

## **ARTICLE 3. RETAILERS**

### **Rule 1. Definitions**

#### **65 IAC 3-1-1 Applicability *(Repealed)***

Sec. 1. *(Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

#### **65 IAC 3-1-2 "Applicant" defined *(Repealed)***

Sec. 2. *(Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

#### **65 IAC 3-1-2.5 "Bar code" defined *(Repealed)***

Sec. 2.5. *(Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

#### **65 IAC 3-1-3 "Certificate of authority" defined *(Repealed)***

Sec. 3. *(Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

#### **65 IAC 3-1-4 "Commission" defined *(Repealed)***

Sec. 4. *(Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

#### **65 IAC 3-1-4.5 "Controlling person" defined *(Repealed)***

Sec. 4.5. *(Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

#### **65 IAC 3-1-5 "Director" defined *(Repealed)***

Sec. 5. *(Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

#### **65 IAC 3-1-6 "Instant game" defined *(Repealed)***

Sec. 6. *(Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

#### **65 IAC 3-1-6.5 "Instant prize" defined *(Repealed)***

Sec. 6.5. *(Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

#### **65 IAC 3-1-7 "Instant ticket" defined *(Repealed)***

Sec. 7. *(Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

#### **65 IAC 3-1-8 "Lottery game" defined *(Repealed)***

Sec. 8. *(Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

#### **65 IAC 3-1-9 "Lottery ticket" defined *(Repealed)***

Sec. 9. *(Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

**65 IAC 3-1-10 "On-line game" defined *(Repealed)***

Sec. 10. *(Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

**65 IAC 3-1-11 "On-line ticket" defined *(Repealed)***

Sec. 11. *(Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

**65 IAC 3-1-12 "Person" defined *(Repealed)***

Sec. 12. *(Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

**65 IAC 3-1-12.5 "Pull-tab game" defined *(Repealed)***

Sec. 12.5. *(Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

**65 IAC 3-1-12.6 "Pull-tab ticket" defined *(Repealed)***

Sec. 12.6. *(Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

**65 IAC 3-1-13 "Retailer" defined *(Repealed)***

Sec. 13. *(Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

**65 IAC 3-1-14 "Retailer contract" defined *(Repealed)***

Sec. 14. *(Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

**65 IAC 3-1-14.5 "Telephone prize" defined *(Repealed)***

Sec. 14.5. *(Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

**65 IAC 3-1-15 "Terminal" defined *(Repealed)***

Sec. 15. *(Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

**Rule 2. General Provisions**

**65 IAC 3-2-1 Certificate of authority required**

Authority: IC 4-30-3-7; IC 4-30-3-9

Affected: IC 4-30-9

Sec. 1. (a) A person must hold a valid certificate of authority issued by the commission in order to enter into a contract as a retailer of lottery products in any capacity.

(b) A certificate of authority is a revocable privilege and not a legal right. A certificate of authority issued by the commission does not entitle a person to enter into a contract to sell lottery products.

(c) No person shall sell lottery products without:

(1) a certificate of authority issued by the commission; and

(2) an executed written retailer contract between the person and the commission; where neither has been terminated, suspended, cancelled, or revoked.

(d) Nothing in this title shall preclude the commission from:

(1) selling lottery products directly to the public; or

(2) obtaining a concession to sell lottery products on the premises of another.

*(State Lottery Commission; 65 IAC 3-2-1; emergency rule filed Sep 5, 1989, 3:20 p.m.: 13 IR 97; emergency rule filed Jan 29, 1992, 12:00 p.m.: 15 IR 1034; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; readopted filed Nov 14, 2007, 3:02 p.m.: 20071212-IR-065070656RFA; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA; readopted filed Nov 25, 2015, 1:15 p.m.: 20151223-IR-065150334RFA)*

**65 IAC 3-2-2 Courier services**

Authority: IC 4-30-3-7; IC 4-30-3-9

Affected: IC 4-30-9-3; IC 4-30-9-5

Sec. 2. (a) Unless authorized by the commission, a retailer may not:

(1) sell a ticket to a person who is not physically present at the location identified on the retailer's certificate of authority; or

(2) knowingly sell a ticket in a transaction involving a ticket courier service.

(b) The prohibitions outlined in subsection (a) shall not apply to the purchase of tickets by persons acting on behalf of an individual or group of individuals where there is no compensation in any form or manner provided to the purchaser other than recompense for the price of the tickets. *(State Lottery Commission; 65 IAC 3-2-2; emergency rule filed Sep 6, 2019, 8:59 a.m.: 20190911-IR-065190460ERA)*

**Rule 3. Requirements for Certificate of Authority****65 IAC 3-3-1 Eligibility**

Authority: IC 4-30-3-7; IC 4-30-3-9

Affected: IC 4-30-9-3

Sec. 1. (a) The commission shall not issue a certificate of authority to any person:

(1) prohibited from becoming a retailer under IC 4-30-9-3, except that the requirement found in IC 4-30-9-3(1) applies only to a natural person or sole proprietor;

(2) not registered or duly qualified to do business in Indiana;

(3) who is a director, officer, or employee of a major procurement vendor;

(4) related to any employee or member of the commission as husband, wife, or child; or

(5) who is a corporation, partnership, or limited partnership that has an officer, member, director, or partner that is related to any employee or member of the commission in any capacity set forth in subdivision (4).

(b) The commission shall make all determinations regarding the matters set forth in IC 4-30-9-3(4)(B) or IC 4-30-9-3(4)(C). The director or the director's designee may make a final determination on all other matters regarding eligibility or selection of an applicant to become a retailer and the issuance or renewal of a certificate of authority. *(State Lottery Commission; 65 IAC 3-3-1; emergency rule filed Sep 5, 1989, 3:20 p.m.: 13 IR 97; emergency rule filed Jan 24, 1990, 4:00 p.m.: 13 IR 1068; emergency rule*

*filed May 4, 1990, 4:35 p.m.: 13 IR 1725; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; readopted filed Nov 14, 2007, 3:02 p.m.: 20071212-IR-065070656RFA; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA; emergency rule filed Jul 29, 2010, 3:51 p.m.: 20100804-IR-065100492ERA; readopted filed Nov 23, 2016, 9:07 a.m.: 20161221-IR-065160450RFA)*

### **65 IAC 3-3-2 Application for certificate of authority**

Authority: IC 4-30-3-7; IC 4-30-3-9

Affected: IC 4-30

Sec. 2. (a) Any person interested in obtaining a certificate of authority for the sale of lottery products shall first file an application on such form or forms as may be approved by the director.

(b) An applicant for a certificate of authority accepts any and all risk of adverse publicity, notoriety, embarrassment, criticism, or other action or financial loss that may occur in relation to the application process or the disclosure of public records. The applicant expressly waives any claim for damages against the commission that may result from the application process.

(c) A single applicant may apply for certificates of authority for multiple selling locations using one (1) application as long as each selling location is identified in the application.

(d) Each applicant shall submit, in conjunction with its application, payment of a nonrefundable application fee, as specified in section 2.2 of this rule.

(e) Any person that seeks a certificate of authority or retailer contract shall secure approval or authorization from any person, board, commission, agency, agent, or instrumentality which may have controlling authority over the applicant.

(f) An applicant must comply with all requests for information, documents, or other materials that may be necessary to determine the eligibility of the applicant to receive a certificate of authority.

(g) All applicants and retailers are under a continuing duty to disclose any material change in information submitted in its application to the commission or other information provided to the commission.

(h) Any misrepresentation or omission made by an applicant or retailer may be grounds for denial of an application or revocation or suspension of a certificate of authority held by a retailer.

(i) An applicant bears the burden of demonstrating that the applicant is eligible to receive or hold a certificate of authority and must continue to meet all conditions or restrictions relating to possession of a certificate of authority after issuance or any subsequent renewal.

(j) An application for a certificate of authority will be considered active for only one (1) year after it is submitted and will be closed without action by the commission if the applicant has not provided all fees or information necessary for the commission to make a determination of eligibility within that time. An applicant whose application has been closed must reapply by completing a new application and paying all necessary application fees. *(State Lottery Commission; 65 IAC 3-3-2; emergency rule filed Sep 5, 1989, 3:20 p.m.: 13 IR 98; emergency rule filed Oct 2, 1989, 2:10 p.m.: 13 IR 300; emergency rule filed May 4, 1990, 4:35 p.m.: 13 IR 1727; emergency rule filed Jan 29, 1992, 12:00 p.m.: 15 IR 1035; emergency rule filed Apr 14, 1992, 5:00 p.m.: 15 IR 1970; emergency rule filed Apr 19, 1993, 5:00 p.m.: 16 IR 2193; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; readopted filed Nov 14, 2007, 3:02 p.m.: 20071212-IR-065070656RFA; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA; emergency rule filed May 24, 2013, 11:15 a.m.: 20130529-IR-065130223ERA; readopted filed Nov 21, 2019, 1:49 p.m.: 20191218-IR-065190507RFA)*

### **65 IAC 3-3-2.2 Retailer fees**

Authority: IC 4-30-3-7; IC 4-30-3-9

Affected: IC 4-30-3-15; IC 4-30-9

Sec. 2.2. An applicant for:

- (1) a certificate of authority;
- (2) the renewal of an existing certificate of authority; or
- (3) a duplicate or amended certificate of authority;

shall pay a nonrefundable application fee in an amount to be determined by the director in accordance with IC 4-30-3-15. *(State Lottery Commission; 65 IAC 3-3-2.2; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA; emergency rule filed Jul 29, 2010, 3:51 p.m.: 20100804-IR-065100492ERA; emergency rule filed May 24, 2013, 11:15 a.m.: 20130529-IR-*

065130223ERA; readopted filed Nov 21, 2019, 1:49 p.m.: 20191218-IR-065190507RFA)

#### **65 IAC 3-3-2.5 Selection of retailers**

Authority: IC 4-30-3-7; IC 4-30-3-9

Affected: IC 4-30-9-2

Sec. 2.5. (a) In the selection of retailers, the commission may consider any information relevant to maximizing revenues in a manner that is consistent with the dignity of the state and the welfare of its citizens, including, but not limited to, the following:

- (1) The considerations provided in IC 4-30-9-2.
- (2) The average number of customers who visit the potential retailer.
- (3) The locations and hours of operations of the potential retailer.
- (4) The proximity to other lottery retailers.
- (5) The capability and willingness to sell all, or any variety of, currently available lottery products as deemed appropriate by the commission.
- (6) The capability and willingness to pay prizes up to the maximum amount payable by retailers at various times during the day.
- (7) The capability and willingness to promote the sale of lottery products independently or in cooperation with the commission.
- (8) The capability and willingness to comply with the provision of IC 4-30 and this title.

(b) The commission shall only issue a certificate of authority to selected retailers that applied for and are eligible to receive a certificate of authority under this article. (*State Lottery Commission; 65 IAC 3-3-2.5; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA; emergency rule filed Jul 29, 2010, 3:51 p.m.: 20100804-IR-065100492ERA; emergency rule filed May 24, 2013, 11:15 a.m.: 20130529-IR-065130223ERA; errata filed Jun 25, 2013, 12:34 p.m.: 20130710-IR-065130293ACA; readopted filed Nov 21, 2019, 1:49 p.m.: 20191218-IR-065190507RFA*)

#### **65 IAC 3-3-2.7 Temporary certificate of authority**

Authority: IC 4-30-3-7; IC 4-30-3-9

Affected: IC 4-30-9

Sec. 2.7. (a) The director may issue a temporary certificate of authority to a retailer or an applicant for a certificate of authority for any purpose deemed useful by the director, including without limitation the sale of lottery products at a special event or location in accordance with procedures prescribed by the director.

- (b) A temporary certificate of authority issued by the director shall be valid for a maximum of ninety (90) days.
- (c) The director may do the following regarding a temporary certificate of authority:
  - (1) Renew it prior to its expiration.
  - (2) Place restrictions or conditions upon it.
  - (3) Revoke it at any time.

(*State Lottery Commission; 65 IAC 3-3-2.7; emergency rule filed May 24, 2013, 11:15 a.m.: 20130529-IR-065130223ERA; readopted filed Nov 21, 2019, 1:49 p.m.: 20191218-IR-065190507RFA*)

#### **65 IAC 3-3-2.8 Expiration or renewal of certificate of authority**

Authority: IC 4-30-3-7; IC 4-30-3-9

Affected: IC 4-30-9

Sec. 2.8. (a) Upon expiration of a retailer's certificate of authority at a selling location, any retailer contract entered into between the retailer and the commission for that selling location terminates.

(b) Prior to expiration of a certificate of authority, a retailer may apply to renew the certificate of authority by filing an application for renewal on such form or forms as may be approved by the director.

(c) A certificate of authority may be renewed at the discretion of the director upon a determination that the retailer remains in compliance with the eligibility and selection standards provided in IC 4-30 and this title. (*State Lottery Commission; 65 IAC 3-3-2.8; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA; emergency rule filed Jul 29, 2010, 3:51 p.m.:*

20100804-IR-065100492ERA; emergency rule filed May 24, 2013, 11:15 a.m.: 20130529-IR-065130223ERA; readopted filed Nov 21, 2019, 1:49 p.m.: 20191218-IR-065190507RFA)

**65 IAC 3-3-3 Award of contracts (Repealed)**

Sec. 3. (Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)

**65 IAC 3-3-4 Certificate of authority (Repealed)**

Sec. 4. (Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)

**65 IAC 3-3-5 Notice of changes**

Authority: IC 4-30-3-7; IC 4-30-3-9

Affected: IC 4-30-9

Sec. 5. (a) A retailer shall notify the commission in writing at least thirty (30) calendar days in advance of the occurrence of any of the following changes:

- (1) Voluntary cancellation or termination of the retailer contract by the retailer or otherwise ceasing business operations or the sale of lottery products, either permanently or temporarily.
- (2) A change in the designated bank account in which the retailer has deposited funds from the sale of lottery products or from which payments are made.
- (3) Any proposed change in a selling location for which a certificate of authority is issued.
- (4) Any proposed change in the controlling ownership interest of the retailer, whether through an asset purchase, stock purchase, merger, or acquisition.
- (5) Any change in the form of a retailer's business organization, such as, but not limited to, a sole proprietorship, partnership, corporation, or limited liability company.
- (6) Any change in the taxpayer identification number of the retailer.

(b) Unless earlier notification is required by this article, a retailer shall notify the commission immediately after the occurrence of the following:

- (1) The incapacitation or death of a sole proprietor, partner, or majority owner.
- (2) The dissolution of the retailer or filing of a voluntary or involuntary petition in bankruptcy.
- (3) A change in any of the information submitted to the commission in the retailer's most recent application or renewal form.
- (4) Any change causing the retailer to no longer satisfy fully all requirements in IC 4-30 and this article.

(State Lottery Commission; 65 IAC 3-3-5; emergency rule filed Sep 5, 1989, 3:20 p.m.: 13 IR 98; emergency rule filed May 4, 1990, 4:35 p.m.: 13 IR 1727; emergency rule filed Apr 14, 1992, 5:00 p.m.: 15 IR 1971; emergency rule filed Apr 19, 1993, 5:00 p.m.: 16 IR 2193; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; readopted filed Nov 14, 2007, 3:02 p.m.: 20071212-IR-065070656RFA; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA; emergency rule filed Jul 29, 2010, 3:51 p.m.: 20100804-IR-065100492ERA; emergency rule filed May 24, 2013, 11:15 a.m.: 20130529-IR-065130223ERA; readopted filed Nov 21, 2019, 1:49 p.m.: 20191218-IR-065190507RFA)

**65 IAC 3-3-5.5 Change of location**

Authority: IC 4-30-3-7; IC 4-30-3-9

Affected: IC 4-30-9

Sec. 5.5. (a) Unless authorized by the commission to temporarily sell lottery products at a special event or location under section 2.7 of this rule, each lottery ticket sales location of a retailer must be a fixed location.

(b) If a retailer's selling location changes, the retailer shall obtain an amended certificate of authority prior to selling lottery products at the new location.

(c) The commission must determine whether the new selling location continues to meet the selection and eligibility criteria in IC 4-30 and this article prior to issuing an amended certificate of authority to change the selling location of a retailer.

(d) A retailer who is otherwise authorized to sell lottery products may be temporarily authorized by the director under section 2.7 of this rule to sell products at a new location prior to issuance of an amended certificate of authority at the new location. (*State Lottery Commission; 65 IAC 3-3-5.5; emergency rule filed Apr 19, 1993, 5:00 p.m.: 16 IR 2194; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; readopted filed Nov 14, 2007, 3:02 p.m.: 20071212-IR-065070656RFA; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA; emergency rule filed May 24, 2013, 11:15 a.m.: 20130529-IR-065130223ERA; readopted filed Nov 21, 2019, 1:49 p.m.: 20191218-IR-065190507RFA*)

#### **65 IAC 3-3-5.6 Change of control, ownership, or entity structure (*Repealed*)**

Sec. 5.6. (*Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA*)

#### **65 IAC 3-3-5.7 Change of ownership or entity structure**

Authority: IC 4-30-3-7; IC 4-30-3-9

Affected: IC 4-30-9

Sec. 5.7. (a) A retailer may not sell, assign, or transfer a certificate of authority. A certificate of authority is only valid as to the person to whom the certificate of authority was issued by the commission.

(b) If a retailer's form of business association changes, the retailer must obtain a temporary or amended certificate of authority that reflects the change prior to selling any lottery products under the new business organization.

(c) If a controlling ownership interest in a retailer is acquired or transferred, whether in one (1) transaction or a series of transactions, the successor to the controlling interest must obtain a new certificate of authority, prior to completing the transaction or series of transactions, for each selling location acquired in accordance with the provisions of this article.

(d) The director may adopt, from time to time, any appropriate and necessary procedures to verify the ownership of a retailer and/or any retailer selling location to ensure that lottery products are in fact sold only by retailers under an approved certificate of authority and retailer contract and in accordance with IC 4-30 and this title.

(e) The director may issue a temporary certificate of authority to a retailer or applicant while an application for a new or amended certificate of authority is pending as a result of:

(1) a change of a controlling ownership interest in an existing retailer; or

(2) a change in the form of business association of an existing retailer;

prior to the issuance of the new or amended certificate of authority. (*State Lottery Commission; 65 IAC 3-3-5.7; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA; emergency rule filed May 24, 2013, 11:15 a.m.: 20130529-IR-065130223ERA; readopted filed Nov 21, 2019, 1:49 p.m.: 20191218-IR-065190507RFA*)

#### **65 IAC 3-3-6 Loss of contract or certificate of authority (*Repealed*)**

Sec. 6. (*Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA*)

#### **65 IAC 3-3-7 Revocation or suspension of certificate of authority**

Authority: IC 4-30-3-7; IC 4-30-3-9

Affected: IC 4-30; IC 35-45-5

Sec. 7. (a) The director may:

(1) revoke a certificate of authority;

(2) suspend a certificate of authority for a period of time, as specified by the director;

(3) refuse to renew a certificate of authority; or

(4) reject any later-filed application for a new or amended certificate of authority;

for any of, but not limited to, the reasons contained in subsection (b).

(b) The director may take any action under subsection (a) for any of the following reasons:

(1) The retailer provided false or misleading information in obtaining a retailer contract or certificate of authority.

- (2) The retailer no longer meets the eligibility requirements found in IC 4-30 or this article.
  - (3) The retailer endangered the security, integrity, or efficient operation of the commission or any lottery game.
  - (4) The retailer failed to accurately account for lottery tickets, revenues, or prizes as required by the commission.
  - (5) The retailer failed to remit or is delinquent in remitting money owed to the commission or the electronic funds transfer of a retailer is dishonored.
  - (6) The retailer committed any fraud, deceit, or misrepresentation to the commission or to any individual purchasing a lottery ticket from the retailer.
  - (7) The retailer sold a lottery ticket at any place other than the place authorized and specified in the retailer's contract, certificate of authority, or temporary certificate of authority.
  - (8) The retailer violated any rule or regulation promulgated by the commission.
  - (9) The retailer violated any written policy directive issued by the director.
  - (10) The retailer failed to comply with or materially breached the terms of the retailer contract.
  - (11) The retailer has violated any provision of IC 4-30 or IC 35-45-5.
  - (12) The retailer is a person whose character is no longer consistent with the dignity and integrity of the state of Indiana.
  - (13) The retailer materially changed any factor considered by the commission in selecting the retailer.
  - (14) The retailer engaged in conduct prejudicial to public confidence in the lottery.
  - (15) The retailer sold lottery tickets for a lottery game prior to the date announced for the commencement of sales for that lottery game or sold tickets after date announced as last sales date for that game.
  - (16) The retailer knowingly and without reasonable cause refuses to provide a lottery product upon the request and payment of the ticket price by a ticket purchaser.
  - (17) The retailer knowingly cancels a draw ticket without being requested to do so by the owner of the draw ticket.
  - (18) The retailer knowingly retains an employee involved in the sale of lottery products who has been convicted of a criminal offense related to the security or integrity of the commission or a lottery in any other jurisdiction.
  - (19) The retailer has had a certificate of authority or temporary certificate of authority suspended or revoked at another selling location.
- (c) The revocation of a retailer's certificate of authority will terminate any and all retailer contracts between the retailer and the commission to sell lottery products at the selling location for which the certificate of authority was issued.
- (d) A retailer may not receive or sell lottery products at any location where its certificate of authority for that location is either suspended or has been revoked. (*State Lottery Commission; 65 IAC 3-3-7; emergency rule filed Sep 5, 1989, 3:20 p.m.: 13 IR 99; emergency rule filed Nov 20, 1989, 10:05 a.m.: 13 IR 680; emergency rule filed Jan 24, 1990, 4:00 p.m.: 13 IR 1070; emergency rule filed May 7, 1990, 2:10 p.m.: 13 IR 1736; emergency rule filed Jan 29, 1992, 12:00 p.m.: 15 IR 1036; errata filed Mar 10, 1992, 11:00 a.m.: 15 IR 1393; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; readopted filed Nov 14, 2007, 3:02 p.m.: 20071212-IR-065070656RFA; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA; emergency rule filed Jul 29, 2010, 3:51 p.m.: 20100804-IR-065100492ERA; readopted filed Nov 23, 2016, 9:07 a.m.: 20161221-IR-065160450RFA*)

### **65 IAC 3-3-7.5 Deactivation of draw terminal**

Authority: IC 4-30-3-7; IC 4-30-3-9

Affected: IC 4-30

Sec. 7.5. The commission may limit or deactivate the draw terminal or other lottery equipment of a retailer if the commission determines that any of the following is occurring:

- (1) The retailer is using the equipment to purchase, sell, or redeem tickets in a manner contrary to IC 4-30 or this title.
- (2) The retailer is using the equipment to generate tickets for a drawing which has already taken place.
- (3) The equipment is malfunctioning.
- (4) The retailer is using the equipment improperly.
- (5) The retailer is engaging in any activity with the equipment which may compromise the operation or integrity of the lottery, is prejudicial to the public confidence in the lottery, is contrary to the best interests of the lottery, or constitutes activity that is illegal under local, state, or federal laws.
- (6) The retailer fails to hold money received by the retailer from the sale of lottery products in trust or fails to deliver or transfer payment to the commission under IC 4-30 and this title.



*(State Lottery Commission; 65 IAC 3-3-7.5; emergency rule filed Sep 3, 1992, 9:00 a.m.: 16 IR 74; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; readopted filed Nov 14, 2007, 3:02 p.m.: 20071212-IR-065070656RFA; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA; readopted filed Nov 25, 2015, 1:15 p.m.: 20151223-IR-065150334RFA)*

**65 IAC 3-3-8 Application for retailer contract for on-line games *(Repealed)***

*Sec. 8. (Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

**65 IAC 3-3-9 Commission determinations regarding retailer contracts for on-line games *(Repealed)***

*Sec. 9. (Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

**65 IAC 3-3-10 Retailer contracts for pull-tab games *(Repealed)***

*Sec. 10. (Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

**Rule 4. Retailer Operations**

**65 IAC 3-4-1 Ticket sales; retailer accountability *(Repealed)***

*Sec. 1. (Repealed by State Lottery Commission; emergency rule filed May 24, 2013, 11:15 a.m.: 20130529-IR-065130223ERA)*

**65 IAC 3-4-2 Retailer's responsibilities *(Repealed)***

*Sec. 2. (Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

**65 IAC 3-4-2.5 On-line retailer's responsibilities *(Repealed)***

*Sec. 2.5. (Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

**65 IAC 3-4-2.6 Pull-tab retailer's responsibilities *(Repealed)***

*Sec. 2.6. (Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

**65 IAC 3-4-2.7 Additional responsibilities of instant ticket retailers *(Repealed)***

*Sec. 2.7. (Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

**65 IAC 3-4-3 Sale of lottery tickets *(Repealed)***

*Sec. 3. (Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

**65 IAC 3-4-4 Procedure for awarding prizes *(Repealed)***

Sec. 4. *(Repealed by State Lottery Commission; emergency rule filed May 24, 2013, 11:15 a.m.: 20130529-IR-065130223ERA)*

**65 IAC 3-4-5 Compensation**

Authority: IC 4-30-3-7; IC 4-30-3-9

Affected: IC 4-30-9

Sec. 5. (a) Unless otherwise agreed to by a retailer via contract with the commission, a retailer shall be entitled to compensation of at least five percent (5.0%) of the valid lottery ticket price of each scratch-off ticket or draw ticket sold by such retailer, subject to deduction for returns or cancellations as may be allowed under this article.

(b) In addition to the compensation under subsection (a), the commission may, from time to time, establish retailer incentive programs whereby retailers are entitled to bonus payments by satisfying designated criteria which may include, but not be limited to, volume of lottery product sales, number of lottery tickets redeemed, or the sale of winning lottery tickets.

(c) Any compensation or incentive payment made under this section may be supplemented or reduced in exchange for the provision of other supplemental services provided by the commission or the retailer as provided in a retailer's contract with the commission.

(d) No retailer or employee of a retailer shall request, demand, or accept gratuities or similar compensation in exchange for the performance of duties authorized pursuant to the retailer's contract. *(State Lottery Commission; 65 IAC 3-4-5; emergency rule filed Sep 5, 1989, 3:20 p.m.: 13 IR 103; emergency rule filed Jan 29, 1992, 12:00 p.m.: 15 IR 1040; emergency rule filed Jul 29, 1992, 10:00 a.m.: 15 IR 2599; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; emergency rule filed Aug 23, 2002, 1:27 p.m.: 26 IR 42, eff Aug 29, 2002; readopted filed Nov 14, 2007, 3:02 p.m.: 20071212-IR-065070656RFA; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA; emergency rule filed Jul 29, 2010, 3:51 p.m.: 20100804-IR-065100492ERA; emergency rule filed Mar 7, 2013, 10:59 a.m.: 20130313-IR-065130088ERA; emergency rule filed May 24, 2013, 11:15 a.m.: 20130529-IR-065130223ERA; readopted filed Nov 21, 2019, 1:49 p.m.: 20191218-IR-065190507RFA)*

**65 IAC 3-4-6 Delivery of tickets *(Repealed)***

Sec. 6. *(Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

**65 IAC 3-4-7 Prohibited acts *(Repealed)***

Sec. 7. *(Repealed by State Lottery Commission; emergency rule filed May 24, 2013, 11:15 a.m.: 20130529-IR-065130223ERA)*

**65 IAC 3-4-8 Service charges for on-line retailers *(Repealed)***

Sec. 8. *(Repealed by State Lottery Commission; emergency rule filed May 24, 2013, 11:15 a.m.: 20130529-IR-065130223ERA)*

**65 IAC 3-4-9 Settlement delinquencies *(Repealed)***

Sec. 9. *(Repealed by State Lottery Commission; emergency rule filed May 24, 2013, 11:15 a.m.: 20130529-IR-065130223ERA)*

**Rule 5. Retailer Claims and Appeals *(Repealed)***

*(Repealed by State Lottery Commission; emergency rule filed Dec 18, 2009, 10:05 a.m.: 20091230-IR-065090989ERA)*

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