**Section 1770.10 Definitions**

Terms defined in the Lottery Law have the same meanings when used in this Part. The following words and terms when used in this Part shall have the following meanings, unless the context clearly indicates otherwise:

"Agent" means a person permitted by a license issued by the Director under the authority of Sections 9.d, 10 and 10.1 of the Lottery Law to sell Illinois Lottery game tickets to the public.

"Administrative Hearing" means a proceeding at which parties present legal arguments and evidence about a case to an Administrative Law Judge or the Board, pursuant to the Lottery Law and 11 Ill. Adm. Code 1700.

"Administrative Law Judge" or "ALJ" means an attorney admitted to practice law by, and in good standing before, the Illinois Supreme Court who is duly authorized and designated in writing by the Director of the Illinois Lottery to convene and conduct hearings on matters under the jurisdiction of the Department. An ALJ is specifically empowered to administer oaths and affirmations; rule on matters of proof and evidence; regulate the schedule and course of the hearing and pre-hearing process; hear and dispose of procedural and other similar matters; sign and issue orders and subpoenas; and exercise any other powers relating to the proceeding which are legally proper and reasonably necessary to carry out an ALJ's responsibilities. The authority of any person to act as an ALJ shall not be a matter of proof in any hearing before the Department unless an appropriate motion is made pursuant to 11 Ill. Adm. Code 1700.200.

"Annuity" or "Annual Payout Option" means the payment of the grand prize in 30 consecutive graduated annual installments for Mega Millions, Powerball and Lotto games and 20 consecutive straight line annual installments for instant games as per game rules.

"Applicant" means a person who has applied to the Director for a license to sell Lottery game tickets to the public.

"Assignment" means a change of ownership for an annuity.

"Automated Clearing House" or "ACH" means a computer-based electronic network for processing payments and automated money transfers between banks across the United States without using paper checks, wire transfers, credit card networks, or cash.

"Bearer Instrument" means a designation of a Lottery game ticket under which the winnings from the ticket are payable to the person or business organization possessing the ticket or to the order of the person who has demonstrated bearer status by signing the ticket as the owner.

"Board" means the Lottery Control Board as established by Section 6 of the Lottery Law.

"Business Organization" means a partnership; incorporated or unincorporated association or group; corporation; limited liability company; partnerships for shares; trust; sole proprietorship; or other business enterprise.

"Cash-for-Life Game" means a Lottery game that offers a set prize payment to be made in installments to that winner for the duration of the winner's life or lump sum cash equivalent.

"Cash Option" has the same meaning as "Lump Sum".

"Chairperson" means the Chairperson of the Lottery Control Board.

"Change of Business Organization" means a change from one form of organization and ownership of a business organization to another.

"Change of Name" means a change in the corporation or doing business as name shown on the records of the Secretary of State, County Clerk, or both, in the license granted to the Agent and in the Agent's application for a license.

"Claim Process" means the process of completing an Illinois Lottery claim form and providing proper identification involved in awarding a prize to a Claimant. iLottery claims up to $599 or less submitted through this process will be treated the same as if they were presented to a retailer with no formal claim submission and automatically credited to an account.

"Claimant" means a person, as defined in this Section, who presents a valid winning Lottery game ticket to an Agent or a Lottery prize center or administrative office for the purpose of receiving a prize. iLottery claims up to $599 or less that are presented in this manner will be treated the same as if they were presented to a retailer with no formal claim submission and automatically credited to an account.

"Department" means the Illinois Department of the Lottery.

"Director" means the individual responsible for the executive oversight of the Department.

"Draw-Based Game" or "DBG" means a game wherein its winning lottery numbers, symbols, characters, or outcomes are randomly selected by a manual or digital process. Each DBG approved for sale by the Department is played in accordance with its game rules. DBGs may be sold by licensed retailers and via the Department.

"Drawing" means the procedure by which the Department (or in the case of a multi-jurisdiction game the managing organization) randomly selects winning numbers, symbols, characters, or outcomes in accordance with the rules of the specific game being played and its drawing procedures.

"Electronic Funds Transfer" or "EFT" means an electronic financial transaction from one account to another.

"Game" means any individual or particular type of Lottery authorized by the Department.

"Game Closed" means the time when tickets for an instant game can no longer be ordered or distributed by the Lottery or a retailer.

"Game End" means the official date, determined by the Lottery, an instant game has ended. Prizes must then be redeemed within the time period required by the Lottery.

"Game Expiration" means the time after an instant game has been closed and the game prize redemption date has passed, when tickets from the game can no longer be redeemed.

"High-Frequency Prize Winner" means a person who submits at least 20 claims for Lottery prizes, each with a value of $1,000 or more, within any period of 365 days.

"iLottery" or "Internet Lottery" means the ability to place wagers via the internet on Lottery games.

"Instant Game" or "Scratcher" means an instant lottery ticket on which a player scratches the covering from one or more play areas to determine if a prize was won, as indicated by the symbols and words that are revealed. Instant games are Lottery games that can be played, won and redeemed at the time of purchase.

"Internet Lottery Player Account" means a secure electronic account associated with a registered internet Lottery player that allows the internet player to access information about the player's Lottery internet account, including, but not limited to the transaction history of purchases, winnings and prize redemptions. The player account also maintains a bank account established for the purpose of purchasing Lottery game tickets or subscriptions via the internet and receiving payment for any prizes won in connection with an internet Lottery purchase. Prizes up to $599 are paid back into the account, unless the player's winnings exceed the maximum wallet threshold of $2000 at which point the player's winnings will automatically by mailed to them by check. For prizes in excess of $600, a claim must be submitted to the Department for processing.

"Jackpot" means the top prize in a pari-mutuel or progressive draw-based Game. Jackpots are paid in accordance with the game rules and can be either in annuity payments or in one lump sum.

"License" means an Agent license, issued by the Director pursuant to Section 9 of the Lottery Law for an Agent to sell Lottery tickets to the public.

"Lottery" means the Lottery established and operated pursuant to the Lottery Law.

"Lottery Beneficiaries" means the designated recipients of lottery prizes.

"Lottery Game Ticket" or "Ticket" means:

A scratch-off ticket;

A paper ticket produced from a kiosk or electronic record generated and maintained by the Department's central gaming system, on official paper stock approved by the Department, by a Lottery retailer; or

A virtual ticket purchased via the internet and recorded in the Department's central gaming system.

"Lottery Law" means the Illinois Lottery Law [20 ILCS 1605].

*"Lottery Retailer" means a location licensed by the Department to sell Lottery game tickets or shares.* [230 ILCS 45/25-70]

"Lottery Sales Representative" means a lottery employee responsible for servicing lottery retailers' needs in a particular geographical region or territory, or by a specific classification of retailer.

"Lump Sum" or "Cash Equivalent Option" means a single prize payment, as opposed to an annuitized payment.

"Lottery Vendor" or "Vendor" means any person or company who submits a bid, proposal or offer and is awarded a contract to provide goods or services to the Lottery.

"Multi-Jurisdiction Lottery" means lottery games that are offered in more than one jurisdiction, including Powerball and Mega Millions, allowing lotteries to generate larger jackpots than they could individually. Jackpots may be paid in lump sums or annuities.

"Multi-State Lottery Association" or "MUSL" means a non-profit, government-benefit association that assists its member lotteries in multi-jurisdictional game development. Each MUSL member, and non-members who sell MUSL games via a cross-sell agreement, offers one or more of the games administered by the association, but retains its independent statutory duties regarding ticket sales, retailer authorization, prize payments, income offsets, and other responsibilities.

"Multiplier" means an extra number drawn to increase the payout if the wager is a winner. The drawn number (Y) will multiply the player's prize (X) by that drawn (Y) value. A multiplier option usually requires an additional wager amount.

"Net Proceeds" means all revenue derived from the sale of Lottery game tickets or shares, all other monies derived from the Lottery games, and all other monies derived in the operations of the Lottery, less the amounts expended for prizes, retailer fees, and other operating costs as determined by Generally Accepted Accounting Principles issued by the Government Accounting Standards Board and the Financial Accounting Standards Board.

"North American Association of State and Provincial Lotteries" or "NASPL" means the non-profit professional association formed to assemble and disseminate information and benefits of state and provincial lottery organizations through education and communications and where appropriate publicly advocate the positions of the Association on matters of general policy. NASPL represents government-sanctioned lotteries in the United States, Canada, Virgin Islands and Puerto Rico.

"On-line Status" means the ability of an Agent to sell computer-generated Lottery game tickets or shares for the Lottery's draw-based games through a terminal connected to the Department's central gaming system.

"Operating Expenses" means all costs of doing business including, but not limited to, prizes, commissions, bonuses, and other compensation paid to an agent; advertising and marketing costs; rental fees; personnel costs; capital costs; depreciation of property and equipment; funds for compulsive gambling education and treatments; amounts held in or paid from a fidelity fund; and other operating costs.

"Payout" means the money or cash prize that a player wins for matching a certain combination of numbers.

"Person", when used in reference to an Agent's license, shall be construed to mean and include an individual, association, partnership, corporation, limited liability company or partnership, club, trust, estate, society, company, joint stock company, receiver, trustee, referee, or any other person acting in a fiduciary or representative capacity, who is appointed by a court, or any other combination of individuals. "Person" includes any department, commission, agency or instrumentality of the State, including the Department, and also including any county, city, village, or township and any agency and instrumentality of this State.

"Player", when used in the context of a purchase of a Lottery game ticket or of a prize claim, means:

an individual;

a group of individuals;

a partnership or club;

a revocable living trust;

an irrevocable trust, if the trust agreement was executed prior to the date the prize was won;

an irrevocable trust, if the trust agreement was executed prior to the date the prize was won, and provided all beneficiaries are named in the trust;

an estate;

a governmental entity other than the Department; or

the following additional types of entities:

a limited partnership;

a corporation;

a limited liability company; or

a charitable organization.

Prize claims by any such "players" are subject to eligibility requirements set forth in the Lottery Law, this Part, or game rules.

"Point of Sale" means the physical location where an Agent is licensed to conduct the sale of Lottery game tickets to the public.

"Private Manager" means the company, and any permitted successor company, awarded a contract to provide business management services, including but not limited to the operation of sales, advertising, marketing, retail agent services and system support functions to the Illinois Lottery in accordance with the Lottery Law.

"Prize" means any award, financial or otherwise, awarded to a Lottery game ticket holder pursuant to the rules of the Lottery. In determining whether a winning Lottery Game Ticket may be redeemed for cash through a Lottery retailer or at a prize center, or must be presented to a Department office for payment, and whether a prize may be claimed in a group name or must be claimed by an individual group member, the Department will adhere to 26 U.S.C. 165(d) and deduct the amount of the wager from the face value of the prize.

"Prize Center" means a Lottery office or other authorized location where:

Winning Lottery game tickets with a face value up to $25,000 may be redeemed pursuant to Section 20.1 of the Lottery Law; or

Larger prizes, or those subject to withholding or investigation, may be claimed.

"Redeem" (and its variants) means to surrender a valid winning Illinois Lottery game ticket to a Lottery retailer for immediate cash payment of the prize, or to a Lottery prize center for payment by check, prepaid debit card, electronic funds transfer, automated clearing house, or other means in accordance with Section 1770.190.

"Registered Internet Lottery Player" means an individual who has successfully established an internet Lottery player account after registering through the Lottery's web portal establishing the requisite age, location and other eligibility requirements.

"Related Terminal" means any player activated machine or any Agent operated terminal in which another Agent has an interest.

"Requests for Proposals" or "RFP" means a formal, public notice by an organization inviting vendors to submit ideas, concepts and costs related to a specific end.

"Secretary" means the Secretary of the Lottery Control Board.

"Service" means the mailing of any notice required by the Lottery Law or this Part by certified mail or electronic means, return receipt requested. Service by mail shall be deemed complete four days after mailing of the document, properly addressed and posted for delivery, to the person to be served. Service shall be deemed complete if the notice is returned undelivered or unclaimed when mailed, postage prepaid, to the intended recipient's last known address as disclosed in the Department's records, or if 30 days have elapsed from the date of mailing, to that address with no return of the item. Service by electronic means is complete on the day of transmission or, if after 5:00 p.m., the next business day. If service is by email, the Department shall maintain a copy of the sent email and shall verify, within one business day, that the transmission of the email has not been rejected or has failed. In the event of rejection or failure, absent correction of an erroneous email address, service shall be made by mail.

"Special License" means a license issued by the Director limited in geographic scope and/or duration of validity (see Section 1770.30).

"State Lottery Fund" means the special fund, created in the State Treasury by Section 20 of the Lottery Law, in which all revenues received by the Lottery, as defined and limited by Section 20 of the Lottery Law, are deposited.

"Subscription" means a paid-in-advance program in which a player purchases a specified number of Lottery tickets to be drawn over a specified time period. Subscriptions may be offered to players in several ways, including via the internet where allowed by the Lottery Law.

"Surety Bond" means a promise to be liable for the debt, default, or failure of another. It is a three-party agreement that legally binds the agent or vendor who needs a bond; the Lottery, which requires the bond as proof of financial responsibility; and a surety company that guarantees the performance or obligations of the agent or vendor to the Lottery.

"Sweep Account" means a banking account which allows the Lottery to credit or debit funds to a retailer through EFT.

"Sweepstakes" means a game in which prizes are awarded to a specified number of entrants drawn from a pool.

"Ticket Discounting" means reselling or having a person other than the prize winner claim a winning Lottery game ticket or buying or claiming a winning Lottery game ticket for the purpose of assisting the original prize winner with concealing the winner's identity as a prize winner.

"Ticket Symbol" means the printed data in the play area on the front of an instant game ticket that is used, among other things, to determine eligibility for prizes pursuant to the working papers/games specifications for each game.

"Transfer" means the change, in the aggregate, directly or indirectly, of the equity, management control, legal ownership, or shares of stock of the Agent.

"Trust Account" means a bank account designated and dedicated by an Agent for the receipt of Lottery proceeds.

"Tradestyle" means a Lottery retailer category based on similarities in operation, organization, or business model, as determined by the Director.

"Validation Number" means a unique set of identification numbers on draw-based and instant game tickets that is matched with internal databases in order to determine the winning or non-winning status of the ticket, as well as the prize amount.

"Withholding" means the amounts required by law to be subtracted from a winner's prize to recover money owed by the winner to others for obligations that include but are not limited to State, federal, and in some cases local taxes; judgment creditors; or child support obligations.

(Source: Amended at 47 Ill. Reg. 13924, effective September 18, 2023)