
TITLE 65 STATE LOTTERY COMMISSION

Emergency Rule
LSA Document #10-618(E)

DIGEST

Adds [65 IAC 1-7-6](#) regarding the promotion of ticket donations by a nonprofit corporation. Amends [65 IAC 7-1-9](#) regarding lottery ticket liabilities. Amends [65 IAC 8-3-3](#) and [65 IAC 8-3-4](#) and adds [65 IAC 8-3-4.5](#) regarding prize claims by nonprofit corporations. Adds [65 IAC 8-5](#) providing a means for securely donating lottery tickets to nonprofit corporations. Effective September 22, 2010.

[65 IAC 1-7-6](#); [65 IAC 7-1-9](#); [65 IAC 8-3-3](#); [65 IAC 8-3-4](#); [65 IAC 8-3-4.5](#); [65 IAC 8-5](#)

SECTION 1. [65 IAC 1-7-6](#) IS ADDED TO READ AS FOLLOWS:

[65 IAC 1-7-6](#) Promoting ticket donations to a nonprofit corporation

Authority: [IC 4-30-3-7](#); [IC 4-30-3-9](#)

Affected: [IC 4-30](#)

Sec. 6. (a) A person promoting the purchase of lottery tickets as donations to a nonprofit corporation must obtain the prior written approval of the director in the manner and form as determined by the director.

(b) The director may place restrictions or conditions on the conduct of promotional activities approved under this section or revoke approval for any reason by giving the promoter written notice of the revocation, restrictions, or conditions. A promoter so notified shall immediately:

- (1) incorporate all restrictions and conditions into its promotion in accordance with the directives of the director; or
- (2) cease the promotion.

(c) Any promotional activity conducted under this section must be:

- (1) consistent with the dignity and integrity of the state of Indiana; and
- (2) in compliance with the commission's advertising standards.

(d) Any promotional activity conducted under this section that involves the names, trademarks, or images of lottery games must be reviewed and approved by the director or the director's designee prior to publication.

(e) Promoting the purchase and donation of lottery tickets to a nonprofit corporation in accordance with this section does not violate [IC 4-30-14-2](#).

(State Lottery Commission; [65 IAC 1-7-6](#); emergency rule filed Sep 22, 2010, 3:36 p.m.: [20100929-IR-065100618ERA](#))

SECTION 2. [65 IAC 7-1-9](#) IS AMENDED TO READ AS FOLLOWS:

[65 IAC 7-1-9](#) Ticket liabilities

Authority: [IC 4-30-3-7](#); [IC 4-30-3-9](#)

Affected: [IC 4-30-11](#)

Sec. 9. (a) A lottery ticket is a bearer instrument until it is signed by the owner or owners in the designated area of the ticket. If a ticket is properly signed, the person whose signature appears on the ticket shall be the owner of the ticket and entitled to any prize attributable thereto, except that a pull-tab ticket remains at all times a bearer instrument and shall be owned by the physical possessor of the ticket unless the prize is:

- (1) exceeds five hundred ninety-nine dollars (\$599); and
- (2) a space has been designated on the ticket for a signature.

(b) The **bearer or owner or owners** of a lottery ticket ~~are~~ **is** responsible for and ~~bear~~ **bears** the sole risk of loss or theft of the ticket.

(c) A retailer acts on behalf of the player when entering information into a terminal to produce lottery tickets, and it is the sole responsibility of the player to verify the accuracy of all game information printed on the ticket. In the event of any error, the player's only remedy is cancellation of the ticket in accordance with section 7 of this rule, unless the rule for a specific game provides otherwise.

(d) The commission, the director, and the commission's employees have no responsibility or liability for tickets printed in error or for tickets intentionally or inadvertently canceled by a retailer.

(e) After a retailer accepts delivery of a pull-tab ticket, the retailer bears the sole risk of loss, damage, or theft of the pull-tab ticket until the pull-tab ticket is sold by the retailer to a player.

(f) A lottery ticket is not a negotiable instrument.

~~(f)~~ **(g)** All holders of a lottery game ticket shall be deemed to have agreed to all rules and procedures of the commission by their purchase of the ticket.

(State Lottery Commission; [65 IAC 7-1-9](#); emergency rule filed Aug 10, 2010, 10:39 a.m.: [20100901-IR-065100542ERA](#); emergency rule filed Sep 22, 2010, 3:36 p.m.: [20100929-IR-065100618ERA](#))

SECTION 3. [65 IAC 8-3-3](#) IS AMENDED TO READ AS FOLLOWS:

[65 IAC 8-3-3](#) Prize claimants

Authority: [IC 4-30-3-7](#); [IC 4-30-3-9](#)

Affected: [IC 4-30-11](#)

Sec. 3. ~~(a)~~ A prize claimant may include:

- (1) an individual;
- (2) a legal business association;
- (3) a trust; ~~or~~
- (4) a representative of an informal group, such as a family, club, or other organization which is not a legal entity; ~~or~~
- (5) a nonprofit corporation.**

~~(b) If prize claimant is a representative of a group under (a) (4) of this section, then the prize claimant shall file with its claim an Internal Revenue Service Form 5754, "Statement by Person(s) Receiving Gambling Winnings", or a successor form, with the commission designating to whom the prize is to be paid and the individual or individuals to whom the prize is taxable.~~

(State Lottery Commission; [65 IAC 8-3-3](#); emergency rule filed Aug 10, 2010, 10:39 a.m.: [20100901-IR-065100542ERA](#); emergency rule filed Sep 22, 2010, 3:36 p.m.: [20100929-IR-065100618ERA](#))

SECTION 4. [65 IAC 8-3-4](#) IS AMENDED TO READ AS FOLLOWS:

[65 IAC 8-3-4](#) Form of claim

Authority: [IC 4-30-3-7](#); [IC 4-30-3-9](#)

Affected: [IC 4-30-11](#)

Sec. 4. (a) A prize claim shall be made on such form or forms as are prescribed by the director.

(b) A prize claimant shall provide the commission with the following:

(1) The ticket upon which the claim is being made.

(2) The name, address, telephone number (if any), and a copy of a government issued photo identification, such as a driver's license or passport, for the following:

(A) the prize claimant;

(B) the ticket purchaser, if known; and

(C) any prize winner.

(3) For prize claims that exceed five hundred ninety-nine dollars (\$599), the Social Security number or other tax identification number of:

(A) the prize claimant; and

(B) any prize winner.

(c) Upon request, a prize claimant shall disclose to the commission, to the best of claimant's knowledge, where the ticket was purchased, the date purchased, and any other information necessary to establish the validity of the claim.

(d) If prize claimant is a representative of a group under [65 IAC 8-3-3\(a\)\(4\)](#) [section 3(4) of this rule], then the prize claimant must file with its claim an Internal Revenue Service Form 5754, "Statement by Person(s) Receiving Gambling Winnings", or a successor form, with the commission designating to whom the prize is to be paid and the individual or individuals to whom the prize is taxable.

(e) If prize claimant is a nonprofit corporation, the prize claimant must file with its claim the following:

(1) the nonprofit corporation's articles of incorporation;

(2) the names and addresses of all officers, members, delegates, and directors;

(3) evidence of the nonprofit's tax exempt status with the United States Internal Revenue Service;

(4) a disclosure of the amount and type of any compensation paid to officers, members, delegates, and directors;

(5) the nonprofit corporation's Internal Revenue Service Form 990 or comparable return for each of the past three (3) years; and

(6) a statement describing the charitable purpose of the nonprofit corporation.

(f) If a nonprofit corporation filed the information required under subsection (d) [redesignated subsection (e) by the Publisher] with a previous claim and affirms in writing that the information is unchanged since the previous claim, the director or the director's designee may waive a requirement in subsection (d) [redesignated subsection (e) by the Publisher].

(State Lottery Commission; [65 IAC 8-3-4](#); emergency rule filed Aug 10, 2010, 10:39 a.m.:

[20100901-IR-065100542ERA](#); emergency rule filed Sep 22, 2010, 3:36 p.m.: [20100929-IR-065100618ERA](#))

SECTION 5. [65 IAC 8-3-4.5](#) IS ADDED TO READ AS FOLLOWS:

[65 IAC 8-3-4.5](#) Nonprofit prize claims

Authority: [IC 4-30-3-7](#); [IC 4-30-3-9](#)

Affected: [IC 4-30](#)

Sec. 4.5. The director shall not approve a claim for a prize by a nonprofit corporation unless:

(1) the nonprofit corporation is organized and operated exclusively for charitable purposes;

(2) none of the nonprofit corporation's net earnings inure to the benefit of any private shareholder or individual; and

(3) the nonprofit corporation can provide evidence of its tax exempt status under Section 501(c)(3) of the United States Internal Revenue Code.

(State Lottery Commission; [65 IAC 8-3-4.5](#); emergency rule filed Sep 22, 2010, 3:36 p.m.:

[20100929-IR-065100618ERA](#))

SECTION 6. [65 IAC 8-5](#) IS ADDED TO READ AS FOLLOWS:

Rule 5. Nonprofit Ticket Donations

[65 IAC 8-5-1](#) Ticket donations to nonprofit corporations

Authority: [IC 4-30-3-7](#); [IC 4-30-3-9](#)

Affected: [IC 4-30](#)

Sec. 1. (a) A lottery ticket may be donated to a nonprofit corporation by designating the name of the recipient nonprofit corporation in writing on the back of the donated ticket.

(b) If a donation is made to a nonprofit corporation under this section, the nonprofit corporation designated on the ticket becomes the owner of the ticket upon such designation and the ticket is no longer a bearer instrument.

(c) The right to a prize on a ticket donated under this section, if any, accrues to the nonprofit corporation designated on the ticket and any and all previous bearers of the ticket relinquish all claims on the ticket.

*(State Lottery Commission; [65 IAC 8-5-1](#); emergency rule filed Sep 22, 2010, 3:36 p.m.:
[20100929-IR-065100618ERA](#))*

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