

State of Vermont

Lottery Rules and Regulations

Department of Liquor and Lottery
Division of Lottery

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INTRODUCTION

The Vermont Board 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 of the Department of Liquor and Lottery shall implement the policy set by the Board and recommend any changes thereto.

No Commissioner shall have any pecuniary interest in any License or any contract awarded by the Board. 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 ([E.O. 19-17](#)). 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 Board meeting and a vote taken. Should the vote reflect that a further review is required, the matter would be turned over to the Commissioner of the Department of Liquor and Lottery to investigate any allegations. After the investigation has been completed, the Commissioner of the Department of Liquor and Lottery shall submit findings to the Board in writing. If the Board determines that a Commissioner is in violation of this section, the Board 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.
- (2) "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.
- (5) "Board" means the Vermont Board of Liquor and Lottery as established by the Act.
- (10) "Lottery" or "State Lottery" means the Lottery established and operated pursuant to the Act.
- (11) "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.
- (6) "Commissioner" means the Commissioner of the Department of Liquor and Lottery.
- (12) "Ticket" means a lottery transaction issued by the Board for sale to the general public.
- (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.
- (7) "Drop Box" is a container (box, jug, etc.) designated by the Board as a receptacle for tickets or any other form of entry as designated by the Lottery for the purpose of special promotions.
- (8) "EFT account" is a checking or savings account maintained by a Sales Agent from which the Board is authorized to withdraw funds.
- (9) "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.
- (4) "Claim Form" is a Lottery-provided form to be used by players to submit winning tickets for payment of prizes.

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 prescribed by the Board and file it with the Commissioner.
3. Before issuing a License, an agreement signed by the applicant and the Commissioner must be on file with the Board. In issuing Licenses, the Board, through its 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 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, Commissioner, 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 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 Board.

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.
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 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 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.
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 Commission;
 - 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;

findings of facts and conclusions of law shall be filed with the 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 Commissioner shall adopt, review or modify the recommended report and decision.

7. If the hearing with the 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 Commissioner's decision, a hearing with the Board. The Board must schedule, within thirty (30) business days of the receipt of the petition, a hearing. The 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 decision shall be final and binding upon both parties.

RULE NO. 6 CONDITIONS OF LICENSING

1. Upon issuance of a License the Sales Agent agrees to the following conditions:
2. Lottery agents will be supplied with lottery computer equipment, products and supplies based on their agreement with the Board.
3. To be bound by and comply with the Act and any rules, instructions and directives of the State and the Board. A Sales Agent shall defend and hold the State and the Board, 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 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, drop boxes and other materials used in conjunction with communications and sales in accordance with instructions issued by the Commission;
7. To accept physical and financial responsibility for all instant tickets accepted from the Board 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 Board and its representatives. Such records shall be available to representatives of the Board upon request for inspection and/or audit for at least three (3) calendar years;
9. Not to sell tickets at any price greater than that price stated on the ticket;
10. To immediately report to Lottery Security, 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. 12).
11. To validate and pay winning tickets up to and including \$100 and winning online tickets up to and including four-hundred, ninety-nine dollars (\$499.00). Validation of winning

tickets must be performed using lottery ticket sales and validation equipment. Claim forms must be filed for winning instant tickets over \$100 and winning online tickets over four-hundred, ninety-nine dollars (\$499.00).

12. 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. 7 LICENSE TO BE DISPLAYED

Every Sales Agent shall display their License in a prominent area on the Sales Agent's premises.

RULE NO. 8 NOTICE OF CHANGE IN LICENSEE;

NONTRANSFERABILITY OF LICENSE

Each entity holding a License must notify the Commissioner 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 Commissioner, may place the License in jeopardy.

Each entity holding a Licensee shall have prior approval from the Commissioner of any change of Commissioners, 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 Commissioner not later than 20 days prior to any change. The Commissioner 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 Commissioner approval, in writing, the license shall be subject to suspension or revocation.

The Commissioner 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. 9 FEES

1. The Lottery shall charge a nonrefundable License fee in an amount determined by the Board, 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 Board may charge a nonrefundable application fee to be submitted upon application for a License in an amount determined by the Board, 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 Board shall charge a refundable installation deposit to be submitted upon application for a License in an amount determined by the Board. 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 Board.

RULE NO. 10 BONDING OF AGENTS

The Board 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 Board 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 Board may require, it may seek any other guarantee or surety consistent with the Act, including the acquisition of a blanket bond.

RULE NO. 11 LICENSE EXPIRATION AND RENEWAL

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

RULE NO. 12 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 Sales Agent will pay the Board for all such tickets less the applicable Sales Agent Board. 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 and local law enforcement authorities immediately upon discovery. Law enforcement authorities must be notified and proof of deactivation on our 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 Board with the game numbers, book numbers and ticket numbers of said tickets, as well as such information as deemed necessary by the Board 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 Board 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 Board 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 Board 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. 13 SALE BY LOTTERY DIRECTLY

The Board may sell tickets at any selling point it establishes in the State.

RULE NO. 14 SALE, INSPECTION, COMPENSATION, DEPOSITORIES AND TICKET PURCHASES

1. All tickets, accepted by a Sales Agent from the Board or its authorized representatives, are deemed to have been purchased by the Sales Agent, unless returned to the Board 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 Board.
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 Board 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.
7. The Commissioner may, with the approval of the Board, 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. 15 SUBSCRIPTION LOTTERY TICKETS

1. The Commissioner, with the approval of the Board, 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 Commissioner 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 Board 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. 16 LOTTERY INSTANT GAMES

1. The Commissioner, with the approval of the Board, 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 Lottery 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. 17 LOTTERY DRAW GAMES

1. Lottery Draw games shall be sold at a price to be determined by the Board for draw days and times determined by the Board. 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), the Act, and these Rules and Regulations.

RULE NO. 18 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 possessing valid winning tickets.
 - b. Pay special prizes or bonuses as specified by the Commissioner, with the approval of the Board.
3. The Commissioner shall determine the distribution of the prize pool and, after approval from the Board, 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. 19 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 Board, 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 Board may award prizes of cash or merchandise as prizes at drawings.
5. The Commissioner shall determine the procedures for each drawing and announce them in appropriate directives prior to the drawing.

RULE NO. 20 PRIZE PAYMENT AND CLAIMING OF PRIZES

1. Sales Agents shall validate and pay winning tickets 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.
3. All prizes of five-hundred dollars (\$500.00) or more will be in the form of a check or electronic deposit issued by the Board 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. Board 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 Board. 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 Board 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, 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 Board

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 Board. 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. 21 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 Board 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. 22 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.