

LOTTERY AUTHORITY, IOWA[531]

Adopted and Filed Emergency

Pursuant to the authority of Iowa Code chapter 99G and section 17A.3, the Iowa Lottery Authority hereby adopts new Chapter 21, “Drawings and Contests,” Iowa Administrative Code.

This amendment is necessary to implement the Iowa Lottery Authority’s new enhanced VIP Club. The enhanced VIP Club provides additional value to players and is being implemented by the Lottery as part of its conversion process to a new online ticket system. More recently, the vendor for the project, MDI, indicated that it did not recommend the Lottery require players to keep their lottery tickets and turn them in after the promotions. The vendor indicated that the unique codes on each ticket would present sufficient security and proof of ownership of the ticket if the ticket numbers were entered into the promotions via the Internet. The administrative rules currently require players to present a signed ticket to a retailer or the Lottery for validation purposes. Moreover, the Lottery does not have provisions to define the contests and drawings it holds. The enhanced VIP Club began on May 16, 2011, but will begin running promotions in July for which players will not be required to keep their tickets to redeem a prize.

Pursuant to Iowa Code section 17A.4(3), the Lottery Authority Board of Directors finds that notice and public participation are impracticable and contrary to public interest because of the immediate need to implement the VIP Club promotional events to enhance the club.

The Lottery Authority Board further finds that the normal effective date of this amendment should be waived and this amendment should be made effective upon filing. The Board’s finding is based upon the fact that this amendment will confer a benefit upon specific segments of the population. Specifically, the amendment will provide added value for lottery tickets while not requiring players to keep their tickets and not disenfranchising players if they misplace their tickets. If this amendment were not adopted on an emergency basis, the currently planned promotions for July would have to be canceled or postponed and advertising costs would be wasted and revenue for the state would likely be lost. Therefore, this amendment is filed pursuant to Iowa Code section 17A.5(2)“b”(2).

The Lottery Authority Board of Directors adopted this amendment on June 20, 2011.

This amendment is also published herein under Notice of Intended Action as **ARC 9618B** to allow public comment.

After analysis and review of this rule making, no impact on jobs has been found.

This amendment is intended to implement Iowa Code sections 99G.9(3), 99G.21 and 99G.31.

This amendment became effective June 22, 2011.

The following amendment is adopted.

Adopt the following new 531—Chapter 21:

CHAPTER 21
DRAWINGS AND CONTESTS

531—21.1(99G) Authorization of drawings and contests. The lottery authority board authorizes drawings and contests that meet the criteria set forth in this chapter.

This rule is intended to implement Iowa Code section 99G.9(3).

531—21.2(99G) Definitions.

“Contest” means a lottery event that may or may not involve non-winning tickets in which entries are selected as winners and prizes are valued at a total of \$5,000 or less. If an individual prize is greater than \$600 or at the lottery’s discretion, a player must fill out a claim form and the contest will have written rules informally posted at the event.

“Drawing” or “second-chance drawing” means a lottery event involving a random selection of an entry or entries for prize(s) in which entrants may either use a non-winning Iowa lottery ticket as an entry

or, at the lottery's discretion, may enter a drawing using points earned from entering tickets through the Internet or an entry through an alternative method for which a purchase is not necessary.

"Non-winning ticket" means a ticket that did not win in the original game for which it was printed.

"Presentation" of a drawing or contest entry, for purposes of this chapter and validation of the same, means entering the ticket into a drawing or contest through the U.S. mail or Internet, as permitted by the rules of the drawing or the description of the contest.

This rule is intended to implement Iowa Code sections 99G.9(3) and 99G.21.

531—21.3(99G) Price for drawings or contests. There shall be no cost to enter a drawing or contest beyond the original ticket price already paid. At its discretion, the lottery may designate certain drawings that may be entered with a designated number of points earned by entry of non-winning tickets through the VIP club or by some other lottery-approved method.

This rule is intended to implement Iowa Code sections 99G.9(3) and 99G.21.

531—21.4(99G) Method of play. Contest or drawing winners may be determined from a computer-generated list of all the entries submitted during the eligibility period or by any other method approved by the lottery. The secure drawing system will generate a list of winning entry numbers based on the prize levels. Alternates will be drawn as determined by the lottery. Other methods of choosing a winning entry may be determined by the lottery and, if utilized, shall be set forth in the specific drawing rules or contest description.

This rule is intended to implement Iowa Code sections 99G.9(3) and 99G.21.

531—21.5(99G) Prizes.

21.5(1) The number and amount of prizes for a drawing or contest shall be determined by the lottery and set forth in the specific drawing rules or contest description.

21.5(2) At the lottery's discretion, a drawing or contest may include a special prize event. The number of prizes, the amount of each prize, the dates and times of the contests or drawings, as well as the procedures for conducting elimination drawings or prize events, shall be determined by the lottery and set forth in the specific drawing rules or contest description. Finalists for prize events shall be selected in the manner stated in the specific drawing rules or contest description.

This rule is intended to implement Iowa Code sections 99G.9(3), 99G.21 and 99G.31.

531—21.6(99G) Disclosure of odds. Because the odds will vary based on the number of entrants in each contest or drawing, the odds will not be posted.

This rule is intended to implement Iowa Code sections 99G.9(3) and 99G.21.

531—21.7(99G) Claiming prizes. The specific drawing rules or contest description shall set forth the manner in which prizes won shall be claimed.

This rule is intended to implement Iowa Code sections 99G.9(3), 99G.21 and 99G.31.

531—21.8(99G) Entry validation requirements. To be a valid entry, the entry must be a legally acquired non-winning Iowa lottery ticket identified as an entry for the particular promotion. At its discretion, the lottery may include legally obtained winning and non-winning Iowa lottery online tickets in promotions.

This rule is intended to implement Iowa Code sections 99G.9(3), 99G.21 and 99G.31.

531—21.9(99G) Owner of a ticket. The lottery and its VIP club vendor, if any, shall pay prizes in an Internet-based drawing or contest only to persons who present the selected tickets by entering them into the drawing through the online entry form or other entry mechanism. Players are encouraged to sign the original ticket to prevent entry of the ticket by another party into the drawings or contests. The signature on the ticket indicates the owner of the ticket. If no signature is present on the ticket, the owner of

the ticket is the possessor of the ticket. If there is a question as to the ownership of a ticket, the chief executive officer's determination as to whether and to whom a prize shall be awarded is final.

This rule is intended to implement Iowa Code sections 99G.9(3), 99G.21 and 99G.31.

531—21.10(99G) Official end of drawing or contest period. The chief executive officer shall announce the end of any drawing or contest period.

This rule is intended to implement Iowa Code sections 99G.9(3) and 99G.21.

[Filed Emergency 6/22/11, effective 6/22/11]

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 7/13/11.