



## **FLORIDA LOTTERY RETAILER RULES**

**SEPTEMBER 2017**

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## 53ER17-42 Retailer Application and Fee Schedule

- (1) New Applicants.
  - (a) Any person interested in contracting with the Lottery as a retailer shall file Form DOL-129, Retailer Application; or Form DOL-129-1, Retailer Application in Spanish; or Form DOL-129C, Chain Account Retailer Application, as applicable.
  - (b) For the initial sales location, each applicant shall submit a fee of \$100.00 along with the appropriate retailer application set forth in paragraph (a), above.
  - (c) An application for an additional location must be submitted to the Lottery on Form DOL-129, DOL-129-1, DOL-129C, or Form DOL-129CA, Chain Account Retailer Additional Location Application, as applicable, and must be accompanied by a fee of \$25.00 for each additional location.
  - (d) Each applicant shall be subject to a background investigation, which can include fingerprinting.
  - (e) Organizations which are publicly traded on a national securities exchange must submit the following:
    1. Form DOL-129C, including Section 4 entitled “Information on Publicly Traded Organizations;” and
    2. Form DOL-374, Publicly Traded Organization Retailer Affidavit.  
Form DOL-374 will be provided to the applicant during the application process and must be completed by a corporate officer or legal counsel to state whether the corporation, any of its executive officers or its chairperson has been convicted of, or entered a plea of guilty or nolo contendere to a felony committed in the preceding ten years, regardless of adjudication.
  - (f) Organizations which are not publicly traded on a national securities exchange shall be subject to the background investigation provisions set forth in accordance with rules of the Florida Lottery governing retailer applicant background investigations. A copy of the current rule can be obtained from the Florida Lottery, Retailer Contracting, 250 Marriott Drive, Tallahassee, Florida 32399-6573.
- (2) Renewal Application.

Retailer contracts shall be renewed by execution of a new retailer contract. Prior to the expiration of a retailer contract, a retailer shall submit Form DOL-307, Application for Contract Renewal, or Form DOL-320, Application for Chain Account Contract Renewal, and a new retailer contract signed by the retailer, along with a fee of \$10.00 per location and \$25.00 for each new officer, director, or shareholder of 10% or more of the corporation since the last application. Renewal applicants shall be subject to a background investigation and fingerprinting may be required.
- (3) Change of Location.

An application to change a location must be submitted to the Lottery at least thirty days in advance of the change, on Form DOL-129, DOL-129-1, or DOL-129C, as applicable, and must be accompanied by a fee of \$10.00.
- (4) All application fees shall be non-refundable unless the initial application is denied because the applicant or the location fails the Lottery's marketing evaluation, in which case the application fee for that location shall be refunded to the applicant.
- (5) Applications and subsequent contracts, if any, are not assignable or transferable to any person or entity.
- (6) Any department, commission, agency, or instrument of the state, or its subdivisions, or any municipality or county, that seeks a contract as a retailer shall bear the burden of securing approval of any other person, board, commission, agent, or instrumentality of the state, or its subdivisions, or municipality or county, which may have controlling authority over the applicant.

- (7) The following forms are incorporated herein by reference and may be obtained by writing to the Department of the Lottery, Retailer Contracting, 250 Marriott Drive, Tallahassee, Florida 32399-6573:

Form DOL-129, Retailer Application, revised 7/17,

Form DOL-129-1, Retailer Application in Spanish, revised 7/17,

Form DOL-129C, Chain Account Retailer Application, revised 7/17,

Form DOL-129CA, Chain Account Retailer Additional Location Application, revised 7/17,

Form DOL-374, Publicly Traded Organization Retailer Affidavit, revised 7/17,

Form DOL-307, Application for Contract Renewal, revised 7/17, and

Form DOL-320, Application for Chain Account Contract Renewal, revised 7/17

Forms DOL-129, DOL-129-1, DOL-129C, and DOL-129CA may also be obtained from the Lottery's website at [www.flalottery.com](http://www.flalottery.com).

- (8) This emergency rule replaces Emergency Rule 53ER13-66. Rulemaking Authority 24.105(15), 24.109(1), 24.112(1) F.S., Law Implemented 24.112 F.S. History—New 7-28-17, Replaces 53ER13-66.

### **53ER17-43 Retailer Applicant Background Investigation**

- (1) Background investigations shall be conducted on new applicants, renewal applicants and new officers, partners, directors, managing members as well as shareholders of ten percent (10%) or more interest in the business.
- (2) Organizations that are publicly traded on a national securities exchange shall be required to submit the forms set forth in the rule governing retailer application and fee schedule. A copy of the current rule can be obtained from the Florida Lottery's website at [flalottery.com](http://flalottery.com) or Florida Lottery, Retailer Contracting Division, 250 Marriott Drive, Tallahassee, Florida 32399-6573. Investigation of any such organization shall include a review of its business credit report, financial statements, criminal history, and Lottery payment history, if any.
- (3) The investigation by the Lottery of the owners, partners, managing members, corporate officers, directors and shareholders of organizations that are not publicly traded on a national securities exchange shall include the following:
  - (a) A sole proprietor's consumer credit history, criminal history and Lottery payment history, if any;
  - (b) A partner's consumer credit history, criminal history and Lottery payment history, if any;
  - (c) For limited partnerships and limited liability companies, the names of the managing members and general partner must be disclosed as well as any limited partner with ten percent (10%) or more interest in the business. These individuals will be investigated in the following areas:
    1. Consumer credit history, if business credit information is unavailable or inconclusive;
    2. Criminal history;
    3. Lottery payment history, if any.
  - (d) For corporations, the names of all corporate officers and directors must be disclosed as well as shareholders of ten percent (10%) or more interest in the business. These individuals will be investigated in the following areas:
    1. Consumer credit history, if business credit information is unavailable or inconclusive;
    2. Criminal history;
    3. Lottery payment history, if any.
- (4) A retailer applicant shall be required to post a bond, certificate of deposit, or other security if it is determined during the background investigation that such requirement is necessary to secure payment of lottery proceeds.

Rulemaking Authority 24.109(1), 24.112(1) FS. Law Implemented 24.112(2) FS. History—New 7-28-17, Replaces 53ER12-67.

## **53ER13-14 Granting Retailer Contracts and Certificates of Authority**

- (1) Retailer contracts shall authorize the sale of lottery tickets.
- (2) Retailer contracts shall have a term of four years and shall be renewable upon successful completion of the renewal process. Renewed retailer contracts shall be executed prior to the expiration of an existing contract. If a renewal contract is not executed prior to expiration of the current contract, the retailer's ticket sales and terminal activity shall be immediately terminated.
- (3) Following complete execution of the retailer contract, the Florida Lottery shall issue a Certificate of Authority, DOL-130, revised 2/13, and incorporated herein by reference, to each retailer for purposes of display. This form may be obtained from the Florida Lottery, Retailer Contracting, 250 Marriott Drive, Tallahassee, Florida 32399-6573. The Certificate of Authority shall bear the name of the contracted retailer and the address of the contracted premises. The Certificate of Authority shall be posted in a conspicuous location on the premises accessible to the public.
- (4) The Florida Lottery is authorized to provide a temporary Certificate of Authority to a contracted retailer for the sale of lottery tickets at special events. Special events are public activities throughout the State of Florida, such as fairs, festivals, concerts and sporting events, in which the Florida Lottery participates as a sponsor.
- (5) This emergency rule replaces Emergency Rule 53ER05-11, Fla. Admin. Code. Rulemaking Authority 24.109(1), 24.112(1) FS. Law Implemented 24.112 FS. History--New 3-1-13, Replaces 53ER05-11, Fla. Admin. Code.

## **53ER17-44 Change in Retailer Condition or Retailer Ownership**

- (1) Change in Retailer Condition.  
A retailer or any person listed on the retailer's application or renewal application shall report to the Lottery any of the below-listed adverse events during the term of the retailer's contract:
  - (a) Arrest or conviction of, or entry of a plea of guilty or nolo contendere, regardless of adjudication, to an offense punishable as a felony or an offense involving dishonesty or gambling;
  - (b) Incurrence of a tax delinquency with the federal government or any taxing authority within the State of Florida; or
  - (c) Commencement of a voluntary or involuntary bankruptcy case.Notification shall be made in writing within fifteen days of the occurrence of the events listed in paragraphs (1)(a) and (b), above. Notification for commencement of a bankruptcy case shall be made immediately. Notification should be sent to Florida Lottery, Retailer Contracting, 250 Marriott Drive, Tallahassee, Florida 32399-6573.
- (2) Change in Retailer Ownership.
  - (a) No Certificate of Authority or retailer contract is assignable or transferable between persons or locations. To avoid an interruption or termination of lottery ticket sales, any change in ownership of a retailer's place of business shall be preceded by the filing and approval of a Retailer Application as provided in accordance with rules of the Florida Lottery governing retailer applications, and the issuance of a new Certificate of Authority. A copy of the current rule governing retailer applications can be obtained from the Florida Lottery's website at flalottery.com, or by writing to the Florida Lottery, Retailer Contracting, 250 Marriott Drive, Tallahassee, Florida 32399-6573.
  - (b) Any of the following will be considered a change of ownership:
    1. Sale of the business;
    2. Change in the form of ownership of the business;

3. Change of general partners in a limited or general partnership; or
  4. Death of a sole proprietor.
- (c) A retailer shall notify the Lottery immediately of the occurrence or pending occurrence of any of the change of ownership conditions listed in the preceding subparagraphs.
- (d) A retailer that is a corporation or limited liability company shall immediately notify the Lottery of any change of officers or directors, managing members, and transfers of 10 percent or more of its corporate stock.

Notification shall be given by filing a retailer application and following the procedures set out in accordance with rules of the Florida Lottery governing retailer applications. If as a result of its investigation the Lottery determines that any new officer, director, managing member or shareholder of 10 percent or more of the corporate stock would have caused the initial retailer application to be denied, the retailer will be given an opportunity to sever its relationship with the officer, director, managing member, or shareholder. If the retailer does not sever the relationship, the Lottery shall terminate the retailer contract. A non-refundable background investigation fee of \$25 per person investigated shall accompany the notice of change by the retailer.

- (3) This emergency rule replaces Emergency Rule 53ER05-12.

Rulemaking Authority 24.109(1), 24.112(1) FS, Law Implemented 24.112 FS. History—New 7-28-17, Replaces 53ER05-12.

### **53ER07-15 Suspension and Termination of Retailer Contract**

- (1) A retailer contract can be terminated by the retailer at any time upon written notice to the Lottery.
- (2) The Lottery will review a retailer's contract and any later-filed application for a new contract, if the retailer has failed to comply with the terms of the current or former retailer contract, or under any of the circumstances listed below, and, based upon the findings of its review, will determine whether to suspend or terminate the current contract or reject the later-filed application.
  - (a) Retailer has provided false or misleading information in obtaining or attempting to obtain a retailer contract and Certificate of Authority.
  - (b) Retailer has been convicted of, or has entered a plea of guilty or nolo contendere, regardless of adjudication, to an offense punishable as a felony; or has been convicted of, or has entered a plea of guilty or nolo contendere, regardless of adjudication, to any gambling-related offense.
  - (c) Retailer has outstanding tax delinquencies owed to the federal government or any taxing authority within the State of Florida.
  - (d) Retailer has jeopardized the integrity, security or efficient operation of the Lottery.
  - (e) The ownership or location of the business has changed.
  - (f) Retailer has failed to accurately account for lottery tickets, revenues or prizes as required by the Lottery.
  - (g) Retailer has failed to remit or is delinquent in remitting money owed to the Lottery.
  - (h) Retailer has committed any fraud, deceit or misrepresentation to the Lottery or to any individual purchasing a lottery ticket or tickets from Retailer.
  - (i) Retailer has sold a lottery ticket or paid a prize to any person under eighteen (18) years of age.
  - (j) Retailer has sold a lottery ticket at any place other than the place authorized in its Certificate of Authority.
  - (k) Retailer has not prominently displayed its Certificate of Authority at the approved sales location.
  - (l) Retailer has not prominently displayed and maintained ticket displays/dispensers and point-of-sale materials provided by the Lottery.
  - (m) Retailer has not made point-of-sale information for lottery products accessible to the public.
  - (n) Retailer has sold tickets at a price other than established by the Lottery.
  - (o) Retailer has violated any rule or regulation promulgated by the Lottery.

- (p) Retailer has violated any directive or instruction issued by the Lottery.
  - (q) Retailer has violated any provision of Chapter 24, Florida Statutes.
  - (r) Retailer's reputation is no longer consistent with the protection of the public interest.
  - (s) Retailer has materially changed any factor considered by the Lottery in selecting the retailer.
  - (t) Retailer has engaged in conduct prejudicial to public confidence in the Lottery.
  - (u) Retailer has exchanged a book(s), ticket(s), or ticket stock with another retailer or location.
  - (v) Retailer has purchased a book(s) or ticket(s) from another lottery retailer for resale.
  - (w) Retailer has charged a fee to redeem a lottery ticket or has required a customer to purchase another item in order to purchase a lottery ticket.
  - (x) Retailer has paid a prize of \$600 or more.
  - (y) Retailer has violated the Lottery's ethics rules or policies.
- (3) The Lottery will review the retailer contract of the retailer with the lowest average weekly ticket sales of all Lottery retailers statewide who have been active for at least 26 weeks upon receipt of a retailer application from a business whose sales are projected to exceed the weekly sales average of the retailer that is under review and will terminate such retailer contract, subject to considerations of public convenience (whether the retailer is in a remote location or whether there are other retailers available within a reasonable distance); whether there are extenuating circumstances that have adversely impacted sales volume (for example, the retailer's business is seasonal; road construction has caused a temporary decrease in normal sales volume; or other factors that are temporary in nature); the impact, if any, on the status of a corporate or chain (multi-location) retailer if a terminal is removed from one of the retailer's locations; and the impact, if any, on the overall level of participation of minority businesses as Lottery retailers.
  - (4) If a retailer possesses multiple locations, restriction, suspension or termination of one (1) location is grounds for restriction, suspension or termination of the others.
  - (5) The Lottery will review a retailer contract for immediate suspension without prior notice if the Lottery determines that immediate suspension is necessary to ensure the integrity, security, honesty, or fairness of the operation of the Lottery. Reasons that would result in such a determination include, for example, circumstances in which the retailer intentionally fails to tender a ticket or coupon to the player.
  - (6) The Lottery will review a retailer contract for temporary suspension if the Lottery determines that the retailer, or any of its officers, directors, or employees has been arrested for any violation of law occurring on the retail premises, such as dealing in stolen property, unlawful sale of controlled substances, or maintaining a nuisance.
  - (7) A retailer whose contract has been terminated for the reasons set forth in paragraph (2)(b) above is prohibited from reapplying for a retailer contract for a period of one (1) year from the date of conviction or entry of plea and any application received during this time period will be rejected. In reviewing any subsequent application from such a retailer, the Lottery will consider the following factors:
    - (a) Whether the retailer has been pardoned or had his civil rights restored; and
    - (b) Whether, subsequent to such conviction or plea, the retailer has engaged in the kind of law-abiding commerce and good citizenship that would reflect well upon the integrity of the Lottery. Examples of such conduct would include sustained active involvement in community service organizations or activities; and sustained active involvement in professional or trade associations. To be considered by the Lottery, such law-abiding commerce and good citizenship must be of sufficient duration and degree as to offset any negative effects on the retailer's reputation and, by association, the Lottery's reputation. Under this paragraph, the burden shall be on the retailer to prove to the satisfaction of the Lottery that the retailer has engaged in the kind of law-abiding commerce and good citizenship that would reflect well upon the integrity of the Lottery; and

- (c) Whether, if the retailer is a firm, association, partnership, trust, corporation or other entity, the retailer has terminated its relationship with the person whose actions directly contributed to the conviction or plea.
- (8) A retailer's sole remedy following termination or suspension of its retailer contract is by such civil action as may be appropriate.

Rulemaking Authority 24.109(1) 24.112(1) FS. Law Implemented 24.112(5) FS. History--New 3-16-07 Replaces 53ER06-24.

### **53ER08-43 Lost, Stolen or Damaged Instant Lottery Tickets**

- (1) Reporting Requirement.
  - (a) Upon the theft, loss, or damage of instant lottery tickets the retailer shall immediately report the incident to the Lottery Division of Security at (850) 487-7752.
  - (b) For purposes of this rule, tickets that have latex removed or that have been “scratched” are not considered “damaged tickets” and shall not be accepted for retailer account adjustment.
- (2) Inactive Tickets.

If tickets from a book are lost, stolen or damaged before the book has been activated, the retailer will be charged a service fee equal to fifty percent (50%) of the value of the book, less sales commission, except as follows:

  - (a) If the retailer provides the Lottery with a copy of a police report reporting the theft of tickets, the retailer shall be charged a non-refundable service fee of five dollars (\$5.00) for each book reported stolen.
  - (b) The retailer will not be charged a service fee for books missing from a shipment provided the retailer reports the books as missing to the Lottery within seven (7) days of receipt of the shipment.
  - (c) A retailer will not be charged a service fee for books damaged by the vendor provided such damage is reported to the Lottery within seven (7) days of receipt of the shipment containing the damaged books.
- (3) Active Tickets.

If tickets from a book are lost, stolen or damaged after the book has been activated, the retailer shall be charged the retail value of the book of tickets multiplied by the percentage of low-tier winning tickets redeemed as of the date the book is reported lost, stolen or damaged, less the retailer’s sales commission(s).
- (4) Settled Tickets.

If a retailer settles a book of active tickets and subsequently reports unsold tickets as lost, stolen or damaged, the retailer will be credited an amount equal to the retail value of the book less the amount calculated as set forth in subsection (3) above.
- (5) The retailer shall return to the Lottery tickets recovered by the retailer subsequent to the tickets being reported lost, stolen or damaged.
- (6) Payment for Tickets.

Accounting for lost, stolen or damaged tickets will be reflected on the retailer’s weekly Settlement Report, as follows:

  - (a) The amount due the Lottery for the active books will be included with the book sales value.
  - (b) The amount due the Lottery for the inactive books will be reflected as an adjustment. No adjustment will be made to the retailer’s account upon return to the Lottery of active lost, stolen or damaged tickets recovered by the retailer subsequent to the tickets being reported lost, stolen or damaged.

- (7) In the event books of tickets are lost, stolen or damaged for reasons arising out of force majeure, the Florida Lottery reserves the right to waive the assessment of charges under this rule. In determining whether to waive an assessment, the Lottery will consider factors such as the number of previous occurrences of lost, stolen or damaged tickets by the retailer in question, if any; whether the retailer had taken precautions to prevent the occurrence of lost, stolen or damaged tickets; and whether the retailer had implemented loss prevention recommendations made by the Lottery prior to the occurrence of lost, stolen or damaged tickets. As used herein, “force majeure” shall include acts of God, action of the elements, fire, explosion, rationing, war, civil disturbance, or other similar occurrences.
- (8) This emergency rule replaces Emergency Rule 53ER07-16, Florida Administrative Code, effective July 1, 2008.

Rulemaking Authority 24.109(1), 24.105(9)(j), 24.112(1) FS. Law Implemented 24.112, 24.114 FS. History--New 7-1-08, Replaces 53ER07-16.

### **53ER17-55 Retailer Accountability**

- (1) Ticket Accountability. Each retailer shall be accountable for all online terminal game lottery tickets generated, all Scratch-Off game lottery tickets (also known as instant game lottery tickets) accepted, and all funds collected by the retailer for the sale of lottery tickets. The term “online terminal game” shall include Draw games and Fast Play games.
- (a) Online Terminal Game Lottery Ticket Accountability. Each retailer is liable to the Florida Lottery (“Lottery”) for all online terminal game lottery tickets generated by any employee or representative of that retailer, less canceled online terminal game lottery tickets and online terminal game lottery tickets returned for adjustment credit. The adjustment credit criteria and procedures are set forth below.
1. A retailer may receive a sales adjustment credit under the following circumstances:
    - a. The online terminal game lottery ticket did not print and the transaction is marked with an asterisk (\*) on the Transaction History Report; provided the retailer mails the online terminal game Transaction History Report to the Lottery within thirty (30) days of the transaction date; or
    - b. The online terminal game lottery ticket misprints or is miscut and the dollar amount is visible and provided the retailer mails the online terminal game lottery ticket to the Lottery within thirty (30) days of the transaction date.
  2. A retailer may also receive adjustment credit under the following circumstances provided the retailer reports the issue to the Lottery within two (2) hours of the sale; before the game closes for the next available draw; or before the end of the gaming day, whichever occurs first.
    - a. The online terminal game lottery ticket did not print and the transaction is not marked with an asterisk (\*) on the Transaction History Report;
    - b. The online terminal game lottery ticket misprints or is miscut and the dollar amount is not visible; or
    - c. The online terminal game lottery ticket cannot be canceled by the terminal but nothing appears to be wrong with the ticket and the ticket barcode will not scan.

For the circumstances set forth in sub-subparagraphs(1)(a)2. b. and c. above, the retailer must mail the online terminal game lottery ticket to the Lottery within thirty (30) days of the transaction date.

3. The Lottery will approve adjustment credit requests submitted outside the reporting window for online terminal game lottery ticket transactions that occur during a documented system failure that impacts network communications and that is outside the retailer's control.
4. The mailing address for submission of sales adjustment documentation is: Florida Lottery, Games Administration, 250 Marriott Drive, Tallahassee, 32399-9939. Online terminal game

lottery tickets submitted to the Florida Lottery for adjustment credit shall become the property of the Florida Lottery and shall not be returned to the retailer.

- (b) Scratch-Off Game Lottery Ticket Accountability. Retailers shall accept books of Scratch-Off game lottery tickets for sale on a consignment basis in accordance with the Lottery's inventory management system.
  - 1. A retailer may receive a sales adjustment credit under the following circumstances:
    - a. A ticket is miscut while dispensing from a vending machine and the ticket is not saleable. The play area on the front of the ticket must not be scratched off for credit to be considered. The retailer submitting the ticket for adjustment must be the owner of the book.
    - b. A ticket has a quality control issue such as non-scratchable latex.
  - 2. Scratch-Off game lottery tickets submitted to the Florida Lottery for adjustment credit shall become the property of the Florida Lottery and shall not be returned to the retailer.
  - 3. Books of Scratch-Off game lottery tickets accepted by a retailer shall be settled for payment by one of the following three methods:
    - a. Settlement by the retailer;
    - b. Automatic settlement to occur as established by the Lottery within a maximum of ninety (90) days after a book has been activated for sale or after ninety percent (90%) of low-tier prizes have been redeemed, whichever occurs first, except as set forth in section (2)(g)3. below; or
    - c. Settlement of books no longer in the retailer's onsite inventory by a Lottery representative during inventory management.
  - 4. A complete inspection of all Scratch-Off game lottery ticket inventory will be conducted by a Lottery representative at least once per quarter. During such inventory, books in a "received" status on the inventory management system that are not physically present at the retail location will be reported as missing and the retailer will be charged fifty percent (50%) of the sales value of the book, less sales commission. Books in an "active" status on the inventory management system that are not physically present at the location will be settled.
- (2) Financial Accountability.
  - (a) Each retailer shall maintain an open commercial bank account for all amounts collected from ticket sales until such amounts have been collected by the Lottery. All amounts received by each retailer from the operation of the Lottery, less the amount retained as compensation for the sale and cashing of tickets and the amount paid out as prizes, shall be held in a bank account prior to collection by the Lottery on the designated day of collection.
  - (b) The amount owed by a retailer to the Lottery will be electronically transferred from the retailer's bank account to the Lottery on a designated day each week. If the transfer is unsuccessful due to insufficient funds, a second attempt will automatically be made.
  - (c) A retailer is authorized to use its commercial bank account or a separate commercial bank account for lottery purposes.
  - (d) A retailer shall notify the Lottery of a change in its bank account at least six (6) days in advance of such change becoming effective.
  - (e) A retailer shall maintain its bank account for a minimum of thirty (30) days after the termination date of its retailer contract.
  - (f) Each retailer shall complete form DOL-103, Electronic Fund Transfer Authorization Form, revised 07/13 and return the form to the Lottery at the time of application or in advance of a bank account change. Form DOL-103 is incorporated herein by reference and may be obtained from the Florida Lottery's website at [flalottery.com](http://flalottery.com) or by writing to the Florida Lottery, Retailer Contracting, 250 Marriott Drive, Tallahassee, Florida 32399-6573. The form authorizes the Lottery to debit or credit the retailer's bank account through electronic funds transfers.

- (g) The following procedures apply to Electronic Funds Transfer (EFT) delinquencies:
1. For purposes of this rule, an Electronic Funds Transfer delinquency is defined as an unsuccessful attempt to electronically transfer funds from a retailer's bank account to the Lottery in payment of the retailer's weekly settlement activity. If both the first and second weekly attempts to transfer funds fail, the failures together shall count as only one delinquency.
  2. For all delinquencies the retailer's ability to sell online terminal game lottery tickets and order Scratch-Off game lottery tickets shall be suspended
  3. For a first or second delinquency in a twelve-month period, the retailer shall be required to pay the delinquency in full plus applicable service charges prior to reactivation of its ability to sell online terminal game lottery tickets and order Scratch-Off game lottery tickets. Upon the occurrence of a second delinquency, the automatic book settlement period established in sub-subparagraph (1)(b)3.b., above, will be shortened to a timeframe established by the Lottery for a minimum of six (6) months. The retailer's collection activity will be reviewed during the first January or July occurring after the expiration of six months from the date of delinquency. If the retailer has incurred no additional delinquencies during that time, the automatic book settlement period will revert to the established pre-delinquency automatic book settlement period. If the retailer incurs additional delinquencies while in the shortened book settlement period and the retailer's contract is not terminated, the shortened book settlement period will remain in effect, and the retailer's account will be reviewed at the next scheduled review period.
  4. For a third delinquency in a twelve-month period, the retailer shall be required to pay the delinquency in full plus applicable service charges and post a certificate of deposit or performance bond with the Florida Lottery prior to reactivation of its ability to sell online terminal game lottery tickets and order Scratch-Off game lottery tickets. The amount of the security shall not exceed twice the retailer's average weekly ticket sales as determined by the Lottery.
  5. For a fourth delinquency in a twelve-month period, a review of the retailer account will be performed by the Lottery to determine if the retailer's contract will be terminated. In making its determination, the Lottery will review factors such as the retailer's Lottery accounts receivable transactions and Lottery sales history. If the retailer contract is not terminated and the amount of the retailer's posted security is less than the statutorily authorized maximum of twice the retailer's average weekly ticket sales, the Lottery will increase the amount of the required security to the maximum amount.
  6. The Lottery is authorized to terminate a retailer's contract prior to a fourth delinquency in a twelve-month period if the Lottery determines that such action is necessary in order to protect the state's financial interests.
  7. For purposes of calculating the number of delinquencies occurring in a twelve-month period, an unsuccessful transfer on the first weekly attempt will not be counted as a separate delinquency if the transfer on the second weekly attempt is successful.
  8. For each delinquency, the retailer shall be assessed a non-refundable service charge of fifteen dollars per incident or five percent of the amount due per incident, whichever is greater, up to a maximum of one hundred-fifty dollars. The Lottery will assess only one service fee to retailer chain accounts that use the same bank account for all stores. The assessed fee shall be five percent of the total amount due for all locations up to a maximum of one hundred-fifty dollars. Payment of the delinquent settlement amount and any applicable service charges is due immediately from the retailer and prior to online terminal game sales and the ability to order Scratch-Off game lottery tickets being reinstated.

9. An unsuccessful transfer on the first weekly attempt will not result in assessment of a service charge if the second weekly attempt is successful. Only one service charge will be assessed if both the first and second attempts are unsuccessful.
  10. If the Lottery determines that it is in its best financial interest, taking into consideration factors such as the amount of the delinquency and the length of time the delinquency and/or service charges are outstanding, the Lottery district office will be instructed to settle the sold instant tickets and pick up any remaining instant ticket inventory. A retailer's access to computerized Lottery transactions will be limited to redeeming winning tickets and printing reports until Lottery Headquarters has received notification of payment in full.
  11. To satisfy an EFT delinquency, the retailer may:
    - a. deposit a Cashier's check or money order made payable to the Florida Lottery into a specified Lottery bank account;
    - b. wire transfer the funds into a specified Lottery bank account; or
    - c. deliver a Cashier's check or money order to a Lottery office.
  12. The Lottery will accept a prepayment for the settlement amount if the prepayment is received by the Lottery prior to 5:00 p.m., Eastern Time, on the day before the EFT would normally occur. A service charge will not be applied to the first three (3) prepayments made by a retailer in a twelve-month period, nor will the first three (3) prepayments be counted as a delinquency against the retailer; however, retailers who make more than three (3) prepayments in a twelve-month period will be assessed a service charge as described in subparagraph (2)(g)8. above for each additional prepayment. The Lottery will waive the service charge upon a showing of good cause by a retailer, e.g., the circumstances necessitating prepayment are attributable to the retailer's bank or to the Lottery. Failure by the Lottery to impose a service charge does not constitute a waiver of its right to impose a service charge for any subsequent prepayment.
  13. The Lottery will actively pursue collection of all delinquencies that are not paid through the process described above.
- (3) The effective date of this emergency rule is September 1, 2017.
- (4) This emergency rule replaces Emergency Rule 53ER13-55, F.A.C. Rulemaking Authority 24.109(1), 24.112(1) FS. Law Implemented 24.112(1),(11), 24.114 FS. History—New 9-1-17, Replaces 53ER13-55, F.A.C.

## **53ER17-56 Sale of Lottery Tickets**

- (1) Sale of Lottery Tickets- General Provisions.
  - (a) Retailers shall sell only lottery tickets of the Florida Lottery ("Lottery") and no other state or national lottery tickets, except as may be expressly authorized by the Florida Lottery.
  - (b) Retailers are prohibited from selling lottery tickets to anyone under the age of eighteen.
  - (c) Retailers shall sell lottery tickets during the retailer's normal business hours, unless otherwise authorized by the Lottery.
  - (d) Retailers may not sell tickets at any price other than that established by the Lottery.
  - (e) No person or entity other than the Florida Lottery, an active contracted Lottery retailer or employee acting on behalf of the retailer may sell lottery tickets.
  - (f) Delivery of lottery tickets or ticket stock to a retailer shall be made only by an authorized Lottery representative. Without prior Lottery approval, a retailer shall not accept lottery tickets to be sold from another retailer or anyone except an authorized Lottery representative.
  - (g) All ticket sales shall be final, except as provided in paragraph (2)(e) below.
  - (h) A retailer shall sell lottery tickets only at the authorized location stated on its Certificate of Authority.

- (2) **Online Terminal Games- Entry of Plays, Sale Restriction and Ticket Cancellation.**  
 For purposes of this rule, the term “online terminal games” shall include Draw games and Fast Play games.
- (a) Online terminal game play slips must be hand-marked by the player in blue or black ink or pencil. Retailers shall not accept facsimiles of play slips, copies of play slips, or other materials that are inserted into the terminal's play slip reader that are not printed or approved by the Lottery.
  - (b) Retailers shall not permit any device to be connected to a lottery terminal to enter plays for online terminal games, except as specifically approved in writing, in advance, by the Lottery.
  - (c) For Draw game purchases, a retailer may process a player’s play slip specific to the desired Draw game or may manually enter the player’s desired selections. Players may process a Lottery approved Draw game play slip through a Lottery full service vending machine, if a full service vending machine is available at the retailer location.
  - (d) Draw game lottery tickets shall not be sold after the close of game for the specific drawing for which they were designated. The time of close of game for each Draw game is set forth in the rule for that game. A copy of the current Draw game rules may be obtained from the Florida Lottery, Office of the General Counsel, 250 Marriott Drive, Tallahassee, Florida 32399-4011.
  - (e) A retailer shall make a good faith effort to cancel a cancelable Draw game lottery ticket upon the request of a player if the request is made within the cancelation period established by the Lottery. A retailer is not required to cancel a Draw game lottery ticket produced upon request of the player by the quick pick method of number selection.
  - (f) For Fast Play game purchases, a retailer may print a Fast Play game ticket at the time a request is made by the player or process a barcode found on game supporting marketing materials such as tear pads, game brochures, or Lottery emails or coupons. Additionally, Fast Play play slips may be supplied to the retailer to support a specific Fast Play game as determined by the Lottery. In such case, Fast Play play slips may only be processed through a retailer terminal and not through a full service vending machine.
  - (g) Fast Play tickets are not cancelable by a retailer.
- (3) **Scratch-Off Games- Activation Requirement and Sale Restriction.**
- (a) Each book of Scratch-Off game lottery tickets (also known as instant game lottery tickets) shall be activated prior to any tickets from the book being sold.
  - (b) Scratch-Off lottery tickets for a particular game shall not be sold after the announced official end-of-game date of the respective Scratch-Off game.
- (4) The effective date of this emergency rule is September 1, 2017.
- (5) This emergency rule replaces Emergency Rule 53ER05-15, F.A.C.  
 Rulemaking Authority 24.109(1), 24.112(1), 24.105(9)(h) FS. Law Implemented 24.112(7), 24.105(9)(h) FS. History—New 9-1-17, Replaces 53ER05-15, F.A.C

**53ER12-11 Payment of Prizes by Retailers**

- (1) A retailer shall pay all winning lottery tickets valued at less than \$600 that are validated through the retailer’s terminal.
- (2) A retailer shall ensure that sufficient funds are available by cash, check, or money order before validating any ticket to pay a prize.
- (3) A player who submits a ticket valued at less than \$600 to the Florida Lottery for payment that has been validated by a retailer will be instructed to return to the same retailer to receive payment. In such case, the Lottery will return the validated ticket to the player.
- (4) A retailer shall pay any winning ticket of \$50 or less in cash unless:
  - (a) It is impossible or impracticable to do so due to a company or store policy that for safety or security reasons, limits the amount of cash available to the clerk; or

- (b) It is impossible or impracticable to do so due to an applicable local government ordinance that limits the amount of cash available to the clerk. In such event, the retailer shall pay as much in cash as is possible and the remainder by check or money order.
- (5) A retailer shall pay any winning ticket exceeding \$50 but less than \$600 by cash, check, or money order.
  - (6) If a retailer validates a ticket valued at \$600 or more, the retailer shall provide the player with the original ticket, the continuation ticket, if one was issued, and the player claim instructions ticket produced by the retailer terminal. The retailer shall instruct the claimant to submit a claim to the Florida Lottery for prizes of \$600 or more or when any dispute arises regarding the amount or validity of an apparent winning ticket or when an apparent winning ticket will not validate using the terminal.
  - (7) A retailer shall be held responsible for and will not receive credit for any prize paid for a ticket that was not a winner or that was recorded in the gaming system as paid by another retailer.
  - (8) A retailer shall not pay any winning ticket of \$600 or more. A retailer who violates this subsection and fails to furnish to the Lottery the complete name, address and tax identification number of the player to whom payment was made so that the Lottery can file a Form W-2G, shall be charged backup withholding pursuant to Internal Revenue Service (IRS) regulations, as well as a non-refundable \$50 service charge to offset any penalties and interest imposed by the IRS. If the IRS imposes penalties and interest in excess of \$50, the retailer's account will be adjusted in the amount of any excess. The Lottery is authorized to reimburse the retailer only upon receipt of documentation establishing that the ticket was paid in full and a determination that no fraud or other violation has been committed.
  - (9) A retailer shall not charge players a fee for the service of redeeming winning lottery tickets. This prohibition includes charging a fee for payment of a prize by money order when that is the only method of prize payment made available by the retailer.
  - (10) If a retailer violates any provision of this rule, the retailer shall be subject to suspension or termination in accordance with rules of the Florida Lottery governing suspension and termination of retailer contracts. A copy of the current rule can be obtained from the Florida Lottery, Office of the General Counsel, 250 Marriott Drive, Tallahassee, Florida 32399-4011.
  - (11) This emergency rule replaces Emergency Rules 53ER05-20, Florida Administrative Code. Rulemaking Authority 24.105(9)(e), 24.109(1), 24.112(1), 24.115(1) FS. Law Implemented 24.112(1), 24.115 FS. History--New 1-23-12 Replaces 53ER05-20.

### **53ER13-46 Retailer Compensation**

- (1) Sales Commission. Retailers shall be paid a sales commission of five percent on the purchase price of each instant and on-line ticket sold by them or issued as a prize in accordance with these rules, unless a different compensation structure is contractually agreed upon by the Lottery and a retailer. The number of instant tickets sold or issued as prizes will be determined by full or partial book settlements.
- (2) Cashing Commission. Retailers shall be paid a one percent cashing commission on the value of each lottery ticket with a prize value less than \$600 cashed by them. As used herein, "cashing" shall mean a transaction wherein a retailer validates a ticket and pays a prize either by cash, check, money order, or by issuance of a free ticket(s), and the Lottery processes the paid ticket for credit to the retailer. Free tickets shall be valued at their retail sales price.
- (3) The Lottery is authorized to conduct retailer incentive promotions in which additional compensation is provided to retailers as bonus commissions.
- (4) Sales and cashing commissions earned by a retailer will be reflected on the retailer's weekly Settlement Report. Bonus commissions earned by a retailer will be reflected on the retailer's weekly Settlement Report or will be paid by check.

- (5) Sales commissions, including bonus commissions, paid to retailers for instant ticket sales shall be reversed by the Florida Lottery if settled tickets are subsequently unsettled and returned to the Lottery.
- (6) Sales, cashing and bonus commissions will be considered compensation to the retailer for Internal Revenue Service purposes.
- (7) No retailer or employee of a retailer shall request or accept compensation for the performance of duties authorized pursuant to the retailer's contract, other than the compensation stated in the retailer's contract and these rules. This prohibition includes, but is not limited to, the redemption of winning tickets. A retailer shall not charge a fee for payment of a prize by money order when that is the only method of prize payment made available by the retailer.
- (8) This emergency rule replaces Emergency Rules 53ER05-14, Florida Administrative Code. Rulemaking Authority 24.105(9)(i), 24.109(1) FS. Law Implemented 24.105(9)(i) FS. History—New 7-5-13 Replaces 53ER05-14.

### **53ER07-18 Retailer Responsibilities**

- (1) The Lottery shall contract with specified retailers to sell lottery tickets.
- (2) All equipment provided to the retailer by the Lottery or its vendors shall remain the property of the Lottery or its vendors, and retailers shall acquire no interest whatsoever in the equipment.
- (3) The retailer shall meet the training standards established by the Lottery relating to operation of the terminal and the sale of lottery products.
- (4) Retailers shall be responsible for meeting terminal installation requirements as specified by the Lottery, including but not limited to, electrical circuitry; telephone line and equipment; counter, roof and building space; and conduit, if applicable.
- (5) Retailers shall provide a minimum amount of space as determined by the Lottery at the location of the terminal for proper ventilation, maintenance, and material loading and removing.
- (6) Retailers shall pay a weekly service charge as determined by the Lottery, taking into consideration factors such as salary costs, travel costs, the cost of materials, and associated administrative expenses. A retailer will not be assessed a service charge for promotional or additional terminals.
- (7) Retailers shall pay all electrical utility charges in connection with operation of the terminal.
- (8) Retailers shall use due diligence and care when operating the terminal and shall immediately notify the Lottery's designated hotline of any network communication problem or terminal malfunction.
- (9) Retailers shall provide access to Lottery equipment to Lottery or vendor personnel presenting proper identification.
- (10) Retailers shall be responsible for the physical security of the terminal and other Lottery equipment.
- (11) The Lottery will review occurrences of negligent or intentional damage to terminal(s) and other Lottery equipment by retailer or its employees and determine whether to recover the cost of such damages by considering factors such as the remedial steps, if any, taken by the retailer to prevent such occurrences in the future.
- (12) Retailers shall not attempt to perform any mechanical or electrical maintenance or repairs on the terminal or other Lottery equipment except as authorized by the Lottery or its vendors.
- (13) Retailers shall replenish ticket stock and clear paper jams as required on the terminal and/or terminal printer.
- (14) Retailers shall provide a space for the playstation provided by the Lottery at a location approved by the Lottery. In determining whether to approve a location, the Lottery will seek to optimize the promotional value and player convenience to be derived from the playstation, also considering such factors such as the retailer's floor plan and customer traffic flow. Retailers shall maintain an adequate supply of pencils, play slips, claim forms and brochures, for use by players as provided by the Lottery or authorized vendor. Retailer shall display and maintain in prominent locations point of

sale materials provided by the Lottery, including, but not limited to, playstations, electronic displays and odds pieces. Material not authorized by the Lottery shall not be displayed at or dispensed from the playstation or other Lottery equipment.

Rulemaking Authority 24.109(1), 24.112(1) FS. Law Implemented 24.112(1) FS. History--New Replaces 53ER05-13.

### **53ER07-17 Block Ticket Sales**

- (1) Retailers shall, without delay, give service to all persons present and waiting at the terminal to purchase lottery tickets.
- (2) Retailers are required to report to the Lottery any sale to a person in excess of \$100,000 for an individual FLORIDA LOTTO drawing. Such report shall be made immediately by contacting the Division of Security at (850) 487-7752.
- (3) Retailers shall not accept any compensation for the sale of lottery tickets other than compensation provided or authorized by the Lottery.
- (4) Only original playslips provided by the Lottery which have not been marked for play by the use of any electronic or automated means shall be used for the issuance of more than 100,000 tickets for an individual drawing of FLORIDA LOTTO. This subsection shall not apply if the tickets are purchased using the quick pick option.
- (5) The entire transaction for the purchase of more than 100,000 FLORIDA LOTTO tickets, including payment for the tickets, submission of playslips, if any, and receipt of tickets, must occur at the same contracted retailer location.
- (6) No prize shall be paid on a ticket purchased in violation of this rule. The Lottery will review reported violations of this rule and will suspend ticket sales if necessary to prevent continued violations. Lottery action to suspend sales is in addition to and not in lieu of contract suspension or termination, as provided in the retailer contract.

Rulemaking Authority 24.105(9)(e),(h), 24.109(1), 24.112(1) FS. Law Implemented 24.105(9)(e),(h), 24.112(1) FS. History--New Replaces 53ER05-18.