

SGC Lottery prize payment and subscriptions amendments Rule text
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Sections 5000.2, 5002.1, 5002.3, 5002.4, 5002.5, 5002.7, 5002.10, 5002.11, 5002.13, 5004.5, 5005.1, 5005.2, 5005.3, 5005.4, 5005.5, 5005.6, 5005.7, 5005.8, 5007.2, 5007.5, 5007.15, 5007.16, 5008.2, 5008.11, 5013.3, 5014.3 and 5014.14 of 9 NYCRR would be amended, subdivisions (d) through (p) of section 5000.2 would be re-lettered as (e) through (q), respectively, and new sections 5005.9 and 5005.10 would be added, to read as follows:

§ 5000.2. Definitions.

Unless the context indicates otherwise, the following definitions are applicable throughout this chapter.

* * *

(d) *Claimant* means any person or entity submitting a prize claim within the required time period of a game to collect a prize relating to a ticket. A claimant may be a person or entity named on a signed ticket or may be the bearer of an unsigned ticket. No claimant may assert rights different from the rights acquired by the original purchaser of the ticket at the time of purchase.

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PART 5002

Payment of Prizes

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* * *

§ 5002.1. Information furnished by winning ticket holder.

Each claimant shall fill out a prize claim form [as specified in the rules of each game], unless the prize is less than \$600 and is claimed at a licensed lottery sales agent, and surrender such claimant's winning ticket. Nothing in this section shall prohibit the

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commission from authorizing a courier service licensed pursuant to Part 5014 of this subchapter to provide a claimant with an electronic version of a prize claim form.

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§ 5002.3. Time of payment of prize.

Payment of [prizes] a prize shall be [awarded as soon as reasonably possible] made only after the prize claim form has been filed, validated and verified, and the claimant has been identified to the satisfaction of the commission.

§ 5002.4. Place of payment.

Payment of [prizes] a prize shall be made to the claimant or claimants at the address or addresses furnished to the commission on the prize claim form or as authorized by the claimant or claimants for deposit in another manner, on such supplemental forms as the commission may require.

§ 5002.5. Manner of payment.

* * *

(b) *Prizes at or above threshold claimed in person.* Any prize paid at an office of the commission, or by an agent designated by the commission to pay prizes of [more than] \$600 or more each on behalf of the commission, shall be paid by check or by any alternative method of payment determined by the commission (such as a commission-issued debit card). Any prize of [more than] \$600 or more must be claimed directly from the commission or an agent designated by the commission for such payment, pursuant to this subdivision or subdivision (a) of this section.

(c) *Prizes [at or] below threshold claimed in person.* Any prize of less than \$600 [or less] may be claimed at any licensed lottery [retailer] sales agent location or at an office of the commission, or by an agent designated by the commission, and the prize shall be paid in cash or by any alternative method of payment determined by the commission (such as a commission-issued debit card). A prize of such amount resulting from a ticket issued on behalf of a courier customer to a courier service may be claimed pursuant to section 5014.14 of this chapter.

(d) *Subscriptions.* Any prize won by a subscriber through a subscription pursuant to Part 5005 of this Chapter shall be payable as follows:

(1) by check or alternative method of payment determined by the commission (such as a commission-issued debit card), if the prize is [more than] \$600 or more; or

(2) the prize amount shall be made available in the subscriber's [player] account, if the prize is less than \$600 [or less].

* * *

§ 5002.7. [Payments to single claimant only] Claim requirements.

(a) One prize claim form per claimant. [A] Each prize claim form shall be filed in the name of a single legal entity as claimant, either one individual or one [organization] entity. [Multiple payees are not permitted, except as may be authorized pursuant to subdivision (d) of this section.]

(b) Entity as claimant. A prize claim may be entered in the name of an [organization] entity (e.g., a limited liability company, partnership, corporation, trust) only if the [organization] entity possesses a Federal employer identification number [(FEIN)] (FEIN) issued by the Internal Revenue Service and such number is shown on the prize claim form. Each person who will receive any beneficial interest in a portion of the prize through the claiming entity shall submit such personal identifying information as the commission may require, to assist the commission in applying any offset liability required by Tax Law sections 1613-a, 1613-b and 1613-c. Groups[, family units, clubs,] or [organizations] entities without [a Federal employer identification number shall designate one individual in whose name the claim is to be filed] an FEIN are not permitted to claim in the name of the group or entity.

[(c) If a claim is erroneously entered with multiple claimants, the claimants shall designate one of them as the individual recipient of the prize, or, if they fail to designate an individual recipient, the commission may designate any one of the claimants as the sole recipient. In either case, the claim shall then be considered as if such claim were originally entered in the name of the designated individual and payment of any prizes won shall be made to that single individual.

(d) Under exceptional circumstances, payment may be made to multiple payees at the discretion of the commission.]

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§ 5002.10. Unclaimed and abandoned prize money.

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(b) The commission may determine that a prize has been abandoned whenever more than 18 months have elapsed since a prize payment check was mailed to the last known address of the claimant and either such check has been returned undelivered [by the United States Postal Service] and the claimant cannot be located or such check has not been returned undelivered and has not been presented for payment. Any prize so determined to have been abandoned shall be paid to the State Comptroller for administration pursuant to the Abandoned Property Law.

* * *

§ 5002.11. Prize rights non-assignable.

(a) No right of any person to a prize shall be assignable, except that[: (1)] any prize may be paid to the estate of a deceased prize winner[;], and except that any assignee, pursuant to an appropriate judicial order of a court of competent jurisdiction, may be paid the prize to which the winner is entitled. For the purposes of this section, payment of a prize or a portion thereof to any of the agencies described in this section shall be deemed to be paid pursuant to an appropriate judicial order of a court of competent jurisdiction. The commission shall be discharged of all liability upon payment of a prize pursuant to this section. [(2) any] A prize, or a portion thereof, may be paid to:

(1) [the Department of Social Services either] the Office of Temporary and Disability Assistance, pursuant to an agreement under Tax Law section 1613-a [or] where the Office of Temporary and Disability Assistance has informed the commission that the claimant has failed to obey a court order requiring the claimant to pay past-due support;

(2) the Office of Temporary and Disability Assistance, pursuant to an agreement under Tax Law section 1613-b where the Office of Temporary and Disability Assistance has identified the claimant as a recipient of public assistance benefits who is liable to reimburse the State for such benefits; and

(3) [any prize, or portion thereof, may be credited against] the Department of Taxation and Finance, pursuant to an agreement under Tax Law section 1613-c where the Department of Taxation and Finance has informed the commission that the claimant has past-due tax liabilities [pursuant to Tax Law 1613-c; and

(4) any person, pursuant to an appropriate judicial order, including, without limitation, an order issued pursuant to Tax Law 1613(d), may be paid a prize, or portion thereof, to which the winner is entitled.

(b) The commission shall be discharged of all liability upon payment of a prize pursuant to this section.]

[(c)] (b) Any potential assignee seeking a court-ordered assignment pursuant to Tax Law section 1613(d) shall pay to the commission a processing fee of \$435 per assignment in connection with consideration of such assignment, as authorized by Tax Law section 1613(d)(7). If the Commission incurs costs exceeding such fee for a particular assignment, the Commission may assess and collect from the potential or actual assignee an additional fee of \$86.50 for each hour expended in relation to the consideration or administration of such proposed or ordered assignment, less the original processing fee.

* * *

§ 5002.13. Prize payable for life.

[(a) When a claim has been filed on behalf of multiple claimants on a jackpot ticket eligible for a prize payable for life, such as the “\$1,000 a week for life” prize, prior to the jackpot drawing wherein such prize is to be awarded:

(1) The multiple claimants shall designate in writing which one of them is to be identified as the person on whose life the prize is to be paid and execute an agreement evidencing such intent.

(2) In the event that the multiple claimants fail to execute such an agreement as provided in subdivision (a) of this section, the commission shall designate the youngest of such multiple claimants as the person on whose life such prize is to be paid.

(b) The age of the person on whose life the prize is to be paid may be initially determined by that which is shown on a driver’s license or other official document, subject to later verification by the commission of birth records. Initial payments may be made based on the first determination of age but once official birth records are established the prize payment will be based on that date.

(c) When there are multiple claimants for a “\$1,000 a week for life” prize, and the life on which the prize is payable pursuant to subdivision (a) of this section, is terminated by death, the payment on the prize is immediately established as a top limit of \$1,000,000. The pro rata share of the decedent will be paid to the decedent's estate and in accordance with commission rules and regulations. Pro rata payments to each other living multiple claimant or claimants for the same prize will continue until a total of \$1,000,000 in prize money has been paid.

(d) The term life as used in this section means the life of a natural person.

(e) In the event that a claim is filed on behalf of a legal entity, other than a natural person, and such legal entity is eligible for a prize payable for life, the legal entity shall designate an officer or member of that legal entity as the person on whose life such prize is to be paid, and shall execute an agreement evidencing such designation. If for any reason the legal entity fails to execute evidence of such designation, the commission may designate the chief officer of such legal entity, or some other person if deemed more appropriate in the discretion of the commission, as the person on whose life the prize is to be paid.]

When a prize claim is filed on a jackpot ticket eligible for a prize payable for life, such as the “\$1,000 a week for life” prize, payments shall be made annually for:

(a) the natural life of the person filing the prize claim, if the claimant is a single natural person who is not a minor under the age of 18, provided, however, that if the person filing the prize claims dies before 20 annual payments elapse, the prize shall continue to be paid, to the decedent’s estate or otherwise as provided by law, until a total of 20 annual

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payments have been made for the prize claim, at which time such prize payment shall cease and the State shall have no further obligation with respect to such prize claim; and

(b) 20 annual payments, if the claimant is:

(1) an entity;

(2) a group comprising, directly or indirectly, more than one natural person, without regard to the lifespan of any natural person with an interest in such prize claim; or

(3) a minor under the age of 18.

In the event of death of any natural person who is a member of a group claiming the prize, such decedent's interest in such prize claim shall be paid to the decedent's estate or otherwise as provided by law.

(c) Prize claims filed before April 1, 2024 for a prize payable for life shall be governed by the rules and regulations in effect at the time such prize claim is filed, notwithstanding anything to the contrary in this section.

* * *

§ 5004.5. Number and amount of prizes.

For each lottery game, the commission shall designate the number and type of prizes to be awarded [in a directive]. The number of winners in each drawing may vary depending upon game design, the distribution of tickets sold, the number of tickets sold, and the number of valid winning tickets claimed.

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PART 5005

Lottery Subscriptions

Section

- 5005.1 Subscription program
- 5005.2 Subscription definitions
- 5005.3 Subscription [costs] cost
- 5005.4 Subscription application requirements
- 5005.5 Valid subscription entry
- 5005.6 Payment of subscription prizes
- 5005.7 Subscription disputes
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- 5005.9 Non-sufficient funds
- 5005.10 Suspicious transactions

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§ 5005.1. Subscription program.

(a) Subscription play. The commission may establish a commission-administered [A] subscription program [may be established at the discretion of the commission] for any commission [game(s)] game or games. The subscription program may permit a subscriber to play the same game character selections for a period of consecutive drawings over a stated period in such games as the commission may decide.

(b) Application or renewal forms. Entry into a subscription program will require the completion and submission of [either a paper or] an electronic [version of:

(1) a] subscription application form[;] or

[(2) a] an electronic subscription renewal form.

The subscriber may provide the subscriber's social security number or taxpayer identification number on the respective application form so that prizes requiring [Federal] tax reporting or withholding may be [automatically] sent or credited to the winning subscriber. [An application for a group subscription must contain the names and addresses of each group member.]

(c) Social security number or taxpayer identification number. By providing the social security number or taxpayer identification number, the subscriber [is authorizing] authorizes the commission to retain and use the number for the purpose of tax reporting and any other lawful purpose of the commission. [No group may exceed 10 members if such group's application was made by mail.]

§ 5005.2. Subscription definitions.

* * *

(b) Confirmation means the [paper or] electronic correspondence sent to a subscriber from, or on behalf of, the commission confirming the [game(s)] game or games, game characters for each game panel played, [the type of plan,] the effective date and the expiration date.

* * *

[(g) Group means two or more individuals sharing a game subscription whose combined qualifications meet that of an individual subscriber.

(h) Group representative means the individual designated on a group application as the person selected by the group subscribers to act on behalf of the group in handling any communications and prize payments related to the subscription.

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(i) *Plan* means the game(s) played, the number of consecutive drawings played and the duration of the subscription as determined by the number of weeks selected by the subscriber.

(j) (g) *Quick Pick* means the option for a subscriber to have game characters randomly selected by a computer. Once selected, the same quick pick characters [remain valid and] will be used for each drawing for the duration of the subscription.

[(k)] (h) *Subscriber* means [either] the individual [or the group] identified on an application as the [person(s)] person entitled to any prize the individual [or group] may win.

[(l)] (i) *Subscriber identifying information* means the name, address, subscription number and, taxpayer identification number (if provided) of the subscriber [or each member of a group].

[(m)] *Subscription costs* means the cost of the subscription purchased by the subscribers as defined section 5005.3 of this Part.

(n) (j) *Subscription file* means a file maintained by the commission or the commission's contractors containing subscription information and used in the determination of sales and prizes.

[(o)] (k) *Subscription number* means the number assigned by the commission to a subscription record when the original application is processed.

[(p)] (l) *Valid subscription entry* means one that includes the following: subscriber identifying information (as defined [herein] in this section), game characters entered on the appropriate commission or contractor computer system that is the official record of subscription entry.

[(q)] *Valid group subscription entry* means one that includes the following: subscriber identifying information for each member of the group, game numbers entered on the appropriate commission or contractor computer system, which is the official record of group subscription entry.]

§ 5005.3. Subscription [costs] cost.

(a) Minimums. For each subscription, a minimum of one game panel must be selected for a minimum number of weeks or drawings, as determined by the commission.

(b) Game panels. A subscription may be for one or more game panels, as may be determined by the commission.

(c) Cost. The cost of a subscription [plan] shall be determined by the commission. The commission may establish a subscription account program through which a [player or players] subscriber may purchase a subscription or subscriptions and receive payment of a prize, as determined by the commission. The commission may require that a [player or

players] subscriber maintain a minimum balance in such a subscription account to continue to participate in the program.

(d) Reservation of commission rights. The commission reserves the right to alter, temporarily or permanently, the [costs] cost of a subscription [plan] at the discretion of the commission. The commission reserves the rights to suspend or cancel any drawing or the game itself[,] or change the prize structure, frequency of draws or draw dates. In the event of such a change, an affected subscriber will receive participation in a revised game, equivalent in value to the remainder of such subscriber's subscription, or a refund, at the sole option of the commission.

(e) Commission determinations. Any determination by the commission described in this section may be made for any of the following reasons:

- (1) to make the subscription program more appealing or convenient for players;
- (2) to further the commission's mission of raising revenue for aid to education; or
- (3) to allow the commission to administer the subscription program more effectively.

§ 5005.4. Subscription application requirements.

(a) [To be accepted for entry without changes, a subscription application must meet the following requirements:

(1) Each game panel must contain the required amount of unduplicated game numbers selected from the numbers available for the game that the applicant indicates on his or her application. If a game panel submitted by an applicant contains no game numbers or fewer than the required amount of game numbers, the quick pick option may be used to randomly select game numbers. If an applicant submits an application with more than the required amount of game numbers circled in a game panel, the commission may select the required number of game numbers consecutively from among such selected numbers. All other numbers may be disregarded.

(2) The application must include the applicant's identifying information, including identifying information for each member of a group applicant. If an application is submitted without complete applicant identifying information, the commission may seek additional information from the applicant. Regardless of whether the applicant responds with additional information requested by the commission, the application may, nevertheless, be accepted if there is sufficient information to identify by name at least one individual applicant or one individual member of a group applicant. In such case, the commission may pay any prize won by the subscription to any person identifiable as an applicant or as a member of a group applicant from the incomplete applicant identifying information submitted with the application, and such payment may be reported to the appropriate taxing authorities as income paid to such person with any required withholding tax to be credited to such person.

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(b) An] Rejection of application. A subscription application may be rejected for any of the following reasons:

- (1) [if the application is illegible in whole or in part] all information required by the commission is not provided;
- (2) [if] the application includes a form of payment that is not acceptable to the commission or the form of payment is rejected;
- (3) [if] the applicant is under [the age of] 18 years of age; [or]
- (4) [if the applicant does not submit a New York State address for a subscription submitted through the U.S. Mail] the applicant's identity cannot be verified;
- (5) the applicant's physical location cannot be identified at time of attempted purchase;
- (6) the applicant's physical location is outside the State or any commission-designated prohibited sales area at time of attempted purchase; or
- (7) the applicant is on the commission's voluntary self-exclusion list.

[(c)] (b) Termination. A subscription may be terminated after acceptance if, before or after the start date, the commission is notified that the payment for the subscription is invalid[,] (e.g., a [check] payment returned for [insufficient] non-sufficient funds). In such event, the subscription shall be deemed invalid, and no prizes will be paid to the applicant [during] relating to any period in which the subscription was invalid.

§ 5005.5. Valid subscription entry.

To be a valid entry, a subscription must meet the following requirements:

(a) Official record. To be eligible to win a prize, an application, including the [subscriber identification] subscriber-identification information, and the game [numbers] character selections must be entered into the [division's] commission's subscription file to create the official record of subscription entry.

(b) Confirmation. A confirmation [(paper or electronic)] shall be issued by the commission to the subscriber confirming a [valid] subscription entry [has been received] is valid and has been processed.

§ 5005.6. Payment of subscription prizes.

(a) Amount below a threshold. [Prizes] A prize that [are] is less than [the threshold withholding amount for Federal tax reporting] \$600 will be placed into the [player] subscriber account created prior to purchase of the [player's] subscriber's first subscription. Such [prizes] prize may be used to purchase additional subscriptions or the [player] subscriber may request a cash-out and receive payment for any unpaid prizes.

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Payment will be made to the individual subscriber [or group representative] whose name appears on the application.

(b) Amount at or above a threshold. [Prizes] A prize that [meet or exceed the threshold amount for Federal withholding for an individual] is \$600 or more will be remitted to the individual subscriber whose name appears on the application minus [the] any required withholding amount and offsets.

[(c) For payment of a prize that meets or exceeds the threshold amount for Federal withholding to a group subscriber, a payment representing the designated share of the prize will be remitted to each individual member of the group. If the subscription or renewal application does not show the taxpayer identification number (social security number or Federal employer identification number) of each group member, the division will withhold appropriate income taxes in accordance with the applicable back-up withholding rules.

(d) A group subscription entry will be treated as a single entry in the prize pool and shall also be treated as a single entry when determining if a prize in the game is payable in annual installments as provided in this Title.]

§ 5005.7. Subscription disputes.

(a) [The commission is not responsible for disputes between or among subscription group members.

(b)] Remedy. In any dispute with the commission concerning the right to a subscription prize, the commission shall have the right to resolve such dispute by [paying the prize or] refunding the price of the disputed subscription [fee] panel. If a refund is paid, the refund [shall be based on the remaining unused value of the subscription and] shall be the sole and exclusive remedy of the [subscriber(s)] subscriber.

[(c)] (b) Resolution of discrepancies. If there is a discrepancy between the information set forth on an application and the information set forth in a confirmation [letter] notification, the subscriber may ask the commission, by written or electronic communication, to resolve the discrepancy. After such a report is received by the commission, the commission shall resolve the discrepancy as soon as possible and issue a revised confirmation [letter] notification. Resolution may include, [but is not limited to] without limitation, cancellation of the subscription. No change in the subscription shall be effective until a revised confirmation [letter] notification is issued. No request to resolve a subscription panel game character selection or subscription date range discrepancy shall be accepted after the effective date in the confirmation [letter] notification issued.

§ 5005.8. Subscription miscellaneous.

(a) Games. The commission, pursuant to the commission's statutory authority, may from time to time add games to the commission's subscription program.

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(b) Renewal. A subscription renewal must be processed prior to the expiration date of a current subscription in order to avoid a lapse in the subscription. A renewal application containing current subscription number, games, game numbers, [plan,] effective date and expiration date will be sent to the subscriber [either] electronically [or by mail]. The commission will make reasonable efforts to process renewal applications to assure no interruptions; however, the commission shall not be responsible for an interruption if a renewal application is not processed in sufficient time.

(c) Non-refundability. Once a subscription is entered into the subscription file, the funds paid for the subscription are not refundable.

(d) Promotions. If the commission offers any promotional offer for a subscription, the commission reserves the right to limit the number of promotional subscriptions that may be received by a [person or group] subscriber.

(e) Reservation of commission rights. The commission reserves the right to exclude subscribers from participation in a promotion offering special payments or prizes.

[(f) Any subscription commenced prior to the effective date of the subscription regulations set forth in this Part shall be subject to the regulations that were in effect at the time such subscription was commenced. Any subscription commenced on or after the effective date of the subscription regulations set forth in this Part shall be subject to this Part.]

§ 5005.9. Non-sufficient funds.

If the commission receives notice that there are non-sufficient funds to pay for any portion of a subscription purchase, the portion of the attempted ticket purchase for which there are non-sufficient funds shall be null and void.

§ 5005.10. Suspicious transactions.

The commission may suspend a subscription account if the commission determines that transactions or attempted transactions are suspicious, excessive, or potentially fraudulent.

* * *

§ 5007.2. Mega Millions definitions.

(a) The following definitions shall apply to Mega Millions.

(1) *Annuity option* is the manner in which the Mega Millions jackpot prize may be paid in 30 annual installments.

(2) *Authorized claim center* means any place designated by the commission where a ticket holder or such ticket holder's representative may file a claim for a prize in accordance with instructions of the commission.

[(3)] (3) *Claimant* means any person or entity submitting a claim form within the required time period to collect a prize for any Mega Millions ticket. A claimant may be the person or entity named on a signed Mega Millions ticket, or the bearer of an unsigned Mega Millions ticket. No claimant may assert rights different from the rights acquired by the original purchaser at the time of purchase.

[(4)] (3) *Jackpot prize* means, for the Mega Millions game, the prize awarded for selecting all the numbers drawn from both fields. If more than one player from all participating lottery states has selected all the numbers drawn, the jackpot prize shall be divided among those players. Jackpot prize may also be referred to from time to time as *grand prize*. For any other game, the jackpot prize will be identified in game rules issued for such game.

[(5)] (4) *Lump sum option* means the manner in which the Mega Millions jackpot prize may be paid in a single payment.

[(6)] (5) *Mega Millions play area* is, for the on-line Mega Millions game, the areas on a Mega Millions play slip identified by an alpha character, A through E, containing two separate fields—one field of 70 and a second field of 25—both containing one- or two-digit numbers each. This is the area where the player, or computer if the player is using the quick pick option, will select five one- or two-digit numbers from the first field and will select one one- or two-digit number from the second field.

[(7)] (6) *Mega Millions play slip* means, for the Mega Millions game, a computer-readable form, printed and issued by the New York Lottery, used in purchasing a Mega Millions ticket, having up to five separate play areas. The play slip also provides for multiple drawing wagering up to 26 draws.

[(8)] (7) *Mega Millions ticket* means a game ticket, produced on official paper stock, by a lottery sales agent in an authorized manner, bearing player- or computer-selected numbers, game name, drawing dates, amount of wager, jackpot prize payment option and validation data.

[(9)] (8) *Mega Millions winning numbers* are, for the on-line Mega Millions game, five one- or two-digit numbers, from one through 70 and one one- or two-digit number from one through 25, randomly selected at each Mega Millions drawing, which shall be used to determine winning Mega Millions plays contained on Mega Millions tickets.

[(10)] (9) *Pari-mutuel* means, for the Mega Millions game total amount of prize money allocated to pay prize claimants, at the designated prize level, divided among the number of winning Mega Millions tickets.

[(11)] (10) *Party lottery* or *party lotteries* means one or more of the State lotteries established and operated pursuant to the laws of any State lottery that becomes a signatory to the Mega Millions game agreement.

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[(12)] (11) *Prize fund* means that portion of Mega Millions gross sales set aside for the payment of prizes.

[(13)] (12) *Purchaser(s)* means player(s) of Mega Millions who purchase tickets within New York State in accordance with Mega Millions rules and New York State governing laws and regulations.

[(14)] (13) *Quick pick* has the meaning set forth in paragraph (11) of subdivision (a) of section 5004.9 of this Subchapter.

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§ 5007.5. Play characteristics and restrictions.

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(d) Under no circumstances will a prize claim be paid for either the jackpot prize or the second prize without a Mega Millions ticket matching all game play, serial number and other validation data residing in the commission's [draw] computer gaming system [computer] and such ticket shall be the only valid proof of the wager placed and the only valid receipt for claiming or redeeming any prize.

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§ 5007.15. Cash 4 Life.

(a) *Definitions.* The following definitions apply to the Cash 4 Life game:

(1) *Annuity option* means the manner in which the Cash 4 Life jackpot prize or second-level prize level may be paid in annual installments.

(2) *Cash 4 Life play slip* means a computer-readable form, printed and issued by the commission, used in purchasing a Cash 4 Life ticket, having up to five separate play areas. The play slip shall also provide for multiple-drawing wagering up to a specified number of draws.

(3) *Cash 4 Life ticket* means a game ticket, produced on official paper stock, by a lottery sales agent in an authorized manner, bearing player- or computer-selected numbers, game name, drawing date (or dates), amount of wager and validation data.

[(4)] *Claimant* means any person or entity submitting a claim form within the required time period to collect a prize for any Cash 4 Life ticket.

(5)] (4) *Jackpot prize* means the prize awarded for selecting all the winning numbers drawn from both fields for the Cash 4 Life. If more than one player from all participating lottery states has selected all the winning numbers drawn, the jackpot prize shall be divided among those players, as set forth in subdivision (h) of this section.

[(6)] (5) *Liability limit* means a pre-established upper threshold, as determined and announced by the party lotteries before sales commence for a drawing to which such threshold applies, equal to a fixed percentage of the gross ticket sales receipts for a particular drawing (or such fixed percentage plus an additional reserve amount), according to the established procedures agreed to by the party lotteries.

[(7)] (6) *Lump sum option* means the manner in which particular Cash 4 Life prize levels may be paid in a single payment, as set forth in this section.

[(8)] (7) *Measuring life* means the period over which a jackpot or second-level annuitized prize is paid out. For each winning ticket, the measuring life shall be [the natural life of the individual determined by the commission to be a valid prize winner. If:] determined according to the period in which payments shall be made pursuant to section 5002.13 of this Subchapter.

- [(i)] a minor under the age of 18 claims a prize;
- [(ii)] a legal entity other than an individual claims a prize; or
- [(iii)] more than one natural person claims a prize on the same ticket,

the measuring life for such prize shall be 20 years.] The measuring life shall be determined at the time a jackpot or second-level prize is claimed.

[(9)] (8) *Party lotteries* mean one or more of the State lotteries established and operated pursuant to the laws of any state that becomes a signatory to the Cash 4 Life agreement.

[(10)] (9) *Play area* is the area on a Cash 4 Life play slip containing two separate fields: one field of 60 one- or two-digit numbers (1 to 60 inclusive) and a separate and distinct second field of four one-digit numbers (1 to 4 inclusive) (which may be referred to as the *Cash Ball number*). This is the area from which the player, or computer, if the player is using the quick pick option, selects five numbers from the first field and one number from the second field.

[(11)] (10) *Prize pool* means that portion of Cash 4 Life gross sales set aside for the payment of prizes.

[(12)] (11) *Purchaser* means a player of the Cash 4 Life game who purchases a ticket within New York State in accordance with Cash 4 Life rules and New York State governing laws and regulations.

[(13)] (12) *Quick pick* has the meaning set forth in paragraph (11) of subdivision (a) of section 5004.9 of this Subchapter.

[(14)] (13) *Winning numbers* are five one- or two-digit numbers (1 to 60, inclusive) and one Cash Ball number (1 to 4, inclusive), randomly selected at each Cash 4 Life

drawing, that shall be used to determine winning Cash 4 Life plays contained on Cash 4 Life tickets.

* * *

(g) *Jackpot and second-level prize payment options.* A claimant of a valid winning jackpot or second-level prize in New York must select either an annuity option or lump sum option. A jackpot or second-level prize shall be paid as an annuity prize, unless a winner elects, within 60 days after the claimant becomes entitled to such prize, to be paid a lump sum payment or unless a lump sum payment is required as set forth in subdivision (h) of this section. If a lump sum payment is selected the prize amount shall be determined according to a methodology that shall be established by the party lotteries. An election made by a claimant is final and cannot be revoked, withdrawn or otherwise changed without the approval of the commission. [Unless a lump sum payment is paid in accordance with this section, annuitized prize payments shall be made for the measuring life of the jackpot prize or second-level prize winner or for a minimum of 20 years.] The schedule of payments for an annuity prize shall be determined by the commission. If paid in a lump sum payment, a jackpot prize or second-level prize amount shall be rounded to the nearest whole dollar.

* * *

§ 5007.16. Monopoly™ Millionaires' Club™.

(a) *Definitions.* The following definitions apply to the MONOPOLY Millionaires' Club:

(1) *Annuity option* means the manner in which the MONOPOLY Millionaires' Club top prize may be paid in annual installments.

[(2)] *Claimant* means any person or entity submitting a claim form within the required time period to collect a prize for any MONOPOLY Millionaires' Club ticket.

(3) [(2)] *Lump-sum option* means the manner in which MONOPOLY Millionaires' Club top prize may be paid in a single payment as set forth in this section.

[(4)] [(3)] *Millionaires' Club prize* means a single payment prize (prize level 11) with a value of \$1,000,000 drawn independently from the other MONOPOLY Millionaires' Club prizes (prize levels 1-10).

[(5)] [(4)] *MONOPOLY Millionaires' Club play slip* means a computer-readable form, printed and issued by the commission, used to mark a player's numbered selection when purchasing a MONOPOLY Millionaires' Club ticket, having up to four separate play areas.

[(6)] [(5)] *MONOPOLY Millionaires' Club ticket* means a game ticket, produced on official paper stock, by a lottery sales agent in an authorized manner, bearing player- or computer-selected numbers, game name, drawing date, amount of wager and

validation data. Each such ticket shall bear a unique non-repeating transactional number associated with that play.

[(7)] (6) *Pari-mutuel* means, for this section, the total amount of prize money allocated to pay prize claimants, at the designated prize level, divided among the number of winning MONOPOLY Millionaires' Club ticket.

[(8)] (7) *Party lotteries* mean one or more of the state lotteries established and operated pursuant to the laws of any state that are part of the national premium game product group that offers the MONOPOLY Millionaires' Club lottery game.

[(9)] (8) A *play* is one entry into a MONOPOLY Millionaires' Club drawing.

[(10)] (9) *Play area* is the area on a MONOPOLY Millionaires' Club play slip containing one field of 52 one- or two-digit numbers (1 to 52, inclusive). This is the area from which the player selects five numbers from the first field of 52 if the player is not using the quick pick option and allowing the computer system to select up to five numbers at random.

[(11)] (10) *Prize pool* means that portion of MONOPOLY Millionaires' Club gross sales set aside for the payment of prizes.

[(12)] (11) *Purchaser* means a player of MONOPOLY Millionaires' Club who purchases a ticket within New York State in accordance with MONOPOLY Millionaires' Club rules and New York State governing laws and regulations.

[(13)] (12) *Quick pick* has the meaning set forth in paragraph (11) of subdivision (a) of section 5004.9 of this Subchapter. Quick pick is a player option in the MONOPOLY Millionaires' Club game for selection of up to five number selections ranging from one through 52, but the number ranging from one through 28, representing a MONOPOLY property, must be selected by quick pick.

[(14)] (13) *Top prize* means the game prize awarded when a player's selections matches all five winning numbers from the field of 52 and the property number drawn from the field of 28 numbered MONOPOLY properties for the MONOPOLY Millionaires' Club. If more than one player has selected all the winning numbers drawn, the top prize shall be divided equally among those players.

[(15)] (14) *Set prize or low-tier prizes* (prize levels 2-10) means, except as otherwise specified in this section, all prizes (other than the top prize and Millionaires' Club prizes) that are to be paid in a single payment as established by this section for each prize level.

[(16)] (15) *Winning numbers* are five one- or two-digit numbers (1 to 52, inclusive) and one number (1 to 28, inclusive), randomly selected at each MONOPOLY Millionaires' Club drawing, that shall be used to determine winning MONOPOLY Millionaires' Club plays contained on MONOPOLY Millionaires' Club tickets.

* * *

§ 5008.2. Payment of prizes.

(a) Calculation of prizes. Prizes for the LOTTO game shall be calculated as follows:

* * *

(b) First-prize payments. Each [first prize] first-prize payment shall be subject to the following provisions of this subdivision.

(1) If, pursuant to [paragraph (1) of] subdivision (a)(1) of this section, the calculated share for each game panel qualifying for a first prize in a particular LOTTO drawing would provide annual payments of \$10,000 or more, a winner shall receive an initial payment in an amount as similar as possible to the first annuity payment. After providing for such a first payment, the commission, as authorized by the comptroller, shall invest the remaining [first prize] first-prize money in securities authorized by the State Finance Law for the investment of state funds at current rates payable over a period of years. From the returns of principal and earnings on such investment, the commission shall pay annual prize installments to each [first prize] first-prize winner. Such annual prize installments shall be payable for a term of years to be determined by the commission. The number of years in the term payment schedule may be changed by the commission from time to time. Any such change will be publicly announced by the commission. Such announcement may be made in a news release, an advertisement, on the commission website, or in such other form as the commission, in the commission's discretion, may prescribe to maximize public awareness. LOTTO players may elect whether a first prize shall be payable in installments over a term of years in accordance with the foregoing provisions of this paragraph or, alternatively, whether a first prize shall be payable in a lump sum. If a prize is awarded in a lump sum as a result of a player having elected that option, the amount of the [lump sum] lump-sum payment shall be equal to the first prize discounted to present value based upon market rates on the business day following the drawing, divided by the number of game panels qualifying for a first prize. A jackpot prize shall be paid, at the election of a player made no later than 60 days after the player becomes entitled to the prize, with either an annuity or [lump sum] lump-sum payment. If the payment election is not made by a player within 60 days after the player becomes entitled to the prize, then the prize shall be paid as an annuity prize. An election to take a [lump sum] lump-sum payment may be made at the time of the prize claim or within 60 days after the winner becomes entitled to the prize. An election made after the winner becomes entitled to the prize is final and cannot be revoked, withdrawn or otherwise changed without the approval of the commission.

(2) If, pursuant to [paragraph (1) of] subdivision [(a)] (a)(1) of this section, the calculated share for each game panel qualifying for a first prize in a particular LOTTO drawing would provide annual payments of less than \$10,000, a winner shall receive the entire prize in a single payment. Such payment shall be equal to the first prize

discounted to present value based upon market rates on the business day following the drawing, divided by the number of game panels qualifying for a first prize.

(c) Carryovers and guaranteed prize amounts.

(1) If in any LOTTO drawing, there is no game panel eligible for a first prize, the amount allocated from the prize pool to the [first prize] first-prize category, plus any amount brought forward from a previous drawing, shall be added to the [first prize] first-prize category for the next drawing.

(2) If the commission has announced a guaranteed [first prize] first-prize amount for any LOTTO drawing, and if the amount allocated from the winning pool to the [first prize] first-prize category, plus any amount brought forward from a previous drawing, is insufficient to pay the guaranteed first prize, then the amount necessary to fulfill the guarantee shall be added from the LOTTO [prize fund] prize-fund reserve or any other available source to the [first prize] first-prize category. If, however, there is no game panel qualifying for the [first prize] first-prize category in such drawing, no amount from the LOTTO [prize fund] prize-fund reserve shall be brought forward to the [first prize] first-prize category for the next drawing. If the commission has announced a guaranteed [first prize] first-prize amount for any LOTTO drawing, and if the amount allocated from the winning pool to the [first prize] first-prize category, plus any amount brought forward from a previous drawing, exceeds the amount necessary to pay the guaranteed first prize, then the excess may be allocated to the LOTTO [prize fund] prize-fund reserve established pursuant to [subdivision (c) of] section 5008.7(c) of this Part.

(3) If₁ in any LOTTO drawing, there is no game panel qualifying for the [second prize] second-prize category, the amount allocated from the winning pool to the [second prize] second-prize category, plus any amount brought forward from a previous drawing, shall be added to the [second prize] second-prize category for the next drawing.

[(d) Within a time period specified by the commission following the draw date, a claimant may present a valid winning LOTTO ticket valued at \$600 dollars or less for payment at a licensed retailer; thereafter, the winning ticket may only be claimed at a customer service center approved by the commission by mailing the ticket to the commission. LOTTO tickets may be purchased at any location equipped with a lottery computer terminal.

(e) (d) First-prize winners. [First prize] First-prize winners shall receive payment not earlier than the 14th day after the relevant draw date.

[(f) (e) Rounding. For the purpose of calculating any prize to be paid, the calculation shall be rounded down so the prize can be paid in multiples of one dollar.

SGC Lottery prize payment and subscriptions amendments Rule text
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Text to be added is underlined

[(g)] (f) One prize per game panel. The holder of a winning ticket may win only one prize per game panel in connection with the winning numbers drawn for a particular LOTTO game, but shall be entitled to the highest prize won by those numbers.

* * *

§ 5008.11. Distribution of prize money for variations of the LOTTO game.

(a) Prize calculation. Prizes for a variation of the LOTTO game shall be calculated as follows:

(1) The first prize will be a prize of up to an amount designated by the commission, which will be paid as a lump sum. A first prize will be awarded to game panels matching six of six winning numbers for a particular drawing. The commission may limit the number of top first prizes for a particular drawing to no more than a designated number. If the limited number of top first prizes designated by the commission exceeded for a particular drawing, the winning [first prize] first-prize game panels will share equally in a maximum [first prize] first-prize pool equal to the product of the top [first prize] first-prize amount multiplied by the limited number of top first prizes designated by the commission. At the commission's discretion, the commission may change the top [first prize] first-prize amount and any such change will be publicly announced in advance of the effective date.

(2) Prizes paid to the [second] second- through [fourth prize] fourth-prize levels shall be fixed prizes as prescribed by the commission. There shall be a limit imposed on the [second] second- through [fourth prize] fourth-prize levels equal to a fixed percentage of the gross ticket sales receipts for that particular drawing. In the event that the limit would be exceeded for a particular draw, the [second] second- through [fourth prize] fourth-prize levels shall be calculated on a pari-mutuel basis in accordance with a formula established by the commission.

(3) The allocation of percentages of the prize pool to various prize categories may be changed by the commission from time to time. Any such change will be publicly announced by the commission.

(b) Additional version of game. In the event that the commission offers an additional version of the LOTTO game, the method of calculation and distribution of prizes shall be publicly announced in advance by the commission.

[(c)] A valid winning ticket valued at \$600 or less and presented for payment within a number of days of the drawing date, as determined by the commission, may be redeemed by a lottery sales agent. All other valid winning tickets may be redeemed at a customer service center.

(d) (c) Rounding. For the purpose of calculating any prize to be paid, the calculation shall be rounded down so that prize can be paid in multiples of one dollar.

SGC Lottery prize payment and subscriptions amendments Rule text
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Text to be added is underlined

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§ 5013.3. Payment of prizes; chances of winning.

* * *

(c) *Payment of winning tickets.* Valid winning Quick Draw bet tickets valued at less than \$600 [or less] may be presented to any licensed lottery sales agent location for payment.

* * *

§ 5014.3. Conditions and requirements of licensure.

(a) *Conditions.* A courier service shall, as a condition of licensure:

* * *

(3) ensure the network includes the following features:

(i) a daily courier customer request limit of an amount approved by the commission, which may provide that prize amounts of less than \$600 [or less] awarded to a courier customer and credited to the courier customer's account may be excluded from the daily request limit;

* * *

§ 5014.14. Notification of and payment of prizewinners in draw games.

(a) *Notification.* A licensee shall notify a courier customer on whose behalf such licensee has purchased a winning draw game ticket of the amount of the prize within one hour of the commission's publication of the winning numbers and prize amounts. Such notification shall be made electronically through the network, secure electronic mail or other method approved by the commission. If the prize is [more than] \$600 or more, the licensee shall also notify the commission promptly of the identity of the prizewinner, the prize amount, the type of game, the date of the drawing and, for a draw game conducted more than once per day, the time of the drawing.

(b) *Draw game prizes [at or] below threshold.* For a draw game prize of less than \$600 [or less], a courier service shall validate the winning ticket and redeem the prize on behalf of the courier customer. Such prize amount shall be disbursed to the courier customer by crediting the courier customer's account, direct deposit to the courier customer's bank account, redeemed for cash or by other means approved by the commission.

(c) *Draw game prizes at or above threshold.*

(1) For a draw game prize of [more than] \$600 or more, a courier service shall deliver the physical winning ticket to the courier customer.

SGC Lottery prize payment and subscriptions amendments Rule text

Text to be deleted appears in [brackets]

Text to be added is underlined

(2) A courier service shall provide electronically a courier customer who is a draw game prizewinner with a digitally completed prize claim form, tax withholding form and any other documentation required to redeem such prize, which the courier customer may use to claim the prize.

(3) A courier service shall provide the commission with all information the commission may request in regard to a prize of [more than] \$600 or more.

* * *

(d) *Printing prizewinner name on ticket.* Within a reasonable time after notifying a courier customer of winning a draw game prize of [more than] \$600 or more, a courier service shall print the prizewinner's full name, as set forth in such prizewinner's account, on the back of the draw game ticket.