
Rules of Department of Revenue

Division 40—State Lottery

Chapter 85—On-Line Game

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**Title 12—DEPARTMENT OF
REVENUE**

**Division 40—State Lottery
Chapter 85—On-Line Games**

12 CSR 40-85.005 Definitions for All On-Line Games

PURPOSE: This rule defines certain terms for the on-line game which will be applicable to all on-line games.

(1) Certified drawing. A drawing in which the lottery and an independent certified public accountant attests that the drawing equipment functioned properly and that a random selection of a winning combination has occurred.

(2) Drawing. The procedure by which the lottery randomly selects numbers or items in accordance with the specific game rules for those games requiring random selection of numbers or items.

(3) Duplicate ticket. A ticket produced by photograph, xerography or any other method other than a ticket generated by an on-line terminal.

(4) On-line game. A game played on an on-line terminal which is in communication with the lottery's computer.

(5) On-line lottery contractor. A licensed retailer who has contracted with the lottery to sell on-line tickets.

(6) On-line system. The lottery's on-line computer system consisting of on-line terminals, central processing equipment and a communication network.

(7) On-line terminal (OLT). Computer hardware through which an on-line lottery contractor enters the combination selected by a player and by which on-line tickets are generated and claims may be validated.

(8) On-line ticket. A computer generated ticket issued by an on-line lottery contractor to a player as a receipt for the items or combination of items the player has selected.

(9) Player-selected item. A number or item or group of numbers or items selected by a player in connection with an on-line game. Player-selected items include selections of items randomly by the computer on-line system. The computer-generated numbers or items also are known as auto-picks.

(10) Share. A percentage of ownership in a winning ticket.

(11) Validation. The process of determining whether an on-line ticket presented for payment is a winning ticket.

(12) Validation number. The thirteen (13)-digit number printed on the front of each on-line ticket which is used for validation.

(13) Winning combination. Two (2) or more items selected by a drawing.

*AUTHORITY: section 313.220, RSMo (Supp. 1988). * Original rule filed July 15, 1986, effective July 25, 1986.*

**Original authority 1985, amended 1988.*

12 CSR 40-85.010 On-Line Game Contract Provisions

PURPOSE: This rule establishes certain provisions for the on-line game contract.

(1) In addition to provisions of the on-line contract unique to each contractor, the on-line game contract may provide the following provisions:

(A) A discount commission of five percent (5%) of on-line tickets sold by the contractor;

(B) An installation fee as may be established by the executive director.

(C) If the contractor has purchased a business where a terminal has previously been installed, reconnection fees may be charged as may be established by the executive director.

(D) Requirements that the contractor—

1. Sell all on-line games offered;
2. Furnish players with proper claim forms provided by the lottery;
3. Post winning numbers prominently;
4. Attend training provided by the lottery;
5. Allow only trained personnel to operate terminals;
6. Report malfunctions; and
7. Prominently display point-of-sale materials;

(E) A weekly telephone fee as established by the executive director.

(F) Hold the contractor liable for negligent or intentional damage to or loss of vendor equipment.

*AUTHORITY: section 313.220, RSMo (Supp. 1988). * Original rule filed June 4, 1986, effective June 14, 1986. Amended: Filed March 17, 1987, effective March 27, 1987.*

Amended: Filed March 1, 1988, effective May 26, 1988.

**Original authority 1985, amended 1988.*

- Present your ticket to any on-line retailer or a Lottery Claim Center for validation and a winner claim form.
- This form must be used for winnings of \$600 or more, or for claims of any amount made after 90 days from the date of the drawing.
- On-Line Retailers are required to pay prizes up to \$599, for up to 90 days from the date of the drawing.
- On the back of the ticket, print your name and address. You must also sign the back of the ticket.
- Complete Items 1 thru 14. Items 15 thru 17 are voluntary.
- You may determine the amount of your prize, (to be entered on Line 13), through any On-Line Retailer or at a Lottery Claim Center.



12 CSR 40-85.020 Criteria for On-line Terminal Award

PURPOSE: This rule lists the criteria for the award of on-line game contracts.

- (1) The terminals for on-line games shall be awarded by contract between the lottery and any licensed retailer.
- (2) In awarding contracts for on-line games, the following criteria will be considered:
 - (A) The retailer's sales performance history for instant game sales;
 - (B) The retailer's financial history with the lottery;
 - (C) The retailer's instant game history in each of the following activities:
 - 1. Use of materials provided by the lottery;
 - 2. Customer education;
 - 3. Cooperation with lottery sales and general personnel;
 - 4. Initiative in lottery sales;
 - 5. Overall attitude toward lottery sales; and
 - 6. Image of lottery projected by the retailer;
 - (D) The accessibility of the retailer to the current and potential customers including parking and traffic patterns;
 - (E) The retailer's physical facility including sufficient space for terminal location and sales space;
 - (F) The location of the retailer's physical facility in a political subdivision where any special or conditional use restriction or other restriction of lottery games has been adopted;
 - (G) Retailer's ability to provide adequate security;
 - (H) Availability of appropriate telephone or telecommunications facilities; and
 - (I) Any other criteria deemed appropriate by the commission so long as those criteria are applied equally to all retailers.

- (3) After initial start-up, retailers may be added subject to the vendor's obligation to provide terminals, the population densities of the state and current on-line sales by existing terminals.

AUTHORITY: section 313.220, RSMo (Supp. 1988). Original rule filed June 4, 1986, effective June 14, 1986. Amended: Filed Dec. 5, 1988, effective April 27, 1989.*

**Original authority 1985, amended 1988.*

12 CSR 40-85.030 On-Line Ticket Validation Requirements

PURPOSE: This rule sets forth the validation requirements for validating on-line winning tickets.

- (1) All of the following requirements must be met for an on-line game ticket to be a valid on-line game winning ticket:
 - (A) The ticket validation number shall be presented in its entirety and shall correspond using the computer validation file to the selected numbers printed on the ticket for the data printed on the ticket;
 - (B) The ticket shall not be mutilated, altered, reconstituted or tampered with in any manner;
 - (C) The ticket shall not be counterfeit or a duplicate of another winning ticket;
 - (D) The ticket shall have been issued by the lottery through an on-line game contractor in an authorized manner;
 - (E) The ticket shall not have been canceled;
 - (F) The ticket shall be validated in accordance with procedures for claiming and payment of prizes;
 - (G) The ticket data shall have been recorded in the central computer system or magnetic tape or disc before the drawing and the ticket data shall match this computer record in every respect;
 - (H) The player-selected items, the validation number data and the drawing date of an apparent winning ticket shall appear on the official file of winning tickets and a single-lettered game grid with the exact data may have not been previously paid;
 - (I) The ticket may not be misregistered or defectively printed to an extent that it cannot be processed by the lottery; and
 - (J) The ticket shall pass all other confidential security checks of the lottery.

AUTHORITY: section 313.220, RSMo (Supp. 1988). Original rule filed July 15, 1986, effective July 25, 1986.*

**Original authority 1985, amended 1988.*

12 CSR 40-85.040 Lotto Game (Rescinded November 23, 1987)

12 CSR 40-85.050 Prize Amounts for On-Line Parimutuel Games

PURPOSE: This rule sets the amount of prizes for parimutuel games.

- (1) The total amount of prize money allocated to the winnings pool for on-line games shall be a minimum of forty-five percent (45%) of the total gross on-line sales. Any unfunded portion of the guaranteed first prize may be funded from the Lottery Prize Reserve Fund.

- (2) The allocation of the on-line winnings to the prize categories shall be announced by the executive director at least one (1) week prior to the effective date of this rule and one (1) week prior to any future changes in the allocation.

- (3) The prize money allocated to each of the winning prize categories will be divided equally by the number of plays determined to be winning plays for that prize. The executive director may establish a maximum or minimum prize allocation to each of the winning categories.

- (4) In an on-line game, if no winning ticket qualifies for any of the prize categories, the amount allocated for prize shall be carried over and added to the prize pool of the next drawing for that particular game as part of the prize pool for that category.

- (5) The amount allocated to the first prize will be used to purchase an annuity for each winning play. The first prize will be payable to winning tickets by an initial cash payment plus equal payments as established by the executive director occurring on the anniversary date of the drawing. Any winning ticket owned in shares by multiple owners shall be funded as outlined above to the owners as declared on the claim form for claiming the on-line prizes. As established by the executive director, the first prize may be payable to winning ticket holder(s) in a lump sum cash payment equal to the cash value of the first prize annuity or a percentage of the first prize.

AUTHORITY: sections 313.220, RSMo (Cum. Supp. 1997) and 313.230, RSMo (1994). Original rule filed July 15, 1986, effective July 25, 1986. Amended: Filed May 14, 1987, effective Aug. 13, 1987. Amended: Filed Aug. 4, 1988, effective Oct. 27, 1988. Amended: Filed Sept. 15, 1997, effective March 30, 1998.*

**Original authority 313.220, RSMo (1985), amended 1988, 1993, 1995 and 313.230, RSMo (1985), amended 1988, 1990, 1993.*

12 CSR 40-85.055 Designation for Specifics for Each On-Line Game

PURPOSE: This rule designates the specifics the director will publish for each on-line game.

- (1) The director shall publish the following specifics for each on-line game at least one (1) week prior to the start of that game:
 - (A) The name of the game;
 - (B) The combination or range of numbers which will be used in the game;
 - (C) The number of prize categories;
 - (D) The method of announcing the allocation of the winnings pool to the prize categories;
 - (E) The method of matching player-selected number(s) with the winning number(s); and
 - (F) The cost of a play.

(2) The director shall retain the specifics for each on-line game at the Jefferson City office of the Missouri Lottery for one (1) year following the last day on which prizes may be claimed for that game.

(3) The director shall cause the specifics set out in section (1) to be published on point of sale materials and be released to media for publication to ensure by the public and players to the specifics of the on-line game.

*AUTHORITY: section 313.230(1)(b)(c)(d), RSMo (Cum. Supp. 1990). * Original rule filed May 14, 1987, effective Aug. 13, 1987.*

**Original authority 1985, amended 1988, 1990.*

12 CSR 40-85.060 Further Limitations on On-Line Prizes

PURPOSE: This rule sets forth further requirements for winning tickets.

- (1) The winning player(s) agrees by submitting an on-line ticket for validation to abide by the statutes and rules pertaining to the Missouri Lottery and to the on-line game.
- (2) There may not be any other breach of the statutes or rules in relation to the ticket which, in the opinion of the executive director of the lottery, justifies disqualification.
- (3) The on-line ticket shall be a bearer instrument until it is signed. The owner(s) of a winning ticket must declare all other owners and the percentage of ownership for a winning ticket at the time of filing a claim with the Missouri Lottery or presenting the ticket for validation to an on-line lottery contractor.

(4) The contract printed on the ticket stock shall not be interpreted as providing any prize or procedure other than authorized by the lottery statute contained in section 313.200, RSMo and the rules of the commission.

(5) The player shall be responsible for lost or stolen on-line game tickets.

(6) A Lotto play may only be claimed for one (1) prize category.

(7) For purposes of calculation of a prize to be paid with respect to any prize in any game, the winning prize amount shall be rounded down to the nearest dollar.

*AUTHORITY: section 313.220, RSMo (Supp. 1988). * Original rule filed July 15, 1986, effective July 25, 1986. Amended: Filed Feb. 11, 1987, effective Feb. 21, 1987.*

**Original authority 1985, amended 1988.*

12 CSR 40-85.070 Disputes

PURPOSE: This rule sets forth the remedy for disputed winning tickets.

(1) In the event of a dispute between the lottery and the owner(s) or bearer(s) of a winning ticket as to whether the ticket is, in fact, a winning ticket, and if the claimed prize is not paid, the director, solely at his/her option, may replace the disputed ticket with an unplayed ticket(s) of equivalent price from any current on-line game. All decisions of the director as to winning tickets or any other disputes concerning the operation of the on-line game are final and no administrative appeal shall be allowed.

*AUTHORITY: section 313.220, RSMo (Supp. 1988). * Original rule filed July 15, 1986, effective July 25, 1986.*

**Original authority 1985, amended 1988.*

12 CSR 40-85.080 Payments of Prizes up to \$599 Authorized

PURPOSE: This rule sets forth the manner of payment of prizes by on-line contractors.

- (1) On-line lottery contractors shall pay on-line prizes up to and including five hundred ninety-nine dollars (\$599).
- (2) Any on-line contractor may pay a prize for a winning on-line ticket regardless of where the on-line ticket was purchased.

(3) Lottery on-line game contractors shall follow the procedures for validation of the tickets issued by the lottery before paying any on-line prize.

(4) Free plays may be redeemed for thirty (30) days following the drawing.

(5) All winning tickets, except winning first prize Lotto tickets, may be processed at an on-line lottery contractor.

(6) Winning first prize Lotto tickets shall be processed at or with a lottery redemption center.

*AUTHORITY: section 313.220 RSMo (Supp. 1988). * Original rule filed July 15, 1986, effective July 25, 1986. Amended: Filed Feb. 11, 1987, effective Feb. 21, 1987.*

**Original authority 1985, amended 1988.*

12 CSR 40-85.090 Cancellation of or Failure to Enter On-Line Tickets

PURPOSE: This rule provides for suspension or revocation of licenses for any licensee who knowingly cancels an on-line ticket without being requested to do so by the player owning the ticket or for the licensee to fail to enter the play as requested by the player.

(1) A licensee may be subject to suspension or revocation of his/her license if s/he knowingly either—

(A) Cancels any on-line ticket without being requested to do so by the player owning that ticket; or

(B) Fails to enter a play requested by a player.

*AUTHORITY: section 313.220, RSMo (Supp. 1988). * Original rule filed Sept. 15, 1986, effective Sept. 25, 1986. Amended: Filed Nov. 14, 1986, effective Nov. 24, 1986.*

**Original authority 1985, amended 1988.*

12 CSR 40-85.100 Change of Location or of Business Organization for On-Line Contractor

PURPOSE: This rule sets forth certain criteria for a change of location or of business organization for on-line contractors in addition to 12 CSR 40-85.020.

(1) The existing on-line contract shall terminate whenever—

(A) Any on-line contractor changes location; or



(B) More than fifty percent (50%) of the ownership, including common stock, changes hands.

(2) A new contract may be awarded on the basis of the factors set forth in 12 CSR40-85.020.

(3) A change of business structure or change of ownership not included in 12 CSR40-85.100(1) for an on-line contractor will not require a new determination of factors set forth in 12 CSR 40-85.020 even though a new contract is signed with the new business entity.

*AUTHORITY: section 313.220, RSMo (Supp. 1988). * Original rule filed Nov. 14, 1986, effective Nov. 24, 1986.*

**Original authority 1985, amended 1988.*

12 CSR 40-85.110 Pick-3 Game

PURPOSE: This rule defines certain terms for the Pick-3 on-line game.

(1) The following rules shall define the game Pick-3 as an on-line game for the Missouri Lottery:

(A) The game shall consist of three (3) sets of single-digit numbers beginning with zero and progressing by increments of one through the number nine (0—9);

(B) The player shall be entitled to select three (3) numbers per play; and

(C) The cost of a single ticket shall be fifty cents (50¢) times the number of plays.

(2) A certified drawing of a winning number consisting of three (3) digits shall be conducted by the Missouri Lottery. The drawing shall be conducted through the use of machines selected and approved by the executive director for that purpose.

(3) The player-selected numbers on the ticket shall be a group of three (3) digits. More than one (1) player-selected number may appear on the ticket.

(4) The player-selected numbers may be played in any of the following play types:

(A) Straight—The player-selected number must match the winning numbers in the exact order in which the digits of the winning numbers are drawn;

(B) Box—The player-selected number may match the winning numbers in any order in which the digits of the winning numbers are drawn;

(C) Straight/box—The player-selected number may match the winning numbers as in the straight play or the box play;

(D) Combo—A combo is a straight play on all combinations of player-selected numbers;

(E) Front pair—The first two (2) player-selected numbers must match the first two (2) winning numbers in the exact order in which the digits of the winning numbers were drawn; and

(F) Back pair—The last two (2) player-selected numbers must match the last two (2) winning numbers in the exact order in which the digits of the winning numbers were drawn.

(5) The number of plays for each play combination are—

(A) Straight—one (1);

(B) Box—one (1);

(C) Straight/box—two (2); and

(D) Combo—equal to the number of possible combinations. For example: the number 123 has six (6) combinations—123, 132, 213, 231, 312 and 321. The number 122 has three (3) combinations—122, 212 or 221.

(6) The cost of the ticket shall be the number of plays times an amount established by the executive director.

*AUTHORITY: section 313.220, RSMo (Cum. Supp. 1997). * Original rule filed Feb. 11, 1987, effective Feb. 21, 1987. Amended: Filed Feb. 4, 1993, effective Aug. 9, 1993. Amended: Filed Sept. 15, 1997, effective March 30, 1998.*

**Original authority 1985, amended 1988, 1993, 1995.*

12 CSR 40-85.120 Winning Tickets in Pick-3

PURPOSE: This rule sets the criteria for Pick-3 winning tickets.

(1) Winning tickets in Pick-3 shall be determined as follows:

(A) If the player-selected number matches the winning number in the exact order in which the digits of the winning number are drawn, the player-selected number shall be a straight win if the play type selected by the player was—

- 1. A straight play;
- 2. A straight/box play;
- 3. A combo play;
- 4. A front pair play; or
- 5. A back pair play.

(B) If the player-selected number matches the winning number in any order, the player-

selected number shall be a box win if the play type selected by the player was—

- 1. A box play; or
- 2. A straight/box play; and

(C) A straight/box play may be both a straight win and a box win.

*AUTHORITY: section 313.220, RSMo (Cum. Supp. 1997). * Original rule filed Feb. 11, 1987, effective Feb. 21, 1987. Amended: Filed Sept. 15, 1997, effective March 30, 1998.*

**Original authority 1985, amended 1988, 1993, 1995..*

12 CSR 40-85.130 Prize Amounts for Pick-3

PURPOSE: This rule determines the prize amounts for the Pick-3 Game.

(1) The total amount of prize money allocated to the prize pool for the Pick-3 game shall be a minimum of forty-five percent (45%) of total gross Pick-3 sales.

(2) The box factor is the fraction in which the numerator is one (1) and the denominator is the possible number of winning combinations in the player-selected number. For example: For the number 123, the box factor is one-sixth (1/6) hence a 6-way box. For the number 122, the box factor is one-third (1/3) hence a 3-way box.

(3) The prize money allocated to a single Pick-3 winning straight play shall be a fixed amount determined by the executive director.

(4) The prize payout for a winning 6-way box play shall be determined by dividing the payout for a winning straight play by six (6) and rounding to the nearest dollar.

(5) The prize payout for a winning 3-way box play shall be determined by dividing the payout for a winning straight play by three (3) and rounding down to the nearest dollar.

(6) The prize money allocated to a single Pick-3 winning front pair play shall be a fixed amount determined by the executive director.

(7) The prize money allocated to a single Pick-3 winning back pair play shall be a fixed amount determined by the executive director.

*AUTHORITY: section 313.220, RSMo (Cum. Supp. 1997). * Original rule filed Feb. 11, 1987, effective Feb. 21, 1987. Amended: Filed May 3, 1988, effective Aug. 25, 1988. Amended: Filed Sept. 15, 1997, effective March 30, 1998.*

**Original authority 1985, amended 1988, 1993, 1995.*

12 CSR 40-85.140 Drawing and Selling Times

PURPOSE: This rule establishes the drawing and selling times for the on-line and Pick-3 games.

- (1) Lotto drawings shall take place at least once weekly.
- (2) Lotto America drawings shall take place at least once weekly.
- (3) Drawings shall be conducted at times and places designated by the executive director.

*AUTHORITY: section 313.220, RSMo (Supp. 1988). * Original rule filed Feb. 11, 1987, effective Feb. 21, 1987. Amended: Filed Dec. 5, 1988, effective April 27, 1989.*

**Original authority 1985, amended 1988.*

12 CSR 40-85.150 Breakage

PURPOSE: This rule defines the term breakage as it will be used in the Pick-3 and on-line games.

- (1) The fraction of a dollar not paid out due to rounding down shall be called breakage.
- (2) Breakage shall be used exclusively to fund prizes.

*AUTHORITY: section 313.220, RSMo (Supp. 1988). * Original rule filed Feb. 11, 1987, effective Feb. 21, 1987.*

**Original authority 1985, amended 1988.*

12 CSR 40-85.160 Prize Pool for Pick-3

PURPOSE: This rule provides that if the prize pool is not won on a particular day that prize pool shall be added to the prize pool of the next Pick-3 draw.

- (1) For any day that there is no winner in the Pick-3 game, the prize pool for that day shall be added to the prize pool for the next Pick-3 draw.

*AUTHORITY: section 313.220, RSMo (Supp. 1988). * Original rule filed Feb. 11, 1987, effective Feb. 21, 1987.*

**Original authority 1985, amended 1988.*

12 CSR 40-85.170 Game Sell-Out Prohibited

PURPOSE: This rule prevents a purchaser from covering all combinations for a jackpot/grand prize.

- (1) No Missouri lottery office or Missouri lottery retailer shall directly and knowingly sell a ticket or combination of tickets to any person or entity which would guarantee such a purchaser a jackpot or grand prize in an on-line game where the jackpot or grand prize has the potential to roll over.

*AUTHORITY: section 313.220, RSMo (Supp. 1988). * Original rule filed Sept. 17, 1992, effective June 7, 1993.*

**Original authority 1985, amended 1988.*

12 CSR 40-85.175 Entry of Plays

PURPOSE: This rule provides acceptable methods of playing any one-line lottery game.

On-line plays may only be entered manually using the lottery terminal keypad or touch screen, or by means of inserting a playslip provided by the Missouri Lottery and hand-marked by the player or by other means approved by the Missouri Lottery. Retailers shall not permit facsimile playslips, copies of playslips, or other materials not printed or approved by the Missouri Lottery to be inserted into the terminal's playslip reader. Retailers shall not permit any device to be connected to a lottery terminal to enter plays, except as approved by the Missouri Lottery.

*AUTHORITY: section 313.220, RSMo (Supp. 1988). *Original rule filed Feb. 4, 1993, effective Aug. 9, 1993.*

**Original authority 1985, amended 1988.*