MEMORANDUM

TO: Senators LODGE, Guthrie, Stennett and, Representatives CRANE, Armstrong, Gannon
FROM: Katharine Gerrity - Deputy Division Manager
DATE: August 04, 2021
SUBJECT: Temporary Rule

IDAPA 52.01.03 - Notice of Omnibus Rulemaking (Fee Rule) - Adoption of Temporary Rule \ Rescission of Previous Temporary Rule - Docket No. 52-0103-2100F

We are forwarding this temporary rule to you for your information only. No analysis was done by LSO. This rule is posted on our web site. If you have any questions, please call Katharine Gerrity at the Legislative Services Office at (208) 334-4845. Thank you.

Attachment: Temporary Rule
IDAPA 52 – IDAHO STATE LOTTERY COMMISSION
DOCKET NO. 52-0103-2100F (FEE RULE)
NOTICE OF OMNIBUS RULEMAKING – ADOPTION OF TEMPORARY RULE \ RESCISSION OF PREVIOUS TEMPORARY RULE

EFFECTIVE DATE: The effective date of the temporary rule being adopted through this omnibus rulemaking as listed in the descriptive summary of this notice is July 1, 2021. The rescission of previous temporary rule under docket 52-0103-2000F is effective July 1, 2021.

AUTHORITY: In compliance with Sections 67-5226, Idaho Code, notice is hereby given this agency has adopted a temporary rule and rescinded a previous temporary rule. The action is authorized pursuant to Section 67-7408(1), Idaho Code.

DESCRIPTIVE SUMMARY: The following is the required finding and concise statement of its supporting reasons for adopting a temporary rule and rescinding a previous temporary rule:

This temporary rulemaking adopts and republishes the following existing rule chapter previously submitted to and reviewed by the Idaho Legislature under IDAPA 52, rules of the Idaho State Lottery Commission:

IDAPA 52
• 52.01.03, Rules Governing Operations of the Idaho State Lottery.

Rescission of previous temporary rule aligns this chapter wholly with the administrative code effective 7-1-21.

TEMPORARY RULE JUSTIFICATION: Pursuant to Sections 67-5226(1)(a-c) and 67-5226(2), Idaho Code, the Governor has found that temporary adoption of the rule is appropriate for the following reasons:

This temporary rule is necessary to protect the public health, safety, and welfare of the citizens of Idaho and confer a benefit on its citizens. The temporary rule implements the duly enacted laws of the state of Idaho, provides citizens with the detailed rules and standards for complying with those laws, and assists in the orderly execution and enforcement of those laws. The expiration of this rule without due consideration and processes would undermine the public health, safety and welfare of the citizens of Idaho and deprive them of the benefit intended by this rule. These fees have been in use since the inception of the Idaho Lottery and are integral to the daily functions of the Idaho Lottery.

FEE SUMMARY: Pursuant to Section 67-5226(2), the Governor has found that the fees or charges being imposed or increased are justified and necessary to avoid immediate danger and the fees are described herein:

The fees or charges, authorized in Sections 67-7412, 67-7706(2), 67-7712, 67-7715, Idaho Code, are part of the agency’s 2022 budget that relies upon the existence of these fees or charges to meet the state’s obligations and provide necessary state services. Failing to reauthorize these temporary rules would create immediate danger to the state budget, immediate danger to necessary state functions and services, and immediate danger of a violation of Idaho’s constitutional requirement that it balance its budget. The following is a specific description of the fees:

Sections 501 allows for an application fee for participating organizations and follow up fees based upon annual gross revenues. Section 601 allows for an annual license fee imposed upon vendors, those businesses or persons who manufacture, sell, distribute, furnish or supply gaming devices to Charitable Gaming organizations. Section 201 allows for an application fee for applicants interested in selling Lottery products. Subsection 205.13 allows for a reduced application fee if a current Lottery product retailer is interested in adding break open (PullTab) products to their portfolio.

ASSISTANCE ON TECHNICAL QUESTIONS: For assistance on technical questions concerning the adoption of temporary rule and rescission of temporary rule, contact Becky Schroeder, Chief Operating Officer, at 208.780.2501.

DATED this 1st day of July, 2021.

Jeffrey R. Anderson, Director
Idaho State Lottery
1199 Shoreline Lane, Suite 100

Boise, ID 83702
Phone: (208) 780-2500

52.01.03 – RULES GOVERNING OPERATIONS OF THE IDAHO STATE LOTTERY

SUBCHAPTER A – INTRODUCTORY PROVISIONS AND DEFINITIONS

000. LEGAL AUTHORITY.
These rules are adopted under the general legal authority of Title 67, Chapter 74, Idaho Code, and the specific legal authority of Sections 67-7401, 67-7404, 67-7406, 67-7408, and 67-7411, Idaho Code. (7-1-21)

001. TITLE AND SCOPE.
The title of these rules is IDAPA 52.01.03, “Rules Governing Operations of the Idaho State Lottery.” The rules govern operations of the Idaho State Lottery. The rules also set forth which bingo games and raffles are legal in the state of Idaho and to bring all legal bingo games and raffles in the state of Idaho under the control of the Lottery. (7-1-21)

002. -- 009. (RESERVED)

010. DEFINITIONS.
As used throughout these rules these terms have the following definitions: (7-1-21)

01. Commission. The Idaho State Lottery Commission established and appointed according to Sections 67-7402, 67-7404(2) and 67-7405, Idaho Code. See Section 67-7702(4), Idaho Code. (7-1-21)

02. Commissioner. A member of the Idaho State Lottery Commission. (7-1-21)

03. Director. The Director of the State Lottery appointed and confirmed according to Section 67-7407, Idaho Code. (7-1-21)

04. Lottery. The Idaho State Lottery created by Section 67-7402, Idaho Code, and, as context requires, the Lottery Commission and the Lottery’s officers and employees. (7-1-21)

05. Person. See definition in Section 67-7702, Idaho Code. (7-1-21)

011. -- 099. (RESERVED)

SUBCHAPTER B – OPERATIONS OF THE IDAHO STATE LOTTERY

100. DEFINITIONS.
These rules apply to Subchapter B only: (7-1-21)

01. Administrative Costs. See definition in Section 67-7404, Idaho Code. (7-1-21)

02. Benefit. Any thing, property or money, favorable consideration or advantage, profit, privileges, gain or interest to which a person is not otherwise entitled. (7-1-21)

03. Certificate. The signed document issued by the Director authorizing a retailer to sell Lottery products. (7-1-21)

04. Control Person. A person in a position of authority that is primarily defined according to organizational type. The following are control persons: (7-1-21)

a. In a privately-owned corporation, the officers, directors, and stockholders of the parent company who own five percent (5%) or more of the company’s stock and, if applicable, any of its subsidiaries. (7-1-21)

b. In a publicly-owned corporation, the officers and directors of the parent company and each of its subsidiaries. Additionally, stockholders who own five percent (5%) or more of the corporation’s stock are control persons. (7-1-21)

c. In a trust, the trustee and all persons entitled to receive income or benefit from the trust. (7-1-21)
In an association, the members, officers, and directors. (7-1-21)

In a partnership or joint venture, the general partners, limited partners, or joint venturers. (7-1-21)

A member of the immediate family of any of who is a control person under Paragraphs 010.06.a. through 06.e. of this definition. (7-1-21)

A subcontractor of a vendor if the subcontractor performs more than half of the vendor’s contract with the Lottery. (7-1-21)

Executive Staff. The director of Lottery Security Division and the deputy directors appointed by the Director. (7-1-21)

Expenses. See definition in Section 67-7404, Idaho Code. (7-1-21)

Fiscal Year. The Lottery’s fiscal year of twelve (12) months beginning on July 1 and ending on June 30. (7-1-21)

Gift. A transfer, exchange or delivery of anything, property or money, of any value whatsoever, with or without an expectation by the giver to receive anything, tangible or intangible, in return. (7-1-21)

Immediate Family. A natural person’s spouse, children, brother, sister, or parent by blood, marriage, or adoption who resides as a member of the same household in the principal place of residence of any contractor, vendor, retailer, member, or employee of the State Lottery. (7-1-21)

Instant Game. A game in which a ticket is purchased and upon removal of a latex or similar secure covering on the front of the ticket, the ticket bearer determines his or her winnings, if any. (7-1-21)

Invitation to Bid. The solicitation of competitive offers in which specifications, price, and delivery (or project completion) will be the predominant award criteria. (7-1-21)

Lottery Contract or Contract. Any contract entered into either by the Lottery or for the Lottery by another public agency, for the purchase, lease, or sale of goods or services. (7-1-21)

Lottery Contractor or Contractor. See definition in Section 67-7404, Idaho Code. (7-1-21)

Lottery Employee or Employee. Any person who works full- or part-time for the Lottery. (7-1-21)

Lottery Game or Game. Any procedure authorized by the Commission whereby prizes are distributed among persons who have paid, or unconditionally agreed to pay, for tickets or shares which provide the opportunity to win such prizes. Lottery game themes must be approved by the Commission, be consonant with the dignity of the state. (7-1-21)

Lottery Game Retailer or Retailer. See definition in Section 67-7404, Idaho Code. (7-1-21)

Lottery Revenue. See definition in Section 67-7404, Idaho Code. (7-1-21)

Lottery Vendor or Vendor. See definition in Section 67-7404, Idaho Code. (7-1-21)

Low, Medium and High Tier Claims. See definition in Section 67-7404, Idaho Code. (7-1-21)

Major Procurement. See definition in Section 67-7404, Idaho Code. (7-1-21)

Net Income. See definition in Section 67-7404, Idaho Code. (7-1-21)

On-Line System. The Lottery’s on-line computer wagering system consisting of ticket issuing
terminals, central processing equipment, and a communications network. (7-1-21)T

23. **Play Symbols.** The numbers or symbols appearing in the designated area under the removable covering on the front of the ticket. (7-1-21)T

24. **Prize.** Any award, financial or otherwise, awarded by the Director for successfully playing a Lottery game. (7-1-21)T

25. **Redemption Value.** See definition in Section 67-7404, Idaho Code. (7-1-21)T

26. **Request for Proposal.** The solicitation of competitive proposals, or offers, to be used in part as a basis for making an acquisition, or entering into a contract, when specification and price will not necessarily be the predominant award criteria. (7-1-21)T

27. **Retailer Validation Code.** The symbols found under the removable rub-off covering over the play symbols on the front of each ticket. (7-1-21)T

28. **Sensitive Procurement.** Those procurement actions or contracts, other than “major procurements,” that may either directly or indirectly affect the integrity, security, honesty, and fairness of the operation and administration of the Lottery. A typical example of this class of procurement is the acquisition of security systems that protect the security and integrity of the Lottery. (7-1-21)T

29. **Share.** See definition in Section 67-7404, Idaho Code. (7-1-21)T

30. **State Lottery Act of 1988 or Act.** The Act approved by the legislature creating the Lottery, which became effective November 23, 1988, as amended, which is codified at Title 67, Chapter 74, Idaho Code. (7-1-21)T

31. **Subcontractor.** Any third party not in the employment of a contractor, who is performing all or part of the work in the contractor’s agreement with the Lottery under a separate contract with the contractor. The term “subcontractor” means subcontractor of any tier. (7-1-21)T

32. **Temporary Retailer.** A retailer under contract with the Lottery for a temporary or seasonal period. A temporary contract may be subject to special conditions or limitations that the Director deems prudent. These limitations or conditions may include, but are not limited to:
   a. Length of ticket sale period; (7-1-21)T
   b. Hours or days of sale; (7-1-21)T
   c. Location of sale; (7-1-21)T
   d. Specific persons who may sell Lottery tickets; (7-1-21)T
   e. Specific sporting, charitable, social, or other special events where Lottery tickets may be sold. (7-1-21)T

33. **Provisional Retailer.** A retailer granted a provisional certificate in accordance with these rules. A provisional certificate may contain some or all of the restrictions of a temporary retailer and additional restrictions deemed necessary by the Director. (7-1-21)T

34. **Ticket.** See definition in Section 67-7404, Idaho Code. (7-1-21)T

35. **Ticket Bearer.** The person who has signed the ticket or has possession of the unsigned ticket. (7-1-21)T

36. **Ticket Validation Number or Validation Number.** The multidigit number found on the front of the ticket. It is either uncovered or found underneath the “Do Not Remove” area on the ticket or any stub. (7-1-21)T
37. **Total Annual Revenue or Annual Revenue.** The sum of all of the Lottery’s proceeds and accrued income that is characterized as a reduction or recovery of expenses. (7-1-21)T

38. **Unclaimed Prize.** Any award, financial or otherwise, of more than twenty-five dollars ($25) for which there is physical, tangible evidence of eligibility but for which the prize has not been paid within one (1) year. (7-1-21)T

39. **Value.** See definition in Section 67-7404, Idaho Code. (7-1-21)T

### 101. OPERATING PROVISIONS.

**01. Purpose.** These rules are established by the Commission to define and regulate the operation and administration of the Lottery and the Commission. (7-1-21)T

**02. Lottery Commission.** The Commission is charged with the authority and duty to regulate Lottery activities in the state of Idaho, consistent with the Idaho Constitution and the enabling legislation. The headquarters of the Commission and of the Lottery is in Boise. (7-1-21)T

**03. Powers and Duties of the Commission.** (7-1-21)T

a. **Rule Promulgation.** The Commission promulgates rules and conditions under which the statewide Lottery will be conducted. Subjects covered in such rules include but need not be limited to: (7-1-21)T

i. The types of Lottery games to be conducted; (7-1-21)T

ii. The prices of tickets in the Lottery; (7-1-21)T

iii. In general the numbers and sizes of prize disbursements, the manner and frequency of prize drawings, and the manner in which payment will be made to holders of winning tickets; (7-1-21)T

iv. The locations at which Lottery tickets may be sold, the manner in which they are to be sold, and contracting with Lottery vendors, retailers and contractors; (7-1-21)T

v. The manner in which Lottery sales revenues are to be collected; (7-1-21)T

vi. The amount of compensation to be paid to retailers; (7-1-21)T

vii. Other areas relating to the efficient and economical operation and administration of a statewide Lottery consonant with the public interest. (7-1-21)T

b. **Delegation to Director.** In addition to those duties assigned to the Director in the Act, the Commission may, insofar as is consistent with the Idaho Constitution and the Act, delegate the performance of executive or administrative functions to the Director. (7-1-21)T

**04. Time and Place of Meetings.** (7-1-21)T

a. Regular meetings of the Commission will be held at least quarterly; the date, time, and place will be set by the Commission and, if possible, with at least two (2) weeks’ advance notice. The Commission may meet with the Director to make recommendations and set policy, to approve or reject reports of the Director, to adopt rules, and to transact other business. (7-1-21)T

b. Additional meetings necessary to discharge the business of the Commission may be called from time to time by the chairman or by a quorum of the Commission. (7-1-21)T

**05. Open Meeting Law.** All meetings of the Commission will be held in accordance with Idaho’s Open Meeting Law, Sections 67-2340, et seq., Idaho Code, and in accordance with Section 67-7442, Idaho Code. All
meetings of the Commission are open to the public, except when executive session is allowed for part of the meeting under the Open Meeting Law. (7-1-21)T

06. **Director.** The Director is responsible for the operation of the Lottery and for managing the affairs of the Commission. A Deputy Director designated by the Director may act for the Director in the absence of the Director. If there is a vacancy in the office of Director, the Commission will designate the Deputy Director as Interim Director until the vacancy can be filled. (7-1-21)T

07. **Powers and Duties of the Director.** (7-1-21)T

a. The Director has the authority to implement and execute procedures that he may deem appropriate for the efficient administration of the Lottery. The Director may also recommend rules governing the establishment, administration, and operation of the Lottery to the Commission for its approval; (7-1-21)T

b. The Director is authorized to employ sufficient staff as may be required to carry out the functions of the Commission and the Lottery; (7-1-21)T

c. The Director may contract with retailers for the sale of Lottery games and will suspend or terminate any contract in accordance with the provisions of the Act and the rules of the Commission; (7-1-21)T

d. The Director will continuously study and investigate all matters pertinent to the efficient operation of the Lottery; and (7-1-21)T

e. The Director will maintain full and complete records of the operation of the Lottery and report on at least a monthly basis to the Commission and to the governor on the status of the Lottery. (7-1-21)T

f. The duties and responsibilities of the Director that are not otherwise specified in Idaho law or the rules adopted by the Commission may be maintained as a policy of the Commission for the purpose of establishing a working relationship between the Director and the Commission. (7-1-21)T

08. **Lottery Budgets and Financial Statements.** The Director must: (7-1-21)T

a. Submit quarterly financial statements to the Commission, the governor, the state treasurer, and the legislature. The quarterly financial statements must be prepared in accordance with generally accepted accounting principles and include a balance sheet, a statement of operations, a statement of changes in financial position, and related footnotes. The quarterly financial statements must be provided within forty-five (45) days of the last day of each quarter. (7-1-21)T

b. Submit annual financial statements to the Commission, the governor, the state treasurer, and each member of the legislature. The annual financial statements must be prepared in accordance with generally accepted accounting principles and must include a balance sheet, a statement of operations, a statement of changes in financial position, and related footnotes. The annual financial statements must be examined by the state controller or a firm of independent certified public accountants in accordance with generally accepted auditing standards and must be provided within ninety (90) days of the last day of the Lottery’s fiscal year. (7-1-21)T

09. **Contingency Reserve.** (7-1-21)T

a. The Director may, with the approval of the Commission, allot from moneys available to pay administrative expenses an amount to be transferred to a contingency reserve established by the Commission. The money allotted can include amounts retained to fund specific future expenses or can be undesignated as to purpose. (7-1-21)T

b. When the Commission approves a contingency reserve, it must determine the amount necessary for a reasonable contingency reserve. (7-1-21)T

c. Upon approval of the Commission, money in the contingency reserve may be authorized to be used for specific purposes of the Lottery or to be used to fund general administrative expenses if there is a revenue
shortfall. Expenses funded from the contingency reserve cannot be included with other administrative expenses for purposes of determining compliance with current administrative expenditure limitations. (7-1-21)

10. Special Drawings.  (7-1-21)

a. The Director may authorize special drawings to award prizes, such as vacation trips, automobiles, or other tangible items in addition to, or in lieu of, cash awards. The Director will determine the nature and number of awards for each special drawing. Special drawings for promotional awards may be held independently of the Lottery’s regular prize drawings or may be incorporated therein. The promotional drawings may be cosponsored and conducted in conjunction with Lottery retailers or other independent businesses. In view of the temporary nature and indeterminate frequency of the promotional awards drawings, a press announcement and normal advertising media will be used to inform the public of the rules and prizes for each special drawing. (7-1-21)

b. Notwithstanding the provisions of Paragraph 100.11.a. of this rule, the Director may, at his discretion, award in-lieu equivalent cash awards to the winners of tangible items, in those instances where the Director deems it appropriate. The value of noncash items will be estimated by using either the cost of the item or its fair-market value. (7-1-21)

11. Retail Drawings. The Director and his designee may authorize retailers to conduct drawings using non-winning Lottery tickets in conjunction with a particular Lottery game. Such authorization will be in writing, specify the type of drawing to be conducted, and forth the methodology to be used in conducting the drawing. (7-1-21)

12. Retail Ticket Price Discounts.  (7-1-21)

a. Notwithstanding the price adopted for the retail sale of a ticket in the rules for a specific Lottery game, the Commission may offer discounts for the retail sale of Lottery tickets. (7-1-21)

i. Discounts for the retail sale of Lottery tickets may be offered to the public through the use of coupons approved by the Director or by any other method approved by the Director. (7-1-21)

ii. Coupons that offer a discount on the retail price of Lottery tickets will be distributed using methods designed to reach the public. (7-1-21)

b. Rules for a promotion conducted by the Lottery using retail ticket discounts will be published by the Director and made available at the Lottery’s offices and retailer locations. (7-1-21)

13. Allocation of Revenues for Prizes. (7-1-21)

a. Purpose: The primary objective of the Lottery is to produce the maximum amount of net revenues to benefit the public purpose of raising revenue consonant with the dignity of the state and the sensibilities of its citizens. In accomplishing this objective, at least forty-five percent (45%) of the total annual revenues will be returned in the form of prizes. The Lottery may design and conduct games that return more than forty-five percent (45%) of the revenues received from the sale of tickets in the form of prizes as an incentive to increase the total amount of game sales over the level of sales that otherwise would have been reasonably expected using a lower prize percentage. Games may also be authorized that return less than forty-five percent (45%) of that game’s revenues so long as forty-five percent (45%) of the total annual revenues is returned as prizes. (7-1-21)

b. Prize payments: In addition to cash prize payments, money set aside by the Lottery and restricted for the payment of prizes is considered in satisfying the requirement of returning at least forty-five percent (45%) of total revenues to the public in the form of prizes. (7-1-21)

c. Averaging game prize payments: Notwithstanding the prize structure adopted for a Lottery game, the amount of revenue returned for prizes among all the games offered by the Lottery may be reallocated so long as at least forty-five percent (45%) of the total revenue earned from all games is returned to the public in the form of prizes on an annual basis. The Director will report to the Commission on any reallocations made pursuant to Section 100 of these rules. (7-1-21)
14. Ownership of Lottery Tickets. (7-1-21)
   a. Except for tickets claimed jointly in accordance with the provisions of Paragraph 100.14.d. of this rule, until a name is printed or placed upon a Lottery ticket in the designated area, the ticket is owned by the bearer, who is entitled to any prize attributable to the ticket. (7-1-21)
   b. If more than one (1) name appears on a ticket, the ticket must be claimed in accordance with the joint ownership procedures listed in Paragraph 100.14.d. of this rule. (7-1-21)
   c. Groups, family units, clubs, or other organizations may claim a winning ticket if the organization possesses a Federal Employer Identification Number (FEIN) issued by the Internal Revenue Service and that number is shown on the claim form. (7-1-21)
   d. If a ticket is claimed to be owned by two (2) or more people, the following steps will be taken for payment of the prize: (7-1-21)
      i. All people claiming ownership must complete and sign a claim form and declare their percentage of the prize prior to processing the claim. After the claim form is submitted to the Lottery, the percentage cannot be amended. The percentages claimed must add up to one hundred percent (100%) of the prize. (7-1-21)
      ii. At least one (1) of the people claiming ownership of the ticket must sign the ticket and also sign the claim form. (7-1-21)
      iii. The Lottery reserves the right to issue a single prize check instead of multiple prize checks to the owners of a ticket if the value of each individual prize check would be less than fifty dollars ($50). (7-1-21)
      iv. Multiple winners of a Lottery prize will be paid only through the Boise Lottery office. Lottery retailers will not be required to pay more than one (1) winner of a single prize. (7-1-21)

15. Claims. (7-1-21)
   a. Liability. By submitting a claim, the player agrees that the state, the Commission, the Lottery and all officials, officers, and employees of each are discharged from all further liability upon payment of the prize. (7-1-21)
   b. Publicity. By submitting a claim, the player also agrees that the Lottery may use the prize winner’s name and photograph for publicity purposes. (7-1-21)
   c. Claim period. Prizes may be claimed for a period of one hundred eighty (180) days after the drawing in which the prize was won or from the last day tickets from the specific instant game were sold. Prizes won through an electronic terminal are payable in accordance with the Lottery’s rules. If a claim is not made for the prize within the applicable period, the prize money may be added to future prize pools, to be used in addition to prize allotments already allocated, except as provided in Section 67-7433, Idaho Code. (7-1-21)
   d. Invalid tickets. If a ticket presented to the Lottery is invalid pursuant to the terms of these rules or the specific game rules, the ticket is not entitled to prize payment. (7-1-21)
   e. Ticket a bearer instrument. A ticket is a bearer instrument until signed in the space designated on the ticket for signature. The person who signs the ticket is considered the owner of the ticket. Payment of any prize may be made to a person in possession of an unsigned ticket. All liability of the state, the Commission, the Lottery, the Director, and Lottery employees terminates upon payment. (7-1-21)
   f. Time of prize payment. All prizes will be paid within a reasonable time after a claim is verified by the Lottery and a winner is determined. The date of the first installment payment of any prize to be paid in installment payments is the date the claim is validated and processed, unless a different date is specified for a particular game in these rules or in the specific game rules. Later installment payments will be made approximately weekly, monthly, or
annually, from the date the claim is processed and validated in accordance with the type of prize won and the rules applicable to the prize. The Lottery may, at any time, delay any prize payment in order to review a change in circumstances concerning the prize awarded, the payee, or the claim.

16. **Prizes Payable After Death of Winner.** All prizes, and portions of prizes, that remain unpaid at the time of the prize winner’s death will be payable to the personal representative of the prize winner’s estate once satisfactory evidence of the personal representative’s appointment has been provided, and the Director is satisfied that payment to the personal representative is lawful and proper. The Director may rely on a certified copy of a court order appointing a personal representative (or similar person responsible for the prize winner’s estate, whether denominated an administrator, executor, executrix, or other representative of the prize winner’s estate) or may petition the court to determine the proper payee. Payment to the personal representative of the estate of the deceased owner of any prize winnings will absolve the Director and the Lottery’s employees of any further liability for payment of prize winnings.

17. **Disability of Prize Winner.** The Lottery may petition any court of competent jurisdiction for a determination of the rightful payee for the payment of any prize winnings that are or may become due to a person under a disability including, but not limited to, mental deficiency, or physical or mental incapacity.

18. **Stolen or Lost Tickets.** The Lottery has no responsibility for paying prizes attributable to stolen or lost tickets.

19. **Effect of Game Rules.** In purchasing a ticket the player agrees to comply with Title 67, Chapter 74, Idaho Code, these rules, the specific game rules, Lottery instructions and procedures, and the final decisions of the Lottery. The Lottery’s decisions and judgments in respect to the determination of winning tickets or any other dispute arising from the payment or awarding of prizes will be final and binding upon all participants in the Lottery. If a dispute between the Lottery and a player occurs as to whether a ticket is a winning ticket and the prize is not paid, the Lottery may, solely at the Director’s option, replace the ticket with an unplayed ticket of an equivalent price from any game or refund the price of the ticket. This will be the sole and exclusive remedy of the player.

20. **Disputed Prizes.** If there is a dispute, or it appears that there may a dispute concerning payment or ownership of any prize or any other legal issue involving the prize, the Lottery may refrain from making payment of the prize pending a final determination by the Lottery or by a court of competent jurisdiction as to the proper payment of the prize.

21. **Sale of Lottery Tickets.** Lottery tickets may be sold for cash, check, money order, credit card, electronic funds transfer, or debit card.

102. **CONFLICT OF INTEREST POLICY.**

01. **Persons Subject to Conflict of Interest Policy.** Every Commissioner, the Director, every Deputy Director, and every other Lottery officer and employee is considered a person subject to this rule on conflict of interest. If a statutory provision, rule, or policy applicable to the Lottery conflicts with Section 67-7443, Idaho Code, the more stringent provision applies.

02. **Statements For Economic Interest.** Every person listed in Subsection 110.01 of this rule, is prohibited from directly or indirectly, individually, or as a member of a partnership, or as a shareholder of a corporation, or as a participant in a joint venture or association with any other person, having an interest in dealing in a Lottery game or in the ownership or leasing of property used by or for a Lottery game.

03. **Persons Ineligible For Prizes.** Except as provided in Section 67-7440, Idaho Code, the following persons are disqualified from purchasing a Lottery ticket or share, and from receiving a Lottery prize:

a. Every person listed in Subsection 110.01 of this rule;
b. Any officer, director, or employee of any vendor of Lottery tickets or manufacturer of equipment used to determine winners in computerized Lottery games, and any of their subcontractors who may affect the security, integrity, or honesty of the Lottery; (7-1-21)T

c. Any Lottery contractor or consultant under agreement with the Lottery to review the Lottery’s security procedures, and any other contractor or consultant that the Director deems ineligible if the Director reasonably determines that the security, honesty, and integrity of the Lottery may be adversely affected; (7-1-21)T

d. An immediate family member of any individual described in Paragraphs 110.03.a., 110.03.b., or 110.03.c. of this rule who is a member of the same household. (7-1-21)T

04. Gift Prohibitions.

a. Except as provided in Paragraph 110.03.b. of this rule, every person listed in Subsection 110.01 of this rule, including members of their immediate family, are prohibited from soliciting or receiving, directly or indirectly, a gift in excess of fifty dollars ($50) from any person who might reasonably be expected to receive a benefit from the Lottery. (7-1-21)T

b. In appearances before civic groups and other organizations it is permissible to accept a meal if it is offered and it is the established practice of that group or organization. (7-1-21)T

05. Persons Prohibited From Providing Services. The following individuals and entities are prohibited from being a Lottery game retailer, Lottery vendor, or Lottery contractor, and shall not provide audits or study services as specified by Title 67, Chapter 74, Idaho Code:

a. Every person listed in Subsection 110.01 of this rule; (7-1-21)T

b. A member of the immediate family who is a member of the same household of any person listed in Subsection 110.01 of this rule; (7-1-21)T

06. Outside Activities Restricted.

a. The Director, all Deputy Directors, and all full-time Lottery officers and employees are required to render full-time service to the duties of their positions. Part-time, temporary, or seasonal Lottery employees are required to render service to the extent of their employment with the Lottery and are prohibited from accepting other employment that may conflict with the integrity of the Lottery. (7-1-21)T

b. Except when assisting another state lottery, no Commissioner, Director, Deputy Director or other Lottery officer or employee may provide consulting or contractual services, or accept an honorarium related to his State Lottery expertise. (7-1-21)T

c. When assisting another state lottery, it is permissible for the other state to reimburse normal travel costs to the individual providing the service, but no honorarium or pay to the individual will be accepted. If the other state has a policy of paying for the time of another state’s employee while providing assistance, the payment will be made to the State Lottery. (7-1-21)T

d. Nothing contained in Paragraphs 110.06.a. through 110.06.c. of this rule precludes the Lottery from negotiating contracts in which the vendor to the Lottery must bear the expense of Lottery personnel making on-site inspections of the vendor’s products or manufacturing facility, auditing the vendor, or other legitimate business reasons for traveling to the vendor’s place of business or site of the vendor’s records, and person listed in Subsection 110.01 of this rule may engage in travel at the vendor’s expense for those legitimate business purposes. Nothing contained in Paragraphs 110.06.a. through 110.06.c. of this rule prevents a Commissioner, Director, Deputy Director or other Lottery officer or employee from participating in and traveling to educational or industry related programs. Actual expenses incurred may be reimbursed by a sponsoring entity if the integrity of the State Lottery is not adversely impacted. (7-1-21)T
07. Conduct of Commission Business. Business transactions conducted by the Commission, the Director, Deputy Directors, and all other Lottery officers and employees with Lottery vendors should be conducted in the Lottery’s offices to the maximum extent possible.

08. Personal Conduct. Personal conduct that is illegal or generally considered improper or brings discredit to the Lottery may be subject to appropriate disciplinary action by the Director.

09. Use of Lottery Property. Every person listed in Subsection 110.01 of this rule is prohibited from using any Lottery vehicle or other Lottery property for personal use, except that telephones, computers, etc., may be used for personal use in the manner ordinarily accepted in an office setting when that use does not result in additional expense to the Lottery and when that use does not contravene state policy.

10. Signature of Conflict Policy Required. Every person listed in Subsection 110.01 of this rule is required to sign the following conflict of interest policy as a condition of employment. “I have read and understand the pertinent Sections of Idaho Constitution Article 7, Section 10, and Title 59, Chapter 7, Idaho Code, and these conflict of interest policies.”

Signature
Typed Name
Date

103. -- 199. (RESERVED)

200. LOTTERY CONTRACTING RULES.

01. Classification of Lottery Contracts.

a. Lottery contracts for the acquisition of materials, supplies, services and personal and professional services are classified according to relative sensitivity, which in turn determines the level of review, procurement method and the extent of disclosure required by Lottery vendors or if no disclosure is required as in the case of Lottery contractors. The three (3) levels of procurement are as follows:

i. General procurements: These procurements are the least sensitive and are for materials, supplies, equipment, services and personal and professional services required to satisfy the day-to-day administrative, ministerial and operating needs of the Lottery. Disclosure filings by Lottery vendors are not normally required for this class of procurements. Lottery contractors may supply general procurement items. The Lottery may use formal invitations to bid, informal competitive quotes and requests for proposals to solicit contracts for these acquisitions, as may be determined by the Director to be the most appropriate process for a specific acquisition.

ii. Sensitive procurements: These procurements are of intermediate sensitivity and are for materials, supplies, equipment, services and personal and professional services required to satisfy the day-to-day administrative, ministerial and operating needs of the Lottery. Disclosure filings by Lottery vendors are not normally required for this class of procurements. Lottery contractors may supply general procurement items. The Lottery may use formal invitations to bid, informal competitive quotes and requests for proposals to solicit contracts for these acquisitions, as may be determined by the Director to be the most appropriate process for a specific acquisition.

iii. Major procurements: This class is the most sensitive of Lottery contracts. The Lottery Act requires these procurements to be let by the Commission and the filing of comprehensive disclosure statements by Lottery vendors.

b. The procedures for announcing or soliciting various classes of Lottery contracts outlined in Paragraph 200.01.a. of this rule are intended to be advisory only and do not limit the Commission or the Director in the selection of the most appropriate process to acquire a given product or service.

02. General Policy.
a. In all decisions affecting the Lottery, the Commission and Director are specifically directed by statute to take into consideration the particularly sensitive nature of the Lottery and to act in a manner to promote and insure the integrity, security, honesty and fairness of the Lottery. Additionally, the Director, in awarding contracts in response to solicitations for proposals, must award the contracts to the responsible contractor or vendor submitting the lowest and best proposal that provides maximum benefits to the state in relation to cost in the areas of security, competence, experience, timely performance, and maximization of net revenues to benefit the public purpose of the Lottery. Consistent with these statutory directives, it is the policy of the Lottery, to the extent possible, to conduct its contracting affairs in an open, competitive manner. However, the security and integrity of the Lottery are fundamental and overriding considerations in all decisions. (7-1-21)

b. Although the Lottery is exempt from the provisions of Section 67-5715, Idaho Code, it is the policy of the Lottery to conduct its contracting affairs generally in accordance with the state’s competitive bidding principles contained in Section 67-5715 et seq., Idaho Code, and consistent with the specific directives contained in Paragraph 200.02.a. of this rule. In implementing this policy, the Lottery reserves the right to use the procedures developed by the Department of Administration as guidelines to govern its procurement actions. Notwithstanding this reservation, the Lottery also reserves the right to use alternate contracting and purchasing practices that take account of market realities and modern or innovative contracting and purchasing methods that are also consistent with the public policy of encouraging competition. These methods may include, but are not limited to, specialized vendor prequalifications, competitive negotiations, performance incentives and disincentives, life cycle costing and solicitations emphasizing the request for proposal process. (7-1-21)

c. When the Lottery uses a Request for Proposal (RFP) for a planned acquisition, the major considerations in determining the contract award will be the quality of the product or service, the likelihood of timely performance, and price. Qualitative factors normally address issues like the Vendor’s demonstrated experience in performing comparable projects, performance credibility, availability of qualified personnel and equipment, and other special factors as may apply to a particular contract. The RFP will normally specify the criteria that will be used in the evaluation of offers and the award of the contract. (7-1-21)

d. Because of the specialized character of Lottery contracts, the Lottery will not normally advertise bid proposals. Rather, the Lottery will circulate bid and proposal requests for materials, equipment and services to vendors known to specialize in the required procurement or to vendors that the Lottery may reasonably expect to have an interest in providing such services. The Lottery will develop its mailing lists as the service need arises. (7-1-21)

e. The Director may prepare standard terms and conditions to govern the acquisition of materials, supplies and services by the State Lottery. To the extent possible, the standard terms and conditions should be as uniform as possible with the standard terms and conditions governing contracts entered into by other state agencies. (7-1-21)

f. All major departures from the state contracting guidelines referred to in Paragraph 200.02.b. of this rule will be approved by the Commission. If there is a conflict between the state guidelines and the Lottery’s adopted rules, the Lottery’s rules take precedence. (7-1-21)

03. Delegation of Purchasing Authority.

a. Authority is granted to the Director to initiate all purchase actions and enter into and execute contracts for materials, supplies and services, on behalf of the Commission and the Lottery, except as follows:

i. General contracts having an estimated one-time or annual cost in excess of fifty thousand dollars ($50,000); (7-1-21)

ii. Contracts defined as Sensitive Procurements having a one-time or annual cost of more than fifty thousand dollars ($50,000); (7-1-21)

iii. Contracts defined as Major Procurements; (7-1-21)

iv. All personal service contracts other than major or sensitive procurements having a one-time or
annual cost in excess of fifteen thousand dollars ($15,000); and

v. Procurement actions which are executed in a manner other than as provided in the contract exemption guidelines. (7-1-21)T

b. Notwithstanding the provisions of Subparagraph 200.03.a.i. of this rule, the Commission, having once approved a planned procurement action involving a general contract acquisition, grants authority to the Director to execute a contract or contracts for the purchase or service without further action by the Commission. (7-1-21)T

c. The Commission, having once approved a particular contract, delegates authority to the Director to make all disbursements and payments as provided in the contract, without further, specific approval action by the Commission. (7-1-21)T

d. The Commission grants authority to the Director to enter into emergency contracts when immediate and decisive action is required to protect the security, credibility or integrity of the Lottery or a Lottery game. All emergency contracts let by the Director in which the cost exceeds the delegated authority contained in Paragraph 200.03.a. of this rule, must be reported to the Commission within five (5) days of the contract award date, or at the next scheduled Commission meeting, whichever is sooner. Such procurement actions may be taken without competitive bid. The dollar value of a contract awarded by the Director under the provisions of this section may not exceed fifty thousand dollars ($50,000). Any emergency contract for a major procurement in which the cost exceeds fifty thousand dollars ($50,000), if not acted upon at a regularly scheduled Commission meeting, is subject to Commission approval by telephonic or electronic vote. (7-1-21)T

04. State Central Services Agenda. As provided in Section 67-7408, Idaho Code, the Lottery may contract with other state agencies for the performance of contracting responsibilities that may be required by the Lottery. Those services may include, but are not limited to, the acquisition of Fidelity and Faithful Performance Bonds covering the Commissioners, officers, and employees of the Lottery; bonding of retailers, annuity contracts; general equipment and supplies; equipment financing agreements; and disposal of surplus Lottery property. The Lottery is bound by all statutes and rules governing the actions of the state agency when the Lottery uses such services. (7-1-21)T

05. Idaho Preference. (7-1-21)T

a. In all contracts, the Lottery will prefer goods or services that have been manufactured or produced in this state if price, fitness, availability and quality are otherwise equal. (7-1-21)T

b. Where a Lottery contract is awarded to a foreign contractor and the contract price exceeds ten thousand dollars ($10,000), the contractor must promptly report to the Idaho Tax Commission (ITC) on forms to be provided by ITC the total contract price, terms of payment, length of contract and such other information as the ITC may require before final payment can be received on the Lottery contract. The Lottery must satisfy itself that the requirements of this Paragraph have been complied with before it issues a final payment on a Lottery contract. For the purposes of this Paragraph, a foreign contractor is one who is not domiciled in or registered to do business in Idaho. (7-1-21)T

06. Equal Opportunity/Affirmative Action Contracts. The Lottery is an equal opportunity employer and also participates in any on-going state affirmative action programs. (7-1-21)T

07. Personal Services Contract. (7-1-21)T

a. Contracts between the Lottery and persons or firms such as advertising agencies, security consultants, auditors, other consultants required to conduct or prepare special studies and reports and other personal services contracts that may be required to fulfill the Lottery’s responsibilities, will be awarded as outlined in this Subsection. The award of contracts will be either direct, informal or formal depending upon the sensitivity and estimated dollar value of the contract. In awarding personal services contracts, the Lottery will consider the contractor’s qualifications in similar areas of demonstrated competency, availability, experience in successfully performing comparable projects, availability of qualified personnel, likelihood of timely performance, history of cost containment, compensation requirements and other special factors that may apply to a particular contract. (7-1-21)T
b. Direct Award Procedures. (7-1-21)T

i. Any personal services contract having an estimated one-time or annual value of ten thousand dollars ($10,000) or less may be awarded directly by the Director if the Director believes reasonable steps have been taken to obtain competitive quotes, if feasible, and the award will not negatively affect the security, credibility or integrity of the Lottery. (7-1-21)T

ii. The Director, with the approval of the Commission, may directly award personal services contracts in any appropriate or reasonable amount, without competitive solicitations, when the project consists of work that has been substantially described, planned or otherwise studied in an earlier Lottery contract and the new contract would be a continuation of the earlier project, provided that the earlier contract was awarded by a formal selection procedure. In awarding contracts under this provision the Commission and Director will take into account the effects of that action on the security, credibility and integrity of the Lottery and further ensure that the contract awards will not encourage favoritism or substantially diminish competition and will result in substantial cost savings to the Lottery. (7-1-21)T

iii. The Director, with the approval of the Commission, may directly award personal service contracts without competitive solicitation when an emergency or other condition exists that requires prompt and decisive action. The Commission and Director may exercise the provisions of this Paragraph only when immediate action is required to correct a situation that would threaten integrity, security, honesty, and fairness in the operation and administration of the Lottery or the objective of raising net revenues for the benefit of the public purpose described in the Act. (7-1-21)T

c. Informal Award Procedure: The Director may award any personal services contract having an estimated one-time annual value of more than ten thousand dollars ($10,000), but not more than twenty-five thousand dollars ($25,000), if the following informal award procedure is followed: (7-1-21)T

i. An attempt is made to obtain a minimum of three (3) competitive quotes. If three (3) quotes are not available, fewer will suffice provided a written record is made of the effort to obtain three (3) quotes. (7-1-21)T

ii. A written record must be maintained of the source and amount of quotes received. (7-1-21)T

iii. The contract award will be made to the lowest priced vendor who best meets the contract award criteria of Paragraph 200.07.a. of this rule. (7-1-21)T

iv. The Director maintains work papers documenting the basis of the award to ensure that the award will not negatively affect the security, credibility and integrity of the Lottery. (7-1-21)T

d. Formal Award Procedures: Unless otherwise awarded under the provisions of Subparagraphs 200.07.b.ii. or 200.07.b.iii. of this rule, all personal services contracts having an estimated one-time or annual cost of more than twenty-five thousand dollars ($25,000) must be awarded according to the formal award procedure, as follows: (7-1-21)T

i. The Lottery will distribute copies of the proposal (usually a Request for Proposal) to Lottery vendors or to appropriate contractors who have indicated an interest, or are anticipated to have an interest, in providing the required service to the Lottery. Every Request for Proposal will include a response deadline date. All responses received by the Lottery after the deadline may be rejected. (7-1-21)T

ii. The Director will appoint an evaluation panel consisting of at least four (4) persons, at least two (2) of whom are members of the Lottery’s staff. The Director of Lottery Security will be one of the appointees to evaluate the responses for any project involving the security of the Lottery. (7-1-21)T

iii. The evaluation panel must develop a system to evaluate the vendor responses and score each vendor’s response. Based upon this evaluation, the evaluation panel must rank the three (3) best responses and develop an award recommendation. (7-1-21)T
iv. The contract will be awarded to the vendor who best meets the award criteria. (7-1-21)

c. No contract or other agreement for the purpose of providing services to the Lottery may be entered into, renewed, or extended with any person, unless the person certifies in writing, under penalty of perjury, that the person is not in violation of any Idaho tax laws on a form prescribed by the Idaho Tax Commission (ITC). A copy of the certification form may be obtained from the Lottery or the ITC. The original certification must be retained in the Lottery’s contract file as required by the state’s records retention guidelines. (7-1-21)

08. Major Procurements. (7-1-21)

a. All bid announcements, invitations, or proposals covering major procurements will identify that the planned acquisition is classified as a major procurement. (7-1-21)

b. All contracts or procurement actions classified as major procurements will be subject to the disclosure requirements specified in Section 67-7421, Idaho Code. Subsection 010.05 of these rules defines the term “control person” for purposes of disclosure requirements. The Lottery will enclose a copy of the disclosure requirements with each bid announcement or proposed request for such procurement. All disclosure filings are subject to the review and approval of the Director of the Lottery Security Division. Failure of any Lottery vendor to properly execute or timely submit the disclosure requirement may be grounds for rejection of the bid or proposal. (7-1-21)

c. No contract for a major procurement with any Lottery vendor may be entered into if any control person of that Lottery vendor has been convicted of a crime, other than traffic infractions. Background checks must be made by the Director of Lottery Security to rigorously enforce this requirement. (7-1-21)

d. The Lottery may prequalify Lottery vendors as having met the disclosure filing requirements for major procurements. The disclosure prequalifications may be renewed by July 1 of each year. The prequalifications will satisfy the disclosure requirements of the Act, providing a certification is received from the Lottery vendor at the time of submitting any subsequent bid, proposal or offer and that no changes have occurred in the vendor’s status, or that of its control persons, since the last filing of the complete disclosure statement. (7-1-21)

e. Each Lottery vendor for a major procurement must maintain its disclosure filing in a current status during the tenure of the contract. Unless otherwise provided in the contract document, any changes in the status of the vendor, any of its listed control persons or additional control persons, must be reported to the Director within fourteen (14) days of the known change, and will require written submission of the same disclosure information to the Commission. (7-1-21)

f. Each Lottery vendor for a major procurement is required to post a performance bond with the Commission as provided in Section 67-7427, Idaho Code. The performance bond must be issued by a surety licensed to do business in this state and be for the duration specified in the procurement announcement. (7-1-21)

09. Sensitive Procurements. (7-1-21)

a. All bid announcements, invitations, or Requests for Proposal covering sensitive procurements as defined in Subparagraph 200.01.a.i. of this rule will identify that the planned acquisition is a sensitive procurement and will be subject to the provisions of this rule. (7-1-21)

b. The Director may establish special disclosure requirements governing State Lottery contracts for sensitive procurements that will be included in the procurement announcement. Failure of any Lottery vendor or contractor to properly execute or timely submit the disclosure requirement may be grounds for rejection of the bid or proposal. All disclosure filings are subject to the review and approval of the Director of Lottery Security. (7-1-21)

c. No contract for a major procurement with any Lottery vendor may be entered into if any control person of that Lottery vendor has been convicted of a crime, other than traffic infractions. Background checks must be made by the Director of Lottery Security to rigorously enforce this requirement. (7-1-21)
The prequalification will satisfy the disclosure filing requirement providing a certification is received from the Lottery vendor, at the time of submitting any subsequent bid, proposal or offer, that no changes have occurred in the vendor’s status or any of its principals since the last filing of the full disclosure statement.

e. Each Lottery vendor for a sensitive procurement must maintain its disclosure filing in a current status during the tenure of the contract. Unless otherwise provided in the contract document, any changes in the vendor’s status or any of its principals, must be reported to the Director within fourteen (14) days of the known change, and will require written submission of the same disclosure information to the Commission.

f. Each Lottery contractor for a sensitive procurement may be required to post a performance bond with the Lottery. The performance bond must be issued by a surety licensed to do business in this state and be for the amount and duration specified in the procurement announcement.

10. Advertising and Promotional Contract. Because advertising and promotional contracts involve unique marketing strategies for Lottery games, the acquisition of these services and purchases may be made directly without using competitive procurement procedures. The prudent person rule will apply in the award of these contracts or the acquisition of these services. This exemption applies to all advertising and promotional contracts, whether placed through the Lottery’s advertising agency or directly by the Commission or the Director. For the purpose of this rule, advertising and promotional contracts include but are not limited to: agreements with radio and television stations, acquisition of prizes, media selection, placement of advertising contracts, promotional printing, art work and development and placement of all forms of commercials and display presentations.

11. Investment Contracts. The Lottery may enter into contracts for the acquisition of structured settlements, place investments or acquire annuities related to the pay-off of major prize winners without following competitive bidding procedures. The Lottery will follow the prudent person rule in the placement of such investments.


a. For the purpose of acquiring annuities related to the pay-off of major prize winners, the Lottery will maintain an ongoing prequalification list of annuity vendors. A vendor must first be prequalified by the Lottery before submitting a bid to the Lottery for the award of an annuity contract. Vendors may submit their qualifications to the Lottery for evaluation any time in the year.

b. The following criteria must be met by each vendor before being placed on the prequalification list:

i. Each bidder must be an insurance company licensed to do business in Idaho and have been in business for a period of two (2) years immediately before submitting its bid.

ii. An insurance company must be a Best’s “A+” rated company and have at least a Best’s Class VII financial size classification.

iii. Each bidder’s request for qualification must contain:

1. The name, address, telephone number and contact person for the bidder.

2. The current financial statement of the bidder certified by an independent certified public accountant.

3. The names, addresses and telephone numbers of three (3) current or past annuity client references whom the Lottery may contact.

c. After a vendor has been prequalified, the vendor may submit bids to the Lottery in accordance with the procedures established by the Director. Furthermore, a vendor must keep its qualifications current by promptly reporting any changes in their status to the Lottery.
d. The total amount of annuities awarded to an insurance company cannot exceed five percent (5%) of its stated surplus. (7-1-21)

e. Nothing contained in this rule will preclude a brokerage company from representing or submitting a bid on behalf of a qualified bidder. (7-1-21)

201. CRITERIA FOR REVIEW OF RETAILER APPLICATIONS AND CONDUCT OF OPERATIONS.

01. Retailer’s Application. Any person interested in obtaining a contract for a certificate to sell Lottery tickets must first file an application on forms provided by the Director. The forms will require disclosure of, but are not limited to, an applicant’s personal, financial, and criminal history, and an authorization to investigate the applicant’s criminal and credit history. (7-1-21)

02. Fees, Procedure, and Criteria Precluding Issuing Contract. (7-1-21)

a. All certificate applications must be accompanied by a minimum, nonrefundable, fee of twenty-five dollars ($25). If a certificate is awarded, an additional, nonrefundable, certificate fee of one hundred dollars ($100) must be paid. (7-1-21)

b. A current retailer may be required to complete an additional application or application supplements. If a current retailer requests that the existing certificate be modified to allow the sale of additional Lottery products, no additional application fee will be charged. (7-1-21)

c. The Lottery may waive the payment of any certificate fee to facilitate an experimental program or a research project. (7-1-21)

03. Provisional Certifications. (7-1-21)

a. The Lottery may issue a provisional certificate to an applicant for a Lottery certificate after receipt of a fully completed certificate application, the authorization of a complete personal background check, completion of a credit check, and completion of a preliminary background check. The provisional certificate will expire at the time of issuance of the requested certificate or ninety (90) days from the date the provisional certificate was issued, whichever occurs first, unless the provisional certificate is extended by the Lottery. (7-1-21)

b. No contract shall be made with an applicant:

i. Who is under eighteen (18) years of age; (7-1-21)

ii. Who will be engaged exclusively in the business of selling tickets; (7-1-21)

iii. Who is an employee of the Lottery; (7-1-21)

iv. Who is, or is owned or controlled or affiliated with, a supplier of instant tickets or a manufacturer of computer equipment used to operate instant or on-line games, or both; (7-1-21)

v. Who is not a resident of Idaho, or a corporation that is not incorporated in Idaho or not authorized to do business in Idaho; (7-1-21)

vi. Who has been found to have violated any rule, regulation, or order of the Commission or the Director; (7-1-21)

vii. When any person, firm, association, or corporation other than the applicant will participate in the management of the affairs of the applicant. (7-1-21)

04. Criteria That May Be Grounds For Refusal. Before contracting with an applicant, the Director will consider the factors set out below. In considering these factors, the Director will seek to determine which applicants will best serve the economical and efficient operation of a statewide Lottery through their ticket sales. If any of these factors lead the Director to determine that contracting with the applicant would not promote the
economical and efficient operation of a statewide Lottery consonant with the public interest, or would not serve the public interest, convenience, or trust, the Director may deny the application. (7-1-21)

a. The Director will consider the financial responsibility and security of the person and the person’s business or activity and consider the person’s credit worthiness and integrity in past financial transactions. The Lottery may investigate the credit worthiness of the applicant by using the services of a commercial credit reporting agency. The Director may also consider the physical security of the applicant’s place of business to determine whether tickets that will be sold to the applicant and the proceeds from ticket sales will be kept safe. (7-1-21)

b. The Director will consider the accessibility to the public of an applicant’s place of business or activity. The Director will contract only with applicants who have regular contact with significant numbers of persons at the applicant’s place of business. Before contracting with any organization that has restricted membership policies, the Director must determine whether the restrictions are generally acceptable to the public and whether contracting with that group or organization or similar groups or organizations would best serve the interests of the Lottery. (7-1-21)

c. The Director will consider the sufficiency of existing retailers to serve the public interest. The Director may seek to maximize total ticket sales by encouraging retailers with the highest potential volume in a particular area or neighborhood. (7-1-21)

d. The Director will consider the volume of expected sales by the applicant. In determining the anticipated actual sales volume of the applicant, the Director may rely upon the experience and knowledge of the Lottery’s staff as well as any other available professional expertise. The Director will determine whether the volume of an applicant’s sales is likely to be sufficient that contracting with the applicant will be economically feasible. (7-1-21)

e. The Director will consider the types of products, services, or entertainment offered at the applicant’s place of business. The Director will determine whether the applicant’s products, services, or entertainment are generally acceptable to the public and whether they would bear adversely upon the general credibility, integrity, and reputation of the Lottery. (7-1-21)

f. The Director will consider the experience, character, or general fitness of the applicant. Entering into a contract with the applicant must be consistent with the public interest, convenience, and trust. (7-1-21)

g. The Director will consider the veracity and completeness of the information submitted with the retailer’s application. The Director will consider the criminal history of the applicant and any person whose name is required to be disclosed under Section 67-7412, Idaho Code, of the Act and may refuse to enter into a contract with any applicant when the applicant or such person has been convicted of violating any of the gambling laws of this state, general or local, or has been convicted at any time of any crime other than traffic infraction. (7-1-21)

05. Reporting Changes in Circumstances of The Retailer. Every change of business structure of a certificated business, such as from a sole proprietorship to a corporation, and every change in the name of a business, must be reported to the Lottery before the change. Substantial changes in the ownership of a certificated business must also be reported to the Lottery before the change. A substantial change of ownership is defined as the transfer of ten percent (10%) or more equity in the certificated business from or to another single individual or legal entity. If a change involves the addition or deletion of one (1) or more existing owners or officers, the certificate holder must submit a certificate application reflecting the change and any other documentation that the Lottery may require. All changes will be reviewed by the Lottery to determine if the existing certificate should be continued. (7-1-21)

06. Certificate Not a Vested or Legal Right. The possession of a certificate issued by the Lottery to any person to act as a retailer in any capacity is a privilege personal to that person and is not a vested or legal right. The possession of a certificate issued by the Lottery to any person to act as a retailer in any capacity does not automatically entitle that person to sell tickets or obtain materials for any particular game. (7-1-21)

07. Suspension or Revocation of a Certificate. The Lottery may suspend or revoke any certificate issued pursuant to these rules for one (1) or more of the following reasons: (7-1-21)
a. Failing to meet or maintain the eligibility criteria for certificate application and issuance established by Title 67, Chapter 74, Idaho Code, or these rules; (7-1-21)

b. Violation of any of the provisions of Title 67, Chapter 74, Idaho Code, these rules, or the certificate terms and conditions; (7-1-21)

c. Failing to file any return or report or to keep records required by the State Lottery; (7-1-21)

d. Failing to maintain an acceptable level of financial responsibility as evidenced by the financial condition of the business, incidents of failure to pay taxes or other debts, or by the giving of financial instruments which are dishonored; (7-1-21)

e. Fraud, deceit, misrepresentation, or other conduct prejudicial to the public confidence in the Lottery; (7-1-21)

f. If the public convenience is adequately served by other certificate holders, failure to sell a minimum number of tickets as established by the Lottery; (7-1-21)

g. A history of thefts or other forms of losses of tickets or revenue from the business; (7-1-21)

h. Violating federal, state, or local law or allowing the violation of any of these laws on premises occupied by or controlled by any person over whom the retailer has substantial control; (7-1-21)

i. Obtaining a certificate by fraud, misrepresentation, concealment or through inadvertence or mistake; (7-1-21)

j. Making a misrepresentation of fact to the Commission or the Lottery on any report, record, application form, or questionnaire required to be submitted to the Commission or the Lottery; (7-1-21)

k. Denying the Lottery or its authorized representative, including authorized local law enforcement agencies, access to any place where a certificate activity is conducted; (7-1-21)

l. Failing to promptly produce for inspection or audit any book, record, document, or other item required to be produced by law, these rules, or the terms of the certificate; (7-1-21)

m. Systemically pursuing economic gain in a manner or context that is in violation of the criminal or civil public policy of this state if there is cause to believe that the participation of such person in these activities is inimical to the proper operation of the authorized Lottery; (7-1-21)

n. Failing to follow the instructions of the Lottery for the conduct of any particular game or special event; (7-1-21)

o. Failing to follow security procedures of the Lottery for the management of personnel, handling of tickets, or for the conduct of any particular game or special event; (7-1-21)

p. Misrepresenting a fact to a purchaser, or prospective purchaser, of a ticket, or to the general public with respect to the conduct of a particular game or special event; (7-1-21)

q. Allowing activities on the licensed premises that could compromise the dignity of the state. (7-1-21)

08. **Surrender of Certificate Upon Revocation.** Upon revocation or suspension of a retailer’s certificate, the retailer must surrender to the Lottery, by a date designated by the Lottery, the certificate and all other Lottery property. (7-1-21)

09. **Certified Retailers.** All Lottery retailers must be certified in the manner provided in these rules. Retailers are required to abide by all applicable laws and administrative rules, the terms and conditions of the contract and certificate, and all other directives and instructions issued by the Lottery. (7-1-21)
10. Requirements For The Sale of Tickets.
   a. Retailers must be knowledgeable about the Lottery and Lottery products and may be required to take training in the operation of Lottery games. Retailers must make the purchase of tickets convenient to the public.
   b. Tickets must be sold at the price designated by the Lottery. Retailers cannot sell tickets for a greater amount than the amount specified by the Lottery. Retailers may sell tickets for a lesser amount for promotional purposes if authorized by the Lottery.
   c. No retailer or any employee or member of a retailer shall attempt to identify a winning ticket before sale of the ticket.
   d. When a retailer is required by its contract with the Lottery to pay a prize to a winner, the retailer must pay the prize whenever the winner tenders a winning ticket during the retailer’s normal business hours at the location designated on the retailer’s certificate.
   e. Retailers are prohibited from purchasing tickets previously sold by the retailer.

11. Display of Certificate and Other Materials. Retailers must display the Lottery certificate in an area visible to the general public wherever tickets are being sold and also display point-of-sale material provided by the Lottery in a manner that is readily seen by and available to the public. Retailers may advertise and use or display other appropriate promotional and point-of-sale material. The Lottery may require the removal of objectionable material or the discontinuance of objectionable advertising that may have an adverse impact on the Lottery.

12. Dishonored Checks and Electronic Fund Transfers. Any payment made to the Lottery by an applicant for a certificate or by a certificated retailer either by a check that is dishonored or by an electronic funds transfer (EFT) that is not paid by the depository, is grounds for immediate denial of the application for a certificate or for suspension or revocation of an existing certificate. The Lottery may assess a surcharge for each dishonored check or EFT. The Lottery may also alter the payment terms of a retailer’s certificate and require a retailer to reimburse the Lottery for costs that occur as a result of a dishonored check or EFT.

13. Inspection of Lottery Materials and Retailer Premises. Retailers must allow the Lottery to enter upon the retailer’s certificated premises in order to inspect Lottery materials, tickets, and the premises. All books and records pertaining to the retailer’s Lottery activities must be available to the Lottery for inspection and copying during the normal business hours of the retailer and between 8 a.m. and 5 p.m., Monday through Friday. All books and records pertaining to the retailer’s Lottery activities are subject to seizure by the Lottery without prior notice.

202. GENERAL INSTANT TICKET GAME OPERATING RULES.

01. Instant Games -- Authorized -- Director’s Authority. The Commission hereby authorizes instant games that meet the criteria set forth in these rules. The Director is hereby authorized to select, operate, and contract relating to and for the operation of instant games that meet the criteria set forth in these rules.

02. Definitions. As used in Section 202 of these rules, these terms have the following definitions:
   a. Instant Ticket Validation Bar Code. The bar code that enables retailers to validate instant tickets.
   b. ITA System. The Instant Ticket Automation system that validates winning instant tickets.
   c. Pack. A package of instant game tickets with a designated number of tickets that may be (but do not
have to be) fanfolded and attached to each other by perforations, which perforations the retailer tears when selling a ticket, and that are packaged in plastic shrink-wrapping, foil or some similar outer wrapping material.  

d. Pack-Ticket Number. The number printed on the ticket. A game identification number must be included in the book-ticket number.  

e. Play Symbol Caption. The small printed material appearing below each play symbol which repeats or explains the play symbol. One (1) and only one (1) play symbol captions appears under each play symbol.  

f. Play Symbols. Figures printed in approved ink that appear under each of the rub-off spots on the front of the ticket.  

g. Retailer Validation Code. The small letters found under the removable rub-off covering over the play symbols on the front of the ticket, which the ticket retailer uses to verify winners of twenty-five dollars ($25) or less. The letters appear in varying locations beneath the removable rub-off covering and among the play symbols.  

h. Ticket. An Idaho instant game ticket.  
i. Ticket Validation Number. The unique number on the front of the ticket.  

03. Sale of Tickets.  

a. No person other than a retailer under a contract for the sale of tickets with the Lottery may sell Lottery tickets, except that nothing in this section prevents a person who may lawfully purchase tickets from making a gift of Lottery tickets to another.  

b. Unless authorized by the Lottery, tickets may not be sold at a location other than the address listed on the retailer’s contract with the Lottery.  

c. Nothing in this section prohibits the Commission from designating certain of its agents and employees to sell Lottery tickets directly to the public.  

04. Instant Games Ticket Price. The price of an instant game ticket will be set by the Director. No person may sell a ticket at a price other than that established in accordance with these rules.  

05. Prize Structures. The Director will provide to all Lottery game retailers a detailed tabulation of the estimated number of prizes of each particular prize denomination that are expected to be awarded in each Lottery game and a close approximation of the odds of winning the prizes.  

06. Number and Value of Instant Ticket Prizes. Lottery game prize structures, odds of winning, number of tickets, number and value of prizes, play symbol and captions used for validation will not be adopted by administrative rules. Rather, the Director will submit proposed games to the Commission, who must approve each game’s general format before the initiation of each game. All instant games must be conducted in accordance with the rules of the Commission.  

07. Official Start of Game.  

a. Games with a prize structure adopted by the Commission pursuant to Subsection 202.07 of this rule may be started at a time selected by the Director. The Director will publicly announce the starting date of a new game by use of a press release or any other appropriate means. The Director may also issue game information that includes a description of the game, odds of winning a prize, the number and value of prizes, and the play symbols and captions used for prize validation.  

b. Games using a prize structure other than a prize structure previously approved by the Commission must be approved by the Commission before game tickets can be sold to the public.
08. Determination of Winners.

a. Winners of an instant game are determined by the matching or specified alignment of the play symbols on the tickets. The play symbols are revealed by scratching or rubbing off the latex or similar secure material that covers spots on the ticket. The ticket bearer must notify the retailer or the Lottery of the win and submit the winning ticket to the retailer or the Lottery as provided in these rules. The winning ticket must be validated by the Lottery through use of the validation number or by any other means specified by the Director.

b. Unless otherwise provided by game rules, only the highest instant prize amount will be paid on a given ticket.

c. No portion of the play symbol captions, retailer validation codes, display printing nor any extraneous matter whatever will be usable or playable as a part of the instant game.

d. The ticket validation number or any portion thereof is not a play spot and is not usable or playable as such.

e. In all Lottery games, the determination of prize winners is subject to the general ticket validation requirements set forth in Subsection 200.14, et seq., and Subsection 202.11 of this rule, and the requirements set out on the back of each instant game ticket.

f. The length of operation of an instant game will be determined by the Director. The start date and closing date of the instant game will be publicly announced.

09. Payment of Prizes. The procedures for claiming instant ticket prizes are as follows:

a. Instant ticket prizes of less than six hundred dollars ($600) may be claimed by one (1) of the following methods:

i. The claimant may present the winning ticket to any Lottery retailer. The retailer must verify the claim and, if acceptable, make payment of the amount due the claimant. A retailer may pay prizes in cash or by business check, or money order, or any combination thereof. A retailer that pays a prize with a check that is dishonored may be subject to suspension or termination of the retailer’s contract.

ii. If the retailer cannot verify the claim, the claimant must fill out a claim form and the retailer must present the completed form and the disputed ticket to the Director. If the claim is validated, a check will be forwarded to the claimant in payment of the amount due. If the claim is not validated, the claim will be denied and the claimant will be promptly notified.

iii. The claimant may bring the ticket to the Lottery office or complete a claim form and mail it with the ticket to the Idaho State Lottery (registered mail recommended). Claim forms may be obtained from any Lottery game retailer or from the Lottery.

b. To claim an instant prize of six hundred dollars ($600) or more, the claimant must either bring the winning ticket to the Lottery office or complete a claim form and mail the completed form together with the winning ticket to the Idaho State Lottery (registered mail recommended).

c. Prizes of six hundred dollars ($600) or more can be paid only from the Boise Lottery office. Upon validation by the Director, a check will be forwarded to the claimant in payment of the amount due, less any applicable federal income tax withholding.

d. Any ticket not passing all the validation checks is void and ineligible for any prize and will not be paid. However, the Director may, solely at the Director’s option, replace an invalid ticket with an unplayed ticket (or ticket of equivalent sales price from any other current game). If a defective ticket is purchased, the only responsibility or liability of the Lottery is the replacement of the defective ticket with another unplayed ticket (or ticket of equivalent sale price from any other current game).
e. All prizes will be paid within a reasonable time after they are awarded and after the claims are verified by the Director. For each prize requiring annual payments, all payments after the first payment will be made on the anniversary date of the first payment in accordance with the type of prize awarded. The Director may, at any time, delay any payment in order to review a change of circumstances concerning the prize awarded, the payee, the claim, or any other matter that may have come to his attention. All delayed payments will be brought up to date immediately upon the Director’s confirmation and continue to be paid on each original anniversary date thereafter.

10. Ticket Validation Requirements. In addition to meeting all of the other requirements in these rules or as may be printed on the back of each instant game ticket, the following validation requirements apply with regard to instant game tickets:

a. To be a valid instant game ticket, the ticket must:

i. Have been issued by the Director in an authorized manner.

ii. Not be altered, unreadable, or tampered with in any manner.

iii. Not be counterfeit in whole or in part.

iv. Not be stolen nor appear on any list of omitted tickets on file with the Lottery.

v. Be complete and not blank (or partially blank), miscut, misregistered, defective, or printed or produced in error.

vi. Under the opaque covered play area, have play symbols and the correct corresponding captions, exactly one (1) pack-ticket number, exactly one (1) agent verification code, and exactly one (1) validation number as required by each approved set of game rules, all of which must be present in their entirety, legible, right-side up, and not reversed in any manner.

vii. The validation number of an apparent winning ticket must appear on the Lottery’s official list of validation numbers of winning tickets; and a ticket with that validation number cannot have been previously paid.

viii. Pass all additional confidential validation requirements established by the Director.

ix. Be signed if the prize is for six hundred dollars ($600) or more.

b. Any ticket not passing all the validation checks in Paragraph 202.11.a. of this rule is void and ineligible for any prize and shall not be paid. However, the Director may, solely at the Director’s option, replace an invalid ticket with an unplayed ticket (or tickets of equivalent sales price) from any other current Lottery game. If a defective ticket is purchased, the only responsibility or liability of the Lottery will be the replacement of the defective ticket with another unplayed ticket (or ticket of equivalent sales price from any other current Lottery game).

c. The Director may authorize reconstruction of an alleged winning ticket that was not received or cannot be located by the Lottery, provided, the person requesting reconstruction must submit to the Lottery sufficient evidence to enable reconstruction and submit a claim for the prize, if any, for that ticket. If the reconstructed ticket is a winning ticket and meets the validation requirements of Paragraph 202.11.a. of this rule and any specific validation requirements contained in the rules for its specific game, the Director may authorize payment of the prize. Provided, the ticket will not be validated nor the prize paid before the one hundred eighty-first (181) day following the official end of that instant game. A ticket(s) validated pursuant to this Subsection will not entitle the claimant to be entered into the grand prize drawing, if any, for that or any subsequent instant game.

11. Prize Rights Unassignable. No person’s right to a prize already drawn is assignable, except that payment of any prize already drawn may be paid to the estate of a deceased prize winner, and a person other than the prize winner may be paid the prize to which the winner is entitled as provided by court order. The Director will be
discharged of all liability upon payment of a prize pursuant to this rule. (7-1-21)

12. Payment of Prizes to Persons Under Eighteen Years of Age. If a person entitled to a prize for a winning ticket is under the age of eighteen (18) years, the Director may direct payment of the prize to an adult member of the minor’s family or to the minor’s guardian by a check or draft payable to the adult member of the minor’s family or the minor’s guardian. The adult member of the minor’s family or the minor’s guardian will have the same duties and powers as a person designated as a custodian in accordance with Idaho law. For purposes of this Subsection, the terms “adult member of a minor’s family” and “guardian of a minor” have the same meaning as in the Idaho Gifts to Minors Law. The Director will be discharged of all liability upon payment of a prize to a minor pursuant to this rule. (7-1-21)

13. Prizes Payable After Death or Disability of Owner. (7-1-21)

a. All prizes, and portions of prizes that remain unpaid at the time of the prize winner’s death will be payable to the personal representative of the prize winner’s estate once satisfactory evidence of the personal representative’s appointment has been provided, and the Director is satisfied that payment to the personal representative is lawful and proper. The Director may rely on a certified copy of a court order appointing a personal representative (or similar person responsible for the prize winner’s estate, whether denominated an administrator, executor, executrix, or other representative of the prize winner’s estate) or may petition the court to determine the proper payee. Payment to the personal representative of the estate of the deceased owner of any prize winnings will absolve the Director and the Lottery’s employees of any further liability for payment of prize winnings. (7-1-21)

b. The Lottery may petition any court of competent jurisdiction for a determination of the rightful payee for the payment of any prize winnings that are or may become due to a person under a disability including, but not limited to, mental deficiency, or physical or mental incapacity. (7-1-21)

14. Governing Law. In purchasing a ticket, the customer agrees to comply with, and abide by, Idaho law, and all rules and final decisions of the Lottery, and all procedures and instructions established by the Lottery or the Director for the conduct of the game. (7-1-21)

15. Discharge of All Liability Upon Payment. The state of Idaho, its agents, officers, employees, and representatives, the Lottery, its Director, agents, officers, employees and representatives, will be discharged of all liability upon payment of a prize or any one (1) installment thereof to the holder of any winning Lottery ticket or in accordance with the information set forth on the claim form supplied by the Director. If there is a conflict between the information on a winning Lottery ticket and the information on the claim form, the Lottery may rely on the claim form after the ticket for which it has been filed has been validated as a winning ticket and, in so doing, it will be relieved of all responsibility and liability in the payment of a prize in accordance with the information set forth therein. The Lottery’s decisions and judgments in respect to the determination of a winning ticket or of any other dispute arising from payment or awarding of prizes are final and binding upon all participants in the Lottery unless otherwise provided by law or these rules. If a question arises concerning the winning ticket, a claim form, the payment, or the awarding of any prize, the Lottery may deposit the prize winnings into an escrow fund until it determines the controversy and reaches a decision, or it may petition a court of competent jurisdiction for instructions and a resolution of the controversy. (7-1-21)

16. Unclaimed Prize Money. Any prize not claimed within the specified period will be forfeited and placed into the State Lottery Account. (7-1-21)

17. Disclosure. The Lottery may use the names, addresses, and photographs of winners in any Lottery promotional or publicity campaign. The address used will not contain the winner’s street or house number without the winner’s consent. The Lottery may condition payment of the prize upon agreement to these terms and conditions. (7-1-21)

18. Confidentiality of Tickets. All retailers and their employees and agents are prohibited from attempting to ascertain the numbers or symbols appearing in the designated areas under the removable latex or similar secure coverings or otherwise attempting to identify winning tickets. (7-1-21)

19. Official End of Game. (7-1-21)
a. The official end of an instant game will be announced by the Lottery. Prizes may be claimed up to one hundred eighty (180) days after the official end of the game. If the final day of the claim period falls on a Saturday, Sunday or a state holiday, the claim period will be extended to the end of the next business day. A player may submit a winning ticket claim for prize payment up to one hundred eighty (180) days after the official end of the game. Depending on the prize amount, the ticket should be submitted to the location specified in Subsection 202.10 of this rule, “Payment of Prizes.” To participate in one (1) of the Lottery’s special drawings, if any, a player must redeem a ticket that qualifies for entry into that special drawing within the time limits specified by the Director.

b. A retailer must return to the Lottery all unsold Lottery tickets for each game within ninety (90) days of the official end of that game in order to receive credit from the Lottery as provided in retailer’s contract. The Lottery has no obligation to grant credit for tickets returned after the time limit specified in the contract.

203. (RESERVED)

204. ON-LINE COMPUTER GAMES.

01. On-Line Games -- Authorized -- Director’s Authority. The Commission hereby authorizes the Director to select and operate on-line games which meet the criteria set forth in these rules.

02. Definitions. As used in Rule 204 these terms have the following definitions:

a. “Drawing.” The procedure determined by the Director by which the Lottery selects the winning combination in accordance with the rules of the game. Drawings are open to the public.

b. “On-line Game.”

i. A Lottery game in which a player selects a combination of numbers or symbols, the type of game and amount of play, and the drawing date by use of a computer. In return for paying the appropriate price, the player receives a computer-generated ticket with the player’s selection printed on it. Each ticket bearer whose valid ticket includes a winning combination will be entitled to a prize if claim is submitted within the specified time period.

ii. On-line terminal (OLT) instant ticket game having characteristics as defined in Paragraphs 202.02.a., 202.02.b., 202.02.d. and 202.02.i. of these rules.

c. “On-line Retailer.” A person or business authorized by the Lottery to sell on-line tickets.

d. “On-line Terminal (OLT).” The computer hardware by which an on-line retailer or player enters the combination selected by the player and by which on-line tickets are generated and claims are validated.

e. “On-line Ticket.” A computer-generated ticket issued by an on-line terminal to a player as a receipt for the combination a player has selected. That ticket is the only acceptable evidence of the combination of numbers or symbols selected.

f. “Ticket Bearer.” The person who has signed the on-line ticket or who has possession of an unsigned ticket.

g. “Validation.” The process of determining whether an on-line ticket presented for payment is a winning ticket.

h. “Winning Combination.” One (1) or more numbers or symbols randomly selected by the State Lottery or its designee in a public drawing.

03. Distribution of Tickets.
a. Tickets will be sold by retailers selected by the Director. (7-1-21)T

b. The Director is authorized to arrange for the distribution of OLTs, player-activated terminals (PATs), ticket stock, and supplies to certificated retailers. (7-1-21)T

**04. Sale of Tickets.**

a. No person other than a retailer under a contract for the sale of tickets with the Lottery may sell online Lottery tickets, except that nothing in this section will be construed to prevent a person who may lawfully purchase tickets from making a gift of Lottery tickets to another. (7-1-21)T

b. Tickets may not be sold at a location other than the address listed on the retailer’s contract with the Lottery. (7-1-21)T

c. Nothing in this section prohibits the Director from designating certain of its agents and employees to sell Lottery tickets directly to the public. (7-1-21)T

**05. On-Line Games Criteria.**

a. The base price of an on-line ticket will not be less than fifty cents ($0.50), except to the extent of discounts authorized by the Commission. (7-1-21)T

b. The price for a ticket in any particular on-line game will be set out in the game rules adopted by the Commission for that game. No person may sell a ticket at a price other than that established in accordance with these rules. On the average, the total of all prizes available to be won in an on-line game will not be less than forty-five percent (45%) of the on-line game’s projected revenue. (7-1-21)T

c. The manner and frequency of drawings may vary with the type of on-line game as defined in Subparagraph 204.02.b.i. of these rules. (7-1-21)T

d. The times, locations, and drawing procedures will be determined by the Director. (7-1-21)T

e. OLT instant ticket game as defined in Subparagraph 204.02.b.ii. of these rules will operate with a finite number of tickets per game and a predetermined and guaranteed prize structure approved by the Director. (7-1-21)T

f. A ticket bearer entitled to a prize must submit the winning ticket as specified by the Director. The winning ticket must be validated by the Lottery or an on-line retailer through use of the validation number and any other means specified by the Director. (7-1-21)T

**06. Payment of Prizes.**

a. To claim an on-line game prize of less than six hundred dollars ($600) the claimant may present the winning on-line ticket to any on-line retailer, or to the Lottery office:

i. If the claim is presented to an on-line retailer, the on-line retailer must validate the claim and, if determined to be a winning ticket, pay the amount due the claimant. If the on-line retailer cannot validate the claim, the claimant may obtain and complete a claim form and submit it with the disputed ticket to the Lottery by mail or in person. Upon determination that the ticket is a winning ticket, the Lottery will present or mail a check to the claimant in payment of the amount due. If the ticket is determined to be a non-winning ticket, the claim will be denied and the claimant will be promptly notified. Non-winning tickets will not be returned to the claimant. (7-1-21)T

ii. If the claim is presented to the Lottery office, the claimant will be required to complete a claim form and submit it with the winning ticket, either by mail or in person. Upon determination that the ticket is a winning ticket, the Lottery will present or mail a check to the claimant in payment of the amount due, less any withholding required by the Internal Revenue Code. If the ticket is determined to be a non-winning ticket, the claim will be denied and the claimant will be promptly notified. Non-winning tickets will not be returned to the claimant.
b. To claim an on-line prize of six hundred dollars ($600) or more, the claimant must obtain and complete a claim form and submit it with the winning ticket to the Lottery office by mail or in person. Prizes of six hundred dollars ($600) or more can be paid only from the Lottery office. Upon determination that the ticket is a winning ticket, the Lottery will present or mail a check to the claimant in payment of the amount due, less any withholding required by the Internal Revenue Code and the state of Idaho. The amount due will be calculated according to the rules adopted for the particular on-line game. If the ticket is determined to be a non-winning ticket, the claim will be denied and the claimant will be promptly notified. Non-winning tickets will not be returned to the claimant.

(7-1-21)

c. All prizes must be claimed within one hundred eighty (180) days from the drawing in which the prize was won. If the final day of the one hundred eighty (180) day period falls on a Saturday, Sunday or a state holiday, the claim period will be extended to the end of the next business day. Any prize not claimed within the specified period will be forfeited and placed into the State Lottery account.

07. Drawings and End of Sales Prior to Drawings.

a. Drawings will be conducted in a location and at days and times designated by the Director.

(7-1-21)

b. For each type of on-line game, the Director will establish a time before the drawing for the end of sales.

(7-1-21)

c. The Director will designate the type of equipment to be used and will establish procedures to randomly select the winning combination for each type of on-line game. Drawing procedures will include provisions for the substitution of backup drawing equipment if the primary drawing equipment malfunctions or fails for any reason.

(7-1-21)

d. The equipment used to determine the winning combination will not be electronically or otherwise connected to the central computer or to any tapes, discs, files, etc., generated or produced by the central computer. The drawing results, including sales, number of winners and numbers drawn, will be audited and reviewed after each drawing to assure proper operation and lack of tampering or fraud.

(7-1-21)

e. All drawings may be broadcast live on television, provided the facilities for such broadcasts are available and operational and can be done at a reasonable cost.

(7-1-21)

f. The Director will establish procedures governing the conduct of drawings for each type of on-line game. The procedures must include provisions for deviations that include but are not limited to:

i. Malfunction of the drawing equipment before determination of the winning combination;

(7-1-21)

ii. Fouled drawing;

(7-1-21)

iii. Delayed drawing; and

(7-1-21)

iv. Other equipment, facility or personnel difficulties.

(7-1-21)

g. If a deviation occurs, the drawing will be completed under the supervision of the Lottery or its designee. The winning combination will be provided to the public.

(7-1-21)

h. If, during any live-broadcasted drawing for a game, a mechanical failure or operator error causes an interruption in the selection of all numbers or symbols, a “foul” will be called by Lottery security or the Lottery’s designee. Any number drawn before a “foul” is called will stand and be deemed official after passing inspection and certification by Lottery security or the Lottery’s designee.

(7-1-21)
The Director will delay payment of all prizes if any evidence exists or there are grounds for suspicion that tampering or fraud has occurred. Payment will be made after an investigation is completed and the drawing approved by Lottery security or the Lottery’s designee. If the drawing is not approved, it will be void and another drawing will be conducted to determine the actual winner.

Validation Requirements.

a. To be a valid winning on-line ticket, the ticket must:

i. Have all printing on the ticket in its entirety, be legible, and correspond, using the computer validation file, to the combination and the date printed on the ticket.

ii. Be intact, not be mutilated, altered, or tampered with in any manner.

iii. Not be counterfeit or an exact duplicate of another winning ticket.

iv. Have been issued by an authorized on-line retailer or dispensed by a player-activated terminal in an authorized manner.

v. Not have been stolen or cancelled.

vi. Not have been previously paid.

vii. Pass all other confidential security checks of the Lottery.

viii. Be signed if the prize is for six hundred dollars ($600) or more.

b. A ticket failing any of the validation requirements listed in Paragraph 204.08.a. of this rule is invalid and ineligible for a prize. The final decision on whether a prize is paid will be made by the Director.

c. If there is a dispute between the Director and a claimant whether a ticket is a winning ticket, and if the Director determines that the ticket is not valid and a prize is not paid, the Director may replace the disputed ticket with a ticket of equivalent sales price for a future drawing of the same type of game. This will be the sole and exclusive remedy of the claimant.

d. If a defective on-line ticket is purchased, the only responsibility or liability of the Lottery or of the on-line retailer is the replacement of the defective on-line ticket with another on-line ticket of equivalent value for a future drawing of the same type of game.

Retailer Duties. Retailers with an on-line terminal (OLT) must perform the following duties:

a. Pay costs associated with providing a telephone line or internet or similar connection that must be located as specified by the Lottery. Payment of the telephone line or internet or similar connection is nonrefundable after installation, except if the Lottery denies, through no fault of retailer, the installation of the on-line terminal.

b. Pay the Lottery for the local monthly telephone or internet or similar charges per OLT as specified by the Lottery. The Lottery will pay for the mileage charges (if any) between the retailer’s location and the Lottery’s central site.

c. Hold funds generated from the sale of on-line tickets in trust for the Lottery. At a time specified by the Lottery, the retailer must pay these funds to the Lottery plus the monthly communications charge specified above in Paragraph 204.09.b. of this rule, less:

i. Prizes paid;
ii. Any credit; and (7-1-21)T

iii. The retailer discount. (7-1-21)T

d. Locate the OLT within the retailer’s premises at a point-of-sale location approved by the Lottery. The retailer is prohibited from moving an OLT unless the retailer follows the procedures established by the Director, including reimbursing the State Lottery for any telephone or internet or similar charges associated with the change of OLT location if the retailer requested the change. (7-1-21)T

e. Provide dedicated AC power to within approximately five (5) feet of the terminal. Dedicated AC power means that there is no other equipment on the line that is to be used for the on-line terminal. The retailer is responsible for all costs associated with providing dedicated AC power. The Lottery will provide a schematic of outlet requirements to the retailer’s electrical contractor. (7-1-21)T

f. Sell all Lottery games, including but not limited to instant game tickets offered by the Lottery. The retailer agrees to continue the sale of instant tickets from all cash registers or other points of purchase. (7-1-21)T

g. Conduct the sale of on-line tickets during all hours and days that the retailer’s business is open and the on-line system is functioning. The retailer must post the hours that redemption of winning tickets may take place if these hours are different from the retailer’s normal business hours. The retailer must monitor ticket supply levels and give timely notice when any item is in short supply. (7-1-21)T

h. Post winning numbers prominently where tickets are sold as soon as possible following the drawing. (7-1-21)T

i. Provide secure storage for OLT supplies and a secure area for the OLT. (7-1-21)T

j. Exercise due diligence in the operation of the OLT and immediately notify the Lottery and the central computer facility of any telephone line, internet, radio, or OLT malfunction, such as the issuance of invalid on-line Lottery ticket, inability to sell or redeem an on-line ticket, and non-issuance of an on-line ticket. The retailer is prohibited from performing mechanical or electrical maintenance on the OLT. (7-1-21)T

k. Replace ribbons and on-line or instant ticket stock and clear paper jams as required for the OLT per the instructions provided by the Lottery. (7-1-21)T

l. Pay, without reimbursement, all electricity charges in connection with the operation of OLT. (7-1-21)T

10. Payment of Prizes by On-Line Retailers. (7-1-21)T

a. An on-line retailer must pay to the ticket bearer on-line games prizes of less than six hundred dollars ($600) for any validated claims presented to that on-line retailer. These prizes must be paid during all normal business hours of the on-line retailer, unless redemption hours differ from normal business hours that have been posted pursuant to Paragraph 204.09.g. of this rule, provided, that the on-line system is operational and claims can be validated. (7-1-21)T

b. An on-line retailer may pay prizes in cash or by business check, certified check, money order, or any combination thereof. An on-line retailer that pays a prize with a check that is dishonored may be subject to suspension or termination of its contract. (7-1-21)T

11. Retailer Settlement. (7-1-21)T

a. On-line retailers must establish an account for deposit of monies derived from on-line games with a financial institution that has the capability of electronic funds transfer (EFT). (7-1-21)T

b. The amount deposited must be sufficient to cover monies due the Lottery. The Lottery will
withdraw by EFT the amount due the Lottery on the day specified by the Director. If the day specified for withdrawal falls on a state holiday, withdrawal may be delayed until the next business day. (7-1-21)

12. **Prize Rights Unassignable.** No right of any person to a prize drawn is assignable, except that payment of any prize drawn may be paid to the estate of a deceased prize winner, and that any person may be paid the prize to which the winner is entitled pursuant to an appropriate judicial order. The Director will be discharged of all liability upon payment of a prize pursuant to this rule. (7-1-21)

13. **Payment of Prizes to Persons Under Eighteen Years of Age.** If a person entitled to a prize for a winning ticket is under the age of eighteen (18) years, the Director may direct payment of the prize to an adult member of the minor’s family or to the minor’s guardian by a check or draft payable to the adult member of the minor’s family or to the minor’s guardian. The adult member of the minor’s family or the minor’s guardian will have the same duties and powers as a person designated as a custodian in accordance with Idaho Law. For purposes of this Subsection the terms “adult member of a minor’s family” and “guardian of a minor” have the same meaning as in the Idaho Gifts to Minors Law. The Director will be discharged of all liability upon payment of a prize to a minor pursuant to this rule. (7-1-21)

14. **Prizes Payable After Death or Disability of Owner.** (7-1-21)
   a. All prizes, and portions of prizes, that remain unpaid at the time of the prize winner’s death will be payable to the personal representative of the prize winner’s estate once satisfactory evidence of the personal representative’s appointment has been provided, and the Director is satisfied that payment to the personal representative is lawful and proper. The Director may rely on a certified copy of a court order appointing of a personal representative (or similar person responsible for the prize winner’s estate, whether denominated an administrator, executor, executrix, or other representative of the prize winner’s estate) or may petition the court to determine the proper payee. Payment to the personal representative of the estate of the deceased owner of any prize winnings will absolve the Director and the Lottery’s employees of any further liability for payment of prize winnings. (7-1-21)

   b. The Lottery may petition any court of competent jurisdiction for a determination of the rightful payee of any prize winnings that are or may be due to a person under a disability including, but not limited to, minority, mental deficiency, physical or mental incapacity. (7-1-21)

15. **Discharge of State Lottery Upon Payment.** The state of Idaho, its agents, officers, employees and representatives, the Lottery, its Director, agents, officers, employees and representatives are discharged of all liability upon payment of a prize or any one (1) installment thereof to the holder of any winning Lottery ticket or in accordance with the information set forth on the claim form supplied by the Director. If there is a conflict between the information on a winning Lottery ticket and the information on the claim form, the Lottery may rely on the claim form after the ticket for which it has been filed has been validated as a winning ticket and, in so doing, it will be relieved of all responsibility and liability in the payment of a prize in accordance with the information set forth therein. The Lottery’s decisions and judgments in respect to the determination of a winning ticket or of any other dispute arising from payment or awarding of prizes will be final and binding upon all participants in the Lottery unless otherwise provided by law or these rules. If a question arises concerning the winning ticket, a claim form, the payment, or the awarding of any prize, the Lottery may deposit the prize winnings into an escrow fund until it determines the controversy and reaches a decision, or it may petition a court of competent jurisdiction for instructions and a resolution of the controversy. (7-1-21)

16. **Disclosure.** The Lottery may use the names, addresses, and photographs of winners in any Lottery promotional or publicity campaign. The address used will not contain the winner’s street or house number without the winner’s consent. The Lottery may condition payment of the prize upon agreement to these terms and conditions. (7-1-21)

205. **BREAKOPEN INSTANT TICKET GAMES.**
The Commission hereby authorizes the Director to select and operate breakopen instant ticket games that meet the criteria set forth in these rules. (7-1-21)

01. **Definitions.** As used in Section 205 of these rules, these terms have the following definitions:
a. “Authorized Dispensing Device” means any machine, or mechanism designed for use of vending or dispensing of breakopen instant tickets. These devices may include mechanical, electrical, electro-mechanical or other devices approved by the Director of the Lottery pursuant to Section 100 of these rules.

b. “Box” means a group of breakopen instant tickets with the same unique serial number.

c. “Breakopen Instant Ticket” means a single folded or banded ticket or a card, the face of which is initially covered or otherwise hidden from view to conceal numbers or symbols, or both, a few of which numbers or symbols have been designated in advance and at random as prize winners when, for the opportunity to obtain each such folded or banded ticket or card, view the numbers or symbols thereon and possibly obtain a prize, a person pays an established price to a breakopen instant ticket retailer.

d. “Breakopen Instant Ticket Game” means a group of breakopen instant ticket boxes with the same thematic design and prize structure.

e. “Breakopen Instant Ticket Retailer” means any person who has been approved, certified and contracted with by the Lottery to sell breakopen instant tickets.

f. “Breakopen Instant Ticket Vendor” means any person who produces and provides breakopen instant tickets to the Lottery.

g. “Distributor” means any person who purchases or otherwise obtains authorized dispensing devices for use in breakopen instant ticket games from any person and sells or otherwise furnishes such device to another person for the resale of or the display or operation of that device.

i. As used in these rules, the term “distributor” includes a person who services and repairs authorized dispensing devices, so long as the person performing such servicing or repairs is approved by the distributor or distributor’s representative, and makes no addition to, or modification or alteration of, the authorized device.

ii. A manufacturer who sells or otherwise furnishes authorized dispensing devices not manufactured by him to any other person for resale or for display or operation of that authorized device is also a “distributor.”

h. “Distributor’s Representative” means any individual who represents a distributor in any of the distributor’s activities in connection with the sale or furnishing of authorized dispensing device for use in breakopen instant ticket activities.

i. “Flare” means a vendor-provided informational sign that, at a minimum, displays the prize structure, the serial number of the sleeve in play, the odds of winning a prize, and the price of the ticket.

j. “Manufacturer” means any person who assembles from raw materials or subparts a completed authorized dispensing device or pieces of the authorized device for use in breakopen instant ticket activities and who sells or otherwise furnishes the same to any distributor or retail outlet.

k. “Manufacturer’s representative” means any person who represents a manufacturer in any one of the manufacturer’s activities in connection with the sale or furnishing of authorized dispensing device for use in breakopen instant ticket activities.

l. “Sleeve” is a portion of a box; and is the smallest unit offered.
the owner shall be reimbursed by the Lottery at the owner’s cost for the sleeve or portion thereof, and the sleeve will become the property of the Lottery. Provided further, that for each sleeve inspected which is found to be defective in any area related to a vendor’s quality control deficiency, a fee may be assessed by the Director against the vendor of the breakopen instant ticket.

03. Breakopen Instant Ticket Operation.

a. No person under the age of eighteen (18) years is allowed to play or sell any breakopen instant tickets. It is the responsibility of the retailer to determine that no unauthorized person is allowed to play or sell breakopen instant tickets. (7-1-21)

b. No retailer is permitted to display or operate any breakopen instant ticket that has in any manner been marked, defaced, tampered with or otherwise placed in a condition, or operated in a manner, that may deceive the public or that affects the chances of winning or losing upon the taking of any chance thereon. (7-1-21)

c. All records, reports, receipts and any unsold tickets relating to a breakopen instant ticket sleeve must be retained on the retailer’s premises at least ninety (90) days after the sleeve is removed from play and be made available on demand to representatives of the Idaho Lottery. (7-1-21)

04. Breakopen Instant Ticket Price per Play to Be Posted. No breakopen instant ticket sleeve may be placed for public play unless the cost to the player for each ticket is clearly posted on the flare. The price per ticket will be determined by the Director. (7-1-21)

05. Claiming of Prizes. Prizes must be redeemed on the same day as purchased at the location where the winning ticket was purchased, and prizes will be awarded in cash or by check. (7-1-21)

06. Limitation on Breakopen Instant Ticket Dispensing. No ticket once placed in an authorized dispensing device out for public play may be removed from the authorized device until the sleeve is permanently removed from public play, except only:

a. Those tickets actually played by players; (7-1-21)

b. Those tickets removed by representatives of the Lottery inspecting the device or sleeve; and (7-1-21)

c. Those tickets temporarily removed during necessary repair or maintenance of the device. Excepting only tickets removed under Paragraphs 205.06.b. and 205.06.c. of this rule, once a ticket has been removed from public play it cannot again be put out for public play. (7-1-21)

07. All Devices Must Comply With Requirements. No retailer may display or put out for play, and no distributor or manufacturer or their representatives may sell or otherwise furnish any device for the dispensing of breakopen instant tickets, unless the device is approved for use by the Director, thereby making it an authorized device.

a. No person may sell or transfer to another person in this state or for use within this state, nor shall place out for public play, any device for the dispensing of breakopen instant tickets that is not constructed to allow a consumer to clearly see each ticket within the device before playing the device. (7-1-21)

b. No person may put out for public play any device for the dispensing of breakopen instant tickets that is not constructed to provide for at least one (1) sleeve in play in the device. (7-1-21)

c. No person may put out for public play any device for the dispensing of breakopen instant tickets that is designed, used, or constructed, in a manner that detracts from the breakopen instant tickets or that is deceptive in any way, as determined by the Director. (7-1-21)

08. Breakopen Instant Ticket Series Assembly and Packaging. Vendors of breakopen instant ticket games must manufacture, assemble and package each game sleeve in a manner that none of the winning tickets, nor
the location or approximate location of any of the winning tickets, can be determined in advance of opening the
tickets. All breakopen instant ticket games must be approved and will be distributed and sold exclusively by the
Lottery. The Lottery may adopt quality control standards for the manufacture of breakopen instant ticket games.

09. Standards For Flares. The flare advertising prizes available from the operation of any sleeve of
breakopen instant tickets must:

a. Be placed near or upon the upper face, or on the top, of any authorized device used to dispense
breakopen instant tickets in a manner clearly visible to the public; and

b. Clearly set out each of the prizes available and the combination of numbers or symbols which win
prizes. Each flare describing the prizes and winning number or symbols for a sleeve of breakopen instant tickets in
play must clearly set out the sleeve number assigned to that sleeve by the vendor. The sleeve number will be placed
upon the flare by the vendor. The total number of tickets originally in the sleeve will be placed upon the flare by the
vendor.

10. Prize Structure. The Director will establish a prize structure detailing the estimated number of
prizes that are expected to be awarded in each sleeve and a close approximation of the odds of winning such prizes.

11. Retailers Eligible to Sell Breakopen Tickets. Any person interested in obtaining a contract for a
certificate to sell Lottery tickets must file an application on forms provided by the Director that includes, but is not
limited to, requiring an applicant’s personal, financial, and criminal history, and an authorization to investigate the
applicant’s criminal and credit history.

12. Retailer Application and Fee. All applications to sell breakopen instant tickets must be
accompanied by a nonrefundable fee of twenty-five dollars ($25). If a certificate is awarded to sell only breakopen
instant tickets, no additional certificate fee is necessary.


a. Certified instant ticket retailers may apply for a certificate modification to allow for the sale of
breakopen instant tickets. A current instant ticket retailer will be required to complete an additional application or
application supplements. If a current instant ticket retailer requests that the existing certificate be modified to allow
for the sale of breakopen instant tickets, no additional application fee will be charged upon approval.

b. Certified breakopen instant ticket retailers may apply for a certificate modification to allow for the
sale of instant tickets. A current breakopen instant ticket retailer will be required to complete an additional
application or application supplements. If a current breakopen instant ticket retailer requests that the existing
certificate be modified to allow for the sale of instant tickets, an additional certificate fee of one hundred dollars
($100) may be charged upon approval.

206. -- 299. (RESERVED)

SUBCHAPTER C – CHARITABLE GAMING RULES OF THE IDAHO STATE LOTTERY

300. DEFINITIONS.
As used in these rules, each word defined in this Section has the meaning given here unless a different meaning is
clearly required from context:

01. Audit. The review of documents or other records pertaining to operation of bingo or raffles,
including, but not limited to, ledgers, bank statements, checks and deposit records, nightly logs, receipts, register
tapes, computer records, contracts and leases, records showing use of all revenues for charitable activities, and tax
records, by representatives of the Lottery, the attorney general, other law enforcement agencies, or independent
auditors.
02. Autodaubing Features or Autodaubing. Electronic bingo card daubers, including software or equipment interfaced with electronic bingo cards that automatically daub the numbers as called without requiring the player to manually input the number called. (7-1-21)T

03. Bingo. The traditional game of chance using a card with five (5) rows and five (5) columns containing numbers from a range of one (1) to seventy-five (75) and played for a prize determined before the game begins, as elaborated in Subsection 010.03 of these rules, and other games authorized by Title 67, Chapter 77, Idaho Code, and by these rules, for example, “U-Pick Em.” See Section 67-7702(1), Idaho Code: (7-1-21)T

   a. Bingo Cards, Regular. Regular bingo cards (reusable or disposable) contain five (5) rows and five (5) columns of squares arranged in a five-by-five (5x5) grid; each square is imprinted with randomly placed numbers from a range of one (1) through seventy-five (75), except for the center square, which may be a free space. The letters “B-I-N-G-O” must also be imprinted on the card in order with one (1) letter above each of the five (5) columns (the letter “B” above the first column and so on). (7-1-21)T

   b. Bingo Cards, Electronic, or Face. An electronic facsimile of a regular bingo card. See Section 67-7702(6), Idaho Code. (7-1-21)T

   c. Play Method. Players who have paid consideration for the cards that they are holding compete for a prize by covering numbers on their cards when designators with the same number are randomly drawn and called. The balls or other designators in the selection device are numbered in the same manner as the possible numbers on the bingo cards, from one (1) through seventy-five (75). The winner is the first player to cover a predetermined arrangement of numbers on the players’ cards, for example, any row, column or diagonal of the five (5) rows and (5) columns and two (2) diagonals of the bingo card. Upon approval of the Bingo-Raffle Advisory Board there may be other forms of bingo games allowed, such as, but not limited to, Blackouts, Bonanza, and “U-Pick Em” games. The game begins when the first number is called and ends when a player has covered the previously designated arrangement and declares a bingo. Each winning card must be independently verified by a floor worker and another player by calling back the winning combination of numbers in the predetermined arrangement or by entering the serial number printed on the bingo card into an electronic verification system that can verify whether a card is a winner. (7-1-21)T

   d. Exclusions from Bingo. Bingo does not include “instant bingo,” which is a game of chance played by the selection of one (1) or more prepackaged cards, with the winner determined by the appearance of a preprinted winning designation on the card. (7-1-21)T

04. Bingo-Raffle Advisory Board or Board. The board established and appointed according to Sections 67-7702(2), 67-7703, and 67-7704, Idaho Code. (7-1-21)T

05. Blackout. A game of bingo where all numbers are covered on a bingo card. This game is also referred to as “coverall.” (7-1-21)T

06. Bonanza. A game of bingo that is played on a prefolded card or on another kind of card on which the numbers are not revealed until the card is purchased and in which a designated number of balls are emitted from the machine in the usual manner and displayed. If there is no “Bingo” called on these numbers, the game may continue with one (1) additional ball emitted at a time until there is a winner. (7-1-21)T

07. Charitable Contribution Acknowledgment Report Form or CCARF. A form, prepared by the Director, upon which the recipient of a donation for a charitable purpose must indicate the charitable purpose for which the donation will be used; the name, address, and phone number of the person receiving the donation; and acknowledgement that the recipient will provide any and all information necessary in order for the Director or his representatives to verify that the donation was used for a charitable purpose, as well as any other information needed by the Director to assure that the donation is used for a charitable purpose. See Section 67-7709(2), Idaho Code. (7-1-21)T

08. Charitable Donation Reporting Form. A form prepared by the Director, upon which each licensed organization shall record all charitable donations made from the proceeds of charitable bingo or raffles held during the license year on which they are reporting. This report shall require the names, addresses, contact person’s
name, contact person’s telephone number, dollar amount and purpose of the donation. This report will be submitted to
the Lottery along with the Annual Bingo Report or Annual Raffle Report and will be subject to audit as defined in
Subsection 010.01.


10. Charitable Purpose. A purpose of supporting a bona fide charitable organization, as defined by
Section 67-7702(3), Idaho Code.

11. Concessions. Food and beverages or other incidental items (for example, caps or tee-shirts)
unrelated to gaming that are sold to players at bingo games.


13. Distributor. Any person who purchases or otherwise obtains or supplies equipment for use in
conducting gaming activities, including, but not limited to, bingo or raffles, from any person or entity, and sells or
otherwise furnishes such equipment or supplies to any person or entity who engages in gaming activity.


15. Electronic Bingo Device. An electronic device used to monitor bingo games as defined by Section
67-7702(7), Idaho Code. Electronic bingo devices may be used to monitor bingo cards ("mind cards") only if they
meet the requirements of Section 67-7702(7)(a), Idaho Code. No devices described in Section 67-7702(7)(b), Idaho
Code, can be lawfully used in a bingo operation.

16. Electronic Gaming Devices. Gaming or gambling devices electronically operated by inserting a
coin or token and then pulling a handle or pushing a button to activate the game. Electronic gaming devices can
generate points or payout slips for accumulated wins.

17. Gaming. Gambling as defined in Section 18-3801, Idaho Code, including gaming authorized by
Title 67, Chapters 74 and 77, Idaho Code.


a. For Bingo. All moneys paid by players during a bingo game or session of play bingo, including fees
for use of electronic bingo cards or electronic bingo devices, but excluding money paid for concessions. Gross
revenues are calculated before any deductions for prizes or other expenses.

b. For Raffles and Other Gaming Authorized by Title 67, Chapter 77, Idaho Code. All moneys or
other value paid to or due to any operator of a raffle or other gaming authorized by Title 67, Chapter 77, Idaho Code,
activity for any chance taken or other fees for participation in the raffle or other gaming activity. Gross revenues are
calculated before any deductions for prizes or other expenses.

19. Hard Bingo Cards. Reusable bingo cards with sliding windows or shutters to cover the numbers
on the cards. Hard cards are legal in sessions with less than ten thousand dollars ($10,000) of annual gross revenue or
for special occasions.


21. Instant Bingo. A Lottery game played by the use of premarked cards which, when opened,
scratched or otherwise revealed, determine whether the cardholder is a winner without any competition among
players. “Instant Bingo” is not a game of “Bingo” as defined by these rules.

22. License. A permission issued by the Director of the Lottery to operate bingo games or raffles or to
manufacture, sell, distribute, furnish or supply gaming machines, equipment or material.

23. Licensed Game Operator. A person who qualifies as a nonprofit or charitable organization who
may operate bingo or raffles and who is licensed pursuant to Section 67-7711, Idaho Code.

24. **Licensed Vendor.** A person who manufactures, sells, distributes, furnishes or supplies gaming machines, equipment or material who is licensed pursuant to Section 67-7715, Idaho Code.

25. **Manufacturer.** Any person who fabricates or assembles a completed piece of gaming equipment or pieces of gaming equipment, or supplies completed gaming equipment, or pieces of gaming equipment for use in gaming activities, including, but not limited to, bingo and raffles, and who sells or otherwise furnishes the completed gaming equipment or pieces of gaming equipment to any distributor, operator, or retail outlet.

26. **Net Proceeds of a Charitable Raffle.** The gross revenues of a charitable raffle less the cost of prizes awarded. Net proceeds of a duck race mean gross revenues less the cost of the ducks used in the race (if there are rental costs). See Section 67-7710(3), Idaho Code. Donated prizes are considered to have no cost and do not reduce the receipts when calculating net proceeds.

27. **Nonprofit Organization.** See definition in Section 67-7702, Idaho Code.

28. **Organization.** A charitable organization or a nonprofit organization.

29. **Raffle.** An event in which prizes are won by random drawings or other selections of a ticket, duck or other means of identifying the one (1) or more persons purchasing chances. See Section 67-7702(14), Idaho Code. Duck races are a form of raffles. See Sections 67-7702(5) and 67-7702(9), Idaho Code.

30. **Reusable Bingo Cards.** Bingo cards constructed out of a durable material that use sliding windows or shutters or chips to cover the numbers and that can be reused from one (1) game to another.

31. **Separate Bank Account.** A bank account in the name of, and controlled by, a charitable or nonprofit organization established for purposes of complying with the accounting requirements of Section 67-7709(1), Idaho Code, regarding accounting for revenues and disbursements for bingo operations. All gross revenues received in connection with licensed bingo games must be placed in the separate bank account. Concessions and other moneys received (if any) from non-gaming revenues should not be deposited in the separate bank account.

32. **Session.** A period of time not to exceed eight (8) hours in any one (1) day in which players are allowed to participate in bingo games operated by a charitable or nonprofit organization. See Sections 67-7702(15) and 67-7708, Idaho Code.

33. **Site System.** See definition in Section 67-7702, Idaho Code.

34. **Tracking.** The documentation of sales by sequentially numbered bingo paper or numbered tickets in raffles. See Section 67-7709(3), Idaho Code.

35. **U-Pick Ems.** A game where players select their own numbers on a two (2) part duplicated bingo card. One (1) copy is retained by the player and used as a bingo card. Numbers are called until there is a winner. The winner is determined by the first player to cover the numbers on a “U-Pick-Em” card.


### SUB AREA: CONDUCT OF BINGO GAMES

**301. BINGO BY CHARITABLE OR NONPROFIT ORGANIZATIONS.**

All organizations operating bingo games, whether licensed or unlicensed, must abide by these rules. It is unlawful to conduct bingo sessions or bingo games in violation of Title 67, Chapter 77, Idaho Code, or in violation of these rules, and persons doing so may be subject to administrative, civil or criminal penalties. See Section 67-7707, Idaho Code. Sections 301 through 306 of these rules apply to all bingo operators. Sections 307 through 310 of these rules apply to operators using paper bingo cards. Sections 311 through 313 of these rules apply to operators using electronic bingo machines, as defined in Section 311 of these rules. Sections 306 through 309 of these rules apply to all bingo...
operators. (7-1-21)T

302. NUMBER OF SESSIONS PER WEEK.
Licensed operators of bingo games are limited to a maximum of three (3) bingo sessions per any calendar week (Sunday-Saturday). None of these sessions may exceed eight (8) consecutive hours in any one (1) day. See Section 67-7708, Idaho Code. A session is determined by the sale of paper for a continuous series of bingo games offered for a predetermined period of time. For special sessions it is permissible to extend the hours past midnight, but all hours past midnight up to 2 a.m. on the following day will count as hours for the day during which the session started. (7-1-21)T

303. POSTING OF LICENSE AND HOURS.
The organization’s current charitable gaming license issued by the Lottery must be displayed during bingo games and bingo sessions in plain view for all players and interested persons. Lottery Gaming Rules must be kept on site and available during all sessions. Days/hours of operation must be posted in plain view for all players and interested persons. If days or times change, it is the responsibility of the organization to provide written notice to the Lottery. House rules pertaining to bingo must be posted in plain view for all players and interested persons. (7-1-21)T

304. MEMBERS OF ORGANIZATION IN ATTENDANCE -- TRAINING OF EMPLOYEES.
At least one (1) member or representative of the licensed organization must be in attendance at each session of bingo to supervise all bingo-related activities of a licensed organization. See Section 67-7711(3), Idaho Code. All bingo game employees, volunteers, and managers of all organizations, whether licensed or unlicensed, must be trained in the proper conduct of the game and the control of funds. (7-1-21)T

305. EMPLOYEES INELIGIBLE TO PLAY.
All bingo game employees and managers are prohibited from playing in any game or in any session for which the employee or manager takes part as employee or manager. There should be no conflict of interest perceived by the public. (7-1-21)T

306. MINORS.
Persons under the age of eighteen (18) years are prohibited from playing bingo in a game in which a cash prize is offered, or where the prize exceeds twenty-five dollars ($25) in value for merchandise, or where any merchandise is redeemable, in whole or in part, for cash. See Section 67-7707(2), Idaho Code. Bingo operators may allow minors to work in a bingo game or session as per local house rules. (7-1-21)T

307. TRACKING REQUIREMENTS IN GAMES USING PAPER BINGO CARDS.

01. Bingo Paper -- For Whom Required. All licensed organizations operating bingo sessions that use paper bingo cards and all organizations exempt from licensing under Section 67-7713, Idaho Code, that use paper bingo cards must track their bingo sales for each session by using sequentially numbered/colored bingo paper. Each such organization must keep a ledger of the numbers of all bingo papers used. The non-reusable colored paper cards must be manufactured with a pre-printed series and a pre-printed serial number on each card. These cards may be assembled in multiple card sheets, single sheets, or packets. A sequential series and serial number must be printed on each individual card. (7-1-21)T

02. Tracking by Game For Bingo Paper. The tracking may vary according to games sold at each session (packets, specials, singles, six (6) ons, three (3) ons, etc.) and may be designated by game name or color of paper. (7-1-21)T

03. Tracking By Bingo Paper Packet. If sales are completed by packet, then those packets must not be separated for sale as singles. Individual games or packets sold must be recorded sequentially for effective tracking. The tracking records must be retained with permanent records. Tracking records are not required to be submitted with the Annual Bingo Report form. (7-1-21)T

04. Late Players When Bingo Paper Used. Packets of bingo paper sold to late players must have the previously played games sheets removed and voided. The tracking must account for sheets removed and voided. (7-1-21)T

05. Designation of Bingo Paper Color For Games. Each game is assigned a particular color of paper
card. Other colors will not be accepted. (7-1-21)

06. Documentation For Bingo Paper. All bingo paper must be tracked as either sold, damaged, donated, or omitted from the original distributor or manufacturer. Invoices from the distributor or manufacturer and other documentation of transactions involving bingo funds must be kept with the records for that bingo operation. Operators may contact the Lottery Security Division for clarification concerning proper documentation to track sold, damaged, donated, or omitted bingo paper. (7-1-21)

308. DUTIES OF BINGO CALLER AND EMPLOYEES OR VOLUNTEERS IN GAMES USING PAPER BINGO CARDS.

01. Pre-Game Duties. Before selecting or calling the first number in any game, the bingo caller must check the machine and balls for defects. This can be done by running all of the balls through the machine and placing them in their assigned slots to determine that there is one (1) ball for each number and only one (1) ball for each number. The caller will draw numbers for the Bonanza, Progressive or Hot Ball games if used and verified by a player. The caller must announce the color of paper card assigned to each game, the pattern or arrangement of squares to be covered to win the game, and the prize amount. (7-1-21)

02. Displaying Numbers During Play. Each time that a number is selected, the bingo caller must display the ball or other designator in a receptacle to prevent it from being placed back into the selection pool. If electronic display boards are used the placement of the selected ball should activate the number or if not, the operator is required to manually activate each number on the board. (7-1-21)

03. End of Game. After a winner has been verified as set forth in Section 108 of these rules, the caller must ask if there are additional winners. After asking for and verifying whether there are additional winners, the game is declared to be completed, and the ball machine must be cleared for the next game. (7-1-21)

309. DETERMINING WINNERS WHEN A PLAYER USING A PAPER BINGO CARD CLAIMS TO BE A WINNER.

01. Winning Cards. A winning card is a card upon which the numbers drawn by the caller cover the previously designated arrangement of winning squares. (7-1-21)

02. Player’s Responsibility. It is the player’s responsibility to notify the game operator or caller that the player has a winning card by yelling “bingo” loud enough for the caller to hear the player. (7-1-21)

03. Game Stops to Verify Winner. When a player announces a winning card, the game must stop for winner verification before the next number is selected. The game must be secured so that it can be continued if the declaration of a winning bingo card is incorrect. If a player mistakenly announces a winning card and the card is not a winner, the game proceeds until a winner is declared. (7-1-21)

04. Verification of Winning Card. To verify a winning card a bingo operator’s employee or volunteer must call back the combination of numbers in the assigned pattern and the color of the paper card. The caller must verify the numbers called back. Electronic verifying devices may be used by entering the serial number of the winning card. A monitor must reveal the card and the winning pattern to verify its status as a valid bingo or an invalid bingo. Once a winner is declared the caller must announce “one (1) good winner” or “two (2)” or more if it applies to the game. (7-1-21)

05. Prizes For Multiple Winners. If more than one (1) winner is declared, cash prizes must be divided equally, and merchandise prizes of equal value awarded. (7-1-21)

310. MISCELLANEOUS RULES FOR GAMES USING NON-ELECTRONIC BINGO CARDS.

01. Hard Cards. Unlicensed charitable or nonprofit organizations with an annual gross bingo revenue of ten thousand dollars ($10,000) or less may use hard cards. A licensed organization may request a special one (1) time use of hard cards for community fund-raising projects that it is sponsoring. No hard cards are allowed to be reserved for any players, with the exception of Braille cards. (7-1-21)
02. **Braille Cards.** Braille cards are allowed in any bingo game for use by individuals who need them. (7-1-21)T

03. **Two Part Disposable Cards.** Two (2) part disposable cards may be used in “U-Pick-Em” games, if:
   a. Original and Duplicate Copies. The cards are printed on two (2) part, self-duplicating paper that provides for an original and duplicate copy; (7-1-21)T
   b. Operating Controls. Players mark their numbers on each card in a distinct, clear and legible manner before separation of the duplicate and original card, and operators establish and set forth in plain view house rules setting out any conditions by which an entry may be added, deleted or changed before separation, and changes are verified by a worker authorized by the bingo manager; and (7-1-21)T
   c. Retention and Play of Duplicate Copy. The player retains and plays the duplicate copy, and all winning cards and their duplicate copies are retained by the operator as part of the operator’s daily bingo records. (7-1-21)T

04. **Card-Minding Devices.** Card-minding devices are prohibited unless they meet the requirement for allowable electronic bingo devices set forth in Section 67-7702(7)(a)(i) through 67-7702(7)(a)(iv), Idaho Code. (7-1-21)T

05. **Autodaubing Features.** Autodaubing features are prohibited. (7-1-21)T

06. **Use of Nonreusable Cards.** With the exception of Braille bingo cards authorized for use pursuant to Subsection 310.02 of these rules, every organization that uses nonreusable paper bingo cards must use only nonreusable colored bingo paper or electronic bingo paper so that all sales can be tracked. Nonreusable colored bingo paper must have a series and serial number on each card. After each bingo session, an organization using nonreusable bingo paper must track its bingo sales for that session by recording the series and serial numbers of all paper sold, damaged, donated, used for promotion, or omitted by the manufacturer or distributor. See Section 67-7709(3), Idaho Code. (7-1-21)T

311. **BINGO OPERATIONS USING ELECTRONIC BINGO MACHINES.**

01. **Electronic Bingo Machines Defined.** Electronic bingo cards, electronic bingo devices, host systems, or site systems are individually and collectively called electronic bingo machines in these rules. (7-1-21)T

02. **Use of Approved Hardware and Software.** All organizations that offer or use any electronic bingo machines during play must use hardware or software, or both, approved by the Commission, provided that printers used in connection with site systems may be obtained from any source. See Sections 67-7716 and 67-7719(1), Idaho Code. (7-1-21)T

03. **List of Approved Hardware and Software.** The Director will maintain a list of approved hardware and software for electronic bingo machines and promptly update the list after any changes. (7-1-21)T

04. **Requirements For Approved Site Systems.** All site systems licensed by the Commission must have the ability to track, either with or without input from the bingo game’s operators, the number of games played that are connected to the site system, revenue from the games played that are connected to the site system, the number of winners who are connected to the site system, and the distribution of cash and merchandise prizes to winners connected to the site system for each session played using the site system. (7-1-21)T

05. **Inspection and Testing.** All electronic bingo machines used by bingo game operators and all records that the electronic bingo machines generate must be available to be inspected or tested, or both, to determine whether the electronic bingo machines are properly functioning. Any agency or officer listed in Section 67-7709(5), Idaho Code, or their representative, is authorized to conduct an inspection and testing. See Sections 67-7717(8) and 67-7717(9), Idaho Code. (7-1-21)T
06. Pre-Game Testing. The Director or Lottery Security Division may by letter or other written communication prescribe appropriate pre-game testing procedures for electronic bingo machines as in their judgment are necessary for the particular hardware and software used.

312. REQUIREMENTS FOR BINGO GAME OPERATIONS USING ELECTRONIC BINGO MACHINES.

01. Maximum Number of Faces. Electronic bingo devices are hereby prohibited from monitoring more than fifty-four (54) faces (electronic bingo cards) per game. All electronic bingo devices are required to be restricted by their hardware or software so that they can monitor no more than fifty-four (54) faces per game. See Section 67-7717(1), Idaho Code.

02. Identification Number. Every electronic bingo device that requires a site system to download electronic bingo cards to the device must comply with the requirements of Section 67-7717(2), Idaho Code, concerning identification numbers.

03. Erasing Numbers. Every electronic bingo device must be programmed to erase electronic bingo cards and bingo card face numbers after a session has been completed, as required by Section 67-7717(3), Idaho Code.

04. Players Cannot Choose Numbers. No electronic bingo device that allows bingo players to design their own bingo cards by choosing, rearranging, or placing numbers on a card is permitted. See Section 67-7717(4), Idaho Code.

05. Connections to Site System. Site systems are prohibited from engaging in sales, voids, or reload transactions for an electronic bingo device unless the device is connected to and communicating with the site system. See Section 67-7717(5), Idaho Code.

06. Printouts. Site systems must be electronically connected to an on-site printer that upon request is capable of printing a transaction log for each player that shows the device identification number and all bingo cards and face numbers loaded into the device. The site system must be able to record and print on-site a receipt showing the device identification number, the date of the bingo session, the number of electronic bingo cards purchased or loaded, and the total amount charged for each of the electronic bingo cards. This receipt must be given to the player on request or as required by any agency or officer listed in Section 67-7709(5), Idaho Code, or their representative. See Section 67-7717(6), Idaho Code. The site system must be connected to an on-site printer that can print the winning game combinations on demand for the entire bingo session. See Section 67-7717(7).

07. Malfunctioning Electronic Bingo Machines.

a. Whenever the Lottery or any agency or officer listed in Section 67-7709(5), Idaho Code, or their representative, detects or discovers a malfunction or other problem with an electronic bingo machine that could affect the security or integrity of a bingo game or of an electronic bingo machine, every bingo operator using such a malfunctioning electronic bingo machine must discontinue its use as directed by a representative of the Lottery or correct the malfunction or other problem as directed by a representative of the Lottery. Failure to take the directed action may result in confiscation or seizure of the electronic bingo machine that is malfunctioning or has other problems. See Section 67-7717(8), Idaho Code.

b. Whenever a manufacturer, a distributor, a licensed bingo operation, a player, or any other person detects or discovers a malfunction or other problem with an electronic bingo machine that could affect the security or integrity of a bingo game or of an electronic bingo machine, every bingo operator using such a malfunctioning electronic bingo machine must discontinue the use of that electronic bingo machine and notify the Commission by telephone no later than the next working day of the action taken and the nature of the malfunction or other problem. The Commission may request further written explanation as necessary. See Section 67-7717(9), Idaho Code. For purposes of this paragraph, notification to an officer or employee of the Lottery Security Division will be considered notification to the Commission.
08. **Receipts.** The cash register or the site system must provide a receipt for the sale of all bingo cards used in conjunction with an electronic bingo device. Additional paper bingo cards must be separately receipted. The cash register receipt and the player’s receipt must identify and show the sale of disposable paper bingo cards separately from receipts for electronic bingo cards. See Section 67-7719(12), Idaho Code. (7-1-21)

### 313. PLAY USING ELECTRONIC BINGO MACHINES.

01. **No Player-Owned Devices.** Use of player-owned electronic bingo devices is prohibited. See Section 67-7719(2), Idaho Code. (7-1-21)

02. **Provision of Devices.** Only the bingo game operator can provide electronic bingo devices. The operator may charge for the use of an electronic bingo device. If there is a charge for use of an electronic bingo device, the fee must be separately stated on the cash register and the bingo player’s receipt and be included in the gross revenues. See Section 67-7719(3) and (11), Idaho Code. (7-1-21)

03. **Use of Devices On Premises.** A player using an electronic bingo device must be on the premises during play to be eligible to play bingo or to win a prize. See Section 67-7719(3), Idaho Code. (7-1-21)

04. **Available Devices.** Electronic bingo devices must be made available on a first-come, first-served basis, and no device can be reserved for any player, except a device may be reserved for players with a disability (within the meaning of the Americans with Disabilities Act) if the disability would restrict or impair the player’s ability to mark bingo cards. A bingo game operator may provide and reserve electronic bingo devices exclusively for persons with disabilities and forbid their use by all other persons. See Section 67-7719(5), Idaho Code. (7-1-21)

05. **One Device Per Player.** It is prohibited for any player to use more than one (1) electronic bingo device at a time. See Section 67-7719(6), Idaho Code. No electronic bingo device can be used to monitor hard bingo or shutter cards. See Section 67-7719(7), Idaho Code. (7-1-21)

06. **Reserve Devices.** Every bingo game operator using electronic bingo devices must keep at least one (1) electronic bingo device in reserve as a backup in case a device in use malfunctions. See Section 67-7719(4), Idaho Code. A reserve device is not considered an available device under Subsection 302.04 of this rule. If a reserve device is put in use to replace a malfunctioning electronic bingo device, and if there are no more unused electronic bingo devices available to serve as a reserve device, the operator is not required to take an electronic bingo device from a player that is then using the device in order to maintain a reserve device, and the operator may continue to offer bingo games without a reserve device throughout the remainder of the session, unless one (1) or more electronic bingo devices are turned in before the session ends, in which case a device that was turned in will then become the reserve device. (7-1-21)

07. **Loading Electronic Bingo Devices.** A bingo operator using an electronic bingo device is prohibited from downloading electronic bingo cards into an electronic bingo device before payment by the player. The player must be on the bingo operator’s premises when the device is downloaded with electronic bingo cards. The device can only be downloaded with electronic bingo cards during the session. See Section 67-7719(10), Idaho Code. Players are prohibited from choosing or rejecting individual electronic bingo cards loaded into an electronic bingo device. See Section 67-7719(8), Idaho Code. (7-1-21)

08. **Additional Paper Cards.** When a player who has purchased fifty-four (54) bingo cards per game is using an electronic bingo device to monitor up to fifty-four (54) cards, a bingo operator may allow the player to purchase additional disposable paper bingo cards to play using a manual daubing or marking method. See Section 67-7719(9), Idaho Code. (7-1-21)

09. **Other Requirements.** The Director or the Director of Lottery Security, or his designee may by letter or other written communication prescribe appropriate procedures for play and determination of winners and other matters generally covered by Sections 307 through 309 of these rules for paper bingo cards whenever it is necessary to do so in conjunction with the use or playing characteristics or other attributes of a given hardware or software. These letters are public records within the meaning of Title 74, Chapter 1, Idaho Code. (7-1-21)

### 314. MAXIMUM PRIZES.
Maximum prizes are defined in Section 67-7708, Idaho Code. (7-1-21)

315. (RESERVED)

316. LIMITS ON BINGO OPERATION’S PRIZE PAYOUT RATIOS AND ADMINISTRATIVE EXPENSES.

01. Applicability. All organizations conducting bingo games, whether licensed or unlicensed, must adhere to the required limits of statute and of this rule in dedicating their gross revenues from bingo operations. These limits or percentages, or both, pertain to annual gross revenues during a twelve (12) month license year. See Section 67-7708, Idaho Code. (7-1-21)

02. Donated Merchandise. Donated merchandise offered as prizes is not included in the prize amounts paid out when calculating the prize payout ratio. The organization conducting the bingo game must document the value of the donated items, describe the donated items, and list the donated items on the daily reports as prizes. (7-1-21)

03. Donated Cash Funds Prohibited. Donated cash may not be offered as prizes in bingo games nor deposited into the separate bingo account. (7-1-21)

317. PAYMENT OF EXPENSES, WINNINGS, AND CHARITABLE CONTRIBUTIONS. All payments for expenses and donations for charitable purposes must be paid by check from the Separate Bank Account and recorded in the bingo operation’s general ledger. See Section 67-7709, Idaho Code. (7-1-21)

318. MINIMUM CHARITABLE OR NONPROFIT DONATION. A minimum of twenty percent (20%) of annual gross revenues of a bingo operation must be paid to a charitable or nonprofit organization to be used for charitable purposes. The licensed bingo operation must maintain records showing the charitable activities to which the proceeds are applied. See Section 67-7709, Idaho Code. Organizations are permitted and encouraged to donate more than twenty percent (20%) of their gross revenues from bingo operations to charitable or nonprofit organizations to be used for charitable purposes. No part of this twenty percent (20%) can be used, whether directly or indirectly, for any bingo expense. (7-1-21)

319. MAXIMUM PRIZES. By this rule the Commission exercises authority over maximum prizes are set forth in Section 67-7708, Idaho Code. (7-1-21)

01. Maximum Prize For One Game. The maximum prize in cash and merchandise that may be offered for any one (1) bingo game is three thousand dollars ($3,000). (7-1-21)

02. Maximum Prizes For One Session. The total of the maximum prizes in cash and merchandise that may be offered at any one (1) bingo session is twenty-five thousand dollars ($25,000). (7-1-21)

320. (RESERVED)

321. ACCOUNTING AND REPORTING REQUIRED. Every organization conducting bingo games, whether licensed or unlicensed, must comply with the accounting requirements of Sections 121 through 126 of these rules. (7-1-21)

322. SEPARATE BANK ACCOUNT AND LIMITATIONS ON USE.

01. Establishment of Account. All net proceeds received in connection with a bingo game required to be licensed under Title 67, Chapter 77, Idaho Code, and by these rules must be placed in a Separate Bank Account. See Section 67-7709(1), Idaho Code. Only bingo funds generated from bingo games may be distributed as prizes, administrative expenses, or charitable/nonprofit donations. (7-1-21)

02. Disbursements Use of Funds. All disbursements must be documented as defined in Section 67-7709(1), Idaho Code, and by these rules. (7-1-21)
323. GENERAL LEDGER.

01. Establishment of General Ledger. A general ledger must be established to account separately for the bingo operation and track all transactions for the funds generated from bingo.

02. Documentation. The accounting of revenues from sales of bingo cards or other entry fees and all disbursements must be documented. The accounting should include, but not be limited to, total prize payouts per session, and bingo related expenses per session, charitable contributions per session, wages, date and purpose or payee for each entry.

03. Annual Report. Copies of general ledgers must accompany the Annual Bingo Report filed with the Lottery. Copies of the Charitable Contribution Acknowledgement Report Forms and Charitable Donation Reporting Form shall also accompany the Annual Bingo Report. All disbursements shall be recorded in the general ledger.

04. Retention of Records. An accounting of all gross revenues and disbursements required by statute and these rules must be retained in records with the organization for a period of five (5) years, including the date and amount of each transaction, as well as the name and address of each payee for all prize payments exceeding one hundred dollars ($100). A copy of each CCARF and the Charitable Donation Reporting Form shall be retained in permanent records of the organization.

324. ANNUAL REPORT.

01. When Due. Every licensed charitable or nonprofit organization conducting bingo games shall prepare an annual report within thirty (30) days after the close of its license year and file the annual report with the Lottery. See Section 67-7709(2), Idaho Code.

02. Information Required By Forms. The nightly reports, receipts, winner records, and payouts must be documented and kept with the organization’s records for five (5) years along with any further information required by the forms prescribed by the Lottery pursuant to statute and rule.

03. Independent Audit. Organizations that exceed two hundred thousand dollars ($200,000) in annual gross revenue from bingo games, raffle events, or bingo games and raffles combined must submit an independent audit performed by a certified public accountant licensed in Idaho and who meets peer review requirements set forth by the Idaho State Board of Accountancy. This independent audit must be submitted within ninety (90) days of the end of the licensed organization’s license year.

325. RECORDS OF PRIZE DISBURSEMENTS. Organizations conducting bingo games must record names and addresses of winners for prize disbursements exceeding one hundred dollars ($100). Any prizes exceeding one thousand one hundred ninety-nine dollars ($1,199) must have a W-2G on file for a gaming income for these amounts as required by the Internal Revenue Service. See 26 U.S.C. Section 6041 and 26 CFR 7.6041-1 and 35a.9999-3 (question and answer 19).

326. ACCOUNTING OF REVENUES AND EXPENSES.

01. Deposit of Receipts. Bingo funds received in check form must be payable to the organization. All funds must be deposited in a Separate Bank Account.

02. Ledger Entries and Receipts For Expenses. All ledger entries must track disbursements of cash and checks with expenses documented with receipts. The receipts shall include the payee’s name and address, date, and an authorized signature from the licensed organization.

03. Recording of Wages. Wages paid must be recorded on expense records as gross amounts before withholding of taxes or other withholding and net amount paid, with each item of withholding shown. Wages paid must be documented with copies of pay stubs, or other records showing gross wages and withholding.
04. Submission With Annual Report. Copies of ledgers containing the documentation of all transactions must be submitted with the Annual Bingo Report. Inventory tracking of sequentially numbered paper must be retained in records for a period of five (5) years and kept available for examination. All documents must be legible and compiled in an orderly manner.

327. Inspection of Financial Records and Documents. All financial records and documents of an organization shall be kept as required by these rules and be open to inspection by the county sheriff of the county where the bingo games were held, the chief of police of the city where the bingo games were held, the prosecuting attorney of the county where the bingo games were held, the Attorney General or the Lottery, or any of their agents, at reasonable times and during reasonable hours. All records must be kept for five (5) years.

328. -- 399. (RESERVED)

SUB AREA: CONDUCT OF RAFFLES

400. Requirements for Organizations Conducting Raffles. All organizations conducting raffles, whether licensed or unlicensed, must abide by these rules. It is unlawful to conduct raffles in violation of Title 67, Chapter 77, Idaho Code, or in violation of these rules, and persons doing so may be subject to administrative, civil or criminal penalties. See Section 67-7710, Idaho Code.

401. Limitation on Annual Number of Raffles. Charitable or non-profit organizations are limited to conducting twelve (12) raffle events per year, provided that this limitation shall not apply to public or private elementary or secondary schools located in the state. See Section 67-7710(2), Idaho Code.

402. Ownership of Prizes. Organizations must be able to substantiate ownership of all prizes or other legally enforceable rights to obtain the prizes to be offered in a raffle prior to advertising or selling tickets for such prizes. Proof of ownership of prizes or other legally enforceable rights to obtain prizes must be provided to the Lottery upon request.

403. Maximum Prizes. The maximum aggregate value of cash prizes that may be offered or paid for any single raffle event, which is not a duck race, is one thousand dollars ($1,000). There is no limit on the maximum value of merchandise that may be offered as raffle prizes if the merchandise is not redeemable for cash. There is no limit on the maximum amount of the aggregate cash prizes for a duck race if the cash prize is underwritten by insurance, otherwise the maximum aggregate cash prize for a duck race is one thousand dollars ($1,000). There is no limit on the maximum value for the merchandise used as prizes for a duck race if the merchandise is not redeemable for cash. See Section 67-7710(2), Idaho Code.

404. Requirements for Donation to Charity -- Limitation on Expenses. At least eighty percent (80%) of the net proceeds from sales of raffle tickets or chances and duck races must be donated to a charitable or nonprofit organization to be used for a charitable purpose. (Net proceeds are defined in Subsection 301.30 of these rules.) The name and address of the charitable or nonprofit organizations awarded these funds must be listed on the annual raffle report submitted to the Lottery. The annual raffle report must also include the charitable purpose for which the charitable donation was used by the charitable organization or non-profit organization. A maximum of twenty percent (20%) of net proceeds is allowed for expenses. See Section 67-7710(3), Idaho Code.

405. General Ledger and Recordkeeping. Every organization conducting a raffle event must establish a general ledger for the raffle. The organization must keep records that show the total number of tickets or chances sold, the revenues from tickets or chances sold, the expenses of conducting the raffle, and the prizes for each raffle.

406. Annual Raffle Report. Every licensed organization conducting a raffle shall prepare an annual raffle report and Charitable Donation Report and submit both reports to the Lottery within thirty (30) days after the close of its license year. See Section 67-7710,
407. INDEPENDENT AUDIT OF LARGE RAFFLES.  
Every charitable or non-profit organization whose gross annual revenues exceed two hundred thousand dollars ($200,000) from the operation of raffles shall provide the Commission with a copy of an annual report of raffle events. The audit shall be performed by a certified public accountant licensed in Idaho and who meets the peer review requirements set forth by the Idaho State Board of Accountancy. The audit must be submitted within ninety (90) days after the end of the organizations license year.

408. -- 499. (RESERVED)

SUB AREA: LICENSING AND LICENSE FEES FOR ORGANIZATIONS CONDUCTING BINGO GAMES OR RAFFLES

500. APPLICATION.  
All persons required by statute and by these rules to obtain a license before operating a bingo game or conducting a raffle must pay the license fees and apply for and receive a license under the rules in this sub area. See Section 67-7711(1), Idaho Code.

501. LICENSE FEES.  
Each organization that applies to the Lottery for a license under these rules shall pay annually to the Lottery a nonrefundable license fee that is due upon submission of the application. An application approved by the Lottery, complete with all required information, must be submitted along with the appropriate fee to the Lottery Security Division. See Section 67-7712(1), Idaho Code. These non-refundable fees are based on flat initial fee for applicants without a license and a fee based on annual gross revenues from bingo sessions or raffle events for applicants with a license as follows:

- $100 fee - initial application
- $100 fee - up to $25,000 annual gross revenues
- $200 fee - up to $75,000 annual gross revenues
- $300 fee - over $75,000 annual gross revenues

502. INFORMATION TO BE PROVIDED IN APPLICATION.  

01. Background Check of Applicants. The application for an initial license and for a renewal license to operate a bingo game or to conduct a raffle will be reviewed and relevant background investigations will be conducted on all persons listed on the application as officers, directors or members of the charitable or nonprofit organization. The signature from the organization’s representative on the application gives the Lottery authority to conduct the required investigations. The persons listed on the application must be officers or directors of the organization applying for a license and the application must be signed by an officer of the organization.

02. Proper Identification. The application must list the name, address, date of birth, driver’s license number and social security or tax identification number of the applicant, if applicable. If the applicant is a corporation, association or similar legal entity, the application must also list the full name, current home address and phone number, date of birth, social security number, driver’s license number and state of issuance, of each listed officer and director in order to conduct background investigations. See Section 67-7711(2)(a) and (b), Idaho Code.

03. Charitable Organizations. The application of a charitable organization must include a copy of the application for recognition of exemptions and a determination letter from the Internal Revenue Service that indicates that the organization is a charitable organization and that states the section of the tax code under which the exemption is granted, except that if the organization is a state or local branch, lodge, post of chapter or a national organization, a copy of the determination letter of the national organization will satisfy this requirement. See Section 67-7711(2)(c)(i), Idaho Code. The applicant must also provide verifiable documentation to prove charitable function,
purpose and activities. Acceptable documentation includes, but is not limited to, meeting minutes, donation documentation, and membership list.

04. Incorporated Nonprofit Organizations. The application of an incorporated nonprofit organization must include a copy of the certificate of existence issued by the secretary of state pursuant to Title 30, Chapter 3, Idaho Code, establishing the organization’s good corporate standing in the state. See Section 67-7711(2)(c)(ii), Idaho Code. The applicant must also provide verifiable documentation to prove charitable function, purpose and activities. Acceptable documentation includes, but is not limited to, meeting minutes, donation documentation, and membership list.

05. Locations. The application must list the location or locations at which the applicant will conduct bingo games or bingo sessions or drawings for raffles. See Section 67-7711(2)(d), Idaho Code.

06. Raffle Drawings. Raffle drawings must be held in Idaho and conducted within the license year for licensed organizations or within twelve (12) months from the date the first ticket was sold for unlicensed organizations.

07. License Year and Fiscal Year. An organization may apply for a license to coincide with the organization’s fiscal year. See Section 67-7711(5), Idaho Code.

08. Failure to Provide Information. Failure to provide all information required for an application may result in a delay in considering an application or denial or dismissal of an application for a bingo/raffle license. See Section 67-7711(1), Idaho Code.

503. MULTIPLE CHAPTERS LICENSED TOGETHER. Different chapters of an organization may apply for and share one (1) raffle license so long as the information required in Subsections 502.01 through 502.06 of these rules is provided to the Lottery before the issuance of the license. See Section 67-7711(4), Idaho Code. When two (2) or more chapters share a license, in aggregate they are subject to the limitations of a single organization with a license; multiple chapters sharing a license are not entitled to multiples of the event or prize limits for a license.

504. COMPENSATION OF CERTAIN PERSONS AND CONTRACTS WITH CERTAIN PERSONS PROHIBITED. Persons listed on the application as officers or directors and their relatives and members of their household are prohibited from being compensated for their participation in the organization’s bingo operation. No organization shall contract with any person not employed by, or a volunteer for, the organization for the purpose of conducting a bingo game or raffle on the organization’s behalf. See Section 67-7711(3), Idaho Code.

505. ACTION ON LICENSES.

01. Applications For Licenses. An application for a license will be approved, denied or dismissed in writing within fifteen (15) days of receipt of the written application and all other required documentation, except as provided in Section 67-7712(2)(j), Idaho Code, when a criminal prosecution of an applicant is pending or an appeal from a criminal prosecution of an applicant is pending. The application will be denied if the applicant does not meet the requirements of statute and of these rules. If an application is not received thirty (30) days in advance of a proposed event, it is possible that a license may not be granted before the event, and the event will not be allowed to proceed without a license. See Section 67-7711(1), Idaho Code.

02. Issuance of Licenses. A license will be issued when an application for a license is approved. A license expires one (1) year after its issuance. See Section 67-7711(1), Idaho Code.

03. Notice of Intended Actions. If the Lottery intends to deny an application for a license or the renewal of a license or intends to revoke, cancel, rescind or suspend a license, it will provide fifteen (15) days’ written notice to the applicant or to the licensee of the general basis for its intended action. If the applicant or licensee does not agree to the Lottery’s intended action, the applicant or licensee must in writing request a hearing within the fifteen (15) day notice period. If a timely written request for a hearing is made, the hearing will be conducted in the same manner as a contested case hearing under Title 67, Chapter 52, Idaho Code. If a timely written request for a
hearing is not made, the intended action is final and not subject to appeal. See Section 67-7712(3), Idaho Code.

506. SUSPENSION OR REVOCATION OF LICENSE -- CIVIL AND CRIMINAL PENALTIES.
Violation of the bingo and raffle statutes or of these bingo/raffle rules or of any conditions of a license may be grounds for administrative, civil or criminal actions, including, but not limited to, placement on probationary status, suspension of operations, license revocation, penalties, or fines. See Section 67-7707, Idaho Code. See also Sections 500 through 504 of these rules.

507. EXEMPTION FROM LICENSING AND LICENSING FEES.
Section 67-7713, Idaho Code, exempts charitable and non-profit organizations operating certain low-stakes bingo or raffle games from licensing.

01. Low-Stakes Bingo. A charitable or nonprofit organization conducting a bingo game does not need to obtain a license if its gross annual bingo sales (gross revenues from bingo operations) are less than ten thousand dollars ($10,000).

02. Low-Stakes Raffle. A charitable or nonprofit organization does not need to obtain a license to conduct a raffle if the maximum aggregate value of merchandise awarded as prizes for the raffle does not exceed five thousand dollars ($5,000).

03. Exemption From Licensing Not Exemption From Rules. Organizations exempt from licensing under this rule must still comply with applicable requirements of statute and bingo/raffle rules. This information is available by contacting the Lottery.

508. RULES AND FORMS.
The Lottery will provide forms and reports necessary in regulating the charitable or nonprofit bingo and raffle events. The Commission is authorized to promulgate rules consistent with and in compliance with Title 67, Chapter 52, Idaho Code.

509. -- 599. (RESERVED)

SUB AREA: VENDORS AND VENDORS’ LICENSES AND FEES – APPROVED GAMING DEVICES

600. VENDOR’S LICENSE REQUIRED.
All businesses or persons who manufacture, sell, distribute, furnish, or supply to any person or organization any gaming devices, equipment, or materials in this state shall first obtain a vendor’s license from the Lottery. See Section 67-7715, Idaho Code. Vendors must file an application and submit all required forms for background investigations.

601. LICENSE FEES.
Each initial application for a vendor’s license must be accompanied by a five hundred dollar ($500) non-refundable annual license fee that is due upon submission of the application. An application form approved by the Lottery, completed with all required information, must be submitted with the appropriate fee to the Director of Lottery Security, or his designee. See Section 67-7715(3)(5), Idaho Code.

602. INFORMATION TO BE PROVIDED IN APPLICATION.

01. Identification of Applicants. The application for initial license and for renewal of a license must list:

a. The name, address, date of birth, driver’s license number and social security number of the applicant, and if the applicant is a corporation, proprietorship, association, partnership or other similar legal entity, the name, home address, date of birth, driver’s license number and social security number of each of the officers of the corporation and their spouses, as well as the name and address of the directors and their spouses, or other persons similarly situated and the financial information required to complete the application form. See Section 67-7715(3)(a), Idaho Code.
b. The locations from which or persons with which the applicant will provide any gaming devices, equipment or material in this state or for use in this state. See Section 67-7715(3)(b), Idaho Code. (7-1-21)

02. Incomplete Applications. Financial reports submitted with the license application will be reviewed as part of the background investigation. All requested data must be included on the application to avoid any delay. The application may be dismissed if it is incomplete. (7-1-21)

603. APPROVAL, DENIAL OR DISMISSAL OF APPLICATION FOR ISSUANCE OF LICENSE.
The Lottery will approve, deny or dismiss an application for a vendor’s license, within fifteen (15) days. At the applicant’s request the Lottery may defer decision for a longer time. The application will be approved, denied or dismissed in writing. The Lottery will issue vendor licenses to successful applicants. See Section 67-7715, Idaho Code. (7-1-21)

604. SUSPENSION OR REVOCATION OF LICENSE.
Any licensed vendor in violation of statute or of these rules or of any conditions of its license may face suspension or revocation of its vendor’s license. (7-1-21)

605. -- 609. (RESERVED)

610. GAMING DEVICES, EQUIPMENT OR MATERIALS.
Gaming devices, equipment, and materials include but are not limited to:

01. Number Selectors and Related Equipment. Number selection machines, manual mixing drums, or computerized random selectors, site systems, host systems or other electronic bingo machines used to select numbers for bingo or raffles are gaming devices, equipment or materials. (7-1-21)

02. Bingo Cards. Numbered paper bingo cards and hard bingo cards as described in Paragraphs 310.03.a. and 301.19 of these rules, including Bonanza cards, “U-Pick-Ems,” and electronic bingo cards, are gaming devices, equipment or materials. (7-1-21)

03. Miscellaneous. Daubers, raffle tickets, record keeping materials, electronic bingo devices and other items used in the operation of bingo or raffles are gaming devices, equipment or materials. (7-1-21)

611. PAPER BINGO CARD MANUFACTURERS STANDARDS.
Card manufacturers must follow these standards for paper cards:

01. Quality of Paper. The paper must be of sufficient weight and quality to allow for clearly readable numbers and to prevent ink from spreading or bleeding through a packet and obscuring other numbers or cards. (7-1-21)

02. Random Assignment of Numbers. Numbers printed on the card must be randomly assigned. (7-1-21)

03. Serial Numbers. Each set of cards must be comprised of cards bearing the same serial number. No serial number may be duplicated by a manufacturer in a given calendar year. (7-1-21)

04. Packet Assembly. Cards assembled in books or packets must be glued, not stapled. (7-1-21)

05. Labeling. A label must be placed on the exterior of each carton of bingo paper listing the type of product, number of packets or loose sheets, serial numbers, per (series) numbers, number of cases, cut of paper, and color of paper. (7-1-21)

06. Packing Slips. A packing slip inside each case must list the same information as listed on the label. (7-1-21)

07. Invoice. All orders must be accompanied by an invoice which lists the type of product, number of
packets or loose sheets, serial numbers of all packets or loose sheets, per (series) numbers, number of cases, cut of paper, color of paper and pricing by item. The invoice must also include the supplier (vendor) name, and the name and address of the organization purchasing the paper.

612. NUMBER SELECTORS.
All number selectors for bingo operations must be approved by the Commission after review and advice by the Bingo-Raffle Advisory Board. Electronic random selectors must interact with players. Auto daubing systems for paper bingo cards are prohibited.

613. DISTRIBUTION AND USE OF ELECTRONIC BINGO MACHINES.

01. Approved Sources. A licensed distributor of electronic bingo machines must purchase, rent, lease or otherwise provide electronic bingo machines only from a licensed manufacturer and purchase, lease, rent, or otherwise provide only electronic bingo machines that have been approved by the Commission. See Section 67-7718(1), Idaho Code.

02. Approved Users. A licensed distributor of electronic bingo machines is permitted to sell, rent, lease or otherwise provide electronic bingo machines only to licensed bingo operators. See Section 67-7718(2), Idaho Code.

03. Initial Use. The licensed distributor of electronic bingo machines must notify the Commission in writing of the sale, rental, lease, provision or installation of any electronic bingo machines before a licensed bingo operator’s first use of the machines as follows:

a. The complete name and address of the licensed bingo operator and their license number.

b. The type of equipment and the serial numbers of equipment that was sold, rented, leased, provided or installed.

c. The expected date upon which the licensed bingo operator will begin to use the equipment.

d. A copy of any and all agreements or contracts between the licensed distributor and the licensed bingo operator regarding use of the equipment.

04. Installation, Maintenance, Service and Repair. The licensed distributor must be the initial contact for installation, service, maintenance or repair of electronic bingo machines and for ordering electronic bingo cards. The distributor may enlist the manufacturer’s assistance for installation, service, maintenance or repair of electronic bingo machines. With the Commission’s approval, a licensed manufacturer may authorize or subcontract with others for service, repair or maintenance of electronic bingo machines, but the licensed manufacturer retains ultimate responsibility and liability for service, maintenance and repair. See Section 67-7718(4), Idaho Code.

05. Invoices and Payments. The licensed distributor of electronic bingo machines must be the person who invoices for and collects payments for a licensed bingo operator’s use of electronic bingo machines. The manufacturer may generate the invoice. All payments must be to the distributor and not the manufacturer. The invoice must contain the licensed distributor’s name, complete address and license number of the licensed bingo operator. See Section 67-7718(5), Idaho Code.

06. Transportation Of Electronic Bingo Devices. A licensed distributor may transport electronic bingo devices from one (1) location to another for use by one (1) or more licensed bingo operator after the distributor has notified the Commission in writing of its schedule for rotating the electronic bingo devices from one (1) location to another. The notification must list the locations at which the devices will be used and name the licensed bingo operators that will be using the devices at each location. See Section 67-7718(6), Idaho Code.

07. Site Systems and Transportation of Site Systems. Each licensed bingo operator that uses a site system must have its own site system. A licensed bingo operator that uses a site system cannot transport its site
system from one (1) location to another or allow another bingo operator to use its site system without prior written approval from the Commission. See Section 67-7718(6), Idaho Code. (7-1-21)T

614. -- 699.  (RESERVED)

SUB AREA: SUSPENSION, REVOCATION, OR DENIAL OF A LICENSE

700.  SUSPENSION, REVOCATION OR DENIAL OF LICENSE.
Any licensee or applicant for a license found by a court of competent jurisdiction or by the Lottery pursuant to the procedures of Section 67-7712, Idaho Code, to be in violation of any statutes or rules governing operating, supplying of equipment for, participating in, or establishing of gaming in the state of Idaho may be subject to suspension, revocation or denial of its license. See Sections 67-7712 and 67-7715, Idaho Code. (7-1-21)T

701.  GROUNDS FOR SUSPENSION, REVOCATION OR DENIAL OF LICENSE.
The Lottery may suspend, revoke or deny a license if it finds that the licensee or applicant for a license has violated any provision of Title 67, Chapter 77, Idaho Code, any of these rules, or any county ordinance adopted pursuant to Title 67, Chapter 77, Idaho Code, (See Section 67-7712(2), Idaho Code). (7-1-21)T

702.  COMPLAINT AGAINST AND INVESTIGATION OF LICENSEES.
The Lottery may, upon its own motion, or upon a written verified complaint of any other person, investigate the operation of any gaming purportedly authorized by Title 67, Chapter 77, Idaho Code, or by these rules, whether the gaming is conducted by a licensed or an exempt operation, and whether gaming equipment or supplies comply with the requirements of Title 67, Chapter 77, Idaho Code. If the Lottery has reasonable cause to believe that any gaming described in Title 67, Chapter 77, Idaho Code, or in these rules, violates the provisions of the Idaho Code or of these rules, in its discretion it may under the procedures set forth in Section 67-7712(3), Idaho Code, and as provided by these rules propose to revoke, cancel, rescind or suspend any license for a period not to exceed one (1) year, or refuse to grant a renewal of the license, or take other action as may be appropriate under Idaho Code or these rules. See Section 67-7712(3), Idaho Code. (7-1-21)T

703.  PROCEDURE UPON FINDING OF REASONABLE CAUSE.
If the Lottery refuses to grant a license or refuse to grant a renewal of a license or revoke, cancel, rescind or suspend a license, it shall give the applicant or licensee fifteen (15) calendar days’ written notice of its intended action stating generally the basis for its action. Within the fifteen (15) calendar days’ notice period, the applicant or licensee shall indicate its acceptance of the decision of the Lottery or request a hearing to be held in the same manner as hearings in contested cases pursuant to Title 67, Chapter 52, Idaho Code. See Section 67-7712(3), Idaho Code. (7-1-21)T

704.  CONDUCT OF HEARING IN CONTESTED CASE.
The hearing in a contested case shall be conducted within twenty-one (21) days of the request. The applicant or licensee may appeal the decisions of the Lottery after the hearing pursuant to Title 67, Chapter 52, Idaho Code. Failure to make the request for hearing as provided in these rules shall render the decision of the Lottery final and not subject to further appeal. See Section 67-7712(3), Idaho Code. (7-1-21)T

705.  -- 999.  (RESERVED)