

Final Proposed Filing - Coversheet

Instructions:

In accordance with Title 3 Chapter 25 of the Vermont Statutes Annotated and the “Rule on Rulemaking” adopted by the Office of the Secretary of State, this filing will be considered complete upon filing and acceptance of these forms with the Office of the Secretary of State, and the Legislative Committee on Administrative Rules.

All forms shall be submitted at the Office of the Secretary of State, no later than 3:30 pm on the last scheduled day of the work week.

The data provided in text areas of these forms will be used to generate a notice of rulemaking in the portal of “Proposed Rule Postings” online, and the newspapers of record if the rule is marked for publication. Publication of notices will be charged back to the promulgating agency.

**PLEASE REMOVE ANY COVERSHEET OR FORM NOT
REQUIRED WITH THE CURRENT FILING BEFORE DELIVERY!**

Certification Statement: As the adopting Authority of this rule (see 3 V.S.A. § 801 (b) (11) for a definition), I approve the contents of this filing entitled:

Updated Vermont Lottery Rules - CVR 01-130-001

_____/s/ Martin Manahan_____, on 10/08/2025
(signature) (date)

Printed Name and Title:

Chairman, Vermont Board of Liquor and Lottery

RECEIVED BY: _____

- ☐ Coversheet
- ☐ Adopting Page
- ☐ Economic Impact Analysis
- ☐ Environmental Impact Analysis
- ☐ Strategy for Maximizing Public Input
- ☐ Scientific Information Statement (if applicable)
- ☐ Incorporated by Reference Statement (if applicable)
- ☐ Clean text of the rule (Amended text without annotation)
- ☐ Annotated text (Clearly marking changes from previous rule)
- ☐ ICAR Minutes
- ☐ Copy of Comments
- ☐ Responsiveness Summary

1. TITLE OF RULE FILING:
Updated Vermont Lottery Rules - CVR 01-130-001
2. PROPOSED NUMBER ASSIGNED BY THE SECRETARY OF STATE
25P 034
3. ADOPTING AGENCY:
Vermont Department of Liquor and Lottery
4. PRIMARY CONTACT PERSON:
(A PERSON WHO IS ABLE TO ANSWER QUESTIONS ABOUT THE CONTENT OF THE RULE).
Name: Skyler Genest
Agency: Vermont Department of Liquor and Lottery
Mailing Address: 1311 US Rt. 302, Barre VT 05641
Telephone: 802-477-2429 Fax: 802-479-4294
E-Mail: skyler.genest@vermont.gov
Web URL (WHERE THE RULE WILL BE POSTED):
<https://vtlottery.com/about/rules>
5. SECONDARY CONTACT PERSON:
(A SPECIFIC PERSON FROM WHOM COPIES OF FILINGS MAY BE REQUESTED OR WHO MAY ANSWER QUESTIONS ABOUT FORMS SUBMITTED FOR FILING IF DIFFERENT FROM THE PRIMARY CONTACT PERSON).
Name: Mike Ferrant
Agency: Vermont Department of Liquor and Lottery
Mailing Address: 1311 US Rt. 302, Barre VT 05641
Telephone: 801-798-6759 Fax: 8024794294
E-Mail: mike.ferrant@vermont.gov
6. RECORDS EXEMPTION INCLUDED WITHIN RULE:
(DOES THE RULE CONTAIN ANY PROVISION DESIGNATING INFORMATION AS CONFIDENTIAL; LIMITING ITS PUBLIC RELEASE; OR OTHERWISE, EXEMPTING IT FROM INSPECTION AND COPYING?) No
IF YES, CITE THE STATUTORY AUTHORITY FOR THE EXEMPTION:
N/A
PLEASE SUMMARIZE THE REASON FOR THE EXEMPTION:
N/A
7. LEGAL AUTHORITY / ENABLING LEGISLATION:
(THE SPECIFIC STATUTORY OR LEGAL CITATION FROM SESSION LAW INDICATING WHO THE ADOPTING ENTITY IS AND THUS WHO THE SIGNATORY SHOULD BE. THIS SHOULD BE A SPECIFIC CITATION NOT A CHAPTER CITATION).

31 V.S.A. § 651

8. EXPLANATION OF HOW THE RULE IS WITHIN THE AUTHORITY OF THE AGENCY:

Within the powers and duties of the Board of Liquor and Lottery as outlined in 31 V.S.A. § 651, these rules will govern the operation of the State Lottery, to include: Types of Lotteries to be conducted, Lottery product sales locations, Methods for sale, Manner of compensation for sales agents, and the Manner of selecting winning tickets.

9. THE FILING HAS NOT CHANGED SINCE THE FILING OF THE PROPOSED RULE.

10. THE AGENCY HAS NOT INCLUDED WITH THIS FILING A LETTER EXPLAINING IN DETAIL WHAT CHANGES WERE MADE, CITING CHAPTER AND SECTION WHERE APPLICABLE.

11. SUBSTANTIAL ARGUMENTS AND CONSIDERATIONS WERE NOT RAISED FOR OR AGAINST THE ORIGINAL PROPOSAL.

12. THE AGENCY HAS INCLUDED COPIES OF ALL WRITTEN SUBMISSIONS AND SYNOPSES OF ORAL COMMENTS RECEIVED.

13. THE AGENCY HAS NOT INCLUDED A LETTER EXPLAINING IN DETAIL THE REASONS FOR THE AGENCY'S DECISION TO REJECT OR ADOPT THEM.

14. CONCISE SUMMARY (150 WORDS OR LESS):

The proposed rule change to CVR 01-130-001 updates Vermont's Lottery regulations to align with statutory changes following the legislative consolidation of the Department of Liquor Control and the Vermont Lottery Commission into the Department of Liquor and Lottery. It replaces outdated references (e.g., "Director" to "Commissioner," "Commission" to "Board"), expands the Commissioner's authority, clarifies licensing eligibility, and outlines updated conditions for license suspension or revocation. The revisions introduce new definitions, streamline administrative procedures, and reinforce consumer protections—such as prohibiting prize payouts to minors and requiring conspicuous license display. These changes modernize the rules to reflect current business practices and statutory authority.

15. EXPLANATION OF WHY THE RULE IS NECESSARY:

The proposed rule change is necessary to modernize and align Vermont Lottery regulations with current law and operational reality. Since the 2016 version of CVR 01-130-001, significant statutory changes—particularly the consolidation of the Departments of Liquor Control and The Vermont Lottery Commission into the Department of Liquor and Lottery have created inconsistencies between the rule and Title 31 of the Vermont Statutes. The update corrects outdated terminology, clarifies regulatory authority, and enhances the Commissioner's ability to enforce compliance and protect public integrity. It also addresses practical issues in licensing, ticket sales, prize redemption, and retailer conduct, ensuring the rule reflects modern business practices, improves operational efficiency, and upholds public trust in the Lottery system

16. EXPLANATION OF HOW THE RULE IS NOT ARBITRARY:

The proposed rule is not arbitrary for the following reasons:

1. Factual Basis Exists (i):

The proposed changes are grounded in identifiable statutory changes including the the consolidation of the Department of Liquor Control and the Vermont Lottery under Act 1 (Act 1, 2018 Special Session) and amendments to Title 31. These statutory developments created inconsistencies requiring correction through rulemaking. Additionally, operational needs (e.g., enforcing license conditions, modernizing prize validation) provide further factual support.

2. Rational Connection (ii):

The updates are tied to the need for consistent terminology, improved regulatory clarity, and effective enforcement. For example, expanding the Commissioner's authority over license suspension is rationally connected to the need for swift action to protect public welfare and ensure accountability.

3. Reasonable Basis (iii):

A reasonable person would understand that outdated/ conflicting rules reduce regulatory effectiveness.

**17. LIST OF PEOPLE, ENTERPRISES AND GOVERNMENT ENTITIES
AFFECTED BY THIS RULE:**

- Vermont Lottery players (general public)
- Individuals seeking to become licensed Lottery agents
- Existing Lottery Sales Agents and their employees
- Minors (explicit protections added regarding sales and prize redemption)
- Retail businesses licensed to sell Vermont Lottery products (e.g., convenience stores, grocery stores, gas stations)
- Corporations or partnerships applying for or holding Lottery licenses
- Third-party vendors providing equipment, services, or marketing support to the Lottery
- Insurance companies involved in covering losses from stolen tickets
- Vermont Department of Liquor and Lottery
- Board of Liquor and Lottery
- Vermont Department of Taxes (for licensee tax compliance checks)
- Vermont Department of Labor (for unemployment insurance compliance)
- Vermont Agency of Human Services – Child Support Division (for licensee compliance checks)
- Local law enforcement agencies (ticket theft/loss reporting)
- VT Secretary of State (rule filing and publications)

18. BRIEF SUMMARY OF ECONOMIC IMPACT (150 WORDS OR LESS):

The proposed rule changes have minimal economic impact overall. For Lottery Sales Agents—many of whom are small businesses—there may be minor administrative costs related to updated license agreements, recordkeeping, and display requirements. However, these are offset by increased clarity, streamlined procedures, and the removal of outdated obligations, such as installation deposits. The Department of Liquor and Lottery benefits from improved operational efficiency, clearer enforcement authority, and alignment with current statutes, reducing legal and administrative risk. The public benefits from enhanced

consumer protections and more transparent rules. No new fees are introduced, and the proposed changes impose minimal to no financial burden on any category of stakeholders.

19. A HEARING WAS HELD.

20. HEARING INFORMATION

(THE FIRST HEARING SHALL BE NO SOONER THAN 30 DAYS FOLLOWING THE POSTING OF NOTICES ONLINE).

IF THIS FORM IS INSUFFICIENT TO LIST THE INFORMATION FOR EACH HEARING, PLEASE ATTACH A SEPARATE SHEET TO COMPLETE THE HEARING INFORMATION.

Date: 9/22/2025

Time: 11:00 AM

Street Address: 1311 US Rt. 302, Barre VT 05641

Zip Code: 05641

URL for Virtual: <https://tinyurl.com/4s9caj2a>

Date:

Time: AM

Street Address:

Zip Code:

URL for Virtual:

Date:

Time: AM

Street Address:

Zip Code:

URL for Virtual:

Date:

Time: AM

Street Address:

Zip Code:

URL for Virtual:

21. DEADLINE FOR COMMENT (NO EARLIER THAN 7 DAYS FOLLOWING LAST HEARING):

10/2/2025

KEYWORDS (PLEASE PROVIDE AT LEAST 3 KEYWORDS OR PHRASES TO AID IN THE SEARCHABILITY OF THE RULE NOTICE ONLINE).

Vermont Lottery

Vermont Lottery Rule Update

CVR 01-130-001 Amendment

Department of Liquor and Lottery Regulation Change

Vermont Lottery Sales Agent / Licensing Rules

Vermont Lottery Administrative Rule Revision



State of Vermont
Department of Liquor and Lottery
1311 US Route 302, Suite 100
Barre, VT 05641
Division of Liquor Control 802-828-2345
Division of Lottery 802-479-5686
www.liquorandlottery.vermont.gov

Wendy Knight, Commissioner

To: Legislative Committee on Administrative Rules (LCAR)
Cc: Office of the Secretary of State
From: Vermont Department of Liquor and Lottery (DLL)
Date: 10/31/2025
Subject: Responsiveness Summary – Updated Vermont Lottery Rules (CVR 01-130-001)

The Vermont Department of Liquor and Lottery submits this memorandum in accordance with the requirements of 3 V.S.A. Chapter 25, providing the Responsiveness Summary associated with the updated Vermont Lottery Rules (CVR 01-130-001).

As part of the formal rulemaking process, the Department opened a period for public comment that included all statutorily required notice, availability of rule text, and opportunity for verbal or written input. During the designated comment period:

- The Department received **no public comments** in writing;
- The Department received **no verbal testimony** at any scheduled opportunity; and
- The Department received **no other form of public input** related to this proposed rule revision.

Accordingly, no revisions were made to the filed rule based on public comment.

The Department affirms that all required rulemaking procedures were followed and that the rule as submitted represents the final language for consideration by the Legislative Committee on Administrative Rules and for filing with the Office of the Secretary of State.

Please contact the Department if additional documentation, clarification, or testimony is required.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Skyler Genest'.

Skyler Genest
Senior Director of Licensee Operations
Vermont Department of Liquor and Lottery



Adopting Page

Instructions:

This form must accompany each filing made during the rulemaking process:

Note: To satisfy the requirement for an annotated text, an agency must submit the entire rule in annotated form with proposed and final proposed filings. Filing an annotated paragraph or page of a larger rule is not sufficient. Annotation must clearly show the changes to the rule.

When possible, the agency shall file the annotated text, using the appropriate page or pages from the Code of Vermont Rules as a basis for the annotated version. New rules need not be accompanied by an annotated text.

1. TITLE OF RULE FILING:

Updated Vermont Lottery Rules - CVR 01-130-001

2. ADOPTING AGENCY:

Vermont Department of Liquor and Lottery

3. TYPE OF FILING (*PLEASE CHOOSE THE TYPE OF FILING FROM THE DROPDOWN MENU BASED ON THE DEFINITIONS PROVIDED BELOW*):

- **AMENDMENT** - Any change to an already existing rule, even if it is a complete rewrite of the rule, it is considered an amendment if the rule is replaced with other text.
- **NEW RULE** - A rule that did not previously exist even under a different name.
- **REPEAL** - The removal of a rule in its entirety, without replacing it with other text.

This filing is **AN AMENDMENT OF AN EXISTING RULE** .

4. LAST ADOPTED (*PLEASE PROVIDE THE SOS LOG#, TITLE AND EFFECTIVE DATE OF THE LAST ADOPTION FOR THE EXISTING RULE*):

March 17, 2016 Secretary of State Rule Log #16-006

Vermont Agency of Administration

Interagency Committee on Administrative Rules (ICAR) Minutes

Date/Time: August 11, 2025, 2:00 PM

Location: Virtually via Microsoft Teams

Members Present: Chair Nick Kramer, Diane Sherman, Jared Adler, Jennifer Mojo, John Kessler, Natalie Weill, and Nicole Dubuque

Members Absent: Michael Obuchowski

Minutes By: Chrissy Gilhuly

- ▶ 2:00 p.m. meeting called to order.
- ▶ Review and approval of minutes from the July 14, 2025 [meeting](#).
- ▶ No additions/deletions to agenda. Agenda approved as drafted.
- ▶ No public comments were made.
- ▶ Presentation of Proposed Rule with recommended changes on pages to follow.
 - 1) Rules Relating to Statutory Changes, Department of Liquor and Lottery.
 - a. The proposed rule change to CVR 01-130-001 updates Vermont's Lottery regulations to align with statutory changes following the consolidation of the Departments of Liquor and Lottery.
- ▶ Next scheduled meeting is September 8, 2025, at 2:00 p.m.
- ▶ 2:27 p.m. meeting adjourned.

To receive this information in an alternative format or for other accessibility requests, please contact:

Agency of Administration
ADM.Secretary@vermont.gov, 802-828-3322

Vermont Agency of Administration

Proposed Rule: DLL CVR 01-130-001 Proposed Update

Presented By: Skyler Genest, Chief Investigator, Vermont Department of Liquor and Lottery.

Motion made to accept the rule by John Kessler, seconded by Nicole Dubuque, and passed unanimously, with the following recommendations:

- 1) Proposed Filing – Coversheet:
 - a. #1: Rule Title should reflect whatever tile the department uses – perhaps Lottery Policy?
 - b. Add date to signature line.
 - c. #3: Key words section, add the word lottery.
 - d. #7: Include the words “Within the powers and duties of 31 V.S.A. § 651” (which is referenced in #6).
 - e. #7: Correct spelling of the word “locations.”
 - f. #8-10: Include the Department of Liquor Control and the Lottery Commission (as that is what it is changing from).
 - g. #10: Include the year that Act One, Title 31 was established (2018).
 - h. #11: Spell out last word to read “publications” in last bullet.
 - i. #12: Delete “not impose significant financial burdens” and replace with earlier language in #6 - “minimal or minor impact.”
- 2) Adopting Page:
 - a. #1 Similar to #1 above, Rule title should reflect whatever the department uses.
- 3) Economic Impact Analysis:
 - a. #3: Identify parties that are listed on the Proposed Filing cover sheet, to draw connections.
- 4) Public Input Maximization Plan
 - a. Include a phone number to receive a hard copy.
 - b. #3: In the first bullet, add a space between the and department, and correct the spelling of “department.”
 - c. #3: In last bullet, specify industry stakeholders.
- 5) The Proposed Rule:
 - a. Check alphabetization for inconsistencies.

Economic Impact Analysis

Instructions:

In completing the economic impact analysis, an agency analyzes and evaluates the anticipated costs and benefits to be expected from adoption of the rule; estimates the costs and benefits for each category of people enterprises and government entities affected by the rule; compares alternatives to adopting the rule; and explains their analysis concluding that rulemaking is the most appropriate method of achieving the regulatory purpose. If no impacts are anticipated, please specify “No impact anticipated” in the field.

Rules affecting or regulating schools or school districts must include cost implications to local school districts and taxpayers in the impact statement, a clear statement of associated costs, and consideration of alternatives to the rule to reduce or ameliorate costs to local school districts while still achieving the objectives of the rule (see 3 V.S.A. § 832b for details).

Rules affecting small businesses (excluding impacts incidental to the purchase and payment of goods and services by the State or an agency thereof), must include ways that a business can reduce the cost or burden of compliance or an explanation of why the agency determines that such evaluation isn’t appropriate, and an evaluation of creative, innovative or flexible methods of compliance that would not significantly impair the effectiveness of the rule or increase the risk to the health, safety, or welfare of the public or those affected by the rule.

1. TITLE OF RULE FILING:

Updated Vermont Lottery Rules - CVR 01-130-001

2. ADOPTING AGENCY:

Vermont Department of Liquor and Lottery

3. CATEGORY OF AFFECTED PARTIES:

LIST CATEGORIES OF PEOPLE, ENTERPRISES, AND GOVERNMENTAL ENTITIES POTENTIALLY AFFECTED BY THE ADOPTION OF THIS RULE AND THE ESTIMATED COSTS AND BENEFITS ANTICIPATED:

- **Retailers/Sales Agents:** many of whom are small businesses – there may be minor administrative costs related to updated license agreements, recordkeeping, and display requirements. However, these are offset by increased clarity, streamlined procedures, and the removal of outdated obligations, such as installation deposits.

- General Public: Gains clarity and protection from updated eligibility, payout, and redemption provisions (e.g., age-restricted claims, clearer license revocation grounds).
- State Government: Administrative improvements, better enforcement authority, and enhanced policy alignment reduce legal and regulatory risk.

The proposed rule changes have minimal economic impact to any stakeholder overall.

4. IMPACT ON SCHOOLS:

INDICATE ANY IMPACT THAT THE RULE WILL HAVE ON PUBLIC EDUCATION, PUBLIC SCHOOLS, LOCAL SCHOOL DISTRICTS AND/OR TAXPAYERS CLEARLY STATING ANY ASSOCIATED COSTS:

No impact anticipated.

5. ALTERNATIVES: CONSIDERATION OF ALTERNATIVES TO THE RULE TO REDUCE OR AMELIORATE COSTS TO LOCAL SCHOOL DISTRICTS WHILE STILL ACHIEVING THE OBJECTIVE OF THE RULE.

No impact anticipated

6. IMPACT ON SMALL BUSINESSES:

INDICATE ANY IMPACT THAT THE RULE WILL HAVE ON SMALL BUSINESSES (EXCLUDING IMPACTS INCIDENTAL TO THE PURCHASE AND PAYMENT OF GOODS AND SERVICES BY THE STATE OR AN AGENCY THEREOF):

Minor impact. Retailers (many of whom are small businesses) may need to update internal procedures or agreements but benefit from streamlined processes, clearer eligibility rules, and fewer ambiguities

7. SMALL BUSINESS COMPLIANCE: EXPLAIN WAYS A BUSINESS CAN REDUCE THE COST/BURDEN OF COMPLIANCE OR AN EXPLANATION OF WHY THE AGENCY DETERMINES THAT SUCH EVALUATION ISN'T APPROPRIATE.

The Department has minimized new burdens by removing unnecessary procedures and clarifying roles. Compliance cost is further reduced by providing resources and communication during implementation by the Department's Education Division.

8. COMPARISON:

COMPARE THE IMPACT OF THE RULE WITH THE ECONOMIC IMPACT OF OTHER ALTERNATIVES TO THE RULE, INCLUDING NO RULE ON THE SUBJECT OR A RULE HAVING SEPARATE REQUIREMENTS FOR SMALL BUSINESS:

No rule adoption would preserve outdated structures inconsistent with statute. Alternative approaches (e.g., informal policy memos) lack enforceability. This update balances statutory alignment and operational practicality.

9. **SUFFICIENCY:** *DESCRIBE HOW THE ANALYSIS WAS CONDUCTED, IDENTIFYING RELEVANT INTERNAL AND/OR EXTERNAL SOURCES OF INFORMATION USED.*

Analysis was conducted by reviewing legislative changes (Act 1, 2018 Special Session), comparing 2016 rules to statutory authority under 31 VSA § 651, and incorporating internal legal counsel and operational feedback.

Environmental Impact Analysis

Instructions:

In completing the environmental impact analysis, an agency analyzes and evaluates the anticipated environmental impacts (positive or negative) to be expected from adoption of the rule; compares alternatives to adopting the rule; explains the sufficiency of the environmental impact analysis. If no impacts are anticipated, please specify “No impact anticipated” in the field.

Examples of Environmental Impacts include but are not limited to:

- Impacts on the emission of greenhouse gases
- Impacts on the discharge of pollutants to water
- Impacts on the arability of land
- Impacts on the climate
- Impacts on the flow of water
- Impacts on recreation
- Or other environmental impacts

1. TITLE OF RULE FILING:

Updated Vermont Lottery Rules - CVR 01-130-001

2. ADOPTING AGENCY:

Vermont Department of Liquor and Lottery

3. GREENHOUSE GAS: *EXPLAIN HOW THE RULE IMPACTS THE EMISSION OF GREENHOUSE GASES (E.G. TRANSPORTATION OF PEOPLE OR GOODS; BUILDING INFRASTRUCTURE; LAND USE AND DEVELOPMENT, WASTE GENERATION, ETC.):*

No impact anticipated.

4. WATER: *EXPLAIN HOW THE RULE IMPACTS WATER (E.G. DISCHARGE / ELIMINATION OF POLLUTION INTO VERMONT WATERS, THE FLOW OF WATER IN THE STATE, WATER QUALITY ETC.):*

No impact anticipated.

5. LAND: *EXPLAIN HOW THE RULE IMPACTS LAND (E.G. IMPACTS ON FORESTRY, AGRICULTURE ETC.):*

No impact anticipated.

6. RECREATION: *EXPLAIN HOW THE RULE IMPACTS RECREATION IN THE STATE:*

No impact anticipated.

7. CLIMATE: *EXPLAIN HOW THE RULE IMPACTS THE CLIMATE IN THE STATE:*

No impact anticipated.

8. OTHER: *EXPLAIN HOW THE RULE IMPACT OTHER ASPECTS OF VERMONT'S ENVIRONMENT:*

No environmental impacts are expected

9. SUFFICIENCY: *DESCRIBE HOW THE ANALYSIS WAS CONDUCTED, IDENTIFYING RELEVANT INTERNAL AND/OR EXTERNAL SOURCES OF INFORMATION USED.*

Analysis is based on the content of the proposed rule, which pertains to administrative, operational, and licensing matters for the Lottery. There are no provisions involving land use, emissions, or ecological systems.

Public Input Maximization Plan

Instructions:

Agencies are encouraged to hold hearings as part of their strategy to maximize the involvement of the public in the development of rules. Please complete the form below by describing the agency's strategy for maximizing public input (what it did do, or will do to maximize the involvement of the public).

This form must accompany each filing made during the rulemaking process:

1. TITLE OF RULE FILING:

Updated Vermont Lottery Rules - CVR 01-130-001

2. ADOPTING AGENCY:

Vermont Department of Liquor and Lottery

3. PLEASE DESCRIBE THE AGENCY'S STRATEGY TO MAXIMIZE PUBLIC INVOLVEMENT IN THE DEVELOPMENT OF THE PROPOSED RULE, LISTING THE STEPS THAT HAVE BEEN OR WILL BE TAKEN TO COMPLY WITH THAT STRATEGY:

- Public hearing held in person, virtually, and via phone at the Department of Liquor and Lottery.
- Draft rules posted publicly on the DLL website.
- Comment period advertised via press release and retail agent communication portals.
- Targeted email outreach to licensed lottery agents and industry stakeholders (e.g. VT Retail Grocers Association).

4. BEYOND GENERAL ADVERTISEMENTS, PLEASE LIST THE PEOPLE AND ORGANIZATIONS THAT HAVE BEEN OR WILL BE INVOLVED IN THE DEVELOPMENT OF THE PROPOSED RULE:

- Licensed Vermont Lottery Sales Agents
- Vermont Grocers Association
- Retailer Advisory Groups
- Internal Compliance and Legal Counsel
- Board of Liquor and Lottery

LOTTERY POLICY

The ~~Vermont Lottery Commission~~ Department of Liquor and Lottery shall set policy for the operation of the Lottery. It will consider for action any recommendation for the changes in policy.

The ~~Director~~ Commissioner shall implement the policy set by the ~~Commission~~ Board and recommend any changes thereto.

~~No Commissioner shall have any pecuniary interest in any License or any contract awarded by the Commission. Further, no Commissioner shall engage in conduct that creates a conflict of interest or the appearance of a conflict of interest, or that constitutes any other action or creates any circumstance, prohibited by the Vermont Executive Code of Ethics (Executive Order No. 3-53). In the event that it should appear that a Commissioner has a prohibited pecuniary interest or has failed to conform to the Vermont Executive Code of Ethics, the matter shall be discussed at a Commission meeting and a vote taken. Should the vote reflect that a further review is required, the matter would be turned over to the Director to investigate any allegations. After the investigation has been completed, the Director shall submit findings to the Commission in writing. If the Commission determines that a Commissioner is in violation of this section, the Commission shall forward the matter to the Governor for action.~~

Rule No. 1. Definitions.

~~(1)~~ "Act" means Title 31, Chapter 14, Subchapter I, of the Vermont Statutes Annotated.

~~(1)~~ "Agent" or "Sales Agent" means a person, including any representative(s) or employee(s), who has been licensed to sell lottery tickets under ~~the Act~~ Statute.

~~(2)~~ "Board" means the Board of Liquor and Lottery as described in Statute.

~~(3)~~ "Claim Center" means a place the winner of a prize greater than ~~one hundred dollars~~ (\$ 100.00), but less than ~~five thousand and one dollars~~ (\$ 5,001.00) can go to fill out the appropriate forms and receive payment for the winning ticket.

~~(4)~~ "Claim Form" is a Lottery-provided form to be used by players to submit winning tickets for payment of prizes.

~~(5)~~ "Commission" means the Vermont Lottery Commission as established by the Act.

~~(6)~~~~(5)~~ "Director" Commissioner means the ~~Executive Director~~ Commissioner of the ~~Commission~~ Department of Liquor and Lottery (otherwise referred to as the Department or the Vermont Lottery, or simply the Lottery).

~~(7)~~~~(6)~~ "Drop Box" is a container (box, jug, etc.) designated by the Commission as a receptacle for tickets or any other form of entry as designated by the Lottery for the purpose of special promotions.

~~(8)~~~~(6)~~ "EFT account" is a checking or savings account maintained by a Sales Agent from which the ~~Commission~~ Department is authorized to withdraw funds.

~~(9)~~~~(7)~~ "License", "sales license", or "lottery license" is evidence of the permission to sell Vermont Lottery products granted to a person under these Rules and Regulations and in accordance with ~~the Act~~ Statute.

~~(10)~~~~(8)~~ "Lottery" or "State Lottery" means the Lottery established and operated pursuant to ~~the Act~~ Statute.

~~(9)~~ "Person" shall include any natural person, corporation, municipality, the State of Vermont or any department, agency or subdivision of the State, and any partnership, unincorporated association or other legal entity. "Person" means an individual, association, corporation, club, trust, estate, society, company, receiver, trustee, assignee, referee or other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, or any combination of individuals. "Person" also means all departments, commissions, agencies, and instrumentalities of the State, including counties and municipalities and agencies and instrumentalities of counties or municipalities.

~~(11)~~~~(10)~~ "Statute" means Title 31, Chapter 14, Subchapter I, of the Vermont Statutes Annotated.

~~(11)~~ "Ticket" means a lottery transaction issued by the ~~Commission~~ Department for sale to the general public.

~~(12)~~ "Voucher" means any printed receipt produced by the Department that is redeemable for cash or merchandise.

Rule No. 2. License Eligibility and Application.

- (1)** No License shall be issued to any person to engage in business exclusively as a Sales Agent.
- (2)** A person interested in obtaining a License shall complete an application ~~in a form on forms~~ prescribed by the ~~Commission-Commissioner~~ and file it with the ~~Commission-Department~~.
- (3)** Before issuing a License, an agreement signed by the applicant and the ~~Director-Commissioner or a designee~~ must be on file with the ~~Commission-Department~~. In issuing Licenses, the ~~Commission-Department-Commissioner, through its-Director,~~ shall consider factors including:
 - (a)** The financial responsibility and security of the person and their business or activity;
 - (b)** The accessibility of their place of business or activity to the public;
 - (c)** The sufficiency of existing Licensees to serve the public convenience;
 - (d)** The volume of expected sales;
 - (e)** The honesty and integrity of the applicant;
 - (f)** The credibility of the information supplied in the application; and
 - (g)** the business experience and business practices of the applicant to include any prior history with the Vermont Lottery.

~~(5)~~ **(4)** ~~The Commissioner or their designee may deny an applicant a license to act as an agent based on the determination that licensing of the applicant is not in the best interest of the Vermont~~ Lottery. The following shall be ineligible for a License; and, if any of the circumstances described below arise after License grant, such License shall be subject to suspension or revocation:

- (a)** Any person who has been convicted of a felony within five (5) years of date of making application;
- (b)** Any firm or corporation in which a person defined in (a) has a proprietary, equitable or credit interest of five percent (5%) or more;
- (c)** Any organization in which a person defined in (a) is an officer, director, partner, member, manager or managing agent, whether compensated or not;
- (d)** Any organization in which a person defined in (a) is to participate in the management or sales of lottery tickets or shares;
- (e)** Any applicant who has not attained the age of majority (18 years of age).
- (f)** Any applicant who is currently not in good standing with respect to or in full compliance with a plan to pay: (1) any and all taxes due the State of Vermont; (2) any child support obligation payable under a support order; (3) any criminal restitution obligation; (4) any and all unemployment insurance contributions or payments in lieu of contributions due to the Vermont Department of Labor; and/or (5) any final Court judgment establishing a debt of the applicant for which the State is a judgment creditor.

Rule No. 3. Special ~~and Seasonal~~ Licenses.

- (1)** A special License may be issued subject to such special conditions or limitations as the ~~Director-Commissioner~~ deems prudent and determines to be consonant with the dignity of the State, the general welfare of the people and the dignity and integrity of the ~~Commission-Department~~. These limitations or conditions include, but are not limited to:
 - (a)** License period;

- (b) Hours or days of sale;
- (c) Location of sale;
- (d) Specific business or organization which may sell tickets; ~~and~~
- ~~(e) Specific sporting, charitable, social or other special events where Lottery tickets may be sold.~~
- ~~(f) Application or internet-based ordering; and~~
- ~~(g) Any other conditions or limitations considered prudent and determined to be in the best interests of the Vermont Lottery.~~

(2) A seasonal License may be issued. Said License must be an existing and active agent number and location and the seasonal license will exist only for a predetermined length of time and will be reviewed at least annually or as deemed necessary.

(3) The License fee described hereinafter shall be \$ 1.00, if the period of the License does not exceed 30 days.

(4) Sales Agents holding special Licenses are subject to all rules promulgated by the ~~Commission~~Board.

Rule No. 4. License Suspension or Revocation.

- (1) ~~The Director Commissioner may suspend or revoke a License after providing the Sales Agent notice by mail of the facts or conduct that warrants the intended action, and action and providing the Sales Agent the opportunity to show compliance with all lawful requirements for the retention of the License. The Sales Agent shall be afforded at least 30 days' notice of such opportunity. Notwithstanding suspension or revocation of a license, the Department may terminate access to Lottery systems or remove equipment when deemed necessary by the Commissioner. The Commissioner shall have power to suspend or revoke any Lottery sales agent license granted pursuant to the Statute in the event the licensee shall at any time during the term of the license conduct its business in violation of the Statute, the conditions pursuant to which the license was granted, or any rule prescribed by the Board. For suspension or revocation proceedings involving a Lottery sales agent license under these Rules, the Commissioner shall conduct the hearing and render a decision. The Commissioner may summarily suspend a Lottery sale agent license in advance of a hearing in the event the Commissioner finds that public health, safety, or welfare imperatively requires emergency action, and incorporates a finding to that effect in an order, provided proceedings shall thereafter be promptly instituted and determined. Any decision to suspend or revoke a Lottery sales agent license shall be issued in writing by the Commissioner and set forth the reasons for the suspension or revocation and, if applicable, the duration of the suspension.~~
- (2) A License may be suspended, revoked or rejected for any of the following causes, or any combination of the same:
 - (a) The prospective Sales Agent's application for a License contains knowingly false or misleading information, or the prospective Sales Agent's experience, character or past business practices such that a grant of a License would be inconsistent with the public interest, convenience or necessity;
 - (b) The Sales Agent violates any of the provisions of the Act, these Rules and Regulations, or any License condition;
 - (c) The Sales Agent fails to maintain a reasonable level of sales as determined by the ~~Director~~Commissioner;
 - (d) The Sales Agent fails to display Lottery marketing material and Lottery tickets so as to be readily seen by the public or fails to make handout materials readily available to the public as designated by the Lottery;
 - (e) The Sales Agent is delinquent or fails to pay on a timely basis all monies owed to the ~~Commission~~Department;
 - (f) The Sales Agent, or any of its officers, directors, partners, members, managers or managing agents, whether compensated or not, has been convicted of a crime as specified in Rule No. 2;
 - (g) A Sales Agent, or any of its officers, directors, partners, members, managers or managing agents, whether compensated or not, has been convicted for bookmaking or other forms of illegal gambling;

(h) The Sales Agent, or any of its officers, directors, partners, members, managers or managing agents, whether compensated or not, has been convicted of any fraud or misrepresentation; or

(i) The Sales Agent fails to take reasonable security precautions with regard to the handling of Lottery tickets and other materials.

(j) The Sales Agent fails to validate and pay winning tickets as prescribed in Rule 56(11) and Rule 1920(1).

(k) The Sales Agent fails to timely execute an updated License agreement when directed by the Commissioner.

(3) Upon expiration or revocation of a Sales Agent's License for any reason, the Sales Agent shall meet a ~~Vermont Lottery Marketing and Sales Representative or other designated lottery employee(s)~~ Lottery Sales Representative on a date designated by the ~~Director-Department~~ for the purpose of surrendering their License and turning over all Lottery tickets, dispensers, and any other Lottery materials supplied to them by the ~~Commission-Department~~, in operational condition. The ~~Commission-Department~~ will collect any balance due from the agent and utilize all necessary legal methods to obtain lottery products and equipment from the location.

(4) If a Sales Agent closes out or sells their business, the Sales Agent shall forthwith surrender their License to the ~~Commission-Department~~. Lottery tickets, dispensers, or any other Lottery materials supplied to them by the ~~Commission-Department~~ shall not be included as a part of the business sale.

Rule No. 5. Hearings on Suspension or Revocation of License.

~~Suspension or revocation. The Commissioner may suspend or revoke, after notice and hearing and in a manner consistent with the provisions of any license issued by the State Lottery to an agent.~~

~~An agent's license may be temporarily suspended by the Commissioner without prior notice, pending any prosecution, investigation or hearing.~~

~~A license may be suspended or revoked by the commission for just cause, which includes, but is not limited to, any one or more of the following reasons:~~

- ~~— Failure to account for tickets received or the proceeds of the sale of tickets, to file a bond if required by the Department or to comply with the instructions of the Department or the Commissioner concerning the licensed activity;~~
- ~~— Any conviction of a criminal offense of a person who becomes ineligible for a license under Rule Number 2 as a result of the conviction.~~
- ~~— Failure to file any return or report, to keep appropriate records or to pay any tax;~~
- ~~— Engaging in fraud, deceit, misrepresentation or conduct prejudicial to public confidence or to the Lottery;~~
- ~~— Insufficiency of the number of tickets sold by the agent;~~
- ~~— A material change, since issuance of the license, with respect to any of the matters considered by the director in issuing the license;~~
- ~~— The Sales Agent fails to validate and pay winning tickets as prescribed in Rule 6(11) and Rule 20(1); or~~
- ~~— Any violation or failure to comply with any provision of statute, these rules, or the terms or conditions of the "Agent Agreement to Sell Lottery Tickets".~~

(1) The Director or Director's designee ~~Commissioner~~ shall hold hearings required by law and any such person entitled to a hearing before the Director ~~Commissioner~~ may request such a hearing.

~~(2)~~ The request for a hearing shall:

~~(a)~~ Be in writing, signed by the petitioner or attorney on behalf of the petitioner and include the petitioner's mailing address;

~~(b)~~ Specify the rules, action or matter on which the hearing is requested and indicate what relief is desired.

~~(3)~~ A petition or request to the Director Commissioner for hearing or other relief, unless otherwise required by law or these rules, must be received by the Director Commissioner within twenty (20) business days after the date of receipt of the notice by the petitioner of revocation of an agent's license.

~~(4)~~ The Director Commissioner shall issue an order or directive fixing the date, time and place at which time the hearing will be held, and shall give at least five (5) business days' notice to the petitioner and other parties thereto by serving copies of such order or directive upon them personally or by certified mail or give such other notice as may be agreed upon and requested by all the parties.

~~(5)~~ When the cause is reached for argument at a hearing and the petitioner, without sufficient reason, fails to appear, such failure may be treated as a withdrawal of the petition or request and the Director Commissioner may dismiss the petition. The hearing may be adjourned to a future date or other just and proper action taken at the discretion of the Director Commissioner given the above circumstances.

~~(6)~~ When the director Commissioner designates a person other than himself/herself as hearing officer, that person's recommended report and decision containing recommended findings of facts and conclusions of law shall be filed with the Director Commissioner and mailed to the parties of record, and all parties of record shall have ten (10) business days in which to file exceptions, objections and replies hereto, after which the Director Commissioner shall adopt, review or modify the recommended report and decision.

~~(7)~~ If the hearing with the Director Commissioner does not render a decision to restore the agent's license, the agent or agent's attorney may request in writing within fifteen (15) business days of the Director's Commissioner's decision, a hearing with the Commission Board. The Commission Board must schedule, within thirty (30) business days of the receipt of the petition, a hearing. The Commission Board shall give at least five (5) business days' notice to the petitioner and other parties thereto by serving copies of such order upon them personally or by certified mail. The Commission's Board's decision shall be final and binding upon both parties.

Rule No. 56. Conditions of Licensing.

Upon issuance of a License the Sales Agent agrees to the following conditions:

(1) The agent agrees to sign and be bound by the terms and conditions specified in the "Agent Agreement for Sale of Lottery Tickets."

~~(1)~~(2) Lottery agents will be supplied with lottery computer equipment, products and supplies based on their agreement with the Commission Department.

~~(2)~~(3) To be bound by and comply with the Act and any rules, instructions and directives of the State and the Commission Department. A Sales Agent shall defend and hold the State and the Commission Department, and its officers and employees, harmless for any liability that results from any act or omission of the Sales Agent, including the Sales Agent's failure to comply with ~~the Act~~Statute or these Rules;

~~(3)~~(4) To make tickets visible and conveniently available for sale to the public at all times during normal business hours;

~~(4)(5)~~ To actively promote the sale of all Vermont Lottery products the Sales Agent is authorized to sell;

~~(5)(6)~~ To maintain authorized displays, ~~drop boxes~~ and other materials used in conjunction with communications and sales in accordance with instructions issued by the ~~Commission~~Department;

~~(6)(7)~~ To accept physical and financial responsibility for all instant tickets accepted from the ~~Commission-Department~~ or its representatives. Physical security shall include protecting tickets from validation prior to their sale.

~~(7)(8)~~ To maintain current and accurate records of all operations in conjunction with lottery ticket inventory and sales in conformity with rules, regulations, instructions and directives of the ~~Commission-Department~~ and its representatives. Such records shall be available to representatives of the Lottery upon request for inspection and/or audit for at least ~~three (3)~~three calendar years;

~~(9)~~ Not to sell tickets at any price greater than that price stated on the ticket;

~~(8)(10)~~ Not to sell or pay claims on tickets to persons who have not reached the age of majority (18 years of age)

~~(9)(11)~~ To immediately report ~~to Lottery Security~~using Department specified procedures, game numbers, book numbers, and ticket numbers of any missing or stolen lottery tickets consigned to the Sales Agent. Local law enforcement authorities must also be notified. (See Rule No. ~~112~~).

~~(10)(12)~~ To validate and pay winning tickets up to and including \$ 100.00 and winning online tickets up to and including ~~four hundred, ninety nine dollars~~ (\$ 499.00). Validation of winning tickets must shall be performed using lottery ticket sales and validation equipment. Claim forms must be filed for winning instant tickets over \$ 100.00 and winning online tickets over ~~four hundred, ninety nine dollars~~ (\$ 499.00).

~~(13)~~ As a condition of the License, the Sales Agent agrees to the installation of a communication system necessary for the operation of ticket sales and validation equipment at no expense to the agent. Any costs incurred in the change of location of the sales and validation system shall be borne by the Sales Agent.

~~(11)~~

Rule No. ~~67~~. License to be Displayed.

~~Every Sales Agent shall display their License in a prominent area on the Sales Agent's premises.~~
All licenses shall be displayed in a conspicuous location viewable to the general public on the licensed premises described therein.

Rule No. ~~78~~. Notice of Change in Licensee; Nontransferability of License.

Each entity holding a License must notify the ~~Director-Department~~ no less than 20 days before any intended changes in the ownership of and/or financial interest of any individual or entity involved with the licensed entity can occur. Any such changes not approved by the ~~Director-Department~~, may place the License in jeopardy.

Each entity holding a Licensee shall have prior approval from the ~~Director-Department~~ of any change of directors, officers, members, managers, or affiliates, and of any change in shares that causes the holdings of any new or existing shareholder, including the holdings of that shareholder's immediate family, to equal ten percent or more of a corporation's voting shares. Notices shall be given in writing to the ~~Director-Department~~ not later than 20 days prior to any change. The ~~Director-Department~~ will consider changes in the same way that new Licenses are considered. If changes, other than changes caused by the death of a joint tenant, are concluded without obtaining prior ~~Director-Department~~ approval, in writing, the license shall be subject to suspension or revocation.

The ~~Director-Department~~ shall also be notified if any change in ownership results in ownership by a person or legal entity prohibited by Rule No. 2.

Licenses shall not be transferrable.

Rule No. ~~89~~. Fees.

(1) The Lottery shall charge a nonrefundable License fee in an amount determined by the ~~Commission~~Commissioner, not to exceed the statutory limit.

(2) A new License fee shall not be charged if a business to which a License is issued changes its location or business name, but does not change ownership.

(3) The ~~Commission-Department~~ may charge a nonrefundable application fee to be submitted upon application for a License in an amount determined by the ~~Commission~~Commissioner, subject to 32 V.S.A. § 603. This fee is intended to cover the costs of processing an application including but not limited to criminal background checks and credit checks.

~~(4) The Commission shall charge a refundable installation deposit to be submitted upon application for a License in an amount determined by the Commission. The deposit will be returned to the Sales Agent after one year if the Sales Agent meets a minimum sales requirement, applicable to all Sales Agents, as determined by the Commission.~~

Rule No. ~~910~~. Bonding of Agents.

The ~~Commission-Department~~ may require a surety bond from any Sales Agent in such amount as it may determine so as to avoid any monetary loss to the State because of a Sales Agent's activities in the sale of tickets. The bond, if required, is a condition of becoming or continuing as a Sales Agent. The ~~Commission-Department~~ may require a financial statement revealing the financial condition of any person seeking to become or continue as a Sales Agent. In lieu of any surety bond which the ~~Commission-Department~~ may require, it may seek any other guarantee or surety consistent with ~~the Act~~Statute, including the acquisition of a blanket bond.

Rule No. ~~101~~. License Expiration and Renewal.

A License remains in full force and effect until such time as the agent terminates their relationship with the ~~Commission-Department~~, or until the License is otherwise terminated pursuant to applicable statute or rule.

Rule No. ~~112~~. Missing, Stolen, Damaged Tickets.

(1) Stolen or missing tickets are considered void and shall not be eligible to win a prize. Whenever tickets are stolen or missing while in the possession of a Sales Agent, the agent will pay the ~~Commission-Department~~ for all such tickets less the applicable Sales Agent commission. Sales Agents will be responsible for filing claims with their insurance companies in the event that tickets are missing or stolen while in their possession.

(2) The Sales Agent is responsible for reporting these tickets ~~to Lottery Security as prescribed by Department~~procedures to the Department and local law enforcement authorities immediately upon discovery. Law enforcement authorities must be notified and proof of deactivation on ~~our~~the Lottery system must be submitted before any credit for tickets can be considered. Agent must pay for the tickets on settlement date which may occur immediately once they are marked stolen in the gaming system.

(3) The Sales Agent responsible for the tickets must be able to provide the ~~Commission-Department~~ with the game numbers, game name, book numbers and ticket numbers of said tickets, as well as such information as deemed necessary by the ~~Commission-Department~~ to appropriately process a Stolen Ticket Report.

(4) In the case of theft of deactivated instant tickets, should the Lottery tickets be recovered by law enforcement, the Sales Agent is not liable for payment and will be issued a credit by the ~~Commission-Department~~ for the un-cashed tickets recovered.

(5) No prize shall be paid to any claimant of a ticket marked as stolen in the system.

(6) In the case of damaged tickets, a Sales Agent may be issued a credit for a damaged ticket provided that the ~~Commission-Department~~ finds it to be a valid claim.

(7) Where a Sales Agent has been issued a credit for recovered stolen tickets or damaged tickets, they must agree to defend and hold the ~~Commission-Department~~ and its officers and employees harmless.

(8) ~~Director-The Commissioner~~ will consider all information and circumstances presented in decisions resulting from missing, stolen or damaged tickets.

Rule No. 123. Sale by Lottery Directly.

The ~~Commission-Department~~ may sell tickets in any manner at any selling point it establishes ~~in the State~~.

Rule No. 134. Sale, Inspection, Compensation, Depositories and Ticket Purchases.

(1) All tickets, accepted by a Sales Agent from the ~~Commission-Department~~ or its authorized representatives, are deemed to have been purchased by the agent, unless returned to the ~~Commission-Department~~ at or prior to the official closing of the particular game account.

(2) No Lottery ticket may be sold by a Sales Agent unless the ticket has first been issued to the Sales Agent by the ~~Commission-Department~~.

(3) Tickets shall be sold only on the premises at the specific location named in the license or attachments thereto.

(4) A Sales Agent shall allow inspection of his/her/its premises at any time upon reasonable request of authorized employees or agents of the Lottery. The inspections may be made without prior notice to the Sales Agent.

(5) A Sales Agent is entitled to a commission for tickets sold, not to exceed the statutory limit.

(6) All Sales Agents shall be entitled to a bonus prize not to exceed 1% of the prize of a winning ticket they sell (\$ 500.00 or higher). The maximum amount payable under this rule is ~~\$ 30,000.~~\$75,000.00.

(7) The ~~Director-Department~~ may, with the approval of the ~~Commissioner~~, award additional cash prizes or other incentives from time to time to Sales Agents.

(8) A Sales Agent shall deposit into their EFT account, on a timely basis, all monies received from the sale of tickets less the amount of commissions, fees and such sums of money retained as compensation and less the amount paid out to winners.

(9) A Sales Agent's employee under the age of eighteen (18) may sell lottery tickets but may not purchase such tickets.

Rule No. 145. Subscription Lottery Tickets.

(1) The ~~Director-Department~~, with the approval of the ~~Commissioner~~, shall be authorized to prepare Lottery subscriptions for sale to the public consistent with any and all rules or regulations governing the game for which the subscription is sold. Subscriptions shall be sold on a quarterly, semi-annual and annual basis. The ~~Director-Department~~ shall determine the price of subscriptions and at the ~~Director's-Commissioner's~~ discretion, with the consent of the ~~Commission-Board~~, may discount the cost of a subscription to the public. The duration of the eligibility of each subscription shall be printed on the confirmation card.

(2) In the event that a Lottery game for which subscriptions have been sold is discontinued, the ~~Commission-Department~~ shall, at the discretion of the ~~Director-Commissioner~~, issue to all subscription holders tickets for an active Lottery game at comparable value or cash refunds for the period of subscription beyond the termination date of the game.

Rule No. 156. Lottery Instant Games.

(1) The ~~Director~~Department, with the approval of the Commissioner, shall be authorized to prepare instant Lottery ~~tickets-tickets games~~ for sale to the public.

(2) All specifications of each instant lottery game will be determined by the ~~lottery~~Department and approved by the ~~Director~~Commissioner.

(3) Printed on each ~~game~~ ticket shall be a series of numbers or symbols concealed from view prior to purchase.

According to the procedures as announced with each instant game, matching or adding the proper symbols or numbers when revealed, or other method employed to determine winners, shall entitle the bearer of a valid ticket to the prizes indicated on the ticket and in accordance with the prize structure previously announced in appropriate directives. No weekly drawing shall be required to determine the winner of the instant lottery tickets. However, drawings may be held to determine winners of prizes in any instant lottery game. All winning and non-winning tickets must be able to be validated in a secure and reliable manner. Each game's specifications will include instructions for game play and visual clues, but validation on the gaming system provides the ultimate determination of winning a prize.

Rule No. 167. Lottery Draw Games.

(1) Lottery Draw games shall be sold at a price to be determined by the ~~Commission~~Department for draw days and times determined by the ~~Commission~~Department. Tickets shall be imprinted with the amount of the wager or price of the ticket as well as the drawing date or dates. All ticket sales must be made through official Lottery sales and validation ~~equipment, and~~equipment and must be printed and activated on ticket stock supplied by the lottery.

(2) Tickets shall be sold only by Sales Agents pursuant to the regulations provisions set forth in the Sales Agent License Agreement, Ticket Vending Machine Agreement (if applicable), ~~the Act~~Statute, and these Rules and Regulations.

Rule No. 178. Prize Structure.

(1) Each Lottery games prize pool shall pay out no less than 50% of gross receipts.

(2) The prize pool shall be used to:

(a) Pay claimants of legal age possessing valid winning tickets.;

(b) Pay special prizes or bonuses as specified by the ~~Director~~Department, with the approval of the Commissioner.

(3) The ~~Director~~Department shall determine the distribution of the prize pool and, after approval from the Commissioner, shall announce the prize structure in appropriate directives.

(4) Prizes which are unclaimed for a period of one year from the official ending date of a game or the drawing date on the ticket shall revert to the Prize Pool until such time as 50% of the gross receipts have been paid out in prizes, after which unclaimed prizes may revert to the lottery fund.

Rule No. 189. Drawings.

(1) From time to time drawings may be used to award prizes. In cases where finalists are drawn prior to a final drawing, verified finalists shall be invited to attend or send representatives to the drawing. The ~~Commission~~Department, upon verification of winners, will pay the winners the amounts specified at the drawing.

(2) Drawings shall be held in public and be open to representatives of the media.

(3) Open mechanical devices in full view of the public, or electronic devices certified by reliable, independent review shall be employed to determine winning numbers, finalists or winners.

(4) The Commission Department may award prizes of cash or merchandise as prizes at drawings.

(5) The Director Department shall determine the procedures for each drawing and announce them in appropriate directives prior to the drawing.

Rule No. 1920. Prize Payment and Claiming of Prizes

(1) Sales Agents shall validate and pay winning tickets to persons who that have reached the age of majority (18 years of age) up to ~~four hundred, ninety-nine dollars (\$ 499.00)~~. Validation of winning tickets must be through Lottery ticket sales and validation equipment. The claimant shall present the winning ticket to the Sales Agent, fill out their name and address on the back of the ticket, and show a pre-approved form of identification. The Sales Agent, after examining the ticket and confirming that it has not been altered and the person claiming the ticket is the same person whose name and address is on the back of the ticket, shall validate the ticket through the Lottery sales and validation equipment and pay the claimant.

(2) A ticket is considered to be altered if the front of the ticket is changed or modified, or if any signature on the back is tampered with in any way. Any ticket where the play area or validation information is deliberately revealed and/or the ticket is validated prior to purchase is deemed ineligible for any prize. In any event, a damaged or altered ticket is invalid and not eligible to win a prize unless damaged at the point of sale by the Sales Agents and attested to that fact upon a form prescribed by the Department.

(3) All prizes of ~~five hundred dollars (\$ 500.00)~~ or more unless otherwise determined by the Department, will be in the form of a check or electronic deposit issued by the Commission Department or an authorized Claim Center upon completion of a Lottery prize claim form. The claimant(s) shall present the winning ticket, a completed, signed claim form, fill out their name and address on the back of the ticket, and show a pre-approved form of identification. Commission Department or Claim Center personnel shall examine the ticket and confirm that it has not been altered and the person(s) claiming the ticket is the same person(s) whose name and address is on the back of the ticket. The ticket shall be validated through the Lottery sales and validation equipment as well as pass any and all security verifications as deemed necessary by the Commission Department. Only then will the claimant(s) be paid. The claimant(s) shall receive a copy of the claim form as a receipt.

(4) Prize payments will be made out to only a single payee. Payment of a prize on a single ticket, other than merchandise, may be paid to multiple claimants provided that all claimants complete and sign a lottery prize claim form in the amount(s) for which each is claiming. Said claim forms must be presented together along with the ticket. The total claimed on said claim forms may not exceed the total prize payable for the ticket. If the amount(s) being claimed by multiple claimants for a single ticket is not specified, it is assumed that the prize will be shared equally. Any game the Commission Department offers with a prize option of cash versus annuity, a winning jackpot ticket will be paid in either a lump sum cash payment or in annual installments (annuity), but not both. Multiple winners on a single ticket must claim their share of the jackpot using the same option, subject to any applicable rules for that game.

(5) Lottery clubs, otherwise known as "bulk purchasers", charitable organizations, corporations, and other persons shall be eligible to purchase lottery tickets. However, in the case of prizes for life, such persons shall be entitled only to the minimum guaranteed prize.

(6) All prizes must be claimed within one year of draw date, game end date or purchase date depending upon the game. Unclaimed prize money shall be retained by the Commission Department for one year after the date the prize was won. See individual game rules for details on when specific tickets expire.

(7) Claim Forms are required to be submitted for claims of tickets totaling five hundred dollars (\$ 500) or more. Alternative forms with the required information may be accepted at the discretion of the Commission Department. Forms must include the following: legal name; current mailing address; tax identification number; date of birth; telephone

number; country of residency; and any lottery agent affiliation.

Rule No. ~~201~~. Eligibility to Buy.

(1) Lottery tickets may only be sold to persons who have reached the age of majority (18 years of age).

(2) Tickets may be purchased by, but no prize paid to any of the following persons:

(a) Any member of the ~~Commission Board~~ or any officer or other person employed by, or providing services or products through contract with, the ~~Commission Department~~ or to include any officer and employees of any advertising or public relations agency, gaming vendor, instant ticket provider, audit firm or any consultant.

(b) Any person residing as a member of the immediate household of any person described in subpart (a) above. Immediate household shall not include separate rental units in the same building not owned by a person described in subpart (a) above, or separate buildings on contiguous real estate not owned by a person described in subpart (a) above

~~(b)~~

Rule No. ~~212~~. Severability of Provisions.

The provisions of any rules or regulations contained herein are severable. If any provision of a rule or regulation is invalid, or if any application thereof to any person or circumstance is invalid, the invalidity shall not affect other provisions or applications which can be given effect without the invalid provision or application.

LOTTERY POLICY

The Department of Liquor and Lottery shall set policy for the operation of the Lottery. It will consider for action any recommendation for the changes in policy.

The Commissioner shall implement the policy set by the Board and recommend any changes thereto.

Rule No. 1. Definitions.

- (1) "Agent" or "Sales Agent" means a person, including any representative(s) or employee(s), who has been licensed to sell lottery tickets under Statute.
- (2) "Board" means the Board of Liquor and Lottery as described in Statute.
- (3) "Claim Center" means a place the winner of a prize greater than \$ 100.00, but less than \$ 5,001.00 can go to fill out the appropriate forms and receive payment for the winning ticket.
- (4) "Claim Form" is a Lottery-provided form to be used by players to submit winning tickets for payment of prizes.
- (5) Commissioner means the Commissioner of the Department of Liquor and Lottery (otherwise referred to as the Department or the Vermont Lottery, or simply the Lottery).
- (6) "EFT account" is a checking or savings account maintained by a Sales Agent from which the Department is authorized to withdraw funds.
- (7) "License", "sales license", or "lottery license" is evidence of the permission to sell Vermont Lottery products granted to a person under these Rules and Regulations and in accordance with Statute.
- (8) "Lottery" or "State Lottery" means the Lottery established and operated pursuant to Statute.
- (9) "Person" means an individual, association, corporation, club, trust, estate, society, company, receiver, trustee, assignee, referee or other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, or any combination of individuals. "Person" also means all departments, commissions, agencies, and instrumentalities of the State, including counties and municipalities and agencies and instrumentalities of counties or municipalities.
- (10) "Statute" means Title 31, Chapter 14, Subchapter I, of the Vermont Statutes Annotated.
- (11) "Ticket" means a lottery transaction issued by the Department for sale to the general public.
- (12) "Voucher" means any printed receipt produced by the Department that is redeemable for cash or merchandise.

Rule No. 2. License Eligibility and Application.

- (1) No License shall be issued to any person to engage in business exclusively as a Sales Agent.
- (2) A person interested in obtaining a License shall complete an application on forms prescribed by the Commissioner and file it with the Department.
- (3) Before issuing a License, an agreement signed by the applicant and the Commissioner or a designee must be on file with the Department. In issuing Licenses, the Commissioner shall consider factors including:
 - (a) The financial responsibility and security of the person and their business or activity;
 - (b) The accessibility of their place of business or activity to the public;
 - (c) The sufficiency of existing Licensees to serve the public convenience;
 - (d) The volume of expected sales;
 - (e) The honesty and integrity of the applicant;
 - (f) The credibility of the information supplied in the application; and

(g) the business experience and business practices of the applicant to include any prior history with the Vermont Lottery.

(4) The Commissioner or their designee may deny an applicant a license to act as an agent based on the determination that licensing of the applicant is not in the best interest of the Vermont Lottery. The following shall be ineligible for a License; and, if any of the circumstances described below arise after License grant, such License shall be subject to suspension or revocation:

- (a)** Any person who has been convicted of a felony within five (5) years of date of making application;
- (b)** Any firm or corporation in which a person defined in (a) has a proprietary, equitable or credit interest of five percent (5%) or more;
- (c)** Any organization in which a person defined in (a) is an officer, director, partner, member, manager or managing agent, whether compensated or not;
- (d)** Any organization in which a person defined in (a) is to participate in the management or sales of lottery tickets or shares;
- (e)** Any applicant who has not attained the age of majority (18 years of age).
- (f)** Any applicant who is currently not in good standing with respect to or in full compliance with a plan to pay: (1) any and all taxes due the State of Vermont; (2) any child support obligation payable under a support order; (3) any criminal restitution obligation; (4) any and all unemployment insurance contributions or payments in lieu of contributions due to the Vermont Department of Labor; and/or (5) any final Court judgment establishing a debt of the applicant for which the State is a judgment creditor.

Rule No. 3. Special and Seasonal Licenses.

(1) A special License may be issued subject to such special conditions or limitations as the Commissioner deems prudent and determines to be consonant with the dignity of the State, the general welfare of the people and the dignity and integrity of the Department. These limitations or conditions include, but are not limited to:

- (a)** License period;
- (b)** Hours or days of sale;
- (c)** Location of sale;
- (d)** Specific business or organization which may sell tickets.
- (e)** Specific sporting, charitable, social or other special events where Lottery tickets may be sold.
- (f)** Application or internet-based ordering; and
- (g)** Any other conditions or limitations considered prudent and determined to be in the best interests of the Vermont Lottery.

(2) A seasonal License may be issued. Said License must be an existing and active agent number and location and the seasonal license will exist only for a predetermined length of time and will be reviewed at least annually or as deemed necessary.

(3) The License fee described hereinafter shall be \$ 1.00, if the period of the License does not exceed 30 days.

(4) Sales Agents holding special Licenses are subject to all rules promulgated by the Board.

Rule No. 4. License Suspension or Revocation.

- (1)** The Commissioner shall have power to suspend or revoke any Lottery sales agent license granted pursuant to the Statute in the event the licensee shall at any time during the term of the license conduct its business in violation of the Statute, the conditions pursuant to which the license was granted, or any rule prescribed by the Board. For suspension or revocation proceedings involving a Lottery sales agent license under these Rules, the Commissioner shall conduct the hearing and render a decision. The Commissioner may summarily suspend a Lottery sale agent license in advance of a hearing in the event the Commissioner finds that public health, safety, or welfare imperatively requires emergency action, and incorporates a finding to that effect in an order, provided proceedings shall thereafter be promptly instituted and determined. Any decision to suspend or revoke a Lottery sales agent license shall be issued in writing by the Commissioner and set forth the reasons for the suspension or revocation and, if applicable, the duration of the suspension.
- (2)** A License may be suspended, revoked or rejected for any of the following causes, or any combination of the same:
- (a)** The prospective Sales Agent's application for a License contains knowingly false or misleading information, or the prospective Sales Agent's experience, character or past business practices such that a grant of a License would be inconsistent with the public interest, convenience or necessity;
 - (b)** The Sales Agent violates any of the provisions of the Act, these Rules and Regulations, or any License condition;
 - (c)** The Sales Agent fails to maintain a reasonable level of sales as determined by the Commissioner;
 - (d)** The Sales Agent fails to display Lottery marketing material and Lottery tickets so as to be readily seen by the public or fails to make handout materials readily available to the public as designated by the Lottery;
 - (e)** The Sales Agent is delinquent or fails to pay on a timely basis all monies owed to the Department;
 - (f)** The Sales Agent, or any of its officers, directors, partners, members, managers or managing agents, whether compensated or not, has been convicted of a crime as specified in Rule No. 2;
 - (g)** A Sales Agent, or any of its officers, directors, partners, members, managers or managing agents, whether compensated or not, has been convicted for bookmaking or other forms of illegal gambling;
 - (h)** The Sales Agent, or any of its officers, directors, partners, members, managers or managing agents, whether compensated or not, has been convicted of any fraud or misrepresentation; or
 - (i)** The Sales Agent fails to take reasonable security precautions with regard to the handling of Lottery tickets and other materials.
 - (j)** The Sales Agent fails to validate and pay winning tickets as prescribed in Rule 5(11) and Rule 19(1).
 - (k)** The Sales Agent fails to timely execute an updated License agreement when directed by the Commissioner.
- (3)** Upon expiration or revocation of a Sales Agent's License for any reason, the Sales Agent shall meet a Lottery Sales Representative on a date designated by the Department for the purpose of surrendering their License and turning over all Lottery tickets, dispensers, and any other Lottery materials supplied to them by the Department, in operational condition. The Department will collect any balance due from the agent and utilize all necessary legal methods to obtain lottery products and equipment from the location.
- (4)** If a Sales Agent closes out or sells their business, the Sales Agent shall forthwith surrender their License to the Department. Lottery tickets, dispensers, or any other Lottery materials supplied to them by the Department shall not be included as a part of the business sale.

Rule No. 5. Conditions of Licensing.

Upon issuance of a License the Sales Agent agrees to the following conditions:

(1) The agent agrees to sign and be bound by the terms and conditions specified in the "Agent Agreement for Sale of Lottery Tickets."

(2) Lottery agents will be supplied with lottery computer equipment, products and supplies based on their agreement with the Department.

(3) To be bound by and comply with the Act and any rules, instructions and directives of the State and the Department. A Sales Agent shall defend and hold the State and the Department, and its officers and employees, harmless for any liability that results from any act or omission of the Sales Agent, including the Sales Agent's failure to comply with Statute or these Rules;

(4) To make tickets visible and conveniently available for sale to the public at all times during normal business hours;

(5) To actively promote the sale of all Vermont Lottery products the Sales Agent is authorized to sell;

(6) To maintain authorized displays and other materials used in conjunction with communications and sales in accordance with instructions issued by the Department;

(7) To accept physical and financial responsibility for all instant tickets accepted from the Department or its representatives. Physical security shall include protecting tickets from validation prior to their sale.

(8) To maintain current and accurate records of all operations in conjunction with lottery ticket inventory and sales in conformity with rules, regulations, instructions and directives of the Department and its representatives. Such records shall be available to representatives of the Lottery upon request for inspection and/or audit for at least three calendar years;

(9) Not to sell tickets at any price greater than that price stated on the ticket;

(10) Not to sell or pay claims on tickets to persons who have not reached the age of majority (18 years of age)

(11) To immediately report using Department specified procedures, game numbers, book numbers, and ticket numbers of any missing or stolen lottery tickets consigned to the Sales Agent. Local law enforcement authorities must also be notified. (See Rule No. 11).

(12) To validate and pay winning tickets up to and including \$ 100.00 and winning online tickets up to and including \$ 499.00. Validation of winning tickets shall be performed using lottery ticket sales and validation equipment. Claim forms must be filed for winning instant tickets over \$ 100.00 and winning online tickets over \$ 499.00.

(13) As a condition of the License, the Sales Agent agrees to the installation of a communication system necessary for the operation of ticket sales and validation equipment at no expense to the agent. Any costs incurred in the change of location of the sales and validation system shall be borne by the Sales Agent.

Rule No. 6. License to be Displayed.

All licenses shall be displayed in a conspicuous location viewable to the general public on the licensed premises described therein.

Rule No. 7. Notice of Change in Licensee; Nontransferability of License.

Each entity holding a License must notify the Department no less than 20 days before any intended changes in the ownership of

and/or financial interest of any individual or entity involved with the licensed entity can occur. Any such changes not approved by the Department, may place the License in jeopardy.

Each entity holding a Licensee shall have prior approval from the Department of any change of directors, officers, members, managers, or affiliates, and of any change in shares that causes the holdings of any new or existing shareholder, including the holdings of that shareholder's immediate family, to equal ten percent or more of a corporation's voting shares. Notices shall be given in writing to the Department not later than 20 days prior to any change. The Department will consider changes in the same way that new Licenses are considered. If changes, other than changes caused by the death of a joint tenant, are concluded without obtaining prior Department approval, in writing, the license shall be subject to suspension or revocation.

The Department shall also be notified if any change in ownership results in ownership by a person or legal entity prohibited by Rule No. 2.

Licenses shall not be transferrable.

Rule No. 8. Fees.

- (1)** The Lottery shall charge a nonrefundable License fee in an amount determined by the Commissioner, not to exceed the statutory limit.
- (2)** A new License fee shall not be charged if a business to which a License is issued changes its location or business name, but does not change ownership.
- (3)** The Department may charge a nonrefundable application fee to be submitted upon application for a License in an amount determined by the Commissioner, subject to 32 V.S.A. § 603. This fee is intended to cover the costs of processing an application including but not limited to criminal background checks and credit checks.

Rule No. 9. Bonding of Agents.

The Department may require a surety bond from any Sales Agent in such amount as it may determine so as to avoid any monetary loss to the State because of a Sales Agent's activities in the sale of tickets. The bond, if required, is a condition of becoming or continuing as a Sales Agent. The Department may require a financial statement revealing the financial condition of any person seeking to become or continue as a Sales Agent. In lieu of any surety bond which the Department may require, it may seek any other guarantee or surety consistent with Statute, including the acquisition of a blanket bond.

Rule No. 10. License Expiration and Renewal.

A License remains in full force and effect until such time as the agent terminates their relationship with the Department, or until the License is otherwise terminated pursuant to applicable statute or rule.

Rule No. 11. Missing, Stolen, Damaged Tickets.

- (1)** Stolen or missing tickets are considered void and shall not be eligible to win a prize. Whenever tickets are stolen or missing while in the possession of a Sales Agent, the agent will pay the Department for all such tickets less the applicable Sales Agent commission. Sales Agents will be responsible for filing claims with their insurance companies in the event that tickets are missing or stolen while in their possession.
- (2)** The Sales Agent is responsible for reporting these tickets to the Department and local law enforcement authorities immediately upon discovery. Law enforcement authorities must be notified and proof of deactivation on the Lottery system must be submitted before any credit for tickets can be considered. Agent must pay for the tickets on settlement date which may occur immediately once they are marked stolen in the gaming system.
- (3)** The Sales Agent responsible for the tickets must be able to provide the Department with the game numbers,

game name, book numbers and ticket numbers of said tickets, as well as such information as deemed necessary by the Department to appropriately process a Stolen Ticket Report.

(4) In the case of theft of deactivated instant tickets, should the Lottery tickets be recovered by law enforcement, the Sales Agent is not liable for payment and will be issued a credit by the Department for the un-cashed tickets recovered.

(5) No prize shall be paid to any claimant of a ticket marked as stolen in the system.

(6) In the case of damaged tickets, a Sales Agent may be issued a credit for a damaged ticket provided that the Department finds it to be a valid claim.

(7) Where a Sales Agent has been issued a credit for recovered stolen tickets or damaged tickets, they must agree to defend and hold the Department and its officers and employees harmless.

(8) The Commissioner will consider all information and circumstances presented in decisions resulting from missing, stolen or damaged tickets.

Rule No. 12. Sale by Lottery Directly.

The Department may sell tickets in any manner at any selling point it establishes.

Rule No. 13. Sale, Inspection, Compensation, Depositories and Ticket Purchases.

(1) All tickets, accepted by a Sales Agent from the Department or its authorized representatives, are deemed to have been purchased by the agent, unless returned to the Department at or prior to the official closing of the particular game account.

(2) No Lottery ticket may be sold by a Sales Agent unless the ticket has first been issued to the Sales Agent by the Department.

(3) Tickets shall be sold only on the premises at the specific location named in the license or attachments thereto.

(4) A Sales Agent shall allow inspection of his/her/its premises at any time upon reasonable request of authorized employees or agents of the Lottery. The inspections may be made without prior notice to the Sales Agent.

(5) A Sales Agent is entitled to a commission for tickets sold, not to exceed the statutory limit.

(6) All Sales Agents shall be entitled to a bonus prize not to exceed 1% of the prize of a winning ticket they sell (\$ 500.00 or higher). The maximum amount payable under this rule is \$75,000.00.

(7) The Department may, with the approval of the Commissioner, award additional cash prizes or other incentives from time to time to Sales Agents.

(8) A Sales Agent shall deposit into their EFT account, on a timely basis, all monies received from the sale of tickets less the amount of commissions, fees and such sums of money retained as compensation and less the amount paid out to winners.

(9) A Sales Agent's employee under the age of eighteen (18) may sell lottery tickets but may not purchase such tickets.

Rule No. 14. Subscription Lottery Tickets.

(1) The Department, with the approval of the Commissioner, shall be authorized to prepare Lottery subscriptions for sale to the public consistent with any and all rules or regulations governing the game for which the subscription is sold. Subscriptions shall be sold on a quarterly, semi-annual and annual basis. The Department shall determine the price of subscriptions and at the Commissioner's discretion, with the consent of the Board, may discount the cost of a subscription to the public. The duration of the eligibility of each subscription shall be printed on the confirmation card.

(2) In the event that a Lottery game for which subscriptions have been sold is discontinued, the Department shall, at the discretion of the Commissioner, issue to all subscription holders tickets for an active Lottery game at comparable value or cash refunds for the period of subscription beyond the termination date of the game.

Rule No. 15. Lottery Instant Games.

(1) The Department, with the approval of the Commissioner, shall be authorized to prepare instant Lottery tickets for sale to the public.

(2) All specifications of each instant lottery game will be determined by the Department and approved by the Commissioner.

(3) Printed on each ticket shall be a series of numbers or symbols concealed from view prior to purchase. According to the procedures as announced with each instant game, matching or adding the proper symbols or numbers when revealed, or other method employed to determine winners, shall entitle the bearer of a valid ticket to the prizes indicated on the ticket and in accordance with the prize structure previously announced in appropriate directives. No weekly drawing shall be required to determine the winner of the instant lottery tickets. However, drawings may be held to determine winners of prizes in any instant lottery game. All winning and non-winning tickets must be able to be validated in a secure and reliable manner. Each game's specifications will include instructions for game play and visual clues, but validation on the gaming system provides the ultimate determination of winning a prize.

Rule No. 16. Lottery Draw Games.

(1) Lottery Draw games shall be sold at a price to be determined by the Department for draw days and times determined by the Department. Tickets shall be imprinted with the amount of the wager or price of the ticket as well as the drawing date or dates. All ticket sales must be made through official Lottery sales and validation equipment and must be printed and activated on ticket stock supplied by the lottery.

(2) Tickets shall be sold only by Sales Agents pursuant to the regulations provisions set forth in the Sales Agent License Agreement, Ticket Vending Machine Agreement (if applicable), Statute, and these Rules and Regulations.

Rule No. 17. Prize Structure.

(1) Each Lottery games prize pool shall pay out no less than 50% of gross receipts.

(2) The prize pool shall be used to:

(a) Pay claimants of legal age possessing valid winning tickets.;

(b) Pay special prizes or bonuses as specified by the Department, with the approval of the Commissioner.

(3) The Department shall determine the distribution of the prize pool and, after approval from the Commissioner, shall announce the prize structure in appropriate directives.

(4) Prizes which are unclaimed for a period of one year from the official ending date of a game or the drawing date on the ticket shall revert to the Prize Pool until such time as 50% of the gross receipts have been paid out in prizes, after which unclaimed prizes may revert to the lottery fund.

Rule No. 18. Drawings.

(1) From time to time drawings may be used to award prizes. In cases where finalists are drawn prior to a final drawing, verified finalists shall be invited to attend or send representatives to the drawing. The Department, upon verification of winners, will pay the winners the amounts specified at the drawing.

(2) Drawings shall be held in public and be open to representatives of the media.

(3) Open mechanical devices in full view of the public, or electronic devices certified by reliable, independent review shall be employed to determine winning numbers, finalists or winners.

(4) The Department may award prizes of cash or merchandise as prizes at drawings.

(5) The Department shall determine the procedures for each drawing and announce them in appropriate directives prior to the drawing.

Rule No. 19. Prize Payment and Claiming of Prizes

(1) Sales Agents shall validate and pay winning tickets to persons who have reached the age of majority (18 years of age) up to \$ 499.00. Validation of winning tickets must be through Lottery ticket sales and validation equipment. The claimant shall present the winning ticket to the Sales Agent, fill out their name and address on the back of the ticket, and show a pre-approved form of identification. The Sales Agent, after examining the ticket and confirming that it has not been altered and the person claiming the ticket is the same person whose name and address is on the back of the ticket, shall validate the ticket through the Lottery sales and validation equipment and pay the claimant.

(2) A ticket is considered to be altered if the front of the ticket is changed or modified, or if any signature on the back is tampered with in any way. Any ticket where the play area or validation information is deliberately revealed and/or the ticket is validated prior to purchase is deemed ineligible for any prize. In any event, a damaged or altered ticket is invalid and not eligible to win a prize unless damaged at the point of sale by the Sales Agents and attested to that fact upon a form prescribed by the Department.

(3) All prizes of \$ 500.00 or more unless otherwise determined by the Department, will be in the form of a check or electronic deposit issued by the Department or an authorized Claim Center upon completion of a Lottery prize claim form. The claimant(s) shall present the winning ticket, a completed, signed claim form, fill out their name and address on the back of the ticket, and show a pre-approved form of identification. Department or Claim Center personnel shall examine the ticket and confirm that it has not been altered and the person(s) claiming the ticket is the same person(s) whose name and address is on the back of the ticket. The ticket shall be validated through the Lottery sales and validation equipment as well as pass any and all security verifications as deemed necessary by the Department. Only then will the claimant(s) be paid. The claimant(s) shall receive a copy of the claim form as a receipt.

(4) Prize payments will be made out to only a single payee. Payment of a prize on a single ticket, other than merchandise, may be paid to multiple claimants provided that all claimants complete and sign a lottery prize claim form in the amount(s) for which each is claiming. Said claim forms must be presented together along with the ticket. The total claimed on said claim forms may not exceed the total prize payable for the ticket. If the amount(s) being claimed by multiple claimants for a single ticket is not specified, it is assumed that the prize will be shared equally. Any game the Department offers with a prize option of cash versus annuity, a winning jackpot ticket will be paid in either a lump sum cash payment or in annual installments (annuity), but not both. Multiple winners on a single ticket must claim their share of the jackpot using the same option, subject to any applicable rules for that game.

(5) Lottery clubs, otherwise known as "bulk purchasers", charitable organizations, corporations, and other persons shall be eligible to purchase lottery tickets. However, in the case of prizes for life, such persons shall be entitled only to the minimum guaranteed prize.

(6) All prizes must be claimed within one year of draw date, game end date or purchase date depending upon the game. Unclaimed prize money shall be retained by the Department for one year after the date the prize was won. See individual game rules for details on when specific tickets expire.

(7) Claim Forms are required to be submitted for claims of tickets totaling five hundred dollars (\$ 500) or more. Alternative forms with the required information may be accepted at the discretion of the Department. Forms must

include the following: legal name; current mailing address; tax identification number; date of birth; telephone number; country of residency; and any lottery agent affiliation.

Rule No. 20. Eligibility to Buy.

- (1)** Lottery tickets may only be sold to persons who have reached the age of majority (18 years of age).
- (2)** Tickets may be purchased by, but no prize paid to any of the following persons:
 - (a)** Any member of the Board or any officer or other person employed by, or providing services or products through contract with, the Department or to include any officer and employees of any advertising or public relations agency, gaming vendor, instant ticket provider, audit firm or any consultant.
 - (b)** Any person residing as a member of the immediate household of any person described in subpart (a) above. Immediate household shall not include separate rental units in the same building not owned by a person described in subpart (a) above, or separate buildings on contiguous real estate not owned by a person described in subpart (a) above

Rule No. 21. Severability of Provisions.

The provisions of any rules or regulations contained herein are severable. If any provision of a rule or regulation is invalid, or if any application thereof to any person or circumstance is invalid, the invalidity shall not affect other provisions or applications which can be given effect without the invalid provision or application

The Vermont Statutes Online

The Statutes below include the actions of the 2025 session of the General Assembly.

NOTE: The Vermont Statutes Online is an unofficial copy of the Vermont Statutes Annotated that is provided as a convenience.

Title 31 : Recreation and Sports

Chapter 014 : State Lottery

Subchapter 001 : GENERAL PROVISIONS

(Cite as: 31 V.S.A. § 651)

§ 651. Powers and duties of Board of Liquor and Lottery

The Board of Liquor and Lottery shall adopt rules pursuant to 3 V.S.A. chapter 25, governing the establishment and operation of the State Lottery. The rules may include the following:

(1) Types of lotteries to be conducted, provided that no lottery shall be conducted that depends upon the outcome of an athletic contest except that the lottery may be affiliated with a sporting event, or sweepstakes, where the outcome is determined solely by lot or random drawing and not by choice of the lottery participant.

(2) Price of lottery tickets.

(3) Number and size of prizes.

(4) Manner of payment of prizes.

(5) Manner and frequency of drawings.

(6) The licensing of agents, provided that:

(A) no person who has not attained the age of majority shall be licensed as an agent; and

(B) no agent shall be in the business of solely selling lottery tickets.

(7) Lottery product sales locations, which may include State agency liquor stores; private business establishments, except establishments holding first- or first- and third-class licenses pursuant to Title 7; fraternal, religious, and volunteer organizations; town clerks' offices; and State fairs, race tracks, and other sporting arenas.

(8) Method for sale of tickets, provided that they may be sold only for cash.

(9) Manner of compensation of sales agents, claims agents, and financial institutions involved in the operation of the Lottery.

(10) Manner of selecting winning tickets.

(11) Apportionment of total revenues, within limits hereinafter specified, accruing to the State Lottery Fund among:

(A) the payment of prizes to winning ticket holders;

(B) the payment of all costs incurred in the creation, operation, and administration of the State Lottery, including compensation of the Board, Commissioner of Liquor and Lottery, employees of the Department of Liquor and Lottery, consultants, and contractors and other necessary expenses;

(C) the repayment of monies advanced to the State Lottery Fund for initial funding of the State Lottery;

(D) the transfer of monies to the Education Fund established by 16 V.S.A. § 4025, to be used solely for the purposes of State and local funding of public education. (Added 1977, No. 82, § 2, eff. April 27, 1977; amended 1997, No. 60, § 86, eff. July 1, 1998; 2015, No. 23, § 135; 2015, No. 57, § 97, eff. July 2, 2016; 2015, No. 172 (Adj. Sess.), § E.141; 2018, No. 1 (Sp. Sess.), § 90.)



Proposed Rules Postings

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Deadline For Public Comment

Deadline: Oct 02, 2025

The deadline for public comment has expired. Contact the agency or primary contact person listed below for assistance.

Rule Details

Rule Number:	25P034
Title:	Updated Vermont Lottery Rules - CVR 01-130-001.
Type:	Standard
Status:	Final Proposed
Agency:	Department of Liquor and Lottery
Legal Authority:	31 V.S.A. § 651
Summary:	The proposed rule change to CVR 01-130-001 updates Vermont's Lottery regulations to align with statutory changes following the legislative consolidation of the Department of Liquor Control and the Vermont Lottery Commission into the Department of Liquor and Lottery. It replaces

outdated references (e.g., “Director” to “Commissioner,” “Commission” to “Board”), expands the Commissioner’s authority, clarifies licensing eligibility, and outlines updated conditions for license suspension or revocation. The revisions introduce new definitions, streamline administrative procedures, and reinforce consumer protections—such as prohibiting prize payouts to minors and requiring conspicuous license display. These changes modernize the rules to reflect current business practices and statutory authority.

Persons Affected:

Vermont Lottery players (general public); Individuals seeking to become licensed Lottery agents; Existing Lottery Sales Agents and their employees; Minors (explicit protections added regarding sales and prize redemption); Retail businesses licensed to sell Vermont Lottery products (e.g., convenience stores, grocery stores, gas stations); Corporations or partnerships applying for or holding Lottery licenses; Third-party vendors providing equipment, services, or marketing support to the Lottery; Insurance companies involved in covering losses from stolen tickets; Vermont Department of Liquor and Lottery; Board of Liquor and Lottery; Vermont Department of Taxes (for licensee tax compliance checks); Vermont Department of Labor (for unemployment insurance compliance); Vermont Agency of Human Services – Child Support Division (for licensee compliance checks); Local law enforcement agencies (ticket theft/loss reporting); VT Secretary of State (rule filing and publications);

Economic Impact:

The proposed rule changes have minimal economic impact overall. For Lottery Sales Agents—many of whom are small businesses—there may be minor administrative costs related to updated license agreements, recordkeeping, and display requirements. However, these are offset by increased clarity, streamlined procedures, and the removal of outdated obligations, such as installation deposits. The Department of Liquor and Lottery benefits from improved operational efficiency, clearer enforcement authority, and alignment with current statutes, reducing legal and administrative risk. The public benefits from enhanced consumer protections and more transparent rules. No new fees are introduced, and the proposed changes impose minimal to no financial burden on any category of stakeholders.

Posting date:

Aug 20, 2025

Hearing Information

Information for Hearing # 1

Hearing date: 09-21-2025 11:00 AM [ADD TO YOUR CALENDAR](#)

Location: Vermont Department of Liquor and Lottery

Address: 1311 US Route 302

City: Barre

State: VT

Zip: 05641

Hearing Notes: Also virtually via MS Teams at: <https://tinyurl.com/4s9caj2a>

Information for Hearing # 2

Hearing date: 09-22-2025 11:00 AM [ADD TO YOUR CALENDAR](#)

Location: Virtual via MS Teams

Address: <https://tinyurl.com/4s9caj2a>

City: n/a

State: VT

Zip: n/a

Hearing Notes: Virtual via MS Teams: <https://tinyurl.com/4s9caj2a>

Contact Information

Information for Primary Contact

PRIMARY CONTACT PERSON - A PERSON WHO IS ABLE TO ANSWER QUESTIONS ABOUT THE CONTENT OF THE RULE.

Level: Primary

Name: Skyler Genest

Agency: Department of Liquor and Lottery

Address: 1311 US Route 302

City: Barre

State: VT

Zip: 05641

Telephone: 802-477-2429

Fax: 802-479-4294

Email: skyler.genest@vermont.gov

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Website Address: <https://vtlottery.com/about/rules>

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Information for Secondary Contact

SECONDARY CONTACT PERSON - A SPECIFIC PERSON FROM WHOM COPIES OF FILINGS MAY BE REQUESTED OR WHO MAY ANSWER QUESTIONS ABOUT FORMS SUBMITTED FOR FILING IF DIFFERENT FROM THE PRIMARY CONTACT PERSON.

Level: Secondary
Name: Mike Ferrant
Agency: Department of Liquor and Lottery
Address: 1311 US Route 302
City: Barre
State: VT
Zip: 05641
Telephone: 801-798-6759
Fax: 802-479-4294
Email: mike.ferrant@vermont.gov

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Keyword Information

Keywords:

Vermont Lottery
Vermont Lottery Rule Update
CVR 01-130-001 Amendment
Department of Liquor and Lottery Regulation
Change
Vermont Lottery Sales Agent / Licensing Rules
Vermont Lottery Administrative Rule Revision

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	St. Albans Messenger Legals (legals@samessenger.com ; cfoley@orourkemediagroup.com)	Tel: 524-9771 ext. 117 FAX: 527-1948 Attn: Legals
	The Islander (islander@vermontislander.com)	Tel: 802-372-5600 FAX: 802-372-3025
	Vermont Lawyer (hunter.press.vermont@gmail.com)	Attn: Will Hunter

FROM: APA Coordinator, VSARA

Date of Fax: November 4, 2025

RE: The "Proposed State Rules " ad copy to run on

August 28, 2025

PAGES INCLUDING THIS COVER MEMO:

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***NOTE* 8-pt font in body. 12-pt font max. for headings - single space body. Please include dashed lines where they appear in ad copy. Otherwise minimize the use of white space. Exceptions require written approval.**

If you have questions, or if the printing schedule of your paper is disrupted by holiday etc. please contact VSARA at 802-828-3700, or E-Mail sos.statutoryfilings@vermont.gov, Thanks.

PROPOSED STATE RULES

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By law, public notice of proposed rules must be given by publication in newspapers of record. The purpose of these notices is to give the public a chance to respond to the proposals. The public notices for administrative rules are now also available online at <https://secure.vermont.gov/SOS/rules/>. The law requires an agency to hold a public hearing on a proposed rule, if requested to do so in writing by 25 persons or an association having at least 25 members.

To make special arrangements for individuals with disabilities or special needs please call or write the contact person listed below as soon as possible.

To obtain further information concerning any scheduled hearing(s), obtain copies of proposed rule(s) or submit comments regarding proposed rule(s), please call or write the contact person listed below. You may also submit comments in writing to the Legislative Committee on Administrative Rules, State House, Montpelier, Vermont 05602 (802-828-2231).

Updated Vermont Lottery Rules - CVR 01-130-001.

Vermont Proposed Rule: 25P034

AGENCY: Department of Liquor and Lottery

CONCISE SUMMARY: The proposed rule change to CVR 01-130-001 updates Vermont's Lottery regulations to align with statutory changes following the legislative consolidation of the Department of Liquor Control and the Vermont Lottery Commission into the Department of Liquor and Lottery. It replaces outdated references (e.g., "Director" to "Commissioner," "Commission" to "Board"), expands the Commissioner's authority, clarifies licensing eligibility, and outlines updated conditions for license suspension or revocation. The revisions introduce new definitions, streamline administrative procedures, and reinforce consumer protections—such as prohibiting prize payouts to minors and requiring conspicuous license display. These changes modernize the rules to reflect current business practices and statutory authority.

FOR FURTHER INFORMATION, CONTACT: Skyler Genest, Vermont Department of Liquor and Lottery, 1311 US Rt. 302, Barre VT 05641 Tel: 802-477-2429 Fax: 802-479-4294 E-Mail: skyler.genest@vermont.gov URL: <https://vtlottery.com/about/rules>.

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