

| Date: | 10/15/24 |
|----------|---------------------------------------|
| То: | Oregon State Lottery Commissioners |
| From: | Kris Skaro, rules and policy analyst |
| Subject: | Inform re new game rules for Cash Pop |

Background

In 2025, Lottery will retire the "Lucky Lines" game. In its place, Lottery is planning to launch "Cash Pop." Except for the launch of sports betting in 2019, the Lottery has not launched a new game since we launched Mega Millions in 2010, so this is an exciting development for Lottery and players.

What is Cash Pop?

For each drawing, a player may choose to play from one to 15 numbers. At the time of purchase, a prize amount is randomly assigned to the player's ticket and appears underneath the player's number or numbers that are selected. The Lottery then conducts a drawing to select one winning number from one to 15. The Lottery awards prizes based on the extent to which the game play on the ticket matches the winning number selected in the drawing.

Proposed Rulemaking

Under Oregon law, Lottery must adopt rules for each of its games. The rules must explain aspects of the game to players and retailers, such as how the game works, the price of a ticket, the value of prizes, how winners are determined, and how a winner can claim their prize. The Lottery's proposed game rules (enclosed) meet these requirements.

Next Steps/Enclosures

The Lottery will start the public rulemaking process to solicit public comment on the draft rules. The Lottery will report back to the Commission in December after the rulemaking process has been completed. In the meantime, the notice including the draft rules are enclosed for the Commission's review.

Thank you, and please reach out to me or Director Wells if you have any questions.

DRAFT NOTICE OF PROPOSED RULEMAKING¹

CHAPTER 177 OREGON STATE LOTTERY

FILING CAPTION: Adopting rules to authorize the Lottery draw game Cash Pop

LAST DAY AND TIME TO OFFER COMMENT TO LOTTERY: Friday, November 22, 2024 @ 5 p.m.

HEARING(S):

DATE: Monday, November 18, 2024

TIME: 2 to 3 p.m.
OFFICER: Kris Skaro

REMOTE HEARING DETAILS

MEETING URL: Click to join the meeting

PHONE NUMBER: 971-323-0081 CONFERENCE ID: 197 770 020#

SPECIAL INSTRUCTIONS:

Written comment can be submitted to Kris Skaro at kris.skaro@lottery.oregon.gov until 5 p.m. on Friday, November 22, 2024.

The public may also comment at a virtual hearing over Microsoft Teams. Click the meeting URL above to join online on your computer, tablet, or through the Teams app. You can also join by phone using the call-in information above.

If you have questions about how to attend the hearing or comment, please contact Kris Skaro at kris.skaro@lottery.oregon.gov or 503-540-1181.

¹ This is a draft of Lottery's Notice of Proposed Rulemaking presented to the public meeting of the Oregon State Lottery Commission for informational purposes only. The Lottery's official notice must be filed with the Oregon Secretary of State through the online filing system. Once filed, the official version will be available on the Secretary of State website and published in the November 2024 Oregon Bulletin. To receive a copy of the official notice from the Lottery when it's filed, please contact Kris Skaro at kris.skaro@lottery.oregon.gov.

NEED FOR THE RULE(S):

In January 2025, the Oregon State Lottery plans to retire a game called Lucky Lines and replace it with a new game called Cash Pop. The Oregon State Lottery Commission approved a plan to that effect at a public meeting on June 28, 2024.

Under Oregon law, Lottery must adopt rules for each of its games. The rules must explain certain aspects of the game to the public, such as what type of game is being offered, the price of a ticket, the value of prizes, how Lottery will determine winners, and how to claim a prize. (See for example ORS 461.210, 461.230, and 461.250.)

Therefore, the Lottery needs to amend and adopt the rules described in this notice to authorize Cash Pop. The proposed rules meet the requirements in state law and provide information to players and Lottery game retailers about how Cash Pop will work.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

The Lottery determined the need for the rules based on the Oregon State Lottery Commission's approval of the FY25 strategic plan and budget that included Lottery's plan to retire the game Lucky Lines and replace it with a new game called Cash Pop. The strategic plan and budget materials were presented to the Commission at a public work session of the Commission on May 31, 2024, and the Commission voted to approve the strategic plan and associated annual budget at the June 28, 2024 meeting. Meeting materials are available at https://www.oregonlottery.org/about/how-we-operate/commission-meeting-june-28-2024/ or upon request to Kris Skaro at kris.skaro@lottery.org/about/how-we-operate/commission-meeting-june-28-2024/ or upon

The Lottery also reviewed the legal requirements for Lottery games in ORS chapter 461; see in particular ORS 461.210, 461.220, 461.230, 461.240, and 461.250 available at https://www.oregonlegislature.gov/bills_laws/ors/ors461.html. The Lottery also reviewed similar game rules in division 177; see in particular divisions 69, 70, and 75 available at https://secure.sos.state.or.us/oard/displayChapterRules.action?selectedChapter=153.

The Lottery relied on documents provided by the game vendor that show images of the tickets and explain the mechanics of the game. This information is available upon request to the Lottery.

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE:

The Lottery does not believe adopting the rules described in this notice will affect racial equity in Oregon.

Discussion:

Survey data shows that the average person who plays Oregon Lottery games is demographically like the average adult Oregonian. To illustrate, among all adult Oregonians, 77 percent are white and 23 percent are Black, Indigenous, Hispanic, Asian, Pacific Islander, other race, or multi-race. The average current Oregon Lottery game player has the same demographics: 77 percent are white and 23 percent are Black, Indigenous, Hispanic, Asian, Pacific Islander, other race, or multi-race. It's reasonable to expect the average Cash Pop player in Oregon will be of similar demographics.

That said, industry data suggests that in other jurisdictions where Cash Pop is offered, Cash Pop players have tended to be more male, Caucasian, and urban than the typical draw game player, and to have higher than average household incomes. It remains to be seen if those trends will show up in Lottery's player survey data. Either way, Lottery does not believe this information suggests any racial group will be disparately impacted by these rules.

The Lottery provides responsible gaming messaging with all its games and promotes the availability of free and confidential treatment services for people with problem gambling behaviors or people impacted by someone else's gambling behaviors.

FISCAL AND ECONOMIC IMPACT

The Lottery is unable to estimate game sales with confidence because the game is a new offering for the Oregon Lottery. But based on sales in other jurisdictions, a reasonable estimate is \$15 to 23 million in gross sales during the first year of Cash Pop. Around 67% of sales (payouts vary by price point of the ticket purchased) will be returned to players in the form of prizes. After operational expenses such as paying prizes, retailer commissions, and game vendor charges, a portion of the net proceeds will be transferred from the Lottery to the Economic Development Fund (EDF) to be distributed to Lottery's constitutional beneficiaries (public education, state parks and natural resources, and veterans' services) and other beneficiaries as determined by the Legislature. See the Lottery's cost of compliance statement for more information.

COST OF COMPLIANCE:

(1) Identify any state agencies, unit of local government, and members of the public likely to be economically affected by the rule(s).

State agencies and units of local government:

The Lottery expects that the revenue from Cash Pop will cover Lottery's operational expenses to offer the game (such as paying prizes, retailer commissions, and vendor charges) and a portion of the

remaining revenue will be transferred to the Economic Development Fund (EDF) to fund public programs. Cash Pop is a new offering for the Lottery, so the Lottery is not able to predict the revenue that will result from the game, but based on sales in other jurisdictions, a reasonable estimate is that Cash Pop could generate about \$2.7 million in revenue to the EDF annually.

When Lottery revenue is transferred to the EDF, the revenue is allocated to debt service; Lottery's constitutional beneficiaries (public education, state parks and natural resources, and veterans' services); and other beneficiaries as directed by the Legislature. Most of the money from the EDF flows through various state agencies like the Oregon Department of Education, the Oregon Parks and Recreation Department, and the Oregon Department of Veterans' Affairs. Money from the EDF may also benefit units of local governments such as local county governments (for economic development programs) or local school districts (from the State School Fund). Because these distributions are directed by the Legislature, the Lottery is unable to estimate how much net proceeds from Cash Pop will go to any particular state agency or unit of local government.

Members of the public who play Cash Pop:

No one is required to play Cash Pop but anyone who does play will be fiscally impacted by the cost of the ticket. The price of a ticket is determined by the number of Cash Pop numbers the person chooses to play (one or up to fifteen numbers) multiplied by the price point the player selects (\$1, \$2, \$5, or \$10), multiplied by the number of drawings they want to play. For example, if they play 1 number at the \$2 price point for four consecutive drawings, then the player will pay \$8. Most players will not win a prize but some will. Prizes range in value from \$5 to \$2,500.

Traditional Lottery game retailers:

The Lottery estimates that traditional Lottery retailers that sell the Cash Pop game will be positively impacted by these rules. The Lottery pays a retailer a commission of eight percent of the retailer's weekly ticket sales.

(2) Effect on Small Businesses:

(a) Estimate the number and type of small businesses subject to the rule(s);

Small businesses aren't subject to the rules per se; however, any small business who contracts with the Lottery to sell Cash Pop (these are referred to as "traditional Lottery retailers") will be affected by these game rules. As of this writing, there are about 3,200 retailers who sell traditional Lottery games like Cash Pop. Lottery estimates that most, but not all, of those retailers are small businesses as defined in ORS 183.310. The type of business that contracts with Lottery to sell traditional Lottery games are: grocery stores, convenience stores, gas stations, multistate chain retail stores, bars, restaurants, taverns, bowling alleys, pizzerias, and the like.

(b) Describe the expected reporting, recordkeeping, and administrative activities and cost required to comply with these rule(s);

The Lottery does not expect that small businesses will incur any new reporting, recordkeeping, or administrative activities or costs beyond what is currently required under their retailer contract and that they do for all the Lottery games they sell. Lottery will provide all the equipment and supplies needed to sell tickets in the game, such as point-of-sale terminals, ticket stock, and marketing materials. Retailers will need to provide an effective selling environment such as having staff available to sell tickets and pay prizes that are claimed at the retailer. These are not new costs of compliance because these activities are already required under their contract with the Lottery for all the other traditional games the retailer sells. The retailer earns a commission based on the number of tickets they sell each week.

(c) Estimate the cost of professional services, equipment supplies, labor, and increased administration required to comply with the rule(s).

The Lottery does not expect these rules will impose new costs of services, equipment, supplies, labor, or increased administration on small businesses who sell Cash Pop beyond what is currently required under their retailer contract and that they do for all the Lottery games they sell. Lottery will provide all the equipment and supplies needed to sell tickets in the game, such as point-of-sale terminals, ticket stock, and marketing materials. Retailers will need to provide an effective selling environment such as having staff available to sell tickets and pay prizes that are claimed at the retailer. These are not new costs of compliance because these activities are already required under their contract with the Lottery for all the other traditional games the retailer sells. The retailer earns a commission based on the number of tickets they sell each week.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULES

The Lottery does not believe small businesses will be negatively impacted by the rules, so Lottery did not involve them in the development of the rules. The Lottery welcomes comment from small businesses during the public rulemaking process and will consider all comments received before taking final action on the rules.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? IF NOT, WHY NOT?

The Lottery did not believe any particular people or communities would be interested in or impacted by these rules, and so did not consult a rule advisory committee. The Lottery welcomes comment from the public during the public rulemaking process and will consider all comments received before taking final action on the rules.

RULES PROPOSED

For each rule proposed to be adopted, amended, or repealed, the Lottery shall provide summary of the rule change followed by the rule text showing proposed changes in tracked changes.

177-010-0003

Definitions

RULE SUMMARY: The Lottery is proposing to amend OAR 177-010-0003. This rule defines terms used in Lottery rules in chapter 177. The Lottery is proposing to amend the definition of "traditional lottery games" to include "Cash Pop" because this will be a new traditional draw game starting in 2025. (The Lottery is not deleting "Lucky Lines" even though the game is being retired. Players can continue to claim prizes during 2025, so the rules governing Lucky Lines are not being repealed at this time.) The Lottery may make additional or alternative changes in response to information or public comment received during the rulemaking process. The Lottery may also make non-substantive edits, such as to update statutory and rule citations; improve grammar, organization, or ease of reading; or otherwise improve the clarity and accuracy of the rule.

177-010-0003

Definitions

- (1) "Business day" means the period beginning at 5 a.m. of a calendar day and ending at 4:59 a.m. on the morning of the next calendar day.
- (2) "Business week" means the period beginning at 5 a.m. on a Sunday and ending at 4:59 a.m. the following Sunday morning.
- (3) "Business year" means the period beginning at 5 a.m. on the Sunday immediately following the last Saturday in June, and ending at the end of the business day of the last Saturday of the following June.
- (4) "Commissioner" has the meaning given in ORS 461.010(1).
- (5) "Director" has the meaning given in ORS 461.010(2).
- (6) "Drawing coordinator" means the Lottery employee designated by the Assistant Director for Security, subject to the approval of the Director, to develop and implement procedures for conducting drawings.
- (7) "Gaming device" means any type of equipment or method, including any electronic or manual equipment or combination thereof, or video device, on which a game authorized by the Oregon State Lottery Commission is played. The device must display the amount that may be won, the amount wagered and any play credits available to the player. A gaming device may include a device that is intended primarily for personal or business use. A gaming device does not include a Video Lottery game terminal.

- (8) "Gaming device game" means any procedure authorized by the Oregon State Lottery Commission that is a game on a gaming device, whereby the opportunity to win includes a wagering process using a methodology that is based predominantly on chance to determine the outcome of the wager. The outcome of the wager may involve skill, as long as the element of chance plays a predominant role. The methodology used must be testable by an independent testing laboratory.
- (9) "Immediate family" and "family member" mean a natural person's spouse, child, brother, sister, or parent by blood or adoption.
- (10) "Lottery" or "State Lottery" has the meaning given in ORS 461.010(3).
- (11) "Lottery Commission" or "Commission" has the meaning given in ORS 461.010(4).
- "Lottery contract" means any contract entered into by the Lottery for the purchase, lease, or sale of goods or services.
- (13) "Lottery contractor" or "contractor" has the meaning given in ORS 461.010(5).
- (14) "Lottery game" or "game" has the meaning given in ORS 461.010(6).
- (15) "Lottery game retailer" or "retailer" has the meaning given in ORS 461.010(7).
- (16) "Lottery Headquarters" means the Debbs Potts Oregon State Lottery Commission building located at 500 Airport Road SE, Salem, Oregon.
- (17) "Lottery Kiosk" means a location, other than Lottery Headquarters, designated by the Director as a Lottery Kiosk, where Lottery tickets or shares are sold directly to the public by Lottery employees.
- (18) "Lottery sales location" means a Lottery Kiosk, Lottery Headquarters, any location designated by the Director for the sale of Lottery tickets and shares, or sales by the Lottery through electronic means.
- (19) "Lottery vendor" or "vendor" has the meaning given in ORS 461.010(8).
- (20) "Person" has the meaning given in ORS 461.010(9).
- (21) "Prize" means any award of economic value, monetary or otherwise, that may be distributed to a Lottery player for submitting a valid claim based on a winning Lottery ticket or share, or for a winning entry in a second chance drawing.
- (22) "Retailer contract" means any written contract entered into by the Lottery with a retailer for selling Lottery tickets or shares to the public.

- (23) "Second Chance Drawing" or "2nd Chance Drawing" means a drawing in which an eligible non-winning Oregon Lottery ticket or share is submitted to the Lottery for entry into a drawing for a chance to win a prize.
- "Share" means an opportunity to win a prize in a Lottery game that does not use certificates or tokens, such as in Video Lottery or sports betting games.
- (25) "Ticket" means a certificate or token of the opportunity to win a prize in a Lottery game.
- (26) "Traditional Lottery games" means the following lottery games offered by the Oregon State Lottery:
 - (a) Scratch-its;
 - (b) Lottery Raffle Game;
 - (c) Megabucks;
 - (d) Pick 4;
 - (e) Lucky Lines;
 - (f) Powerball;
 - (g) Sports Action;
 - (h) Win for Life;
 - (i) Keno;
 - (j) Mega Millions,
 - (k) Cash Pop;
 - (k) Second chance drawing; and
 - (Im) Any other Lottery game designated by the Oregon State Lottery Commission as a Traditional Lottery game.
- "Unclaimed prize" means any prize offered in a Lottery game which has not been submitted to the Lottery for validation and prize payment within the specified prize claim period and for which the Lottery has data or evidence that the ticket or share was sold or distributed to the public.
- "Video Lottery game" means any procedure authorized by the Oregon State Lottery Commission that is a game on a Video Lottery game terminal, whereby the opportunity to win includes a wagering process using a methodology that is based predominantly on chance to determine the outcome of the wager. The outcome of the wager may involve skill, as long as the element of

- chance plays a predominant role. The methodology used must be testable by an independent testing laboratory.
- (29) "Video Lottery game retailer" or "Video Lottery retailer" has the meaning given in ORS 461.217.
- (30) "Video Lottery game terminal" means a type of video device for the playing of Video Lottery games which is in a console that contains a game platform with a video display and a random number generator, is connected to and monitored by a central system, and accepts cash payments to permit a person to play the Video Lottery games offered on the terminal for the opportunity to win a prize. Unless the context or a specially applicable definition indicates otherwise, any reference to a "Video Lottery terminal," "video lottery terminal," or "video terminal" in OAR chapter 177, a Lottery retailer contract, or Lottery form in effect or in use on or after the effective date of this rule shall be deemed to refer to a "Video Lottery game terminal" as defined in this section. Video Lottery Game Terminal does not include personal digital devices or any other device determined by the Oregon State Lottery Commission not to be a Video Lottery game terminal.
- (31) "Website" means the Lottery's Internet address at www.oregonlottery.org, or any other website that may be specified by the Lottery for a particular game, promotion, or promotional program.
- (32) "Winner claim form" means a form provided by the Lottery to a player for the purpose of claiming a prize.

Statutory/Other Authority: Or Const, Art XV, § 4(4)(a), ORS 461.120, 461.130, 461.150, 461.200, 461.210, 461.230, 461.250, 461.260, 461.715 & 416.719

Statutes/Other Implemented: Or Const, Art XV, § 4(4), ORS 461.010, 461.020, 461.050, 461.100, 461.215, 461.217, 461.400, 461.500, ORS 461.120, 461.130, 461.150, 461.200, 461.210, 461.230, 461.250, 461.260, 461.715 & 416.719

177-084-0000

Purpose

<u>RULE SUMMARY</u>: The Lottery is proposing to adopt OAR 177-084-0000 to explain the purpose of the rules in OAR chapter 177, division 84, which is to authorize the new draw game Cash Pop and explain how the game will work. The Lottery may make additional or alternative changes in response to information or public comment received during the rulemaking process. The Lottery may also make non-substantive edits, such as to update statutory and rule citations; improve grammar, organization, or ease of reading; or otherwise improve the clarity and accuracy of the rule.

<u>177-084-0000</u> <u>Purpose</u>

The purpose of these rules is to authorize the Oregon State Lottery game, Cash Pop.

Statutory/Other Authority: Or Const, Art XV, § 4(4)(a), ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260

<u>Statutes/Other Implemented: Or Const, Art XV, § 4(4), ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260</u>

177-084-0005

Definitions

<u>RULE SUMMARY</u>: The Lottery is proposing to adopt OAR 177-084-0005, which defines terms that are used in the Cash Pop game rules. The Lottery may make additional or alternative changes in response to information or public comment received during the rulemaking process. The Lottery may also make non-substantive edits, such as to update statutory and rule citations; improve grammar, organization, or ease of reading; or otherwise improve the clarity and accuracy of the rule.

177-084-0005

Definitions

- (1) "Game play" means the number or group of numbers appearing on a ticket which is compared to the winning numbers, selected at the drawings appearing on the ticket, to determine the prize payment for which the ticket may be redeemed.
- (2) "Game slip" or "play slip" means a paper form used by a player to select a game play, that indicates the amount the player will play on the ticket containing the game play. Only one game play may be marked on each game slip.
- "Game ticket" or "ticket" means a computer-generated, printed paper issued by a terminal as a receipt for the game play selected by a player and which contains the following: the caption "Cash Pop", one or more number plays, the dollar amount per play, the price of the ticket, the number selected from 1 through 15 followed by the drawing date, the time, a retailer number, and a serial number.
- (4) "Quick Pick" means the random selection of one number by a terminal that appear as the game play on a ticket.
- (5) "Random number generator" means a computer-driven electronic device capable of producing numbers at random.
- (6) "Winning numbers" means the one number between 1 and 15, randomly selected at each drawing, which shall be used to determine winning plays contained on a Cash Pop game ticket.

<u>Statutory/Other Authority: Or Const, Art XV, § 4(4)(a), ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260</u>

<u>Statutes/Other Implemented: Or Const, Art XV, § 4(4), ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260</u>

177-084-0010

Game Description

<u>RULE SUMMARY</u>: The Lottery is proposing to adopt OAR 177-084-0010, which provides a general description of the game Cash Pop. The Lottery may make additional or alternative changes in response to information or public comment received during the rulemaking process. The Lottery may also make non-substantive edits, such as to update statutory and rule citations; improve grammar, organization, or ease of reading; or otherwise improve the clarity and accuracy of the rule.

177-084-0010

Game Description

Cash Pop is a one of 15 Lottery game with set prize amounts. For each drawing, a player may choose to play from one to 15 numbers. At the time of purchase, a prize amount is randomly assigned to the player's ticket and appears underneath the player's number or numbers that are selected. The Lottery then randomly selects one winning number from one to 15 in a drawing. The Lottery awards prizes based on the extent to which the game play appearing on a player's ticket matches the winning number selected in the drawing for which the player's ticket was purchased.

<u>Statutory/Other Authority: Or Const, Art XV, § 4(4)(a), ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260</u>

<u>Statutes/Other Implemented: Or Const, Art XV, § 4(4), ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260</u>

177-084-0015

Price

<u>RULE SUMMARY</u>: The Lottery is proposing to adopt OAR 177-084-0015 to explain the price of a Cash Pop ticket as required by ORS 461.240. The Lottery may make additional or alternative changes in response to information or public comment received during the rulemaking process. The Lottery may also make non-substantive edits, such as to update statutory and rule citations; improve grammar, organization, or ease of reading; or otherwise improve the clarity and accuracy of the rule.

177-084-0015

Price

- (1) The price of a ticket is determined by the number of Cash Pop numbers, multiplied by the amount of money a player chooses to play on the game play selected, multiplied by the number of drawings in which the ticket will be played. Example: 1 number played x \$2 per number x 4 consecutive drawings = \$8.
- (2) Cash Pop Numbers: A ticket may be purchased for one or up to 15 numbers.

- (3) Dollar Amount: A ticket may be purchased for \$1.00, \$2.00, \$5.00 or \$10.00 per Cash Pop number played.
- (4) Number of Drawings: A ticket may be purchased for one drawing or for multiple, consecutive drawings. A player may purchase a ticket for a single drawing or up to five drawings. Each drawing will produce a separate ticket.

Statutory/Other Authority: Or Const, Art XV, § 4(4)(a), ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260

<u>Statutes/Other Implemented: Or Const, Art XV, § 4(4), ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260</u>

177-084-0020

Ticket Purchase, Characteristics, and Restrictions

<u>RULE SUMMARY</u>: The Lottery is proposing to adopt OAR 177-084-0020 to explain when and how a Cash Pop ticket can be purchased and to clarify that tickets may not be voided or cancelled by returning the ticket to the retailer. The Lottery may make additional or alternative changes in response to information or public comment received during the rulemaking process. The Lottery may also make non-substantive edits, such as to update statutory and rule citations; improve grammar, organization, or ease of reading; or otherwise improve the clarity and accuracy of the rule.

177-084-0020

Ticket Purchase, Characteristics, and Restrictions

- (1) General: Cash Pop tickets may be purchased every day of the year during the hours of operation of the Lottery's central computer system and a Lottery retailer's business hours.
- (2) Ticket Purchase: Tickets may be purchased either from a terminal operated by a retailer, i.e., a clerk-operated terminal, or from a terminal operated by the player, i.e., a player-operated terminal. To play Cash Pop, a player must complete a game slip for insertion into a terminal, request a Quick Pick from a clerk, or request a Quick Pick using a player-operated terminal.
- (3) Completing a Game Slip: A player must choose a game play by one of two methods. A player may select from one to 15 numbers contained on the game slip. Alternatively, the player may select the Quick Pick option. A player must also complete the selections on the game slip by choosing the number or numbers, amount of money to be played on the ticket per number, and the number of multiple, consecutive drawings.
- Purchasing a Ticket from a Clerk-Operated Terminal: After the player completes a game slip and submits it along with the price of the ticket to the clerk, the clerk shall use the terminal to issue a ticket to the player. The player may also request that a clerk, without using a game slip, electronically submit a request for a Quick Pick through the terminal with the player informing the clerk of the wager amount. The player may also request that the clerk manually enter the player's number or numbers and inform the clerk of the wager amount and the number of drawings in which to play.

- (5) Purchasing a Ticket from a Player-Operated Terminal: A player may purchase a ticket from a player-operated terminal by following the instructions appearing on the screen of the terminal. Once the player has inserted the player's money into the terminal, verified the player's age, completed the game slip, and inserted it into the terminal, the terminal will issue a ticket to the player. The player may also request a Quick Pick without using a game slip by using the player-operated terminal. A player requesting a Quick Pick from a player-operated terminal without using a game slip must select the wager amount. The player may also manually enter the number or numbers, the wager amount, and the number of drawings in which to play.
- (6) Non-Cancellation: A Cash Pop ticket may not be voided or cancelled by returning the ticket to the retailer, including tickets that are printed in error or purchased for a future consecutive drawing. The placing of plays is done at the player's own risk. The Lottery retailer acts on behalf of the player in entering the player's plays.

Statutory/Other Authority: Or Const, Art XV, § 4(4)(a), ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260

Statutes/Other Implemented: Or Const, Art XV, § 4(4), ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260

177-084-0025

Cash Pop Drawings

<u>RULE SUMMARY</u>: The Lottery is proposing to adopt OAR 177-084-0025 to explain when drawings will occur and the objective of each drawing. The Lottery may make additional or alternative changes in response to information or public comment received during the rulemaking process. The Lottery may also make non-substantive edits, such as to update statutory and rule citations; improve grammar, organization, or ease of reading; or otherwise improve the clarity and accuracy of the rule.

177-084-0025 Cash Pop Drawings

- (1) General: Drawings shall take place at such times and upon such intervals as determined by the Director. Drawings shall normally take place at hourly intervals.
- (2) Objective: Each drawing randomly selects one number from a possible 15 numbers that is the winning number. The winning number selected at each drawing is generated through the use of a computer-driven random number generator.

Statutory/Other Authority: Or Const, Art XV, § 4(4)(a), ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260

Statutes/Other Implemented: Or Const, Art XV, § 4(4), ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260

177-084-0030

Prize Claim and Ticket Validation Requirements

<u>RULE SUMMARY</u>: The Lottery is proposing to adopt OAR 177-084-0030 to explain the ticket validation requirements and how to claim a prize for a winning Cash Pop ticket as required by <u>ORS 461.250</u>. The Lottery may make additional or alternative changes in response to information or public comment received during the rulemaking process. The Lottery may also make non-substantive edits, such as to update statutory and rule citations; improve grammar, organization, or ease of reading; or otherwise improve the clarity and accuracy of the rule.

177-084-0030

Prize Claim and Ticket Validation Requirements

- (1) General: For a ticket to be valid and eligible to receive prize payment, the ticket must be validated in accordance with the provisions of OAR chapter 177, including but not limited to OAR 177-070-0035.
- (2) Claiming a Prize: Prizes must be claimed and paid in accordance with the provisions of OAR 177-070-0025 and 177-046-0110.

Statutory/Other Authority: Or Const, Art XV, § 4(4)(a), ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260, 461.715, 461.719

Statutes/Other Implemented: Or Const, Art XV, § 4(4), ORS 316.127, 316.194, 461.120, 461.210, 461.220, 461.230, 461.230, 461.250, 461.250, 461.715, 461.719

177-084-0035

Prizes

<u>RULE SUMMARY</u>: The Lottery is proposing to adopt OAR 177-084-0035 to explain the prizes available in the new draw game Cash Pop as required by <u>ORS 461.220</u>. The charts included in the rule disclose to players the prize amount, odds of receiving a prize on a ticket, odds of winning a prize, and the prize payout percent. The Lottery may make additional or alternative changes in response to information or public comment received during the rulemaking process. The Lottery may also make non-substantive edits, such as to update statutory and rule citations; improve grammar, organization, or ease of reading; or otherwise improve the clarity and accuracy of the rule.

<u>177-084-0035</u>

Prizes

(1) Prizes for each drawing are determined and awarded based on how many numbers contained in a game play on a ticket match the winning number selected at that drawing. Prizes are determined separately for each wager amount.

(2) The following tables provide the prize amount; odds of receiving a prize on a ticket; odds of winning a prize; and the prize payout percent for a \$1, \$2, \$5, and \$10 wager. The overall payout percent is approximately 67.07%.

| \$1 Wager | | | |
|----------------|--|----------------------------|--------------|
| Prize | Odds of Receiving a Prize on Ticket | Odds of Winning A Prize | Prize Payout |
| \$5 | 1:2.07 | 1:31.05 | 16.10% |
| \$7 | 1:5.00 | 1:75.00 | 9.33% |
| \$10 | 1:7.00 | 1:105.00 | 9.52% |
| \$15 | 1:12.00 | 1:180.00 | 8.33% |
| \$20 | 1:18.00 | 1:270.00 | 7.41% |
| \$25 | 1:42.00 | 1:630.00 | 3.97% |
| \$50 | 1:150.00 | 1:2,249.99 | 2.22% |
| \$100 | 1:275.00 | 1:4,124.96 | 2.42% |
| \$250 | 1:1,000.00 | 1:15,000.00 | 1.67% |
| Payout Percent | | 60.98% | |
| Odds | | 1: 15.00 | |

| \$2 Wager | | | |
|----------------|--------------------------|------------------------|--------------|
| Prize | Odds of Receiving | Odds of Winning | Prize Payout |
| | a Prize on Ticket | A Prize | |
| \$10 | 1:2.09 | 1:31.30 | 15.97% |
| \$14 | 1:6.00 | 1:90.00 | 7.78% |
| \$20 | 1:7.00 | 1:105.00 | 9.52% |
| \$30 | 1:10.00 | 1:150.00 | 10.00% |
| \$40 | 1:15.00 | 1:225.00 | 8.89% |
| \$50 | 1:30.00 | 1:450.00 | 5.56% |
| \$100 | 1:150.00 | 1:2,249.99 | 2.22% |
| \$200 | 1:275.00 | 1:4,124.96 | 2.42% |
| \$500 | 1:1,000.00 | 1:15,000.00 | 1.67% |
| Payout Percent | | 64.03% | |
| Odds | | 1: 15.00 | |

| \$5 Wager | | | |
|-----------|--------------------------|-----------------|--------------|
| Prize | Odds of Receiving | Odds of Winning | Prize Payout |
| | a Prize on Ticket | A Prize | |
| \$25 | 1:2.05 | 1:30.82 | 16.23% |
| \$35 | 1:7.00 | 1:105.00 | 6.67% |
| \$50 | 1:8.00 | 1:120.00 | 8.33% |
| \$75 | 1:10.00 | 1:150.00 | 10.00% |
| \$100 | 1:12.00 | 1:180.00 | 11.11% |
| \$125 | 1:20.00 | 1:300.00 | 8.33% |
| \$250 | 1:135.00 | 1:2,025.00 | 2.47% |
| \$500 | 1:275.00 | 1:4,124.96 | 2.42% |

| \$1,250 | 1:1,000.00 | 1:15,000.00 | 1.67% |
|----------------|------------|-------------|-------|
| Payout Percent | | 67.23% | |
| Odds | | 1: 15.00 | |

| \$10 Wager | | | |
|----------------|--------------------------|------------------------|--------------|
| Prize | Odds of Receiving | Odds of Winning | Prize Payout |
| | a Prize on Ticket | A Prize | |
| \$50 | 1:2.13 | 1:31.88 | 15.69% |
| \$70 | 1:7.00 | 1:105.00 | 6.67% |
| \$100 | 1:8.00 | 1:120.00 | 8.33% |
| \$150 | 1:10.00 | 1:150.00 | 10.00% |
| \$200 | 1:12.00 | 1:180.00 | 11.11% |
| \$250 | 1:16.00 | 1:240.00 | 10.42% |
| \$500 | 1:90.00 | 1:1,350.00 | 3.70% |
| \$1,000 | 1:275.00 | 1:4,124.96 | 2.42% |
| \$2,500 | 1:1,000.00 | 1:15,000.00 | 1.67% |
| Payout Percent | | 70.01% | |
| Odds | | 1: 15.00 | |

<u>Statutory/Other Authority: Or Const, Art XV, § 4(4)(a), ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260</u>

<u>Statutes/Other Implemented: Or Const, Art XV, § 4(4), ORS 461.120, 461.210, 461.220, 461.230, 461.240, 461.250, 461.260</u>