

<h2 style="margin: 0;">Regulatory Analysis Form</h2> <p style="margin: 0;">(Completed by Promulgating Agency)</p> <p style="margin: 0; font-size: small;">(All Comments submitted on this regulation will appear on IRRC's website)</p>	<p><b>INDEPENDENT REGULATORY REVIEW COMMISSION</b></p>	
<p>(1) Agency</p> <p>Revenue</p>	<div style="text-align: right; font-size: small;">             RECEIVED IRRC 2019 DEC 30 AM 10:21           </div>	
<p>(2) Agency Number: 15</p> <p>Identification Number: 460</p>		<p>IRRC Number: <b>3234</b></p>
<p>(3) PA Code Cite: 61 Pa. Code Chapter 876</p>		
<p>(4) Short Title: iLottery Regulations</p>		
<p>(5) Agency Contacts (List Telephone Number and Email Address):</p> <p>Primary Contact: Maria Miller (717) 783-7524</p> <p>Secondary Contact: Casey Fenstermaker (717) 346-1860</p>		
<p>(6) Type of Rulemaking (check applicable box):</p> <p><input type="checkbox"/> Proposed Regulation</p> <p><input checked="" type="checkbox"/> Final Regulation</p> <p><input type="checkbox"/> Final Omitted Regulation</p>	<p><input type="checkbox"/> Emergency Certification Regulation;</p> <p><input type="checkbox"/> Certification by the Governor</p> <p><input type="checkbox"/> Certification by the Attorney General</p>	
<p><b>(7) Briefly explain the regulation in clear and nontechnical language. (100 words or less).</b></p> <p>The amendments in this final-form rulemaking are made to promulgate final permanent regulations to govern iLottery implementation and operation in this Commonwealth. Act 42 of 2017 (P.L. 419, No. 42) (4 Pa.C.S. § 501-503) (hereinafter “the act”) granted the Department of Revenue (hereinafter “the Department”) the authority to implement and operate iLottery. Temporary regulations were published at 48 Pa.B. 1829 (March 31, 2018).</p> <p>In accordance with the act, the temporary regulations expire no later than two years following the publication in the <i>Pennsylvania Bulletin</i>; therefore, the <b><u>Department is promulgating final permanent regulations required to be effective no later than March 31, 2020.</u></b></p>		
<p><b>(8) State the statutory authority for the regulation. Include <u>specific</u> statutory citation.</b></p> <p>Statutory authority for the regulation is contained in section 503(b) of the act (4 Pa.C.S. § 503(b)(relating to temporary rulemaking authority)). Specific statutory authority for the iLottery self-exclusion program is set forth in section 503(i) (4 Pa.C.S. § 503(i) (relating to self-exclusion)). Also, general authority is granted in section 303(a) of the act of August 26, 1971 (P.L. 351, No. 91) (72 P.S. § 3761-303(a), known as the State Lottery Law (relating to powers and duties of secretary)).</p>		
<p><b>(9) Is the regulation mandated by any federal or state law or court order, or federal regulation? Are there any relevant state or federal court decisions? If yes, cite the specific law, case or regulation as well as, any deadlines for action.</b></p>		

The regulation is mandated by Pennsylvania statute. The act granted the Department the authority to implement and operate iLottery. See 4 Pa.C.S. § 503(a). Temporary regulations were published at 48 Pa.B. 1829 (March 31, 2018). The act requires the temporary regulations to expire no later than two years following the publication in the *Pennsylvania Bulletin*. Regulations adopted after the two-year time period shall be promulgated as provided by law.

**Deadline for action: By statute, the Department is required to promulgate these final permanent regulations to be effective no later than March 31, 2020.**

**(10) State why the regulation is needed. Explain the compelling public interest that justifies the regulation. Describe who will benefit from the regulation. Quantify the benefits as completely as possible and approximate the number of people who will benefit.**

The Department implements and operates iLottery through the Bureau, defined in the Lottery Regulations as the Pennsylvania State Lottery created to administer and operate the lottery. See 61 Pa. Code § 801.1 (relating to definitions). For clarification and to avoid confusion, the definitions for the terms “bureau” and “secretary” are restated in the final-form regulation.

The efficient and successful implementation, operation and administration of the lottery, and iLottery in particular, requires that the Bureau implement the latest innovations and trends in the industry. The inability to adapt quickly may lead to a reduction in revenues generated by the Bureau. The efficient and successful administration and operation of the lottery requires that the final-form iLottery regulations be promulgated in a timely manner and include provisions that allow for the growth of the lottery, the availability of new lottery products and technology, including the implementation of the latest innovations and trends in the industry.

The implementation and operation of iLottery will result in the generation of revenue dedicated to and deposited in the State Lottery Fund. Pennsylvanians 65 years of age older and Pennsylvanians with disabilities who are eligible to receive services funded through the State Lottery Fund will benefit from the regulation.

Pennsylvanians 18 years of age and older will also benefit as the regulations define the duties, rights and responsibilities related to participating in iLottery, as well as how the Department will operate and administer iLottery. The total adult population of Pennsylvania is approximately 9.5 million residents. Additionally, any adult can play iLottery while physically present in Pennsylvania, so nonresidents who choose to participate in iLottery while they are physically present in the Commonwealth benefit as well.

#### **Compelling Public Interest.**

The regulation includes provisions that establish requirements for participation in iLottery. For example, section 876.7 (relating to general provisions) establishes that an individual is required to create a lottery account to participate in iLottery, is required to be 18 years of age or older to create a lottery account and is required to be located within the geographical boundaries of the Commonwealth to purchase a play, chance or share and to purchase lottery products using a lottery account. Section 876.9 (relating to iLottery terms and conditions) sets forth the rules and responsibilities that a registered iLottery player is required to adhere to while participating in iLottery.

Additionally, the regulation establishes the iLottery self-exclusion program as set forth in section 876.16 (relating to self-exclusion from iLottery and responsible gambling tools). The iLottery self-exclusion regulation provides registered iLottery players with the opportunity to exclude themselves from participating in iLottery if they believe it is in their best interest to do so. The self-exclusion section establishes requirements regarding the information that will be required for self-exclusion. Section 876.20 (relating to confidential information) establishes that a player's self-exclusion and other information remains confidential, thereby protecting the privacy of self-excluded registered iLottery players as well as other registered iLottery players.

**Quantify the benefits.**

Older Pennsylvanians and Pennsylvanians with disabilities are the primary beneficiaries of the regulation, as the profits generated from the sale of lottery products, including through iLottery, are deposited into the State Lottery Fund and are distributed by the legislature to various programs that benefit those populations.

iLottery sales are exempt from the profit margin requirements of the Act of August 26, 1971 (P.L. 351, No. 91), known as the State Lottery Law, but any profits from the operation of iLottery are deposited into the State Lottery Fund. For fiscal year 2018-2019, iLottery generated \$31.3 million in profits, which were deposited into the State Lottery Fund for the benefit of older Pennsylvanians and Pennsylvanians with disabilities.

Detailed below are the five main programs that are funded by the State Lottery Fund, either in whole or in part with revenue generated from the lottery, and the contributions made to those programs in fiscal year 2017-2018:

PENNCARE supports Local Services, Senior Centers, and Meals through the PA Department of Aging and received more than \$336 million, which helped to provide 10.7 million meals, averaging more than 29,300 meals for older Pennsylvanians every day.

Low-Cost Prescription Assistance programs PACE and PACENET through the PA Department of Aging received \$155million, and enrollees received more than 6.25 million prescriptions, averaging nearly 17,200 prescriptions for older Pennsylvanians every day.

Free and Reduced-Fare Transportation through PennDOT received more than \$178 million to provide nearly 33.6 million free transit rides and 3.4 million shared rides, averaging more than 101,000 free and reduced-fare rides for older Pennsylvanians every day.

Care Services (e.g., long-term care and community-based services) administered through the PA Department of Human Services received more than \$249 million for more than 15,000 residents, averaging more than \$684,000 in services delivered to older Pennsylvanians every day.

Property Tax and Rent Rebates ("PTRR") through the PA Department of Revenue provided \$262 million in rebates to more than 548,000 households, averaging nearly \$714,290 in PTRR returned every day to older Pennsylvanians and Pennsylvanians with disabilities. The Gaming Fund and the State Lottery Fund both contribute to the PTRR.

**(11) 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 regulations.**

No provisions of this final-form rulemaking are more stringent than federal standards.

**(12) How does this regulation compare with those of the other states? How will this affect Pennsylvania's ability to compete with other states?**

While some jurisdictions have offered traditional lottery products, such as Powerball and MegaMillions,<sup>®</sup> over the internet for several years, the availability of internet instant games and other online lottery products commonly referred to as iLottery is relatively new. As of December 24, 2019, the following jurisdictions have legalized iLottery: the District of Columbia; Georgia; Illinois; Kentucky; Maine; Michigan; Missouri; New Hampshire; New York; North Carolina; North Dakota; Pennsylvania; and Virginia.

The majority of jurisdictions currently operating iLottery do not have regulations specific to iLottery. Rather, these jurisdictions have authorized iLottery under existing state lottery laws and regulations. The majority of jurisdictions implement their iLottery programs through the use of terms and conditions, terms of use, privacy policies and similar documents that establish players' rights and responsibilities as they relate to use of the iLottery platform and services.

Due to State and Federal laws, the Bureau is only authorized to sell lottery products over the internet within the geographical boundaries of the Commonwealth; thus, there is no direct competition with surrounding states.

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

The regulation will replace the Department's temporary Chapter 876 regulations. The regulation will not otherwise affect other regulations of the promulgating agency or other state agencies.

**(14) Describe the communications with and solicitation of input from the public, any advisory council/group, small businesses and groups representing small businesses in the development and drafting of the regulation. List the specific persons and/or groups who were involved. ("Small business" is defined in Section 3 of the Regulatory Review Act, Act 76 of 2012.)**

In conducting informal public outreach before the proposed regulation was published, a copy of the proposed regulation was forwarded to the Pennsylvania Bar Association, the Philadelphia Bar Association, the Pennsylvania Institute of Certified Public Accountants (PICPA), the Pennsylvania Society of Public Accountants and the Pennsylvania Chamber of Business and Industry.

A copy of the proposed regulation was provided to the following members of the House of Representatives of Pennsylvania: Honorable Matthew Bradford; Honorable Bryan Cutler; Honorable Frank Dermody; and Honorable Stan Saylor.

A copy of the proposed regulation was also provided to the following members of the Senate of Pennsylvania: Honorable Patrick M. Browne; Honorable Jake Corman; Honorable Jay Costa; and the Honorable Vincent Hughes.

The Department received questions and comments from Audrey Powell, Policy Director, House Democratic Office of Legislation and Policy, and Tara Hazelwood, Deputy Chief Counsel, House Democratic Caucus, on or about January 8, 2019. No other questions or comments were received by the Department as a result of the informal public outreach.

The proposed rulemaking was published in the *Pennsylvania Bulletin* at 49 Pa.B. 2242 (May 4, 2019) for formal comments. The Department received formal comments from IRRC; Greenwood Gaming and Entertainment, Inc.; and Penn National Gaming, Inc.

**(15) Identify the types and number of persons, businesses, small businesses (as defined in Section 3 of the Regulatory Review Act, Act 76 of 2012) and organizations which will be affected by the regulation. How are they affected?**

Adults who choose to establish a lottery account will be affected by the regulation. The impact on individual persons will be determined by the amount of interaction the person has with the iLottery system and services. For example, an adult 18 years of age and older can attempt to establish a lottery account. Only those individuals who meet the requirements of the regulation will be able to establish a lottery account and access the lottery account features, such as responsible gambling tools, account statements, iLottery games, subscription services, and self-exclusion tools. Only adults who have successfully registered for a lottery account and are located within the geographical boundaries of the Commonwealth are permitted to purchase lottery products through iLottery.

Pennsylvanians 65 years of age and older and Pennsylvanians with disabilities may be affected by the regulation if they are eligible to receive benefits funded with the revenue generated through the implementation and operation of iLottery and deposited into the State Lottery Fund.

Generally, the regulation does not affect businesses, small businesses or organizations. The exceptions are those businesses, small businesses or organizations that contract with the Department to provide the iLottery system or services. Those businesses, small businesses or organizations will be affected because they will be required to ensure that the iLottery systems and services provided are operated in accordance with the regulation.

**(16) List the persons, groups or entities, including small businesses that will be required to comply with the regulation. Approximate the number that will be required to comply.**

Adults who open a lottery account will be required to comply with the regulation.

The Bureau contracts with businesses to provide the iLottery system and services required to operate iLottery; as a result, those specific businesses will be required to comply with the regulation. Based on the current contract with Scientific Games International for the iLottery systems and services, as many as 15-20 businesses are involved in the provision of services related to iLottery at any given time.

**(17) Identify the financial, economic and social impact of the regulation on individuals, small businesses, businesses and labor communities and other public and private organizations. Evaluate the benefits expected as a result of the regulation.**

The financial and economic impact on individuals is based on individual registered iLottery player use and participation in iLottery. Individual registered iLottery players are required to determine the amount

of money they want to spend on the purchase of lottery products. The average rate of return to registered iLottery players is approximately 85% on current iLottery games. The social impact of the regulation on individuals includes the benefits of the self-exclusion tool and the responsible gambling tools to assist registered iLottery players in playing responsibly.

The regulation will not have a financial, economic or social impact on small businesses, businesses, labor communities or other public and private organizations unless one of the aforementioned groups contracts with the Department to provide services related to the provision of iLottery. Those small businesses, businesses or organizations that do contract with the Department and provide systems and services related to iLottery would see a financial benefit from their respective contracts.

The benefits of the regulation include additional revenues for the State Lottery Fund, resulting in additional services for the benefit of Pennsylvanians 65 years of age and older and Pennsylvanians with disabilities. The benefits also include the availability of responsible gambling tools and self-exclusion options for registered iLottery players.

**(18) Explain how the benefits of the regulation outweigh any cost and adverse effects.**

The benefits of the regulation include player awareness of lottery products, lottery accounts and other iLottery features. The final-form regulation sets forth the rules for using the iLottery system and services, including establishing a lottery account, using the features of a lottery account, and claiming a prize through the iLottery system. The final-form regulation also establishes where to locate other, additional information related to the iLottery system, lottery products and lottery accounts. The iLottery system includes responsible gambling tools and self-exclusion options for registered iLottery players.

The revenues generated from the purchase of lottery products through iLottery are used to pay prizes, operating costs of the Bureau and to fund the State Lottery Fund, which supports programs for Pennsylvanians 65 years of age and older, as well as Pennsylvanians with disabilities.

Registered iLottery players played \$381.4 million in fiscal year 2018-2019. \$332 million of that amount went to prize payouts, \$3.8 million went to promotions and bonuses, and \$14.2 million went to various costs associated with administering the program, including iLottery contract costs, advertising, personnel and operating expenses. The cost of this regulation to the Bureau is based on the contracts the Bureau enters into for the services necessary to implement and operate iLottery in accordance with the statutory and regulatory requirements. For fiscal year 2017-2018, those costs totaled approximately \$680,782 (iLottery was only operational from May 22, 2018 through June 30, 2018 for fiscal year 2017-2018). As noted above, iLottery-related costs for fiscal year 2018-2019 totaled \$14.2 million. For fiscal year 2019-2020, as of September 30, 2019, all iLottery-related costs totaled approximately \$5 million. Based on the actual costs as of September 30, 2019, and based on the fact that a new iLottery contract will take effect in May 2020, it is estimated that all iLottery-related costs for fiscal year 2018-2019 will total \$19.5 million. Other costs associated with iLottery are the administration of iLottery by Bureau personnel. The administrative costs are negligible as the Bureau relies heavily on existing employees to administer iLottery. Personnel costs are estimated at \$1 million.

Additionally, the Bureau is required to intercept certain outstanding county and state obligations, including child support, state tax liens and unpaid court costs. Since iLottery was implemented, the Bureau collected more than \$60,000 in outstanding obligations through the intercept process. For each intercept, the Bureau receives a small fee, which totaled \$285 in fiscal year 2018-2019.

In contrast the, Lottery generated more than \$31.3 million in profits in fiscal year 2018-2019, which are dedicated to programs for older Pennsylvanians and Pennsylvanians with disabilities.

Thus, the benefits outweigh any costs or adverse impacts of this regulation.

**(19) 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. Explain how the dollar estimates were derived.**

The regulated community includes the individuals who seek to establish lottery accounts, those individuals who successfully establish lottery accounts and become registered iLottery players and the Department's contractors. For individuals who seek to establish lottery account and for registered iLottery players, compliance with this regulation does not increase costs or savings.

**(20) Provide a specific estimate of the costs and/or savings to the *local governments* associated with compliance, including any legal, accounting or consulting procedures which may be required. Explain how the dollar estimates were derived.**

There are no costs or savings to local governments associated with complying with this regulation. There are no legal, accounting or consulting procedures required of local governments related to this regulation.

**(21) Provide a specific estimate of the costs and/or savings to the *state government* associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required. Explain how the dollar estimates were derived.**

Costs to the Department and more specifically, to the Bureau, for the administration of iLottery are negligible, as the Bureau relies heavily on existing employees to administer iLottery. Legal, accounting and consulting procedures are consistent with the requirements for traditional lottery products.

Costs to the Department for compliance are also included in the contract costs for iLottery systems and related services. For fiscal year 2017-2018, contract costs totaled approximately \$680,782. For fiscal year 2018-2019, contract costs totaled approximately \$14.2 million. As of September 30, 2019, iLottery costs for fiscal year 2019-2020 total approximately \$5 million. It is estimated that total iLottery related costs for fiscal year 2019-2020 will be approximately \$19.5 million. It is estimated that after the first two years of operation, annual costs for iLottery systems and services will be approximately \$20.7 million. The increase in costs following the first two years of operation are a direct result of the fact that the current iLottery contract does not provide for the current iLottery vendor to be paid a commission on sales; instead under the current iLottery contract, the Bureau is only required to pay the third-party costs related to the administration of iLottery, such as game licensing fees, geolocation services, payment processing services, and age and identification verification services. The initial contract for iLottery systems and services was limited by statute to two years. *See* 4 Pa.C.S. § 503(c) (relating to prompt implementation). Beginning in May 2020, a new iLottery contract will take effect, and under the terms of the new iLottery contract, the Bureau will be required to pay a commission to the vendor. These costs estimates are based on the Bureau's estimate of gross gaming revenue (GGR) and sales that will be generated through the iLottery system, as the iLottery contract value is based on a percentage of GGR and sales.

**(22) For each of the groups and entities identified in items (19)-(21) above, submit a statement of legal, accounting or consulting procedures and additional reporting, recordkeeping or other**

**paperwork, including copies of forms or reports, which will be required for implementation of the regulation and an explanation of measures which have been taken to minimize these requirements.**

No legal, accounting, consulting procedures, additional reporting, recordkeeping or other paperwork are required by this regulation for individual registered iLottery players. Legal, accounting and recordkeeping consistent with the Bureau's current processes and procedures for traditional lottery products will be required.

**(22a) Are forms required for implementation of the regulation?**

Electronic forms are required for the implementation of this regulation.

**(22b) If forms are required for implementation of the regulation, *attach copies of the forms here.* If your agency uses electronic forms, provide links to each form or a detailed description of the information required to be reported. *Failure to attach forms, provide links, or provide a detailed description of the information to be reported will constitute a faulty delivery of the regulation.***

The forms required for implementation of this regulation are only required to be completed by individuals who seek to establish a lottery account which will allow the individual to, among other things, purchase lottery products over the internet through the iLottery system.

**Registration Form:** An individual 18 years of age or older who seeks to open a lottery account is first required to register for a lottery account. Registration requires the individual to submit the following information electronically: first and last name; date of birth; all or part of a Social Security Number or comparable equivalent; home address; telephone number; and email address. Individuals registering for a lottery account are required to establish a username and password for the account. Individuals registering for a lottery account are required to agree to the Pennsylvania Lottery's iLottery terms and conditions, which set forth the rules applicable to the use of the lottery account and the iLottery system and related services. The online registration form can be found at the following site: <https://www.pailottery.com/signup/>. Additionally, a copy of the registration form is attached as Exhibit A.

**Payment Information:** Registered iLottery players are required to submit payment information. The information required depends on the type of payment method chosen by the registered iLottery player, but will likely include first and last name; payment type; credit card number/debit card number/bank account number; and expiration date of credit card or debit card.

**Responsible Gambling:** Registered iLottery players who decide they want to utilize the iLottery system's responsible gambling tools will need to provide information depending on the responsible gambling tool they want to use. Registered iLottery players who decide they want to self-exclude from iLottery will need to provide and/or verify identification information, such as: first and last name; Social Security Number or comparable equivalent; date of birth; home address; email address; and telephone number. They are required to acknowledge and agree to specific requirements as set forth in the regulation related to self-exclusion. They are also required to choose the duration of the period of self-exclusion.

In the current iLottery system, registered iLottery players are offered various responsible gambling tools such as deposit limits, spend limits, session time limits and a cool off period. Registered iLottery players who want to establish deposit limits, spend limits or session time limits are required to establish whether the limit is daily, weekly or monthly. Registered iLottery players who want to establish a cool off period

are required to determine the duration of the cool off period. A copy of the responsible gambling forms and the information required is attached as Exhibit B.

**(23) 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 information is based on actual costs incurred between July 1, 2019 through and including September 30, 2019. Costs during this period of time totaled \$5.1 million. The new iLottery contract will take effect in FY 2019-2020 (May 10, 2020) the terms of which require the Department to pay a commission to the vendor. The new iLottery contract is a seven year contract.

	Current FY Year	FY +1 Year	FY +2 Year	FY +3 Year	FY +4 Year	FY +5 Year
<b>SAVINGS:</b>						
Regulated Community	\$0	\$0	\$0			
Local Government	\$0	\$0	\$0			
State Government	\$0	\$0	\$0			
<b>Total Savings</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>COSTS:</b>						
Regulated Community	\$0	\$0	\$0			
Local Government	\$0	\$0	\$0			
State Government	\$19.5 m	\$20.7m	\$20.7 m	\$20.7 m	\$20.7 m	\$20.7 m
<b>Total Costs</b>	<b>\$19.5 m</b>	<b>\$20.7 m</b>				
<b>REVENUE LOSSES:</b>						
Regulated Community						
Local Government						
State Government						
<b>Total Revenue Losses</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**(23a) Provide the past three year expenditure history for programs affected by the regulation.**

Please note that the programs below are funded from or by lottery profits generally. As a result, iLottery profits are grouped in with all other lottery profits deposited in the State Lottery Fund, so the numbers below include traditional lottery game profits for all years. iLottery was not authorized or in operation in FY-3; the numbers in that column therefore only represent the lottery profits from traditional lottery games. iLottery profits are included in the FY-2. Data for FY-1 and the Current FY are not yet available.

Program	FY -3	FY -2	FY -1	Current FY
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Local Services, Senior Centers and Meals	\$331 million	\$336 million	numbers not yet available	numbers not yet available
Free and Reduced- Fare Transportation	\$179 million	\$179 million	numbers not yet available	numbers not yet available
Care Services for Older Pennsylvanians	\$305 million	\$250 million	numbers not yet available	numbers not yet available
Low-Cost Prescription Assistance	\$169 million	\$155 million	numbers not yet available	numbers not yet available
Property Tax and Rent Rebates	\$270 million	\$263 million	numbers not yet available	numbers not yet available

**(24) For any regulation that may have an adverse impact on small businesses (as defined in Section 3 of the Regulatory Review Act, Act 76 of 2012), provide an economic impact statement that includes the following:**

- (a) An identification and estimate of the number of small businesses subject to the regulation.**
- (b) The projected reporting, recordkeeping and other administrative costs required for compliance with the proposed regulation, including the type of professional skills necessary for preparation of the report or record.**
- (c) A statement of probable effect on impacted small businesses.**
- (d) A description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation.**

Small businesses are not subject to the requirements of the regulation unless they choose to contract with the Department for the provision of iLottery services.

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

Generally speaking, the regulation has been developed to provide the Bureau with the ability to offer both new and traditional types of lottery games through iLottery, with the goal of increasing revenues for the benefit of Pennsylvanians 65 years of age and older and Pennsylvanians with disabilities.

This regulation includes specific provisions to promote responsible gambling. Specifically, section 876.16 (relating to self-exclusion from iLottery and responsible gambling tools) provides for the ability of a registered iLottery player to self-exclude from iLottery. Self-exclusion from iLottery prohibits the registered iLottery player from accessing that individual's lottery account, thereby limiting participation

in second chance drawings and other lottery promotions. The self-exclusion process requires the registered iLottery player to provide or verify certain personal information which ensures the registered iLottery player is actually the person requesting self-exclusion and allows the registered iLottery player to process the nature and gravity of the request, as self-exclusion is irrevocable during the self-exclusion period.

Additionally, the regulation includes provisions for the implementation of responsible gambling tools. The potential responsible gambling tools available to registered iLottery players are not listed in detail in the regulation, but rather will be described in the iLottery terms and conditions published in the *Pennsylvania Bulletin*. This approach allows for the responsible gambling tool options to change and increase with the development of new tools and technologies.

Finally, registered iLottery players are required to have a lottery account and are required to be 18 years of age or older pursuant to section 876.7 (relating to general provisions).

**(26) Include a description of any alternative regulatory provisions which have been considered and rejected and a statement that the least burdensome acceptable alternative has been selected.**

There are no non-regulatory alternatives associated with this regulation. One alternative regulatory provision that the Department considered relates to section 876.14a (relating to withdrawals from a lottery account), in which registered iLottery players are permitted to withdraw moneys from their lottery accounts. Of the jurisdictions reviewed by the Bureau in developing this regulation, the overwhelming majority prohibited the withdrawal of moneys once they were deposited by a player. Only prizes or winnings can be withdrawn in most jurisdictions. The Bureau determined that while there would be a variety of benefits to the Bureau to impose such a restriction, it was not be in the best interest of registered iLottery players. The least burdensome, acceptable alternative has been selected for the benefit of the registered iLottery player.

**(27) In conducting a regulatory flexibility analysis, explain whether regulatory methods were considered that will minimize any adverse impact on small businesses (as defined in Section 3 of the Regulatory Review Act, Act 76 of 2012), including:**

Small businesses are not subject to the requirements of this regulation unless they choose to contract with the Department for the provision of iLottery services.

**(28) If data is the basis for this regulation, please provide a description of the data, explain in detail how the data was obtained, and how it meets the acceptability standard for empirical, replicable and testable data that is supported by documentation, statistics, reports, studies or research. Please submit data or supporting materials with the regulatory package. If the material exceeds 50 pages, please provide it in a searchable electronic format or provide a list of citations and internet links that, where possible, can be accessed in a searchable format in lieu of the actual material. If other data was considered but not used, please explain why that data was determined not to be acceptable.**

No scientific data or studies are used to justify this regulation. The Bureau referenced and reviewed internet lottery programs and corresponding regulations from the other jurisdictions in the United States in which similar programs, or components thereof, are legal. In particular, the Bureau reviewed the lottery account terms and conditions from various jurisdictions. The following is a link to the lottery

account terms and conditions that were reviewed by the Bureau, which may have been updated or amended since they were originally viewed by the Bureau:

Michigan Lottery Terms and Conditions

<https://www.michiganlottery.com/buy-online-terms-and-conditions>

Georgia Lottery Terms and Conditions

<https://www.galottery.com/en-us/content/termsandconditions.html>

North Carolina Lottery Online Game Rules

<https://nclottery.com/Terms>

**(29) Include a schedule for review of the regulation including:**

- |   |   |
|---|---|
| A. The length of the public comment period:   | <u>30 days</u>  |
| B. The date or dates on which any public meetings or hearings will be held:                   | <u>NA</u>   |
| C. The expected date of delivery of the final-form regulation:                                | <u>3rd Quarter, 2019</u>  |
| D. The expected effective date of the final-form regulation:                                  | <u>Upon final publication in the Pennsylvania Bulletin &amp; no later than March 31, 2020</u> |
| E. The expected date by which compliance with the final-form regulation will be required:     | <u>Upon final publication in the Pennsylvania Bulletin.</u>                                   |
| F. The expected date by which required permits, licenses or other approvals must be obtained: | <u>NA</u>   |

**(30) Describe the plan developed for evaluating the continuing effectiveness of the regulation after its implementation.**

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

**REGULATORY ANALYSIS FORM**

**Exhibit A**

# REGISTRATION

## Step 1: Click Sign Up Button



## Step 2: Complete form and accept conditions

PA Lottery GAMES ABOUT PROMOTIONS HELP VIP CLUB Sign Up VIP Login

**Email Address \***  **Repeat email \***

**Password \***  **Confirm Password \***

**Full First Name (Example: Lee James not Jm, Patricia not Patty...avoid nicknames) \***

**Last Name \***  **Gender \***

**Date of Birth \***  
MM  DD  YYYY

**Country of Residence \***

**Legal Address Line 1 \***  **Address Line 2**

**City \***  **State \***  **Zip Code \***

**Phone Number (Please use mobile phone number if available) \***

**Security Question #1 \***  **Security Answer #1 \***

**Security Question #2 \***  **Security Answer #2 \***

**Bonus Code**

I am 18 or over and acknowledge, agree, accept and consent to each of the provisions in these [Terms & Conditions](#).

I certify that all information provided during account registration is true and accurate, and that I am not an employee or officer, or an immediate family member living in the principal residence of an employee or officer, of the Lottery or an Lottery contractor or subcontractor.\*

I hereby acknowledge that I am prohibited from allowing any other person to access or use my lottery account.\*

**OPTIONAL** Check this box to receive both PA Lottery Special Offer Emails & PA Lottery Special Offer Emails

**OPTIONAL** Check this box to receive PA Lottery Special Offer text messages (no more than 3 messages per day). By providing your mobile number above and joining this subscription program you authorize PA Lottery to send you automated marketing text messages (SMS and MMS) at the mobile number you provided. You are not required to subscribe to this program to play Lottery/PA Lottery. Click [here](#) for terms and conditions.

## Step 3: Enter last four digits of SSN or go to VIP Club

PA Lottery GAMES ABOUT PROMOTIONS HELP VIP CLUB My Account

### CHOOSE YOUR DESTINATION

To finish signing up to play PA Lottery games, enter the last four digits of your Social Security number. This is required to verify your identity.

Call # of SSN

**TAKE ME DIRECTLY TO VIP**  
To go to the VIP Player's Club and Special-Charue Drawings without creating an account, click below

## Enter SSN, Step 4 Success Page

PA Lottery GAMES ABOUT PROMOTIONS HELP VIP CLUB My Account

## Congratulations!

YOU'RE READY TO PLAY ONLINE!

Collect Your Bonus and Start Play >

Play The Newest, Hottest Lottery Games >

See Today's Promotion >

Join Thousands of Winners >

## If SSN fails

PA Lottery GAMES ABOUT PROMOTIONS HELP VIP CLUB Sign Up VIP Login

**Sorry, there was a problem verifying your account.**

**Please call Player Support at 1-833-530-7529.**

Sorry, there was a problem verifying your account. Contact Player Support to complete the process and to start enjoying PA Lottery to its fullest. Have your driver's license or another form of government ID handy and reference code E1308.

Call us [1-833-530-7529](tel:1-833-530-7529)  
Email us [support@panlottery.com](mailto:support@panlottery.com)  
Chat [Live chat is online](#)

**REGULATORY ANALYSIS FORM**

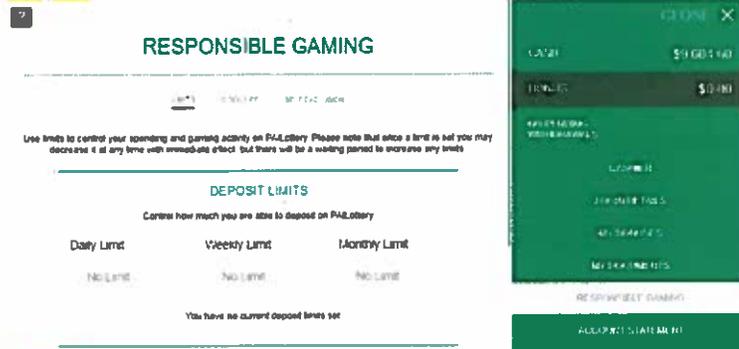
**Exhibit B**

**RESPONSIBLE GAMBLING**

**Step 1: Log into account and select RESPONSIBLE GAMING from "My Account"**



**Step 2: Select limits, cool off or self exclusion**  
**Step 3: Limits (Deposit, Spend and Session Time)**



**Step 4: Select Cool off (1 – 30 day period) where player is restricted from any transactions on your PAiLottery.com account, and PA Lottery second-chance drawings.**



**Step 5: Self Exclusion – three step process**



**Step 5: Self Exclusion Confirm personal details (contd)**

**Step 1 - Personal Details**  
 Please confirm your personal details are correct

First Name: test  
 Last Name: test  
 Date of Birth: March 17, 1988  
 Address Line 1: 100 Blue Street  
 Address Line 2: 2nd line of address  
 Zipcode: 33608  
 State: Colorado  
 City: 80410  
 Country of Residence: United States of America  
 Mobile Number: 7864532344  
 Social Security Number: \*\*\*\*7843

**MY EX TAB ARE CORRECT**

**Self Exclusion Agree to waiver**

**Step 2 - Waiver and Release**

I hereby release and forever discharge the Commonwealth of Pennsylvania, the Pennsylvania Lottery or its employees, from any liability to me and my heirs, administrators, executors and assigns for any harm, monetary or otherwise, which may arise out of or as a result of any act of omission relating to this request for self-exclusion from Lottery participation and activities, or my request for removal from self-exclusion at the conclusion of the chosen self-exclusion period, for Lottery participation and activities, including:

- I the processing and enforcement of the self-exclusion request
- the failure of the Pennsylvania Lottery to withhold PAiLottery.com participation and prizes from me or to restore them to me at the conclusion of the self-exclusion period, and
- the disclosure of the information contained in the self-exclusion request, except for a willfully-oblivious disclosure of such information.

**TAKE IT**

**Self Exclusion Personal Affirmation**

**Step 3 - Personal declaration**

I am voluntarily requesting exclusion from PAiLottery.com, certify that the information I have disclosed is true and accurate and that I have read and understood and agree to the waiver and release included in this request for self-exclusion. I am aware that by submitting this self-exclusion request, my access to PAiLottery.com will be restricted in accordance with my request. Further, I acknowledge that I cannot request my participation to end and any and that I understand and agree that my self-exclusion will not be applied to any PA Lottery second-chance drawings. I understand that I am aware that I remain self-excluded unless and until I contact PAiLottery.com to request to be removed from self-exclusion. I agree to re-submit my PAiLottery.com access.

**TAKE IT**

**Self Exclusion Submit (1 or 5 year)**

**Step 4 - Submission**

I acknowledge and agree that the self-exclusion request is only applicable to PAiLottery.com and will not be deemed to restrict Pennsylvania Lottery products or traditional services. Further, I acknowledge and agree that my self-exclusion will prevent me from participating in other offerings, including second chance drawings, a contest through the Pennsylvania Lottery.

I acknowledge that I could take up to 7 days in order for self-exclusion to take effect on all state approved gaming venues across the state.

Choose the minimum self-exclusion period for online gaming:

One year  Five years

**SUBMIT SELF EXCLUSION REQUEST**

CDL-1

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

**(Pursuant to Commonwealth Documents Law)**

RECEIVED  
IRRC

2018 DEC 30 A 10:21  
DO NOT WRITE IN THIS SPACE

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

By: \_\_\_\_\_  
(Deputy Attorney General)

DATE OF APPROVAL

Check if applicable  
Copy not approved. Objections attached.

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

PA Department of Revenue  
(AGENCY)

DOCUMENT/FISCAL NOTE NO. 15-460

DATE OF ADOPTION \_\_\_\_\_

BY C. Daniel Hassell  
C. Daniel Hassell  
TITLE Secretary of Revenue  
(Executive Officer, Chairman or Secretary)

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

BY [Signature]

DEC 30 2019

DATE OF APPROVAL

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

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

NOTICE OF FINAL RULEMAKING

DEPARTMENT OF REVENUE

61 Pa. Code §§ 876.1 - 876.20

Chapter 876. iLottery

## PREAMBLE

The Department of Revenue (Department) is promulgating permanent regulations to govern the implementation and operation of iLottery in this Commonwealth under the authority conferred in section 503 of Act 42 of 2017 (P.L. 419, No. 42) (the "act") (4 Pa.C.S. § 503) (relating to iLottery authorization) for the Secretary of the Department to offer iLottery games, and under the general authority conferred in section 303(a) of the act of August 26, 1971 (P.L. 351, No. 91), as amended ("the State Lottery Law") (72 P.S. § 3761-303(a)). Under section 503(b)(1) of the act, the Department issued temporary regulations at 61 Pa. Code Chapter 876 (relating to iLottery games - temporary regulations), published in the *Pennsylvania Bulletin* at 48 Pa.B. 1829 (Mar. 31, 2018). The act requires that the temporary regulations expire no later than two years following publication in the *Pennsylvania Bulletin*.

Proposed permanent regulations were published in the *Pennsylvania Bulletin* on May 4, 2019. 49 Pa.B. 2242 (May 4, 2019). The proposed regulations were printed showing revisions from the temporary regulations due to the number of changes made by the Department from the temporary to the proposed regulations.

### Purpose of this Final-Form Rulemaking

The purpose of this final-form rulemaking is to adopt regulations to govern iLottery implementation and operation in this Commonwealth. The Department, through the Secretary, is responsible for implementing iLottery through the authorization of the iLottery program and its various components, including, but not limited to, iLottery games. The Bureau, commonly referred to as the Pennsylvania Lottery, is responsible for the operation and administration of the lottery, including iLottery.

Since iLottery's implementation in May 2018, it has generated revenue dedicated to and deposited in the State Lottery Fund. The efficient and successful administration and operation of the lottery requires that the final-form iLottery regulations be promulgated in a timely manner and include provisions that allow for the growth of the lottery, the availability of new lottery products and new technology, including the implementation of the latest innovations and trends in the industry.

### Explanation of Regulatory Requirements

Chapter 876 in the temporary regulation addressed certain statutory requirements of the act, including iLottery terms and conditions and self-exclusion requirements. The temporary regulation also addressed iLottery games and the

rules associated with those games. The final-form rulemaking reflects the direction that the Department took in implementing iLottery and more clearly establishes rules which were previously only referenced in the iLottery terms and conditions. Registered iLottery player requirements, lottery account requirements and self-exclusion requirements, along with categories of iLottery games and their associated components and rules, are addressed in this final-form rulemaking.

Each paragraph below describes a specific section of the regulation, followed by an explanation of the revisions made from the proposed regulation to the final-form regulation and ending with an explanation as to whether that section was included in the temporary regulation and how the section changed from the temporary regulation to the proposed regulation.

The title of the chapter was changed from "iLottery Games" in the temporary regulation to "iLottery" in the final-form regulation to more accurately describe the requirements set forth in the chapter. Chapter 876 establishes requirements related to all aspects of iLottery, not only iLottery games.

Section 876.1 (relating to scope) establishes what is covered by the chapter in the final-form regulation,

including iLottery game rules, iLottery registration and participation, lottery account requirements and iLottery self-exclusion requirements. This section appears in the temporary regulation and was revised during the rulemaking process to include lottery account requirements as part of the scope of the chapter to more accurately reflect what is covered in the chapter.

Section 876.2 (relating to definitions) includes definitions that also appear in other chapters of the State Lottery regulations, including "bureau" and "secretary," for clarity and consistency. Definitions for terms specific to or related to iLottery include: "bonus money," "cash-out games," "drawing," "fixed payouts," "iLottery," "iLottery game," "instant win game," "Internet instant game," "lottery account," "lottery products," "lotto game," "numbers game," "pari-mutuel," "play," "prize or lottery prize," "prize pool or pool," "prize tiers," "progressive," "purchase price," "randomizer," "random number generator," "registered iLottery player," "responsible gambling tools," "subscription services," "top prize," "traditional lottery products," "winning play" and "winning numbers."

This final-form rulemaking revises several definitions in the proposed regulation. The definition of "bonus money" was revised to change the term "registered iLottery players"

to the defined term, "registered iLottery player," for consistency. The proposed definitions of "drawing," "fixed payouts," "instant win game," "Internet instant game" and "random number generator" were revised to replace the term "play" with the phrase "play, chance or share" for clarity and consistency.

In response to a comment from IRRC, the proposed definition of "drawing" was revised to remove the following substantive language: "Drawings may be conducted by a mechanical device using balls, a random number generator, a randomizer or by using any other method authorized by the Secretary. Drawings may be on demand or at a predetermined date and time as established by the Secretary." The proposed definitions of "iLottery" and "Internet instant game" were revised to change the word "players" to the defined term "registered iLottery player" for clarity and consistency. The proposed definition of "Internet instant game" was also revised to add the word "a" in front of the phrase "play, chance or share" and to replace the word "Lottery" with the defined term "Bureau" for clarity and consistency. The proposed definition of "lottery products" was revised to add the following language in the second sentence: "any iLottery game or lottery product authorized by the Secretary and offered by the Bureau under the act of August 26, 1971 (P.L.

351, No. 91) (72 P.S. §§ 3761-301 - 3761-315), known as the State Lottery Law, or Act 42 of 2017 (P.L. 419, No. 42) (4 Pa.C.S. §§ 501-505) such as" to enable the Bureau to offer additional lottery products through iLottery. The clause "authorized for sale under the State Lottery Law" was deleted to avoid duplicative language.

The proposed definition of "lotto game" was revised to replace the word "numbers" with the phrase "numbers, letters or symbols" to clarify that lotto games may include the drawing of numbers, letters or symbols and to replace the phrase "winning plays are those in which the" with the phrase "To win, a" for clarity, since "winning play" is a defined term.

The proposed definition of "numbers game" was revised to replace the word "numbers" with the phrase "numbers, letters or symbols" to clarify that numbers games may include the drawing of numbers, letters or symbols, to clarify that the numbers, letters or symbols are required to match and to remove any suggestion that a requirement is imposed on a registered iLottery player. Specifically, the sentence "A straight play requires the registered iLottery player to match the numbers in the same order as the winning numbers are drawn by the Bureau" was replaced with the following sentence: "In straight play, the numbers, letters or symbols

are matched in the same order as the winning numbers are drawn by the Bureau." Additionally, the sentence "A box play requires the registered iLottery player to match all of the winning numbers drawn by the Bureau, but in any order" was replaced with the following sentence: "In box play, the numbers, letters or symbols match all of the winning numbers drawn by the Bureau, but in any order."

The proposed definition of "pari-mutuel" was revised to replace the term "prize pool" with "prize pool or pool" to reflect the defined terms. The proposed definition of "prize or lottery prize" was revised to add the phrase "in this chapter" to the end of the second sentence for clarity.

The proposed definition of the term "prize pool or pool" was revised to clarify that reference to a "prize pool" or "pool" can also mean a preset number of plays, chances or shares containing a predetermined number of winners. The proposed definition of "progressive" was revised to replace the hyphenated word "pre-determined" with "predetermined" for consistency. The proposed definition of "purchase price" was revised to replace the phrase "share or chance" with the phrase "chance or share" for consistency.

The proposed definition of "registered iLottery player" was revised to change the tense of the words from "created" to "creates" and from "registered" to "registers," for

consistency. The proposed definition of "winning numbers" was revised to change the tense from "will be" to "are."

Section 876.2 was included in the temporary regulations but was modified significantly during the rulemaking process. Specifically, the only defined terms which appeared in the temporary regulations were "iLottery," "iLottery game," "internet instant game," "lottery account," "play" and "registered iLottery player."

The definition of "iLottery" in the temporary regulation was revised in the proposed regulation to include the phrase "but are not limited to," so as not to limit the Bureau to existing technology, given how rapidly technology changes, and to change the word "allows" to "allow." The proposed definition was revised in this final-form rulemaking as explained above.

The definition of "lottery account" in the temporary regulation was revised in the proposed regulation to replace the phrase "and participate in" with the phrase "iLottery and to participate in iLottery." The following sentence was also added to the definition of "lottery account" in the proposed rulemaking for clarity: "A lottery account may be used to purchase or use lottery products, to participate in lottery promotions and second chance drawings and for lottery communications." The definition of "play" in the temporary

regulations was revised in the proposed regulation to include the following sentence for clarity: "May also be referred to as a chance or share."

The following defined terms did not appear in the temporary regulations and were added to the proposed regulations and revised in this final-form rulemaking as explained above: "bonus money," "drawing," "fixed payouts," "instant win game," "lottery products," "lotto game," "numbers game," "prize or lottery prize," "prize pool or pool," "progressive," "purchase price," "random number generator" and "winning numbers."

The following defined terms did not appear in the temporary regulations and were added to the proposed regulations and not revised from the proposed regulations in this proposed rulemaking: "Bureau," "cash-out games," "pari-mutuel," "prize tiers," "randomizer," "responsible gambling tools," "Secretary," "subscription services," "top prize," "traditional lottery products" and "winning play."

Section 876.2a (relating to lottery products available through iLottery) reiterates the power vested with the Secretary under section 303 of the State Lottery Law to determine the type of lottery to be conducted. This section of the regulation did not appear in the temporary regulation.

Section 876.2b (relating to traditional lottery products) establishes that traditional lottery products sold through iLottery may be electronically delivered to the registered iLottery player's lottery account. Further, it clarifies that traditional lottery products sold through iLottery will be governed by the applicable traditional lottery regulations. Proposed subsection 876.2b(b) was revised in this final-form rulemaking to remove the word "and" and replace it with the word "or." This section did not appear in the temporary regulation.

Section 876.2c (relating to categories of iLottery games) sets forth the categories of iLottery games that the Secretary may authorize and that the Bureau may offer, the ways in which the winners or outcomes of a game or a play are determined, how often iLottery game outcomes are determined, iLottery game prize structures and the ways in which drawings may be conducted. iLottery games may combine any number of the characteristics set forth in subsections (a)-(d) and (g) of the regulation, which is provided for under subsection (e). Subsection (f) describes the way in which drawings may be conducted. Subsection (g) describes the frequency in which iLottery game outcomes may occur.

The proposed regulation was revised in subsection 876.2c(c) to change the word "plays" to the phrase "plays,

chances or shares" for clarity. Proposed subsection (e) was revised to include subsection (g) to the list of applicable subsections set forth in subsection (e). Subsections (f) and (g) were added when the definition of "drawing" was revised to remove the substantive provisions. The language in the proposed definition of "drawing" was revised when it was added as 876.2c(g) to change the specific reference to "drawing" and replace it with the more encompassing word "outcome" so as to include drawings, random number generators and randomizers as set forth in subsection 876.2c(c) (relating to determination of prize outcomes). Section 876.2c did not appear in the temporary regulation.

Section 876.2d (relating to iLottery game rules by category of game offered) establishes how the Bureau will notify players of new games offered by the Bureau, which may include any combination of the characteristics described in section 876.2c (relating to categories of iLottery games).

Proposed subsection 876.2d(3) was revised in this final-form rulemaking to change the term "iLottery games" to "the iLottery game" and the clause "iLottery games are" to "the iLottery game is." Proposed subsections 876.2d(3) and (4) were revised to replace the word "play" with the phrase "plays, chances or shares" for clarity. Subsection (4) was also revised from the proposed regulation to replace the word

"lottery" with the defined term "iLottery" for clarity. Subsection 876.2d(6) was revised to replace the phrase "share or chance" with the phrase "chance or share" for consistency. Subsection 876.2d(8) was revised to replace the word "determined" with the word "established" to more accurately reflect the Secretary's responsibilities and for consistency. Section 876.2d did not appear in the temporary regulations.

Section 876.3 is reserved. In the temporary regulations, this section required notice of iLottery game rules. During the rulemaking process, this section was removed in its entirety and the requirements for notice of iLottery game rules are set forth in sections 876.2d (relating to iLottery game rules by category of game offered) and 876.4 (relating to iLottery game description).

Section 876.4 (relating to iLottery game description) specifies the information that will be made available regarding each iLottery game, including the name of the game; the purchase price or range of purchase prices for a play, chance or share of that game; the odds of winning the game; prizes; and game instructions. This section also establishes where iLottery game descriptions will be located.

Proposed section 876.4 was revised in this final-form rulemaking to add the word "an"; to change the word "descriptions" to "description"; to remove ", including"

since the Bureau's mobile application is separate from the Bureau's web site; to change "Bureau's web site" to "Bureau's iLottery web site and"; to remove the comma following the word "application"; and to add a comma following the term "iLottery game."

Proposed subsection 876.4(2) was revised to change "play" to the phrase "play, chance or share" and subsection (6) was revised to add the word "a" in front of "mini-game" for consistency.

Section 876.4 was included in the temporary regulation but was revised during the rulemaking process. The first paragraph was changed as follows: the word "an" was removed from the first sentence of the section (but has been reinserted in this final-form rulemaking, as explained above); the phrase "Pennsylvania Lottery's iLottery," was replaced with the defined term "Bureau's"; and the phrase "including the Bureau's mobile application," was added for clarity (but has been revised in this final-form rulemaking as explained above). Subsection (2) was revised from the temporary regulation to the proposed regulation to include the phrase "or range of purchase prices" for clarity. Subsection (6) was revised from the temporary regulation to remove the word "The" and replace it with the phrase "If applicable, the"; to remove the phrase "if applicable, and

the procedure" with the term "the instructions"; and to replace the phrase ", if applicable" with "and the chances of winning the bonus game, mini-game or game within a game and the prizes which can be won."

Section 876.5 (relating to price) establishes where a registered iLottery player can find information on the price for each iLottery game. The proposed regulation was revised in this final-form rulemaking to change the term "play" to the phrase "play, chance or share" for purposes of consistency. This section was included in the temporary regulation and was not otherwise revised during the rulemaking process.

Section 876.6 (relating to governing law) sets forth the laws applicable to registered iLottery players and the laws that dictate how iLottery revenues are apportioned. Subsection (a) requires registered iLottery players to comply with Federal and State law, the regulations, the iLottery terms and conditions provided for under 876.9 (relating to iLottery terms and conditions) and final decisions of the Secretary. Subsection (b) states that the revenues generated through iLottery will be apportioned as provided by Title 4 of the Pennsylvania Consolidated Statutes and the State Lottery Law.

Proposed section 876.6 was revised in this final-form rulemaking to be divided into two subsections for clarity. The language in the new subsection (a) was revised from the proposed regulation to replace "terms and conditions for registration and participation in iLottery," with "iLottery terms and conditions as provided for under section 876.9 (relating to iLottery terms and conditions)" to more accurately reflect the scope of the iLottery terms and conditions. The language in the new subsection (b) was revised to add "(relating to disposition of funds)" following the citation to section 3761-311 of the State Lottery Law. This section was in the temporary regulation and was not revised from the temporary regulation to the proposed regulation.

Section 876.7 (relating to general provisions) sets forth certain overarching requirements for participation in iLottery. Subsection (a) requires an individual to establish a lottery account and to register for iLottery to purchase plays, chances or shares or to purchase lottery products using a lottery account. Subsection (b) requires an individual to accept, acknowledge, consent and agree to be legally bound by the iLottery terms and conditions provided for under section 876.9 (relating to iLottery terms and conditions). Subsection (c) requires an individual to be located in the Commonwealth to purchase a play, chance or share. Subsection

(d) requires an individual to be 18 years of age or older to purchase a play, chance or share or to purchase lottery products using a lottery account.

Proposed subsection 876.7(a) was revised in this final-form rulemaking to replace the word "and" with the word "or" in the phrase "to purchase a play, chance or share and to purchase . . . ." Proposed subsection (b) was revised to add a comma between "iLottery" and "to purchase" and to add the phrase "through iLottery" following the phrase "play, chance or share." The proposed subsections (c) and (d) were revised to replace the term "play" with the phrase "play, chance or share" for consistency.

This section was included in the temporary regulation and was revised from the temporary regulation to the proposed regulation. Specifically, subsection (a) was revised to replace the word "plays" with the phrase "a play, chance or share and to purchase lottery products using a lottery account." and the proposed subsection (a) was revised in this final-form rulemaking as explained above.

Temporary subsection (b) was revised as follows in the proposed regulation: the phrase "be legally bound by" was added for clarification; the word "and" was replaced with the word "to"; and the phrase "chance or share and to purchase lottery products using a lottery account" was added (and

revised in the final-form rulemaking as explained above). Temporary subsection (d) was revised in the proposed regulation to include the phrase "or to purchase lottery products using a lottery account."

Section 876.8 (relating to applicability) specifies that the chapter only applies to iLottery, the sale of lottery products through iLottery and the purchase of lottery products using a lottery account. Proposed section 876.8 was revised in this final-form rulemaking to remove the phrase "lottery products" and replace it with the phrase "plays, chances or shares through iLottery and the purchase of lottery products using a lottery account" to clarify that the chapter applies to the purchase of plays, chance or shares through iLottery and to the sale of lottery products through a lottery account as opposed to the sale of lottery products more generally. The proposed regulation was also revised to add the phrase "and administered" to clarify that the Department and the Bureau both offer and administer iLottery and the sale of lottery products through iLottery. This section was included in the temporary regulations and was changed in the proposed regulation to remove the word "only" and to add the phrase "and the sale of lottery products," which was revised in this final-form rulemaking as explained above.

Section 876.9 (relating to iLottery terms and conditions) describes the terms and conditions associated with a lottery account and registration and participation in iLottery. This section also clarifies that the terms and conditions provided for in section 876.9 will be referred to generally as the iLottery terms and conditions. Section 876.9 also establishes where amendments to the iLottery terms and conditions will be published.

Subsection 876.9(a) establishes that the terms and conditions for the creation of a lottery account, including amendments to those terms and conditions, will be published in the *Pennsylvania Bulletin* and will also be available on the Bureau's iLottery web site. Subsection 876.9(b) sets forth the requirements and information that will be included in the iLottery terms and conditions for the establishment of a lottery account and for registration and participation in iLottery.

Subsection 876.9(b)(1) requires an individual who wants to establish a lottery account to acknowledge, consent, accept and agree to the terms and conditions required by this chapter which relate to the following: confirmation of the applicant's age and identity; use of a mechanism by the Bureau to determine the physical location of a registered iLottery player; end user license agreement for the software and third-

party services used in the operation of iLottery and the provision of iLottery games; monitoring and recording of registered iLottery player communications and geolocation information; jurisdiction of the Commonwealth to resolve disputes; reasons for suspending or closing a lottery account; lottery account moneys and unclaimed property; withholding requirements; required deductions from lottery winnings; prize claims; use of electronic communications; responsible gambling limits; self-exclusion; methods of deposit; no interest on deposits; methods of withdrawing moneys; fraudulent and unlawful activity; dispute resolution; need for true and correct information to be provided to the Department and the Bureau; purchasing lottery products as gifts or for the benefit of another person; iLottery game rules; iLottery promotions; subscription services, and prohibited activities.

Subsection (b)(2) establishes prohibitions against the following: allowing another individual to access or use the registered iLottery player's lottery account; purchasing a play, chance or share unless the registered iLottery player is physically located in this Commonwealth; using automated software or equivalent mechanisms to engage in iLottery, except to the extent adaptive technology is needed for a registered iLottery player with a disability; participation

in iLottery by an individual under the age of 18; participation in iLottery by an individual who is self-excluded; the purchase of a play, chance or share or receipt of a prize by certain individuals involved with the operation and administration of iLottery and by certain family members of those individuals.

Subsection (b)(3) provides the authority to include additional requirements necessary and relevant to the provision of iLottery in the iLottery terms and conditions.

Proposed subsection (a) was revised in this final-form rulemaking to add the following phrase at the end for clarity: "and will be known as the iLottery terms and conditions." Proposed paragraph (a)(1) was revised to change "terms and conditions" to "iLottery terms and conditions" for consistency. Proposed paragraph (a)(2) was revised to change "terms and conditions" to "iLottery terms and conditions" for consistency; to change "Bureau's web site" to "Bureau's iLottery web site" for consistency; and to replace "determined" with "established" to more accurately reflect the Secretary's roles and responsibilities and for consistency.

Proposed subsection (b) was revised in this final-form rulemaking to change "terms and conditions" to "iLottery terms and conditions" for consistency. The proposed

regulation was revised to change the word "their" to "the" in paragraph (b)(1)(vi) for clarity. Proposed paragraph (b)(1)(vi) was also revised to change the reference to "account" to the defined term "lottery account" for consistency and clarity. Proposed paragraph (b)(1)(vii) was revised to change the reference to "account" to "lottery account" for consistency and clarity. The proposed paragraph was revised to remove "and 5512-5514 or" and to remove "(relating to amusements)". The proposed paragraph was revised to include the "relating to" language for each of the sections of the Pennsylvania Crimes Code listed in paragraph (b)(1)(vii)(B) for consistency and clarity. The proposed regulation was revised to remove the generic reference to Title 4 of the Pennsylvania Consolidated Statutes and to add the specific sections of Title 4 in addition to the "relating to" language for each of the sections listed in paragraph (b)(1)(vii)(B) for consistency and clarity. Proposed paragraph (b)(1)(vii)(B) was further revised to capitalize the word "state" at the end of the paragraph.

Proposed paragraph (b)(1)(vii)(D) was revised to add the phrase "by a registered iLottery player" and to change the word "his" to "the" for clarification. Proposed paragraph (b)(1)(vii)(E) was revised to replace the word "determined"

with the word "established" to more accurately reflect the Secretary's roles and responsibilities and for consistency.

Paragraph (b)(1)(x) of the proposed regulation was revised to remove the word "that" for clarity. Paragraph (b)(1)(xi) of the proposed regulation was revised to remove the word "description" and replace it with the word "descriptions." Proposed paragraph (b)(1)(xi) was also revised to change the reference to 876.2(c) to 876.2c. Proposed paragraph (b)(1)(xvi) was revised to change "account" to "lottery account." Proposed paragraph (b)(1)(xvii) of the regulation was revised to remove the word "funds" and replace it with the word "moneys" for consistency. Proposed paragraph (b)(1)(xx) of the regulation was revised to include the phrases "or Bureau" and "registered iLottery player's" for clarity and consistency.

The proposed regulation was also revised to add the following paragraphs: (b)(1)(xxii), which establishes that iLottery game rules and iLottery game descriptions are acknowledged by, consented to, agreed to and accepted by the registered iLottery player as part of the iLottery terms and conditions; (b)(1)(xxiii), which establishes that terms and conditions for iLottery promotions provided for under section 876.17 (relating to iLottery promotional prizes) are acknowledged by, consented to, agreed to and accepted by the

registered iLottery player as part of the iLottery terms and conditions; (b)(1)(xxiv), which establishes that terms and conditions related to subscription services as provided for under section 876.19 (relating to subscription services) are acknowledged by, consented to, agreed to and accepted by the registered iLottery player as part of the iLottery terms and conditions.

Paragraph (b)(2)(i) of the proposed regulation was revised to remove the word "from" and replace it with the word "against" and to change "account" to the defined term "lottery account" for clarity and consistency. Paragraph (b)(2)(ii) of the proposed regulation was revised to remove the word "from" and replace it with the word "against" and to change the term "play" to the phrase "play, chance or share" for clarity and consistency. Paragraph (b)(2)(iii) of the proposed regulation was revised to remove the word "for" and replace it with the word "by." Paragraph (b)(2)(vi) of the proposed regulation was revised to change the term "play" to the phrase "play, chance or share" for consistency and clarity. Proposed paragraph (b)(vi)(D) was revised to include the phrase "as a member of" and to change the word "and" to "or" for clarity and consistency.

Portions of Section 876.9 were included in the temporary regulations but changed during the rulemaking process.

Specifically, temporary subsection (a) was revised as follows: to add the phrase "the establishment of a lottery account and for the registration;" to remove the phrase "available on the Pennsylvania Lottery's iLottery website and other locations as determined by the Secretary;" and to add the phrase "published in the *Pennsylvania Bulletin*." Subsections (a)(1) and (a)(2) did not appear in the temporary regulations.

Subsection (b) was revised from the temporary regulations to the proposed regulations to include the phrase "the establishment of a lottery account and for." Paragraphs (b)(1)(i) through (b)(1)(v) remain unchanged from the temporary regulations. Temporary paragraph (b)(1)(vi) was revised in the proposed rulemaking to remove the sentence, "The forfeiture and escheatment of funds remaining on deposit in the registered iLottery player's account if that account has been dormant for 3 years," which was replaced with the following language in the proposed paragraph: "Any moneys remaining on deposit in the registered iLottery player's account as abandoned and unclaimed property if the registered iLottery player has not logged into their lottery account using their username and password in more than 3 years" and revised in this final-form rulemaking as explained above. Temporary paragraphs (b)(1)(vii), (b)(1)(vii)(A) and

(b) (1) (vii) (B) were unchanged in the proposed rulemaking but were revised in the final-form rulemaking as explained above. Proposed paragraphs (b) (1) (vii) (C)-(E) did not appear in the temporary regulations. Temporary paragraphs (b) (1) (viii)-(x) were not changed in the proposed rulemaking, but proposed paragraph (b) (1) (x) was revised in the final-form rulemaking as explained above.

Temporary paragraph (b) (1) (xi) was revised in the proposed rulemaking to remove the term "iLottery" from the phrase "iLottery prizes"; to remove the reference to "\$ 876.3 (relating to notice of iLottery game rules)" because that section was reserved; to add a reference to § 876.2(c), which was corrected in this final-form rulemaking as explained above; and to replace the reference to the Pennsylvania Lottery with the defined term "Bureau." This paragraph was revised in this final-form rulemaking as explained above.

Temporary paragraph (b) (1) (xiii) was revised in the proposed rulemaking to replace the word "establish" with the phrase "use the"; to remove the clause "limits including a deposit limit, spend limit or time-based limit, as available, through the lottery account" and replace it with the phrase "tools available through iLottery." Temporary paragraph (b) (1) (xiv) was revised to add the clause "and the extent to which the self-exclusion applies to use of the registered

iLottery player's lottery account." Temporary paragraph (b)(1)(xv) was revised to replace the word "funds" with "moneys" throughout the paragraph.

Temporary paragraphs (b)(1)(xii) was not changed during the rulemaking process. Temporary paragraphs (b)(1)(xvi)-(xix) were not changed in the proposed rulemaking, but paragraphs (b)(1)(xvi) and (xx) were revised in this final-form rulemaking as explained above. Paragraphs (b)(1)(xxi)-(xxiv) did not appear in the temporary regulations.

Subsection (b)(2) was included in the temporary regulations, and the following paragraphs were revised in the proposed rulemaking. Temporary paragraph (b)(2)(i) was revised to replace the word "person" with the word "individual." Temporary paragraph (b)(2)(iii) was revised to replace the word "utilizing" with the word "using" and to add the following sentence: "Nothing in this section shall prohibit the use of adaptive technologies for registered iLottery players with a disability as defined in the Americans with Disabilities Act of 1990 (42 U.S.C.A §§ 12101-12213)."

Temporary paragraphs (b)(2)(iv) and (v) were revised to change the words "a person" to "an individual." Temporary paragraph (b)(2)(vi) was revised to replace the clause "Prohibition against the sale of a play or the award of a prize as follows:" with "Prohibition against purchasing a

play or receiving a prize if the registered iLottery player is:" and was revised in this final-form rulemaking as explained above. Temporary paragraphs (b)(2)(vi)(A)-(D) were revised to replace "To an" with "An," and paragraph (b)(2)(vi)(D) was revised in this final-form rulemaking as explained above.

Temporary paragraph (b)(3) remained unchanged through the rulemaking process.

Section 876.10 (relating to iLottery registration and participation) sets forth the requirements for registration and participation in iLottery. Subsection (a) requires an individual to create a lottery account and to register for participation in iLottery. Subsection (b) establishes that by becoming a registered iLottery player, the individual agrees to be bound by the iLottery terms and conditions as provided for under section 876.9 (relating to iLottery terms and conditions). Subsection (c) sets forth the information that is required to establish a lottery account. Subsection (d) establishes that individuals may be asked for additional information in order to establish a lottery account. Subsection (e) requires the lottery account to have a username and password. Subsection (f) limits access to the lottery account to the registered iLottery player that established the lottery account.

Subsection (g) sets forth the circumstances in which an individual will be prohibited from establishing a lottery account and registering for iLottery. Subsection (h) prohibits the purchase of a play, chance or share or the purchase of lottery products using a lottery account if the registered iLottery player is located outside of the geographical border of this Commonwealth. Subsection (i) prohibits an individual from having more than one lottery account but provides for the creation of a new account if a previous account was closed or the reopening of a closed account, as applicable. Subsection (j) prohibits an individual from registering or attempting to register for iLottery using more than one lottery account. Subsection (k) provides for communications related to lottery accounts and iLottery to occur electronically.

Subsection (l) requires that lottery accounts be created through the Bureau's iLottery web site or the Bureau's mobile application. Subsection (m) allows a registered iLottery player to close their account at any time. Subsection (n) authorizes the Bureau to retain information of registered iLottery players who close their accounts to prevent fraud. Subsection (o) establishes the process of closing a lottery account.

Proposed section (b) was revised in this final-form rulemaking to replace the phrase "terms and conditions" with the phrase "iLottery terms and conditions" and to replace the word "in" with the phrase "as provided for under." Proposed paragraph (c)(7) was revised to replace "determined" with "established" to more accurately reflect the responsibilities of the Secretary and for consistency. Proposed subsection (d) was revised to replace "provided for" with "set forth" and to add the phrase "as provided for under § 876.9 (relating to iLottery terms and conditions)" for clarity and consistency.

Proposed paragraph (g)(3) was revised to add the reference "(relating to iLottery terms and conditions)" for clarity and consistency. Proposed paragraph (g)(5) was revised to change the phrase "terms and conditions" to "iLottery terms and conditions" for clarity and consistency and to add "(relating to iLottery terms and conditions)" following the reference to section 879.9.

Subsection (i) of the proposed regulations was revised to remove the word "will" and replace it with the word "does"; to remove the word "that" and replace it with the word "who"; to remove the word "their" and replace it with the word "a"; and to replace the word "their" with the word "the." Proposed subsection (j) was revised to change "account" with the defined term "lottery account" for clarity and consistency.

Subsection (k) of the proposed regulations was revised to replace the word "communication" with "communications." Proposed subsection (l) was revised to replace the phrase "Bureau's web site" with "Bureau's iLottery web site" for clarity and consistency.

Section 876.10 was included in the temporary regulations, and some subsection were revised in the proposed rulemaking. Temporary subsections (a) and (b) remained unchanged in the proposed regulation, but subsection (b) was revised in this final-form rulemaking as explained above. Temporary subsection (c) was revised to replace the clause "The following information will be required to register for iLottery" with the clause "To establish a lottery account and register for iLottery, an individual shall provide the following information." Temporary paragraph (c)(1) was revised to replace "Name" with "The individual's name" and to remove the word "on." Temporary paragraph (c)(2) was revised to replace "Date" with "The individual's date."

Temporary paragraph (c)(3) was revised to replace "Entire" with "The entire" and "number" with "Number"; to add the word "comparable"; and to remove the phrase "for a foreign person such as a passport or taxpayer identification number." Temporary paragraph (c)(4) was revised to replace "Home" with "The individual's home." Temporary paragraph (c)(5) was

revised to replace "Telephone" with "The individual's telephone." Temporary paragraph (c)(6) was revised to replace "Email" with "The individual's email." Temporary paragraph (c)(7) was not changed in the proposed regulation.

Temporary subsection (d) was revised to add the phrase "as provided for in the iLottery terms and conditions." And was revised in this final-form rulemaking as explained above. Temporary subsection (e) remained unchanged during the rulemaking process. Temporary subsection (f) was revised to replace the phrase "lottery account user" with "registered iLottery player." Temporary subsection (g) was revised to add the phrase "establishing a lottery account and from." Temporary paragraph (g)(1) remained unchanged in the proposed regulation. Temporary paragraph (g)(2) was revised to replace the word "in" with "is." Temporary paragraphs (g)(3) and (4) remained unchanged in the proposed regulation, but paragraph (g)(3) was revised in this final-form rulemaking as explained above. Temporary paragraph (g)(5) was revised in the proposed rulemaking to remove the word "as" and in this final-form rulemaking as explained above.

Temporary section (h) was revised to add the clause "chance or share or purchase lottery products using a lottery account" and to change "verify" to "verify that." Temporary section (i) was revised to replace the word "utilize" with

the word "use" and to add the following sentence: "This will not prohibit a registered iLottery player that closes their lottery account from reopening their lottery account or creating a new account, as applicable, at a later date," which was revised in this final-form rulemaking as explained above. Temporary paragraph (j) was revised to replace the word "utilizing" with the word "using" and was revised in this final-form rulemaking as explained above. Subsections (k) through (o) were not included in the temporary regulation.

Section 876.10a (relating to registered iLottery player lottery account requirements) establishes the requirements that registered iLottery players are subject to following the creation of a lottery account. Subsections (1) and (2) establish that registered iLottery players are subject to the end user license agreements for software and services used in the provision of iLottery. Subsection (3) requires confirmation of the registered iLottery player's age and identity. Subsection (4) requires the registered iLottery player to provide true and correct information to the Department and the Bureau. Subsections (5) and (6) subject the registered iLottery player to the continuous monitoring and recording of account information, including transactions and physical location. Subsection (7) provides for the suspension or closure of a lottery account for violation of

the iLottery terms and conditions, related to a self-exclusion request, related to the application of responsible gambling tools, related to violations of the Pennsylvania Crimes Code and Title 4 of the Pennsylvania Consolidated Statutes and for other reasons established by the Secretary. Subsection (8) requires a registered iLottery player to comply with all applicable statutes, regulations and the iLottery terms and conditions as provided for in section 876.9 (relating to iLottery terms and conditions). Subsection (9) requires a registered iLottery player to agree to the iLottery privacy policy available on h Bureau's iLottery website and on the Bureau's mobile application.

The proposed regulation was revised in this final-form rulemaking to change the title of this section from "lottery account requirements" to "registered iLottery player lottery account requirements" to clarify that it is the registered iLottery player that is subject to the lottery account requirements. Subsection (4) of the proposed regulation was revised to add the phrase "and the Bureau" for consistency and clarity. Proposed subsections (6) and (7) were revised to change "a registered iLottery player" to "the registered iLottery player."

Proposed paragraph (7)(i) was revised to change "provided" to "provided for." Proposed paragraph (7)(ii) was

revised to change "relating to self-exclusion from iLottery" to "relating to self-exclusion from iLottery and responsible gambling tools" due to the change of the title of subsection 876.16. Proposed paragraph (7)(iii) was revised to replace "provided for" with "set forth" and to add "as provided for under § 876.9 (relating to iLottery terms and conditions)." Proposed paragraph (7)(iv) was revised to change "charged" to "charged with" for clarity; to remove "and 5512-5514 or); to add the "relating to" language for each of the sections of the Pennsylvania Crimes Code listed in the subsection for consistency and clarity; to remove the generic reference to Title 4 of the Pennsylvania Consolidated Statutes and to include the specific sections of Title 4 in addition to the "relating to" language for each of the sections listed for consistency and clarity; to remove "(relating to amusements)"; and to capitalize the word "state" at the end of the subsection. Proposed paragraph (7)(v) was revised to replace "as determined" with "established" to more accurately reflect the roles and responsibilities of the Secretary and for consistency.

Proposed subsection (8) was revised to replace "a" with "the" at the beginning of the subsection and to remove "laws," for clarity. Additionally, proposed subsection (8) was revised to add "as provided for under § 876.9 (relating to

iLottery terms and conditions)" for consistency and clarity. Proposed subsection (9) was revised to add ", available on the Bureau's iLottery web site and on the Bureau's mobile application" for clarity.

Section 876.10a was not included in the temporary regulations.

Section 876.11 (relating to purchase and prize restrictions) establishes the restrictions related to purchases made using a lottery account and the restrictions related to the issuance of prizes. Subsection (a) requires an individual to be at least 18 years of age to register for iLottery or to purchase a play, chance or share. Subsection (b) requires registered iLottery players to be within the geographical boundaries of this Commonwealth in order to purchase a play, chance or share through iLottery. Subsection (c) prohibits certain individuals associated with the Bureau or the Bureau's contractors or subcontractors from purchasing a play, chance or share or being awarded a prize. Subsection (d) prohibits a registered iLottery player from cancelling the purchase of a play, chance, share or lottery product.

Proposed subsections (a), (b) and (c) were revised in this final-form rulemaking to change "play" to "play, chance or share" for clarity and consistency. Subsection (b) was revised to change the phrase "registered iLottery players" to

"A registered iLottery player" for clarity and consistency. Proposed paragraph (c)(2) was revised to replace "in" with "as a member of" for clarity and consistency. Proposed paragraph (c)(4) was revised to include the phrase "residing as a member of the same household as" for clarity and consistency.

Subsections (a) through (c) of this section were included in the temporary regulations and were not changed in the proposed regulation but were revised in this final-form rulemaking as explained above. Subsection (d) was not included in the temporary regulations.

Section 876.11a (relating to methods to fund a lottery account) provides the methods by which a registered iLottery player may fund a lottery account. Subsection (a) establishes that a registered iLottery player is required to deposit money or credits in the lottery account prior to purchasing a play, chance or share or other lottery products through a lottery account. Subsection (b) establishes that the Secretary will determine which specific payment methods will be available and where the information regarding acceptable payment methods can be located. Subsection (c) lists the payment methods available for funding a lottery account and allows other available payment options that are authorized by the Secretary. Subsection (d) allows the Secretary to establish

conditions or limits specific to different types of deposit methods. Subsection (e) allows the Secretary to establish a minimum deposit amount.

Proposed subsection (a) was revised in this final-form rulemaking to change the term "play" to the phrase "play, chance or share" for clarity and consistency. Proposed subsection (b) was revised to remove the phrase "in his sole discretion;" to change "registered iLottery players" to "a registered iLottery player"; and to change "iLottery products" to "lottery products" for clarity and consistency. Proposed subsection (b) was also revised to add "as provided for under § 876.9 (relating to iLottery terms and conditions). Proposed paragraph (c) (3) was revised to remove "issued by agents." The phrase "and issued by the Bureau" was added to proposed paragraphs (c) (2) and (3) for clarity.

This section was not included in the temporary regulations.

Section 876.11b (relating to lottery account moneys and credits) establishes requirements related to the moneys and credits in a registered iLottery player's lottery account. Subsection (a) establishes that moneys or credits deposited in a lottery account can be used to purchase plays, chances or shares and other lottery products. Subsection (b) establishes that moneys or credits deposited in a lottery

account will not earn interest. Subsection (c) establishes that moneys remaining in a dormant lottery account for more than three years will be considered abandoned and unclaimed property.

Proposed subsection (a) was revised in this final-form rulemaking to change "play" to "plays, chances or shares"; to add a comma after "lottery products"; and to add the phrase "and offered by the Bureau" at the end of the subsection. Proposed subsection (c) was revised to replace the word "their" with the word "the".

This section was not included in the temporary regulations.

Section 876.12 (relating to prizes) sets forth requirements related to prizes. Subsection (a) provides the Secretary with the authority to determine the manner in which a prize is awarded to a player, including by check, draft or electronically through the registered iLottery player's lottery account. Subsection (b) specifies that the Bureau will report taxable prizes and events to relevant taxing authorities. Subsection (c) provides that the Commonwealth and its agents, officers and employees shall not be liable upon payment of a prize. Subsection (d) requires that prizes be reduced by the required tax withholding and other legally required deductions. Subsection (e) allows the Bureau to

withhold some prizes until the Department or the Bureau can confirm the registered iLottery player has no outstanding liabilities that must be deducted from the prize. Subsection (f) establishes that winning plays are based on the information maintained by the Bureau.

Proposed subsection (a) was revised in this final-form rulemaking to add the phrase "and offered by the Bureau" for clarity. Proposed subsection (c) was revised to remove the word "payment" and replace it with the word "award" for clarity and consistency. Proposed subsection (e) was revised to add the phrase "or the Bureau" and to add the "relating to" parenthetical for the reference to section 876.14, for clarity and consistency. Proposed subsection (f) was changed to replace the phrase "prize winning plays" with the term "winning plays" for clarity and consistency.

Subsection 876.12 was included in the temporary regulations as a single-section regulation but was revised in the proposed rulemaking. Specifically, the temporary regulation was revised to add subsections, and temporary Section 876.12 became subsection (a), which was revised to change "account" to "lottery account" and to add "or other means as authorized by the Secretary."

Section 876.12a (relating to prize claims) addresses the process required to claim a prize. Subsection (a) provides

that the Bureau will generate applicable tax forms for reportable gambling and lottery winnings. Subsection (b) authorizes the Bureau to use the lottery account information provided by the registered iLottery player to complete the applicable tax forms. Subsection (c) specifies that the Bureau may require a registered iLottery player to complete a claim form and submit it in person at one of the Bureau's claim centers. Subsection (d) states that prizes requiring a prize will not be credited to a registered iLottery player's lottery account until the claim form is properly completed, submitted to and accepted by the Bureau. Subsection (e) provides for the expiration of certain lottery prizes if a required claim form is not properly completed or received.

Proposed subsection (d) was revised in this final-form rulemaking to change "submitted to" to "submitted to and accepted by" for clarity. Proposed subsection (e) was revised to remove the phrase "prize winner" and replace it with the defined term "registered iLottery player" and to include the citation for the State Lottery Law.

Section 876.12a was not included in the temporary regulations.

Section 876.13 (relating to withholding) establishes that prize payments are subject to Federal and State

withholding taxes as required by law. This section was not changed from the temporary regulations.

Section 876.14 (relating to deductions required by law) establishes that prizes may be reduced by other deductions as required by law, including 23 Pa.C.S.A § 4308 (relating to lottery winnings intercept) and 72 P.S. § 215 (relating to lottery winnings intercept). Proposed subsection (2) was revised to add the "relating to" parenthetical for the statutory citation.

This section was included in the temporary regulation and was revised in the proposed rulemaking to replace the phrase "iLottery prize winnings" with the term "prizes," to remove the period after "law"; and to add ", including those amounts required under: (1) 23 Pa.C.S.A. § 4308 (relating to lottery winnings intercept). (2) 72 P.S. § 215," which was revised in this final-form rulemaking as explained above.

Section 876.14a (relating to withdrawals from a lottery account) addresses withdrawal requirements and limitations related to a lottery account. Subsection (a) establishes that registered iLottery players may make withdrawals from their lottery accounts. Subsection (b) allows the Secretary to establish a minimum balance requirement that must exist before a withdrawal from a lottery account will be processed. Subsection (c) establishes that the withdrawal request may

not occur immediately. Subsection (d) allows the Bureau to request information from a registered iLottery player to verify the registered iLottery player's withdrawal request. Subsection (e) prohibits a registered iLottery player from withdrawing bonus money. Subsection (f) provides for a registered iLottery player's withdrawal to be credited to whatever payment types are authorized by the Secretary and offered by the Bureau. Subsection (g) allows the Bureau to adjust a registered iLottery player's account if money or bonus money is mistakenly credited. Subsection (h) allows the Bureau to deduct the purchase price of a lottery product from the registered iLottery player's lottery account.

Proposed subsection (c) was revised in this final-form rulemaking to remove the phrase "these regulations" and replace it with the phrase "this chapter" for clarity and consistency. Proposed subsection (c) was also revised replace "provided for" with "set forth" and to add the language "as provided for under § 876.9 (relating to iLottery terms and conditions)" for clarity and consistency. Proposed subsection (e) was revised to remove the word "their" and replace it with the defined term "registered iLottery player's" for clarity and consistency. Proposed subsection (f) was revised to add the phrase "and offered by the Bureau" for clarity.

Section 876.14a was not included in the temporary regulations.

Section 876.15 (relating to termination of a game) authorizes the Secretary to terminate an iLottery game at any time and without notice. This section is unchanged from the temporary regulations.

Section 876.16 (relating to self-exclusion from iLottery and responsible gambling tools) sets forth the self-exclusion requirements for iLottery, in addition to providing for responsible gambling tools. Subsection (a) allows a registered iLottery player to request self-exclusion from iLottery. Subsection (b) establishes the way in which a registered iLottery player may request self-exclusion. Subsection (c) provides that the Bureau will offer a registered iLottery player, predetermined periods of self-exclusion from which to choose. Under subsection (d), a self-excluded, registered iLottery player is prohibited from making purchases through iLottery and from participating in iLottery promotions. Subsection (e) establishes that a self-excluded, registered iLottery player will not receive communications from the Bureau during the self-exclusion period. Subsection (f) allows the Bureau to request certain identifying information from a registered iLottery player upon a request for self-exclusion.

Subsection (g) requires a registered iLottery player, who is requesting self-exclusion, to acknowledge and agree to certain statements related to self-exclusion before the self-exclusion request is processed. Subsection (h) prohibits a registered iLottery player from accessing the lottery account until the self-exclusion period expires. Subsection (i) allows a registered iLottery player to request the release of moneys from the lottery account through a process described in the iLottery terms and conditions. Subsection (j) provides for the immediate effectiveness of the self-exclusion request. Subsection (k) makes the self-exclusion request irrevocable. Subsection (l) requires a self-excluded, registered iLottery player to contact the Bureau after the self-exclusion period ends to request reinstatement and access to the lottery account.

Subsection (m) provides for the availability of responsible gambling tools through a lottery account. Subsection (n) establishes that a self-excluded, registered iLottery player or a registered iLottery player who uses responsible gambling tools may be prohibited from participating in certain promotions, second chance drawings and marketing communications from the Bureau.

The title of proposed section 876.16 was revised in this final-form rulemaking to add "and responsible gambling tools"

so that the title of the section accurately reflects the provisions of the section. Proposed subsection (b) was revised to add the phrase "and offered by the Bureau" for clarity and consistency. Proposed subsection (c) was revised to replace the word "offered" with the word "authorized" and add the phrase "and offered by the Bureau" for clarity and consistency.

Subsection (d) of the proposed regulation was revised to replace the word "funds" with the word "moneys" and to change "account" to "lottery account" for clarity and consistency. Proposed paragraph (f)(3) was revised to add the phrase "the entire or last four digits of the individual's" for clarity and consistency. Proposed paragraph (f)(7) was revised to replace "determined" with "established." Proposed subsection (g)(2) was revised replace "provided for" with "set forth" and to add the clause "as provided for under § 876.9 (relating to iLottery terms and conditions)."

Proposed subsection (h) was revised to replace "their" with "the registered iLottery player's." Proposed subsection (i) was revised to add replace "provided for" with "set forth" and to add the clause "as provided for under § 876.9 (relating to iLottery terms and conditions)." Subsection (l) was revised to change the word "account" to the defined term "lottery account" for clarity and consistency. Proposed

subsection (m) was revised to replace "provided for" with "set forth" and to add the clause "as provided for under § 876.9 (relating to iLottery terms and conditions)" for clarity and consistency.

Subsections 876.16(a) through (e) were in the temporary regulations and were revised in part in the proposed rulemaking. Temporary subsection (a) was not changed during the rulemaking process. Temporary subsection (b) was revised to add the phrase "or through other means authorized by the Secretary." Temporary subsection (c) was revised to remove the phrase "through the lottery account" and to add the phrase "by the Secretary." Temporary subsection (d) was revised to replace "plays" with "plays, shares or chances," to remove the phrase "or withdraw funds from" and to add the phrase "funds into." Temporary subsection (e) was not changed during the rulemaking process.

Section 876.17 (relating to iLottery promotional prizes) provides for the authority of the Secretary to conduct iLottery promotions and issue terms and conditions related to those iLottery promotions. The proposed regulation was revised in this final-form rulemaking to remove the word "part" and replace it with the word "chapter" for clarity and consistency. This section is unchanged from the temporary regulation.

Section 876.18 (relating to agent promotion programs) provides for the authority of the Secretary to conduct lottery agent incentive and marketing promotion programs related to iLottery. This section was included in the temporary regulations and was revised in the proposed rulemaking to change the word "retailer" to "agent" in both the section heading and in the text of the section.

Section 876.19 (relating to subscription services) addresses the availability of subscription services. Subsection (a) allows the Bureau to offer subscription services authorized by the Secretary. Subsection (b) provides that the subscription services will be governed by the iLottery terms and conditions. Subsection (c) provides that information regarding a registered iLottery player's subscription service purchase will be delivered electronically.

Proposed subsection (a) was revised in this final-form rulemaking to replace "determined" with "authorized" to more accurately reflect the roles and responsibilities of the Secretary and for consistency. Proposed subsection (b) was revised to add "as provided for under § 876.9 (relating to iLottery terms and conditions)" for clarity and consistency.

Section 876.19 was not included in the temporary regulations.

Section 876.20 (relating to confidential information) specifies the information regarding iLottery and registered iLottery players that is confidential based on the authority conferred by 4 Pa.C.S. §§ 503(d)-(e). Information about a registered iLottery player that will be maintained as confidential includes: last name; address; telephone number; financial information; self-exclusion information; Social Security Number or comparable equivalent; use of responsible gambling tools; play history; and play tendencies. This section was not included in the temporary regulations.

#### Affected Parties

Adults who choose to open a lottery account will be affected by the regulations. The impact on individuals will be determined by the amount of interaction each person has with the iLottery services. For example, an adult age 18 and older can attempt to establish a lottery account. Only those individuals who meet the requirements of the regulation will be able to establish a lottery account and access lottery account features, such as responsible gambling tools, account statements, iLottery games, subscription services and self-exclusion tools. Only adults who have successfully registered for a lottery account and who are located within the geographical boundaries of the Commonwealth are permitted

to purchase plays, chances and shares and other lottery products through iLottery.

Pennsylvanians 65 years of age and older and Pennsylvanians with disabilities may be affected by the regulation if they are eligible to receive benefits funded with the revenue generated through the implementation and operation of iLottery and deposited into the State Lottery Fund.

Businesses, small businesses or organizations that contract with the Department to provide the iLottery system and services will be impacted as they will be required to ensure that the iLottery system and services provided conform to the requirements of the regulation.

#### Comment and Response Summary

The proposed rulemaking was published in the *Pennsylvania Bulletin* at 49 Pa.B. 2242 (May 4, 2019). No public hearings were held. The public comment period closed on June 3, 2019.

The Department received comments from two commenters, Greenwood Gaming Entertainment, Inc. ("GGE") and Penn National Gaming, Inc. ("PNG"). Both commenters are petitioners in litigation to challenge the Department's administration of iLottery and offered comments opposing the rulemaking. The Independent Regulatory Review Commission (IRRC) also submitted

comments on July 2, 2019. Below is a summary of the comments received, and the Department's responses.

*Litigation Challenging iLottery*

Both GGE and PNG noted that the iLottery program is the subject of a legal challenge, *Greenwood Gaming and Entertainment, Inc. et al. v. Commonwealth of Pennsylvania Department of Revenue et al.*, No. 571 MD 2018 filed on September 6, 2018. In that litigation, seven Pennsylvania casino operators filed suit seeking an injunction against the Department to prevent it from operating iLottery as it currently exists. Specifically, the petitioners allege that the Department is violating Act 42 of 2017 (P.L. 419, No. 42) (the act) with the iLottery games currently offered through iLottery. GGE recommends tabling the regulations pending the outcome of the litigation, while PNG recommends that the Department withdraw the regulations pending resolution of the litigation.

*Response*

The temporary regulations were promulgated under section 503(b)(1) of Act 42 (4 P.a.C.S § 503(b)(1)), which provides the Department with temporary rulemaking authority to facilitate the "prompt implementation of iLottery or new sales methods of traditional lottery products over the internet."

The temporary regulations expire two years from the date of publication of the temporary regulations.

The final-form regulations pertain to the iLottery program in its entirety, not just the games which are the subject of litigation. Further, the iLottery games challenged in *Greenwood Gaming* are Internet instant games, a subset of the iLottery games which may be offered through iLottery under the enabling legislation and the final-form regulations. Commonwealth Court issued a decision and order in the *Greenwood Gaming* litigation on July 12, 2019, denying petitioners' request for a preliminary injunction. The litigation remains pending and, given the current schedule, will likely not go to trial until after the temporary regulations expire on March 31, 2020.

Prohibiting the Department from progressing through the rulemaking process could prevent the Bureau from operating iLottery in its entirety until resolution of the litigation, which could take years, in addition to the time required to promulgate new regulations once the litigation is resolved. Such a prohibition is contrary to the legislative mandate for the Bureau's prompt implementation of iLottery. That mandate is supported by the legislative grant of authority to the Department pursuant to 4 Pa.C.S. § 503(c) (relating to prompt implementation) to enter into contracts without going through

the procurement process. While both iLottery and online games offered by the casinos were both authorized with the passage of Act 42, only iLottery received the legislative authority to forgo certain statutory requirements, processes and procedures to ensure prompt implementation.

Tabling or withdrawing the regulation would thus be prejudicial to the iLottery program in its entirety and to the Department's position in the litigation that the Internet instant games offered by the Bureau do not simulate casino-style games. It would also result in lost revenues for senior citizens who benefit from a program that has been operating and generating revenue since May 2018.

*Whether the Regulation Conforms to the Intention of the General Assembly*

Referring to one commenter's comments, IRRRC requested an explanation as to how the Bureau will evaluate iLottery games to ensure that they meet the statutory definition of iLottery games to conform to the intention of the General Assembly that casino-style games be excluded from iLottery.

Both other commenters suggested that the regulations fail to address how iLottery games are not casino-style games. Both offered a list of game features they believe are features of slot machines and proposed prohibiting the use of those features in the definition of "iLottery game" in the final-

form regulation. Both commenters also recommended that language be added to the final-form regulation prohibiting the Bureau from offering iLottery games that have been certified for compliance with gaming standards in other jurisdictions, including international jurisdictions.

One commenter raised concerns that the regulation does not include specific parameters for what features or game characteristics simulate a "casino-style lottery game," and recommended the final-form regulation establish a mechanism to evaluate iLottery games to ensure that they meet the statutory definition of an iLottery game. The other commenter recommended that the final-form regulations include certain prohibitions for iLottery games regarding game name, game symbols, play mechanics, game certifications, payout percentages, symbol matrices, game bonuses, play denominations, use of a random number generator, and use of animated graphics and patron loyalty programs, among other things.

#### *Response*

The act specifically defines "iLottery game" to include both Internet instant games and other lottery products offered through iLottery, as does the definition of "iLottery game" in this final-form regulation. The statutory definition of "iLottery game" explicitly excludes games that represent "physical, Internet-based or monitor-based interactive lottery

games which simulate casino-style lottery games, specifically including poker, roulette, slot machines or blackjack." 4 Pa.C.S. § 502 (relating to definitions). The definition of iLottery game in the final-form regulation is consistent with the definition which appears in the act and includes the same prohibitions against offering games which simulate casino-style lottery games as in the enabling statute.

The final-form regulation sets forth various categories of iLottery games that the Bureau may offer at section 876.2c (relating to categories of iLottery games). This section sets forth characteristics of iLottery games that may be combined by the Bureau to create lottery games which may be offered through iLottery. These characteristics include types of iLottery games, when and how the outcome of iLottery games may be determined and the prize structures for iLottery games. These characteristics are features of lottery games generally, and the combination of these characteristics ensures that the iLottery games offered through iLottery are lottery games and do not violate the exclusions set forth in the definition of "iLottery game."

The State Lottery Law confers broad authority on the Secretary to administer the lottery, which necessarily includes iLottery. Specifically, the Secretary has the power and duty to determine "the type of lottery to be conducted." 72 P.S. §

3761-303(a)(1) (relating to powers and duties of secretary). The game types listed in subsection 876.2c(a) are generally well-known types of lottery games. The definitions of those types of games, as set forth in section 876.2 (relating to definitions) were developed using information from traditional lottery game rules published by the Bureau in the *Pennsylvania Bulletin* and using definitions from leading lottery trade organizations of which the Bureau is a member, such as the North American Association of State and Provincial Lotteries. The games as defined in the final-form rulemaking are generally accepted in the industry to be lottery games and do not simulate casino-style games.

Additionally, and consistent with the broad authority to determine the type of lottery to be conducted, the Secretary has broad discretion as to how the various types of lottery games are offered. Specifically, the Bureau offers instant games using licensed properties, various game themes, color images, art work, bonuses, multipliers, varied play mechanics and styles and the like. The Bureau offers Fast Play games offered through a lottery terminal using licensed properties, various game themes, art work, bonuses, multipliers, varied play mechanics and styles and the like. The Bureau offers some draw games in which the winning numbers are drawn on live television. The Bureau offers some draw games, the outcomes of

which are determined by a random number generator and the outcomes of which are represented by an animated sequence, such as monitor games like Derby Cash and Xpress Car Racing.

The iLottery enabling legislation and the final-form regulations allow the Department to offer Internet instant games online. Internet instant games, as defined by the statute and the final-form regulations, require a reveal of numbers, letters or symbols. The enabling legislation does not dictate how that reveal is required to occur. Notably, the enabling legislation does not limit or prohibit the use of animation, sounds, bonuses, multipliers, color images, art work, game themes and varied play mechanics. The enabling statute does not require an Internet instant game to simulate any of the Bureau's traditional lottery games, such as an instant ticket. Rather, the enabling statute specifically provides the Secretary with the authority to offer new and additional lottery products through iLottery, including, but not limited to, Internet instant games. The Department disagrees that features such as animation, sounds, bonuses, multipliers and varied play mechanics are exclusive to slot machines; rather, as explained above, the aforementioned features are regularly used in lottery products.

With respect to licensed properties and game art, the Bureau has historically utilized licensed properties,

including, but not limited to, Wheel of Fortune® and Monopoly®. Generally speaking, licensed properties are used across various industries, including the gambling industry, because they are readily identifiable, trusted brands. Game names, symbols and artwork for licensed properties are dictated by the owner of the licensed property and are carefully controlled to ensure legal protections for the intellectual property. With respect to other game art, the same types of symbols and themes are used across all types of gambling, including lottery, because these themes and symbols are established through history and culture as representing luck, prosperity, wealth, fortune and the like. The Department disagrees that the use of licensed properties, specific symbols, game art or game names are exclusive to slot machines; rather, licensed properties and the like are regularly used in lottery products.

As a result, no limitations or prohibitions were placed in the regulation related to the aforementioned features, licensed property or game art. The characteristics that are relevant to an iLottery game are set forth in section 876.2c of the final-form regulation. Internet instant games are a subset of iLottery games and are comprised of the characteristics established in section 876.2c. Internet instant games, and iLottery games more generally, are necessarily lottery games and not casino-style games.

The Secretary also has the power and duty to determine "the manner of selecting the winning tickets or shares." 72 P.S. § 3761-303(a)(4). Under subsection 876.2c(c) of the final-form regulation, the outcome of iLottery games may be determined by a randomizer, a random number generator or a drawing. Some of the Bureau's oldest and most popular lottery games are games in which the outcome is derived using a random number generator. Because the definition of "iLottery game" includes all lottery products, including traditional lottery products, prohibiting the use of a random number generator in iLottery games would prevent the Bureau from selling most lottery products through iLottery. Such a result is contrary to the legislative mandate of the enabling legislation which sought prompt implementation of "new sales methods of traditional lottery products over the internet." See 4 Pa.C.S. § 503(b)(1). Furthermore, the use of random number generators in lottery games in Pennsylvania predates the legalization of slots gaming in Pennsylvania. The Department therefore disagrees that a random number generator is a hallmark of a casino-style game. No language was added to the final-form regulation to prohibit the use of a random number generator.

The Secretary is granted the power and duty to determine "the price, or prices, of tickets or shares in the lottery." 72 P.S. § 3761-303(a)(2). Simply put, the Secretary has the

statutory authority to offer a single game at more than one price point. The Secretary has in fact authorized and the Bureau has offered lottery games with multiple price points, including Keno and certain draw games. The Department disagrees with the suggestion by the commenters that adjustable bets are exclusive to slot machines.

With respect to game certifications, Act 42 does not require the certification of iLottery games to any standard. Neither the State Lottery Law nor the State Lottery regulations require certification of games or random number generators. Rather, the Bureau uses lottery best practices to ensure the randomness of the outcome of an individual game and that the prize structure for an individual game is accurate. The Bureau's only concern is that the jurisdictional standards against which the game is certified are reputable and accurate. As a result, no language was included in the regulation prohibiting the Bureau from offering iLottery games that have been certified for compliance with gaming standards in other jurisdictions or requiring that iLottery games be certified to a specific standard.

The final-form regulations set forth the types of iLottery games that may be offered, the way in which the outcome is determined and the various prize structures that may be utilized, all of which are key characteristics of a lottery

game and all of which are within the power and duty of the Secretary of Revenue to establish. The characteristics of iLottery games, as set forth in the final-form regulation, establish them as lottery games and not casino-style games. It should be noted that there is no requirement in Act 42 which restricts the Department to using characteristics of lottery games that the Department has historically offered.

While both commenters identified many features that they believe are attributable to slot machines only, some of which are specifically addressed herein, neither commenter provided legal support for those assertions.

The final-form regulation clearly establishes characteristics of lottery games that when combined necessarily ensure that iLottery games are not casino-style games. As a result, no changes were made to the final-form regulation based on GGE's or PNG's comments.

*Determining whether the regulation is in the public interest*

*Comment*

IRRC noted that the explanation of the proposed regulation in the Preamble and the information in the RAF were insufficient to allow it to determine if the regulation is in the public interest, as the Preamble only described amendments to the temporary regulation and did not explain sections that were not revised from temporary to proposed.

*Response*

The Department has included a discussion of each regulatory section, identifying the revisions made from the temporary regulations to the proposed rulemaking to the final-form rulemaking as well as those sections that were not revised from the temporary regulations, in the Preamble to the final-form regulation.

*Comment*

IRRC requested that the Department provide additional information in the RAF to the final-form rulemaking related to who will benefit from the regulation. IRRC also requested that the Department address the discrepancies regarding the costs of the regulation to the Commonwealth in the RAF. Finally, IRRC asked that the Department include all applicable provisions of the act in the statutory authority statements in the Preamble and RAF to the final-form rulemaking, including a reference to section 503(i) of the act, which requires the Department to establish an iLottery self-exclusion program.

*Response*

The RAF to the final-form rulemaking includes specific information relating to who will benefit from the regulation. The Department also provided costs of the regulation that pertain to state government. The Department specified all relevant statutory authority, including the provisions

regarding the establishment of the iLottery self-exclusion program as set forth at 4 Pa.C.S. § 503(i), in the Preamble and RAF to the final-form rulemaking.

*Compliance with the provisions of the Commission's regulations.*

*Comments*

IRRC noted that the Annex of the proposed regulation was not submitted in accordance with the Commission's regulation at 1 Pa. Code § 305.1a(b) (relating to formatting the text of a proposed regulation). IRRC further noted that an agency is required under 1 Pa. Code § 307.3a(a) (relating to formatting the text of a final regulation) to use the official text of a proposed rulemaking as published in the *Pennsylvania Bulletin* when preparing the final-form regulation. Accordingly, IRRC requested that the Department indicate revisions to the Annex of the final-form regulations as required under the regulation at 1 Pa. Code § 307.3a(b).

*Response*

The Department used the official text of the proposed rulemaking as published in the *Pennsylvania Bulletin* to prepare the final-form rulemaking and revised the proposed rulemaking in the format prescribed in section 307.3a(b).

*Cost Analysis*

*Comment*

One commenter suggested that the Department's cost analysis is incomplete because it included no analysis to determine the extent to which the Pennsylvania casino industry would be adversely impacted if iLottery games simulate casino-style games and the corresponding loss of revenue to the Commonwealth.

*Response*

The Department did not conduct a cost analysis as suggested by the commenter as the cost analysis required by the rulemaking process requires the Department to identify the costs and financial and economic impact of the regulation. The final-form regulation establishes the requirements for iLottery games as authorized by the act. As a result, no analysis was conducted of the hypothetical situation posed by the commenter.

*§ 876.2. Definition of "drawing"*

*Comment*

IRRC stated that the definition of "drawing" contained substantive provisions regarding timing and methods to conduct a drawing. IRRC requested that the Department move substantive provisions to a section of the final-form regulation, establishing how drawings are conducted, since substantive provisions in a definition are not enforceable.

*Response*

The Department removed the substantive provisions from the definition of "drawing" and incorporated those provisions into subsections 876.2c(f) and (g) (relating to categories of iLottery games) in the final-form regulation.

*Section 876.2. Definition of "lotto game"*

*Comment*

IRRC requested that the Department clarify the terminology used to describe a lotto game in the final-form regulation because it was unclear whether a player chooses only numbers or may choose numbers, letters or symbols.

*Response*

The Department revised the definition of "lotto game" in the final-form rulemaking to clarify that a player may choose letters, numbers or symbols. Additionally, for clarification, the Department updated the examples included in the definition.

*§ 876.2. Definition of "play"*

*Comment*

IRRC noted that throughout the proposed regulation, the terms "chance" and "share" are only used in conjunction with the word "play" and are not used independently. IRRC requested that the Department explain the need for the inclusion of the terms "chance" and "share" or, in the alternative, to delete those two terms in the final-form regulation.

*Response*

The definition of "play" includes the terms "chance" and "share" because these terms are used throughout the Bureau's regulations, as they relate to various traditional lottery products offered by the Bureau. Since these terms are codified in the State Lottery Regulations or are used and defined in individual game rules published in the *Pennsylvania Bulletin*, the Department determined it should not attempt to define those terms individually in this final-form regulation. Instead, where appropriate, the term "play" was replaced with the phrase "play, chance or share" in the final-form rulemaking to demonstrate that the terms are interchangeable.

*§ 876.9(b)(1) - iLottery terms and conditions)*

*Comment*

IRRC noted that in subparagraph (vii)(B) of subsection 876.9(b)(1), the Department cited specific provisions of Title 18 of the Pennsylvania Consolidated Statutes which could result in the suspension or closure of a lottery account, whereas the Department only generically referred to offenses in Title 4 of the Pennsylvania Consolidated Statutes. IRRC requested an explanation as to why specific citations under Title 4 were not included or, in the alternative, to provide specific citations.

*Response*

The Department revised subparagraph (vii)(B) in the final-form regulation to remove the generic reference to Title 4 and replace it with the specific sections in Title 4 which establishes criminal conduct.

*Comment*

IRRC identified a typographical error in subparagraph (xi) of subsection 876.9(b)(1) in the cross-reference to Section 876.2(c) and requested that the Department correct the error in the final-form regulation.

*Response*

The Department corrected the typographical error to cite to section 876.2c in the final-form regulation.

*Comment*

IRRC pointed out that subparagraph (xvii) of subsection 876.9(b)(1) referred to "funds" instead of "moneys" and requested that the correct terminology be used in the final-form regulation.

*Response*

The Department agreed that the term "funds" should be replaced with the term "moneys." The change was made in the final-form regulation.

*§§ 876.10a(4) and 876.12(e) - Registered iLottery player lottery account requirements; Prizes*

*Comment*

IRRC noted the use of the term "Department" in subsections 876.10a(4) and 876.12(e) instead of the term "Bureau." IRRC requested that the correct terminology be used in the final-form regulation.

*Response*

The Department determined that the term "Department" should remain and that the term "Bureau" should be added in the aforementioned sections for purposes of consistency and clarity. Both "Department" and "Bureau" should be included as a registered iLottery player is likely to have interactions with both the Department and the Bureau in matters related to lottery account requirements and tax withholding.

*§ 876.12(f) - Prizes*

*Comment*

IRRC noted the use of the clause "[p]rize winning plays will be determined" in subsection 876.12(f) and asked whether the Department intended to address both prizes and winning plays.

*Response*

The Department only intended to address winning plays in this section. As such, the phrase "prize winning plays" was replaced with the defined term "winning plays."

Fiscal Impact

The Department determined that the amendments in this final-form rulemaking will generate revenue for the Commonwealth and will have no adverse fiscal impact on the Commonwealth. The iLottery features established by the regulations, such as lottery accounts and iLottery games, will increase revenue for the State Lottery Fund by creating more ways for the Bureau to interact with and engage lottery players, by providing registered iLottery players with an easy way in which reinvest their lottery winnings and by providing registered iLottery players with new products and services. The increase in revenue will be used to provide benefits to Pennsylvanians 65 years of age and older.

The Department estimates that the cost to state government to implement the regulations will be approximately \$19.5 million in fiscal year 2019-2020 and approximately \$20.7 million each fiscal year thereafter. That estimate includes the following costs related to the operation and administration of iLottery: vendor costs, including software and services needed to comply with the statutory and regulatory requirements; costs associated with lottery personnel; operating costs (such as leased building costs, electricity, heat and other utilities) and advertising costs. The Department estimates that profits from iLottery will be between \$40 million and \$50 million each fiscal year.

### Paperwork

The final-form rulemaking will require minimal paperwork for the public or the Commonwealth. Registration for and participation in iLottery and the iLottery self-exclusion process for registered iLottery players, including the required forms, are completed online.

### Effective Date/Sunset Date

The final-form rulemaking becomes effective upon publication in the Pennsylvania Bulletin. The regulations are scheduled for review within 5 years of publication. No sunset date has been assigned.

### Contact Person

The contact person for the final-form rulemaking is Maria L. Miller, Office of Chief Counsel, Department of Revenue, P.O. Box 281061, Harrisburg, PA 17128-1061.

### Regulatory Review

Under section 5(a) of the Regulatory Review Act (71 P.S. § 745.5(a)), on April 23, 2019, the Department submitted a copy of the notice of proposed rulemaking, published at 49 Pa.B. 2242 (May 4, 2019), to IRRC and the Chairpersons of the House and Senate Committees on Finance for review and comment. Under section 5(c) of the Regulatory Review Act, IRRC and the Committees were provided with copies of the comments received during the public comment period, as well as other

documentation. In preparing the final-form rulemaking, the Department considered all comments from IRRC, the Committees and the public.

Under section 5.1(j.2) of the Regulatory Review Act (71 P.S. § 745.5a(j.2)), on \_\_\_\_\_ the final-form rulemaking was deemed approved by the House and Senate Committees. Under section 5.1 (e) of the Regulatory Review Act, IRRC met on \_\_\_\_\_ and approved the final-form rulemaking.

#### Findings

The Department finds that:

(1) Public notice of intention to amend the regulations has been given under sections 201 and 202 of the act of July 31, 1968 (P.L. 769, No. 240) (45 P.S. §§ 1201 and 1202) and the regulations thereunder, 1 Pa. Code §§ 7.1 and 7.2.

(2) The amendments are necessary and appropriate for the administration and enforcement of the act.

Order

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

(a) The regulations of the Department, 61 Pa. Code Chapter 876, are amended by adding final regulations in §§ 876.1 - 876.20 to read as set forth in Annex A.

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

(d) This final-form rulemaking shall take effect upon publication in the Pennsylvania Bulletin.

C. DANIEL HASSELL  
SECRETARY OF REVENUE

12/30/2019

## Requests for Final-Form Regulation

In accordance with section 5.1(a) of Act 1997-24, requests for information concerning the final-form regulation may be submitted to the Department. Commentators that request information regarding the final-form regulation will receive a copy of the regulation when the Department submits the final-form regulation to the Independent Regulatory Review Commission and the House and Senate Finance Committees.

The Department of Revenue, Office of Chief Counsel, has not received any request(s) for information concerning the final-form regulation for Chapter 876 - iLottery (15-460).

Office Policy is to send out copies with FYI letters to the commentators (see below):

**(Proposed rulemaking commentator):**

Adrian R. King, Jr., Esquire  
Ballard Spahr LLP  
1735 Market Street, 51st Floor  
Philadelphia, PA 19103-7599

**(Proposed and final-form rulemaking commentator):**

Mark S. Stewart, Esquire  
Eckert Seamans Cherin & Mellott, LLC  
213 Market Street, 8th Floor  
Harrisburg, PA 17101

iLOTTERY  
61 PA CODE, CHAPTER 876

DEPARTMENT OF REVENUE REGULATION  
#15-460

Final Regulation Package

- **NOTE:** For editing changes to the Annex from the proposed to the final rulemaking stage.  
*Please keep in mind:*

- CAPITAL LETTERS - new language to final
- ~~Strikeouts~~ - new language in proposed that was deleted in final.

- Preamble
- Annex (final regulation)
- RAF / RAF Exhibits A & B

ANNEX A

TITLE 61. REVENUE

PART V. STATE LOTTERIES

CHAPTER 876. iLOTTERY [GAMES-TEMPORARY REGULATIONS]

§ 876.1. Scope.

This chapter establishes procedures for the notification of iLottery game rules, iLottery registration and participation requirements, lottery account requirements and iLottery self-exclusion requirements.

§ 876.2. Definitions.

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

Bonus money - Credit issued to A registered iLottery players PLAYER that does not have a cash value, but which can be converted to a predetermined cash value as further detailed in § 876.14a (relating to withdrawals from a lottery account).

Bureau - The Pennsylvania State Lottery created to administer and operate the lottery by order of the Executive Board.

Cash-out games - A type of iLottery game in which the registered iLottery player is given the option to end the game early for a predetermined amount of money.

Drawing - The process of selecting the numbers, letters or symbols that determine the winning numbers, LETTERS OR SYMBOLS or the outcome of an iLottery game or an individual play, CHANCE OR SHARE. Drawings may be conducted by a mechanical device using balls, a random number generator, a randomizer or by using any other method authorized by the Secretary. Drawings may be on demand or at a predetermined date and time as established by the Secretary.

Fixed payouts - The numbers and amounts of prizes established for an iLottery game, regardless of how many plays, CHANCES OR SHARES are sold.

iLottery - A system that provides for the distribution of lottery products through numerous channels that include, but are not limited to, web applications, mobile applications, mobile web, tablets and social media platforms that [allows] allow ~~players~~ A REGISTERED ILOTTERY PLAYER to interface through a portal for the purpose of obtaining lottery products and ancillary services, such as account management, game purchase, game play and prize redemption.

*iLottery game -*

(i) Internet instant games and other lottery products offered through iLottery.

(ii) The term does not include games that represent physical, Internet-based or monitor-based interactive lottery

games which simulate casino-style lottery games, specifically including poker, roulette, slot machines and blackjack.

Instant win game - A type of iLottery game in which the result of a play, CHANCE OR SHARE is the display of numbers, letters or symbols indicating whether a prize has been won. Unlike internet instant games, no reveal is required to determine whether a prize has been won.

*Internet instant game - A lottery game of chance in which, by the use of a computer, tablet computer or other mobile device, a REGISTERED ILOTTERY player purchases a play, CHANCE OR SHARE with the result of A play, CHANCE OR SHARE being a reveal on the device of numbers, letters or symbols indicating whether a lottery prize has been won according to an established methodology as provided by the Lottery BUREAU.*

*Lottery account - An account established by an individual with the Bureau that shall be used to register for [and participate in] iLottery and to participate in iLottery. A lottery account may be used to purchase or use lottery products, to participate in lottery promotions and second chance drawings and for lottery communications.*

Lottery products - Plays, shares or chances offered by the Bureau as well as lottery property that may be exchanged for plays, shares or chances. The term includes ANY LOTTERY GAME OR LOTTERY PRODUCT AUTHORIZED BY THE SECRETARY AND

OFFERED BY THE BUREAU UNDER THE ACT OF AUGUST 26, 1971 (P.L. 351, NO. 91) (72 P.S. §§ 3761-301 - 3761-315, KNOWN AS THE STATE LOTTERY LAW, OR ACT 42 OF 2017 (P.L. 419, No. 42) (4 PA.C.S. §§ 501 - 505) SUCH AS instant tickets, terminal-based tickets, raffle games, play-for-fun games, lottery vouchers, subscription services and gift cards authorized for sale under the State Lottery Law).

Lotto game - A type of iLottery game in which a registered iLottery player chooses "X" numbers, LETTERS OR SYMBOLS from a field of "Y" numbers, LETTERS OR SYMBOLS. The field of "Y" numbers, LETTERS OR SYMBOLS is established by the Bureau. Winning plays are those in which the TO WIN, A registered iLottery player matches a designated combination of numbers, letters, symbols, or a specified combination thereof, with the winning numbers, letters or symbols randomly drawn by the Bureau. Examples of lotto games include Powerball and MegaMillions® and similar games in which multiple "Y" numbers, LETTERS OR SYMBOLS are chosen from a single set of numbers, LETTERS OR SYMBOLS.

Numbers game - A type of iLottery game in which a registered iLottery player chooses "X" numbers, LETTERS OR SYMBOLS from multiple fields of "Y" numbers, LETTERS OR SYMBOLS. The player must choose whether to purchase a straight play or a box play. A-IN straight play, requires the

registered iLottery player to match the numbers, LETTERS OR SYMBOLS ARE MATCHED in the same order as the winning numbers are drawn by the Bureau. A—IN box play, requires the registered iLottery player to THE NUMBERS, LETTERS OR SYMBOLS match all of the winning numbers drawn by the Bureau, but in any order. Examples of numbers games include Pick 4 and Pick 5 and similar games in which "Y" numbers, LETTERS OR SYMBOLS are chosen from multiple sets of numbers, LETTERS OR SYMBOLS.

Pari-mutuel - A prize structure in which the total available prize pool OR POOL is split between all winners at a particular prize level or levels.

Play - An opportunity, for a predetermined price, to participate in an iLottery game. May also be referred to as a chance or a share.

Prize or lottery prize - The item or money that can be won in each iLottery game as determined by the prize structure for that iLottery game. A prize or lottery prize may also be referred to as lottery winnings IN THIS CHAPTER.

Prize pool or pool - Amount of money designated for payments of prizes for an iLottery game. THE TERM CAN ALSO MEAN A PRESET NUMBER OF PLAYS, CHANCES OR SHARES CONTAINING A PREDETERMINED NUMBER OF WINNERS.

Prize tiers - One or more different levels, amounts or types of prizes for an iLottery game.

Progressive - An iLottery game prize structure in which the top prize available begins with a minimum prize amount, as determined by the Bureau, which grows at a ~~pre-determined~~ PREDETERMINED rate every time a play is purchased and then resets to the minimum prize amount whenever a top prize winning play is purchased.

Purchase price - The cost of a play, ~~share or chance~~ CHANCE OR SHARE for an iLottery game.

Randomizer - A device or program that generates a random set of numbers.

Random number generator - A secured computerized system, which draws random numbers to determine the outcome of an individual play, CHANCE OR SHARE or an iLottery game.

Registered iLottery player - An individual who ~~created~~ CREATES a lottery account with the Bureau, ~~registered~~ REGISTERS for iLottery and is approved for participation in iLottery.

Responsible gambling tools - Settings available to a registered iLottery player through iLottery that promote responsible gambling.

Secretary - The Secretary of Revenue of the Commonwealth.

Subscription services - A payment, advance payment or promise of payment for multiple lottery products over a specified period of time, including payment through iLottery.

Top prize - The highest prize available to be won in an iLottery game.

Traditional lottery products - Lottery products offered by the Bureau under 61 Pa. Code Chapters 801-875.

Winning play - A play, chance or share that has been validated by the Bureau and qualifies for a prize.

Winning numbers - The numbers, letters or symbols selected in a particular iLottery game that have been validated by the Bureau and ~~will be~~ ARE used to determine the winning plays for that particular iLottery game.

§ 876.2a. Lottery products available through iLottery.

The Secretary shall authorize and determine the availability of lottery products through iLottery and for purchase using a lottery account.

§ 876.2b. Traditional lottery products.

(a) The Secretary may authorize the sale of traditional lottery products through iLottery and for purchase using a lottery account.

(b) Traditional lottery products delivered through a lottery account may be delivered to a registered iLottery

player electronically and OR in a form and manner determined by the Bureau.

(c) Traditional lottery products offered through iLottery are governed by applicable regulations and corresponding notices published in the Pennsylvania Bulletin, unless otherwise noted by the Bureau in the notice for the applicable traditional lottery product.

§ 876.2c. Categories of iLottery games.

(a) In addition to traditional lottery products, the Secretary may authorize and the Bureau may offer categories of iLottery games which include the following types of iLottery games:

- (1) Numbers games.
- (2) Instant win games.
- (3) Lotto games.
- (4) Internet instant games.
- (5) Cash-out games.

(b) The outcomes of iLottery games or plays, chances or shares of iLottery games may be determined on demand or at a predetermined date and time established by the Secretary.

(c) The outcomes of iLottery games or plays, CHANCES OR SHARES of iLottery games may be determined by one or more of the following methods:

- (1) Randomizer.

(2) Random number generator.

(3) Drawing.

(d) Prize structures for iLottery games may include one or more of the following:

(1) Pari-mutuel.

(2) Prize tiers.

(3) Progressive.

(4) Fixed-payout.

(5) Prize pool or pools.

(e) Categories of iLottery games may contain any combination of the characteristics described in subsections (a)-(d) and (g).

(F) A DRAWING MAY BE CONDUCTED BY A MECHANICAL DEVICE USING BALLS, A RANDOM NUMBER GENERATOR, A RANDOMIZER OR BY USING ANY OTHER METHOD AUTHORIZED BY THE SECRETARY.

(G) THE OUTCOME OF AN ILOTTERY GAME MAY BE DETERMINED ON DEMAND OR AT A PREDETERMINED DATE AND TIME AS ESTABLISHED BY THE SECRETARY.

§ 876.2d. iLottery game rules by category of game offered.

For each category of iLottery game authorized under §§ 876.2a, 876.2b and 876.2c (relating to lottery products available through iLottery; traditional lottery products; and categories of iLottery games), the Secretary will publish a

notice in the Pennsylvania Bulletin with the following minimum information, as applicable:

(1) iLottery game type or types under §§ 876.2b(c) and 876.2c(a).

(2) Definitions.

(3) Whether the outcome of THE iLottery ~~games~~ GAME or plays, CHANCES OR SHARES of THE iLottery ~~games~~ are GAME IS determined on demand or at a predetermined date and time established by the Secretary pursuant to §§ 876.2b(c) and 876.2c(b).

(4) How the outcome or winning numbers of the Lottery ILOTTERY game or play, CHANCE OR SHARE are determined under § 876.2c(c).

(5) Prize structure of the iLottery game under § 876.2c(d).

(6) Purchase price or range of purchase prices for a play, ~~share or chance~~ CHANCE OR SHARE of the iLottery game.

(7) Availability.

(8) Other relevant information as determined ESTABLISHED by the Secretary.

§ 876.3. [Notice of iLottery game rules.] Reserved.

[The Secretary will publish a notice in the *Pennsylvania Bulletin* with the following minimum information about iLottery game rules:

- (1) Definitions.
- (2) Operation of the iLottery game.
- (3) Price range for a play.
- (4) Eligibility requirements.
- (5) Procedures for purchasing a play.
- (6) Procedures for claiming and payment of prizes.
- (7) Funding for prizes.
- (8) Retention of unclaimed prizes.
- (9) Purchase and prize restrictions.
- (10) Governing law.
- (11) Termination of the game.
- (12) Applicability.]

§ 876.4. iLottery game description.

The Secretary will post [an] AN iLottery game ~~descriptions~~—DESCRIPTION on the [Pennsylvania Lottery's iLottery] Bureau's ILOTTERY web site, ~~including~~ AND the Bureau's mobile application, for each iLottery game, with the following minimum information:

- (1) The name of the iLottery game.
- (2) The purchase price or range of purchase prices of a play, CHANCE OR SHARE for the iLottery game.
- (3) The chances of winning the iLottery game and the prizes which can be won.
- (4) iLottery game instructions.

(5) The existence of a finalist, grand prize, second chance or other offering, if applicable, and the procedure for the conduct of the same, if applicable.

(6) [The] If applicable, the existence of a bonus game, A mini-game or a game within a game, [if applicable, and the procedure] the instructions for conduct of the same[, if applicable] and the chances of winning the bonus game, mini-game or game within a game and the prizes which can be won.

(7) Other information necessary for the conduct of the iLottery game.

§ 876.5. Price.

The purchase price of a play, CHANCE OR SHARE for each iLottery game will be included in the iLottery game description for each game, as provided for under § 876.4 (relating to iLottery game description).

§ 876.6. Governing law.

(A) By registering to participate in iLottery, the registered iLottery player agrees to comply with and abide by Federal and State law, this chapter, the ILOTTERY terms and conditions AS PROVIDED FOR UNDER SECTION 876.9 (RELATING TO ILOTTERY TERMS AND CONDITIONS) ~~for registration and participation in iLottery,~~ and final decisions of the Secretary.

(B) Revenues generated by iLottery games will be apportioned as provided by 4 Pa.C.S. § 503(f) (relating to iLottery authorization) and section 311 of the State Lottery Law (72 P.S. § 3761-311) (RELATING TO DISPOSITION OF FUNDS).  
§ 876.7. General provisions.

(a) An individual shall establish a lottery account and register for iLottery as provided for under § 876.10 (relating to iLottery registration and participation) to purchase [plays] a play, chance or share and ~~OR~~ to purchase lottery products using a lottery account.

(b) An individual shall accept, consent, acknowledge and agree to be legally bound by the iLottery terms and conditions as provided for under § 876.9 (relating to iLottery terms and conditions) to register for iLottery, [and] to purchase a play, chance or share THROUGH ILOTTERY and to purchase lottery products using a lottery account.

(c) An individual shall be located in this Commonwealth to purchase a play, CHANCE OR SHARE.

(d) An individual shall be 18 years of age or older to register for iLottery, to purchase a play, CHANCE OR SHARE or to purchase lottery products using a lottery account.

§ 876.8. Applicability.

This chapter applies [only] to iLottery and the sale of lottery products PLAYS, CHANCES OR SHARES THROUGH ILOTTERY

AND THE PURCHASE OF LOTTERY PRODUCTS USING A LOTTERY ACCOUNT,  
as offered AND ADMINISTERED by the Department and the Bureau.  
§ 876.9. iLottery terms and conditions.

(a) The terms and conditions for the establishment of a lottery account and for the registration and participation in iLottery will be [available on the Pennsylvania Lottery's iLottery website and other locations as determined by the Secretary] published in the Pennsylvania Bulletin AND WILL BE KNOWN AS THE ILOTTERY TERMS AND CONDITIONS.

(1) Amendments to the ILOTTERY terms and conditions will be published in the Pennsylvania Bulletin.

(2) The ILOTTERY terms and conditions will be available on the Bureau's ILOTTERY web site and other locations as ~~determined~~ ESTABLISHED by the Secretary.

(b) The ILOTTERY terms and conditions for the establishment of a lottery account and for registration and participation in iLottery will include all of the following:

(1) Acknowledgment, consent, agreement and acceptance by the individual to all of the following:

(i) Confirmation by the Bureau of the applicant's age and identity.

(ii) The use of a mechanism by the Bureau to detect the physical location of a registered iLottery player

in compliance with 4 Pa.C.S. § 503(h)(1) (relating to iLottery authorization).

(iii) The terms of the end user license agreement for the software and terms and conditions of any third-party services used for the implementation and operation of iLottery and the provision of iLottery games.

(iv) The monitoring and recording by the Department or the Bureau of any iLottery communications and geographic location information.

(v) The jurisdiction of the Commonwealth to resolve disputes arising out of the conduct of iLottery.

(vi) [The forfeiture and escheatment of funds remaining on deposit in the registered iLottery player's account if that account has been dormant for 3 years.] Any moneys remaining on deposit in the registered iLottery player's LOTTERY account as abandoned and unclaimed property if the registered iLottery player has not logged into ~~their~~ THE lottery account using their username and password in more than 3 years.

(vii) The registered iLottery player's LOTTERY account may be suspended or closed for reasons established by the Secretary, including any of the following:

(A) Violations of the iLottery terms and conditions as provided for under this chapter.

(B) The registered iLottery player has been charged with or convicted of an offense under 18 Pa.C.S. §§ 4106 (RELATING TO ACCESS DEVICE FRAUD), 5111 (RELATING TO DEALING IN PROCEEDS OF UNLAWFUL ACTIVITIES), ~~and 5512-5514~~ 5512 (RELATING TO LOTTERIES, ETC.), 5513 (RELATING TO GAMBLING DEVICES, GAMBLING, ETC.), 5514 (RELATING TO POOL SELLING AND BOOKMAKING), ~~or~~ 4 Pa.C.S. § 1518 (RELATING TO PROHIBITED ACTS; PENALTIES) OR 4 PA.C.S. § 3905 (RELATING TO PROHIBITED ACTS AND PENALTIES) ~~(relating to amusements)~~ or conspiracy to commit offenses under 18 Pa.C.S. § 903 (relating to criminal conspiracy), or equivalent crimes under Federal law or the law of another ~~state~~ STATE.

(C) A self-exclusion request under § 876.16 (relating to self-exclusion from iLottery).

(D) The application of a responsible gambling tool BY A REGISTERED ILOTTERY PLAYER, as described in the iLottery terms and conditions, which limits the ability of the registered iLottery player to log into ~~his~~ THE lottery account.

(E) Other reasons as determined ESTABLISHED by the Secretary.

(viii) Other terms and conditions that may apply related to registration and participation in iLottery.

(ix) Lottery winnings are subject to Federal and State withholding taxes and prizes awarded to the registered iLottery player will be reduced by the amount of withholding required under applicable law.

(x) Lottery winnings are subject to certain deductions as required by law and ~~that~~ prizes awarded to the registered iLottery player will be reduced by any amount required to be deducted under applicable law.

(xi) To receive certain [iLottery] prizes, as identified and described in the iLottery game rules provided for under [§ 876.3 (relating to notice of iLottery game rules)] § 876.2(e)876.2C (relating to categories of iLottery games) or iLottery game ~~description~~ DESCRIPTIONS as provided for under § 876.4 (relating to iLottery game description) or promotional prize notices provided for under § 811.41 (relating to promotional prizes), the registered iLottery player may be required to take additional measures to claim a prize, including to appear in person at a specified [Pennsylvania Lottery] Bureau claim center.

(xii) Use of electronic communications to establish a lottery account, for iLottery registration, communications regarding the lottery account and other communications related to iLottery as determined by the Bureau.

(xiii) Ability of the registered iLottery player to [establish] use the responsible gambling [limits including a deposit limit, spend limit or time-based limit, as available, through the lottery account] tools available through iLottery.

(xiv) Ability of the registered iLottery player to self-exclude from iLottery and the extent to which the self-exclusion applies to use of the registered iLottery player's lottery account.

(xv) Methods by which [funds] moneys or credits may be deposited and under what circumstances [funds] moneys or credits may be deposited into the registered iLottery player's lottery account.

(xvi) Moneys or credits deposited and held in the registered iLottery player's LOTTERY account do not earn interest.

(xvii) Methods by which [funds] moneys or credits may be withdrawn and under what circumstances ~~funds~~ MONEYS or credits may be withdrawn from the registered iLottery player's lottery account.

(xviii) Reporting of suspected fraudulent or unlawful activity related to the operation of iLottery.

(xix) Dispute resolution procedures related to iLottery.

(xx) Information provided to the Department OR BUREAU during the establishment, use, access or closure of the REGISTERED ILOTTERY PLAYER'S lottery account is true and correct.

(xxi) Methods by which a registered iLottery player may purchase lottery products as a gift or for the benefit of another person.

(XXII) ILOTTERY GAME RULES AS DESCRIBED IN § 876.2D (RELATING TO ILOTTERY GAME RULES BY CATEGORY OF GAME OFFERED) AND ILOTTERY GAME DESCRIPTIONS IN § 876.4 (RELATING TO ILOTTERY GAME DESCRIPTION).

(XXIII) TERMS AND CONDITIONS FOR ILOTTERY PROMOTIONS AS PROVIDED FOR UNDER SECTION 876.17 (RELATING TO ILOTTERY PROMOTIONAL PRIZES).

(XXIV) INFORMATION RELATED TO SUBSCRIPTION SERVICES AS PROVIDED FOR UNDER § 876.19 (RELATING TO SUBSCRIPTION SERVICES).

(2) Rules and obligations applicable to the registered iLottery player, other than rules of individual games, including all of the following:

(i) Prohibition ~~from~~ AGAINST allowing another [person] individual to access or use the registered iLottery player's LOTTERY account.

(ii) Prohibition ~~from~~ AGAINST purchasing a play, CHANCE OR SHARE unless the registered iLottery player is physically located in this Commonwealth.

(iii) Prohibition against [utilizing] using automated computerized software or other equivalent mechanisms to engage in iLottery. Nothing in this section shall prohibit the use of adaptive technologies ~~for~~ BY registered iLottery players with a disability as defined in the Americans with Disabilities Act of 1990 (42 U.S.C.A. §§ 12101-12213).

(iv) Prohibition against participation in iLottery by [a person] an individual under 18 years of age.

(v) Prohibition of [a person] an individual who self-excluded from iLottery from participating in iLottery.

(vi) [Prohibition against the sale of a play or the award of a prize as follows:] Prohibition against purchasing a play, CHANCE OR SHARE or receiving a prize if the registered iLottery player is:

(A) [To an] An officer or employee of the Bureau.

(B) [To a] A spouse, child, brother, sister or parent residing as a member of the same household as an officer or employee of the Bureau.

(C) [To an] An officer or employee of a contractor or subcontractor who is directly involved in the operation of iLottery or the provision of iLottery related services.

(D) [To a] A spouse, child, brother, sister or parent residing ~~in~~ AS A MEMBER OF the same household as an officer or employee of a contractor or subcontractor who is directly involved in the operation of iLottery ~~and~~ OR the provision of iLottery related services.

(3) Any other terms and conditions the Secretary deems necessary and relevant for the conduct of iLottery.

§ 876.10. iLottery registration and participation.

(a) An individual may not participate in iLottery without first creating a lottery account and registering to participate in iLottery through the Bureau as described in this chapter.

(b) A registered iLottery player agrees to be bound by the ILOTTERY terms and conditions ~~in~~ AS PROVIDED FOR UNDER § 876.9 (relating to iLottery terms and conditions).

(c) [The following information will be required to register for iLottery] To establish a lottery account and register for iLottery, an individual shall provide the following information:

(1) [Name] The individual's name as it appears on a valid government-issued identification or [on] tax documents.

(2) [Date] The individual's date of birth.

(3) [Entire] The entire or last four digits of the individual's Social Security [number] Number, or comparable equivalent [for a foreign person such as a passport or taxpayer identification number].

(4) [Home] The individual's address.

(5) [Telephone] The individual's telephone number.

(6) [E-mail] The individual's e-mail address.

(7) Any other information as ~~determined~~ ESTABLISHED by the Secretary to be necessary to verify the age and identity of the individual.

(d) An individual may be required to provide additional information or documentation, ~~as provided for~~ SET FORTH in the iLottery terms and conditions AS PROVIDED FOR UNDER § 876.9 (RELATING TO ILOTTERY TERMS AND CONDITIONS), to establish a lottery account or register for iLottery. The information may be used for iLottery registration or to confirm information provided by that individual during the registration process.

(e) The lottery account will require a username and password.

(f) Access to the lottery account and participation in iLottery is limited to the [lottery account user] registered iLottery player.

(g) An individual will be prohibited from establishing a lottery account and from registering for iLottery if one or more of the following occurs:

(1) The Department is unable to verify the age of the individual.

(2) The Department [in] is unable to verify the identity of the individual.

(3) The individual fails to agree to the iLottery terms and conditions as provided for under § 876.9 (RELATING TO ILOTTERY TERMS AND CONDITIONS).

(4) The information provided to the Bureau is false or misleading.

(5) Other reasons [as] set forth in the ILOTTERY terms and conditions as provided for under § 876.9 (RELATING TO ILOTTERY TERMS AND CONDITIONS).

(h) A registered iLottery player may not purchase a play, chance or share or purchase lottery products using a lottery account if the Bureau is unable to verify that the registered iLottery player is physically located within the geographical borders of this Commonwealth.

(i) An individual may not open, access, maintain or otherwise [utilize] use more than one lottery account for participation in iLottery. This will DOES not prohibit a registered iLottery player that WHO closes their A lottery account from reopening their THE lottery account or creating a new account, as applicable, at a later date.

(j) An individual may not register or attempt to register for iLottery [utilizing] using more than one LOTTERY account.

(k) By establishing a lottery account and registering for iLottery, a registered iLottery player agrees that all communications related to the establishment and use of the lottery account may be through electronic communication COMMUNICATIONS. All electronic communications from the Bureau may be directed to a registered iLottery player based on the lottery account information provided by the registered iLottery player and verified by the Bureau.

(l) An individual must create a lottery account and register for iLottery through the Bureau's ILOTTERY web site or the Bureau's mobile application.

(m) A lottery account may be closed by the registered iLottery player at any time.

(n) A registered iLottery player's lottery account information may be retained by the Bureau to prevent another

individual from using the same lottery account information to open a different lottery account.

(o) To close the registered iLottery player's lottery account, the registered iLottery player is required to contact the Bureau. The Bureau may require the registered iLottery player to confirm lottery account information prior to closing the lottery account.

§ 876.10a. Lottery REGISTERED ILOTTERY PLAYER LOTTERY account requirements.

A registered iLottery player is subject to all of the following:

(1) The end user license agreement or agreements for software used in the provision of iLottery.

(2) The terms and conditions of any third-party service providers used in the provision of iLottery, including electronic payment processors, electronic payment transmitters and financial institutions.

(3) The confirmation of the individual's age and identity.

(4) To at all times provide true and correct information to the Department AND THE BUREAU during the establishment, access, use or closure of the registered iLottery player's lottery account.

(5) The continuous monitoring and recording of information communicated and transactions conducted through iLottery, including electronic communications.

(6) The use of a mechanism by the Bureau to detect the physical location of a THE registered iLottery player in compliance with 4 Pa.C.S. § 503(h)(1) (relating to iLottery authorization).

(7) A THE registered iLottery player's lottery account may be suspended or closed for any of the following reasons:

(i) Violations of the iLottery terms and conditions as provided FOR under § 876.9 (relating to iLottery terms and conditions).

(ii) A self-exclusion request under § 876.16 (relating to self-exclusion from iLottery AND RESPONSIBLE GAMBLING TOOLS).

(iii) The application of a responsible gambling tool which limits access to the registered iLottery player's lottery account as ~~provided for~~ SET FORTH in the iLottery terms and conditions AS PROVIDED FOR UNDER § 876.9 (RELATING TO ILOTTERY TERMS AND CONDITIONS).

(iv) The determination that the registered iLottery player has been charged WITH or convicted of an offense under 18 Pa.C.S. §§ 4106 (RELATING TO ACCESS DEVICE

FRAUD), 5111 (RELATING TO DEALING IN PROCEEDS OF UNLAWFUL ACTIVITIES), ~~and 5512-5514~~ 5512 (RELATING TO LOTTERIES, ETC.), 5513 (RELATING TO GAMBLING DEVICES, GAMBLING, ETC.), 5514 (RELATING TO POOL SELLING AND BOOKMAKING), ~~or~~ 4 Pa.C.S. § 1518 (RELATING TO PROHIBITED ACTS; PENALTIES) OR 4 PA.C.S. § 3905 (RELATING TO PROHIBITED ACTS AND PENALTIES) ~~(relating to amusements)~~ or conspiracy to commit offenses under 18 Pa.C.S. § 903 (relating to criminal conspiracy), or equivalent crimes under Federal law or the law of another state STATE.

(v) Other reasons as determined ESTABLISHED by the Secretary.

(8) A THE registered iLottery player's use of iLottery and software or third-party services used by the Bureau in the provision of iLottery shall comply at all times with all applicable laws, statutes, regulations and the iLottery terms and conditions AS PROVIDED FOR UNDER SECTION 876.9 (RELATING TO ILOTTERY TERMS AND CONDITIONS).

(9) The iLottery privacy policy, AVAILABLE ON THE BUREAU'S ILOTTERY WEB SITE AND ON THE BUREAU'S MOBILE APPLICATION.

§ 876.11. Purchase and prize restrictions.

(a) Individuals must be at least 18 years of age to register for iLottery or to purchase a play, CHANCE OR SHARE.

(b) A ~~Registered~~ REGISTERED iLottery ~~players~~ PLAYER shall be located within the geographical boundaries of this Commonwealth to purchase a play, CHANCE OR SHARE.

(c) A play, CHANCE OR SHARE may not be purchased by and a prize may not be awarded to the following:

(1) An officer or employee of the Bureau.

(2) A spouse, child, brother, sister or parent residing ~~in~~ AS A MEMBER OF the same household as an officer or employee of the Bureau.

(3) An officer or employee of a contractor or subcontractor who is directly involved in the operation of iLottery or the provision of iLottery related services.

(4) A spouse, child, brother, sister or parent RESIDING AS A MEMBER OF THE SAME HOUSEHOLD AS ~~of~~ an officer or employee of a contractor who is directly involved in the operation of iLottery or the provision of iLottery related services.

(d) A registered iLottery player is prohibited from cancelling the purchase of a play, chance, share or lottery product.

§ 876.11a. Methods to fund a lottery account.

(a) A registered iLottery player shall deposit moneys or credits in the lottery account prior to purchasing a play,

CHANCE OR SHARE or purchasing other lottery products using a lottery account.

(b) The Secretary, in his sole discretion, will determine the methods by which A registered iLottery players PLAYER may fund a lottery account and purchase iLottery LOTTERY products. The Bureau will describe those methods in the iLottery terms and conditions AS PROVIDED FOR UNDER § 876.9 (RELATING TO ILOTTERY TERMS AND CONDITIONS).

(c) Methods for funding a lottery account may include the following:

(1) A registered iLottery player's credit card or debit card, including prepaid cards.

(2) Gift cards, as authorized by the Secretary AND ISSUED BY THE BUREAU.

(3) Player cards—issued by agents, as authorized by the Secretary AND ISSUED BY THE BUREAU.

(4) Automated clearing house transfers.

(5) Bonus money, credits or promotional prizes issued by the Bureau.

(6) Prizes received from a winning play.

(7) Payment processors or payment transmitters.

(8) Any other method authorized by the Secretary.

(d) The Secretary may establish conditions of purchase applicable to credit card and debit card transactions, such as daily deposit limits.

(e) The Secretary may establish a minimum deposit amount.

§ 876.11b. Lottery account moneys and credits.

(a) Moneys or credits deposited into a registered iLottery player's lottery account may be used to purchase plays, CHANCES OR SHARES and lottery products, as authorized by the Secretary AND OFFERED BY THE BUREAU.

(b) Moneys or credits deposited and held in a registered iLottery player's lottery account will not earn interest.

(c) Moneys or credits remaining on deposit in a registered iLottery player's lottery account will be considered abandoned and unclaimed property if the registered iLottery player has not logged into ~~their~~ THE lottery account using their username and password for more than 3 years.

§ 876.12. Prizes.

(a) Prizes may be awarded by check, draft or electronically through the registered iLottery player's lottery account or other means as authorized by the Secretary AND OFFERED BY THE BUREAU.

(b) The Bureau will report taxable prizes and events to relevant taxing authorities based on established statutory thresholds.

(c) The Commonwealth and its agents, officers and employees shall be discharged of liability upon ~~payment~~ AWARD of a prize.

(d) Prizes will be reduced by required tax withholding and any deductions for outstanding liabilities as required by law, including those set forth in § 876.14 (relating to deductions required by law).

(e) A registered iLottery player may be prohibited from accessing a prize until the Department OR THE BUREAU determines whether there are outstanding liabilities that must be deducted from the prize, including those set forth in § 876.14 (RELATING TO DEDUCTIONS REQUIRED BY LAW).

(f) ~~Prize winning~~ WINNING plays will be determined based on the iLottery game rules as established in § 876.2d (relating to iLottery game rules by category of game offered) and by the data recorded by the Bureau on its system or systems of record.

§ 876.12a. Prize Claims.

(a) The Bureau will generate applicable tax forms for reportable gambling and lottery winnings as required by State and Federal laws and regulations.

(b) The Bureau may use lottery account information provided by a registered iLottery player and verified by the Bureau to generate applicable tax forms for reportable gambling and lottery winnings.

(c) The Bureau may require a registered iLottery player to complete a claim form and to submit it in person at a claim center designated by the Bureau.

(d) A prize requiring the completion of a claim form will not be credited to the registered iLottery player's lottery account until a properly completed claim form is submitted to AND ACCEPTED BY the Bureau.

(e) If a registered iLottery player fails to complete a claim form as required by this section, the prize money will be retained for payment to the ~~prize winner~~ REGISTERED ILOTTERY PLAYER for 1 year after the prize is won. If a claim form is not completed within that period, the ability to claim the prize will expire and the prize money will be used consistent with the State Lottery Law, 72 P.S. §§ 3761-301-315.

§ 876.13. Withholding.

Federal and State withholding taxes will be withheld by the Bureau from prize payments as required by law.

§ 876.14. Deductions required by law.

In addition to any withholding required by Federal and State law, the Department will deduct amounts from [iLottery prize winnings] prizes as required by law[.], including those amounts required under:

(1) 23 Pa.C.S.A. § 4308 (relating to lottery winnings intercept).

(2) 72 P.S. § 215 (RELATING TO LOTTERY WINNINGS INTERCEPT).

§ 876.14a. Withdrawals from a lottery account.

(a) A registered iLottery player may withdraw moneys from the registered iLottery player's lottery account.

(b) The Secretary may require a minimum balance in the registered iLottery player's lottery account prior to authorizing a withdrawal.

(c) The Bureau shall not be required to grant a withdrawal request immediately. A withdrawal request from a registered iLottery player's lottery account may be delayed for reasons consistent with ~~these regulations~~ THIS CHAPTER and ~~as provided for~~ SET FORTH in the iLottery terms and conditions AS PROVIDED FOR UNDER § 876.9 (RELATING TO ILOTTERY TERMS AND CONDITIONS).

(d) A registered iLottery player may be required to provide the Bureau with information to verify the details of

a withdrawal request before the withdrawal request from the registered iLottery player's lottery account is processed.

(e) A registered iLottery player shall be prohibited from withdrawing bonus money from ~~their~~ THE REGISTERED ILOTTERY PLAYER'S lottery account where the registered iLottery player fails to convert bonus money into cash in conformance with the promotional terms and conditions issued under § 811.41 (relating to promotional prizes) and § 876.17 (relating to iLottery promotional prizes).

(f) A registered iLottery player may request that a withdrawal from the registered iLottery player's lottery account be credited to any payment type authorized by the Secretary AND OFFERED BY THE BUREAU.

(g) The Bureau may make adjustments to a registered iLottery player's lottery account if the Bureau determines that moneys or bonus moneys are mistakenly credited to a registered iLottery player's lottery account.

(h) The Bureau will deduct the purchase price of a lottery product from a registered iLottery player's lottery account following the purchase of a lottery product.

§ 876.15. Termination of a game.

The Secretary may terminate an iLottery game at any time and without notice.

§ 876.16. Self-exclusion from iLottery AND RESPONSIBLE GAMBLING TOOLS.

(a) A registered iLottery player may request self-exclusion from iLottery under this section.

(b) A registered iLottery player may request self-exclusion through the registered iLottery player's lottery account or through other means authorized by the Secretary AND OFFERED BY THE BUREAU.

(c) A registered iLottery player may select from the predetermined periods of self-exclusion ~~offered~~ AUTHORIZED [through the lottery account] by the Secretary AND OFFERED BY THE BUREAU.

(d) During a period of self-exclusion, a self-excluded, registered iLottery player may not purchase plays, shares or chances, deposit [or withdraw funds from] ~~funds~~ MONEYS into the registered iLottery player's LOTTERY account, or otherwise participate in iLottery and iLottery promotions prior to the conclusion of the self-exclusion period.

(e) During a period of self-exclusion, a registered iLottery player elects not to receive e-mails or other communications about iLottery.

(f) The Bureau may require a registered iLottery player to verify any of the following lottery account information to request self-exclusion:

(1) The individual's name as it appears on a valid government-issued identification or tax documents.

(2) The individual's date of birth.

(3) THE ENTIRE OR LAST FOUR DIGITS OF THE INDIVIDUAL'S Social Security Number or comparable equivalent.

(4) The individual's address.

(5) The individual's telephone number.

(6) The individual's e-mail address.

(7) Any other information as-determined ESTABLISHED by the Secretary to be necessary to verify the age and identity of the individual.

(g) To request self-exclusion, a registered iLottery player must:

(1) Acknowledge and agree that self-exclusion is requested voluntarily.

(2) Acknowledge and agree that self-exclusion applies to iLottery but may apply to other lottery products, promotions and drawings as-provided-for SET FORTH in the iLottery terms and conditions AS PROVIDED FOR UNDER § 876.9 (RELATING TO ILOTTERY TERMS AND CONDITIONS).

(3) Acknowledge and agree to waive and release the Commonwealth and its agents and employees from all liability relating to the processing and enforcement of self-exclusion.

(h) A self-excluded, registered iLottery player shall be prohibited from logging into ~~their~~ THE REGISTERED ILOTTERY PLAYER'S lottery account using their username and password until the self-exclusion period expires.

(i) A self-excluded, registered iLottery player may request the release of moneys in the registered iLottery player's lottery account as ~~provided for~~ SET FORTH in the iLottery terms and conditions AS PROVIDED FOR UNDER § 876.9 (RELATING TO ILOTTERY TERMS AND CONDITIONS).

(j) The self-exclusion period will become effective immediately upon submission and verification of the request.

(k) A request for self-exclusion is irrevocable.

(l) At the conclusion of any period of self-exclusion, a self-excluded, registered iLottery player must contact the Bureau to reinstate the registered iLottery player's LOTTERY account.

(m) The Bureau may offer responsible gambling tools applicable to iLottery and the purchase of lottery products through a lottery account as ~~provided for~~ SET FORTH in the iLottery terms and conditions PROVIDED FOR UNDER § 876.9 (RELATING TO ILOTTERY TERMS AND CONDITIONS).

(n) During any period of self-exclusion or through the use of responsible gambling tools, a registered iLottery player may be prohibited from participating in second chance

drawings, promotions offered by the Bureau and marketing communications from the Bureau.

§ 876.17. iLottery promotional prizes.

The Secretary may authorize iLottery promotions and issue the terms and conditions related thereto under this ~~part~~ CHAPTER and § 811.41 (relating to promotional prizes).

§ 876.18. [Retailer] Agent promotion programs.

[Retailer] Agent incentive and marketing promotion programs may be implemented at the discretion of the Secretary. Funds for the programs, if needed, will be drawn from the Lottery Fund.

§ 876.19. Subscription services.

(a) The Bureau may offer subscription services for lottery products as ~~determined~~ AUTHORIZED by the Secretary.

(b) The subscription services will be governed by the iLottery terms and conditions AS PROVIDED FOR UNDER § 876.9 (RELATING TO ILOTTERY TERMS AND CONDITIONS).

(c) Details of subscription services purchased through iLottery will be available electronically through a registered iLottery player's lottery account.

§ 876.20. Confidential information.

The following information about a registered iLottery player is confidential, exempt from being disclosed and will be maintained as such by the Bureau:

- (1) The individual's last name.
- (2) The individual's address.
- (3) The individual's telephone number.
- (4) The individual's financial information.
- (5) The individual's self-exclusion information.
- (6) The individual's Social Security Number or comparable equivalent.
- (7) Information related to the individual's use of responsible gambling tools.
- (8) The individual's play history, including information related to wins and losses.
- (9) The individual's play tendencies.

12/30/2019

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

**I.D. NUMBER:** 15-460  
**SUBJECT:** iLottery  
**AGENCY:** DEPARTMENT OF REVENUE

**TYPE OF REGULATION**

- Proposed Regulation
- X 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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2019 DEC 30 A 10:21

**FILING OF REGULATION**

<u>DATE</u>	<u>SIGNATURE</u>	<u>DESIGNATION</u>
<i>HOUSE COMMITTEE ON FINANCE</i>		
12/30/19	<u>B. Dysand</u>	MAJORITY CHAIR <u>Hon. Michael Peifer</u>
12/30/19	<u>JH</u>	MINORITY CHAIR <u>Hon. Jake Wheatley, Jr</u>
<i>SENATE COMMITTEE ON FINANCE</i>		
12/30/19	<u>JNL</u>	MAJORITY CHAIR <u>Hon. Scott E. Hutchinson</u>
12/30/19	<u>JBL</u>	MINORITY CHAIR <u>Hon. John P. Blake</u>
12/30/19	<u>Step F. H</u>	<i>INDEPENDENT REGULATORY REVIEW COMMISSION</i>
_____	_____	<i>ATTORNEY GENERAL (for Final Omitted only)</i>
_____	_____	<i>LEGISLATIVE REFERENCE BUREAU (for Proposed only)</i>