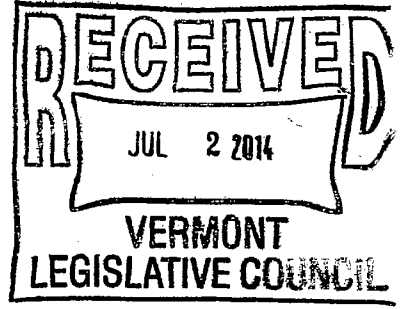


# Administrative Procedures – Final Proposed Rule Coversheet

**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 final proposed filing will be considered complete upon the submission and acceptance of the following components to the Office of the Secretary of State and to the Legislative Committee on Administrative Rules:

- Final Proposed Rule Coversheet
- Adopting Page
- Economic Impact Statement
- Public Input Statement
- 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)
- Copy of ICAR acceptance e-mail
- A copy of comments received during the Public Notice and Comment Period.
- Responsiveness Summary (detailing agency's decisions to reject or adopt suggested changes received as public comment).



All forms submitted to the Office of the Secretary of State, requiring a signature shall be hand signed original signatures of the appropriate adopting authority or authorized person, and all filings are to be submitted, no later than 3:30 pm on the last scheduled day of the work week.

**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:

**Rule Title: Hot Lotto Rules - (Effective May 17, 2014)**

Martha H. O'Connor (signature), on July 2, 2014 (date)

Printed Name and Title:  
Martha H. O'Connor, Chair, Vermont Lottery Commission

RECEIVED BY: Bha

- Final Proposed Rule Coversheet
- Adopting Page
- Economic Impact Statement
- Public Input Statement
- 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 Approval received by E-mail.
- Copy of Comments
- Responsiveness Summary

## 1. TITLE OF RULE FILING:

Hot Lotto Rules - effective May 17, 2014

## 2. PROPOSED NUMBER ASSIGNED BY THE SECRETARY OF STATE

14P-024

## 3. ADOPTING AGENCY:

Vermont Lottery Commission (VLC)

## 4. PRIMARY CONTACT PERSON:

*(A PERSON WHO IS ABLE TO ANSWER QUESTIONS ABOUT THE CONTENT OF THE RULE).*

Name: Mary Stridsberg

Agency: Vermont Lottery Commission

Mailing Address: 1311 US Route 302, Suite 100, Barre, VT  
05641

Telephone: 802 476 - 0105 ext.

Fax: 802 479 - 4294

E-Mail: mstridsberg@vtlottery.com

Web URL *(WHERE THE RULE WILL BE POSTED)*:

<http://www.vtlottery.com/pdf/hotlottorules.pdf>

## 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: Greg Smith

Agency: Vermont Lottery Commission

Mailing Address: 1311 US Route 302, Suite 100, Barre, VT  
05641

Telephone: 802 479 - 5686 ext.

Fax: 802 479 - 4294

E-Mail: gsmith@vtlottery.com

## 6. 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. Sec. 654a(a)

## 7. THE FILING HAS NOT CHANGED SINCE THE FILING OF THE PROPOSED RULE.

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

9. SUBSTANTIAL ARGUMENTS AND CONSIDERATIONS WERE NOT RAISED FOR OR AGAINST THE ORIGINAL PROPOSAL.
10. THE AGENCY HAS INCLUDED COPIES OF ALL WRITTEN SUBMISSIONS AND SYNOPSES OF ORAL COMMENTS RECEIVED.
11. THE AGENCY HAS INCLUDED A LETTER EXPLAINING IN DETAIL THE REASONS FOR THE AGENCY'S DECISION TO REJECT OR ADOPT THEM.
12. **CONCISE SUMMARY (150 WORDS OR LESS):**

Pursuant to 31 V.S.A. Sec. 654a(a), the VLC has decided to stop offering the Hot Lotto game as of May 17, 2014. With the continuing decline in participation in the game, the frequency of the jackpot being won decreased.

13. **EXPLANATION OF WHY THE RULE IS NECESSARY:**

The Vermont Lottery stopped selling the Hot Lotto game and removed itself from the Hot Lotto game group. Prizes can be claimed for up to one year from the last drawing date of May 17, 2014.

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

The affected parties include Lottery players, licensed retailer agents, Vermont Lottery Commission and the State of Vermont Education Fund.

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

It is anticipated that the economic impact would be minimal if any, to the Vermont Education Fund. We alerted existing Hot Lotto players to other games with similar jackpots or ticket prices that may appeal to them. Worst case scenario would be the loss of all sales (aprox. \$850k). See table for impacted parties.

Party	% of sales	Potential loss
Sales Agents -	\$850,000 x 6%	= \$51,000.
Gaming Vendors -	\$850,000 x 2.9763%	= \$25,000
Vermont Education Fund -	\$850,000 x 30%	= \$255,000

16. A HEARING WAS HELD.

17. 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: 6/20/2014

Time: 10:00 AM

Location: Vermont Lottery Headquarters, 1311 US Route 302, Suite 100 Barre, Vt 05641

Date:

Time: PM

Location:

Date:

Time: PM

Location:

Date:

Time: PM

Location:

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

6/27/2014

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

Hot Lotto

Lotto

Lottery

Jackpot

Education Fund

Run Spell Check



**Vermont Lottery Commission**  
1311 US Route 302, Suite 100  
Barre, VT 05641  
[www.vtlottery.com](http://www.vtlottery.com)

[phone] 802-479-5686  
[fax] 802-479-4294

July 1, 2014

On June 20, 2014 at 10:00 a.m. a hearing was held at the Vermont Lottery Office headquarters in Berlin, VT. The purpose of the meeting was to allow for public comment regarding the rule repeal and discontinuation of the Hot Lotto Game sales in Vermont.

Present at the meeting for the Vermont Lottery Office were Mary Cassani, Business Manager; and Mary Stridsberg, Personnel Administrator.

The meeting was called to order at 10:00 a.m. At 10:20 a.m. the meeting was adjourned with no attendees.

There was no public comment submitted by the deadline, therefore there is no response necessary at this time.

Respectfully submitted,

Mary E. Stridsberg



# Administrative Procedures – Adopting Page

## Instructions:

This form must be completed for each filing made during the rulemaking process:

- Proposed Rule Filing
- Final Proposed Filing
- Adopted Rule Filing
- Emergency Rule Filing

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:

Hot Lotto Rules - effective May 17, 2014

2. ADOPTING AGENCY:

Vermont Lottery Commission (VLC)

3. AGENCY REFERENCE NUMBER, IF ANY:

4. 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 as long as 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 **A REPEAL OF AN EXISTING RULE**

5. LAST ADOPTED (*PLEASE PROVIDE THE TITLE AND LAST DATE OF ADOPTION FOR THE EXISTING RULE*):

Hot Lotto Rules - effective May 12, 2013

**Run Spell Check**

## INTERAGENCY COMMITTEE ON ADMINISTRATIVE RULES

**To:** Louise Corliss, SOS  
Brian Leven, SOS  
Katie Pickens, LCAR  
ICAR Members

**Date:** May 14, 2014

**Proposed Rule:** Hot Lotto Rules – (Effective May 17, 2014)  
(Vermont Lottery Commission)

The following official action was taken at the May 12, 2014 meeting of ICAR.

**Present:** Chair Michael Clasen, Trevor Lewis, John Kessler, Dirk Anderson, Steve Knudson,  
Diane Zamos, and Scott Bascom  
**Absent:** Dixie Henry  
Jon Groveman

The Committee has no objection to the proposed rule being filed with the Secretary of State.

The Committee approves the rule with the following recommendations.

1. Coversheet #6: Add statutory reference at beginning.
2. Coversheet #6: Delete “we” and change to ...” evaluation the Lottery Commission has decided...”
3. Coversheet #9: Make this section clearer – as discussed in the meeting.

The Committee opposes filing of the proposed rule.

**cc:** Greg Smith  
Mary Stridsberg

# Administrative Procedures – Economic Impact Statement

## Instructions:

In completing the economic impact statement, an agency analyzes and evaluates the anticipated costs and benefits to be expected from adoption of the rule. This form must be completed for the following filings made during the rulemaking process:

- Proposed Rule Filing
- Final Proposed Filing
- Adopted Rule Filing
- Emergency Rule Filing

Rules affecting or regulating public education and public schools must include cost implications to local school districts and taxpayers in the impact statement (see 3 V.S.A. § 832b for details).

The economic impact statement also contains a section relating to the impact of the rule on greenhouse gases. Agencies are required to explain how the rule has been crafted to reduce the extent to which greenhouse gases are emitted (see 3 V.S.A. § 838(c)(4) for details).

All forms requiring a signature shall be original signatures of the appropriate adopting authority or authorized person.

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**Certification Statement:** As the adopting Authority of this rule (see 3 V.S.A. § 801 (b) (11) for a definition), I conclude that this rule is the most appropriate method of achieving the regulatory purpose. In support of this conclusion I have attached all findings required by 3 V.S.A. §§ 832a, 832b, and 838(c) for the filing of the rule entitled:

**Rule Title:** Hot Lotto Rules - (Effective May 17, 2014)

Martha H. O'Connor, on July 2, 2014.  
(signature) (date)

**Printed Name and Title:**

Martha H. O'Connor, Chair, Vermont Lottery Commission



*BE AS SPECIFIC AS POSSIBLE IN THE COMPLETION OF THIS FORM, GIVING FULL INFORMATION ON YOUR ASSUMPTIONS, DATABASES, AND ATTEMPTS TO GATHER OTHER INFORMATION ON THE NATURE OF THE COSTS AND BENEFITS INVOLVED. COSTS AND BENEFITS CAN INCLUDE ANY TANGIBLE OR INTANGIBLE ENTITIES OR FORCES WHICH WILL MAKE AN IMPACT ON LIFE WITHOUT THIS RULE.*

**1. TITLE OF RULE FILING:**

Hot Lotto Rules - effective May 17, 2014

**2. ADOPTING AGENCY:**

Vermont Lottery Commission (VLC)

**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:*

Categories of people, enterprises and government entities affected by this rule include:

1. Players will no longer be able to purchase Hot Lotto in Vermont.
2. Agents or retailers will no longer benefit from the 6% of total Hot Lotto sales (aprox. \$850k). The loss to agents and retailers would be \$51k ( $\$850k \times 6\%$ ).
3. Reduction in expenses for VLC would be \$25k ( $850k \times 2.9763\%$ ) paid to our online gaming vendor.
4. The reduced lottery profits sent to the Vermont Education Fund would be \$255k ( $\$850k \times 30\%$ ).

**4. IMPACT ON SCHOOLS:**

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

The impact on schools would be the reduced lottery profits sent to the Vermont Education Fund.

**5. COMPARISON:**

*COMPARE THE ECONOMIC 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:*

The Hot Lotto rule was designed for use by small businesses, and lottery agents/retailers. The repeal of this rule could result in the decrease of income to agents and retailers through the loss of Hot Lotto sales. There are no alternatives to this rule as we are repealing the rule in its entirety.

**6. FLEXIBILITY STATEMENT:**

*COMPARE THE BURDEN IMPOSED ON SMALL BUSINESS BY COMPLIANCE WITH THE RULE TO THE BURDEN WHICH WOULD BE IMPOSED BY ALTERNATIVES CONSIDERED IN 3 V.S.A. § 832a:*

There is no burden imposed on small businesses.

**7. GREENHOUSE GAS IMPACT: EXPLAIN HOW THE RULE WAS CRAFTED TO REDUCE THE EXTENT TO WHICH GREENHOUSE GASES ARE EMITTED, EITHER DIRECTLY OR INDIRECTLY, FROM THE FOLLOWING SECTORS OF ACTIVITIES:****A. TRANSPORTATION —**

*IMPACTS BASED ON THE TRANSPORTATION OF PEOPLE OR PRODUCTS (e.g., "THE RULE HAS PROVISIONS FOR CONFERENCE CALLS INSTEAD OF TRAVEL TO MEETINGS" OR "LOCAL PRODUCTS ARE PREFERENTIALLY PURCHASED TO REDUCE SHIPPING DISTANCE."):*

There is no known impact with the adoption of the Hot Lotto rule repeal.

**B. LAND USE AND DEVELOPMENT —**

*IMPACTS BASED ON LAND USE AND DEVELOPMENT, FORESTRY, AGRICULTURE ETC. (e.g., "THE RULE WILL RESULT IN ENHANCED, HIGHER DENSITY DOWNTOWN DEVELOPMENT." OR "THE RULE MAINTAINS OPEN SPACE, FORESTED LAND AND/OR AGRICULTURAL LAND."):*

There is no known impact with the adoption of the Hot Lotto rule repeal.

**C. BUILDING INFRASTRUCTURE —**

*IMPACTS BASED ON THE HEATING, COOLING AND ELECTRICITY CONSUMPTION NEEDS (e.g., "THE RULE PROMOTES WEATHERIZATION TO REDUCE BUILDING HEATING AND COOLING DEMANDS." OR "THE PURCHASE AND USE OF EFFICIENT ENERGY STAR APPLIANCES IS REQUIRED TO REDUCE ELECTRICITY CONSUMPTION."):*

There is no known impact with the adoption of the Hot Lotto rule repeal.

**D. WASTE GENERATION / REDUCTION —**

*IMPACTS BASED ON THE GENERATION OF WASTE OR THE REDUCTION, REUSE, AND RECYCLING OPPORTUNITIES AVAILABLE (e.g., "THE RULE WILL RESULT IN REUSE OF PACKING MATERIALS." OR "AS A RESULT OF THE RULE, FOOD AND OTHER ORGANIC WASTE WILL BE COMPOSTED OR DIVERTED TO A 'METHANE TO ENERGY PROJECT'."):*

There is no known impact with the adoption of the Hot Lotto rule repeal.

E. OTHER —

*IMPACTS BASED ON OTHER CRITERIA NOT PREVIOUSLY LISTED:*

N/A

**Run Spell Check**

# Administrative Procedures – Public Input Statement

## Instructions:

In completing the public input statement, an agency describes what it did do, or will do to maximize the involvement of the public in the development of the rule. This form must be completed for the following filings made during the rulemaking process:

- Proposed Rule Filing
- Final Proposed Filing
- Adopted Rule Filing
- Emergency Rule Filing

### 1. TITLE OF RULE FILING:

Hot Lotto Rules - effective May 17, 2014

### 2. ADOPTING AGENCY:

Vermont Lottery Commission (VLC)

### 3. PLEASE LIST THE STEPS THAT HAVE BEEN OR WILL BE TAKEN TO MAXIMIZE PUBLIC INVOLVEMENT IN THE DEVELOPMENT OF THE PROPOSED RULE:

The VLC held a public hearing soliciting the public's comments on the proposed Hot Lotto rule repeal. The meeting was held on June 20<sup>th</sup> at 10:00a.m. at the VLC headquarters in Barre, to give interested individuals an opportunity to comment. There were no attendees at the meeting. The meeting was closed at 10:20a.m. We notified our sales agents through a host message on their terminal about the proposed Hot Lotto rule repeal meeting, and offered them the opportunity to comment as well.

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

Vermont Grocers Association (via email) and Sales Agents (via letter)





## HOT LOTTO RULES

### PART I ADMINISTRATION

~~Section 1.0~~ These rules establish the procedures and requirements for operating and playing Hot Lotto, a lotto game run by the Multi State Lottery Association (hereinafter referred to as "MUSL"), of which the Vermont Lottery is a member. Generally, the Hot Lotto game shall be operated in accordance with any agreement between the State of Vermont and MUSL, the Constitution, the By-Laws of the Multi State Lottery Association, the Multi State Lottery Association Rules and applicable Vermont law.

### PART II HOT LOTTO GAME RULES

#### Section 2.0 — DEFINITIONS

The following definitions apply unless the context requires a different meaning or is otherwise inconsistent with the intention of the rules adopted by the Product Group.

~~2.1~~ "Advertised Grand Prize". The Advertised Grand Prize amount shall be the amount determined and publicly announced by the Product Group to be the Grand Prize for the drawing. The "Advertised Grand Prize" amount is not the Gross Grand Prize Value. The Advertised Grand Prize amount shall be the minimum cash amount that would be paid as a "Withholding Taxes Paid" prize to the Grand Prizewinner(s), on a pari mutuel basis, after calculating the potential federal and jurisdictional withholding taxes, if any, applicable to resident United States citizens with a valid Social Security Number, to the Gross Grand Prize Value. If a Member Lottery advertises an "Estimated Grand Prize", that shall have the same meaning as an "Advertised Grand Prize".

~~2.2 "Agent" or "retailer" means a person or entity licensed by the Lottery to sell lottery tickets.~~

~~2.3 "Drawing" means the formal process of selecting winning numbers that determine the number of winners for each prize level of the game.~~

~~2.4 "Computer pick" means the random selection of two digit numbers by the computer system that appear on a ticket and are played by a player in the game. Computer pick has the same meaning as "easy pick", which is used in other Lottery materials.~~

~~2.5 "Executive Director" means the Executive Director of the Vermont Lottery appointed by the Vermont Lottery Commission.~~

~~2.6 "Game board" or "boards" means that area of the play slip that contains two (2) sets of numbered squares to be marked by the player, the first set containing forty seven (47) squares, numbers one (1) through forty seven (47) and the second set containing nineteen (19) squares, numbers one (1) through nineteen (19). Game board has the same meaning as "panel" as used in other Lottery materials.~~

~~2.7 "Game ticket" or "ticket" means a lottery ticket produced by a terminal that meets the specifications defined in the rules of the Lottery and Section 7.0 (Ticket Validation) or is a properly and validly registered subscription play.~~

~~2.8 "Gross Prize Value" shall mean the prize value prior to deductions for any applicable withholding taxes due the federal or jurisdictional governments.~~

~~2.9 "Guaranteed Grand Prize" as used in these Rules refers to the guarantee by the Product Group as to the "Gross Grand Prize Value" amount; the "Advertised Grand Prize" amount is not a guaranteed prize amount.~~

~~2.10 "Lottery" or "the Lottery" means the Vermont Lottery.~~

~~2.11 "MUSL" means the Multi State Lottery Association, a government-benefit association wholly owned and operated by the Party Lotteries.~~

~~2.12 "MUSL Board" means the governing body of the MUSL that is comprised of the chief executive officer of each Party Lottery.~~

~~2.13 "On-Line Lottery Game" means a lottery game wherein a player selects numbers out of a larger predetermined set or sets of numbers.~~

~~2.14 "Party Lottery" or "Member Lottery" means a state lottery or lottery of a political subdivision or entity that has joined the MUSL and, in the context of these Hot Lotto Rules, that has joined in selling the Hot Lotto game.~~

~~2.15 "Play" or "bet" means the six (6) numbers, the first five (5) from a field of forty seven (47) numbers and the last one (1) from a field of nineteen (19)~~

~~numbers, that appear on a ticket as a single lettered selection and are to be played by a player in the game.~~

~~2.16 "Product Group" means a group of lotteries that have joined together to offer a common product pursuant to the terms of the Multi State Lottery Agreement and the Product Group's own rules.~~

~~2.17 "Play slip" or "bet slip" means a card used in marking a player's game plays and containing one or more boards.~~

~~2.18 "Set Prize" means all other prizes except the Grand Prize that are advertised to be paid by a single cash payment and, except in instances outlined in these rules, will be equal to the prize amount established by the MUSL Board for the prize level.~~

~~2.19 "Subscription" means a Hot Lotto bet recorded on the Lottery's central computer system, under the name and address of a subscriber, for a specified range of draw dates.~~

~~2.20 "Terminal" means a device authorized by the Lottery to function in an on-line, interactive mode with the Lottery's computer system for the purpose of issuing lottery tickets and entering, receiving, and processing lottery transactions, including making purchases, validating tickets, and transmitting reports.~~

~~2.21 "Winning numbers" means the six (6) numbers, the first five (5) from a field of forty seven (47) numbers and the last one (1) from a field of nineteen (19) numbers, randomly selected at each drawing, that shall be used to determine winning plays contained on a game ticket.~~

~~2.22 "Withholding Taxes Paid Prizes" shall mean prizes where the Lottery pays the prize winner a net prize amount, that consists of the Lottery withholding and depositing on behalf of the prize winner the required federal and jurisdictional withholding taxes (if any) on the "gross prize value" and the residual amount paid to the prize winner.~~



**Section 3.0 – GAME DESCRIPTION**

~~3.1 Hot Lotto is a five (5) out of forty seven (47) plus one (1) out of nineteen (19) on line lottery game that pays Grand Prize payments as a cash lump sum payment on a pari-mutuel basis. All prizes are paid on a cash basis. To play Hot Lotto, a player shall select five (5) different numbers, between one (1) and forty seven (47) and one (1) additional number between one (1) and nineteen (19), for input into a terminal. The additional number may be the same as one of the first five numbers selected by the player. Tickets can be purchased for one dollar (\$1.00), including sales tax where mandated, either from a terminal operated by an agent (i.e., a clerk-activated terminal) or from a terminal operated by the player (i.e., a player-activated terminal). If purchased from an agent, the player may select a set of five (5) numbers and one (1) additional number by communicating the six (6) numbers to the agent, or by marking six (6) numbered squares in any one game board on a play slip and submitting the play slip to the agent or by requesting "computer pick" from the agent. The agent will then issue a ticket, via the terminal, containing the selected set or sets of numbers, each of which constitutes a game play. Tickets can be purchased from a player-activated terminal by use of a touch screen or by inserting a play slip into the machine. Tickets may also be purchased through a lottery subscription system as provided in Rule 3.6.~~

~~3.2 Claims. A ticket (subject to the validation requirements set forth in Rule 7.0 (Ticket Validation)) shall be the only proof of a game play or plays and the submission of a winning ticket to the issuing Party Lottery or its authorized agent shall be the sole method of claiming a prize or prizes. A play slip has no pecuniary or prize value and shall not constitute evidence of ticket purchase or of numbers selected.~~

~~3.3 Cancellations Prohibited. A ticket may not be voided or canceled by returning the ticket to the selling agent or to the Lottery, including tickets that are printed in error. No ticket that can be used to claim a prize shall be returned to the Lottery for credit. Tickets accepted by retailers as returned tickets and that cannot be re-sold shall be deemed owned by the bearer thereof.~~

~~3.4 Player Responsibility. It shall be the sole responsibility of the player to verify the accuracy of the game play or plays and other data printed on the ticket. The placing of plays is done at the player's own risk through the on-line agent who is acting on behalf of the player in entering the play or plays.~~

~~3.5 Entry of Plays.~~ Plays may only be entered manually using the lottery terminal keypad or touch screen or by means of a play slip provided by the Party Lottery and hand marked by the player or by such other means approved by the Party Lottery. Retailers shall not permit the use of facsimiles of play slips, copies of play slips, or other materials that are inserted into the terminal's play slip reader that are not printed or approved by the Party Lottery. Retailers shall not permit any device to be connected to a lottery terminal to enter plays, except as approved by the Party Lottery.

~~3.6 Registration of Plays.~~ Subscription plays may be registered by the Lottery at a lottery processing site that meets the requirements established by the Product Group and the MUSL Security and Integrity Committee.

~~3.7 Future Plays.~~ No Party Lottery shall offer advance plays or multi-draw plays that extend more than 180 days beyond the sale date unless the Party Lottery has a process in place to allow players to make changes to their plays in the event of a game change. Proceeds from advance sales may be held by the Party Lottery until the draw date for which the ticket applies.

~~3.8 Drawings.~~ Drawings shall be held at the times and places established by the Product Group and the results shall be subsequently announced to the public.

~~(a) The Member Lottery Director shall determine the time for the end of sales prior to the drawings, which shall not be later than the time established by the Product Group. On-line terminals shall not process on-line tickets for that drawing after the time established by the Member Lottery Director.~~

~~(b) The Product Group shall designate the type of drawing equipment to be used and shall establish drawing procedures to randomly select the winning combination and to ensure the integrity of the drawing process.~~

~~3.9 Withholding Taxes Paid Prizes.~~ A Grand Prize winner shall receive a "Withholding Taxes Paid Prize". "Withholding Taxes Paid Prizes" mean prizes where the Party Lottery pays the prize winner a net prize amount, that consists of the Party Lottery reducing the "gross prize value" by the required federal and jurisdictional withholding taxes (if any), and withholding and depositing on behalf of the prize winner the required federal and jurisdictional withholding taxes (if any) on the "gross prize value" and the Party Lottery paying the prizewinner the residual amount (subject to any setoff requirements). Grand Prize winners will receive a Withholding Taxes Paid prize determined after deducting all applicable withholding taxes regardless of the "Advertised Grand Prize Amount", and which may be higher or lower than the "Advertised Grand Prize" amount.

~~Federal and jurisdictional withholding tax rates are subject to change and will be determined at the time the prize is awarded.~~

~~The "Withholding Taxes Paid" prize amount reported to the federal and jurisdictional revenue authorities by the Party Lottery as subject to income taxation shall reflect the amount paid to the prize winner and also the amount remitted as withholding taxes to the federal and jurisdictional authorities (if any) on behalf of the prize winner.~~

~~\_\_\_\_\_ The Party Lottery and MUSL are not responsible for additional income or other taxes applicable in excess of the amount withheld and remitted by the Party Lottery that may be due when the prizewinner files all tax returns for the year the prize is claimed; Prizewinners should verify personal tax liability with a financial advisor.~~

~~\_\_\_\_\_ For example, if a single Grand Prize winner wins the "Advertised Grand Prize" of \$2,000,000.00 that has a gross prize value of \$3,050,000.00, and the federal withholding tax rate is 25% and the jurisdictional tax rate is 6%, the Party Lottery will withhold and remit \$762,500.00 in federal tax withholding, \$183,000.00 in jurisdictional tax withholding and pay the prize winner \$2,104,500.00 in a single cash prize payment (subject to any setoff requirements); at the end of the tax year the Party Lottery will communicate to the prizewinner a W-2G Form showing prize won of \$3,050,000.00.~~

#### **Section 4.0 - PRIZE POOL**

~~\_\_\_\_\_ **4.1 Prize Pool.** The prize pool for all prize categories shall consist of fifty percent (50%) of each drawing period's sales, including tax, after the prize reserve accounts are funded to the amounts set by the Product Group. Any amount remaining in the prize pool at the end of this game shall be carried forward to a replacement game or expended in a manner as directed by the Product Group in accordance with state law.~~

~~\_\_\_\_\_ **4.2 Prize Reserve Accounts.** An amount equal to up to one percent (1%) of a Party Lottery's sales, including tax, shall be deducted from a Party Lottery's Grand Prize Pool and placed in trust in one or more prize reserve accounts when the Grand Prize exceeds \$2,000,000.00. An additional two percent (2%) of a Party Lottery's sales, including tax, shall be deducted from a Party Lottery's Grand Prize Pool and placed in trust in one (1) or more prize reserve accounts when the Grand Prize exceeds \$5,000,000.00 until the Party Lottery's share of the prize reserve account(s) reach(es) the amounts designated by the Product Group.~~

~~\_\_\_\_\_ The Product Group has established the following prize reserve accounts for the Hot Lotto game: the Prize Reserve Account (PRA), which is used to guarantee the payment of valid, but unanticipated, Grand Prize claims that may result from a system error or other reason, and to fund deficiencies in low tier prize payments (subject to the limitations of these rules); the Set Aside Account, which is used to guarantee payment of the minimum or starting Grand Prize; the Hot Lotto Sizzler Rollover Account, which is described in Part III of these rules; and the Lower Tier Prize Pool, which holds the temporary balances that may result from having fewer than expected winners in the low tier set prize categories. The source of the Lower Tier Prize Pool funds is the Party Lottery's weekly prize contribution less actual set prize liability.~~

~~Once the Party Lottery's share of the prize reserve accounts exceeds the designated amounts, the excess shall become part of the Grand Prize pool. The Product Group, with approval of the MUSL Finance & Audit Committee, may establish a maximum balance for the prize reserve account(s). The Product Group may determine to expend all or a portion of the funds in the reserve accounts for the purpose of indemnifying the Party Lotteries in the payment of prizes to be made by the participating lotteries, subject to the approval of the Board. The shares of a Party Lottery may be adjusted with refunds to the Party Lottery from the prize reserve account(s) as may be needed to maintain the approved maximum balance and shares of the Party Lotteries. Any amount remaining in a prize reserve account at the end of this game shall be carried forward to a replacement prize reserve account or expended in a manner as directed by the Product Group in accordance with state law.~~

~~4.3 Expected Prize Payout Percentages. Grand Prize payment amounts shall be determined on a pari mutuel basis. Except as provided in these rules, all other prizes awarded shall be paid as set cash prizes with the following expected prize payout percentages:~~

<del>Number of Matches Per Play</del>	<del>Prize Payment</del>	<del>Prize Pool Percentage Allocated to Prize</del>
<del>All five (5) of first set plus one (1) of second set.</del>	<del>Gross Grand Prize Value*</del>	<del>52.1188%</del>
<del>All five (5) of first set and none of second set.</del>	<del>\$30,000.00</del>	<del>3.7056%</del>
<del>Any four (4) of first set plus one (1) of second set.</del>	<del>\$3,000.00</del>	<del>4.3232%</del>
<del>Any four (4) of first set and none of second set.</del>	<del>\$100.00</del>	<del>2.5940%</del>
<del>Any three (3) of first set plus one (1) of second set.</del>	<del>\$50.00</del>	<del>2.9542%</del>
<del>Any three (3) of first set and none of second set.</del>	<del>\$6.00</del>	<del>6.3811%</del>
<del>Any two (2) of first set plus one (1) of second set.</del>	<del>\$6.00</del>	<del>4.7268%</del>
<del>Any one (1) of first set plus one (1) of second set.</del>	<del>\$3.00</del>	<del>11.5214%</del>
<del>None of first set plus one (1) of second set.</del>	<del>\$2.00</del>	<del>11.6750%</del>

~~\* The above reflects the Gross Grand Prize Value; the "Advertised Grand Prize" is described elsewhere in these Rules. The Gross Grand Prize Value amount will be reduced by federal and jurisdictional withholding taxes (if any) that will be remitted by the Party Lottery on behalf of the prizewinner with the prizewinner receiving the residual amount as their Grand Prize payment (subject to offsets). The prize amount reported to the federal and jurisdictional revenue authorities by the Party Lottery as subject to income taxation shall reflect the amount paid to the prize winner (including any offsets) and also the amount remitted as withholding taxes to the federal and jurisdictional authorities (if any) on behalf of the prize winner.~~

~~(a) The prize money allocated to the Gross Grand Prize Value category shall be divided equally by the number of Plays winning the Grand Prize; see infra.~~

~~(b) The prize pool percentage allocated to the set prizes (the cash prizes of \$30,000.00 or less) shall be carried forward to subsequent draws if all or a~~

~~portion of it is not needed to pay the set prizes awarded in the current draw. If the total of the set prizes awarded in a drawing exceeds the percentage of the prize pool allocated to the set prizes, then the amount needed to fund the set prizes awarded shall be drawn from the following sources, in the following order: (i) the amount allocated to the set prizes and carried forward from previous draws, if any; (ii) an amount from the PRA, if available, and (iii) an amount from the set aside account, if available, not to exceed the balance of that account. If, after these sources are depleted, there are not sufficient funds to pay the set prizes awarded, then the highest set prize shall become a pari mutuel prize. If the amount of the highest set prize, when paid on a pari mutuel basis, drops to or below the next highest set prize and there are still not sufficient funds to pay the remaining set prizes awarded, then the next highest set prize shall become a pari mutuel prize. This procedure shall continue down through all set prize levels, if necessary, until all set prize levels become pari mutuel prize levels. In that instance, the money available from the funding sources listed in this rule shall be divided among the winning plays in proportion to their respective prize percentages.~~

**Section 5.0 - PROBABILITY OF WINNING** The following table sets forth the probability of winning and the probable distribution of winners in and among each prize category, based upon the total number of possible combinations in Hot Lotto.

Number of Matches Per Ticket	Probability Distribution	Probable/Set Prize Amount
All five (5) of first set plus one (1) of second set	1: 29,144,841	\$7,594,954.50* **
All five (5) of first set and none of second set	1: 1,619,157.833333	\$30,000.00
Any four (4) of first set plus one (1) of second set	1: 138,784.957143	\$3,000.00
Any four (4) of first set and none of second set	1: 7,710.275397	\$100.00
Any three (3) of first set plus one (1) of second set	1: 3,384.998955	\$50.00
Any three (3) of first set and none of second set	1: 188.055497	\$6.00
Any two (2) of first set plus one (1) of second set	1: 253.874922	\$6.00
Any one (1) of first set plus one (1) of second set	1: 52.076907	\$3.00
None of first set plus one (1) of second set	1: 34.261123	\$2.00
Overall	1: 17.217787	

\* The Grand Prize amount does not include the Prize Reserve Account deduction or any other deductions, if any.  
 \*\* The Gross Grand Prize Value amount reflects the "Gross Prize Value"; the "Advertised Grand Prize" and "Withholding Taxes Paid Prize" amounts are discussed elsewhere in these Rules, see infra.

**Section 6.0 - PRIZE PAYMENT**

**6.1 Grand Prizes.** Grand Prizewinner(s) shall be paid, with a single cash payment. The Gross Grand Prize Value shall be a guaranteed amount and Grand Prize winner share(s) shall be determined pursuant to Section 6.5 (Funding of Guaranteed Prizes).

For past Hot Lotto Grand Prize winners who had elected an annuity payout of their Grand Prize, in the event of the death of a lottery winner during the annuity payment period, the Product Group, in its sole discretion, upon the petition of the estate of the lottery winner (the "Estate") to the state lottery of the state in which the deceased lottery winner purchased the winning ticket, and subject to federal, state, or district applicable laws, may accelerate the payment of all of the

~~remaining lottery proceeds to the Estate. If the Product Group makes such a determination, then securities and/or cash held to fund the deceased lottery winner's annuitized prize may be distributed to the Estate. The identification of the securities to fund the annuitized prize shall be at the sole discretion of the Product Group.~~

~~6.2 Low Tier Cash Prize Payments. All low tier cash prizes (all prizes except the Grand Prize) shall be paid in cash or warrants through the Party Lottery that sold the winning ticket(s). A Party Lottery may begin paying low tier cash prizes after receiving authorization to pay from the MUSL central office.~~

~~6.3 Prizes Rounded. Prizes that, under these rules, may become single-payment, pari-mutuel prizes, may be rounded down so that prizes can be paid in multiples of whole dollars. Breakage resulting from rounding these prizes shall be carried forward to the prize pool for the next drawing.~~

~~6.4 Rollover. If the Grand Prize is not won in a drawing, the prize money allocated for the Grand Prize shall roll over and be added to the Grand Prize pool for the following drawing.~~

~~6.5 Funding of Guaranteed Prizes. Prior to a drawing the Product Group shall determine and publicly announce the "Advertised Grand Prize" amount for that drawing.~~

~~The Gross Grand Prize Value amount, that is used to determine the Advertised Grand Prize amount, shall be a guaranteed amount, and the Product Group may offer guaranteed minimum Gross Grand Prize Value amounts or minimum increases in the Gross Grand Prize Value amount between drawings or make other changes in the allocation of prize money where the Product Group finds that it would be in the best interest of the game. Guaranteed Gross Grand Prize Value amounts shall be funded as determined by the Product Group.~~

~~Grand Prizewinner shares shall be determined as follows: If there are multiple Grand Prize winners during a single drawing, then a winner's share of the Grand Prize shall be determined by dividing the Gross Grand Prize Value by the number of winners. Each Grand Prizewinner's share shall be paid as a "Withholding Taxes paid" prize with applicable federal and jurisdictional withholding amounts reducing the amount of cash paid to the prize winner(s); see Section 3.7 (Withholding Taxes Paid Prizes) and infra. Minimum guaranteed prizes or increases may be waived if the alternate funding mechanism set out in Section 4.3(b) (Expected Prize Payout Percentages) becomes necessary.~~

~~6.6 Limited to Highest Prize Won. The holder of a winning ticket may win only one (1) prize per Play in connection with the winning numbers drawn, and shall be entitled only to the prize won by those numbers in the highest matching prize category.~~

~~6.7 Prize Claim Period. Prize claims shall be submitted within the period set by the Party Lottery selling the ticket, which in Vermont is one year from the prize eligibility date. The prize eligibility date is the date of the winning draw.~~

~~6.8 Prize Assignment.~~ Payment of a prize may be made to a person other than the winner pursuant to Vermont Statutes Annotated, Title 31, Section 654a(c), which adopts the payment provisions of Title 31, Section 674L.1.1A-I.

## ~~Section 7.0 TICKET VALIDATION~~

~~7.1 General Requirements for Validation.~~ To be a valid ticket and eligible to receive a prize, a ticket shall satisfy all the requirements established by a Party Lottery for validation of winning tickets sold through its on-line system and any other validation requirements adopted by the Product Group, the MUSL Board, and published as the Confidential MUSL Minimum Game Security Standards. The MUSL and the Party Lotteries shall not be responsible for tickets that are altered in any manner.

### ~~7.2 Specific Requirements for Validation of Tickets Sold in Vermont~~

~~(a) To be a valid ticket and eligible to receive a prize, all the following requirements must be satisfied:~~

~~(1) The ticket must have been issued by the Lottery through a licensed agent, via a terminal, in an authorized manner. The ticket must be intact and must not be mutilated, altered, reconstructed, or tampered with in any manner.~~

~~(2) The ticket date must have been recorded in the Lottery's central computer system before draw break and at least sixty (60) minutes prior to the scheduled drawing; even if it appears that a bet is accepted (by virtue of a printed ticket), any bet placed other than at least sixty (60) minutes prior to the drawing (regardless of when the drawing is held) is void.~~

~~(3) The information appearing on the ticket must correspond precisely with the party Lottery's computer record.~~

~~(4) The system assigned validation number must appear in its entirety, and correspond, using a computer validation file, to the winning game play or plays printed on the ticket. The ticket stock sequential number on the back of the ticket must correspond to the Lottery's inventory records.~~

~~(5) The ticket must not be defectively printed, fuzzy, produced in error, counterfeit in whole or in part, altered, unreadable, reconstructed, tampered with in any manner, stolen, blank or partially blank, misregistered, or defective.~~



~~(6) All information appearing on an apparent winning ticket must correspond to the Lottery's records of winning tickets, and another ticket with identical data shall not have been paid.~~

~~(7) The ticket must be intact, fully legible, complete and not miscut, correspond to the data on file at the Lottery in every respect.~~

~~(8) The ticket must pass all other security criteria determined by the Vermont Lottery Commission and MUSL.~~

~~(9) The ticket must be validated in accordance with the provisions of these rules relating to the procedures for claiming prizes and for the payment thereof.~~

~~(10) An apparent winning ticket shall be void unless the ticpaper stock roll which was in use at the time of the bet by, and validly issued to, the agent from whom the ticket was purchased.~~

~~(b) In the event that a ticket fails to pass all the criteria set forth in subpart (a) of this rule, the ticket shall be deemed void and ineligible for any prize and shall not be paid. In the event of a dispute or other instance of doubt, the decision of the Executive Director shall be final and binding. If the Executive Director determines that the ticket is not eligible to receive a prize, then the Executive Director may, at the Executive Director's option, replace an invalid, defective or otherwise erroneous ticket with a ticket of equivalent sales price from any current lottery game. Replacement of the ticket shall be the bearer or claimant's sole and exclusive remedy.~~

## ~~Section 8.0 TICKET RESPONSIBILITY~~

~~8.1 Signature. Until such time as a subscription play is properly and validly registered with the Member Lottery, or until such time as a signature or, if permitted by state or district law, a mark or printed name is placed upon a ticket in the area designated for signature, mark or name, a ticket shall be owned by the bearer of the ticket. When a subscription play is validly and properly registered with the Lottery, or when a signature, mark, or name is placed on the ticket in the place designated, the person who has registered the ticket, or if not registered, whose signature, mark, or name appears in such area shall be the owner of the ticket and shall be entitled (subject to the validation requirements in Section 7.0 (Ticket Validation) and state, district or jurisdiction law) to any prize attributable thereto.~~

~~8.2 Multiple Signatures.~~ The manner of payment of prizes for valid winning tickets bearing multiple signatures, marks, or names shall be determined by the Law of the State of Vermont.

~~8.3 Stolen Tickets.~~ The Product Group, the MUSL and the Party Lotteries shall not be responsible for lost or stolen tickets.

~~8.4 Subscription Plays.~~ A receipt for a subscription play has no value and is not evidence of a play. A subscription play is valid when registered with the lottery in accordance with lottery rules and the person or, if permitted by the lottery rules, the persons registering the play shall be the owner of the subscription play.

### **Section 9.0 - INELIGIBLE PLAYERS**

~~9.1~~ A ticket or share for a game issued by the MUSL or any of its Party Lotteries shall not be purchased by, and a prize won by any such ticket or share shall not be paid to:

- ~~(a)~~ A MUSL employee, officer, or director;
- ~~(b)~~ A contractor or consultant under agreement with the MUSL to review the MUSL audit and security procedures;
- ~~(c)~~ An employee of an independent accounting firm under contract with the MUSL to observe drawings or site operations and actually assigned to the MUSL account and all partners, shareholders, or owners in the local office of the firm; or
- ~~(d)~~ An immediate family member (parent, stepparent, child, stepchild, spouse, or sibling) of an individual described in subsections (a), (b), and (c) and residing in the same household.

~~9.2~~ No tickets or subscription may be sold to, or purchased by, individuals who have not attained the age of majority. However, tickets or subscriptions may be given as gifts to minors or any other individuals except as prohibited by Vermont law.

~~9.3~~ No member of the Vermont Lottery Commission or employee of the Vermont Lottery, or members of their immediate household, may claim or receive prize money in any lottery operated by the Vermont Lottery Commission, including but not limited to Hot Lotto.

### **Section 10.0 - APPLICABLE LAW**

~~In purchasing a ticket, the purchaser agrees to comply with and abide by all applicable Vermont laws, rules, regulations, procedures, and decisions by the Lottery.~~

**PART III — SPECIAL GAME RULES: HOT LOTTO SIZZLER PROMOTION**

**Section 11.0 — PROMOTION DESCRIPTION**

The Hot Lotto Sizzler promotion is a limited extension of the Hot Lotto game and is conducted in accordance with the Hot Lotto Game Rules and other lottery rules applicable to the Hot Lotto Game except as may be amended herein. The promotion will begin at a time announced by the Lottery and will continue until discontinued by the Lottery. The promotion will offer to the owners of a qualifying play a chance to multiply the amount of any of the eight lump sum Set Prizes (the lump sum prizes normally paying \$2.00 to \$30,000.00) won in a drawing held during the promotion. The Grand Prize jackpot is not a Set Prize and will not be multiplied.

**Section 12.0 — QUALIFYING PLAY**

A qualifying play is any single Hot Lotto play for which the player pays an extra dollar for the Sizzler option play and that is recorded at the Lottery's central computer as a qualifying play.

**Section 13.0 PRIZES TO BE MULTIPLIED**

A qualifying play that wins one (1) of the eight (8) lump sum Set Prizes will be multiplied by three (3). The Hot Lotto Group may change this multiplier number for special promotions from time to time.

**Section 14.0 — [Reserved].**

**Section 15.0 — SIZZLER PRIZE POOL**

**15.1 Sizzler Prize Pool.** The Sizzler Prize Pool for all prize categories shall consist of approximately forty-seven and eight thousand eight hundred thirteen ten thousandths percent (47.8813%) of each drawing period's sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery ticket. Any amount remaining in the prize pool at the end of this game shall be carried forward to a replacement game or expended in a manner as directed by the Product Group in accordance with state law.

**15.2 Prize Reserve Funding.** Two and one thousand one hundred eighty-seven ten thousandths percent (2.1187%) of sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery ticket, may be collected and placed in trust in the Sizzler Prize Pool or in one or more prize reserve accounts until the prize reserve accounts reach the amounts designated by the Product Group.

~~15.3 Expected Prize Payout.~~ Except as provided in these rules, all prizes awarded shall be paid as lump sum set prizes. Instead of the Hot Lotto set prize amounts, qualifying Sizzler plays will pay the amounts shown:

	Hot Lotto Prize Amount	Pays Instead 3X
Match 5+0	\$30,000.00	\$90,000.00
Match 4+1	\$3,000.00	\$9,000.00
Match 4+0	\$100.00	\$300.00
Match 3+1	\$50.00	\$150.00
Match 3+0	\$6.00	\$18.00
Match 2+1	\$6.00	\$18.00
Match 1+1	\$3.00	\$9.00
Match 0+1	\$2.00	\$6.00

In certain rare instances, the Hot Lotto set prize amount may be less than the amount shown. In such case, the Sizzler prizes will be a multiple of the new Hot Lotto prize amount. For example, if the Match 5 of the first set and none of the second set Hot Lotto set prize amount of \$30,000.00 becomes \$27,000.00 under the rules of the Hot Lotto game, then a Sizzler player winning that prize would win \$81,000.00 (\$27,000.00 x 3).

~~Section 16.0 – [Reserved].~~

~~Section 17.0 – LIMITATIONS ON PAYMENT OF SIZZLER PRIZES~~

~~17.1 Sizzler Prize Pool Carried Forward.~~ The Sizzler prize pool percentage allocated to the Sizzler set prizes shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the set prizes awarded in the current draw.

~~17.2 Pari Mutuel Prizes – All Prize Amounts.~~ If the total of the original Hot Lotto set prizes and the multiplied Sizzler set prizes awarded in a drawing exceeds the percentage of the prize pools allocated to the set prizes and Sizzler prizes, then the amount needed to fund the set prizes (including the multiplied set prizes) awarded shall be drawn from the following sources, in the following order: (i) the amount allocated to the set prizes (including the multiplied set prizes) and carried forward from previous draws, if any; (ii) an amount from the Hot Lotto Prize Reserve Account, if available in the account, not to exceed one million dollars (\$1,000,000.00) per drawing. If, after these sources are depleted, there are not sufficient funds to pay the set prizes awarded (including multiplied prizes), then the highest set prize (including the multiplied prizes) shall become a pari mutuel prize. If the amount of the highest set prize, including the multiplied set prizes, when paid on a pari mutuel basis, drops to or below the next highest

~~set prize and there are still not sufficient funds to pay the remaining set prizes awarded, then the next highest set prize, including the multiplied prize, shall become a pari-mutuel prize. This procedure shall continue down through all set prizes levels, if necessary, until all set prize levels become pari-mutuel prize levels. In that instance, the money available from the funding sources listed in this rule shall be divided among the winning plays in proportion to their respective prize percentages.~~

#### ~~Section 18 – PRIZE PAYMENT~~

~~18.1 Prize Payments.~~ All Sizzler prizes shall be paid in one lump sum through the Member Lottery that sold the winning ticket(s). A Member Lottery may begin paying Sizzler prizes after receiving authorization to pay from the MUSL central office.

~~18.2 Prizes Rounded.~~ Prizes, that, under these rules, may become pari-mutuel prizes, may be rounded down so that prizes can be paid in multiples of whole dollars. Breakage resulting from rounding these prizes shall be carried forward to the Sizzler prize pool for the next drawing.

### ~~PART IV AGENTS~~

#### ~~Section 19.0 – Agents~~

~~19.1 Agents selling Hot Lotto and Sizzler tickets shall comply with all applicable Vermont laws, rules, regulations, procedures, and decisions of the Lottery and with all applicable MUSL rules, regulations and requirements.~~

~~19.2 Each agent shall receive 6.00 percent (6%) of gross receipts for Hot Lotto and Sizzler tickets sold by that agent as a commission. The 6.00 percent (6%) commission applies to Hot Lotto and Sizzler sales only.~~

### ~~PART V SUBSCRIPTIONS~~

#### ~~Section 20.0 – Subscriptions~~

~~20.1 Specific information required for a subscription~~

~~(a) To play by subscription a player shall provide the Lottery with the following information:~~

~~(1) 5 different 2-digit numbers between one (01) and a designated number and one additional 2-digit number between one (01) and a designated number;~~

\_\_\_\_\_ ~~(2) Name;~~

\_\_\_\_\_ ~~(3) A Vermont mailing address;~~

\_\_\_\_\_ ~~(4) Home telephone number;~~

\_\_\_\_\_ ~~(5) Work telephone number, if applicable;~~

\_\_\_\_\_ ~~(6) A gift message, if applicable;~~

\_\_\_\_\_ ~~(7) The number of draws the subscription shall be valid;~~

\_\_\_\_\_ ~~(8) Indicate Sizzler Option (Yes or No)~~

\_\_\_\_\_ ~~(9) Affirmation of age eligibility; and~~

\_\_\_\_\_ ~~(10) Payment method.~~

\_\_\_\_\_ ~~(b) If the subscriber selects payment for subscription by check, the check shall be payable to the Vermont Lottery Commission and attached to the subscription application form.~~

\_\_\_\_\_ ~~(c) [Reserved]~~

\_\_\_\_\_ ~~(d) The completed subscription form shall be forwarded to the Lottery headquarters for processing.~~

\_\_\_\_\_ ~~(e) Upon receipt of the subscription application, the Lottery shall enter the subscribers' information into a Lottery approved subscription database program.~~

\_\_\_\_\_ ~~(f) The database program will assign the next available effective draw date for the subscription, as determined by MUSL.~~

\_\_\_\_\_ ~~(g) The database program will assign the following identification numbers to the subscription:~~

\_\_\_\_\_ ~~(1) Subscriber number; and~~

\_\_\_\_\_ ~~(2) Subscription number.~~

\_\_\_\_\_ ~~(h) The Lottery will assign the following identification numbers to the subscription:~~

\_\_\_\_\_ ~~(1) Batch number; and~~

~~\_\_\_\_\_ (2) Sequence or certificate number.~~

~~\_\_\_\_\_ (i) The Lottery shall print a subscription confirmation card which shall list the following information:~~

~~\_\_\_\_\_ (1) Subscriber name;~~

~~\_\_\_\_\_ (2) Subscriber address;~~

~~\_\_\_\_\_ (3) 5, 2 digit numbers and 1, additional 2 digit number;~~

~~\_\_\_\_\_ (4) Sizzler Option (Yes or No)~~

~~\_\_\_\_\_ (5) Day, month and year the subscription is effective;~~

~~\_\_\_\_\_ (6) Day, month and year the subscription expires;~~

~~\_\_\_\_\_ (7) A gift message, if applicable;~~

~~\_\_\_\_\_ (8) Subscription number;~~

~~\_\_\_\_\_ (9) Batch number; and~~

~~\_\_\_\_\_ (10) Sequence or certificate number.~~

~~\_\_\_\_\_ (j) The Lottery shall forward a subscription confirmation card to the subscriber.~~

~~\_\_\_\_\_ (k) It shall be the sole responsibility of the player to verify the following are correct:~~

~~\_\_\_\_\_ (1) Subscriber name;~~

~~\_\_\_\_\_ (2) Subscriber address;~~

~~\_\_\_\_\_ (3) Subscriber chosen 5, 2 digit numbers and one additional 2 digit number;~~

~~\_\_\_\_\_ (4) Sizzler Option (Yes or No)~~

~~\_\_\_\_\_ (5) Subscription play length; and~~

~~\_\_\_\_\_ (6) Effective and expiration dates.~~

~~(l) It shall be the sole responsibility of the subscriber to notify the Lottery of incorrect data on the confirmation card prior to the effective date of the subscription.~~

~~(m) A subscription application form has no pecuniary or prize value and shall not constitute evidence of ticket purchase or of numbers selected.~~

~~(n) Once a subscription play is registered with the Lottery, the registration shall constitute the only acceptable evidence of play for the subscriber.~~

~~(o) A subscription does not become effective until the effective date listed on the confirmation card, which shall match the effective date listed in the Lottery's subscription database.~~

~~(p) Any changes to a subscriber's name or address shall be requested in writing by the subscriber and include the previous name and address. Name and address changes shall require a notarized letter from the subscriber.~~

~~(q) There shall be no changes to the subscriber's numbers during the effective dates of the subscription unless authorized by MUSL.~~

~~(r) Prizes shall be paid, by check or by expiration date extensions, as determined by MUSL.~~

~~(s) Prize checks shall be made payable to the subscription name(s) as recorded in the Lottery's central computer system;~~

~~(t) Subscriptions, once in effect, cannot be cancelled in whole or in part except as determined by MUSL.~~

~~(u) Subscription renewal forms shall be forwarded to the subscriber by the Lottery within a time period prior to the subscription's expiration date as determined by MUSL.~~

~~(v) The subscription renewal form shall contain the following information:~~

~~(1) Subscriber's name;~~

~~(2) Subscriber's address;~~

~~(3) 5 2-digit numbers and one additional 2-digit number;~~

~~(4) Sizzler Option (Yes or No)~~

~~(5) Subscriber number;~~



~~\_\_\_\_\_ (6) Subscription number; and~~

~~\_\_\_\_\_ (7) Expiration date including free play extensions, if any.~~

~~\_\_\_\_\_ (w) If the subscriber elects to continue a subscription, the subscriber shall provide the Lottery with the following information:~~

~~\_\_\_\_\_ (1) Subscription play length;~~

~~\_\_\_\_\_ (2) Sizzler Option (Yes or No)~~

~~\_\_\_\_\_ (3) Change of address, if applicable;~~

~~\_\_\_\_\_ (4) Payment method; and~~

~~\_\_\_\_\_ (5) A change of numbers of 5 2-digit numbers and 1 additional 2-digit number, if applicable.~~

~~\_\_\_\_\_ (x) [Reserved]~~

~~\_\_\_\_\_ (y) If the subscriber selects payment for subscription by check, the check shall be payable to the Vermont Lottery Commission and attached to the subscription renewal form.~~

~~\_\_\_\_\_ (z) The completed subscription renewal form shall be forwarded to the Lottery headquarters for processing.~~

~~\_\_\_\_\_ (aa) Upon receipt of the subscription renewal form, the Lottery shall enter the subscriber's information into a Lottery approved subscription database program.~~

~~\_\_\_\_\_ (ab) The database program will assign the next available effective draw date for the subscription, as determined by MUSL.~~

~~\_\_\_\_\_ (ac) The database program will assign a unique subscription number to the subscription:~~

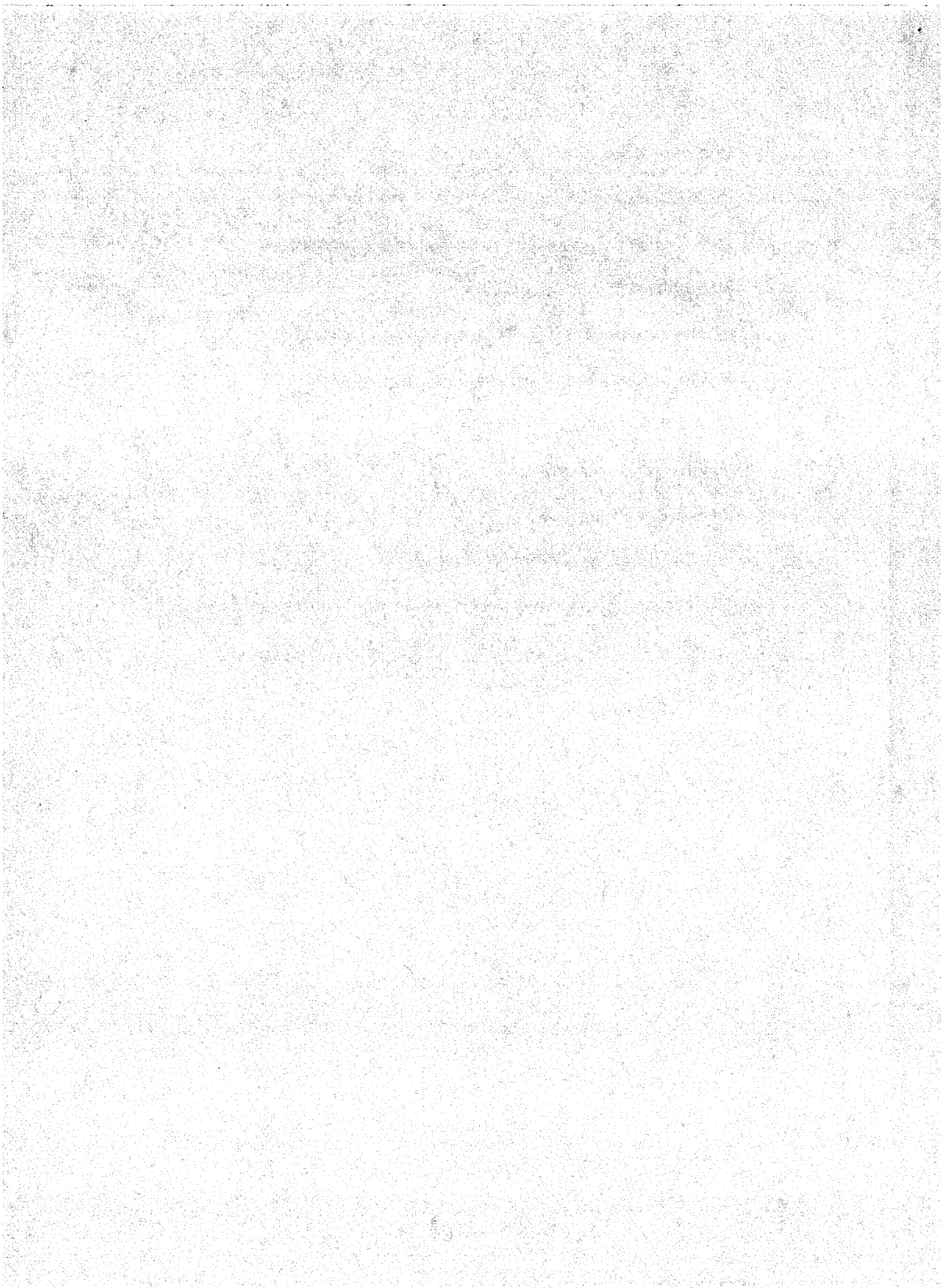
~~\_\_\_\_\_ (ad) The Lottery will assign the following identification numbers to the subscription:~~

~~\_\_\_\_\_ (1) Batch number; and~~

~~\_\_\_\_\_ (2) Sequence or certificate number.~~

~~\_\_\_\_\_ (ae) The Lottery shall print a subscription confirmation card which shall list the following information:~~

- ~~\_\_\_\_\_ (1) Subscriber name;~~
  - ~~\_\_\_\_\_ (2) Subscriber address;~~
  - ~~\_\_\_\_\_ (3) 5, 2 digit numbers and 1, additional 2 digit number;~~
  - ~~\_\_\_\_\_ (4) Sizzler Option (Yes or No)~~
  - ~~\_\_\_\_\_ (5) Day, month and year the subscription is effective;~~
  - ~~\_\_\_\_\_ (6) Day, month and year the subscription expires;~~
  - ~~\_\_\_\_\_ (7) A gift message, if applicable;~~
  - ~~(8) Subscription number;~~
  - ~~\_\_\_\_\_ (9) Batch number; and~~
  - ~~\_\_\_\_\_ (10) Sequence or certificate number.~~
- ~~\_\_\_\_\_ (af) The Lottery shall forward a subscription confirmation card to the subscriber.~~



# The Vermont Statutes Online

## Title 31: Recreation and Sports

### Chapter 14: STATE LOTTERY

#### Sub-Chapter 01: General Provisions

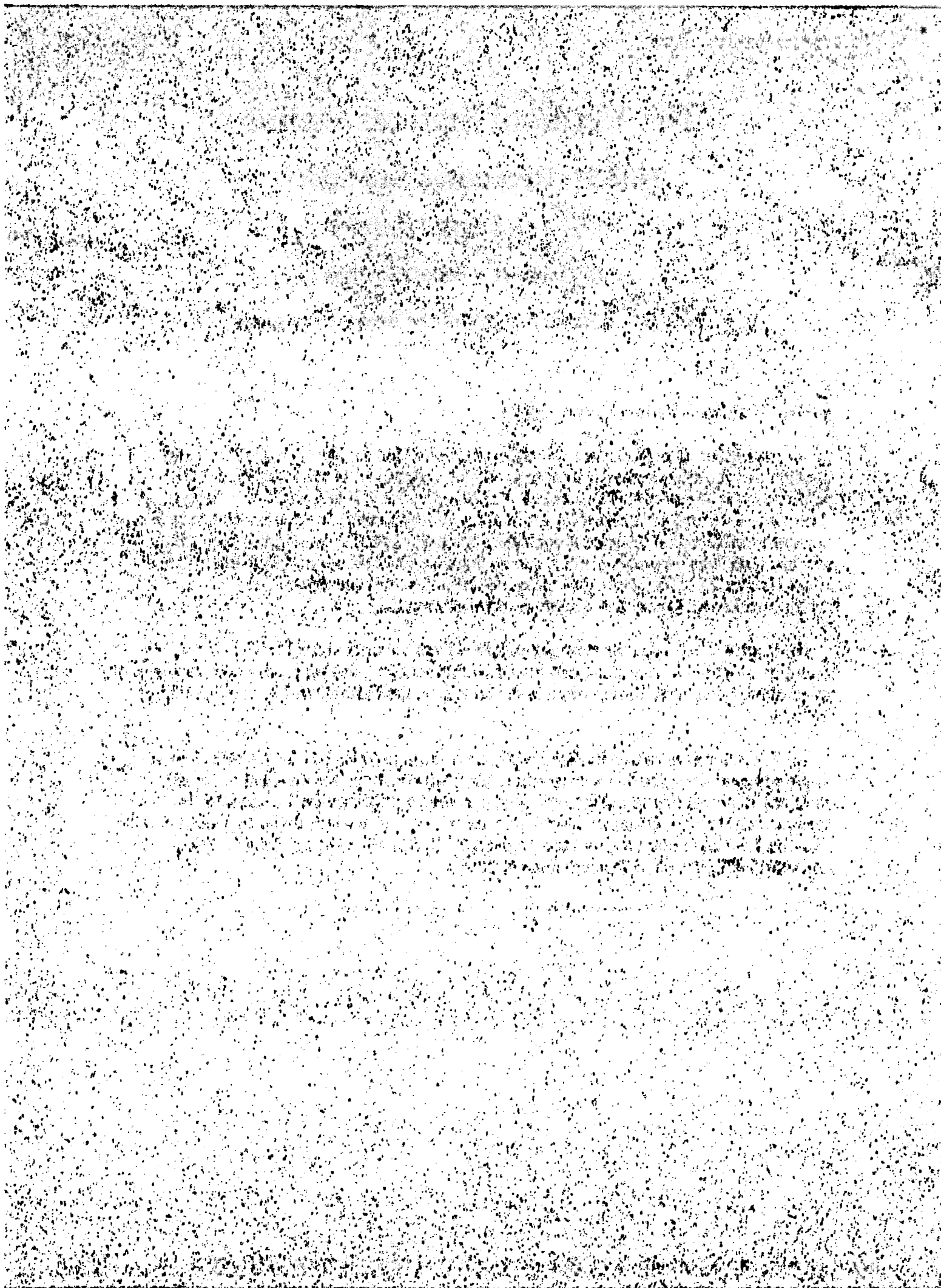
### 31 V.S.A. § 654a. Multijurisdictional lottery game

#### § 654a. Multijurisdictional lottery game

(a) In addition to the Tri-State Lotto Compact provided for in subchapter 2 of this chapter, and the other authority to operate lotteries contained in this chapter, the commission is authorized to negotiate and contract with up to four multijurisdictional lotteries to offer and provide multijurisdictional lottery games. The commission may join any multijurisdictional lottery that provides indemnification for its standing committee members, officers, directors, employees, and agents. The commission shall adopt rules under chapter 25 of Title 3 to govern the establishment and operation of any multijurisdictional lottery game authorized by this section.

(b) In each fiscal year, the revenues received from the operation of any multijurisdictional lottery game authorized by this section, after payment of prizes and costs of administration, shall be deposited in the education fund established in section 4025 of Title 16.

(c) The provisions of subdivisions 674L.1.1A through 674L.1.1I of this title shall apply to the payment of prizes to a person other than a winner for prizes awarded under any multijurisdictional lottery authorized by this section, except that the Vermont lottery commission shall be responsible for implementing such provisions under this section, rather than the Tri-State Lotto Commission. (Added 2003, No. 19, § 49, eff. May 6, 2003; amended 2007, No. 65, § 296, eff. June 4, 2007.)





# Proposed Rules Postings

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### Deadline For Public Comment

Deadline: Jun 27, 2014

Please submit comments to the agency or primary contact person listed below, before the deadline.

### Rule Details

Rule Number:	14P024
Title:	Hot Lotto Rules - effective May 17, 2014
Type:	Standard
Status:	Proposed
Agency:	Vermont Lottery Commission
Legal Authority:	31 V.S.A. § 654a(a)
Summary:	Pursuant to 31 V.S.A. Sec. 654a(a), the Vermont Lottery Commission (VLC) has decided to stop offering the Hot Lotto game as of May 17,

2014. With the continuing decline in participation in the game, the frequency of the jackpot being won decreases. The Vermont Lottery will stop selling the Hot Lotto game and remove itself from the Hot Lotto game group. Prizes can be claimed for up to one year from the last drawing date of May 17, 2014.

**Persons Affected:**

The affected parties include Lottery players, licensed retailer agents, Vermont Lottery Commission, and the State of Vermont Education Fund.

**Economic Impact:**

It is anticipated that the economic impact would be minimal if any, to the Vermont Education Fund. Our goal is to alert those existing Hot Lotto players to other games with similar jackpots or ticket prices that may appeal to them. Worst case scenario would be the loss of all sales (approx. \$850k). \*NOTE\* Table transcribed for inclusion in database: Sales Agents - \$850,000 x 6 of sales equaling \$51,000 loss; Gaming Vendors - \$850,000 x 2.9763 equaling \$25,000 loss; Vermont Education Fund - \$850,000 x 30 equaling \$255,000 loss).

**Posting date:**

May 21, 2014

## Hearing Information

### Information for Hearing # 1

**Hearing date:**

06-20-2014 10:00 AM [ADD TO YOUR CALENDAR](#)

**Location:**

Vermont Lottery Headquarters

**Address:**

1311 US RTE 302, Suite 100

**City:**

Barre

**State:**

VT

**Zip:**

05641

**Hearing Notes:**

## Contact Information

### Information for Contact # 1

Level: Primary  
 Name: Mary Stridsberg  
 Agency: Vermont Lottery Commission  
 Address: 1311 US RTE 302, Suite 100  
 City: Barre  
 State: VT  
 Zip: 05641  
 Telephone: 802-476-0105  
 Fax: 802-479-4294  
 Email: [mstridsberg@vtlottery.com](mailto:mstridsberg@vtlottery.com)  
  
 Website Address: <http://www.vtlottery.com/pdf/hotlottorules.pdf>

**Information for Contact # 2**

Level: Secondary  
 Name: Greg Smith  
 Agency: Vermont Lottery Commission  
 Address: 1311 US RTE 302, Suite 100  
 City: Barre  
 State: VT  
 Zip: 05641  
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 Fax: 802-479-4294  
 Email: [gsmith@vtlottery.com](mailto:gsmith@vtlottery.com)

**Keyword Information**

**Keywords:**

- Hot Lotto
- Lotto
- Lottery
- Jackpot
- Education Fund





Hot Lotto Rules - (Effective May 17, 2014)

Vermont Proposed Rule: 14P024

AGENCY: Vermont Lottery Commission.

CONCISE SUMMARY: Pursuant to 31 V.S.A. Sec. 654a(a), the Vermont Lottery Commission (VLC) has decided to stop offering the Hot Lotto game as of May 17, 2014. With the continuing decline in participation in the game, the frequency of the jackpot being won decreases. The Vermont Lottery will stop selling the Hot Lotto game and remove itself from the Hot Lotto game group. Prizes can be claimed for up to one year from the last drawing date of May 17, 2014.

FOR FURTHER INFORMATION, CONTACT: Mary Stridsberg, Vermont Lottery Commission, 1311 US Route 302, Suite 100, Barre, VT 05641 Tel: 802-476-0105 Fax: 802-479-4294 Email: [mstridsberg@vtlottery.com](mailto:mstridsberg@vtlottery.com) URL <http://www.vtlottery.com/pdf/hottorules.pdf>.

For Copies: Greg Smith Vermont Lottery Commission 1311 US Route 302, Suite 100, Barre, VT 05641 Tel: 802-479-5686 Fax: 802-479-4294 Email: [gsmith@vtlottery.com](mailto:gsmith@vtlottery.com) J-A 5-29-14

