize per Game Play: The holder of a winning ticket may win only one prize per game play in connection with the winning numbers drawn, and shall be entitled only to the prize won by those numbers in the highest matching prize category. All liability for a Mega Millions® prize is discharged upon payment of a prize claim.¶¶

(145) Claim Expires in One Year: Claims for all prize categories, including the Jackpot Prize, shall be submitted within one year after the date of the drawing in accordance with this division, OAR 177-046-0110 and 177-070-0025(4).

Statutory/Other Authority: ~~ORS 190, OR Const. Art. XV, Sec. 4(4)~~ OR Const Art XV, § 4(4)(a), ORS ch 190, ORS 461.120, 461.130, 461.150, 461.210, 461.220, 461.230, 461.250

Statutes/Other Implemented: ~~ORS 461~~ OR Const. Art XV, § 4(4), ORS ch 190, ORS 461.120, 461.130, 461.150, 461.210, 461.220, 461.230, 461.250

RULE SUMMARY: The Lottery is proposing to amend OAR 177-200-0005 about definitions that apply to the terms used in rules in OAR chapter 177, division 200 about Video Lottery games. The proposed change removes the \$20,000 cap on the use of payment device cards. The amendment refers the reader to the defined term in OAR 177-046-0015, which is also being amended in this notice to remove the cap and align with the substantive change being proposed to OAR 177-046-0110, which allows Lottery to use a payment device card to pay prize amounts over \$20,000 if determined appropriate by the Lottery. The Lottery may make additional 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:

177-200-0005

Definitions ¶¶

For purposes of division 200, the following definitions apply except as otherwise provided in OAR chapter 177, or unless the context requires otherwise.¶¶

- (1) "Cash slip" means the receipt issued by a Video Lottery game terminal for the payment of a player's credits remaining at the end of play or for the payment of a Jackpot Prize.¶¶
- (2) "Specialty Game(s)" refers to Video Lottery games, such as the Lottery's Platinum Spin Series games, that offer specially designated prizes in amounts that are higher than the usual prize amounts, including a Jackpot prize.¶¶
- (3) "Jackpot Prize" refers to a prize won during Specialty Game play that is greater than \$600.¶¶
- (4) "Payment Device" ~~means an electronically loaded card or other device loaded with or representing Lottery prize winnings or other dollar amounts of \$20,000 or less, which may include, but is not limited to a debit card, with a corresponding player account~~ has the meaning given the term in OAR 177-046-0015.

Statutory/Other Authority: ORr Const., Art. XV, Sec. ~~2~~ 4(4)(a), ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260, 461.715, 461.719

Statutes/Other Implemented: ORSr Const, Art XV, ~~2~~ 4(4), ORS 316.127, 316.194, 461.215, 461.560, ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260, 461.715, 461.719

RULE SUMMARY: The Lottery is proposing to amend OAR 177-200-0012 about ownership of Video Lottery cash slips to remove provisions relating to when a prize is owned by more than one person. The deleted provisions are not consistent with changes being made to the multiple claimant process in OAR 177-046-0110. (See changes to OAR 177-046-0110 described in this notice.) The Lottery may make additional 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:

177-200-0012

Ownership of Cash Slips ¶¶

(1) General: Except for a cash slip 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 imprinted or placed upon a cash slip, a cash slip is a bearer instrument and is owned by the holder of the cash slip.¶¶

(2) Joint Owners: Multiple individuals at least 21 years of age may jointly own and claim payment as owners of a cash slip using the methods described in OAR 177-046-0110(5) for claiming jointly. Multiple individuals hold the cash slip as tenants in common. ~~Multiple individuals may specify the percentage of ownership each person holds. Each individual must hold \$1.00 of the cash slip value at a minimum.~~¶¶

(3) Owner: When a name is placed upon a cash slip in the designated area, the cash slip ceases to be a bearer instrument. The individual(s) whose name(s) appears in that area on the cash slip is the owner(s) of the cash slip. ~~More than one name may be placed on a cash slip.~~¶¶

(4) Natural Person: Only a natural person who is at least 21 years of age may own a cash slip and claim payment for it.

Statutory/Other Authority: ~~OR~~ Const., Art. XV, § 4(4)(a), ORS 461.120, 461.2170, 461.230, 461.250

Statutes/Other Implemented: ~~OR~~ Const., Art. XV, § 4(4), ~~ORS 461.120, 461.210, 461.215, 461.217, 215, ORS 461.2120, 461.2310, 461.2430, 461.250~~

RULE SUMMARY: The Lottery is proposing to amend OAR 177-200-0020 about payment of Video Lottery game cash slips. The Lottery is proposing to amend the rule to clarify that the identification requirements and the new requirements that apply to the multiple claimant prize claim process being adopted in OAR 177-046-0110 (described in this notice) also apply to Video Lottery cash slips. The Lottery is also proposing to remove an obsolete provision from the rule to avoid confusion. The Lottery may make additional 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:

177-200-0020

Payment of Video Lottery Game Cash Slips ¶¶

- (1) **Original Cash Slip:** Except as set forth in sections (7) and (8) of this rule, an original cash slip is the only valid receipt for claiming prizes or for redeeming credits remaining on a terminal. A copy of a cash slip has no pecuniary or prize value and does not constitute evidence of a cash slip.¶¶
- (2) **Retailer Validation Requirements:** A retailer shall pay a cash slip only if:¶¶
- (a) The cash slip is presented for payment at the retailer location that issued the cash slip.¶¶
 - (b) The player to whom the cash slip is payable is 21 years of age or older and authorized to play under these rules and Oregon statutes.¶¶
 - (c) The cash slip is presented to the retailer within 28 days of the date it was properly issued.¶¶
 - (d) It is intact and legible and meets all the Lottery's security requirements.¶¶
 - (e) It is not counterfeit, fraudulent, lacking the correct captions, altered, tampered with in any manner, or obtained from the Lottery or Lottery retailer by any fraudulent means.¶¶
 - (f) The information appearing on the cash slip corresponds with the computer record of the cash slip data recorded in the Lottery's central computer system.¶¶
 - (g) It has not been previously paid, and¶¶
 - (h) It is not a prize that must be validated and paid by the Lottery, such as a Jackpot Prize.¶¶
- (3) **Retailer Validation Exception:** If a cash slip is not intact or legible, the prize or credits that would have otherwise appeared on the cash slip may nevertheless be paid by the retailer as follows:¶¶
- (a) **Software Validation:** Upon notification by a player that a Video Lottery game terminal issued a cash slip that is not intact or legible, the retailer shall obtain a validation number from the terminal. If the retailer is able to obtain a validation number from the terminal that corresponds to the time and amount of the credits claimed by the player, then the retailer shall validate the prize or credits that would otherwise have appeared on the cash slip through the validation terminal and pay the player.¶¶
 - (A) **Software Validation Report:** If the retailer pays the player pursuant to section (3)(a) of this rule, the retailer must complete a Retailer Software Validation Report signed by the player and the retailer. The retailer must retain the report for one month. The retailer must make them available for audit by the Lottery immediately upon request. The retailer must retain and attach the damaged or illegible cash slips to the reports.¶¶
 - (B) **Validation Number Unavailable:** If the retailer is unable to obtain a validation number from the terminal that corresponds to the time and amount of the credits claimed by the player as required by subsection (3)(a), the player may request payment of the cash slip from the Lottery as provided in section (8) of this rule.¶¶
 - (b) **Jackpot Prize Cash Slip Not Issued, Intact, or Legible:** If a cash slip for a Jackpot Prize is not intact or legible, the player and the retailer must complete a Video Problem Report form, attach the cash slip or all available portions of the cash slip to the form if available, and must submit the form and the cash slip to the Lottery for investigation. The Jackpot Prize may be paid as set forth in section (7) and (8) of this rule.¶¶
- (4) **Limitation on Retailer Validation and Payment of Cash Slip:** A retailer must not attempt to validate, and may not pay, a cash slip for any Jackpot Prize. A retailer shall only validate and pay non-Jackpot Prize cash slips issued by Video Lottery game terminals located on its premises.¶¶
- (5) **Retailer Payment of Cash Slip:** Upon validation of a cash slip as set forth in sections (2) and (3) of this rule, a retailer may pay the amount due. A retailer must not pay a cash slip in tokens, chips, or merchandise, or charge a fee for paying a cash slip or for issuing payment.¶¶
- (a) **Dishonored Retailer Check:** If a retailer's check is dishonored, the player may seek payment from the Lottery by presenting a copy of the dishonored check using the methods provided in OAR 177-046-0110(2).¶¶
 - (b) **Possible Contract Termination:** A retailer that pays a cash slip with a check that is dishonored may be subject to

termination of the Lottery Retailer Contract.¶¶

(6) Lottery Validation and Payment of Cash Slips:¶¶

(a) Submitting a Claim: The owner of a winning cash slip may submit the cash slip to the Lottery in accordance with the methods described in OAR 177-046-0110(3) for winning tickets or shares. A cash slip may be claimed jointly as described in OAR 177-046-0110(5). The claimant of a prize bears all risk associated with the choice of method to submit a claim, the timeliness of the claim submission and, in the case of submission by mail, delivery service, private express carrier, or secure drop box, failure of the claim to be received by the Lottery.¶¶

(b) Timing and Deadline for Submitting a Claim: The cash slip must be received by the Lottery within one year from the date the cash slip was issued.¶¶

(c) Validation and Payment: A cash slip must meet all of the requirements of this rule before Lottery will pay the prize claimed. Upon validation of a cash slip, the Lottery will pay the amount due. A retailer may pay a cash slip of \$1250 or less. Lottery will pay prizes for cash slips as set forth in OAR 177-046-0110 for tickets and shares. The general provisions in OAR 177-046-0110(1) for tickets and shares apply to cash slips.¶¶

~~(d) Retroactive Application: It is the Lottery's intent that subsection (6)(a) of this rule apply retroactively to cash slips submitted to the Lottery for payment beginning March 8, 2020.¶¶~~

(7) Lack of Cash Slip or Validation Number: If a player does not have a cash slip, or a retailer was unable to obtain a validation number, the Lottery will conduct an investigation of a claim presented for payment to the Lottery. The investigation will determine the reasons or causes for the failure of the terminal to produce a cash slip or to print an intact and legible cash slip, and why the retailer was unable to obtain a validation number.¶¶

(a) Payment: The Lottery may pay the claim if the Lottery can determine from its investigation that the credit was on the terminal identified by the player at the time claimed, and that no cash slip has been paid on the claim.¶¶

(b) Signed Statement: The Lottery will not pay any such claim without a signed statement by a player. The player's statement must contain game play information that can be compared to data in the Lottery's central computer system that substantiates that the player won a prize in the amount and at the time claimed, and information from which the Lottery reasonably can determine that the claim has not been paid.¶¶

(c) Jackpot Prize: The Lottery will not pay the claim for a Jackpot Prize without receipt of a Video Problem Report form as described in section (3)(b) of this rule.¶¶

(8) Lottery Validation Exceptions: If a cash slip cannot be validated because the cash slip data is not recorded on the Lottery's central computer system, the Director may still authorize payment if:¶¶

(a) The Lottery conducts an investigation of the claim, and¶¶

(b) The Director concludes that the claimant was an authorized player and that the absence of a record of the cash slip data in the Lottery's central computer system was the result of either a technical problem in the Video Lottery game terminal or a communications problem that prevented the recording of the credits in the Lottery's central computer system.¶¶

(9) Subsequent Claims: If a cash slip improperly paid by a retailer is later submitted for payment to the Lottery, the Lottery may collect the amount of the cash slip from the retailer's EFT account. The Lottery may conduct an investigation to determine if the Lottery properly paid the claim.¶¶

(10) Withholding of Payment: The Lottery may withhold payment of any cash slip claim presented to it until the expiration of the 28-day prize claim period at the retailer's location for prizes payable by the retailer or until the completion of any investigation by the Lottery to determine if payment is proper.¶¶

(11)-Power of Attorney: The owner of a cash slip may designate in a written power of attorney an agent to act on the owner's behalf to redeem a cash slip in accordance with the provisions of OAR 177-046-0110(7) for tickets and shares, except that the form of power of attorney to redeem a cash slip must at a minimum: (i) be in written form, (ii) specify the name, address and telephone number of the owner of the ticket or share; (iii) be dated with a date that is later than the date of the cash slip, (iv) specifically identify the cash slip being redeemed, (v) specify the name, address and telephone number of the agent who is authorized to claim the prize for the owner; and (vi) clearly state that the agent may complete a claim form and sign the cash slip, claim form or other documents required to redeem the cash slip in the name of the owner and receive payment of the prize for the owner. The Director, in his or her discretion, may also accept a general power of attorney form for a disabled or incompetent player if the Director determines that the general power of attorney is valid under Oregon law and that payment to the agent of a Lottery prize is within the authority conferred upon the agent under the general power of attorney.

Statutory/Other Authority: OR~~r~~ Const., Art. XV, ¶ 4(4)(a), ORS 461.120, 461.2170, 461.220, 461.230, 461.25040, 461.250, 461.715, 461.179

Statutes/Other Implemented: OR~~r~~ Const., Art. XV, ¶ 4(4), ORS ~~461.120, 461.210, 316.127, 316.194, 461.215, 461.560, ORS 461.215~~120, 461.2170, 461.220, 461.230, 461.240, 461.250, 461.715, 461.179

RULE SUMMARY: The Lottery is proposing to amend OAR 177-200-0077 about special games. The proposed amendments clarify that the requirements relating to claiming a Video Lottery Jackpot Prize can be found in OAR 177-046-0110(5). Any provisions in this rule that are inconsistent with OAR 177-046-0110(5) as amended by this notice are proposed to be deleted. The Lottery is also proposing to remove an obsolete provision from the rule to avoid confusion. The Lottery may make additional 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:

177-200-0077

Specialty Games ¶¶

- (1) General: The Lottery may offer Specialty Games. Specialty Games may be offered as poker games or video line games.¶¶
- (2) Validation of Jackpot Prize Cash Slip: A cash slip issued for a Jackpot Prize may only be validated and paid at Lottery Headquarters or a Lottery Branch, pursuant to section (3) of this rule.¶¶
- (3) Payment of Jackpot Prizes: A Jackpot Prize must be claimed by an individual by completing a winner claim form and submitting the form and cash slip as provided in OAR 177-200-0020. The winner claim form may be obtained from any Lottery retailer, a Lottery kiosk, from the Lottery Headquarters or a Lottery Branch, or downloaded from the Lottery's website.¶¶
- (4) Claiming a Jackpot Prize Jointly: ~~If more than one name appears in the designated area on a~~ A cash slip issued for a Jackpot Prize, ~~the cash slip~~ must be redeemed in accordance with the provisions of OAR 177-046-0110(6)(a) ~~through (h5)~~ for tickets and shares.
- Statutory/Other Authority: ~~ORS 461 & OR Constitution~~ Const, Art: XV, Sec. 4(4) ¶ 4(4)(a), ORS 461.120, 461.217, 461.230, 461.250, 461.715, 461.719
- Statutes/Other Implemented: ~~ORS 461, 461.250~~ Const, Art XV ¶ 4(4), ORS 316.127, 316.194, 461.215, 461.560, ORS 461.120, 461.217, 461.230, 461.250, 461.715, 461.719