

Title 36
MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY
Subtitle 02 LOTTERY PROVISIONS
Chapter 01 General

Authority: State Government Article, §§9-103, 9-104, 9-109—9-111, and 9-122, Annotated Code of Maryland

.01 Definitions

A. In addition to the terms defined in State Government Article, §9-101, Annotated Code of Maryland, and in COMAR 36.01.01.01, which have the same meanings in this subtitle, the following terms have the meanings indicated.

B. Terms Defined.

(1) “Activate” means:

~~[(t)] To~~ To make a book of instant tickets ready for sale in the Lottery Central System; or

(a) To make a ticket ready for sale.

(2) “Announced end of game” means the date ~~[determined and announced]~~ set by the Agency after which retailers may not activate instant ~~[ticket game books.]~~ tickets for that game.

(3) ~~[[“Bonus drawing”]~~ Bonus Drawing.

(a) “Bonus drawing” means a game the Agency designates as a bonus drawing that may have a claiming period other than 182 days after the drawing in which the prize is won.

(b) “Bonus drawing” does not include a daily or weekly lottery drawing.

(4) Bonus Game.

(a) “Bonus game” means a game the Agency designates as a bonus game ~~[or bonus drawing]~~ that may have a claiming period other than 182 days after the drawing in which the prize is won.

(b) “Bonus game” does not include a:

(i) Daily or weekly lottery game; or

(ii) Specific play features on a ticket.

~~[(5)]~~ Cash.

~~(a) “Cash” means coins, U.S. currency, money orders, debit cards, and checks.~~

~~(b) “Cash” does not include credit.]~~

~~[(6)]~~ (5) “Claim form” means a paper or computer-generated document that identifies a prize claimant, prize amount, game and ticket characteristics.

~~[(7)]~~ (6) “Coupon” means ~~[an instrument]~~ a paper or computer-generated code that a player may ~~[use to obtain a lottery ticket at reduced or no cost.]~~ apply to purchase a ticket.

~~[(8)]~~ (7) “Daily game” means a draw game for which the Agency offers a drawing at least once every day.

~~[(9)]~~ (8) “Designated cutoff time” means the time after which a ticket may no longer be purchased for the next drawing of a specified lottery game.

~~[(10)]~~ (9) Draw Game.

(a) “Draw game” means a lottery game for which a winning result is determined by a drawing for which a ticket:

(i) ~~[Sold]~~ Is sold and redeemed through a subscription or ~~[a computer network at retailer locations]~~ through a terminal; and

(ii) ~~[For which tickets are]~~ May be generated by a terminal and ~~[are]~~ is a record of a transaction for a draw game.

(b) “Draw game” includes:

(i) A jackpot game including a multi-jurisdictional jackpot game;

(ii) A nonjackpot game including a multi-jurisdictional nonjackpot game;

(iii) A monitor game; and

~~[(iv)]~~ A multi-jurisdictional game played with draw game tickets; and]

~~[(v)]~~ (iv) Any other ~~[Agency-issued]~~ Agency authorized lottery game ~~[played as described in this section]~~ designated as a draw game.

~~[(11)]~~ (10) “Draw ticket” ~~[or “Draw game ticket”]~~ means a ticket purchased from a terminal or through a subscription for a draw game.

~~[(12)]~~ (11) “Drawing” means a random selection event used for determining winning ~~[numbers]~~ game data of certain lottery games.

~~[(13)]~~ (12) “Drawing date” means the day, days of the week, or times of day on which the winning ~~[numbers]~~ game data for ~~[the]~~ a lottery ~~[games are]~~ game are selected.

(13) “Entry” means a qualifying purchase or action by which a player may participate in a promotion or special activity.

(14) “ePlayslip” means an ~~[electronically generated game play selection process using an official web or mobile application issued by the Agency that is used by a player to select the purchaser’s playable numbers.]~~ on-screen display or two-dimensional code, that:

(a) Contains player-selected or randomly generated game data; and

(b) Is electronically generated by a website or mobile application authorized by the Agency.

(15) Fast Play Game.

(a) “Fast Play game” means a game ~~[produced]~~ issued by ~~[a lottery terminal]~~ the Lottery Central System where predetermined game results are obtained from a finite pool of randomly

generated results for that ~~[specific]~~ game ~~[and are printed on a ticket]~~ and are available through the terminal.

(b) “Fast Play game” does not include ~~[games where players select their numbers or symbols and there is a drawing to determine a winning number or symbol.]~~ a draw game.

(16) “Game data” means any item or symbol used to identify:

(a) A winner of a lottery game, including:

(i) Numerals;

(ii) Letters;

(iii) Symbols, and

(iv) Icons including branded logos;

(b) The cost of a ticket; and

(c) Number of draws and which draws on a ticket.

(17) “In-lane ticket” means a ticket that:

(a) Is purchased by a player;

(b) May only be purchased at a retailer that is a commercial establishment; and

(c) Is activated for play or produced when it is processed through a third party point of sale terminal or cash register.

~~[(16)]~~ (18) Instant Game.

(a) “Instant game” [or “instant ticket game”] means a lottery game [where tickets have an] for which a ticket has a covered area that the player exposes in accordance with the game instructions, and includes:

~~[(a)]~~ (i) Scratch-off tickets; and

~~[(b)]~~ (ii) Tickets using other methods of revealing a hidden area with pre-determined results.

(b) “Instant game” does not include an in-lane ticket for a draw game.

~~[(17)]~~ (19) “Instant ticket” [or “instant game ticket”] means [an authorized lottery game] a ticket issued in an instant game.

~~[(18)]~~ (20) “Instant ticket pack” or “instant ticket book” means [a group of sequential instant tickets that are in an individual bundle.] a group of tickets in sequential order bundled together.

~~[(19)]~~ (21) “Jackpot game” means a lottery game [where] for which the top prize amount varies: [depending on amounts wagered and on]

(a) Based on sales; and

(b) [whether] If the top prize was won in the preceding drawing.

(22) “Lottery Central System” means an integrated computer service and equipment that the Agency authorizes and procures for the purposes of:

(a) Producing lottery tickets at retailer locations;

(b) Facilitating lottery ticket transactions;

(c) Providing tools and the means by which retailers:

(i) Determine sales;

(ii) Cash tickets;

(iii) Confirm receipt and activate an instant ticket book;

(iv) Display of animations of winning numbers;

(v) Process a ticket, ePlayslip, or playslip;

(vi) Print special reports and tickets;

(vii) Order instant tickets;

(viii) Order supplies; and

(ix) Coordinate the distribution of tickets;

(d) Providing random number generating equipment to conduct and offer monitor games, Cash Pop and Fast Play games;

(e) Communicating with lottery retailers; and

(f) Performing any other function, the Agency identifies as necessary to the operation of the State lottery and accounting for its proceeds.

(23) “Lottery Central System contractor” means the person under contract with the Agency to provide all the goods and services required under the contract for the Lottery Central System.

~~[(20) “Lottery game” means a game, activity, or other enterprise offered by the Agency for consideration to win a prize by random chance and, unless specified by the Director, does not include a promotional game.]~~

~~[(21)]~~ (24) “Monitor” means a television screen or similar type of screen used to display [draw] monitor game results and other Agency communications.

~~[(22)]~~ (25) “Monitor game” means a draw game [where] for which:

~~(a) Tickets are generated by [an Agency vendor’s computer]~~ a terminal;

~~(b) [An Agency vendor’s computer]~~ The Lottery Central System generates the winning results [of the draw game]; and

~~(c) Drawing results may be graphically displayed on a monitor.~~

~~[(23)]~~ (26) “Multi-jurisdictional game” means a lottery game offered by the Agency and:

(a) Any other political entity outside Maryland or outside the United States;

(b) Any private licensee of a state or a foreign nation; or

(c) Both §B26(a) and (b) of this regulation.

~~[(24)]~~(27) “Nonjackpot game” means a lottery game where the top prize remains ~~[constant]~~static.

~~[(25)]~~ “Number” means any item or symbol used to play to win a lottery game, including:

(a) Numerals;

(b) Letters; and

~~(c) Icons.]~~

~~[(26)]~~ (28) “Odds” means the ~~[long run ratio of the number of times a win does not occur to the number of times a win does occur]~~ likelihood of an outcome to occur or not occur.

~~[(27)]~~ (29) “Pari-mutuel” means [÷

(a) The total number of winning matches per prize level, divided equally into the dollar value of the prize pool for the specific prize level; or

~~(b) The total number of winning matches in the designated prize levels, divided equally into the dollar value of the prize pool for the designated prize levels.]~~ dividing the prize money available for winners of a certain prize level in a lottery game equally among all plays winning the prize in a particular drawing.

~~[(28)]~~ (30) Player-Activated Terminal or PAT.

(a) “Player-activated terminal” or “PAT” means a machine through which a player may purchase ~~[Agency tickets]~~ a ticket or claim a prize under an applicable tax reporting or taxable prize threshold without ~~[action]~~intervention by a ~~[licensed]~~ retailer.

(b) “Player-activated terminal” or “PAT” does not mean a machine that dispenses cash.

~~[(29)]~~ (31) “Playslip” means a ~~[card]~~document issued by the Agency and used by a player to select the ~~[purchaser’s]~~ player’s ~~[playable numbers]~~ game data.

~~[(30)]~~ (32) “Probability” means the long-run ratio of the number of ~~[times a win occurs to the number of times that game’s drawings are held]~~ winning outcomes to the number of all outcomes.

~~[(31)]~~ (33) “Progressive jackpot” means a jackpot offered ~~[by]~~ in a lottery game that may increase ~~[uniformly]~~ in value based on sales of that game.

~~[(32)]~~ “Promotion” or “promotional game”] (34) Promotion.

(a) “Promotion” means:

(i) [an]An activity or game offered by the Agency to [advertise]increase awareness of the Agency and its products and services[.];

(ii) A contest that uses a second-chance drawing to determine a winner; or

(iii) A cooperative marketing project under State Finance and Procurement Article, § 11-203, Annotated Code of Maryland.

(b) “Promotion” may include a lottery game if additional consideration is required for a player to participate.

~~[(33)]~~ (35) “Retailer” means a person licensed by the Agency to sell lottery tickets.

(36) Special Bonus.

(a) “Special bonus” means an extra payment to a retailer or its employees that the Agency authorizes;

(b) “Special bonus” may not exceed one-half of 1% of the gross receipts from ticket sales for the year for which the bonuses are awarded;

(c) “Special bonus” does not include:

(i) A bonus drawing; or

(ii) Game play features on a ticket.

(37) “Special license” means a retailer license issued by the Director for a conditional or limited purpose as determined by the Director.

~~[(34)]~~ (38) “Subscription” means a method of playing a lottery game by which [provides the ability to] a player completes an application to play a specific number of lottery games using the same [numbers] game data for a period of consecutive drawings. [as specified on the subscription membership card.]

~~[(35)]~~ (39) Terminal.

(a) “Terminal” means a computerized unit or software program that operates through the Lottery Central System and is specifically designed for: [issuing, and processing tickets and for printing special reports.]

(i) Issuing, processing or printing a ticket;

(ii) Processing an ePlayslip;

(iii) Processing a playslip.

(iv) Printing a report;

(v) Confirming and activating a retailer’s receipt of an instant ticket book;

(vi) Accepting payment for a ticket;

(vii) Processing the validation and redemption of a ticket;

(viii) Carrying out functions available to the retailer; and

(ix) Any other process the Agency identifies as necessary for the State lottery and within the scope of the Lottery Central System contract.

(b) “Terminal” includes:

- (i) A player-activated terminal or PAT; and
- (ii) A retailer-activated terminal; and
- (iii) Associated lottery equipment.

(40) Unusual claim.

(a) “Unusual claim” means a claim of a prize, or multiple claims for prizes, over \$600 that is abnormal in amount, frequency, pattern, or type.

(b) “Unusual claim” includes a claim made by a claimant under circumstances indicating that a law or regulation may be violated and that the Director has a reasonable belief to be, based on the totality of the circumstances.

~~[(36)]~~ (41) “Validate” or “validation” means the process of [determining that a ticket is the rightful winner so that the claimant may be paid the prize] verifying through the Lottery Central System, whether a ticket is a valid winning ticket.

(42) “Valid winning ticket” means a lottery ticket that has been validated.

~~[(37) “Vendor” or “Agency vendor” means a person under contract to the Agency to provide services that support lottery games.]~~

(43) Winner.

(a) “Winner” means a person that holds a winning ticket.

(b) “Winner” includes the claimant of a prize.

.02 Sponsorship Request

A. Scope. This regulation sets out procedures under which a person may submit a sponsorship request to the Agency pursuant to General Provisions Article § 9-111(d)(1), Annotated Code of Maryland to promote the Maryland State Lottery.

B. A person holding an event in Maryland may submit a request to the Agency to sponsor the event.

C. Form and Content of Request.

(1) A requestor for Agency sponsorship shall submit a request in writing to the Assistant Director of Communications.

(2) The sponsorship request shall describe the event and include:

(a) The date, time, and location;

(b) A description;

(c) The expected number of people in attendance;

(d) The number of years it has taken place in Maryland;

(e) The types of sponsorship opportunities that are available;

(f) The cost associated with each type of sponsorship opportunity; and

(g) An explanation with examples as to why the event may be a good fit for the Agency.

D. The decision to sponsor an event is within the sole discretion of the Agency and is not subject to review.

Proposed

Title 36
LOTTERY AND GAMING CONTROL AGENCY
Subtitle 02 LOTTERY PROVISIONS
Chapter 02 Retailer Licensing

Authority: State Government Article, §§9-101, 9-111—9-116, ~~[and]~~9-119, and 9-125 Annotated
Code of Maryland

.01 Definitions.

A. In this chapter, the following terms have the meanings indicated.

B. Terms Defined.

(1) “Applicant” means a person applying for a ~~[lottery]~~ retailer license and includes the individual completing the application.

(2) “Probationary license” means a retailer license issued by the Director to a new retailer that is valid for a 12-month period, beginning with the first week of sales.

(3) “Regular license” means a retailer license issued by the Director to a retailer who has satisfactorily completed the requirements of a probationary license.

(4) “Special license” means a ~~[lottery]~~ license issued ~~[by]~~ within the ~~[Director]~~ Director’s authority for special purposes ~~[as determined by the Director]~~.

(5) “Terminate” or “revoke” ~~[mean]~~ means, with regard to ~~[any Lottery]~~ a retailer license or special license, removal of the right to sell ~~[Lottery]~~ lottery tickets.

(6) “Total sales” means the ~~[amount of the sale of all]~~ value of lottery products sold or settled by a retailer, ~~[minus]~~ less the value of ~~[all cancelled]~~ canceled or returned lottery tickets.

.02 License Required.

A. A person who sells a ~~[lottery]~~ ticket shall be licensed by the Agency as a retailer.

B. A person ~~[to be]~~ licensed as a retailer shall be issued a probationary license before being eligible to receive a regular license.

C. No individual younger than 21 years old may be licensed as a ~~[lottery]~~ retailer.

D. A governmental entity that seeks a license as a ~~[lottery]~~ retailer shall demonstrate to the satisfaction of the Director the permission of any other person, board, commission, agent, or instrumentality of the State or its subdivisions that may have controlling authority over the applicant.

.03 License Restrictions.

A. A retailer license is specific to an individual and may not be transferred or sold. ~~[to another person without the approval of the Director.]~~

B. A retailer license may not be issued to ~~[any]~~ a person to engage in business primarily as a lottery retailer.

C. A retailer license does not permit a retailer to:

(1) Have a system or program that allows a person to purchase a ticket through a device that connects to the Internet;

(2) Sell a ticket over the phone or other manner of electronic communication;

(3) Sell a ticket over the Internet; or

(4) Sell a ticket at a price higher than the price established by the Director; or

(5) Sell a ticket at a location other than the location identified in the license.

.04 Application Process.

A. To obtain a retailer license, a person shall electronically submit to the Agency:

(1) A completed application on ~~[the forms]~~ a form required by the ~~[Agency]~~ Director; and

(2) Any other information and documentation ~~[requested]~~ required by the Director.

B. The Director shall consider:

(1) The financial responsibility and security of the applicant and the applicant's business or activity;

(2) The ownership interests of the applicant;

(3) The honesty and integrity of the applicant;

~~[(3)]~~ (4) The accessibility of the applicant's place of business ~~[or activity]~~ to the public;

~~[(4)]~~ (5) The suitability of the applicant's business for the sale of lottery tickets;

~~[(5)]~~ (6) The applicant's compliance with State and local business and taxation requirements;

~~[(6)]~~ (7) The sufficiency of existing licenses to serve the public convenience;

~~[(7)]~~ (8) The volume of the applicant's expected total sales;

~~[(8)]~~ (9) The accuracy of the information supplied in the application for a lottery retailer's license;

(10) The status or enforcement actions taken on any licenses related to the applicant's business; and

~~[(9)]~~ (11) Any other ~~[information deemed]~~ relevant information ~~[by the Director]~~.

.05 Security.

~~[At the discretion of the Director and in the amount determined by the Director based on sales, an applicant or a retailer may be required to post:]~~

A. The Director may require an applicant or retailer to obtain security of at least \$5,000.

~~[A.]~~ B. The security may be:

(1) A surety bond;

~~[B.]~~ (2) An irrevocable letter of credit;

~~[C.]~~ (3) A cash security deposit;

~~[D.]~~ (4) Lottery escrow deposit; or

~~[E.]~~ (5) Any other form of security ~~[deemed acceptable to]~~ approved by the Director.

C. The Agency may require security:

(1) To protect the financial contributions to the State;

(2) If a retailer fails to make a payment to the Agency or has insufficient funds for a lottery transfer;

(3) To ensure the integrity of an applicant or the owner of an applicant and is based on a financial evaluation; and

(4) To pay for damage, loss or misuse of supplies, equipment, or tickets.

D. The Agency may use the security:

(1) To offset amounts due from the retailer for the proceeds from the sale of tickets; or

(2) To pay for the cost of damaged, stolen, lost or misused supplies, equipment, or tickets.

E. The security shall remain in place until such time that the Director determines it may be removed.

.06 Probationary License.

A. New Retailer.

(1) ~~[All licenses]~~ A license issued by the Director to a new ~~[retailers are]~~ retailer shall be a probationary ~~[licenses.]~~ license.

(2) The Director may terminate a probationary license without a hearing upon ~~[determination by]~~ the determination of the Director that the retailer has violated ~~[any]~~ a provision in this subtitle.

B. Termination.

(1) Before terminating a probationary license, the Director shall send written notice to the retailer of the Agency's intent to terminate the probationary license.

(2) The notice shall include:

(a) The reason for the termination of the probationary license; and

(b) A statement that the retailer, upon written request, may appear before the Director or the Director's designee to present the retailer's views.

(3) A written request to appear before the Director or the Director's designee shall be submitted within 10 days of the date of the notice of termination.

(4) Failure to timely submit a written request to appear before the Director or the Director's designee shall result in termination of the probationary license.

(5) The decision of the Director to terminate a probationary license is final and not appealable.

.07 Special License.

A. The Director may issue a special license, subject to ~~[such]~~ those conditions or limitations as the Director ~~[deems]~~ considers appropriate.

B. The ~~[limitations or]~~ conditions or limitations for the special ~~[lottery retailers]~~ license may include:

(1) The type of lottery operation;

~~[(1)]~~ (2) The length of the license period;

~~[(2)]~~ (3) The hours or days ~~[of sale]~~ when tickets may be sold;

~~[(3)]~~ (4) The location ~~[of sale]~~ where tickets may be sold;

~~[(4) The specific]~~ (5) Those persons who are allowed to sell ~~[lottery]~~ tickets; ~~[and]~~

~~[(5) The specific]~~ (6) Those sporting, charitable, social, or other special events where ~~[lottery]~~ tickets may be sold~~[-]; or~~

(7) Any other condition or limitation the Director considers appropriate.

C. The Director may deny or terminate a special license for any reason.

D. The decision of the Director to deny or terminate a special license is final and not appealable.

.08 Denial of a License.

A. If the Director ~~[denies]~~ recommends the denial of a license, the Director shall promptly provide the applicant with written notice of the:

(1) Basis for the recommended denial; and

(2) Applicant's right to request a reconsideration meeting with the Director or the Director's designee.

B. An applicant may submit to the Director a written request for a reconsideration meeting within 15 days of the date of the notice described in §A of this regulation.

C. If an applicant fails to timely submit a written request for a reconsideration meeting, the Commission may adopt as final the recommendation of the Director ~~[or the Director's designee]~~.

D. During a reconsideration meeting, an applicant may:

- (1) Be represented by counsel; and
- (2) Present evidence as to why the license should be granted;

E. If after the reconsideration meeting the applicant is dissatisfied with the ~~[decision]~~ recommendation of the Director or the Director's designee, the applicant may submit to the Commission, in writing:

(1) A request for a hearing before the Commission to appeal ~~[the decision of the Director or the Director's designee to deny]~~ the recommended denial of the license; and

(2) The applicant's legal and factual basis for disagreeing with the ~~[denial decision]~~ recommended denial of the license.

F. An applicant must submit a hearing request to the Commission within 15 days of the date of the ~~[decision]~~ recommendation of the Director or the Director's designee after the reconsideration meeting.

G. If an applicant fails to submit a hearing request that complies with §§E and F of this regulation, the Commission may adopt as final the ~~[decision]~~ recommendation of the Director or the Director's designee to deny the ~~[application]~~ license.

H. A timely written hearing request shall be the subject of a Commission hearing conducted pursuant to COMAR 36.01.02.06.

I. Judicial Review. The Commission's final action on a license denial is subject to judicial review as provided in State Government Article, Title 10, Subtitle 2, Annotated Code of Maryland.

J. Limitation on Reapplication. An applicant may not submit an application or be included in the application of another person for 1 year after the later of:

(1) The final action on ~~[a license denial denying the applicant's application]~~ the denial of a license; or

(2) If judicial review of the final action on a license denial is taken, the date an adverse decision is entered against the retailer by the highest court to which an appeal is taken.

.09 Corrective Action.

A. Deficiency. If the Director determines that a retailer no longer meets a license requirement of this chapter, or that there is cause for imposing sanctions under Regulation .10 of this chapter, the Director shall:

(1) Assess the seriousness of the deficiency;

~~[(2) Require the retailer to develop a corrective action plan;]~~

~~[(3) (2) Determine whether it is necessary [during the pendency of the corrective action process] to emergently suspend the retailer's license;~~

~~[(4) (3) Determine whether to allow a retailer to submit a corrective action plan.]~~

B. If the Agency permits a retailer to submit a corrective action plan:

(1) Evaluate the corrective action plan;

(2) ~~and, if~~ If acceptable to the Agency, approve the corrective action plan;

~~[(5) (3) Determine appropriate timelines for the completion of corrective action;~~

~~[(6) (4) Conduct periodic monitoring of a retailer [for which the Agency required a corrective action plan] to assess the retailer's progress toward remedying the deficiencies; and~~

~~[(7) (5) Recommend that the Commission impose a sanction under Regulation .10 of this chapter if a deficiency is not remedied [through implementation of corrective action].~~

C. The Agency may determine whether to permit a retailer to submit a corrective action plan.

~~[B. Deficiency Notice. Upon determining that corrective action is required to remedy a deficiency, the Director shall give written notice to a retailer that includes:~~

~~(1) A description of the violation;~~

~~(2) A description of the possible sanctions; and~~

~~(3) The requirement for the retailer to submit a corrective action plan to the Director within a time frame established by the Director.]~~

~~[C.]~~ D. Corrective Action Plan.

(1) Within 10 days of receipt of a deficiency notice under ~~[\$B]~~ §F of this regulation, the retailer shall submit a corrective action plan to the Director for the Director's approval.

(2) The Director shall review the corrective action plan and inform the retailer whether the corrective action plan is acceptable.

(3) If the retailer fails to submit an acceptable corrective action plan within the time described under ~~[\$C(4)]~~ §D(1) of this regulation, the Director may:

(a) Provide the retailer with additional time within which to submit a revised corrective action plan; or

(b) Impose a sanction on the retailer under Regulation .10 of this chapter.

(4) If the Director provided a retailer notice under ~~[\$B(3)]~~ §F of this regulation and received no timely written response, the Commission may adopt as final the Director's decision to impose a sanction under Regulation .10 of this chapter.

~~[D.]~~ **E. Corrective Action Outcomes.**

(1) If at any time during the corrective action period the Director determines that the retailer has failed to fulfill a requirement of the corrective action plan or has made insufficient progress toward remedying a deficiency, the Director may:

- (a) For good cause, extend the time for completion of a corrective action plan; or
- (b) Emergently suspend the retailer's license.

(2) If at the end of the corrective action period the retailer has failed to adequately remedy a deficiency, the Director may impose a sanction under Regulation .10 of this chapter.

F. Deficiency Notice. Upon determining that corrective action is required to remedy a deficiency, the Director shall give written notice to a retailer that includes:

- (1) A description of the violation;**
- (2) A description of the possible sanctions; and**
- (3) The requirement for the retailer to submit a corrective action plan to the Director within a time frame established by the Director.**

.10 Sanctions and Agency Actions on a License.

A. The Director may impose sanctions on a retailer **or take action on a license** for:

(1) Violating or failing to fulfill the retailer's responsibilities or a condition of a license under this subtitle;

(2) Violating:

- (a) A provision of the lottery law **or other applicable law**;
- (b) A regulation adopted under the lottery law; or
- (c) An order or directive of the Agency;

(3) Providing the Agency with false or misleading information;

(4) Failing to cooperate with the Agency;

(5) Failing to remit, or failing to make timely remittance of, funds owed to the Agency;

(6) Failing to meet the retailer's sales requirements as set by the Agency;

(7) Failing to display lottery point of sale material and equipment as directed by the Agency;

(8) Failing to make tickets available for sale as directed by the Agency;

(9) Taking tickets, vouchers, or coupons intended for players;

(10) Failing to provide a player their voucher, coupon, cash or other item of value;

(11) Discounting lottery prizes;

- (12) Selling lottery tickets by phone or other electronic means;
- (13) Selling lottery tickets over the Internet;
- (14) Selling lottery tickets at a price higher than the price established by the Director;
- (15) Extending credit for the purchase of lottery tickets;
- (16) Facilitating a person other than the owner of the lottery ticket under COMAR 36.02.06.02 to claim a prize;
- (17) Conducting or permitting any illegal activity on the premises;
- (18) Allowing an individual who is not a retailer employee to operate lottery equipment;
- (19) Improperly managing customer data;
- ~~(9)~~ (20) Damaging or altering, or allowing another person to damage or alter, materials or equipment provided to the retailer by the Agency or a ~~vendor~~ contractor of the Agency;
- ~~(10)~~ (21) Interfering with ~~-, or influencing the outcome of,~~ a lottery game;
- ~~(11)~~ (22) Failing to prepare, submit, or implement an adequate corrective plan under Regulation ~~[-09C] .09~~ of this chapter;
- ~~(12)~~ (23) Changing ownership of the retailer's ~~operations~~ business without prior notice to the Agency;
- ~~(13)~~ (24) Closing the retailer's operations without prior notice to ~~[and authorization by]~~ the Agency;
- ~~(14)~~ (25) Engaging in conduct, or permitting an employee to engage in conduct, that impairs the reputation of the lottery ~~[program]~~, or would otherwise bring the State into disrepute;
- ~~(15)~~ (26) ~~[Incurring criminal charges]~~ Being the subject of administrative or judicial charges related to the conduct of:
 - (a) ~~[illegal]~~ Illegal gaming;
 - (b) Failing to pay taxes;
 - (c) Defrauding the government, a government program, or government services; or
 - (d) Any other fraudulent activity;
- (27) Possessing an illegal gaming device;
- ~~(16)~~ (28) Possessing materials or equipment indicating involvement by the retailer or the retailer's employees in the conduct of illegal gaming; ~~[or~~
- ~~(17)]~~ (29) Having a history of thefts or other forms of losses of Lottery tickets or revenue; or
- ~~(17)]~~ (30) Other activities or actions deemed by the Director to require the imposition of a sanction.

B. Types of Sanctions and Agency Actions.

(1) Sanctions or Agency actions may include:

(a) The Agency temporarily disabling a retailer's terminal;

(b) The Agency disabling specific game sales on a retailer's terminal;

(c) ~~[emergency]~~ Emergency suspension of a retailer's license; ~~[-suspension,]~~

(d) Suspension of a retailer's license;

(e) ~~[revocation, and]~~ Termination of a retailer's probationary or special license;

(f) Revocation of a retailer's license; or

(g) Placing a limitation of the license of a retailer.

(2) Limitations on a license may include:

(a) Ineligibility for or removal from the ~~[Expanding]~~ Expanded Cashing Authority Program under ~~[COMAR 36.02.03.06]~~ COMAR 36.02.03.08; and

(b) Placement of conditions on the retailer's operations.

C. Disabling a Retailer's Terminal.

(1) If a retailer fails to timely remit funds or if the required funds are not available for withdrawal, the Agency shall disable the retailer's terminal.

(2) If the retailer pays the Agency for any outstanding amount owed, including bank charges, the Agency may re-enable the retailer's terminal.

~~[C.]~~ D. Suspension, Revocation, and Limitation.

(1) Except as set forth in ~~[\$D]~~ §E of this regulation, the Director shall give the retailer notice of the intended suspension, or revocation at least 15 days before the imposition of the intended sanction.

(2) A retailer may appeal the Director's imposition of a sanction before the date the sanction is imposed by submitting a request for a hearing before the Commission.

(3) The Commission's final action on a sanction is subject to judicial review as provided in State Government Article, Title 10, Subtitle 2, Annotated Code of Maryland.

~~[D.]~~ E. Emergency Suspension.

(1) Notwithstanding any other requirement of this chapter, if the Director determines that immediate action is necessary to protect against an imminent, serious threat by a retailer to the security, financial stability, reputation, or integrity of the lottery, the Director may suspend the license of a retailer without prior notice.

(2) If the Director emergently suspends a retailer's license, the Director shall provide the retailer with written notice that includes:

(a) A statement of the authority upon which the suspension is based;

- (b) The nature of the violation;
- (c) The duration of suspension;
- (d) Information about the retailer's obligation to submit to the Agency a corrective plan;

and

- (e) A statement of the retailer's right to request a Commission hearing.

(3) A hearing on an emergency suspension of a retailer license shall be conducted in accordance with the hearing requirements in COMAR 36.01.02.06.

~~[(3)]~~ (4) If after a license is emergently suspended, the retailer does not submit a timely written request for a Commission hearing, the Director may move to revoke the retailer's license by giving the retailer notice under §C(1) of this regulation.

~~[E.]~~ F. Agency Action. After the Director terminates a probationary or special license or imposes an emergency suspension or sanction on a retailer with a regular license, the Agency may:

- (1) Disable the retailer's ~~[lottery]~~ terminal;

- (2) Require the retailer to surrender, or direct ~~[an Agency vendor]~~ the Lottery Central System contractor to remove, any materials or equipment that were provided to the retailer by the Agency or ~~[a vendor of the Agency equipment]~~ the Lottery Central System contractor;

- (3) Direct the retailer to immediately:

- (a) Cease selling or displaying lottery products;
- (b) Render a final accounting to the Agency in a manner specified by the Director; and
- (c) Pay all funds owed the Agency; ~~[and]~~

(d) Return all unsold lottery tickets;

(e) Remove or cover any signage advertising lottery products or services; and

- (4) Take any other action necessary to protect the security, financial stability, reputation, or integrity of the Agency.

~~[F.]~~ G. Reapplication. A person may not reapply to be a retailer or be included in the application of another person for 1 year after the later of:

- (1) The final action on a sanction; or

- (2) If judicial review of the final action on a sanction is taken, the date an adverse decision is entered against the retailer by the highest court to which an appeal is taken.

Title 36
MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY
Subtitle 02 LOTTERY PROVISIONS
Chapter 03 Retailer Requirements

Authority: Criminal Law Article, §12-301.1; State Government Article, §§9-103, 9-104, 9-109—
9-113, 9-115, 9-117, 9-118, 9-119, 9-122, ~~[and]~~ 9-124, and 9-125 Annotated Code of Maryland;
Ch. 603, §6, Acts of 2012

.01 General Responsibilities.

~~[A.]~~ Lottery Laws and Regulations. A retailer shall:

~~[(1)]~~ A. Comply with all lottery laws and regulations of the Agency;

~~[(2)]~~ B. Be aware of all lottery laws and regulations pertaining to the duties and responsibilities of a retailer; and

~~[(3)]~~ C. Inform the Director of an act or omission that the retailer knows or should know constitutes a violation of lottery laws and regulations.

.02 Retailer Obligations

~~[B.]~~ A. Services. A retailer shall:

(1) Provide specified services for the Agency, including the sale, cashing, and issuance of lottery tickets and coupons or vouchers, as directed by the Agency;

(2) Sell a ~~[lottery]~~ ticket for cash only;

(3) Sell ~~[lottery tickets]~~ a ticket only at the location specified on the retailer's license.

(4) Sell a ticket only during the hours listed in the application, or as modified after notifying the Commission, unless otherwise approved in advance by the Agency;

~~[(4)]~~ (5) Exercise courteous and fair treatment to lottery ~~[ticket purchasers]~~ players;

~~[(5)]~~ (6) Sell all lottery games as directed by the Agency;

~~[(6)]~~ (7) Except for those requiring submission of a claim form to the Agency, pay every winning ticket upon validation under COMAR 36.02.06;

~~[(7)]~~ (8) Report to the Agency, as required by the Internal Revenue Service or the Agency, income tax information relating to ~~[holders of winning lottery tickets]~~ a holder of a winning ticket;

~~[(8)]~~ (9) Charge no fee for the issuance or cashing of checks for lottery winnings;

~~[(9)]~~ (10) Display the retailer's license in a prominent location;

~~[(10)]~~ (11) Keep playslips in stock and available to players;

~~[(11)]~~ (12) Not sell any ~~[lottery]~~ ticket or lottery-style ticket other than those made available for sale by the Agency;

~~[(12)]~~ (13) Except for advertising already located on the retailer's premises, [Obtain] obtain prior Agency approval for ~~[any advertising of a]~~ permanent or semi-permanent lottery advertising [nature] such as signs and billboards; ~~[, other than advertising located on the licensed premises; and]~~

~~[(13)]~~ (14) Prominently post point-of-sale and other [promotional/consumer] promotional or player-related materials supplied by the Agency~~[-]~~;

(15) Free of charge, provide the latest winning game data;

(16) Properly manage customer data; and

(17) Except as permitted in Regulation .12 of this chapter, not have on its premises an illegal gaming device or a slot machine as defined in Criminal Law Article, §12-301, Annotated Code of Maryland.

~~[C.]~~ B. Care of Terminals. A retailer shall:

(1) Place terminals within the retailer's premises only on a site approved by the Agency;

(2) Provide sufficient space for the proper operation of the terminal;

(3) ~~[Provide all]~~ Before installation of the terminal, provide electrical requirements as prescribed in the ~~[vendor]~~ Lottery Central System contractor pre-site form ~~[, before the installation of the terminal];~~

(4) Participate in training approved by the Agency;

(5) Replace ~~[lottery]~~ ticket stock when necessary;

(6) Provide reasonable care and security for ~~[lottery]~~ ticket stock tickets, and supplies;

(7) ~~[Exercise]~~ As specified in the operating manual and help screens for the terminal and lottery equipment, exercise due diligence in the operation, security, and care of the terminal ~~[as specified in the retailer's operating manual]~~ and lottery equipment;

(8) ~~[Perform no]~~ Except as directed by the Agency or the Lottery Central System operator, not perform mechanical or electrical maintenance on the terminal ~~[except as directed by the Agency or an Agency vendor]~~ or lottery equipment;

(9) As directed by the Agency, immediately notify the Lottery Central System contractor's technical support operations center in the event of ~~[any]~~ terminal malfunction;

(10) ~~[Make]~~ As directed by the Agency, make the terminal available for the sale and cashing of ~~[lottery]~~ tickets ~~[as directed by the Agency];~~

(11) Except for materials that are provided by the Agency and are specifically authorized to be placed on a terminal, keep ~~[all]~~ the surfaces of the terminal free and clear;

(12) Pay ~~[all]~~ the electrical utility charges in connection with the operation of the terminal; and

(13) Assume the cost of ~~[any]~~ the repairs to the terminal, other lottery equipment, or the retailer's property ~~[arising out of or]~~ related to:

- (a) Unauthorized attempts to modify or repair the terminal or other lottery equipment;
 - (b) Unauthorized attempts to move [~~or relocate~~] the terminal or other lottery equipment;
- and
- (c) [~~Intentional damage to the terminal or defacement of the terminal surface or repeated or continuing negligence which results in damage to the terminal.~~] Other damage to the terminal, lottery equipment or the retailer's property including:

- (i) Intentional damage;
- (ii) Defacement of the property; and
- (iii) Negligence resulting in damage to the property.

[~~D.~~] C. Hold Harmless. A retailer shall hold the Agency and the State of Maryland, and their officials and employees, harmless from any liability arising in connection with operating and conducting [~~lottery~~] ticket sales.

.03 Prohibited Acts.

A. A retailer may not:

- (1) Sell a ticket at any price higher than that established by the Director;
- (2) Sell to or cash a ticket for an individual younger than 18 years old;
- (3) Allow an employee younger than 18 years old to sell or cash a ticket or operate lottery equipment;
- (4) Extend credit in any manner for the sale of a ticket;
- (5) Offer customers alcoholic beverages or cannabis to induce them to purchase or redeem a ticket;
- (6) Charge a player a fee for any lottery related service or convenience;
- (7) Sell an instant ticket prior to activation;
- (8) Fail to secure ticket stock, tickets, or lottery equipment;
- (9) Resell a ticket;
- (10) Exchange terminal game ticket stock with another retailer;
- (11) Misuse terminal game ticket stock;
- (12) Sell any ticket or lottery-style ticket other than those made available for sale by the Agency; or
- (13) Offer a game of chance on the retailer's premises, unless the retailer is:
 - (a) A video lottery facility;

(b) A special licensee for instant ticket lottery machines;

(c) A legal operator of an electronic gaming device that is licensed as an amusement game in Baltimore City or Baltimore County under Criminal Law Article, §12-301.1, Annotated Code of Maryland;

(d) An operator of a device that is subject to regulation by the Comptroller under Criminal Law Article, §12-304, Annotated Code of Maryland;

(e) A legal operator of instant bingo under Criminal Law Article, §12-308, Annotated Code of Maryland; or

(f) Authorized to offer paper tip jar gaming under Criminal Law Article, Title 13, Annotated Code of Maryland.

B. Canceled Ticket. Except as otherwise provided in these regulations or with the approval of the Director, a retailer may not cancel or accept a ticket return for a draw game.

C. Void Ticket.

(1) A ticket may not be sold for a drawing after that drawing has occurred.

(2) A ticket sold for a drawing after that drawing has occurred is void.

.04 Lottery Sale - General.

A. Nothing prevents a person from giving a ticket as a gift.

B. Only a licensed retailer or the retailer's employee may sell a ticket.

C. The Agency may sell a ticket or a lottery subscription.

D. A retailer shall require that a person pay for a ticket at the time of purchase.

.05 Cessation of Operations

[E.] A. A retailer shall notify the Agency at least ~~[14]~~ 10 work days before the retailer temporarily or permanently ceases the operation of the retailer's business.

[F.] B. If a person ceases to be a retailer, the person shall:

(1) Surrender, or allow ~~[an Agency vendor]~~ the Lottery Central System contractor to remove, ~~[-any]~~ materials ~~[or]~~, supplies, unsold tickets, and equipment that were provided by the Agency or ~~[a vendor of the Agency]~~ the Lottery Central System contractor;

(2) Be financially liable for the repair or replacement of Agency equipment lost or damaged;
and

~~[(2)]~~ (3) Assume the cost of ~~[any]~~ repairs to the retailer's location arising from the removal of the ~~[Agency's]~~ equipment in Subsection (1) of this section.

[.02].06 Sale of [Lottery] Tickets — Instant Ticket Procedure.

- A. Retailers shall activate an instant ticket pack before selling an instant ticket from that pack.
- B. Instant tickets that a retailer activates before a ticket's announced end of game may be sold by the retailer after the ticket's announced end of game and until the last date to claim a prize for that game.

[.03].07 Sale of [Lottery] Tickets — Draw Game Ticket Procedure.

A. Playslip or ePlayslip Purchase Procedure. If a player wishes to purchase a ticket using a playslip or an ePlayslip:

- (1) A player shall complete a playslip and give it to the retailer; and
- (2) The retailer shall:
 - (a) Process the playslip or ePlayslip ~~through~~ using the ~~ticket~~ terminal; and
 - (b) Issue to the player the specified draw game ticket for the game being played.

B. Vocalized Purchase Procedure.

(1) Randomly Selected ~~Numbers~~ Game Data.

(a) If a player wishes to have playable ~~numbers~~ game data randomly generated for a draw game ticket, a retailer shall enter the game type and the dollar amount the player wants to ~~wager~~ play.

(b) The retailer shall deliver to the player the ticket issued by the terminal with the randomly generated ~~numbers~~ game data for the game printed on the ticket.

(2) Player Selected ~~Numbers~~ game data.

(a) If the player wishes to provide playable ~~numbers~~ game data, a retailer may allow a player to vocalize the ~~numbers~~ game data.

(b) The retailer shall enter the information provided by the player, including:

- (i) The game type;
- (ii) The dollar amount the player wants to ~~wager~~ play;
- (iii) The ~~numbers~~ game data the player selects;
- (iv) The number of games the player wishes to play; and
- (v) Any other information required by the Agency.

C. Player Activated Terminal. If a player wishes to purchase a ticket using a PAT, the player may purchase the ticket using any method offered on the PAT.

[.04].08 Sale of [~~Lottery~~] Tickets — Fast Play Game Ticket Procedure.

A. Retailer Assisted Purchase Procedure.

(1) If a player [~~wishes~~] wants to purchase a Fast Play game ticket, the player shall indicate to the retailer the name of the Fast Play game [~~desired~~] the player wants.

(2) The retailer shall make the selection [~~and issue~~] of the ticket through the terminal and, [~~deliver~~] after the player pays for the ticket, give it to the player.

B. Player-Activated Terminal.

(1) If a player [~~wishes~~] wants to purchase a ticket using a PAT, the player may purchase the ticket by selecting the icon for the desired Fast Play game on the terminal screen.

(2) The PAT shall generate and dispense the ticket.

[.05].09 Lost, Stolen, or Missing Tickets.

A. If a ticket is lost, stolen, or missing from a retailer, the Director may [~~reimburse~~] offset an amount due from the retailer for the ticket.

B. The Director may require the party responsible for a lost, stolen, or missing ticket to reimburse the Agency.

C. The Agency is not liable to a retailer or player for a lost or stolen ticket.

D. A ticket is void if it:

- (1) Is mutilated;
- (2) Is altered;
- (3) Is irregular;
- (4) Is expired;
- (5) Fails to meet validation standards; or
- (6) Fails to meet security requirements.

E. If a retailer is reimbursed for a lost, stolen, or missing ticket, the retailer shall:

- (1) Hold the Agency harmless; and
- (2) Provide the Director with as much information considered necessary to process the claim.

F. A retailer may not seek indemnification from another source if reimbursed by the Director for a lost, stolen, or missing ticket.

[.06].10 Posting of Winning [~~Numbers.~~] Game Data.

A. As soon as practical after each drawing, a retailer ~~[shall]~~may:

(1) Post in a prominent and conspicuous location within the retailer's business location the winning ~~[number]~~game data; and

(2) Keep the winning ~~[number]~~game data posted until the next drawing.

B. A retailer shall display active winning ~~[numbers]~~game data as requested by the ~~[Director]~~Agency.

C. The Agency is not responsible for a retailer's failure to post or properly post current official winning ~~[numbers]~~game data.

~~[:07].11~~ Payment of Prizes.

A. A retailer shall pay the holder of a valid winning lottery ticket up to \$600 ~~[upon submission and validation of the ticket]~~.

B. A retailer shall pay the holder of a valid winning ticket regardless of whether the retailer sold the ticket.

C. Unless the retailer is a participant in the Expanded Cashing Authority Program under Regulation ~~[:06].08~~ of this chapter, if the valid winning ticket entitles the holder to a prize that is more than \$600, the retailer shall instruct the ticket holder to seek payment from the Agency or a retailer participating in the Expanded Cashing Authority Program.

~~[D. Multiple Claims. A retailer shall:~~

~~(1) Except in those cases of multiple claims totaling over \$600 by the same person, pay all claims in cash; and~~

~~(2) For multiple claims totaling over \$600, pay a minimum of \$500 in cash toward the claims, and issue checks or money orders for the balance.]~~

~~[E.]~~ D. Validated and Paid Tickets. Unless a ticket is cashed at a PAT, after a ticket is validated and paid, the retailer:

(1) May not return the ticket to the winner; and

(2) Shall secure the ticket.

~~[F.]~~ E. Cashing Period. A retailer or Agency claim center may not cash or otherwise process a winning ticket more than 182 days after the:

(1) ~~[Draw]~~Drawing date;

(2) Date of sale of a Fast Play game ticket; or

(3) Announced end of ~~[the]~~ game for an instant game.

F. Unusual Claims.

(1) The Agency shall use an analytics tool to identify an unusual claim.

(2) If the Agency identifies an unusual claim, the Agency may:

(a) Require the claimant to claim a prize at the Agency's headquarters;

(b) Delay payment of the prize;

(c) Investigate the circumstances surrounding the purchase of the ticket and claiming of the ticket including:

(i) Interviewing the claimant; and

(ii) Interviewing the retailer that sold the ticket; and

(d) Require future claims made by the same claimant to be reviewed as an unusual claim.

12 Expanded Cashing Authority Program.

A. Establishment.

(1) The Director may establish an Expanded Cashing Authority Program.

(2) Retailers selected by the Director may pay cash prizes up to \$5,000.

B. Participation. Before authorizing a retailer to participate in the Expanded Cashing Authority Program, the Director ~~shall~~ may consider:

(1) The length of time the retailer has been licensed;

(2) The financial record and responsibility of the retailer;

(3) The retailer's compliance with the requirements of this subtitle;

(4) The need for expanded cashing authority within a specific geographical location;

(5) The number of existing retailers with expanded cashing authority;

(6) The overall performance of the retailer since the license was issued; and

(7) Any other factor deemed relevant by the Director.

C. Retailer Requirements. A retailer in the Expanded Cashing Authority Program shall:

(1) Maintain a separate bank account solely for lottery monies to the credit of the State Lottery Fund;

(2) Ensure the confidential handling of personal information from players and winners by not disclosing any personal information to anyone other than the Agency or as required by law;

(3) ~~Report~~ Collect income tax information relating to ~~holders of winning lottery tickets~~ a holder of a winning ticket to the Agency as required by the Internal Revenue Service or the Agency;

(4) For prizes over \$600, utilize the ~~lottery~~ terminal to determine, whether a holder of a winning ~~lottery~~ ticket:

(a) Owes a State obligation; or

(b) Is on the Commission's Voluntary Exclusion [~~list~~]List described in COMAR 36.01.03; and

(5) If the Agency has notified the retailer that the holder may not be paid, the retailer shall deny [~~Deny~~] payment of a prize to the holder of a winning [~~lottery~~] ticket. [~~if the Agency has notified the retailer that the holder may not be paid.~~]

D. Recertification for the Program. The Director may establish a periodic recertification process for retailers in the Expanded Cashing Authority Program.

E. Removal from the Program.

(1) A retailer participating in the Expanded Cashing Authority Program may be removed from the Program at any time by the Director.

(2) Removal from the program does not automatically otherwise terminate a retailer's license.

(3) The Director's decision to remove a retailer from the program is final and not subject to appeal.

13 Payments to Agency.

A. A retailer shall:

(1) Be financially responsible to the Agency for all:

(a) Revenues derived from the sale of [~~lottery~~] tickets based on the ticket price established by the Director;

(b) [~~Lottery tickets~~] Tickets in the possession of the retailer; and

(c) Except for tickets cashed through a PAT, tickets that the retailer cashed or [~~cancelled~~]canceled which are later submitted to the Agency for payment;

(2) Make regular weekly settlement and payment [~~remittance~~] in the manner, in the place, and on the day of the week specified by the Agency;

(3) Make more frequent settlement and payment remittances when required by the Director;

(4) Pay a service charge to the Agency for any dishonored check or electronic transfer;

(5) Promptly pay a bonding fee in such amount as the Director determines, when required; and

(6) Promptly pay any fees under this subtitle.

B. Any payment due to the Agency not made within 10 days after the due date shall be charged interest until paid.

C. The Agency may refer delinquent accounts to the Central Collection Unit of the Department of Budget and Management.

D. Delinquent accounts shall be increased by any additional fees authorized by State Finance and Procurement Article, §3-304(a)(2), Annotated Code of Maryland.

[.10].14 Americans with Disabilities Act.

A. Definitions. In this regulation, the following terms have the meanings indicated.

B. Terms Defined.

(1) “ADA” means the certain law commonly known as the Americans with Disabilities Act of 1990, as amended.

(2) “ADA retailer compliance form” means a form prepared by the Agency and used to inspect a retailer’s location in connection with this regulation to ensure player accessibility to a retailer.

(3) “Applicant” means a person that applies for a new retailer license or a change of ownership of a retailer.

(4) “Corrective Action Plan” means a plan that an applicant is required to submit to the Agency describing how the applicant will modify its premises to comply with applicable State and federal law regarding accessible business establishments.

~~[(3)]~~(5) “Disability” [means the term as defined] has the meaning stated in the ADA.

C. Compliance.

~~[(1) A retailer shall, at its expense:~~

~~(a) Comply with federal, State, and local laws prohibiting discrimination against individuals with disabilities.~~

~~(b) Maintain a business location that is accessible to individuals with disabilities; and~~

~~(c) Make available at the retailer’s location all lottery-related goods, services, facilities, privileges, advantages, and accommodations to any individual with a disability.]~~

~~[(2)]~~(1) The Agency shall:

~~(a) Inspect the site of [a new retailer]~~an applicant for compliance with ~~[this regulation]~~the ADA for player accessibility;

~~[(b) Inspect the site of a change of ownership retailer for compliance with this regulation; and]~~

~~[(e)]~~(b) If necessary, [provide the retailer with a corrective action plan on the ADA retailer compliance form.] require an applicant whose business establishment is not accessible to submit a proposed Corrective Action Plan before the Director issues a retailer license; and

(c) Require a new retailer or change of ownership to certify in the retailer application that their business establishment at issue in the application is accessible to individuals with disabilities who use wheelchairs.

(2) The Agency may impose a sanction or take an action on a license for failing to comply with this regulation.

D. Waivers

(1) A retailer that is unable to comply with §C of this regulation, shall obtain an official waiver from the State to maintain a non-accessible business establishment; or

(2) If the State no longer provides official waivers under §D(1) of this regulation, a retailer may obtain an official waiver from its local jurisdiction.

[41].15 Changes in Ownership.

A. General.

(1) A retailer license may not be transferred.

(2) A change in ownership of a retailer's business:

(a) Automatically voids the existing retailer license; and

(b) Requires an application for a new license.

(3) A change of ownership includes:

(a) A transfer of ownership of the retailer's business;

(b) The addition of an owner that was not on the original license application; or

(c) Except as provided in §A(4) of this regulation, a change to the retailer's business organization structure.

(4) A change of ownership does not include a voluntary or involuntary transfer of an interest in the retailer's business to a person identified as an owner on the license.

~~[(2) If a retailer is a corporation, partnership, or LLC, a transfer of ownership includes a:~~

~~(a) Merger;~~

~~(b) Consolidation;~~

~~(c) Share exchange of a majority of stock;~~

~~(d) Transfer of a majority of assets or transfer of stock of the majority shareholder; and~~

~~(e) Transfer of a majority partner's interest, or transfer of member's or principal's interest.~~

~~(3) A transfer of interest to a spouse currently identified as an owner on the retailer's license by gift or through operation of law is not a transfer of ownership].~~

~~[(4)] B. Retailer Responsibilities.~~

~~(1) A retailer [who]that transfers ownership:~~

~~(a) Is [remains] responsible for all tickets, lottery equipment, and receipts from lottery sales [up to the date of final accounting]; and~~

~~(b) Remains responsible for fulfilling all obligations to the Agency until the change of ownership is approved and the Agency issues a new license.~~

~~[(5) A retailer shall pay all outstanding funds due to the Agency upon change of ownership.]~~

~~(6) The purchaser of a business where a lottery terminal is installed shall apply for continuation of the existing license at least 30 days before the transfer of ownership.]~~

~~(2) A new owner of the business may apply for a license under COMAR 36.02.02 or relinquish lottery equipment remaining on the premises.~~

~~[B. Approval Process for Change of Ownership.~~

~~(1) The Director shall:~~

~~(a) Require that a new application for a lottery retailer license be completed when a retailer notifies the Agency of a change in ownership; and~~

~~(b) Review the existing location and the applications on file for that trading area.~~

~~(2) If the application of the proposed new owner meets all lottery requirements to become a licensed retailer, preference will be given to retaining the license at the existing location.~~

~~(3) The Director may reasonably determine that circumstances and conditions exist that do not warrant the approval of a license at that location.~~

~~(4) The Director's decision to approve or deny the application of the proposed new owner at the existing location shall be in writing and state the reasons for the decision.~~

~~(5) The decision to deny the application of the proposed new owner shall:~~

~~(a) Be treated in the same manner as a denial of an application for a retailer license; and~~

~~(b) Create the same rights of review and appeal as the denial of an application for a retailer license.]~~

~~[.12 Prohibited Acts.~~

~~A. This regulation does not:~~

~~(1) Prevent a person from giving a lottery ticket to another as a gift; or~~

~~(2) Prohibit the purchase of a ticket for the purpose of making a gift to a person younger than 18 years old.~~

~~B. No person other than a licensed lottery retailer or the retailer's employee or the Agency may sell a lottery ticket or a lottery subscription.~~

~~C. A retailer shall require all lottery tickets to be paid for by the purchaser at the time of purchase.~~

~~D. A retailer may not:~~

- ~~(1) Sell a ticket at any price other than that established by the Director;~~
- ~~(2) Sell to or cash a lottery ticket for a person younger than 18 years old;~~
- ~~(3) Allow an employee younger than 18 years old to sell or cash a lottery ticket or operate lottery equipment;~~
- ~~(4) Extend credit in any manner for the sale of lottery tickets;~~
- ~~(5) Offer customers alcoholic beverages to induce them to purchase or redeem a lottery ticket; or~~
- ~~(6) Except as provided in Criminal Law Article, §§12-301.1, 12-304, and 12-308, Annotated Code of Maryland, have on its premises an illegal gaming device or a slot machine as defined in Criminal Law Article, §12-301, Annotated Code of Maryland.~~

~~E. Games of Chance:~~

- ~~(1) This section does not apply to a game of chance offered legally by a retailer that is:
 - ~~(a) A video lottery facility;~~
 - ~~(b) A legal operator of an electronic gaming device that is licensed as an amusement game in Baltimore City or Baltimore County under Criminal Law Article, §12-301.1, Annotated Code of Maryland;~~
 - ~~(c) Subject to regulation by the Comptroller under Criminal Law Article, §12-304, Annotated Code of Maryland;~~
 - ~~(d) A legal operator of instant bingo under Criminal Law Article, §12-308, Annotated Code of Maryland; or~~
 - ~~(e) Authorized to offer paper tip jar gaming under Criminal Law Article, Title 13, Annotated Code of Maryland.~~~~
- ~~(2) Except for a lottery game or promotion, a retailer may not offer a game of chance on the retailer's premises.~~

~~F. Except as otherwise provided in these regulations or with the approval of the Director, a retailer may not cancel or accept ticket returns for draw games.~~

~~G. All instant ticket and Fast Play game ticket sales are final and may not be cancelled once sold.~~

~~H. Void Ticket:~~

- ~~(1) A ticket may not be sold for a drawing after that drawing has occurred; and~~
- ~~(2) A ticket sold for a drawing after that drawing has occurred is void.]~~

Title 36
MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY
Subtitle 02 LOTTERY PROVISIONS

Chapter 04 Common Provisions for All Lottery Games

Authority: State Government Article, §§9-103, 9-104, 9-109—9-111, 9-122, and 9-124,
Annotated Code of Maryland

.01 Governing Law and Rules.

A. By purchasing a [game] ticket, a player agrees to comply with and abide by all:

- (1) Applicable laws and regulations;
- (2) Procedures implemented by the Director for conducting a lottery game;
- (3) Rules for that lottery game; and
- (4) Decisions of the Director.

B. A multi-jurisdictional game shall be governed by:

- (1) Applicable law and regulations;
- (2) The rules, procedures, and other documents concerning that game as agreed to by the jurisdictions offering that game; and
- (3) Agency provisions regarding the purchase and claiming of a ticket.

C. All decisions made by the Director shall be final and binding on [all] players and on [all] persons making claims [with respect to them].

.02 Ticket Purchaser Responsibilities.

A. At the time of purchase and if applicable, the purchaser of a [lottery] ticket is responsible for verifying that the information printed on the ticket accurately reflects:

- (1) The ~~[numbers, or other symbols by which winning is determined,]~~ game data that the purchaser wants to play if the purchaser ~~[is permitted to select]~~ selects their own ~~[numbers]~~ game data ~~[and has chosen to do so];~~ and
- (2) The drawing date and time, if applicable. ~~;~~ and
- (3) ~~That the correct ticket was purchased.~~

B. The sole remedy for an inaccurate ticket shall be cancellation of that ticket, if permitted, as set forth in Regulation .04 of this chapter.

C. To receive a prize, a person holding a winning ticket shall submit to an authorized claiming location the ticket and all necessary documentation for claiming within 182 days after the ~~[date of the]~~ drawing date, the date of sale of a Fast Play game ticket, or the announced end of ~~[an instant ticket]~~ game.

.03 Methods of Purchase.

A. This regulation does not apply to instant ticket lottery machines under COMAR 36.02.09.

B. Playslips and ePlayslips.

(1) ~~The following~~ Playslips and ePlayslips are not valid as a receipt to claim a prize or proof of purchase of a ticket. ~~]:~~

~~(a) A playslip; or~~

~~(b) An ePlayslip.]~~

(2) If a playslip or an ePlayslip may be used to play a draw game, the playslip or ePlayslip shall be available at no cost to the purchaser and may be used by the purchaser for selection of ~~numbers.]~~ game data.

(3) A playslip shall include instructions on how to complete the playslip.

(4) ~~Except for monitor games, if~~ If game play by playslip or ePlayslip is authorized and a playslip or an ePlayslip is unavailable, the retailer ~~shall~~ may manually enter into the ~~ticket~~ terminal the ~~numbers.]~~ game data selected by the player.

~~(5) For monitor games, a retailer may require players to use a playslip or an ePlayslip.]~~

~~(6)]~~ (5) The Agency or a retailer may seize and destroy an invalid playslip.

~~B.]~~ C. Purchase by Playslip Through Retailer.

(1) If ~~a game may be played using a playslip and~~ the player chooses to play by playslip, the purchaser shall present a completed playslip to the retailer.

(2) A player may play as many panels or play areas as are available on the playslip.

(3) A player shall mark all necessary areas on the playslip.

(4) If a player does not mark all necessary areas, the retailer shall return the playslip to the player or the terminal may select ~~numbers.]~~ game data necessary to complete the playslip.

(5) A playslip shall be manually marked and may not be marked by an electromechanical, electronic printing, or automated device.

(6) A playslip marked by a method other than a method authorized by this section shall be invalid.

(7) A ticket produced by an invalid playslip is invalid.

~~C.]~~ D. Purchase by ePlayslip Through Retailer.

(1) If ~~a game may be played using an ePlayslip and~~ the player chooses to play by ePlayslip, the ~~purchaser]~~ player shall present a completed ePlayslip to the retailer.

(2) A player may play as many panels or play areas as are available on the ePlayslip.

(3) A player shall select all necessary areas on the ePlayslip.

~~(4) If a player does not select all necessary areas, the retailer shall return the ePlayslip to the player.~~

~~(5) A ticket produced by an invalid ePlayslip is invalid.]~~

~~[D.]~~ E. Purchase Using a Player-activated Terminal. If a game may be played using a player-activated terminal, the player shall:

(1) Enter selections from the choices provided ~~[by the device]~~ on the player-activated terminal screen; or

(2) Insert a playslip or scan an ePlayslip.

~~[E.]~~ F. Purchase by Subscription.

(1) Subscription Plans.

(a) The Lottery may offer subscription plans.

(b) The Director shall determine the price of a subscription plan.

(c) The Director may reduce the price of a subscription plan for a specified ~~[period under a special purchase option]~~ number of drawings.

(d) The Director may cancel a subscription and issue a refund for the subscription based on:

(i) Game changes; or

(ii) Ineligibility of a purchaser.

(2) Application for a Subscription ~~[Applications]~~.

(a) A player that wants to purchase ~~[purchaser of]~~ a Lottery subscription shall be a resident of Maryland or ~~[use]~~ have a Maryland address ~~[for the]~~ to purchase a subscription ~~[application]~~.

(b) If a game may be purchased by subscription, a subscription application ~~[form]~~ shall:

(i) Identify the game being played; and

(ii) Require the purchaser to supply identifying information as determined by the Agency.

~~[(d)]~~ (c) A subscription application ~~[form]~~ shall allow the purchaser to designate:

(i) The number of drawings or games to be played, or the length of the subscription; and

(ii) If a game allows a player to select ~~[numbers]~~ game data, the player's decision to supply particular ~~[numbers]~~ game data or to allow the ~~[Agency vendor's computer]~~ system to select random ~~[numbers]~~ game data.

~~[(e)]~~ (d) A subscription application may require the player to provide any other information the Agency requires.

(3) Group Subscription Applications.

(a) An application for a subscription in the name of more than one person:

(i) Is a group subscription;

(ii) Shall designate a single group member to be the group manager;

(b) The group manager shall be:

(i) A Maryland resident or have a Maryland mailing address; and

(ii) Authorized to be the sole recipient of prizes up to an amount determined by the Director.

(c) An application for a group subscription shall include identifying information for each group member, as determined by the Agency.

(d) The application for a group will only be ~~completed~~ accepted if the application ~~form~~ is fully completed and all ~~requested~~ required information is provided about each group member.

(4) Confirmation of Subscription ~~Email~~.

~~(a)~~ The Agency shall provide a subscription purchaser or, if a group purchaser, the group's representative, a subscription confirmation email.

~~(b) A subscription confirmation email shall include information identifying the subscription, as determined by the Agency.~~

(5) Subscription Play and Winning.

(a) A subscription player shall be automatically entered in each drawing or game during the period when the subscription is active.

~~(b) The Agency shall monitor each subscription.~~

~~(c)~~ (b) The Agency shall pay ~~Payment of~~ subscription prizes ~~shall be made~~ as provided for in COMAR 36.02.06.

(6) The Agency may allow a ~~A~~ subscription ~~may be~~ to be renewed ~~as allowed by the Agency~~.

.04 Cancellation of Tickets.

A. Draw Games.

(1) ~~Unless cancellation is authorized by this regulation or the rules governing that ticket, a sale of a draw game ticket is final.~~ Except as provided in § A(2) of this regulation, a draw game ticket may be canceled.

(2) A draw game ticket may not be canceled in:

(a) A multi-jurisdictional game; ~~played with a draw game ticket may be cancelled only if authorized by the rules governing that game.~~

(b) Cash Pop; and

(c) Multi-Match.

(3) A ticket purchased at a player-activated terminal may not be ~~cancelled~~ cancelled at the PAT, but an eligible ticket may be canceled at a non-PAT terminal at the retailer where the ticket was purchased.

(4) The Director may determine during certain promotions that tickets may not be ~~cancelled.~~ cancelled.

(5) A draw game ticket may be ~~cancelled~~ cancelled only:

(a) By the same retailer from which the ticket was purchased;

(b) On the day of purchase;

(c) Before the designated cutoff time for the first drawing on the ticket; and

(d) If allowed by the game rules.

(6) Canceling a draw game ticket:

(a) Voids the ticket;

(b) Removes the ticket from the pool of tickets eligible for the drawing;

(c) Renders the ticket ineligible for entry into a loyalty platform or program; and

~~(e)~~ (d) Results in the ticket being invalid and not eligible to win a prize.

(7) A retailer presented with a draw game ticket for cancellation shall cancel the ticket as authorized by this regulation.

(8) When a retailer cancels a draw game ticket in accordance with this regulation, the retailer shall:

(a) Ensure that the terminal issues a refund receipt in the amount of the purchase price of the ticket;

(b) Keep the refund slip;

(c) Keep the ticket; and

~~(e)~~ (d) Pay the player a refund equal to the purchase price of the ticket.

(9) The Agency is not obligated to pay a prize to the holder of a ~~cancelled~~ cancelled ticket, even if the ticket was ~~cancelled~~ cancelled in error.

B. Instant Ticket Games. Unless the Director determines otherwise, an instant game ticket may not be ~~cancelled.~~ cancelled.

C. Fast Play Games. A Fast Play game ticket may not be ~~cancelled.~~ cancelled.

.05 [Game] Liability [~~Limit.~~] Limits.

A. Scope.

- (1) This regulation applies to a lottery game.
- (2) This regulation does not apply to:
 - (a) An instant ticket lottery machine game; or
 - (b) A promotion.

~~[A.]~~ B. [~~Definition.]~~ Definitions.

- (1) In this regulation, the following ~~[term has]~~ terms have the ~~[meaning]~~ meanings indicated.
- (2) Term Defined.

~~["Game liability limit" means the dollar amount at which winning tickets, if paid, would exceed the amount the Director deems to be in the Agency's best interests.]~~

- (a) "Pick Game" means a Pick 3, Pick 4, and Pick 5 game.
- (b) "Prize cap" means an upper limit of prize liability beyond which fixed prizes are recalculated on a parimutuel basis.
- (c) "Promotional prize limit" means the maximum payout for a single play during a sales promotion
- (d) "Sales limit" means the dollar amount established by the Director at which winning tickets, if paid, would not be in the Agency's best interests.

C. Pick Games.

- (1) There is a liability limit for a Pick Game.
- (2) When the liability limit is reached for a number combination in a drawing, sales on the number combination are no longer permitted.

D. Draw Games Other Than a Pick Game.

- (1) If the fixed prize amount multiplied by the number of winners exceeds the prize cap, prizes shall be calculated on a parimutuel basis.
- (2) A jackpot prize is determined on a parimutual basis.

~~[B. The]~~ E. Except for a multi-jurisdictional game, the Director may establish or modify for each drawing of a game a:

- (1) ~~[a game liability]~~ Promotional prize limit ~~[for each drawing of a game and for each game.]~~
- (2) Prize cap; or
- (3) Sales limit.

~~[C. A lottery ticket may not be issued if the ticket, if won, would exceed the game liability limit established by the Director for that drawing or game.]~~

.06 Agency Not Liable.

The Agency is not responsible or liable for:

- A. A ticket or entry that is lost, stolen, damaged, or destroyed;
- B. A ticket redeemed by a retailer in error;
- C. A winning number repeated, reported, or displayed in error, including by television, media, or by any other form of communication;
- D. An outdated or incorrect playslip, ePlayslip, or consumer game information;
- E. A claim, liability, injury, or property loss of any kind arising out of a player's, winner's, guest's, traveler's, or any other person's participation in:
 - (1) A lottery game ~~[of any kind]~~;
 - (2) A promotion;
 - (3) A drawing or a related event or occurrence; or
 - (4) The award, receipt, possession, use, misuse, or acceptance of a prize;
- F. Negligence or breach of obligation of a person other than the Agency, its employees, officials, or members; or
- G. Payment of a ticket not in accordance with this subtitle.

.07 No Endorsement.

By providing a prize or ~~[any]~~ a portion of a prize from a company or other person, the Agency has not endorsed the company or other person.

~~**.08 Reporting Death or Prize.**~~

~~The Agency may report to the Comptroller of Maryland and the Internal Revenue Service a lottery winner's name, win, winning amount, death, or any other permissible information.]~~

Title 36
MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY
Subtitle 02 LOTTERY PROVISIONS
Chapter 05 Specific Game Provisions

Authority: State Government Article, §§9-103, 9-104, 9-109—9-111, 9-122, and 9-124,
Annotated Code of Maryland

.01 Draw Games.

A. Drawings.

(1) Except for ~~[multi-jurisdictional games, monitor games, and raffles, draw game]~~ a raffle, drawings ~~[shall be open to the public and]~~ shall occur at least once a week.

~~[(2) The Agency may use members of the general public as witnesses at a draw game drawing.]~~

~~[(3)]~~ (2) Winning ~~[numbers]~~ game data ~~[for a draw game]~~ may be drawn by:

- (a) Mechanical drawing equipment;
- (b) A random number generator; or
- (c) Another random method or device approved by the Director.

~~[(4)]~~(3) The ~~[numbers]~~ game data ~~[drawn]~~ ~~[for]~~ selected during a ~~[game-]~~ drawing shall be the winning ~~[numbers]~~ game data for that drawing ~~[of that game]~~.

B. Draw Game Tickets.

(1) A draw game ticket shall be generated through the use of a terminal or a subscription purchase.

(2) The draw game ticket shall include the:

- (a) ~~[Numbers]~~ Game data played;
- (b) Amount ~~[wagered]~~ played;
- (c) Ticket serial number;

(d) Additional ticket security codes;

~~[(d)]~~ (e) Barcode with an encoded serial number and data to permit scanning of the ticket;
and

~~[(e)]~~ (f) Drawing date or, if the ticket is for multiple drawings, the range of drawing dates or ~~[draws]~~ numerical designation for a drawing.

C. Monitor Games.

(1) The results of a monitor game drawing may be displayed on the game's monitor.

(2) A retailer may require use of a playslip or an ePlayslip for purchasing a monitor ~~[games]~~ game ticket.

D. Consumer Game Information.

(1) The Agency shall provide information about its games. ~~]:~~

~~(a) Draw games; and~~

~~(b) Multi-jurisdictional games with draw game tickets.]~~

(2) As determined by the Agency, consumer game information shall explain the:

(a) Game;

(b) Game play; and

(c) ~~[Play of]~~ Game's optional features.

(3) The Agency may provide consumer game information on its website, mobile app, or in any other location, as determined by the Agency.

E. To determine if a draw game ticket is a winning ticket, a player may scan or present the ticket to a retailer, a PAT, ~~[or]~~ the Agency, or an application or platform provided by the Agency.

.02 Fast Play Games.

A. Fast Play Game Tickets.

(1) A Fast Play game ticket shall be generated through the use of a terminal.

(2) The Fast Play game ticket shall include the:

(a) Graphic rendering of ~~[symbols or numbers]~~ game data that ~~[allow]~~ allows for visual inspection to determine if the ticket is ~~[entitled to a prize]~~ a winning ticket;

(b) Amount played;

(c) Ticket serial number;

(d) Additional ticket security codes;

~~and~~ ~~[(d)]~~ (e) Barcode with an encoded serial number and data to permit scanning of the ticket;

~~[(e)]~~ (f) Date and time of sale.

B. Consumer Game Information.

(1) The Agency shall provide information about Fast Play games.

(2) As determined by the Agency, consumer game information shall explain the:

(a) Game;

(b) Game play; and

(c) ~~[Play of any]~~ Game's optional features.

(3) The Agency may provide consumer game information on its website, mobile app or in any other location.

C. To determine if a Fast Play game ticket is a winning ticket, a player may scan or present the ticket to a retailer, a PAT, ~~[or]~~ the Agency, or an application or platform provided by the Agency.

.03 Instant Ticket Games.

A. An instant game ticket shall have one or more areas that conceal:

- (1) The playing area or a portion of the playing area;
- (2) The prize or prizes;
- (3) Other information as determined by the Director; or
- (4) Any of the above.

B. To determine if an instant ticket is a winning ticket, a player may:

(1) Expose the concealed area or areas in accordance with the game instructions on the instant ticket; or

(2) Present the ticket to a retailer, PAT, ~~[or]~~ the Agency, or an application or platform provided by the Agency.

.04 Bonus and Promotional Games.

A. The Agency may offer bonus games, promotional games, or both.

B. A bonus game may be:

- (1) A lottery game;
- (2) A promotional game; or
- (3) Both.

C. A promotional game may be a bonus game.

~~[D. For claiming period purposes, instant ticket games are designated as bonus games or drawings.]~~

Title 36
MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY
Subtitle 02 LOTTERY PROVISIONS
Chapter 07 Unclaimed Lottery Prizes

Authority: State Government Article, §§9-103, 9-104, 9-109—9-111, and 9-122, Annotated Code of Maryland

.01 Prize Claiming Period.

A. Unclaimed Monetary Award.

(1) The Director shall retain an unclaimed monetary award for 182 days after ~~[the date of]~~ the:

- (a) Drawing date ~~[in which the prize was won]~~;
- (b) Date the Fast Play game ticket was sold; or
- (c) Announced end of game date for an instant ticket.

(2) If no claim for a monetary award is made within 182 days, the Director shall transfer the monetary award to ~~[an unclaimed prize fund]~~ the Unclaimed Prize Fund.

B. Unclaimed Merchandise or Experiential Award.

(1) The Director shall designate the time period for retaining unclaimed merchandise or an experiential award.

(2) If no claim is made for merchandise or an experiential award within the time period designated by the Director, the Director shall designate how the Agency will handle the merchandise or experiential award consistent with any Agency contract or license agreement for the merchandise or experiential award.

(3) If no time period has been designated by the Director for retaining unclaimed merchandise or an experiential award, the period for claiming the award may not exceed 182 days.

C. Unclaimed Prizes Held Other Than 182 Days. The Director may hold a prize in a game or drawing for a period of time other than 182 days if:

- (1) The game is not a weekly, ~~[or]~~ daily or multi jurisdictional lottery drawing;
- (2) The Director designated the game as a bonus game or drawing; and
- (3) The Director designates the claiming period to be a time other than 182 days.

.02 Unclaimed Prize Fund.

A. Prize money ~~[on winning tickets]~~ from a winning ticket that ~~[have]~~ has not been claimed within the claiming period for that game shall accrue to the ~~[unclaimed prize fund]~~ Unclaimed Prize Fund.

B. The Director may institute bonus prizes using funds from the [~~unclaimed prize fund~~]
Unclaimed Prize Fund.

C. Bonus Prizes.

(1) The bonus prizes shall be determined by the Director.

[~~D.~~ (2) The Director may change the number of bonus prize categories and the allocation of prize money among the prize categories.

[~~E.~~ (3) The Agency shall announce any change to the number of bonus prize categories and to the allocation of prize money among the prize categories.

Proposed

Title 36
MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY
Subtitle 02 LOTTERY PROVISIONS
Chapter 09 ~~[Special Operation Licenses for]~~ Instant Ticket Lottery Machines
Authority: State Government Article, §9-112, Annotated Code of Maryland

.01 Scope.

A. This chapter applies to a retailer that is a veterans' services organization and applies for and sells tickets ~~[under a special operation license for]~~ from instant ticket lottery machines.

B. In addition to the requirements of this chapter and State Government Article § 9-112, Annotated Code of Maryland, a veterans' services organization licensed to sell tickets from an instant ticket lottery machine shall meet the requirements of this subtitle for a retailer licensed by the Agency.

.02 Definitions.

A. In this chapter, the following terms have the meanings indicated.

B. Terms Defined.

(1) "Cashout voucher" means a printed slip of paper with a code indicating the amount of money payable to the individual who presents the ticket to an ~~[operation]~~ ITLM licensee.

(2) "Contractor" or "Agency's contractor" means a company selected by the Agency for the design, development, installation, implementation, operation, and maintenance of the Agency's Instant Ticket Lottery Machine system.

~~[(3) "Facility" means the building where an operation licensee places instant ticket lottery machines.]~~

~~[(4) "Instant ticket" means a preprinted ticket purchased from an instant ticket lottery machine.]~~

~~(5)~~ (4) "Instant ticket lottery machine" or "ITLM" means a machine or other device provided to a retailer through the Agency's contractor as required under State Government Article § 9-112, Annotated Code of Maryland.

~~[(6) "Operation]~~ (5) "ITLM licensee" means the holder of a special ~~[operation]~~ license to operate instant ticket lottery machines.

(6) "ITLM ticket" means a preprinted ticket purchased from an instant ticket lottery machine.

~~[(7) "Special operation license" or "operation license" means permission granted by the Agency under this chapter to sell instant tickets.]~~

(7) “Veterans’ facility” means the building where an ITLM licensee places instant ticket lottery machines.

(8) “Veterans’ services organization” means an organization that is:

(a) Tax exempt and organized as a veterans’ organization under §501(c)(19) or §501(c)(4) of the United States Internal Revenue Code; and

(b) Located in:

- (i) Allegany County;
- (ii) Anne Arundel County;
- (iii) Baltimore City;
- (iv) Baltimore County;
- (v) Calvert County;
- (vi) Carroll County;
- (vii) Charles County;
- (viii) Frederick County;
- (ix) Garrett County;
- (x) Harford County;
- (xi) Howard County;
- (xii) Montgomery County;
- (xiii) Prince George’s County;
- (xiv) Saint Mary’s County; or
- (xv) Washington County.

.03 ~~[Operation]~~ ITLM Licensee Requirements.

A. A veterans’ services organization may not operate instant ticket lottery machines without a special ~~[operation]~~ license.

B. A veterans’ services organization may apply for a special ~~[operation]~~ license to operate up to 5 instant ticket lottery machines.

~~[C. An operation licensee may be required by the Agency to qualify for and become authorized to operate under the Expanded Cashing Authority Program as set forth in COMAR 36.02.03.06.]~~

~~[D.]~~ C. An ~~[operation]~~ ITLM licensee shall locate the ~~[licensed]~~ instant ticket lottery machines in the veterans’ facility within its ~~[primary]~~ principal meeting hall in the county in which the veterans’ organization is located.

E. The Agency may restrict the permissible location within a veterans' facility [~~of instant ticket lottery machines~~].

F. An [~~operation~~] ITLM licensee shall enter into an agreement with the Agency [~~regarding the instant ticket lottery machine program~~] that provides for the:

(1) [~~Payment of rent~~] Reimbursement of rental or lease fees for the instant ticket lottery machines;

(2) Power, utility, security, and HVAC needs of the instant ticket lottery machines; and

(3) Operation, maintenance, ITLM ticket retention, record keeping, and reporting requirements of the instant ticket lottery machines.

04 [~~Sales of Instant Tickets~~] Instant Ticket Lottery Machine Play.

A. An [~~operation~~] ITLM licensee may [~~sell an instant ticket only to~~] allow an individual who is 18 years old or older to play an instant ticket lottery machine.

B. An [~~operation~~] ITLM licensee shall be:

(1) Knowledgeable about the games available in the instant ticket lottery machine; and

(2) Able to show players how to access help screens in the instant ticket lottery machine.

~~[C. The purchase of an instant ticket may not be cancelled.]~~

.05 Payment of Prizes.

A. A cashout voucher may be presented for payment only to:

(1) The [~~operation~~] ITLM licensee where the voucher was printed; or

(2) An Agency claim center as defined in COMAR 36.02.06.01B(1).

B. Only a player who is an individual may present a cashout voucher for payment.

C. The provisions of COMAR 36.02.06.15 [~~and~~] COMAR 36.02.06.16 and COMAR 36.02.06.17 do not apply to claims for payment of a prize from an instant ticket lottery machine.

D. Except as provided in §§A—C of this regulation, an [~~operation~~] ITLM licensee shall pay the individual holder of a cashout voucher in accordance with the claims procedures described in COMAR 36.02.06.