

TITLE 67
STATE GOVERNMENT AND STATE AFFAIRS

CHAPTER 74
IDAHO STATE LOTTERY

67-7401. PURPOSE. The purpose of this legislation is to establish a state lottery to generate revenue for the state with a director and a state lottery commission to oversee lottery operations. This chapter establishes a state lottery account for the deposit of receipts, for payment of prizes and expenses, and provides that revenues generated in the lottery account, after allowances for prizes and expenses, shall be distributed for the public benefit. This chapter provides for contracting with lottery retailers and authorizes the promulgation of administrative rules and regulations necessary for carrying out the intent of this chapter. The lottery commission and the director of the lottery shall be responsible for operating the lottery at the least public expense and the smallest staffing possible, commensurate with all other policies stated in this chapter. Additionally, all advertising by the lottery shall be conducted in a manner consonant with the dignity of the state and the sensibilities of its citizens.

[67-7401, added 1988, ch. 232, sec. 2, p. 446.]

67-7402. IDAHO LOTTERY AGENCY CREATED. There is hereby created in the department of self-governing agencies an agency to be known as the Idaho state lottery. The Idaho state lottery shall implement and administer the provisions of this chapter.

[67-7402, added 1988, ch. 232, sec. 2, p. 446.]

67-7403. INITIATION AND OPERATION OF THE LOTTERY. The lottery shall be initiated at the earliest feasible and practical time. The lottery shall be operated to produce the maximum amount of net income to benefit the public purposes described in this chapter consonant with the public good. Other state government departments, boards, commissions, agencies and their officers shall cooperate with the lottery to aid the lottery in fulfilling these objectives.

[67-7403, added 1988, ch. 232, sec. 2, p. 446.]

67-7404. DEFINITIONS. As used in this chapter:

(1) "Administrative costs" means personnel costs, capital outlay, and reasonable expenses incurred by other state agencies to effectuate the purposes of this chapter.

(2) "Commission" means the Idaho state lottery commission.

(3) "Director" means the director of the lottery.

(4) "Expenses" means all costs of doing business including, but not limited to, prizes, commissions and other compensation paid to retailers, advertising and marketing costs, personnel costs, capital outlay, reasonable expenses incurred by other state agencies to effectuate the purposes of this chapter, depreciation of property and equipment, and other operating costs, all of which are to be recorded on the accrual basis of accounting in accordance with generally accepted accounting principles.

(5) "Lottery" or "state lottery" means the state lottery established and operated pursuant to this chapter.

(6) "Lottery contractor" means a person with whom the lottery has contracted for the purposes of providing goods and services for the state lottery.

(7) "Lottery game retailer" or "retailer" means a person with whom the lottery has contracted for the purpose of selling tickets or shares in lottery games to the public.

(8) "Lottery revenue" means revenue derived from the sale of lottery tickets and shares. Such revenues shall be recorded on the accrual basis of accounting in accordance with generally accepted accounting principles.

(9) "Lottery vendor" or "vendor" means any person who submits a bid, proposal or offer as part of a major procurement for goods or services as defined in subsection (11) of this section.

(10) "Low, medium and high tier claims" means the dollar amount of prizes awarded in accordance with rules of the state lottery.

(11) "Major procurement" means any contract with a vendor supplying lottery tickets or shares, data processing systems utilized to track, sell, distribute or validate lottery tickets or shares, any goods or services involving the determination or generation of winners in any lottery game or any auditing services. A major procurement shall be undertaken at all times in conformance with the constitution and laws of the state of Idaho, and lottery vendors in submitting a bid, proposal or offer as part of a major procurement for goods or services as defined in this subsection shall be undertaken at all times in conformance with the constitution and laws of the state of Idaho.

(12) "Net income" means lottery revenue and nonlottery revenue, less expenses, as defined in this chapter.

(13) "Person" shall be construed to mean and include an individual, association, corporation, club, trust, estate, society, company, joint stock company, receiver, trustee, assignee, referee or any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, and any combination of individuals. "Person" shall also be construed to mean and include departments, commissions, agencies and instrumentalities of the state of Idaho, including counties and municipalities and agencies or instrumentalities thereof.

(14) "Redemption value" means the sum total of all winnings upon the ticket presented for payment.

(15) "Share" means any intangible evidence of participation in a game conducted by the state lottery.

(16) "Ticket" means any tangible evidence issued by the lottery to provide participation in a game conducted by the state lottery.

(17) "Value" means any ticket shall be taken at face value.

[67-7404, added 1988, ch. 232, sec. 2, p. 447; am. 1989, ch. 352, sec. 1, p. 880; am. 2001, ch. 196, sec. 1, p. 664; am. 2017, ch. 54, sec. 1, p. 84.]

67-7405. COMMISSION -- APPOINTMENT -- CHAIRMAN. The commission shall consist of five (5) members appointed by the governor with the advice and consent of the senate. The term of a member is five (5) years. The terms of members appointed shall expire as designated by the governor at the time of appointment: One (1) at the end of one (1) year; one (1) at the end of two (2) years; one (1) at the end of three (3) years; one (1) at the end of four (4)

years; and one (1) at the end of five (5) years. At the end of a term, a member continues to serve until a successor is appointed and qualifies. A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies. A vacancy of the commission shall be filled in the same manner as regular appointments are made, and the term shall be for the unexpired portion of the regular term. No member of the commission shall have a direct or indirect pecuniary interest in any contract or agreement entered into by the commission. The chairman of the commission shall be appointed by the governor from among the members of the commission. No more than three (3) members of the commission shall belong to the same political party. The members of the commission shall serve at the pleasure of the governor.

[67-7405, added 1988, ch. 232, sec. 2, p. 448.]

67-7406. QUORUM -- MEETINGS -- MINUTES -- COMPENSATION. A majority of the qualified membership of the commission is a quorum. The commission may not act unless at least three (3) members concur. The commission shall not meet less than four (4) times per year. Written notice of the time and place of each commission meeting shall be given to each member of the commission. The secretary of the commission shall promptly send the governor a certified copy of the minutes of each meeting of the commission. The minutes shall include a copy of each rule of the lottery that is adopted. Members of the commission shall receive compensation as provided in section [59-509](#)(h), Idaho Code. Members are entitled to reimbursement for reasonable travel expenses incurred in the performance of their duties as a member, as provided by law.

[67-7406, added 1988, ch. 232, sec. 2, p. 448; am. 2000, ch. 75, sec. 1, p. 159.]

67-7407. DIRECTOR. With the advice and consent of the senate the governor shall appoint a director of the lottery, who is the chief executive officer of the lottery and secretary of the commission. The compensation of the director, including bonuses, if any, shall be established by the commission. The director shall serve at the pleasure of the governor.

[67-7407, added 1988, ch. 232, sec. 2, p. 448.]

67-7408. POWERS AND DUTIES OF THE COMMISSION. The commission shall be responsible for establishing the goals and objectives of the lottery and shall have the following duties, powers and responsibilities in addition to others herein granted:

(1) The commission may adopt, upon recommendation of the director, such rules and regulations governing the establishment and operation of the lottery as it considers necessary under this chapter to ensure the integrity of the lottery and its games and to maximize the net income of the lottery for the benefit of the state. Such rules and regulations shall generally address, but not be limited to:

- (a) The different types of lottery games to be conducted;
- (b) The range of prize structures of each lottery game;
- (c) The method, odds and frequency of selecting winning tickets and shares and the manner of paying prizes to the owners of the winning tickets and shares;

(d) The terms and conditions of lottery game retailer contracts, which may include retailer compensation, bonuses, incentives, fees for redeeming claims, payment and credit terms, retailer application and renewal fees, telecommunication costs, if any, to be paid or allocated to retailers, and bonding requirements;

(e) The methods to be utilized in selling and distributing lottery tickets or shares, including the use of machines, terminals, telecommunications systems and data processing systems. Customer-operated machines, terminals or other devices for selling lottery tickets or shares shall be operated only by the use of currency or coin; and

(f) Other matters necessary or appropriate for the efficient operation and administration of the lottery, for the convenience of the public, and to carry out the provisions of this chapter. Every rule promulgated within the authority conferred by this chapter shall be of temporary effect and must be ratified by the legislature at the regular session first following its adoption. Rules not approved in this manner shall be rejected, null, void and of no force and effect on July 1, following their submission to the legislature.

(2) The commission shall approve major procurements.

(3) The commission shall approve the transfer of net income in accordance with the provisions of this chapter.

(4) The commission shall have the authority to enter into written agreements or contracts, negotiated and prepared by the director, with any other state or states, the government of Canada, the provinces of Canada, the government of Australia, the states of Australia, the government of the United Kingdom, or an agency or contractor of any of those entities for the operation and promotion of a joint lottery or joint lottery games. The commission, under no circumstance, shall have the authority to enter into written agreements or contracts with another country without an affirmative action by the legislature.

(5) The commission shall perform all other acts necessary to carry out the purposes and provisions of this chapter.

[67-7408, added 1988, ch. 232, sec. 2, p. 448; am. 1989, ch. 352, sec. 2, p. 882; am. 2013, ch. 341, sec. 1, p. 899; am. 2022, ch. 68, sec. 1, p. 205.]

67-7409. POWERS AND DUTIES OF THE DIRECTOR. The director shall be responsible for the daily operations of the lottery, and shall have the following duties, powers and responsibilities in addition to others herein granted:

(1) The director shall:

(a) Operate and administer the lottery in accordance with the provisions of this chapter and the policies and rules of the lottery;

(b) Appoint deputy directors, sales personnel and security staff, who shall be exempt from the provisions of [chapter 53, title 67](#), Idaho Code, as may be required to carry out the functions and duties of his office; and

(c) Hire professional, technical and other employees as may be necessary to perform the duties of his office subject to the provisions of [chapter 53, title 67](#), Idaho Code.

(2) The director shall:

(a) Confer regularly with the commission on the operation and administration of the lottery;

(b) Make available for inspection by the commission, on request, all books, records, files, and other information and documents of the lottery; and

(c) Advise the commission and make such recommendations as the director considers necessary and advisable to improve the operation and administration of the lottery.

(3) The director may enter into contracts for marketing, advertising, promotion, research and studies for the lottery and for products and services for effectuating the purposes of this chapter, however, contracts for major procurements must be approved by the commission. The director may not enter into contracts for the administration of the lottery.

(4) The director shall:

(a) Submit quarterly financial statements to the commission, the governor, the state treasurer, and the legislature. Such financial statements shall be prepared in accordance with generally accepted accounting principles and shall include a balance sheet, a statement of operations, a statement of changes in financial position, and related footnotes. Such financial statements are to be provided within forty-five (45) days of the last day of each quarter;

(b) Submit annual financial statements to the commission, the governor, the state treasurer, and each member of the legislature. Such financial statements shall be prepared in accordance with generally accepted accounting principles and shall include a balance sheet, a statement of operations, a statement of changes in financial position, and related footnotes. Such financial statements shall have been examined by the legislative services office or a firm of independent certified public accountants in accordance with generally accepted auditing standards and shall be provided within ninety (90) days of the last day of the lottery's fiscal year;

(c) Report to the governor and the legislature any matters which require immediate changes in the laws of this state in order to prevent abuses and evasions of this chapter or the rules of the lottery or to rectify undesirable conditions in connection with administration or operation of the lottery;

(d) Carry on a continuous study and investigation of the lottery to:

(i) Identify any defects in the provisions of this chapter or in the rules and regulations of the commission leading to an abuse in the administration or operation of the lottery or an evasion of this act or the rules of the lottery;

(ii) Make recommendations for changes in this chapter or the rules of the lottery to prevent abuses or evasions or to improve the efficiency of the lottery;

(iii) Ensure that the provisions of this chapter and the rules of the lottery are administered and formulated to serve the purposes of this chapter;

(iv) Prevent the use of the lottery, the provisions of this chapter, or the rules of the lottery from fostering professional gambling or crime;

(e) Make a continuous study and investigation of:

(i) The operation and administration of similar laws and lotteries in other states and countries;

(ii) The available information on the subject of lotteries and related subjects;

(iii) Any federal laws which may affect the operation of the lottery; and

(iv) The reaction of citizens of this state to existing and potential features of the lottery with a view to recommending or effecting changes that will tend to serve the purposes of this chapter.

(5) The director shall provide for secure lottery facilities and lottery systems, including data processing facilities and systems.

(6) The director shall be responsible for monitoring class III gaming on Indian reservations as may be required by compacts entered into by the state in accordance with state statutory law and pursuant to the Indian Gaming Regulatory Act, 25 U.S.C. section 2701 et seq. and 18 U.S.C. sections 1166-1168.

(7) The director shall perform all other acts necessary to carry out the purposes and provisions of this chapter.

[67-7409, added 1988, ch. 232, sec. 2, p. 449; am. 1989, ch. 352, sec. 3, p. 882; am. 1993, ch. 249, sec. 1, p. 871; am. 1994, ch. 180, sec. 231, p. 565; am. 2003, ch. 32, sec. 45, p. 143.]

67-7410. DIRECTOR OF LOTTERY SECURITY. The director shall hire a security director who shall manage the lottery's security division. The security division shall be responsible for the performance of background investigations of employees, lottery retailers, bingo and raffle operators, vendors and major procurement contractors and for the enforcement of the criminal provisions of this chapter. In addition, the security division shall develop a security plan to be implemented by the lottery. The lottery's security division is herein designated as an Idaho law enforcement agency. The director of security has the authority to:

(1) Issue administrative subpoenas during the conduct of investigations in accordance with commission rules and this chapter;

(2) Require fingerprint-based criminal history check of the Idaho central database and the federal bureau of investigation's criminal history database on prospective employees, vendors, contractors, lottery retailers and bingo and raffle operators; and

(3) Access criminal offender record information from the Idaho state police for the purpose of background or other investigations performed in accordance with this chapter.

Such information obtained and kept by the security director shall be subject to disclosure according to [chapter 1, title 74](#), Idaho Code. Nothing herein shall prohibit the lottery from disclosing information obtained by it to law enforcement agencies or other lottery organizations for security or enforcement purposes.

[67-7410, added 1988, ch. 232, sec. 2, p. 451; am. 1989, ch. 352, sec. 4, p. 884; am. 1990, ch. 213, sec. 98, p. 558; am. 2000, ch. 469, sec. 140, p. 1599; am. 2001, ch. 196, sec. 2, p. 665; am. 2008, ch. 40, sec. 1, p. 95; am. 2015, ch. 141, sec. 183, p. 525.]

67-7411. CONTRACTING WITH LOTTERY GAME RETAILERS. The commission shall promulgate rules and regulations specifying the terms and conditions for contracting with lottery game retailers to provide availability of tickets or shares to prospective buyers of each lottery game.

A lottery game retailer contract shall not be entered into if there is substantial evidence that the prospective lottery game retailer has had a

license or contract to sell lottery tickets or shares suspended or revoked in another state or jurisdiction, or has knowingly made a false statement of material fact to the lottery.

[67-7411, added 1988, ch. 232, sec. 2, p. 451.]

67-7412. SELECTION OF LOTTERY GAME RETAILERS. The director, pursuant to rule, shall select as lottery game retailers such persons as are deemed best to serve the public convenience and to promote the sale of tickets or shares. No natural person under the age of eighteen (18) shall be a lottery game retailer. In the selection of a lottery game retailer, the director shall consider factors such as financial responsibility, accessibility of the place of business or activity to the public, security of the premises, integrity, reputation, the sufficiency of existing lottery game retailers to serve the public convenience and the projected volume of sales for the lottery game involved.

Prior to the execution of any contract with a lottery game retailer, the director may require a prospective lottery game retailer to disclose to the lottery the lottery game retailer's name and address and the names and addresses of the following:

(1) If the prospective lottery game retailer is a corporation, the officers, directors, and each stockholder in such corporation; except that, in the case of stockholders of publicly held equity securities of a publicly traded corporation, only the names and addresses of those known to the corporation to own five percent (5%) or more of such securities need be disclosed;

(2) If the prospective lottery game retailer is a trust, the trustee and all persons entitled to receive income or benefit from the trust;

(3) If the prospective lottery game retailer is an association, the members, officers, and directors;

(4) If the prospective lottery game retailer is a subsidiary, the officers, directors and each stockholder of the parent corporation thereof; except that, in the case of stockholders of a publicly traded corporation, only the names and addresses of those known to the corporation to own five percent (5%) or more of such securities need be disclosed;

(5) If the prospective lottery game retailer is a partnership or joint venture, all of the general partners, limited partners, or joint venturers;

(6) If the parent company, general partner, limited partner, or joint venturer of any prospective lottery game retailer is itself a corporation, trust, association, subsidiary, partnership, or joint venture, then all of the information required herein shall be disclosed for such other entity as if it were itself a prospective lottery game retailer to the end that full disclosure of ultimate ownership be achieved;

(7) If any member of the immediate family of any prospective lottery game retailer is involved in the lottery game retailer's business in any capacity, then all of the information required herein shall be disclosed for such immediate family member as if such immediate family member were a prospective lottery game retailer;

(8) The details of any felony conviction of a criminal offense, state or federal, of the retailer or any person whose name and address are required by the disclosure requirements of this section; and

(9) The details of any disciplinary action of a judicial nature taken by any state against the retailer or any person whose name and address are required by this section regarding any matter related to the selling, leas-

ing, offering for sale or lease, buying, or servicing of gaming materials or equipment.

No person shall be a lottery game retailer who is engaged exclusively in the business of selling lottery tickets or shares. The director may contract with lottery game retailers on a permanent, seasonal or temporary basis. The lottery may require payment by each lottery game retailer to the lottery of an initial fee and an annual fee as a condition for a contract to be a lottery game retailer. The authority to act as a lottery game retailer shall not be assignable or transferable. A lottery game retailer shall report immediately to the lottery any changes in the information required in this section.

[67-7412, added 1988, ch. 232, sec. 2, p. 452; am. 1989, ch. 352, sec. 5, p. 885.]

67-7413. TERMINATION OF THE LOTTERY GAME RETAILER. The director may terminate a contract with a lottery game retailer for such reasons of termination as shall be recited in such contract, which reasons shall include, but not be limited to, the knowing sale of tickets or shares to any person under the age of eighteen (18).

[67-7413, added 1988, ch. 232, sec. 2, p. 453.]

67-7414. COMPENSATION FOR LOTTERY GAME RETAILERS. The compensation paid to lottery game retailers shall be five percent (5%) of the retail price of the tickets or shares. The director may pay lottery game retailers an additional one percent (1%) incentive bonus based on attainment of sales volume or other objectives specified by the director for each lottery game.

[67-7414, added 1988, ch. 232, sec. 2, p. 453.]

67-7415. SALES TO PERSONS UNDER THE AGE OF EIGHTEEN. No tickets or shares in the lottery games shall be sold by or to persons under the age of eighteen (18). In the case of lottery tickets or shares sold by lottery game retailers or their employees, such persons shall establish safeguards to help assure that such sales are not made to natural persons under the age of eighteen (18).

[67-7415, added 1988, ch. 232, sec. 2, p. 453.]

67-7416. DISPLAY OF CERTIFICATE OF AUTHORITY. No lottery tickets or shares shall be sold by a lottery game retailer unless the retailer has on public display on the premises a certificate of authority to sell lottery tickets or shares signed by the director.

[67-7416, added 1988, ch. 232, sec. 2, p. 453.]

67-7417. LOTTERY GAME RETAILER BONDING. Under rules and regulations adopted by the commission, the director may require an appropriate bond from any lottery game retailer or may purchase blanket bonds covering the activities of selected lottery game retailers.

[67-7417, added 1988, ch. 232, sec. 2, p. 453; am. 1989, ch. 352, sec. 6, p. 886.]

67-7418. LOTTERY GAME RETAILER ACCOUNTING. Under rules and regulations adopted by the commission, the director shall establish procedures which shall be utilized by lottery game retailers to account for all tickets or shares that are sold to the public by each lottery game retailer and to account for all funds received from the public by each lottery game retailer for the tickets or shares.

[67-7418, added 1988, ch. 232, sec. 2, p. 453; am. 1989, ch. 352, sec. 7, p. 886.]

67-7419. LOTTERY GAME RETAILER PAYMENTS. No payment by lottery game retailers to the state lottery for tickets or shares shall be in cash. All such payments shall be in the form of a check, bank draft, electronic fund transfer, or other recorded financial instrument as prescribed by commission rule. The director may require lottery game retailers to deposit to the credit of the state lottery, in financial institutions designated by the director, money received by lottery game retailers from sale of tickets and/or shares, less the amount of compensation, if any, authorized under section [67-7414](#), Idaho Code, and to file with the state lottery reports of receipts and transactions in the sale of tickets in the form and containing the information the commission requires.

[67-7419, added 1988, ch. 232, sec. 2, p. 453; am. 1989, ch. 352, sec. 8, p. 886.]

67-7420. CONTRACTS FOR MAJOR PROCUREMENTS. Subject to the approval of the commission, the director may solicit bids and enter into major procurement contracts. Any such contract may be awarded to a technically competent bidder, taking into account the lowest bid, secondary cost benefits and the resulting projected net income which would accrue to the benefit of the state over the term of the contract.

In all awards of contracts, the commission shall take particular account of the sensitive and responsible nature of the state lottery and the paramount consideration of security and integrity.

[67-7420, added 1988, ch. 232, sec. 2, p. 454; am. 1989, ch. 352, sec. 9, p. 887.]

67-7421. LOTTERY VENDOR DISCLOSURES FOR MAJOR PROCUREMENTS. This section is provided to allow the commission to evaluate the competence, integrity, background, character and the nature of the true ownership and control of lottery vendors. The commission may require any person, as a part of a major procurement, to disclose at the time of submitting such bid, proposal or offer to the commission the following information:

(1) If the vendor is a partnership or joint venture, the names and addresses of all of the general and limited partners or joint venturers; if such general and limited partners or joint venturers are themselves a partnership, joint venture, trust, association, corporation, subsidiary, or intermediary corporation, the same information required by this section shall be supplied for such entities also;

(2) If the vendor is a trust, the names and addresses of the trustee and all persons entitled to receive income or benefit of the trust;

(3) If the vendor is an association, the names and addresses of the members, officers and directors;

(4) If the vendor is a corporation, the names and addresses of the officers, directors and each owner or holder, directly or indirectly, of any equity security or other evidence of ownership of any interest in such corporation; except that, in the case of owners or holders of publicly held securities of an intermediary company, holding company, or parent company that is a publicly traded corporation, only the names and addresses of those owning or holding five percent (5%) or more of such publicly held securities need be disclosed;

(5) If the vendor intends to or does subcontract to another person or entity any integral or substantial portion of the work to be performed in supplying such materials, equipment or services, then the vendor shall supply the information required by subparagraphs in this section for all such persons or entities;

(6) If the vendor is a corporation, the names of all the states in which the vendor is incorporated to do business, and the nature of that business;

(7) The names of other jurisdictions in which the vendor has contracts to supply gaming materials, equipment or services and the types of gaming materials, equipment or services involved therewith;

(8) The details of any felony conviction of a criminal offense, state or federal, of the vendor or any person whose name and address are required by the disclosure requirements of this section;

(9) The details of any disciplinary action of a judicial nature taken by any state against the vendor or any person whose name and address are required by this section regarding any matter related to the selling, leasing, offering for sale or lease, buying, or servicing of gaming materials or equipment;

(10) Audited financial statements for the most recent five (5) years and a statement of the gross receipts realized in the preceding year from the sale, lease or distribution of gaming materials, equipment or services. This information shall be subject to disclosure according to [chapter 1, title 74](#), Idaho Code;

(11) The name and address of any source of game materials, equipment or services for the vendor; and

(12) Such other information, accompanied by such documents, as the commission, by rule, regulation or contract procurement documents, may require as being necessary or appropriate in the public interest to accomplish the purposes of this section.

A major procurement contractor shall report immediately any changes in the information required in this section.

[67-7421, added 1988, ch. 232, sec. 2, p. 454; am. 1989, ch. 352, sec. 10, p. 887; am. 1990, ch. 213, sec. 99, p. 558; am. 2015, ch. 141, sec. 184, p. 526.]

67-7422. SEPARATION OF VENDORS AND RETAILERS. No person, firm, association or corporation contracting as a vendor to supply lottery equipment or materials to the state for use in the operation of the lottery shall be directly or indirectly connected with any person, firm, association or corporation selected as retailers.

[67-7422, added 1988, ch. 232, sec. 2, p. 455; am. 1989, ch. 352, sec. 11, p. 888.]

67-7423. ENFORCEABILITY OF CONTRACTS. No contract with any contractor, retailer or vendor who has not complied with the disclosure requirements established by the commission, shall be entered into or be enforceable.

[67-7423, added 1988, ch. 232, sec. 2, p. 455; am. 1989, ch. 352, sec. 12, p. 888.]

67-7424. INFORMATION UNDER OATH. The information required by the commission of prospective contractors, retailers and vendors shall be provided under oath.

[67-7424, added 1988, ch. 232, sec. 2, p. 455; am. 1989, ch. 352, sec. 13, p. 889.]

67-7425. MISSTATEMENTS OR OMISSIONS. Any person wilfully making a material misstatement or material omission of any disclosure item required by the commission shall be guilty of a felony.

[67-7425, added 1988, ch. 232, sec. 2, p. 455; am. 1989, ch. 352, sec. 14, p. 889.]

67-7426. COMPLIANCE WITH APPLICABLE LAWS. Each lottery contractor, retailer and vendor shall perform its contract consistent with the applicable rules of the commission, the laws of this state, federal laws, and the laws of the state or jurisdiction in which the lottery contractor, retailer or vendor is performing or producing, in whole or in part, any of the goods or services contracted for hereunder. No contract with any lottery contractor, retailer or vendor who fails to comply with such laws or rules shall be entered into or be enforceable.

[67-7426, added 1988, ch. 232, sec. 2, p. 455; am. 1989, ch. 352, sec. 15, p. 889.]

67-7427. VENDOR PERFORMANCE BONDS. Each vendor, at the time of executing a contract, shall post a performance bond in a manner and form as required by the commission. The commission may accept other security in lieu of a bond when in its judgment the security is sufficient to guarantee the faithful performance of the contract.

[67-7427, added 1988, ch. 232, sec. 2, p. 456; am. 1989, ch. 352, sec. 16, p. 889.]

67-7428. STATE LOTTERY ACCOUNT. There is hereby created in the dedicated fund of the state treasury, the state lottery account. The state lottery account is continuously appropriated to the state lottery for the purposes of operating the lottery and fulfilling its objectives.

[67-7428, added 1988, ch. 232, sec. 2, p. 456.]

67-7429. PROHIBITION ON USE OF STATE FUNDS. It is the intent of this chapter that the state lottery, established by this chapter, shall be a self-supporting, revenue raising agency of state government. No appropriations, loans, or other transfer of state funds shall be made to the state lottery, except for the temporary line of credit for initial start-up costs of the lottery, as provided in this chapter.

[67-7429, added 1988, ch. 232, sec. 2, p. 456.]

67-7431. CASH RECEIPTS. The following moneys shall be deposited in the state lottery account, as established under section [67-7428](#), Idaho Code:

- (1) All moneys received from the sale of lottery tickets or shares; and
- (2) Any other moneys received by the lottery from whatever source.

[67-7431, added 1988, ch. 232, sec. 2, p. 456; am. 2011, ch. 141, sec. 2, p. 401.]

67-7432. CASH DISBURSEMENTS. The director is authorized to make the following disbursements from the state lottery account:

- (1) Payment of prizes directly to the holder of valid winning tickets or shares;
- (2) Purchase of annuities or investments to be utilized to pay future installments of winning tickets or shares;
- (3) Refunds, if any, due to lottery retailers or players;
- (4) Expenses of the lottery;
- (5) Payments to an Indian tribe pursuant to a state-tribal gaming compact negotiated pursuant to section [67-429A](#), Idaho Code;
- (6) The payment of the lottery's obligations, including the purchase of property, buildings and equipment; and
- (7) The payment of dividends, as provided for under section [67-7434](#), Idaho Code.

[67-7432, added 1988, ch. 232, sec. 2, p. 457; am. 1997, ch. 178, sec. 1, p. 496; am. 2011, ch. 141, sec. 3, p. 401.]

67-7433. PRIZE EXPENSE. Total prize expense, net of unclaimed prizes, as determined on an annual basis, shall be no less than forty-five percent (45%) of lottery revenues.

[67-7433, added 1988, ch. 232, sec. 2, p. 457; am. 1989, ch. 352, sec. 18, p. 890; am. 2011, ch. 141, sec. 4, p. 401.]

67-7434. LOTTERY DIVIDENDS. Annually, on July 1, the lottery shall transfer three-eighths (3/8) of its net income to the permanent building fund and five-eighths (5/8) of its net income to the school district facilities fund pursuant to section [33-911](#), Idaho Code, after reserving sufficient moneys to ensure the continuation of the lottery, as determined by the director and commission.

[67-7434 added 1988, ch. 232, sec. 2, p. 457; am. 1990, ch. 377, sec. 3, sec. 6, p. 1045; am. 1991, ch. 110, sec. 4, p. 238; am. 2009, ch. 344, sec. 1, p. 1078; am. 2014, ch. 337, sec. 1, p. 834; am. 2024, ch. 237, sec. 31, p. 832.]

67-7435. REIMBURSEMENTS FOR GOVERNMENT SERVICES. It is the intent that the lottery shall be a self-supporting agency of state government. The director shall reimburse at a reasonable rate all other governmental entities for any and all services necessary to effectuate the purposes of this chapter provided by such governmental entities to the state lottery.

[67-7435, added 1988, ch. 232, sec. 2, p. 457; am. 1989, ch. 352, sec. 19, p. 890.]

67-7436. AUDITS. A certified public accounting firm appointed by the commission shall conduct audits of all accounts and transactions of the state lottery. The director and his agents conducting an audit under this chapter shall have access and authority to examine any and all lottery-related records of lottery vendors and retailers. Such records shall be subject to disclosure according to [chapter 1, title 74](#), Idaho Code.

[67-7436, added 1988, ch. 232, sec. 2, p. 457; am. 1989, ch. 352, sec. 20, p. 890; am. 1990, ch. 213, sec. 100, p. 559; am. 2011, ch. 141, sec. 5, p. 401; am. 2015, ch. 141, sec. 185, p. 527.]

67-7437. PRIZES. Except as otherwise provided in this section, any prize won under this chapter is not assignable. If the prize winner dies before the prize is paid, the prize shall be paid to the estate of the prize winner. A prize is subject to garnishment and recovery for unpaid taxes, child or spousal support or public assistance benefits paid and recoverable by the state or any county, or by a person pursuant to a judgment and execution under an order of the court. A prize shall also be subject to immediate withholding and set-off to collect any support delinquency or state taxes owed upon notification from the department of health and welfare pursuant to section [56-203E](#), Idaho Code, or the state tax commission pursuant to section [63-3060](#), Idaho Code. The state lottery shall not pay a prize claim until the lottery ticket or share has passed the validation tests established by the state lottery.

No prize shall be paid arising from claimed tickets or shares that are stolen, counterfeit, altered, fraudulent, unissued, produced or issued in error, unreadable, not received or not recorded by the state lottery by applicable deadlines, lacking in captions that confirm and agree with the state lottery play symbols as appropriate to the game involved, or not in compliance with such additional specific rules and regulations and public or confidential validation and security tests of the state lottery appropriate to the particular lottery game involved. Confidential validation or security tests shall be subject to disclosure according to [chapter 1, title 74](#), Idaho Code.

No particular prize in any lottery game may be paid more than once, and in the event of a binding determination that more than one (1) claimant is entitled to a particular prize, the sole remedy of such claimants is the award to each of them an equal share in the prize.

[67-7437, added 1988, ch. 232, sec. 2, p. 458; am. 1989, ch. 352, sec. 21, p. 890; am. 1990, ch. 153, sec. 1, p. 338; am. 1990, ch. 213, sec. 101, p. 560; am. 2013, ch. 250, sec. 2, p. 609; am. 2015, ch. 141, sec. 186, p. 527.]

67-7438. PRIZE CLAIMING PERIOD. Prizes may be claimed for a period of one hundred and eighty (180) days after the drawing in which the prize was won or from the last day tickets from that specific game were sold. Prizes won through an electronic terminal shall be payable in accordance with rules and regulations of the commission. If a claim is not made for the prize within the applicable period, the prize money shall 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.

[67-7438, added 1988, ch. 232, sec. 2, p. 458; am. 1989, ch. 352, sec. 22, p. 891.]

67-7439. TAXES. Income taxes shall only be imposed on lottery prizes received from lottery tickets purchased after the effective date of this act. Lottery prizes awarded by the Idaho state lottery under six hundred dollars (\$600) shall not be subject to the state income tax. No taxes of any kind whatsoever shall be imposed upon the sale, purchase, storage, use or other consumption of Idaho lottery tickets or shares, or upon equipment, devices or systems directly used in the production, operation, sales, distribution, tracking, drawing, accounting, communication of or computation of lottery games.

The state lottery shall pay to a city, county, the state or any political subdivision or municipality thereof in which the state lottery occupies a premises owned by the state a grant not to exceed the amount that would be payable as taxes on the property in that year, if the property were not exempt from taxation.

[67-7439, added 1988, ch. 232, sec. 2, p. 458; am. 1989, ch. 352, sec. 23, p. 891; am. 1997, ch. 382, sec. 2, p. 1238; am. 1998, ch. 51, sec. 5, p. 205.]

67-7440. RESTRICTED PLAYERS. No lottery ticket or share may be purchased by, and no prize may be paid to, any of the following persons:

- (1) Any member of the commission or employee of the state lottery; or
- (2) Any owner, or in the case of a corporation, an owner of five percent (5%) or more of the corporation stock, any officer or employee of a company that is currently under contract to provide a major procurement; or
- (3) Any other person doing business with the state lottery as may be determined by commission rule; or
- (4) Any person related by blood, adoption or marriage and who is a member of the same household as any member of the commission or employee of the state lottery.

Notwithstanding the above, any of the above may purchase a lottery ticket or share and attempt to claim the related prize provided the purpose of such purchase or claim is to test the lottery's systems or is related to an investigation and is approved in advance by the director of security. If a ticket or share is claimed in such a test or investigation, the warrant must be returned to the state lottery without being cashed.

[67-7440, added 1988, ch. 232, sec. 2, p. 458; am. 1989, ch. 352, sec. 24, p. 891.]

67-7441. RECORDS. All papers, records, correspondence, communications and proceedings of the Idaho state lottery and the commission shall be open to the public except as otherwise provided by statute; provided, however, that business records and information provided to the state lottery pursuant to sections [67-7412](#) (8) and (9) and [67-7421](#) (8) and (9), Idaho Code, shall be subject to disclosure according to [chapter 1, title 74](#), Idaho Code.

No lottery employee shall divulge or make known to any person in any manner any information which is exempt from disclosure, whatsoever, obtained

directly or indirectly by him in the discharge of his duties, or permit any copy thereof to be seen. Any employee violating provisions of this section shall be guilty of a misdemeanor.

[67-7441, added 1988, ch. 232, sec. 2, p. 459; am. 1989, ch. 352, sec. 25, p. 892; am. 1990, ch. 213, sec. 102, p. 560; am. 2015, ch. 141, sec. 187, p. 527; am. 2016, ch. 47, sec. 44, p. 128.]

67-7442. OPEN PUBLIC MEETINGS OF THE COMMISSION. All meetings of the commission shall be open to the public and all persons shall be permitted to attend any meeting except as otherwise provided by law; provided, however, that the commission may meet in executive session to:

- (1) Evaluate the confidential proprietary information provided as part of a major procurement proposal of a vendor, retailer or contractor; or
- (2) Hear security and investigative information and recommendations brought before it by the director and director of security.

No executive session shall be held for the purpose of taking any final action or making any final decision.

[67-7442, added 1988, ch. 232, sec. 2, p. 459; am. 1989, ch. 352, sec. 26, p. 892.]

67-7443. CONFLICT OF INTEREST. Members of the commission, the director, and the employees of the lottery shall not 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, have an interest in dealing in a lottery or in the ownership or leasing of property used by or for a lottery. Any member of the commission or lottery employee who violates the provisions of this section shall be immediately removed from any position with the lottery.

[67-7443, added 1988, ch. 232, sec. 2, p. 459.]

67-7444. LIMITATION ON ACTIONS. The commission, the director and employees of the lottery shall not be personally liable for anything done or omitted to be done in good faith in the exercise or purported exercise of powers conferred under this chapter.

[67-7444, added 1988, ch. 232, sec. 2, p. 460.]

67-7445. CONDITIONS OF PURCHASE. By purchasing a ticket or share in a lottery game, a player agrees to abide by, and be bound by, the commission's rules and regulations and by lottery game rules developed by the commission to apply to any particular lottery game involved. In particular, and without limitation, the player acknowledges, that the determination of whether the player is a valid winner is subject to winner validation procedures and confidential validation and security tests established by the state lottery for the particular lottery game. Confidential validation and security tests shall be subject to disclosure according to [chapter 1, title 74](#), Idaho Code.

[67-7445, added 1988, ch. 232, sec. 2, p. 460; am. 1989, ch. 352, sec. 27, p. 893; am. 1990, ch. 213, sec. 103, p. 561; am. 2015, ch. 141, sec. 188, p. 528.]

67-7446. RESTRICTIONS. Notwithstanding the provisions of section [23-928](#), Idaho Code, nothing in that section shall be construed to authorize any form of games of chance or private lotteries, except as may be authorized expressly by this chapter in accordance with the Idaho Constitution.

[67-7446, added 1988, ch. 232, sec. 2, p. 460.]

67-7447. LAWFUL ACTIVITY. Chapters 38 and 49, [Title 18](#), Idaho Code, or any other state or local law or regulation providing any penalty, disability, restriction, regulation or prohibition for the manufacture, transportation, storage, distribution, advertising, possession, or sale of any lottery tickets or shares or for the operation of any lottery game shall not apply to the tickets or shares of the state lottery established in this chapter.

[67-7447, added 1988, ch. 232, sec. 2, p. 460.]

67-7448. PROHIBITED ACTS -- PENALTIES. (1) Any person may provide gift tickets or shares. With the approval of the commission, the director or a lottery retailer may provide gift tickets for promotional purposes which are approved by the commission. A ticket or share shall not be sold at a price greater than that fixed by the state lottery, and a sale shall not be made other than by a lottery game retailer or by an employee of a lottery game retailer who is authorized by the license to sell tickets.

A person may not sell a lottery ticket or share to any person under the age of eighteen (18) years. A minor may not purchase lottery tickets or shares and may not redeem winning tickets or shares.

A lottery retailer may not willfully withhold funds due and owing to the state lottery. A person may not impersonate a state lottery representative.

Any person violating any of the provisions of this chapter except as provided in subsection (2) of this section shall be guilty of a misdemeanor and upon conviction be fined up to five thousand dollars (\$5,000) or imprisoned up to six (6) months or be both so fined and imprisoned.

(2) A person shall be guilty of a felony if he knowingly presents a counterfeit, previously paid, illegally obtained or altered state lottery ticket or share for payment or knowingly transfers a counterfeit, previously paid, illegally obtained or altered state lottery ticket or share to another person for presentation for payment or with intent to defraud, falsely make, alter, forge, pass or counterfeit a lottery ticket or share. A person violating the provisions of this subsection shall be punished by imprisonment not in excess of five (5) years, a fine not in excess of twenty-five thousand dollars (\$25,000) or both such fine and imprisonment.

(3) Determination of loss. The value of a loss involving the theft of lottery tickets shall be the face value of the tickets plus the redemption value as defined in section [67-7404](#), Idaho Code.

[67-7448, added 1988, ch. 232, sec. 2, p. 460; am. 1989, ch. 352, sec. 28, p. 893; am. 2001, ch. 196, sec. 3, p. 665.]

67-7449. CAP ON ADMINISTRATIVE COSTS. During the first year of operation, administrative costs shall not exceed twenty percent (20%) of lottery revenue. Thereafter, administrative costs shall not exceed fifteen percent (15%) of lottery revenue during any fiscal year. Advertising and

promotional costs shall not exceed three and one-half percent (3 1/2%) of lottery revenue during any fiscal year.

[67-7449, added 1988, ch. 232, sec. 2, p. 461.]

67-7450. AUDIT OF FUNDS -- REPORTS. (1) The right is reserved to the state of Idaho to audit funds of the commission at any time.

(2) On or before January 15 of each year, the director shall file with the senate state affairs committee, the house state affairs committee, the legislative services office, the state controller, and the division of financial management, a report showing the annual income and expenses by standard classification of the commission during the preceding fiscal year. The report shall also include an estimate of income to the commission for the current and next fiscal years and a projection of anticipated expenses by category for the current and next fiscal years. From and after January 15, 1990, the report shall also include a reconciliation between the estimated income and expenses projected and the actual income and expenses of the preceding fiscal year.

(3) In addition to the reports required in subsection (2) of this section, the director shall also file the same report with the joint finance-appropriations committee. Notwithstanding any other provision of this chapter, the joint finance-appropriations committee may, by appropriation measure, limit or modify proposed expenditures of the commission.

[67-7450, added 1989, ch. 352, sec. 30, p. 894; am. 1993, ch. 327, sec. 37, p. 1224; am. 1994, ch. 180, sec. 232, p. 567; am. 1996, ch. 159, sec. 26, p. 527.]

67-7451. LOTTERY EXEMPT FROM STATE PROCUREMENT ACT. Notwithstanding any other provision of law to the contrary, the state lottery shall be exempt from the state procurement act provided in [chapter 92, title 67](#), Idaho Code.

[67-7451, added 1988, ch. 232, sec. 2, p. 461; am. 2016, ch. 289, sec. 19, p. 819.]

67-7452. SEVERABILITY. If any of the provisions of this chapter or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable.

[67-7452, added 1988, ch. 232, sec. 2, p. 461.]