

**NEW YORK STATE DIVISION OF THE LOTTERY  
REPEAL AND REPLACEMENT OF  
SECTIONS 2804.14 AND 2804.15 AND PART 2817 OF  
NEW YORK CODES, RULES AND REGULATIONS  
TITLE 21, CHAPTER XLIV**

Pursuant to the authority granted by Sections 1601, 1604 and 1612 of the Tax Law, the Division of the Lottery hereby promulgates this repeal and replacement of Sections 2804.14 and 2804.15 and Part 2817 of Title 21 of the Official Compilation of Codes, Rules and Regulations of the State of New York, to read as follows:

**(ALL MATTER NEW)**

SECTION 2804.14 IS REPEALED AND REPLACED TO READ AS FOLLOWS:

**§ 2804.14      Subscription costs**

(a) For each subscription, a minimum of one game panel must be selected for a minimum number of weeks or drawings, as determined by the division.

(b) A subscription may be for one, two, or three game panels, or a greater number of game panels as may be determined by the division.

(c) The cost of a subscription plan shall be determined by the division.

(d) The division reserves the right to alter, temporarily or permanently, the costs of a subscription plan at the discretion of the director. The division reserves the rights to suspend or cancel any drawing or the game itself, change the prize structure, frequency of draws or draw dates. In the event of such a change, an affected subscriber will receive participation in a revised game, equivalent in value to the remainder of his or her subscription, or a refund, at the sole option of the division.

(e) Any determination by the division described in this section may be made for any of the following reasons:

- (1) to make the subscription program more appealing or convenient for players;
- (2) to further the division's mission of raising revenue for aid to education; or
- (3) to allow the division to administer the subscription program more effectively.

SECTION 2804.15 IS REPEALED AND REPLACED TO READ AS FOLLOWS:

**§ 2804.15 Subscription application requirements.**

(a) To be accepted for entry without changes, a subscription application must meet the following requirements:

(1) Each game panel must contain the required amount of unduplicated game numbers selected from the numbers available for the game that the applicant indicates on his or her application form. If a game panel submitted by an applicant contains no game numbers or fewer than the required amount of game numbers, the Quick Pick option may be used to randomly select game numbers. If an applicant submits an application with more than the required amount of game numbers circled in a game panel, the division may select the required number of game numbers consecutively from among such selected numbers. All other numbers may be disregarded.

(2) The application must include the applicant's identifying information, including identifying information for each member of a group applicant. If an application is submitted without complete applicant identifying information, the division may seek additional information from the applicant. Regardless of whether the applicant responds with additional information requested by the division, the application may, nevertheless, be accepted if there is sufficient information to identify by name at least one individual applicant or one individual member of a group applicant. In such case, the division may pay any prize won by the subscription to any person identifiable as an applicant or as a member of a group applicant from the incomplete applicant identifying information submitted with the application, and such payment may be reported to the appropriate taxing authorities as income paid to such person with any required withholding tax to be credited to such person.

(b) An application may be rejected for any of the following reasons:

(1) If the application is illegible in whole or in part;

(2) If the application includes a form of payment that is not acceptable to the division;

(3) If the applicant is under the age of 18; or

(4) If the applicant does not submit a New York State address.

(c) A subscription may be terminated after acceptance if, before or after the start date, the division is notified that the payment for the subscription is invalid, e.g., a check returned for insufficient funds. In such event, the subscription shall be deemed invalid and no prizes will be paid to the applicant during any period in which the subscription was invalid.

PART 2817 IS REPEALED AND REPLACED TO READ AS FOLLOWS:

**PART 2817**

**LOTTO**

Sec.

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**§ 2817.1 Definitions.**

(a) LOTTO means a lottery game that has a designated field of consecutive whole numbers beginning with one (1) to a number designated by the division not greater than sixty (60) from which a player may select up to six (6) numbers. The division reserves the discretion to change the name of the game or to offer additional versions of the LOTTO game with different prize structures and designated fields of numbers beginning with one (1) to a number designated by the division not greater than sixty (60) from which a player may select up to seven (7) numbers. If the division changes the name of the game or offers an additional version of the game, the rules of this Part shall continue to apply.

(b) Game is a generic term that refers to a specific field of numbers from which a player may select a specific subset of numbers.

(c) Play card means a card that contains a number of game panels of defined spaces used by a player to select the games the player desires to play, the number of game panels to be played and the specific subset of numbers for each game selected. The play card is the customary method of presenting a player's selections to a licensed lottery sales agent. However, the player's number selections may be manually entered into the computer terminal by the terminal operator.

(d) Manual entry means the capability of the computer terminal operator to enter a player's selections into the computer terminal in response to instruction from a player, or if a play card is incorrectly marked.

(e) Game Character means a number, symbol or other identifier used in any lottery game.

(f) Random selection option (commonly referred to as "Quick Pick," "Easy Pick," or a similar term) means the option given to players to have the game character(s) to be played randomly selected by computer. The random selection option is initiated by the terminal operator and may be used to select all the game character(s) required for the game or to complete a bet in which fewer than the full complement of game character(s) have been chosen. When the random selection option is used, the bet will be entered by computer in the next scheduled drawing and the numbers to be played will be randomly selected by computer. If a player using the random selection option specifies his or her choice of draw date(s), then only the remaining bet data variables will be selected by computer.

(g) Game panel means the area of the LOTTO play card that contains a number of defined spaces numbered one (1) through a number designated by the division not greater than sixty (60), which produces individual wagers on the bet ticket.

(h) Bet ticket means the ticket generated by the computer terminal based on input received from the player's play card, random selected option or manual entry. The bet ticket is the only valid receipt for a bet placed. Players should, while still at the point of purchase, verify the game and number selections on the bet ticket.

(i) Computer terminal means the device at the lottery sales agent location or site licensed by the division for purchasing lottery game tickets and performing other lottery transactions.

(j) Draw date means the date designated by the director on which the winning numbers are drawn for each game.

(k) Drawing means the formal process of randomly selecting winning numbers that determines the number of winners for each prize level for a game.

(l) Gross sales means the dollar value of lottery tickets produced for a game draw date.

(m) Prize pool or winning pool means a percentage of the gross sales, as may be determined by the division, for a particular LOTTO game which is allocated for the purpose of paying prizes for that drawing.

**§ 2817.2      Distribution of prize money.**

(a) Prizes for the LOTTO game shall be calculated as follows:

(1) The first prize will be a prize of up to one million dollars (\$1,000,000) paid as a lump sum. A first prize will be awarded to game panels matching six (6) of six (6) winning numbers for a particular drawing. The division may limit the number of one million dollar (\$1,000,000) top first prizes for a particular drawing to no more than a designated number. If the limited number of top first prizes designated by the division is exceeded for a particular drawing, the winning first prize game panels will share equally in a maximum first prize pool equal to the product of the top first prize amount multiplied by the limited number of top first prizes designated by the division. At its discretion, the division may change the

top first prize amount and any such change will be publicly announced in advance of the effective date.

(2) The LOTTO prizes paid to the second through fourth prize levels shall be fixed prizes as prescribed by the division. There shall be a limit imposed on the second through fourth prize levels equal to a fixed percentage of the LOTTO gross ticket sales receipts for that particular drawing. In the event that the limit would be exceeded for a particular draw, the second through fourth prize levels shall be calculated on a pari-mutuel basis in accordance with a formula established by the division.

(3) The allocation of percentages of the prize pool to various prize categories may be changed by the division from time to time. Any such change will be publicly announced by the division.

(b) In the event that the division offers an additional version of the LOTTO game, the method of calculation and distribution of prizes shall be publicly announced in advance by the division.

(c) A valid winning ticket valued at \$ 600 (six hundred dollars) or less and presented for payment within a number of days of the drawing date, as determined by the division, may be redeemed by a lottery sales agent. All other valid winning tickets may be redeemed at a Customer Service Center.

(d) For the purpose of calculating any prize to be paid, the calculation shall be rounded down so that prize can be paid in multiples of one dollar.

**§ 2817.3 Ticket sales.**

(a) The price for each LOTTO wager shall be determined by the division.

(b) A play card is not a valid receipt for any LOTTO game played. The bet ticket is the only valid receipt.

(c) No claimant will be considered eligible to receive a prize without presentation of a valid winning bet ticket.

(d) If for any reason, a bet ticket is not entirely legible or is misprinted or altered in any way, then the computer record created at the time of sale will be the sole method of determining whether such ticket is a valid winning ticket.

(e) A LOTTO bet ticket may not be canceled once issued by the computer terminal. However, the agent may receive credit for any unreadable bet ticket issued, as these tickets (although unreadable) are recorded on the computer file as valid bets.

**§ 2817.4 Prize funds.**

(a) Up to forty percent (40%) of gross ticket sales receipts for each LOTTO game draw date may be paid into the division prize account for allocation of prize winnings or as may be otherwise prescribed by the New York State Lottery for Education Law.

(b) The division may allocate a percentage of gross sales for a particular LOTTO game drawing to the prize pool for that particular game, and not less than such amount shall form the basis upon which the payment of prizes for the particular game shall be computed; provided, however, that a lesser amount may be allocated to the prize pool if there is an excess of prize funds beyond the amount needed to pay a fixed prize.

(c) The director may allocate a percentage of gross sales receipts for any LOTTO game drawing to prize pools for any other LOTTO game drawing dates; provided, however, that a greater amount may be allocated to other LOTTO prize pools if there is an excess of prize funds beyond the amount needed to pay a fixed prize. The amount so allocated shall be referred to as the LOTTO prize fund reserve. This fund reserve may be used to fund promotions and maintain minimum prize levels, as determined by the director.

(d) In the event of termination of the LOTTO game for whatever reason, any prize monies remaining undistributed in the LOTTO prize fund reserve will be disbursed for the sole benefit of winners of other division games at the discretion of the director.

**§ 2817.5 Determination of prizes.**

(a) For each LOTTO game, six (6) numbers shall be randomly selected at a public drawing from a field of consecutive whole numbers beginning with one (1) to a number designated by the division not more than sixty (60). The first six (6) randomly chosen numbers shall be the winning numbers. If the division offers an additional version of the LOTTO game, the method of determination of prizes shall be publicly announced in advance by the division.

(b) The prize structure and odds of winning may be publicly announced by the division in advance of the effective date.

(c) The division reserves the right to change the field of numbers. Any change in the field of numbers shall be publicly announced by the division in advance of the effective date.

(d) In addition to the announced prize structure, the division may offer special prizes from time to time, in the form of either cash or other valuable consideration, if such additional special prizes are authorized by the director at her or his discretion.

**§ 2817.6 Procedures for claiming a prize.**

A prize may be claimed in any LOTTO game in accordance with this Title.

**§2817.7 Disputes.**

In the event a dispute occurs as to the validity of a prize claim, the director may refund the price of the LOTTO wager paid by the player on that ticket. This shall be the sole and exclusive remedy of the holder of the ticket.

**§ 2817.8      Miscellaneous.**

(a) All number selections or other information appearing on any LOTTO bet ticket shall be deemed to be made or given exclusively by the player. Where one person submits a ticket as agent or nominee for another person or persons, the division shall not be deemed to have any knowledge of such transaction, and all dealings of the division will be conducted solely with the bearer of the ticket.

(b) The division reserves the right to change the prize structures, frequency of drawings, drawing dates, or the games themselves, and any such changes shall be publicly announced in advance by the division. Any public announcement provided for in this Part shall be made in a news release, an advertisement, on the division's website, or in such other form as the director, in his or her discretion, may prescribe to maximize public awareness.

(c) Any determination by the division described in this Part shall be made with consideration of any of the following goals:

- (1) to make the LOTTO game more appealing or convenient for players;
- (2) to further the division's mission of raising revenue for aid to education; or
- (3) to allow the division to administer the LOTTO game more effectively or efficiently.

(d) When any question shall arise as to the validity of a LOTTO drawing for any reason whatsoever, the director shall make the determination as to the validity of said drawing on the basis of the information at his or her disposal. His or her determination shall be a final determination.