

10/30/03

Regulatory Analysis Form

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DEPT. OF TREASURY
REVIEW COMMISSION

IRRC Number: 2371

(1) Agency

Revenue

(2) I.D. Number (Governor's Office Use)

15-424

(3) Short Title

Match 6 Lotto

(4) PA Code Cite

61 Pa. Code §§ 872.1 – 872.17

(5) Agency Contacts & Telephone Numbers

Primary Contact: Anita M. Doucette (717) 787-1382
ext. 64637
Secondary Contact: Jeffery S. Snavely (717) 787-1382
ext. 29212

(6) Type of Rulemaking (check one)

- Proposed Rulemaking
- Final Order Adopting Regulation
- Final Order, Proposed Rulemaking Omitted

(7) Is a 120-Day Emergency Certification Attached?

- No
- Yes: By the Attorney General
- Yes: By the Governor

(8) Briefly explain the regulation in clear and nontechnical language.

The regulation establishes and details the procedures that will be followed in operating and administering the Match 6 Lotto game. Match 6 Lotto is designed to give players the opportunity to win up to four prizes in each game.

For a \$2 purchase, the player gets a ticket containing three sets of six numbers, the numbers in each of these sets ranging from 1 to 49. Players can win one, two or three prizes by matching, in each of their sets of numbers, three or more of the six winning numbers randomly drawn twice a week or as determined and publicly announced by the Secretary.

The combination of the player's 18 numbers generated by the single \$2 purchase (arranged in the three sets of six numbers each), offers the player an additional opportunity to win. Players can win by matching any four or more numbers from among all of their three sets of numbers to any of the winning numbers selected by the Lottery.

(9) State the statutory authority for the regulation and any relevant state or federal court decisions.

Statutory authority for the regulation is set forth in section 303 of the State Lottery Law (72 P.S. § 3761-303).

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(10) Is the regulation mandated by any federal or state law or court order, or federal regulation? If yes, cite the specific law, case or regulation, and any deadlines for action.

The regulation is not mandated by federal or state law, court order or federal regulation.

(11) Explain the compelling public interest that justifies the regulation. What is the problem it addresses?

The regulation establishes and details the procedures that will be followed in operating and administering the Match 6 Lotto game.

(12) State the public health, safety, environmental or general welfare risks associated with nonregulation.

There are no public health, safety, environmental or general welfare risks associated with nonregulation.

(13) Describe who will benefit from the regulation. (Quantify the benefits as completely as possible and approximate the number of people who will benefit.)

Programs benefiting older Pennsylvanians will benefit as a result of Lottery sales.

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(14) Describe who will be adversely affected by the regulation. (Quantify the adverse effects as completely as possible and approximate the number of people who will be adversely affected.)

No parties should be adversely affected by the regulation.

(15) List the persons, groups or entities that will be required to comply with the regulation. (Approximate the number of people who will be required to comply.)

All players of Match 6 Lotto and all on-line retailers will be required to comply with the regulation.

(16) Describe the communications with and input from the public in the development and drafting of the regulation. List the persons and/or groups who were involved, if applicable.

A copy of the regulation was forwarded to the Pennsylvania Bar Association; the Pennsylvania Institute of Certified Public Accountants; the Pennsylvania Society of Public Accountants and the Pennsylvania Chamber of Business and Industry. The regulation will be listed in the Department's next Agenda of Regulations and will be forwarded to interested parties upon request.

(17) Provide a specific estimate of the costs and/or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures which may be required.

There are no costs and/or savings to the regulated community associated with this regulation.

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(18) Provide a specific estimate of the costs and/or savings to local governments associated with compliance, including any legal, accounting or consulting procedures which may be required.

This regulation does not increase costs or savings to local governments. No legal, accounting or consultant procedures are required by the regulation.

(19) Provide a specific estimate of the costs and/or savings to state government associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required.

This regulation does not increase costs or savings to state government by a significant amount, except budgeted cost of Lottery advertising and promotional activity.

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(20) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.

	Current FY Year	FY +1 Year	FY +2 Year	FY +3 Year	FY +4 Year	FY +5 Year
SAVINGS:	\$	\$	\$	\$	\$	\$
Regulated Community						
Local Government						
State Government						
Total Savings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COSTS:						
Regulated Community						
Local Government						
State Government						
Total Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
REVENUE LOSSES:						
Regulated Community						
Local Government						
State Government						
Total Revenue Losses						

(20a) Explain how the cost estimates listed above were derived.

The savings from implementing this regulation are insignificant. The cost of implementing this regulation are minimal.

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(20b) Provide the past three year expenditure history for programs affected by the regulation.

Program	FY -3	FY -2	FY -1	Current FY
Lottery ¹	\$720,347	\$800,417	\$859,278	\$951,331

(21) Using the cost-benefit information provided above, explain how the benefits of the regulation outweigh the adverse effects and costs.

The costs associated with this regulation are minimal. The regulation is needed for administrative efficiency by the Pennsylvania Lottery.

(22) Describe the nonregulatory alternatives considered and the costs associated with those alternatives. Provide the reasons for their dismissal.

There are no nonregulatory alternatives associated with the regulation.

(23) Describe alternative regulatory schemes considered and the costs associated with those schemes. Provide the reasons for their dismissal.

There are no alternative regulatory schemes associated with the regulation.

¹ These amounts represent monies expended from the Lottery Fund to programs to benefit older Pennsylvanians. (Dollar amounts in thousands).

Regulatory Analysis Form

(24) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulation.

There are no federal standards associated with this regulation.

(25) How does this regulation compare with those of other states? Will the regulation put Pennsylvania at a competitive disadvantage with other states?

This regulation relates to the creation of an on-line lottery game and is consistent with Pennsylvania's other on-line game regulations. The regulation will not put Pennsylvania at a competitive disadvantage with other states.

(26) Will the regulation affect existing or proposed regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

This regulation does not affect any other existing or proposed regulations of the Department or any other state agency.

(27) Will any public hearings or informational meetings be scheduled? Please provide the dates, times, and locations, if available.

The Department has not scheduled any public hearings or informational meetings to discuss the regulation.

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(28) Will the regulation change existing reporting, record keeping, or other paperwork requirements? Describe the changes and attach copies of forms or reports which will be required as a result of implementation, if available.

This regulation does not change existing reporting, record keeping or other paperwork requirements.

(29) Please list any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers.

No special groups are affected by the regulation.

(30) What is the anticipated effective date of the regulation; the date by which compliance with the regulation will be required; and the date by which any required permits, licenses or other approvals must be obtained?

This regulation will be effective upon final publication in the Pennsylvania Bulletin. There are no permits, licenses or other approvals required by the regulation.

(31) Provide the schedule for continual review of the regulation.

This regulation is scheduled for review within five years of final publication. No sunset date has been assigned.

CDL-1

**FACE SHEET
FOR FILING DOCUMENTS
WITH THE LEGISLATIVE REFERENCE BUREAU**

(Pursuant to Commonwealth Documents Law)

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REVIEW COMMISSION

Copy below is hereby approved as to form and legality. Attorney General

Copy below is hereby certified to be true and correct copy of a document issued, prescribed or promulgated by:

Copy below is hereby approved as to form and legality. Executive or Independent Agencies

PA Department of Revenue
(AGENCY)

By: _____
(Deputy Attorney General)

DOCUMENT/FISCAL NOTE NO. 15-424

DATE OF ADOPTION _____

11/10/03
DATE OF APPROVAL

DATE OF APPROVAL

Exec.
(Deputy General Counsel)
(Chief Counsel-Independent Agency)
(Strike inapplicable title)

Check if applicable
Copy not approved. Objections attached.

BY *Gregory C. Fajt*
TITLE Secretary of Revenue
(Executive Officer, Chairman or Secretary)

Check if applicable. No Attorney General Approval or objection within 30 days after submission.

NOTICE OF FINAL-OMITTED RULEMAKING

DEPARTMENT OF REVENUE

State Lotteries

61 Pa. Code §§ 872.1 -872.17

Match 6 Lotto

PREAMBLE

The Secretary of Revenue (Secretary), under the authority contained in section 303 of the State Lottery Law (72 P.S. § 3761-303), by this notice of proposed rulemaking omitted, adds Chapter 872. Match 6 Lotto, sections 872.1 - 872.17.

Because of time constraints associated with the establishment, operation and administration of lottery games, the Department of Revenue (Department), under section 204 of the act of July 31, 1968 (P.L. 769, No. 240) (CDL) (45 P.S. § 1204) and the regulation thereunder, 1 Pa. Code § 7.4, finds that notice of proposed rulemaking is under the circumstances impracticable and, therefore, may be omitted.

The Department's justification for utilizing the proposed rulemaking omitted process is based upon the time constraints associated with the establishment, operation and administration of lottery games. The efficient and successful operation of the Lottery requires that the Lottery implement the latest innovations and trends in the lottery industry. The inability to adapt marketing strategies quickly may lead to a reduction in lottery revenues. The necessity of the Lottery to react quickly to market forces has been recognized in the past as an appropriate justification for utilizing the proposed rulemaking omitted process as evidenced by the approval of these types of regulations in the past.

Purpose of Regulation

The regulation establishes and details the procedures that will be followed in operating and administering the Match 6 Lotto game.

Explanation of Regulatory Requirements

Match 6 Lotto is designed to give players the opportunity to win up to four prizes in each game.

For a \$2 purchase, the player gets a ticket containing three sets of six numbers, the numbers in each of these sets ranging from 1 to 49. Players can win one, two or three prizes by matching, in each of their sets of numbers, three or more of the six winning numbers randomly drawn twice a week or as determined and publicly announced by the Secretary.

The combination of the player's 18 numbers generated by the single \$2 purchase (arranged in the three sets of six numbers each), offers the player an additional opportunity to win. Players can win by matching any four or more numbers from among all of their three sets of numbers to any of the winning numbers selected by the Lottery.

Fiscal Impact

The Department of Revenue has determined that the regulations will have no adverse fiscal impact on the Commonwealth and that the game described by the regulations could increase revenues available to older Pennsylvanians.

Paperwork

The regulations will not generate substantial paperwork for the public or the Commonwealth.

Effectiveness/Sunset Date

The regulations will become effective upon publication in the Pennsylvania Bulletin. The regulation is scheduled for review within five years of final publication. No sunset date has been assigned.

Contact Person

The contact person for an explanation of the regulations is Anita M. Doucette, Office of Chief Counsel, PA Department of Revenue, Dept. 281061, Harrisburg, Pennsylvania 17128-1061.

Regulatory Review

Under section 5.1(c) of the Regulatory Review Act (71 P.S. § 745.5a(c)), on *November 25, 2003*, the Department submitted a copy of the regulations with proposed rulemaking omitted to the Independent Regulatory Review Commission (IRRC) and to the Chairpersons of the House Committee on Finance and the Senate Committee on Finance. On the same date, the regulations were submitted to the Office of Attorney General for review and approval under the Commonwealth Attorneys Act (71 P.S. §§ 732-101 - 732-506). In accordance with section 5.1(j.1) of the Regulatory Review Act (71 P.S. § 745.5a(j.1)), the regulations were (deemed) approved by the Committees on . IRRC met on

and (deemed) approved the regulations under section 5.1(e) of the Regulatory Review Act (71 P.S. § 745.5a(e)).

Findings

The Department finds that the regulations are necessary and appropriate for the administration and enforcement of the authorizing statute. Under section 204 of the CDL, the Department also finds that the proposed rulemaking procedures in sections 201 and 202 of the CDL (45 P.S. §§ 1201 and 1202) are unnecessary because of the time constraints associated with the establishment, operation and administration of lottery games.

Order

The Department, acting under the authorizing statute, orders that:

(a) The regulations of the Department, 61 Pa. Code, are amended by adding Chapter 872. Match 6 Lotto, sections 872.1 - 872.17 as set forth in Annex A.

(b) The Secretary shall submit this order and Annex A to the Office of General Counsel and Office of Attorney General for approval as to form and legality as required by law.

(c) The Secretary shall certify this order and Annex A and deposit them with the Legislative Reference Bureau as required by law.

(d) This order shall take effect upon publication in the Pennsylvania Bulletin.

GREGORY C. FAJT
SECRETARY OF REVENUE

09/10/03

CONTINUATION SHEET
FOR FILING DOCUMENTS
WITH THE LEGISLATIVE REFERENCE BUREAU
(Pursuant to Commonwealth Documents Law)

ANNEX A

Title 61. Revenue, Part V. State Lotteries, Chapter 872.
Match 6 Lotto.

§ 872.1. Creation.

Under the act and this part, there is created a numbers game, called Match 6 Lotto, which will commence at the discretion of the Secretary, and will continue until the Secretary publicly announces a suspension or termination date.

§ 872.2. Purpose.

(a) Match 6 Lotto is designed to give players the opportunity to win up to four prizes in each game.

(b) For a \$2 purchase, the player gets a ticket containing three sets of six numbers, the numbers in each of these sets ranging from 1 to 49. Players can win one, two or three prizes by matching, in each of their sets of numbers, three or more of the six winning numbers randomly drawn twice a week or as determined and publicly announced by the Secretary. Correctly matching three or more of the six winning numbers selected by the Lottery and meeting the other validation criteria, entitles the ticket holder to a prize identified in § 872.8(a) (relating to determination of prize winners).

(c) The combination of the player's 18 numbers generated by the single \$2 purchase (arranged in the three sets of six numbers each), offers the player an additional opportunity to win. Matching any four or more numbers from among all of their three sets of numbers to any of the winning numbers selected by the Lottery and meeting the other validation criteria, entitles the ticket holder to a prize identified in § 872.8(b) (relating to determination of prize winners).

§ 872.3. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Apparent winning ticket - A game ticket bearing winning numbers which has not been validated by the Lottery.

Base play - Each of the three sets of six numbers resulting from a \$2 purchase.

Combined game - The combination of the 18 numbers (three plays) on a player's ticket.

Drawing - The process of selecting winning numbers that determine the number of winners for each prize category of the game.

First place (jackpot) prize pool - The amount allocated from Match 6 Lotto gross sales for a particular Match 6 Lotto Game drawing for the purpose of paying first place (jackpot)

prizes, which may include first place (jackpot) prize monies from previous drawings where a first place prize (jackpot) was not won as provided in § 872.8(a)(2) (relating to determination of prize winners).

Game section - One of five areas of the Match 6 Lotto bet slip that contains 49 squares each numbered 1 through 49. Each area is lettered Game A, B, C, D, or E, and when used to purchase a ticket, corresponds to the numbers selected and the numbers that are quick picked and printed on the ticket.

Match 6 Lotto bet slip - A card having a game section used by a player to play the game.

On-line retailer or retailer - A person who is properly authorized by the Lottery to sell tickets.

Quick pick - The random selection through a Lottery terminal of six different numbers from 1 through 49 that appear as a play in the Match 6 Lotto Game.

Ticket - A Match 6 Lotto ticket is a Lottery ticket produced by a licensed retailer in an authorized manner, and contains, at the discretion of the player 1, 2, 3, 4, or 5 games, designated respectively as Game A, B, C, D, and E. Each game designation is followed by its three plays. The ticket also contains at a minimum, the drawing date, the amount bet, and validation data. Each game consists of three plays. A play consists of six numbers, either player or quick pick selected,

from 1 through 49. The player may select or designate as quick pick selection one play per game, the remaining two plays of the game are quick pick selections.

Winning numbers - Six numbers, from 1 through 49, selected in a Match 6 Lotto drawing and which have been subsequently validated by the Lottery, which shall be used to determine the winning plays and the combined game winners on Match 6 Lotto Game tickets.

§ 872.4. Ticket sales retailers.

(a) Match 6 Lotto Game ticket sales may only be made through licensed retailers the Director will appoint and contract with as provided in § 815.42 (relating to ticket sales agents).

(b) The Lottery may terminate sales by a retailer without prior notice to the retailer if the retailer becomes delinquent in payment of proceeds due the Lottery, or fails to handle Lottery funds in the prescribed manner, or if the retailer fails to follow the contract or any addendum thereof, this part or procedures established governing the sale of tickets or if the Lottery deems it to be in the best interest of the Commonwealth.

§ 872.5. Ticket price.

Match 6 Lotto game tickets may be purchased for \$2 per game. Each game shall consist of three individual plays, one of which, at the player's option may be numbers selected by the

player; the remaining two number plays are quick pick selections. These three individual plays combined constitute a game. Additional games may be purchased at the discretion of the player. A ticket may contain one to five games.

§ 872.6. Match 6 Lotto bet slip and ticket characteristics and restrictions.

(a) The player shall select, or request selection by computer, six numbered squares, in one or more of the game sections on a Match 6 Lotto bet slip. Match 6 Lotto bet slips shall be available at no cost to the player. The minimum entry is \$2. For \$2, play game A; for \$4, play games A and B; for \$6, play games A, B, and C; for \$8, play games A, B, C and D; for \$10, play games A, B, C, D and E. Game sections shall be selected in alphabetical order in accordance with the instructions printed on the Match 6 Lotto bet slip. A Match 6 Lotto bet slip has no pecuniary or prize value and does not constitute evidence of the purchase of a ticket or the numbers selected.

(b) To purchase a ticket, players shall, in addition to the purchase price, submit the completed Match 6 Lotto bet slip, or request number selection, either by quick pick or manual terminal entry, to an on-line retailer to have issued a ticket. The ticket shall consist of one to five games, each containing three six number selections, two of which will be quick pick

selections, in each game section (for each \$2 wager) identified by a letter, the drawing date, amount bet, and validation number data. This ticket shall be the only valid proof of the bet placed, and the only valid receipt for claiming a prize. The ticket shall only be valid for the drawing dates printed on the ticket.

(c) If Match 6 Lotto bet slips are unavailable, number selections may be given to an on-line retailer in groups of six number selections, one for each game section and for each \$2 wagered. The retailer shall manually enter the selections into the computer terminal.

(d) A Match 6 Lotto ticket may not be canceled or voided once printed by the Lottery terminal, even if the ticket is printed in error.

(e) It is the sole responsibility of the ticket holder to verify the accuracy and condition of data printed on the ticket. The placing of plays is done at the player's own risk through the on-line retailer who is acting on behalf of the player in entering the play or plays.

§ 872.7. Time, place and manner of conducting drawing.

(a) Time of drawing. A Match 6 Lotto drawing will be held twice a week or as determined and publicly announced by the Secretary.

(b) Place of drawing. A Match 6 Lotto drawing will be conducted in the Harrisburg area unless the Secretary directs that a drawing or part of the drawing procedure be conducted at some other location.

(c) Manner of conducting drawings. The Lottery will draw at random, six numbers from 1 through 49, with the aid of mechanical devices or any other selection methodology as authorized by the Secretary. The six numbers selected will be used in determining base play winners and combined game winners for each individual drawing. The validity of a drawing will be determined solely by the Lottery.

§ 872.8. Determination of prize winners.

(a) The Match 6 Lotto base play prizes and determination of Match 6 Lotto base prize play winners is as follows:

<i>Tickets Containing The Following, In One Single Play</i>	<i>Prize Category</i>	<i>Prize</i>	<i>Percent (%) of Sales Anticipated To Be Paid In Prizes/Category</i>
All Six Winning Numbers	1st	Jackpot	12.83% Actual
Five Winning Numbers	2nd*	\$1,000	2.76%
Four Wining Numbers	3rd*	\$20	2.92%
Three Winning Numbers	4th*	\$2	5.30%
*Indicates set prize.			

(1) Prize money allocated to the base play first prize category (jackpot) will be paid on a pari-mutuel basis, divided equally by the number of plays on tickets determined by the Lottery to be entitled to claim a first prize. The Lottery

will estimate and announce the projected amount of the upcoming jackpot (first place prize pool) prior to the drawing; however, payment will be made only in the amount actually in the first place (jackpot) prize pool.

(2) If, in a Match 6 Lotto drawing, there are no winning base play first place prize plays (jackpots), prize money allocated to that prize category will be added to the amount allocated for the first prize category money in the next Match 6 Lotto drawing.

(3) If more than one winning base play first place prize play is determined, each, upon meeting the requirements of §§ 872.10 and 872.11 (relating to ticket validation requirements; and procedures for claiming and payment of prizes), is entitled to a prorated payment share of the total first prize category.

(b) The Match 6 Lotto combined game prizes and determination of Match 6 Lotto combined game prize play winners is as follows:

<i>Tickets Containing the Following, in One Single Game</i>	<i>Prize*</i>	<i>Percent (%) of Sales Anticipated To Be Paid In Prizes/Category</i>
10 or More Winning Numbers	\$2,500	0.21%
9 Winning Numbers	\$1,000	1.11%
8 Winning Numbers	\$50	0.58%
7 Winning Numbers	\$25	2.12%
6 Winning Numbers	\$10	4.66%

5 Winning Numbers	\$5	9.49%
4 Winning Numbers	\$2	11.02%
*All prizes listed are set prizes.		

(c) All Match 6 Lotto prize payments, including Jackpot prize, will be made as a one time lump-sum cash payment.

(d) A winning Match 6 Lotto game ticket is entitled only to the highest prize won by those numbers on each play plus the highest prize won by those numbers on the combined game.

(e) The number of prize categories, the allocation of prize money among the prize categories, and the minimum base play first place prize category (jackpot) amount may be changed at the discretion of the Secretary and the change will be announced by public notice. The changes will only apply prospectively to Match 6 Lotto drawings as of the date specified in the public notice.

(f) Retailer incentive and marketing promotion programs, including the use of unfunded free tickets, may be implemented at the discretion of the Secretary. Funds for the programs, if needed, will be drawn from the Lottery fund.

§ 872.9. Ticket responsibility.

(a) A ticket is a bearer document deemed to be owned by the person holding the ticket, except that if a name is contained on the back of the ticket, the person so named will, for all purposes, be considered the owner of the ticket.

(b) The Commonwealth will not be responsible for lost or stolen tickets.

(c) The purchaser of the ticket has the sole responsibility for checking the accuracy and condition of the data printed on the ticket.

(d) The Commonwealth will not be responsible for tickets redeemed in error by an on-line retailer.

§ 872.10. Ticket validation requirements.

(a) Valid tickets. To be a valid ticket, the following conditions shall be met:

(1) The ticket validation numbers shall be present in their entirety and shall correspond, using the computer validation file, to the selected numbers printed on the ticket for the date printed on the ticket.

(2) The ticket shall be intact.

(3) The ticket may not be mutilated, altered, reconstituted or tampered with.

(4) The ticket may not be counterfeit or an exact duplicate of a winning ticket.

(5) The ticket shall have been issued by the Lottery through a licensed retailer.

(6) The ticket may not have been stolen.

(7) The ticket shall be validated in accordance with § 872.11 (relating to procedures for claiming and payment of prizes).

(8) The player-selected or computer-selected numbers on the ticket shall be in individual groups of six numbers each. Each group of six numbers shall be a play. Each group of three plays shall be preceded with the designation Game A, B, C, D, or E. The game and its lettered designation and the following 3 plays constitute a single game.

(9) The ticket data shall have been recorded on the Lottery's central computer system prior to the drawing and the ticket data shall match this computer record in every respect.

(10) The player and computer-selected numbers, the validation data and the drawing date of an apparent winning ticket shall appear on the official file of winning tickets. A ticket with that exact data may not have been previously paid.

(11) The ticket may not be misregistered, defectively printed, or printed or produced in error to an extent that it cannot be processed by the Lottery.

(12) The ticket shall pass other confidential security checks of the Lottery.

(13) By submitting a ticket for validation, the player agrees to abide by this chapter as determined by the Secretary.

(14) There may not be another breach of this part in relation to the ticket which, in the opinion of the Secretary, justifies disqualification.

(b) Invalid or defective tickets/disputes. A ticket not passing the validation checks in subsection (a) will be considered invalid and will not be paid.

(1) In cases of doubt, the determination of the Secretary is final and binding. The Secretary may replace an invalid ticket with a ticket of equivalent sale price from a current Lottery game.

(2) If a defective ticket is purchased or if the Secretary determines to adjust an error, the sole and exclusive remedy will be the replacement of the defective or erroneous ticket with a ticket of equivalent sale price from a current Lottery game.

(3) If a ticket is not paid by the Lottery and a dispute occurs as to whether the ticket is a winning ticket, the Lottery may replace the ticket as provided in paragraph (2). This is the sole and exclusive remedy of the holder of the ticket.

§ 872.11. Procedures for claiming and payment of prizes.

(a) A prize shall be claimed only through a licensed on-line retailer as soon as that drawing is placed in pay status by the Lottery.

(b) An on-line retailer is authorized and required to make payment of a prize of \$2,500 or less, if the ticket is presented within a designated time period as announced by the Secretary, on an individual winning ticket, if the retailer has sufficient funds available for payment.

(c) The holder of an apparent winning ticket representing a prize of \$2,500 or less will be paid by participating on-line retailers as provided in subsection (b), if the ticket validation requirements in § 872.10 (relating to ticket validation requirements) have been met, a proper validation pay ticket has been issued by the retailer's computer terminal and other retailer procedures have been met.

(d) The holder of an apparent winning ticket representing a prize in excess of \$2,500, with the exception of the first place prize (jackpot), shall present the winning ticket to an on-line retailer or authorized claim center under Chapter 811 (relating to prizes).

(e) The holder of an apparent winning ticket representing a first place prize (jackpot) shall present, in person, the apparent winning ticket to Lottery Headquarters or a Lottery Area Office under Chapter 811.

(f) The payment of a prize to a person who dies before receiving a particular prize or to a person under 18 years of age will be paid under §§ 811.16 and 811.27 (relating to prizes

payable after death of prize winner; and payment of prizes to persons under 18 years of age).

(g) The Commonwealth will be discharged of liability after payment of prizes as provided in § 811.26 (relating to discharge of State liability upon payment).

§ 872.12. Prizes.

(a) If the total of the set prizes won in a particular Match 6 Lotto drawing exceed sales for that drawing by 100% or more, then those set prize tiers, in which the stated prizes won exceed the percentage of sales anticipated to be paid in prizes/category, will become pari-mutuel. Monies shall be drawn from the Lottery Fund, to the extent necessary, to fund the payment of prizes under this subsection.

(b) If the Match 6 Lotto is terminated for any cause, prize monies remaining undistributed will be paid out of the State Lottery Fund and used for purposes otherwise provided for by law.

§ 872.13. Unclaimed prize money.

Prize money on a winning Match 6 Lotto play may be retained by the Secretary for payment to the person entitled to it. If within 1 year of the drawing date on the ticket, no claim is made on a winning play, as determined by the Secretary, the right to claim prize money terminates, and the prize money will

be paid into the State Lottery Fund and used for purposes otherwise provided for by statute.

§ 872.14. Withholding.

Federal withholding taxes will be withheld by the Lottery for prize payments in amounts required in accordance with applicable provisions of law.

§ 872.15. Purchase and prize restrictions.

A ticket may not be purchased by, and a prize will not be paid to, an officer or employee of the Lottery, Lottery professional services contractors or subcontractors, who are involved in the operation of the on-line lottery games system or its associated drawings, or to a spouse, child, brother, sister or parent residing in the same household of the officer, employee, contractor, or subcontractor.

§ 872.16. Governing law.

(a) In purchasing a ticket, the purchaser agrees to comply with and abide by applicable laws, this part, instructions, conditions and final decisions of the Secretary, and procedures established by the Secretary for the conduct of the Match 6 Lotto.

(b) Decisions made by the Secretary including the declaration of prizes and the payment thereof in interpretation of this part are final and binding on players and persons making a claim in respect thereof.

§ 872.17. Probability of winning.

(a) Probabilities of winning per game:

<i>Number of Winning Numbers Selected By Player</i>	<i>Prize Category</i>	<i>Probability* of Winnings Per Game</i>
All Six Winning Numbers	Jackpot	1:4,661,272.3
Five Winning Numbers	\$1,000	1:18,067.3
Four Winning Numbers	\$20	1:344.5
Three Winning Numbers	\$2	1:19.2
*Odds that one or more plays in a 3-play game will win a prize at the given level. Since more than one play can win a prize, levels are not mutually exclusive.		

(b) Probability of winning combined game:

<i>Number of Winning Numbers Selected By Player</i>	<i>Prize*</i>	<i>Probability of Winnings Per Game</i>
10 or More Winning Numbers	\$2,500	1:597,302.6
9 Winning Numbers	\$1,000	1:45,267.4
8 Winning Numbers	\$50	1:4,440.4
7 Winning Numbers	\$25	1:590.9
6 Winning Numbers	\$10	1:106.7
5 Winning Numbers	\$5	1:26.4
4 Winning Numbers	\$2	1:9.1
*All combined game prizes are set prizes.		

09/09/03

**TRANSMITTAL SHEET FOR REGULATIONS SUBJECT TO THE
REGULATORY REVIEW ACT**

I.D. NUMBER: 15-424
 SUBJECT: Match 6 Lotto
 AGENCY: DEPARTMENT OF REVENUE

TYPE OF REGULATION

- Proposed Regulation
- Final Regulation
- Final Regulation with Notice of Proposed Rulemaking Omitted
- 120-day Emergency Certification of the Attorney General
- 120-day Emergency Certification of the Governor
- Delivery of Tolled Regulation
 - a. With Revisions
 - b. Without Revisions

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 INDEPENDENT REGULATORY REVIEW COMMISSION

FILING OF REGULATION

DATE	SIGNATURE	DESIGNATION
11/25/03	<i>Michelle Warron</i>	HOUSE COMMITTEE ON FINANCE
11/25/03	<i>Jack Deal</i>	SENATE COMMITTEE ON FINANCE
11/25/03	<i>E. Page</i>	INDEPENDENT REGULATORY REVIEW COMMISSION
11-25-03	<i>M. Mummet</i>	ATTORNEY GENERAL (for Final Omitted only)
		LEGISLATIVE REFERENCE BUREAU (for Proposed only)