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TITLE 65 STATE LOTTERY COMMISSION

LSA Document #05-245(E)

DIGEST

Amends 65 IAC 5-12-2 through 65 IAC 5-12-6 and 65 IAC 5-12-9 through 65 IAC 5-12-12.5 concerning the Hoosier Lottery Powerball draw game. Effective August 28, 2005.

65 IAC 5-12-2	65 IAC 5-12-10
65 IAC 5-12-3	65 IAC 5-12-11
65 IAC 5-12-4	65 IAC 5-12-11.5
65 IAC 5-12-5	65 IAC 5-12-12
65 IAC 5-12-6	65 IAC 5-12-12.5
65 IAC 5-12-9	

SECTION 1. 65 IAC 5-12-2 IS AMENDED TO READ AS FOLLOWS:

65 IAC 5-12-2 Definitions

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

Affected: IC 4-30

Sec. 2. (a) The definitions in this section shall apply throughout this rule.

(b) "Board" means an area of the play slip identified by an alphabetic character which contains two (2) panels of numbered squares to be marked by the player containing, respectively, ~~fifty-three (53)~~ **fifty-five (55)** squares numbered one (1) through ~~fifty-three (53)~~ **fifty-five (55)** and forty-two (42) squares numbered one (1) through forty-two (42).

(c) "Grand prize" means the prize awarded pursuant to section 8 of this rule.

(d) "Match 5 Bonus Prize" means the bonus prize available when the grand prize has reached a record level, as determined by MUSL, and monetary bonus prizes have been declared by the MUSL Powerball member lotteries pursuant to section 6(f) of this rule. The Match 5 Bonus Prize does not include the original amount won for matching the Powerball first set numbers.

(e) "MUSL" means an association of lottery commissions, state agencies, and other political subdivisions which are authorized to conduct lottery games.

(f) "MUSL Powerball receipts" means all receipts of MUSL Powerball member lotteries from the sale of Powerball tickets.

(g) "Panel" means the sections of each board on a play slip with the top panel containing ~~fifty-three (53)~~ **fifty-five (55)** numbered squares and the bottom panel containing forty-two (42) numbered squares.

(h) "Pari-mutuel prize" means a prize equal to the total amount of the prize pool available for prizes of that type divided by the total number of ~~winners of draw tickets containing the Powerball winning numbers that prize from were sold~~ among all MUSL Powerball member lotteries.

(i) "Play" means the six (6) numbers that appear as a single numbered selection on a valid lottery ticket for a Powerball selection event in the manner defined in section 4(b) of this rule.

(j) "Player" means an eligible person who participates in a Powerball selection event by purchasing an *[sic., a]* ~~on-line draw~~ ticket with one (1) or more plays.

(k) "Play slip" means a commission approved form containing one (1) or more boards that is used by a player to mark one (1) or more plays in Hoosier Lottery Powerball.

(l) "Powerball" means a game conducted by a MUSL product group of which the commission is a member and which may include the Power Play promotion.

(m) "Powerball first set numbers" means the first five (5) numbers in a play pursuant to section 4(b)(1) of this rule.

(n) "Powerball second set number" means the last number in a play pursuant to section 4(b)(2) of this rule.

(o) "Powerball selection event" means a drawing or other selection event conducted to determine the Powerball winning numbers.

(p) "Powerball winning numbers" means the six (6) numbers selected in a Powerball selection event that entitle the holders of ~~on-~~**line draw** tickets containing those numbers to prizes set forth in section 9 of this rule.

(q) "Power Play number" means the number selected in a Power Play selection event.

(r) "Power Play option" means the purchase of an option to multiply a set prize won in a Powerball selection event during the Power Play promotion.

(s) "Power Play selection event" means a separate, random drawing or other selection event to determine the Power Play number from among a series of numbers set forth in section 12.5 of this rule.

(t) "Power Play promotion" means a promotional extension of the Hoosier Lottery Powerball ~~on-line draw~~ game as set forth in section 12.5 of this rule.

(u) "Quick pick" means a play randomly selected by a commission-approved terminal.

(v) "Retailer" means a person, other than a state agency or political subdivision, who sells lottery tickets on behalf of the commission pursuant to a retailer contract.

(w) "Set prize" means any secondary prize in the Powerball ~~on-line draw~~ game (not the grand prize) and any prize arising out of the Power Play promotion. (*State Lottery Commission; 65 IAC 5-12-2; emergency rule filed Oct 24, 1997, 12:35 p.m.: 21 IR 1016, eff Nov 2, 1997; emergency rule filed Mar 2, 2001, 4:08 p.m.: 24 IR 2094; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; emergency rule filed Aug 23, 2002, 1:29 p.m.: 26 IR 44, eff Oct 6, 2002; emergency rule filed Aug 19, 2005, 2:30 p.m.: 29 IR 41, eff Aug 28, 2005*)

SECTION 2. 65 IAC 5-12-3 IS AMENDED TO READ AS FOLLOWS:

65 IAC 5-12-3 Ticket price

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

Affected: IC 4-30

Sec. 3. The price of an on-line ticket in the Hoosier Lottery Powerball ~~on-line draw~~ game shall be one dollar (\$1) for each play represented on the ~~on-line draw~~ ticket. (*State Lottery Commission; 65 IAC 5-12-3; emergency rule filed Oct 24, 1997, 12:35 p.m.: 21 IR 1016, eff Nov 2, 1997; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; emergency rule filed Aug 23, 2002, 1:29 p.m.: 26 IR 45, eff Oct 6, 2002; emergency rule filed Aug 19, 2005, 2:30 p.m.: 29 IR 42, eff Aug 28, 2005*)

SECTION 3. 65 IAC 5-12-4 IS AMENDED TO READ AS FOLLOWS:

65 IAC 5-12-4 Procedure for playing

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

Affected: IC 4-30

Sec. 4. (a) An on-line ticket for the Hoosier Lottery Powerball ~~on-line draw~~ game may represent one (1) or more plays and shall

be purchased by one (1) of the following methods:

- (1) The player may submit a completed play slip which contains one (1) or more hand marked boards to an authorized ~~on-line draw~~ retailer who shall generate the ~~on-line draw~~ ticket.
- (2) The player may orally advise an authorized ~~on-line draw~~ retailer of the numbers contained in the player's plays, and the ~~on-line draw~~ retailer shall generate the ~~on-line draw~~ ticket.
- (3) The player may request a quick pick of one (1) of the following types from an authorized ~~on-line draw~~ retailer who shall generate an *[sic.]* ~~on-line a draw~~ ticket:
 - (A) The player may specify the Powerball first set numbers and request a quick pick for the Powerball second set number; or
 - (B) The player may request a quick pick for the Powerball first set numbers and specify the Powerball second set number; or
 - (C) The player may request a quick pick for both the Powerball first set numbers and the Powerball second set number.
- (4) The player may purchase a ticket from a player-activated terminal.

(b) Each play in Hoosier Lottery Powerball shall consist of the following:

- (1) Five (5) different numbers from one (1) to ~~fifty-three (53)~~ **fifty-five (55)** constituting the Powerball first set numbers.
- (2) One (1) number from one (1) to forty-two (42), which may be the same as a number in the Powerball first set numbers for that play, constituting the Powerball second set number.

(c) ~~An on-line A draw~~ ticket is the only valid proof of a play and the only valid receipt for claiming a prize in Powerball. A play slip shall have no pecuniary or prize value and shall not constitute evidence of purchase of ~~an on-line a draw~~ ticket or a play.

(d) Unless otherwise indicated on the ~~on-line draw~~ ticket, ~~an on-line a draw~~ ticket in Hoosier Lottery Powerball is effective for the next scheduled Powerball selection event. Subject to the restrictions of 65 IAC 5-2-10, the commission may offer multi-draw ~~on-line draw~~ tickets for Hoosier Lottery Powerball which are effective for the following numbers of Powerball selection events:

- (1) Two (2).
- (2) Three (3).
- (3) Four (4).
- (4) Five (5).
- (5) Six (6).
- (6) Seven (7).
- (7) Eight (8).**
- (8) Nine (9).**
- ~~(7) (9)~~ Ten (10).

(e) Sales of ~~on-line draw~~ tickets for Hoosier Lottery Powerball shall be suspended prior to the time of each Powerball selection event at a time determined by the director.

(f) Sales of ~~on-line draw~~ tickets for a Powerball selection event containing a particular play may be suspended if the total liability of the commission for winning ~~on-line draw~~ tickets containing that play would exceed an amount established by the director. No person shall be entitled to purchase ~~an on-line a draw~~ ticket containing any particular play if such play has been suspended, and neither the commission, the director, nor any employee of the commission shall be liable for the inability of any person to purchase ~~an on-line a draw~~ ticket containing a particular play.

(g) If a play slip is used to select a player's plays for a Powerball selection event, the play slip must have been approved by the commission and completed by hand. The play slip will be scanned by the ~~on-line draw~~ terminal or keyed in by hand by the retailer.

(h) The director may, in the director's sole discretion, authorize the generation of ~~on-line draw~~ entry tickets or coupons from terminals with respect to certain purchases of Hoosier Lottery Powerball ~~on-line draw~~ tickets.

(i) Notwithstanding 65 IAC 5-2-7 and 65 IAC 5-2-10, ~~an on-line a draw~~ ticket for Hoosier Lottery Powerball may not be canceled by a retailer. *(State Lottery Commission; 65 IAC 5-12-4; emergency rule filed Oct 24, 1997, 12:35 p.m.: 21 IR 1016, eff Nov 2, 1997; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; emergency rule filed Aug 23, 2002, 1:29 p.m.: 26 IR 45, eff Oct 6, 2002; emergency rule filed Aug 19, 2005, 2:30 p.m.: 29 IR 42, eff Aug 28, 2005)*

SECTION 4. 65 IAC 5-12-5 IS AMENDED TO READ AS FOLLOWS:

65 IAC 5-12-5 Payment options

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

Affected: IC 4-30

Sec. 5. (a) Players are required to select a payment option for distribution of the grand prize amount at the time they become entitled to receive the jackpot prize. The following payment options are available:

- (1) A single lump sum payment representing the total cash in the grand prize pool or the guaranteed grand prize amount, if any.
- (2) Thirty (30) ~~annual installments until the total graduated payments equal the annuitized value of the grand prize pool or the guaranteed that increase annually at a rate to be determined by the Powerball member lotteries. The initial payment shall be in cash followed by twenty-nine (29) annual payments funded by an annuity purchased with the remaining cash in the grand prize amount, if any. pool.~~ **graduated payments equal the annuitized value of the grand prize pool or the guaranteed that increase annually at a rate to be determined by the Powerball member lotteries. The initial payment shall be in cash followed by twenty-nine (29) annual payments funded by an annuity purchased with the remaining cash in the grand prize amount, if any. pool.**

(b) If the player fails to select a payment option, the grand prize shall be paid in annual payments as set forth in subsection (a)(2). *(State Lottery Commission; 65 IAC 5-12-5; emergency rule filed Oct 24, 1997, 12:35 p.m.: 21 IR 1017, eff Nov 2, 1997; emergency rule filed Mar 1, 2000, 7:50 a.m.: 23 IR 1666, eff Apr 30, 2000; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; emergency rule filed Aug 23, 2002, 1:29 p.m.: 26 IR 46, eff Oct 6, 2002; emergency rule filed Aug 19, 2005, 2:30 p.m.: 29 IR 43, eff Aug 28, 2005)*

SECTION 5. 65 IAC 5-12-6 IS AMENDED TO READ AS FOLLOWS:

65 IAC 5-12-6 Amount of prize pools

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

Affected: IC 4-30

Sec. 6. (a) The prize pool for all prizes in Hoosier Lottery Powerball shall be equal to fifty percent (50%) of sales for the Powerball selection event.

(b) The grand prize pool for each Powerball selection event shall consist of the sum of the following amounts:

- (1) Any amounts carried over from prior Powerball selection events as described in section 10(b) of this rule or from prior games conducted by MUSL pursuant to MUSL rules for such games.
- (2) ~~Sixty-five Sixty and three five thousand three seven hundred seventy-eight seventy-one ten-thousandths percent (65.3378%)~~ **(60.5771%)** of the allocable prize pool for the particular Powerball selection event until the amount of the grand prize pool is sufficient to fund the annuitized value of the grand prize guaranteed by MUSL for the particular Powerball selection event.
- (3) After the grand prize guaranteed by MUSL, if any, is funded, ~~sixty-two fifty-eight and seven one thousand two five hundred forty-three forty ten-thousandths percent (62.7243%)~~ **(58.1540%)** of the allocable prize pool for the particular Powerball selection event until the prize reserve accounts described in section 7 of this rule have been funded in the amounts designated therein.
- (4) After the prize reserve accounts described in section 7 of this rule have been funded to the designated amounts, any amounts in excess of the above required funding amounts, except as set forth in subsection 6(f) [subsection (f)].

(c) The set prize pool for each Powerball selection event shall consist of the sum of the following amounts:

- (1) Any amounts carried over from prior Powerball selection events as described in section 10(b) of this rule or from prior games conducted by MUSL pursuant to MUSL rules for such games.
- (2) ~~Thirty-four Thirty-nine and six four thousand six two hundred twenty-two ten-thousandths twenty-nine thousandths percent (34.6622%)~~ **(39.4229%)** [sic.] of the allocable prize pool for the particular Powerball selection event. ~~8.9218~~

(d) Unless otherwise specified by MUSL, the guaranteed grand prize amount for a Powerball selection event shall be ~~ten fifteen million dollars (\$10,000,000)~~ **(\$15,000,000)**.

(e) If grand prize amounts are guaranteed pursuant to section 11(f) of this rule, the percentage of the prize pool allocated to the grand prize pool may be modified with respect to a particular Powerball selection event in order to permit funding of additional reserve accounts.

(f) If the grand prize is projected to reach an annuitized amount that MUSL, in its discretion, determines to be a new record level, the maximum amount to be allocated from the grand prize pool toward the next drawing shall be the previous record level plus twenty-five million dollars (\$25,000,000) (annuitized) or such other amount as set by MUSL. Any amount of the

of the *[sic]* grand prize pool which exceeds the twenty-five million dollar (\$25,000,000) (annuitized) increase shall be added to the Match 5 Bonus Prize pool. The Match 5 Bonus Prize pool is hereby created and shall accumulate until MUSL confirms that at least one (1) ~~on-line draw~~ ticket containing all six (6) of the Powerball winning numbers was issued with respect to a Powerball selection event, at which time the Match 5 Bonus Prize pool shall be divided equally among the number of plays matching all five (5) of the Powerball first set numbers. In the event there are no plays matching all five (5) of the Powerball first set numbers in such a Powerball selection event, the Match 5 Bonus Prize pool shall be divided equally among the plays matching four (4) Powerball first set numbers and the Powerball second set number. *(State Lottery Commission; 65 IAC 5-12-6; emergency rule filed Oct 24, 1997, 12:35 p.m.: 21 IR 1017, eff Nov 2, 1997; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; emergency rule filed Aug 23, 2002, 1:29 p.m.: 26 IR 46, eff Oct 6, 2002; emergency rule filed Aug 19, 2005, 2:30 p.m.: 29 IR 43, eff Aug 28, 2005)*

SECTION 6. 65 IAC 5-12-9 IS AMENDED TO READ AS FOLLOWS:

65 IAC 5-12-9 Allocation of prize pool

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

Affected: IC 4-30

Sec. 9. The prize pool for each Powerball selection event shall be allocated to the prizes as follows:

Number of Matching Numbers	Prize Payment	Prize Pool % Allocated to Prize
Match 5 Powerball first set numbers and 1 Powerball second set number	Grand Prize	65.3378%* 60.5771%*
Match 5 Powerball first set numbers	\$100,000 \$200,000	6.8035% 11.2246%
Match 4 Powerball first set numbers and 1 Powerball second set number	\$5,000 \$10,000	1.9913% 3.4221%
Match 4 Powerball first set numbers	\$100	1.6328% 1.4031%
Match 3 Powerball first set numbers and 1 Powerball second set number	\$100	1.8718% 1.6768%
Match 3 Powerball first set numbers	\$7	5.3720% 4.8125%
Match 2 Powerball first set numbers and 1 Powerball second set number	\$7	2.0090% 1.8781%
Match 1 Powerball first set number and 1 Powerball second set number	\$4	6.4577% 6.3049%
Match 1 Powerful second set number	\$3	8.5241% 8.7008%

*Pursuant to section 6(f) of this rule, if MUSL determines that the grand prize has reached a new record level, the prize pool percentage allocated to the grand prize shall be reduced to that percentage needed to fund the maximum grand prize increase as determined by MUSL, with the remainder funding the Match 5 Bonus Prize pool. *(State Lottery Commission; 65 IAC 5-12-9; emergency rule filed Oct 24, 1997, 12:35 p.m.: 21 IR 1018, eff Nov 2, 1997; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; emergency rule filed Aug 23, 2002, 1:29 p.m.: 26 IR 47, eff Oct 6, 2002; emergency rule filed Aug 19, 2005, 2:30 p.m.: 29 IR 44, eff Aug 28, 2005)*

SECTION 7. 65 IAC 5-12-10 IS AMENDED TO READ AS FOLLOWS:

65 IAC 5-12-10 Prize amounts

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

Affected: IC 4-30

Sec. 10. (a) The grand prize shall be a pari-mutuel prize paid to holders of valid ~~on-line draw~~ tickets for the particular Powerball selection event which contain the winning Powerball first set numbers and the winning Powerball second set number in accordance with the payment option selected by the holder pursuant to section 5 of this rule.

(b) The grand prize pool and the set prize pool shall be carried forward to subsequent Powerball selection events if all or a portion

of such pools are not awarded in the current Powerball selection event. If MUSL gives effect to section 6(f) of this rule but no ~~on-line~~ **draw** tickets containing all six (6) of the Powerball winning numbers were issued for the associated Powerball selection event, the prize money allocated to the Match 5 Bonus Prize pool shall be carried forward to the Match 5 Bonus Prize pool for the following drawing.

(c) If the total of the set prizes awarded in a Powerball selection event would exceed the set prize pool, then the amount needed to fund the prizes shall be drawn from the following sources in the following order:

- (1) The amount allocated to the set prizes and carried forward from previous draws, if any.
- (2) An amount from the set prize reserve account, if available, not to exceed twenty-five million dollars (\$25,000,000) per Powerball selection event.

(d) If the sources set forth in subsection (c) are depleted and there still are not sufficient funds to pay the prizes for a particular Powerball selection event, then the highest set prize shall become a pari-mutuel prize. If the amount of the highest set prize, when paid as a pari-mutuel prize, is less than or equal to the next highest set prize and there are still not sufficient funds to pay the remaining set prizes, then the next highest set prize shall become a pari-mutuel prize. If necessary under the same test set forth in the preceding sentence, each succeeding set prize level shall be converted to a pari-mutuel prize, in order, until all set prizes become pari-mutuel. If all set prizes are converted to pari-mutuel prizes, the money available from the funding sources listed in subsection (c) shall be divided among the winning plays in proportion to the allocations in section 9 of this rule.

(e) The Match 5 Bonus Prize pool shall be divided equally among the number of plays matching all five (5) Powerball first set numbers in the event MUSL has given effect to section 6(f) of this rule and one (1) or more Powerball ~~on-line~~ **draw** tickets were issued containing all six (6) of the Powerball winning numbers determined in a Powerball selection event. (*State Lottery Commission; 65 IAC 5-12-10; emergency rule filed Oct 24, 1997, 12:35 p.m.: 21 IR 1019, eff Nov 2, 1997; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; emergency rule filed Aug 23, 2002, 1:29 p.m.: 26 IR 47, eff Oct 6, 2002; emergency rule filed Aug 19, 2005, 2:30 p.m.: 29 IR 45, eff Aug 28, 2005*)

SECTION 8. 65 IAC 5-12-11 IS AMENDED TO READ AS FOLLOWS:

65 IAC 5-12-11 Payment of prizes

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

Affected: IC 4-30; IC 4-30-15-1

Sec. 11. (a) The grand prize or any portion thereof shall be paid in accordance with the player's selected payment option as follows:

(1) A player who selects the lump sum, cash payment option shall receive a pari-mutuel share of a cash payment consisting of the greater of the total cash in the grand prize pool or the guaranteed minimum as defined in subsection (f).

(2) A player who fails to select an option or selects the annual payment option shall receive a pari-mutuel prize of thirty (30) ~~equal~~ **annual graduated** payments, the first of which shall be in cash with the remaining twenty-nine (29) payments from the greater of:

(A) an annuity purchased by MUSL for the guaranteed prize amount as defined in subsection (f) of this rule less the amount of the first payment; or

(B) an annuity purchased by MUSL for the total cash held in the grand prize pool less the first payment.

The annuity payments shall be graduated increasing on an annual basis at a rate to be determined by the Powerball member lotteries.

(3) If the cash value of an annuity for the grand prize is less than two hundred fifty thousand dollars (\$250,000), the commission may, in its sole discretion, pay each prize in a single lump sum.

(b) Set prizes or any portions thereof shall be paid in a single lump sum.

(c) The initial installment of a grand prize to be paid in annual installments over time shall not be paid until the fifteenth calendar day following the Powerball selection event from which the grand prize was awarded.

(d) If a valid ~~on-line~~ **draw** ticket for Hoosier Lottery Powerball contains more than one (1) play entitled to a prize, the prize amounts for the winning plays shall be added together for purposes of claiming the prizes and determining whether the total prize amounts may be claimed from a retailer pursuant to 65 IAC 3-4-4.

(e) Annuitized payments of the jackpot amount or any portion thereof may be rounded down to the nearest thousand to facilitate the purchase of an appropriate funding mechanism. Breakage (the remainder after rounding) shall be paid to the winner or winners in the first prize payment. Prizes, which under this rule may become single payment, pari-mutuel prizes, shall be rounded down so that the prizes may be paid in multiples of whole dollars. Breakage resulting from rounding these prizes shall be carried forward to the appropriate prize pool for the next Powerball selection event.

(f) MUSL may offer guaranteed grand prize amounts or minimum increases in grand prize amounts between Powerball selection events when MUSL finds that such would be in the best interest of the game. Changes in the allocation of prize money shall be designed to retain the approximate prize pool allocation percentages set forth in this rule over a one (1) year period.

(g) The commission shall pay to MUSL all amounts required under the rules of MUSL to fund prizes in Hoosier Lottery Powerball, and such amounts shall be removed for this purpose from the administrative trust fund created by IC 4-30-15-1. MUSL shall have the ultimate obligation to pay prizes awarded in Hoosier Lottery Powerball and shall purchase any annuity or investment that is used to fund a prize paid over time in Hoosier Lottery Powerball.

(h) The commission shall not pay or arrange for the payment of, and no retailer shall pay a prize in respect of, any Hoosier Lottery Powerball ~~on-line draw~~ ticket that was not purchased from a retailer under contract with the commission.

(i) Except as provided herein and in section 11.5 of this rule, prizes shall not be accelerated. MUSL, upon petition to the commission from the estate of a deceased winner, may accelerate the remaining payments of such a prize by distributing to the estate the securities or the cash representing the present value of the remaining payments in lieu of continuing annual payments. The method and timing of the sale of any security being held to fund the remaining payments are solely within the commission's discretion. (*State Lottery Commission; 65 IAC 5-12-11; emergency rule filed Oct 24, 1997, 12:35 p.m.: 21 IR 1019, eff Nov 2, 1997; emergency rule filed Jun 10, 1999, 5:13 p.m.: 22 IR 3119; emergency rule filed Mar 1, 2000, 7:50 a.m.: 23 IR 1666, eff Apr 30, 2000; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; emergency rule filed Aug 23, 2002, 1:29 p.m.: 26 IR 48, eff Oct 6, 2002; emergency rule filed Aug 19, 2005, 2:30 p.m.: 29 IR 45, eff Aug 28, 2005*)

SECTION 9. 65 IAC 5-12-11.5 IS AMENDED TO READ AS FOLLOWS:

65 IAC 5-12-11.5 Election to receive lump sum, cash payment

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

Affected: IC 4-30

Sec. 11.5. (a) With respect to a player who first becomes entitled to a prize after October 21, 1998, such player shall have sixty (60) days from the day the player becomes entitled to receive the grand prize or a share thereof to elect to receive a lump sum, cash payment. The election must be in writing and on a form authorized by the commission. If an election is not made by the close of commission business on the sixtieth day after the player becomes entitled to the grand prize, the grand prize shall be paid in annual payments. An election under this subsection cannot be revoked, withdrawn, or otherwise modified. The commission shall not be responsible for differences in the advertised or estimated grand prize or the amount paid to the player due to changes in the price of securities occurring between the selection event and the payment dates.

(b) With respect to a player who:

(1) first became entitled to a prize on or before October 21, 1998; and

(2) at the time the Hoosier Lottery Powerball ~~on-line draw~~ ticket was purchased, selected the annual payment option or failed to select a payment option;

such player shall have from July 1, 1999, through December 31, 2000, within which to change the payment option and elect to receive a lump sum, cash payment equal to the present value of the remaining annual payments. The election must be in writing and on a form authorized by the commission. An election under this subsection cannot be revoked, withdrawn, or otherwise modified. The lump sum payment shall be in an amount equal to the proceeds MUSL can obtain by selling the financial instruments held by MUSL to fund the remaining prize payments, less any fees incurred by MUSL in the sale of the financial instruments. The method and timing of the sale transaction are solely within MUSL's discretion. If an election is not made by the close of commission business on December 31, 2000, the grand prize shall continue to be paid in annual installments.

(c) If a grand prize is claimed by a group that selected the annual payment option, all members of the group must agree to seek a change in the payment option in order to secure an election under this subsection.

(d) The commission shall provide notice to all players eligible for the elections set forth in this section. (*State Lottery Commission; 65 IAC 5-12-11.5; emergency rule filed Jun 10, 1999, 5:13 p.m.: 22 IR 3120; emergency rule filed Mar 1, 2000, 7:50 a.m.: 23 IR 1667, eff Apr 30, 2000; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; emergency rule filed Aug 19, 2005, 2:30 p.m.: 29 IR 46, eff Aug 28, 2005*)

SECTION 10. 65 IAC 5-12-12 IS AMENDED TO READ AS FOLLOWS:

65 IAC 5-12-12 Odds of winning

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

Affected: IC 4-30

Sec. 12. (a) The odds of winning the grand prize in a Powerball selection event by matching five (5) Powerball first set numbers and one (1) Powerball second set number are approximately ~~1:120,526,700.000000~~ **1:146,107,962.0000**.

(b) The odds of winning a prize of ~~one two~~ **two** hundred thousand dollars (~~(\$100,000)~~ **(\$200,000)**) in a Powerball selection event by matching five (5) Powerball first set numbers and no Powerball second set number are approximately ~~1:2,939,677.317073~~ **1:3,563,608.8293**.

(c) The odds of winning a prize of ~~five ten~~ **ten** thousand dollars (~~(\$5,000)~~ **(\$10,000)**) in a Powerball selection event by matching four (4) Powerball first set numbers and one (1) Powerball second set number are approximately ~~1:502,194.875000~~ **1:584,431.8480**.

(d) The odds of winning a prize of one hundred dollars (\$100) in a Powerball selection event by matching four (4) Powerball first set numbers and no Powerball second set number are approximately ~~1:12,248.655488~~ **1:14,254.4353**.

(e) The odds of winning a prize of one hundred dollars (\$100) in a Powerball selection event by matching three (3) Powerball first set numbers and one (1) Powerball second set number are approximately ~~1:10,684.997340~~ **1:11,927.1806**.

(f) The odds of winning a prize of seven dollars (\$7) in a Powerball selection event by matching three (3) Powerball first set numbers and no Powerball second set number are approximately ~~1:260.609691~~ **1:290.9068**.

(g) The odds of winning a prize of seven dollars (\$7) in a Powerball selection event by matching two (2) Powerball first set numbers and one (1) Powerball second set number are approximately ~~1:696.847653~~ **1:745.4488**.

(h) The odds of winning a prize of four dollars (\$4) in a Powerball selection event by matching one (1) of the Powerball first set numbers and one (1) Powerball second set number are approximately ~~1:123.884027~~ **1:126.8849**.

(i) The odds of winning a prize of three dollars (\$3) in a Powerball selection event by matching no Powerball first set numbers and one (1) Powerball second set number are approximately ~~1:70.388652~~ **1:68.9592**.

(j) The overall odds of winning a prize in a Powerball selection event are 1:36.6066. (*State Lottery Commission; 65 IAC 5-12-12; emergency rule filed Oct 24, 1997, 12:35 p.m.: 21 IR 1020, eff Nov 2, 1997; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; emergency rule filed Aug 23, 2002, 1:29 p.m.: 26 IR 49, eff Oct 6, 2002; emergency rule filed Aug 19, 2005, 2:30 p.m.: 29 IR 46, eff Aug 28, 2005*)

SECTION 11. 65 IAC 5-12-12.5 IS AMENDED TO READ AS FOLLOWS:

65 IAC 5-12-12.5 Power Play promotion

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

Affected: IC 4-30

Sec. 12.5. (a) The Power Play promotion shall be available in association with the Hoosier Lottery Powerball ~~on-line draw~~ **game** commencing March 4, 2001, and concluding upon the determination of the director. The Power Play promotion will be conducted in accordance with the Hoosier Lottery Powerball rules except that players may purchase the Power Play option for the chance to multiply set prizes won as a result of a Powerball selection event by a number ranging from two (2) to five (5). The Powerball grand prize and the Match 5 Bonus Prize shall not be eligible for multiplication under the Power Play promotion.

(b) At the time of purchasing a Hoosier Lottery Powerball ~~on-line draw~~ ticket from an authorized retailer, a player may purchase the Power Play option for one dollar (\$1) per play for each play on the Hoosier Lottery Powerball ~~on-line draw~~ ticket.

(c) At the time of each Powerball selection event, MUSL shall conduct a Power Play selection event under the supervision of security and an independent auditor which shall result in the selection of the Power Play number from among the following series of numbers: 2, 2, 2, 2, 3, 3, 3, 3, 4, 4, 4, ~~5, 5, 5~~, 4, 5, 5, 5, and 5. **The MUSL Powerball member lotteries may, from time to time, change one (1) or more of the foregoing numbers for special promotion purposes.**

(d) ~~On-line Draw~~ tickets that contain the Power Play option and one (1) or more plays eligible for Powerball set prizes (but not the grand prize) identified in section 9 of this rule shall be entitled to a total set prize calculated by multiplying each set prize by the Power Play number.

(e) The prize pool for Power Play set prizes shall consist of up to ~~forty-eight forty-nine and one-half three-tenths percent (48.5%)~~ **(49.3%)** of Power Play sales incurred between Power Play selection events after Powerball prize reserve accounts are funded to the amounts set by MUSL. The prize pool percentage allocated to Power Play set prizes shall be carried forward to subsequent Power Play selection events if all or a portion of such percentage is not required to pay the set prizes for the current Power Play selection event. Any amount remaining in the prize pool for Power Play set prizes at the end of the Hoosier Lottery Powerball ~~on-line draw~~ game shall be carried forward to a replacement ~~on-line draw~~ game or expended in a manner directed by MUSL or in accordance with state law.

(f) An additional one and one-half percent (1.5%) of Power Play sales incurred between Power Play selection events may be collected and placed in prize reserve accounts until the prize reserve accounts meet the amounts designated by MUSL.

(g) If, with respect to a single Powerball selection event and associated Power Play selection event, the total of the Powerball set prizes without the Power Play option and the Powerball set prizes multiplied by the Power Play number exceeds the percentage of the prize pools allocated to the set prizes, then the amount needed to fund those combined set prizes shall be drawn from the following sources in the following order:

- (1) The amount allocated to the set prizes and carried forward from previous Powerball selection events and Power Play selection events, if any.
- (2) The amounts allocated to the Power Play set prize reserve accounts, if any.
- (3) An amount from the Powerball set prize reserve account, if available, not to exceed twenty-five million dollars (\$25,000,000) per selection event.

(h) If the sources set forth in subsection (g) are depleted and there still are not sufficient funds to pay the set prizes for a particular Powerball selection event and associated Power Play selection event, then the highest set prize, including the multiplied set prize, shall become a pari-mutuel prize. If the amount of the highest set prize, when paid as a pari-mutuel prize, is less than or equal to the next highest set prize and there are still not sufficient funds to pay the remaining prizes, then the next highest set prize, including the multiplied set prize, shall become a pari-mutuel prize. If necessary under the same test set forth in the preceding sentence, each succeeding set prize level shall be converted to a pari-mutuel prize, in order, until all set prizes become pari-mutuel. If all set prizes are converted to pari-mutuel prizes, the money available from the funding sources listed in subsection (g) shall be divided among the winning plays in proportion to their respective prize percentages.

(i) Power Play set prizes which become pari-mutuel may be rounded down so that they can be paid in multiples of whole dollars. Breakage resulting from rounding shall be carried forward to the prize pool for the next Power Play selection event.

(j) All Power Play set prizes shall be paid in single, lump sum payments determined by multiplying the Powerball set prize by the number selected in the Power Play selection event as follows:

Powerball Set Prize Amount		Power Play Multiplier and Set Prize Amount			
		5	4	3	2
Match 5 + 0	\$100,000	\$500,000	\$400,000	\$300,000	\$200,000
	\$200,000	\$1,000,000	\$800,000	\$600,000	\$400,000
Match 4 + 1	\$5,000	\$25,000	\$20,000	\$15,000	\$10,000
	\$10,000	\$50,000	\$40,000	\$30,000	\$20,000
Match 4 + 0	\$100	\$500	\$400	\$300	\$200
Match 3 + 1	\$100	\$500	\$400	\$300	\$200

Match 3 + 0	\$7	\$35	\$28	\$21	\$14
Match 2 + 1	\$7	\$35	\$28	\$21	\$14
Match 1 + 1	\$4	\$20	\$16	\$12	\$8
Match 0 + 1	\$3	\$15	\$12	\$9	\$6

When the Powerball set prizes become pari-mutuel, the Powerball set prize amounts will be less than the amount shown, in which case the Power Play set prizes shall be a multiple of the new Powerball set prize amount.

(k) Power Play set prizes shall not be paid until the commission receives notification to pay from MUSL.

(l) The odds of various Power Play numbers being selected in a Power Play selection event and the resulting impact on the Powerball set prizes are:

- (1) The odds of increasing a set prize in a Powerball selection event by a multiple of five (5) through a Power Play are approximately ~~1:2.5~~ **1:4**.
- (2) The odds of increasing a set prize in a Powerball selection event by a multiple of four (4) through a Power Play are approximately ~~1:5~~ **1:4**.
- (3) The odds of increasing a set prize in a Powerball selection event by a multiple of three (3) through a Power Play are approximately ~~1:5~~ **1:4**.
- (4) The odds of increasing a set prize in a Powerball selection event by a multiple of two (2) through a Power Play are approximately ~~1:5~~ **1:4**.

(m) The Power Play shall not apply to the grand prize or the portion of the prize attributable to the Match 5 Bonus Prize described in section 6(f) of this rule. *(State Lottery Commission; 65 IAC 5-12-12.5; emergency rule filed Mar 2, 2001, 4:08 p.m.: 24 IR 2094; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; emergency rule filed Aug 23, 2002, 1:29 p.m.: 26 IR 49, eff Oct 6, 2002; emergency rule filed Aug 19, 2005, 2:30 p.m.: 29 IR 47, eff Aug 28, 2005)*

SECTION 12. SECTIONS 1 through 12 [sic., 11] of this document take effect August 28, 2005.

LSA Document #05-245(E)

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