

BEFORE THE MONTANA LOTTERY COMMISSION
DEPARTMENT OF ADMINISTRATION
OF THE STATE OF MONTANA

In the matter of the amendment of ARM) NOTICE OF AMENDMENT AND
2.63.201, 2.63.203, 2.63.407, 2.63.607,) REPEAL
and 2.63.1201 and the repeal of ARM)
2.63.601, 2.63.602, 2.63.608, 2.63.613,)
and 2.63.1001 pertaining to procedural)
rules, definitions, retailer commissions,)
business changes, prizes, license)
requirements and endorsements, and)
sale of scratch tickets)

TO: All Concerned Persons

1. On March 27, 2014, the Montana Lottery Commission (commission) published MAR Notice No. 2-63-504 pertaining to the public hearing on the proposed amendment and repeal of the above-stated rules at page 528 of the 2014 Montana Administrative Register, Issue Number 6.

2. The commission has amended ARM 2.63.201, 2.63.407, and 2.63.607 exactly as proposed.

3. The commission has amended ARM 2.63.203 and 2.63.1201 as proposed, but with the following changes from the original proposal, new matter underlined, deleted matter interlined:

2.63.203 DEFINITIONS In addition to the definitions found in 32-7-103, MCA, the following definitions apply to this chapter:

(1) through (5) remain as proposed.

(6) "Terminal-issued ~~game~~ ticket" means a lottery ticket printed by a lottery terminal connected to a computer.

(7) "Ticket" means a lottery scratch ticket that has a removable coating covering symbols that determine the amount of prize a player can win a ticket or ~~other tangible evidence of participation used in lottery games authorized by law.~~

2.63.1201 PRIZES (1) through (13) remain as proposed.

(14) An owner or employee of a licensed lottery retailer shall identify themselves as such to lottery officials when claiming a prize at the lottery office or through the claim mail process. This information must be recorded on the claim form ~~presented to~~ maintained by the lottery as part of the prize file.

4. The commission has repealed ARM 2.63.601, 2.63.602, 2.63.608, 2.63.613, and 2.63.1001 as proposed.

5. The commission has thoroughly considered the comments and testimony received. A summary of the comments received and the commission's responses follow:

COMMENT 1: Regarding ARM 2.63.203(10) and (11)—renumbered (6) and (7), representatives of retailer and gambling supply associations expressed concern that the proposed amendments might allow Internet sales of lottery products in a manner that would have a negative impact on their membership.

RESPONSE 1: While the commission attempted to make clear in its notice of public hearing that the proposed rules changes in no way were related to Internet gambling, in the interest of further discussion, the commission will not amend the definitions of "terminal-issued ticket" or "ticket" at this time and will address these at a later date.

COMMENT 2: Representatives from two retail associations indicated that they were unclear about the point in time and location where the retailer affiliation information would be collected.

RESPONSE 2: The commission has amended the rule to clarify that the only time retailer employment affiliation information will be collected is when a prize claim is presented to the Montana Lottery office in Helena, either in person or by mail.

ADDITIONAL CLARIFICATION: At its own discretion, the commission has removed the phrase "or receive" from ARM 2.5.610(3) so as to remain consistent with statutory language.

By: /s/ Wilbur Rehmann
Wilbur Rehmann, Chair
Montana Lottery Commission

By: /s/ Michael P. Manion
Michael P. Manion, Rule Reviewer
Department of Administration

Certified to the Secretary of State June 16, 2014.