# Title 36 MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY

## Subtitle 02 LOTTERY PROVISIONS

### Chapter 03 Retailer Requirements

#### Authority: State Government Article, §§9-110—9-113, 9-115, 9-117, 9-119, 9-122, and 9-124, Annotated Code of Maryland

### .01 General Responsibilities.

A. Lottery Laws and Regulations. A retailer shall:

(1) Comply with all lottery laws and regulations of the Agency;

(2) Be aware of all lottery laws and regulations pertaining to the duties and responsibilities of a retailer; and

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

B. Services. A retailer shall:

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

(2) Sell a lottery ticket for cash only;

(3) **Sell lottery tickets only at the location specified on the retailer’s license.**

**(4)** Exercise courteous and fair treatment to lottery ticket purchasers;

~~(4)~~**(5)** Sell all games as directed by the Agency;

~~(5)~~**(6)** Except for those requiring submission of a claim form to the Agency, pay every winning ticket upon validation under COMAR 36.02.06;

~~(6)~~**(7)** Report, as required by the Internal Revenue Service or the Agency, income tax information relating to holders of winning lottery tickets;

~~(7)~~**(8)** Charge no fee for the issuance or cashing of checks for lottery winnings;

~~(8)~~**(9)** Display the retailer’s license in a prominent location;

**(10) Keep playslips in stock and available to players;**

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

~~(9)~~**(12)** Obtain prior Agency approval for any advertising of a permanent or semi-permanent nature such as signs and billboards, other than advertising located on the licensed premises; and

~~(10)~~**(13)** Prominently post point-of-sale and other promotional/consumer materials supplied by the Agency.

C. 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 electrical requirements as prescribed in the vendor pre-site form, before the installation of the terminal;

(4) ~~Attend such training sessions as the Agency shall determine to ensure that the retailer and employees are properly trained in the operation, maintenance, care, and security of the terminal~~**Participate in training approved by the Agency**;

(5) Replace ~~printing equipment and supplies and~~ **lottery** ticket stock when necessary;

(6) Provide reasonable care and security for ~~printing materials~~ **lottery ticket stock**;

(7) Exercise due diligence in the operation, security, and care of the terminal as specified in the retailer’s operating manual;

(8) Perform no mechanical or electrical maintenance on the terminal **except as directed by the Agency or an Agency vendor;**

**(9)** ~~and, as~~ **As** directed by the Agency, immediately notify the technical support operations center in the event of any terminal malfunction;

~~(9)~~**(10)** Make the terminal available for the sale and cashing of lottery tickets as directed by the Agency;

~~(10)~~ **(11)** Except for materials that are provided by the Agency and are specifically authorized to be placed on a terminal, keep all surfaces of the terminal free and clear;

~~(11)~~ **(12)** Pay all electrical utility charges in connection with the operation of the terminal; and

~~(12)~~ **(13)** Assume the cost of any repairs to the terminal arising out of or related to:

(a) Unauthorized attempts to modify or repair the terminal;

(b) Unauthorized attempts to move or relocate the terminal; 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.

D. 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.

E. A retailer shall notify the Agency at least 14 days before the retailer temporarily **or permanently** ceases the operation of the retailer’s business.

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

(1) Surrender, or allow an Agency vendor to remove, any materials or equipment that were provided by the Agency or a vendor of the Agency; and

(2) Assume the cost of any repairs to the retailer’s location arising from the removal of the Agency’s equipment.

### .02 Sale of Lottery Tickets – Instant Ticket Procedure.

~~A. Specific Locations.~~

~~(1) The sale of lottery tickets shall be made only at the location specified in the license.~~

~~(2) Except as provided in the lottery laws or these regulations, no other sale of lottery tickets may be permitted.~~

~~B. Activation and sale.~~ 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.

**~~C.~~.03 Sale of Lottery Tickets - Draw Game Ticket Procedure**.

~~C.~~**A.** Playslip or ePlayslip Purchase Procedure. If a player wishes to purchase a ticket using a playslip or an ePlayslip~~, the retailer shall~~:

(1) ~~Process the playslip or ePlayslip through the ticket terminal~~ **A player shall complete a playslip and give it to the retailer**; and

(2) **The retailer shall:**

**(i) Process the playslip or ePlayslip through the ticket terminal; and**

**(ii)** Issue to the player the specified ~~on-line~~ **draw** game ticket for the game being played.

~~D. Computer Generated Ticket Procedure.~~

**B. Vocalized Purchase Procedure.**

(1) Randomly Selected Numbers.

(a) If a player wishes to have playable numbers **randomly** generated ~~as an on-line~~ **for a draw game** ticket, a retailer ~~authorized to sell on-line games~~ shall enter the game type and the dollar amount the player wants to wager.

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

(2) Player Selected Numbers.

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

(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;

(iii) The numbers 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.**

### ~~.03~~.04 Lost, Stolen, or Missing Tickets.

A. If a ticket is lost, stolen, or missing from a retailer, the Director may reimburse 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 ~~consumer~~ **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.

### ~~.04~~.05 Posting of Winning ~~Prize~~ Numbers.

A. As soon as practical after each drawing, a retailer shall:

(1) Post in a prominent and conspicuous location within the retailer’s business location the winning number; and

(2) Keep the winning number posted until the next drawing.

B. A retailer shall display active winning numbers as requested by the Director.

C. The Agency is not responsible for a retailer’s failure to post or properly post current official winning numbers.

### ~~.05~~ .06 Payment of Prizes.

A. A retailer shall pay the holder of a 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 of this chapter, if the 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. 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. **Unless a ticket is cashed at a PAT,** ~~Once~~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. A retailer may not cash or otherwise process a winning ticket more than 182 days after the announced end of the game.

### ~~.06~~.07 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 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 income tax information relating to holders of winning lottery tickets **to the Agency** as required by the Internal Revenue Service or the Agency;

(4) For prizes over $600, **utilize the lottery terminal to** determine, ~~through the Agency and~~ before paying the prize, whether a holder of a winning lottery ticket ~~has been certified under~~:

(a) **Owes a State obligation**~~Criminal Procedure Article, §11-616(b), Annotated Code of Maryland~~;

(~~b) Family Law Article, §10-113.1(a), Annotated Code of Maryland; or~~

~~(c) State Finance and Procurement Article, §3-307(g), Annotated Code of Maryland;~~ ~~and~~**or**

**(b) Is on the Voluntary Exclusion list described in COMAR 36.01.03; and**

(5) 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.

### ~~.07~~.08 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;

(b) Lottery tickets in the possession of the retailer; and

(c) **Except for tickets that the retailer cashed through a PAT, tickets**~~Tickets~~ that the retailer cashed or cancelled 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.

### ~~.08~~.09 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.

(3) “Disability” means the term as defined 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) The Agency shall:

(a) Inspect the site of a new retailer for compliance with this regulation;

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

(c) **If necessary,**~~Provide~~ **provide** the retailer with a corrective action plan on the ADA retailer compliance form.

### ~~.09~~.10 Changes in Ownership.

A. General.

(1) 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.

(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**~~or child~~ by gift or through operation of law is not a transfer of ownership.

(4) A retailer who transfers ownership remains responsible for all tickets and lottery sales up to the date of final accounting.

(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.

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.

### ~~.10~~.11 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 than18 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 buying and before the time of the drawing.

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 than18 years old; or

(3) Allow an employee younger than 18 years old to sell or cash a lottery ticket or operate lottery equipment.

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

F. All instant ticket sales are final and may not be cancelled once sold.

G. **Void Ticket.**~~All sales of tickets for a particular drawing are void after the drawing.~~

**(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.**

H. A retailer may not extend credit in any manner for the sale of lottery tickets.

I. A retailer may not offer customers alcoholic beverages to induce them into purchasing or redeeming a lottery ticket.