

Title 42
LOUISIANA GAMING
Part XV. LOTTERY

Chapter 5. Retailer Regulations

§501. Policy Statement.

In order to conduct a successful lottery, the Louisiana Lottery Corporation (the "Corporation") must develop and maintain a statewide network of lottery retailers that will serve the public convenience and promote the sale of tickets, while insuring the integrity of the lottery operations, games and activities. In order to facilitate such objectives, the Corporation has adopted these Retailer Regulations. Such Retailer Regulations shall be in addition to and not a substitute for the provisions of the Louisiana Lottery Corporation Law, other provisions of Louisiana or federal law and the other rules and regulations of the Corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991, and promulgated in *THE STATE TIMES* on May 21, 1991, re-promulgated LR 26: (April 2000)

§503. Definitions.

The following italicized terms shall have the meaning set forth herein when used in these Retailer Regulations.

The "*Board*" means the Board of Directors of the Corporation as established and existing pursuant to the Louisiana Lottery Corporation Law.

"*Director*" means a person appointed to the Board pursuant to Section 9004 of the Louisiana Lottery Corporation Law; the term shall not include ex officio, nonvoting members of the Board.

"*Employee*" means any person who is not a Director or Officer but who is employed by the Corporation to work a regular work week of 25 or more hours per week, or any person who is not a Director or Officer of the Corporation but who is employed or contracted by the Corporation to perform work for which he or she will either (i) work, in any six week period, more than 200 hours for the Corporation, or (ii) receive, in any one year period, more than \$10,000, in the aggregate, for work performed for the Corporation. "Employee" shall not include a person who otherwise meets the above criteria but who is an employee of an Organization contracted to perform services for or provide products to the Corporation; provided, that, with regard to the conduct of such employee, such Organization is subject to another provision of Louisiana Law.

"*Louisiana Laws*" means all provisions of the Constitution of the State of Louisiana and all statutes, codes, rules and regulations.

"*Lottery Tickets*" means lottery instant tickets or on-line tickets or any other ticket sold to the public as part of a lottery game.

The "*Louisiana Lottery Corporation Law*" means the provisions of Louisiana Revised Statutes 47:9000 et seq.

An "*Officer*" means the President, the Vice President, and the Secretary-Treasurer.

An "*Organization*" means a corporation, partnership, joint stock association, sole proprietorship, joint venture, business association, cooperative association, professional corporation or other entity existing for any purpose.

"*Retailer*" means any person or Organization with whom the Corporation has contracted to sell Lottery Tickets to the public. An "Instant Retailer" means a person or Organization that sells instant tickets to the public, and an "On-Line Retailer" means a person or Organization that sells on-line tickets to the public. Without affecting the definitions in this subsection (l), an Instant Retailer may also sell, or may in the future sell, on-line tickets, and an On-Line Retailer shall sell instant tickets.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991 and promulgated in *THE STATE TIMES* on May 21, 1991, amended LR 26: (April 2000)

§505. Authority of the Corporation.

These Retailer Regulations are adopted pursuant to the powers granted to the Corporation under the Louisiana Lottery Corporation Law. These Retailer Regulations are supplemental to and not in substitution for other Louisiana Laws to which Retailers are subject.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991, and promulgated in *THE STATE TIMES* on May 21, 1991, re-promulgated LR 26: (April 2000)

§507. Ethical Rules Relating to Retailers.

A retailer shall be subject to the Louisiana Code of Governmental Ethics and the applicable provisions of the Louisiana Lottery Corporation Law.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991 and promulgated in *THE STATE TIMES* on May 21, 1991, amended LR 26: (April 2000)

§509. Selection of Retailers.

General Provisions. The following provisions shall generally apply to the selection of Retailers:

1. In selecting Retailers, whether of instant tickets or of on-line tickets, the Corporation may consider the following factors, among others:

- (a) Financial responsibility.
- (b) Integrity.
- (c) Reputation.
- (d) Accessibility of the place of business or activity to the public.
- (e) Security of the premises.
- (f) Sufficiency of existing Retailers to serve the public convenience.
- (g) Projected volume of sales for the lottery game involved.

2. The Corporation may conduct whatever investigations it deems necessary to analyze an application and may require any applicant to produce any information the Corporation deems necessary.

3. The selection of Retailers shall be made without regard to political affiliation, activities, or monetary contributions to political organizations or candidates for any public office.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991 and promulgated in *THE STATE TIMES* on May 21, 1991, amended December 12, 1991 and promulgated in *THE ADVOCATE* on December 24, 1991, re-promulgated LR 26: (April 2000)

§511. Threshold Criteria for Retailers.

An applicant for Retailer status may not become and remain a Retailer unless the applicant meets the following threshold criteria:

1. The applicant is current in payment of all taxes, interest, and penalties owed to any taxing political subdivision where the applicant sells Lottery Tickets.

2. The applicant is current in filing all applicable tax returns and in payment of all taxes, interest, and penalties owed to the state of Louisiana, excluding items under formal appeal pursuant to applicable statutes.

3. The applicant has not been:

(a) Convicted of a criminal offense related to the security or integrity of a lottery in Louisiana or any other jurisdiction.

(b) Convicted of any illegal gambling activity, false statements, false swearing, or perjury in this or any other jurisdiction, or convicted of any crime punishable by more than one year imprisonment or a fine of more than one thousand dollars, or both.

(c) Found to have violated the provisions of these Retailer Regulations, the Louisiana Lottery Corporation Law or any administrative regulation adopted thereunder, unless either ten years have passed since the violation, or the President and the Board find the violation both minor and unintentional in nature.

(d) A vendor (as defined in Section 9002(8) of the Louisiana Lottery Corporation Law) or any employee or agent of any vendor doing business with the Corporation.

(e) A resident in the same household as an Officer of the Corporation.

(f) Found to have made a statement of material fact to the Corporation, knowing such statement to be false.

4. The applicant meets such other criteria as the Corporation adopts from time to time relating to the integrity, reputation, financial responsibility, business practices or qualifications of an applicant.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991 and promulgated in *THE STATE TIMES* on May 21, 1991, amended December 12, 1991 and re-promulgated in *THE ADVOCATE* on December 24, 1991, amended LR 26: (April 2000)

§513. Criteria for Instant Retailers.

In general, the Corporation shall permit any applicant meeting the threshold criteria stated in Section 2 above to become an Instant Retailer. However, the Board may from time to time adopt specific policies relative to the selection of Instant Retailers if it determines that the Corporation's best interests will be served by such policies. The determination and policies shall be stated in a written policy statement adopted by the Board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991 and promulgated in *THE STATE TIMES* on May 21, 1991, amended December 12, 1991 and re-promulgated in *THE ADVOCATE* on December 24, 1991, re-promulgated LR 26: (April 2000)

§515. Criteria for On-Line Retailers.

The Board shall maintain a limitation on the number of On-Line Retailers. The limitation shall be based on the number of On-Line Retailers permitted under the Corporation's contracts for procurement of an on-line lottery system and other appropriate objective business factors. The determination and policies shall be stated in a written policy statement adopted by the Board. The mechanism and factors established to determine which applicants become On-Line Retailers shall be based solely on the Corporation's business needs and shall afford fair and objective treatment to all applicants. By way of example, but not limitation, such determining factors may include:

1. The status of the applicant's license to sell instant tickets, if any, and the applicant's volume of instant ticket sales.
2. The distribution of Retailers for on-line tickets throughout the state and the geographic area serviced by the applicant, and the sufficiency of Retailers for on-line tickets to serve the public convenience at any particular location in the state.
3. The average number of customers who visit an applicant's place of business.
4. The applicant's hours of operations.
5. The capability and willingness of an applicant to pay prizes up to the maximum amount payable by Retailers at various times during the day.
6. The capability and willingness of an applicant to promote the sale of Lottery Tickets.
7. The applicant's proposed location for the terminal to sell on-line tickets.
8. The financial stability of an applicant.

9. Any problems the Corporation has experienced with an applicant's electronic fund transfer account for instant ticket sales.
10. The degree to which an applicant uses display materials for instant ticket games.
11. The sales potential for on-line tickets by the applicant.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991 and promulgated in *THE STATE TIMES* on May 21, 1991, amended December 12, 1991 and re-promulgated in *THE ADVOCATE* on December 24, 1991, re-promulgated LR 26: (April 2000)

§517. Application Procedure and Fees.

A. The Corporation may develop forms for the Retailer applications requesting all such information required by law or that the Corporation deems necessary or appropriate to evaluate Retailers. The Corporation may require that such application be completed, executed, acknowledged, notarized or any of the foregoing, and that an officer of the Retailer execute and acknowledge or notarize any oath that the Corporation deems necessary or appropriate.

B. Each applicant for a license to sell lottery tickets shall provide to the Corporation a non-refundable application fee in an amount determined by the Board from time to time.

C. Special procedures for application for a Retailer license may be developed by the Corporation for applicants that are a "chain store group," or a group of two or more stores or other retail outlets under common control. Each applicant that is a chain store group shall pay a non-refundable application fee in an amount determined by the Board from time to time for each retail outlet location which shall be covered by such license.

D. Instant Retailers who apply to become On-Line Retailers shall be assessed such uniform charges and fees as are stated in the policy statement for On-Line Retailers. Such uniform charges and fees are intended to satisfy the requirements of La. R.S. 47:9051 (C). Such uniform charges and fees may be defined as reimbursements for costs associated with providing the retailer on-line status, do not constitute revenue to the Corporation and may be collected on a weekly, monthly or annual basis.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991 and promulgated in *THE STATE TIMES* on May 21, 1991, amended December 12, 1991 and re-promulgated in *THE ADVOCATE* on December 24, 1991, amended December 17, 1993 and re-promulgated in *THE ADVOCATE* on January 1, 1994, amended LR 26: (April 2000)

§519. Other Business of Retailers.

A Retailer may not be engaged exclusively in the sale of Lottery Tickets. However, this Section 6 does not preclude the Corporation from contracting for the sale of Lottery Tickets with nonprofit, charitable organizations or units of local government in accordance with the provisions of these Retailer Regulations, the Louisiana Lottery Corporation Law and Louisiana Law.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991 and promulgated in *THE STATE TIMES* on May 21, 1991, amended December 12, 1991 and re-promulgated in *THE ADVOCATE* on December 24, 1991, re-promulgated LR 26: (April 2000)

§521. Duty to Update.

Any information provided by a Retailer to the Corporation under these Retailer Regulations or on any application, filing or other instrument submitted to the Corporation that becomes incorrect or misleading shall immediately be updated by the Retailer by providing an explanation thereof to the Corporation. Without limiting the foregoing, a Retailer shall notify the Corporation immediately if any change in the ownership of the licensed retailer location occurs or of any conviction that would affect the Retailer's eligibility to obtain a retailer license.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991 and promulgated in *THE STATE TIMES* on May 21, 1991, amended December 12, 1991 and re-promulgated in *THE ADVOCATE* on December 24, 1991, re-promulgated LR 26: (April 2000)

§523. Retailer Certificate.

Each applicant that is accepted by the Corporation shall be issued a lottery retailer certificate which shall be conspicuously displayed at the place where the Retailer is authorized to sell Lottery Tickets. Lottery Tickets shall only be sold by the Retailer at the location stated on the lottery retailer certificate.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991 and promulgated in *THE STATE TIMES* on May 21, 1991, amended December 12, 1991 and re-promulgated in *THE ADVOCATE* on December 24, 1991, re-promulgated LR 26: (April 2000)

§525. Annual Renewal Required.

There shall be an annual renewal process October through December 31 of each year for licenses obtained after January 1. If a license is obtained after October 1 the license shall not expire until the next succeeding calendar year. Expired licenses not renewed by December 31 shall be suspended and/or terminated.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991 and promulgated in *THE STATE TIMES* on May 21, 1991, amended LR 26: (April 2000)

§527. Assignability of Contracts.

No Retailer contract awarded pursuant to these Retailer Regulations shall be transferable or assignable. No Retailer shall contract with any person for lottery goods or services except with the approval of the Board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991, and promulgated in *THE STATE TIMES* on May 21, 1991, re-promulgated LR 26: (April 2000)

§529. Suspension, Revocation or Termination of Contracts.

Any Retailer contract may, for good cause, be suspended, revoked, or terminated by the President if the Retailer is found to have violated any provision of these Retailer Regulations, the Louisiana Lottery Corporation Law or objective criteria established by the Board. All Retailer contracts shall be renewable annually after issuance unless sooner canceled or terminated.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991, and promulgated in *THE STATE TIMES* on May 21, 1991, re-promulgated LR 26: (April 2000)

§531. Cancellation of Contracts.

Any contract executed by the Corporation pursuant to these Retailer Regulations and the Louisiana Lottery Corporation Law shall specify the reasons for which any contract may be canceled, suspended, revoked, or terminated by the Corporation, which reasons shall include but not be limited to:

1. Commission of a violation of these Retailer Regulations, the Louisiana Lottery Corporation Law or administrative regulations adopted pursuant thereto or other provisions of Louisiana Law;
2. Failure to accurately account for Lottery Tickets, revenues, or prizes as required by the Corporation;
3. Commission of any fraud, deceit, or misrepresentation;
4. Insufficient sale of tickets;
5. Conduct prejudicial to public confidence in the lottery;
6. The Retailer filing for or being placed in bankruptcy or receivership;
7. Any material change in any matter considered by the Corporation in executing the contract with the Retailer; or
8. Failure to meet any of the objective criteria established by the Board pursuant to these Retailer Regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991, and promulgated in *THE STATE TIMES* on May 21, 1991, re-promulgated LR 26: (April 2000)

§533. Power of President.

If, in the discretion of the President, cancellation, denial, revocation, suspension, or rejection of renewal of a Retailer contract is in the best interests of the lottery, the public welfare, or the State of Louisiana, the President may cancel, suspend, revoke, or terminate, after notice and a hearing, any contract issued pursuant to these Retailer Regulations or the Louisiana Lottery Corporation Law. Such contract may, however, be temporarily suspended by the President without prior notice, pending any prosecution, hearing, or investigation, whether by a third party or by the President. A contract may be suspended, revoked, or terminated by the President for any one or more of the reasons enumerated in this Section.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991, and promulgated in *THE STATE TIMES* on May 21, 1991, re-promulgated LR 26: (April 2000)

§535. Retailer Security.

The following rules shall apply to the retailer security which Section 9053 of the Louisiana Lottery Corporation Law requires of Retailers:

1. The security shall consist of a letter of credit or bond issued by a bank or surety company acceptable to the Corporation. For purposes of this Section, the term "bond" shall include cash, cash-equivalent instruments or such other instruments as the Corporation determines provide immediate liquidity.
2. The security may be in an amount of no greater than two times the Retailer's average gross sales of Lottery Tickets for the period within which the Retailer is required to remit sales proceeds to the Corporation. The calculation of the security amount shall exclude the amount of Lottery Tickets for which the Retailer has paid in advance.
3. The security under this Section shall constitute security for all obligations of the Retailer to the Corporation pursuant to these Retailer Regulations or the Retailer's contract with the Corporation. The obligations of Retailers shall include, without limitation, the Retailer's obligation to remit sales proceeds and unsold Lottery Tickets to the Corporation. The Corporation may enforce the security immediately upon a Retailer's default in any such obligations for the full amount of the defaulted obligations up to the amount of the security, without affecting the Corporation's right to any deficiency. Enforcement shall occur by drawing upon a letter of credit, request for payment under a bond or otherwise according to law.
4. In order to facilitate the acquisition of the required security by Retailers, the Corporation shall maintain the Retailer Security Account, a special banking account for the pooling of retailer security and the acquisition of a letter of credit or bond as required by Section

9053 of the Louisiana Lottery Corporation Law. In lieu of posting security, a Retailer having a security obligation may pay a non-refundable ten dollar (\$10.00) fee to the Corporation and the Corporation shall deposit this fee into the Retailer Security Account. Such fee may be increased or decreased by the Corporation from time to time. Upon any default by any Retailer, the Corporation may pay such defaulted obligations, up to the amount of the security required of the Retailer, from the letter of credit or bond secured by the Retailer Security Account. Upon such payment, the Retailer shall be obligated to reimburse the Corporation for the full amount of such defaulted obligation and the Corporation shall deposit the reimbursement into the Retailer Security Account. At the end of each fiscal year, the President and the Board may authorize inclusion of all or a portion of the unused amounts remaining in the Retailer Security Account at the end of the fiscal year in the revenues of the Corporation for the fiscal year.

5. The Retailer's authority to sell Lottery Tickets shall be suspended for any period in which the Retailer does not maintain the security required under this Section, but will be reinstated upon the reinstatement of the security. Failure to maintain adequate security shall be grounds for suspension or termination of a retailer contract and license.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991 and promulgated in *THE STATE TIMES* on May 21, 1991, amended LR 26: (April 2000)

§537. Change of Location or Ownership.

Any change in location or ownership of the business of a Retailer will automatically suspend the Retailer's certificate. An application must be filed in the same manner as provided in these Retailer Regulations to reinstate the Retailer's certificate for the new location or the new owner of the business. Sales of Lottery Tickets are prohibited following a change in location or ownership of the business of a Retailer until a new lottery retailer certificate is issued to the new owner or location. The Corporation may employ necessary procedures to minimize interruptions in service.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991, and promulgated in *THE STATE TIMES* on May 21, 1991, re-promulgated LR 26: (April 2000)

§539. Proceeds from Ticket Sales.

All proceeds from the sale of Lottery Tickets received by a Retailer shall constitute a trust fund until paid to the Corporation either directly or through the Corporation's authorized collection representative. A Retailer shall have a fiduciary duty to preserve and account for lottery proceeds and Retailers shall be personally liable for all proceeds. Proceeds shall include unsold instant tickets received by a Retailer and cash proceeds of sale of any lottery products, net of allowable sales commissions and credit for lottery prizes to winners by Retailers. Sales proceeds and unused instant tickets shall be delivered to the Corporation or its authorized collection representative upon demand. Retailers shall place all lottery proceeds due the Corporation in accounts in institutions insured by the Federal Deposit Insurance Corporation not later than the close of the next banking day after the date of their collection by the Retailer until the date they are paid over to the Corporation. The Corporation may require a Retailer to establish a single separate electronic funds transfer account, where available, for the purpose of receiving monies from ticket sales, making payments to the Corporation, and receiving payments from the Corporation. Failure to have sufficient funds available to cover an electronic funds transfer to the Corporation's account shall be a cause for suspension or termination of a Retailer's contract and license. Unless otherwise authorized in writing by the Corporation, each Retailer shall establish a separate bank account for lottery proceeds which shall be kept separate and apart from all other funds and assets and shall not be commingled with any other funds or assets. This Section shall apply to all lottery tickets generated by computer terminal or other electronic devices and any other tickets delivered to Retailers.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991, and promulgated in *THE STATE TIMES* on May 21, 1991, re-promulgated LR 26: (April 2000)

§541. Insolvency of Retailer.

Whenever any person or Organization who receives proceeds from the sale of Lottery Tickets in the capacity of a Retailer becomes insolvent, or dies insolvent, the proceeds due the Corporation from such person or his, her or its estate shall have preference over all debts or demands.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991, and promulgated in *THE STATE TIMES* on May 21, 1991, re-promulgated LR 26: (April 2000)

§543. Sales Commissions.

A Retailer shall receive a sales commission equal to at least five percent (5%) of the gross proceeds from the sale of Lottery Tickets. In addition to the five percent sales commission the Corporation may develop a system of bonuses and sales incentives based on dollar volume of business, the sale of winning tickets, or such other criteria as the Corporation may develop from time to time.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991, and promulgated in *THE STATE TIMES* on May 21, 1991, re-promulgated LR 26: (April 2000)

§545. Sale of Lottery Tickets on Credit.

The Retailer shall not directly extend credit to the purchaser of Lottery Tickets, but Lottery Tickets may be sold for cash or by use of any credit card or similar instrument. Lottery Tickets may not be sold by mail (except for subscription sales established by the Corporation), phone, fax or other similar method of communications.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991, and promulgated in *THE STATE TIMES* on May 21, 1991, re-promulgated LR 26: (April 2000)

§547. Sales Price of Tickets.

No person shall sell a Lottery Ticket at a price other than established by the Corporation, unless authorized in writing by the President. No person other than a duly certified Retailer shall sell Lottery Tickets, but this shall not be construed to prevent a person who may lawfully purchase tickets from making a gift of Lottery Tickets to another. Nothing in these Retailer Regulations shall be construed to prohibit the Corporation from designating certain of its agents and employees to sell Lottery Tickets directly to the public.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991, and promulgated in *THE STATE TIMES* on May 21, 1991, re-promulgated LR 26: (April 2000)

§549. Promotional Tickets.

Lottery Tickets may be given by merchants as a means of promoting goods or services to customers or prospective customers subject to the prior written approval by the Corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991, and promulgated in *THE STATE TIMES* on May 21, 1991, re-promulgated LR 26: (April 2000)

§551. Location of Sales.

No Retailer shall sell a Lottery Ticket except from the locations listed in the Retailer's contract and certificate. No Lottery Tickets shall be sold at state of Louisiana rest stops.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991, and promulgated in *THE STATE TIMES* on May 21, 1991, re-promulgated LR 26: (April 2000)

§553. Payment of Prizes.

Retailers shall pay any lottery prize of \$50 or less. A Retailer may pay prizes greater than fifty dollars, up to \$600, after proper verification of such winning tickets as prescribed by the Corporation. Prizes of more than \$600 shall be paid by the Corporation by mail or at a designated Corporation office.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991 and promulgated in *THE STATE TIMES* on May 21, 1991, amended December 12, 1991 and re-promulgated in *THE ADVOCATE* on December 24, 1991, re-promulgated LR 26: (April 2000)

§555. Required Purchases of Lottery Tickets.

Failure of a Retailer to order Lottery Instant Tickets for any sixty (60) day period may result in suspension of the Retailer's license, and the Corporation shall notify Retailer of such suspension. If the Retailer does not purchase Lottery Instant Tickets from the Corporation within thirty (30) days after the date the notice of suspension is sent by the Corporation, the Retailer's license may be terminated and the Retailer shall pay all debts due the Corporation within thirty (30) days of such termination. The aggregate of all orders for Lottery Tickets placed after the date of a notice of suspension and before the expiration of such thirty (30) day period must be equal to at least the highest amount of Lottery Tickets purchased by the Retailer for any of its last three purchases or the retailer license shall be automatically terminated.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991 and promulgated in *THE STATE TIMES* on May 21, 1991, amended LR 26: (April 2000)

§557. Computation of Rental Payments.

If a Retailer's rental payments for the business premises are contractually computed, in whole or in part, on the basis of a percentage of retail sales, and such computation of retail sales is not explicitly defined to include sales of tickets in a state lottery, the compensation received by the Retailer from the lottery shall be considered the amount of retail sale for purposes of computing the rental payment.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991, and promulgated in *THE STATE TIMES* on May 21, 1991, re-promulgated LR 26: (April 2000)

§559. Equipment Payment or Deposit.

An equipment payment or deposit may be required for any equipment provided by the Corporation to a Retailer; provided that such charges shall be uniform and that any deposits will be returned upon the return of such equipment in good operating condition. All or any portion of a deposit may be retained by the Corporation if any equipment is damaged, destroyed, lost, stolen or otherwise made unavailable or unusable for normal operations. Upon receipt of written notice from a Retailer, the Corporation may transfer the equipment deposit of a Retailer which has created a new entity at the same location.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991 and promulgated in *THE STATE TIMES* on May 21, 1991, amended LR 26: (April 2000)

§561. Reimbursement of Equipment Payment.

The Corporation may purchase the terminals of Retailers who purchased their equipment if the Corporation determines that such purchase is in the best interest of the Corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991, and promulgated in *THE STATE TIMES* on May 21, 1991, re-promulgated LR 26: (April 2000)

§563. Security Procedures.

A Retailer shall provide reasonable security for all Lottery Tickets and other Corporation property and is responsible for all Lottery Tickets delivered to it upon the Retailer's acknowledgment of receipt thereof. A Retailer shall notify the Corporation within twenty four hours of any lost, stolen, missing or counterfeit tickets. The Corporation shall not be liable for any event not reported within such time period, and may reimburse or credit a Retailer for any tickets affected thereby.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991, and promulgated in *THE STATE TIMES* on May 21, 1991, re-promulgated LR 26: (April 2000)

§565. Retailer Records.

Each Retailer shall keep accurate and complete records of all transactions with the Corporation, and such records shall be open to inspection by the Corporation at all times during normal business hours. The Corporation may make summaries or notes of any such records and may copy any such records either at the Retailer's place of business or, if more convenient, off of such premises so long as such records are returned within forty eight hours of the time they are withdrawn from such place of business.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991, and promulgated in *THE STATE TIMES* on May 21, 1991, re-promulgated LR 26: (April 2000)

§567. Training School.

Retailers shall be required to send at least one person to training sponsored by the Corporation. The Corporation, at its discretion, may waive the training of Retailers who have previous lottery experience on the operation of lottery equipment and accounting procedures. The Corporation shall encourage Retailers to have new employees attend a training session.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991 and promulgated in *THE STATE TIMES* on May 21, 1991, amended LR 26: (April 2000)

§569. Compliance With All Applicable Laws.

Each Retailer agrees to operate in a manner consistent with the Louisiana Lottery Corporation Law, applicable federal laws, Louisiana Laws and local ordinances, the rules and regulations promulgated by the Corporation and with his, her or its contract with the Corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991, and promulgated in *THE STATE TIMES* on May 21, 1991, re-promulgated LR 26: (April 2000)

§571. Merchandising.

Each Retailer agrees to offer no less than four (4) instant games for sale to the public at all times if four (4) or more instant games are available from the Corporation. The Retailer shall use a Lottery Ticket dispenser for the sale of Lottery Tickets, and shall place the dispenser in a prominent location in the retail establishment near the cash register or check-out area. The Retailer shall prominently display point-of-sale materials supplied by the Corporation, including door decals, game posters, display tickets, danglers, change mats and lighted interior signs, unless the Corporation agrees otherwise in writing. The Retailer shall make Lottery Tickets available, and shall provide for redemption of winning Lottery Tickets, for the full duration of the Retailer's normal business hours, provided that the hours for redemption may be subject to limitation on the availability of validation of winning Lottery Tickets by the Corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991 and promulgated in *THE STATE TIMES* on May 21, 1991, amended LR 26: (April 2000)

§573. Appeals.

The procedures stated in this part apply to an appeal of a Corporation determination by a retailer or a person seeking to become a retailer under Section 9017 of the Louisiana Lottery Corporation Law.

1. Prior to making an appeal, an appellant must send the President a request letter stating the action of which the appellant seeks modification and all reasons the appellant advances for modification. The request letter must state the appellant's name and address, must enclose copies of all documents relevant to the request and must be signed by the appellant. The appellant must represent that all facts stated in the request letter are

correct to the best knowledge of the appellant. The President shall respond to the request letter in writing within ten (10) days of the Corporation's receipt of it, stating all reasons for the response.

2. An appellant may appeal the President's denial of all or any part of the appellant's request stated in the appellant's request letter by sending the President a notice of appeal. The notice of appeal shall be effective only if it is in writing, states the substance and basis of the appeal, and is received by the Corporation within ten (10) days of the appellant's receipt of the President's letter denying the appeal. The notice may request that the hearing be expedited, provided that such a request shall constitute an undertaking by the appellant to pay the costs assessable under Section 5 of this Part. Upon receipt of a notice of appeal, the President shall deliver the notice, the appellant's request letter and the President's denial letter to the Board.
3. The Board shall consider the appeal at its next regular meeting to occur five (5) or more days after receipt of the notice of appeal. The hearing shall be conducted in accordance with the provisions of the Administrative Procedure Act. The Chairman may call a special meeting of the board to hear an appeal if the appellant has requested an expedited hearing and the Chairman in his sole discretion believes that the appeal warrants an expedited hearing. The President shall give the appellant reasonable notice of the time and location of the Board meeting. The appellant shall be permitted to present the appeal orally for a time period determined by the Board. The presentation may not include points or subjects which were not included in the appellant's request letter. The Corporation shall keep a complete record of the hearing and shall make it available to the appellant. The Board shall render its decision on the appeal by majority vote within five (5) days after conclusion of the hearing.
4. If the appellant requested an expedited hearing, the Board conducts the hearing at a special meeting, and the Board denies the appeal, the Board may charge the appellant the Corporation's reasonable costs incurred in connection with the special meeting, including any travel and per diem expenses.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991 and promulgated in *THE STATE TIMES* on May 21, 1991, amended LR 26: (April 2000)

§575. Amendment.

These Retailer Regulations may be amended in accordance with the provisions of Part D of the Bylaws and Rules of Procedure of the Corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on May 14, 1991 and promulgated in *THE STATE TIMES* on May 21, 1991, amended December 17, 1993 and re-promulgated in *THE ADVOCATE* on January 1, 1994, re-promulgated LR 26: (April 2000).