



INTEROFFICE MEMO

Gary Grief, Executive Director LaDonna Castañuela, Charitable Bingo Operations Director

To: Robert G. Rivera, Chairman
Cindy Fields, Commissioner
Mark A. Franz, Commissioner
Erik C. Saenz, Commissioner
Jamey Steen, Commissioner

From: Kyle Wolfe, Assistant General Counsel *KW*

Date: April 6, 2022

Re: Consideration of and possible discussion and/or action, including adoption, on amendments to 16 TAC §401.304 (Draw Game Rules (General)), §401.305 ("Lotto Texas" Draw Game Rule), §401.307 ("Pick 3" Draw Game Rule), §401.312 ("Texas Two Step" Draw Game Rule), §401.315 ("Mega Millions" Draw Game Rule), §401.316 ("Daily 4" Draw Game Rule), §401.317 ("Powerball" Draw Game Rule), and §401.320 ("All or Nothing" Draw Game Rule)

Attached is a draft rule proposal prepared for submission to the *Texas Register* to adopt amendments to the above-referenced rules without changes to the proposed text as published in the February 25, 2022 issue of the *Texas Register* (47 TexReg 846) (also attached).

The amendments to §401.305 and §401.317 increase the number of consecutive draws a player can purchase in the Lotto Texas and Powerball draw games, respectively. The amendments also consolidate various provisions regarding a player's verification of numbers and other selection(s) on a lottery ticket from the individual draw game rules (§§ 401.305, 401.307, 401.312, 401.315, 401.316, 401.317, 401.320) into the general draw game rule (§401.304).

The Commission received no written comments on the proposed amendments during the public comment period.

Recommendation: Staff recommends that the Commission adopt amendments to the referenced rules.

1 The Texas Lottery Commission (Commission) adopts amendments to 16 TAC §401.304
2 (Draw Game Rules (General)), §401.305 (“Lotto Texas” Draw Game Rule), §401.307 (“Pick 3”
3 Draw Game Rule), §401.312 (“Texas Two Step” Draw Game Rule), §401.315 (“Mega Millions”
4 Draw Game Rule), §401.316 (“Daily 4” Draw Game Rule), §401.317 (“Powerball” Draw Game
5 Rule), and §401.320 (“All or Nothing” Draw Game Rule) without changes to the proposed text as
6 published in the February 25, 2022 issue of the *Texas Register* (47 TexReg 846).

7 The amendments to §401.305 and §401.317 increase the number of consecutive draws a
8 player can purchase in the Lotto Texas and Powerball draw games, respectively. The amendments
9 also consolidate various provisions regarding a player’s verification of numbers and other
10 selection(s) on a lottery ticket from the individual draw game rules (§§ 401.305, 401.307, 401.312,
11 401.315, 401.316, 401.317, 401.320) into the general draw game rule (§401.304).

12 The Commission received no written comments on the proposed amendments during the
13 public comment period.

14 These amendments are adopted under Texas Government Code §466.015(c), which
15 authorizes the Commission to adopt rules governing the operation of the lottery, and §467.102,
16 which authorizes the Commission to adopt rules for the enforcement and administration of the
17 laws under the Commission’s jurisdiction.

18 §401.304. Draw Game Rules (General).

19 (a) Price of tickets and prizes.

20 (1) The purchase price of each draw game ticket shall be as set forth in the rules of the
21 specific game being played; provided that, the purchase price for promotional groups of tickets
22 shall be determined by the executive director.

(2) The prize pool for draw games shall have contributions to prize categories as set forth in the rules of the specific game being played.

(b) Sale of tickets.

(1) Entry of Plays. Plays may be entered using the lottery retailer terminal keypad or touch screen, by means of a playslip, using authorized third-party point-of-sale ("POS") systems, or by other means approved by the commission. Retailers shall not permit any device to be physically or wirelessly connected to a lottery terminal to enter Plays, except as approved by the commission. A ticket generated using a selection method that is not approved by the commission is not valid. Acceptable methods of Play selection may include:

(A) using a self-service lottery ticket vending machine;

(B) using a playslip;

(C) using a previously-generated draw game ticket, from the game being played, provided by the player;

(D) selecting a Quick Pick;

(E) requesting a retailer to manually enter numbers; or

(F) using a QR code generated through a Texas Lottery Mobile Application offered and approved by the commission.

(2) Except to the extent that sales in draw games are impeded by draw breaks, draw game tickets may be sold during draw game operating hours. Retailers must give prompt service to lottery customers present and waiting at the terminal to purchase tickets for draw games.

(3) Draw game tickets shall be sold only at the location listed on each retailer's license from the commission. For purposes of this section, the sale of a draw game lottery ticket at the licensed location means a lottery transaction in which all elements of the sale between the retailer and the

1 purchaser must take place at the retailer location using their terminal, including the exchange of
2 consideration, the exchange of the playslip if one is used, and the exchange of the draw game
3 ticket.

4 (4) The executive director may authorize promotions in connection with any draw game.

5 (5) Announcement of incentive or bonus program. The executive director shall announce
6 each incentive or bonus program prior to its commencement. The announcement shall specify the
7 beginning and ending time, if applicable, of the incentive or bonus program and the value for the
8 award.

9 (6) Player Responsibility. It shall be the sole responsibility of the player to verify the
10 accuracy of the game Play or Plays and other data printed on the ticket. The placing of Plays is
11 done at the player's own risk through the licensed sales agent who is acting on behalf of the player
12 in entering the Play or Plays.

13 (c) Drawings and end of sales prior to drawings.

14 (1) The manner and frequency of drawings shall be as set forth in the rules of the specific
15 game being played and the draw procedures for the specific game.

16 (2) The drawings shall be conducted at times and locations to be announced by the
17 executive director.

18 (3) The executive director shall establish the times for draw breaks for each draw game.

19 (4) The executive director or his/her designee shall designate the type of drawing
20 equipment to be used and shall establish draw procedures to randomly select the winning
21 combination for each type of draw game. Draw procedures shall include provisions for the
22 substitution of backup drawing equipment in the event the primary drawing equipment
23 malfunctions or fails for any reason.

1 (5) A lottery drawing representative and an independent certified public accountant, shall
2 be responsible for conducting the drawing in compliance with the lottery's draw procedures. A
3 lottery drawing representative and an independent certified public accountant, shall attest whether
4 the drawing was conducted in accordance with proper draw procedures at the end of each drawing.

5 (d) Procedures for claiming draw game prizes.

6 (1) All apparent winning tickets presented for payment to the lottery or a retailer must meet
7 the commission's validation requirements as set forth in subsection (e) of this section.

8 (2) To claim a draw game prize of less than \$600, the claimant may present the winning
9 draw game ticket to a retailer or to the commission. All tickets validated by a retailer must be paid
10 by that retailer. If the retailer chooses not to validate the winning draw game ticket, the retailer
11 does not have to pay the draw game prize. The commission will pay all winning draw game tickets
12 pursuant to this section.

13 (3) To claim a draw game prize of \$600 or more, the claimant shall present the winning
14 draw game ticket to the commission. For purposes of this provision, the term "commission"
15 includes claim centers located throughout Texas. In connection with certain draw games, the top-
16 level prizes must be claimed at commission headquarters. For any claim presented to the
17 commission, the claimant shall follow all procedures of the commission related to claiming a prize,
18 including but not limited to filling out a claim form, presenting appropriate identification as
19 required, completing the back of the ticket, and submitting these items including the apparent
20 winning ticket to the commission by mail or in person. Upon validation of the ticket as a winning
21 ticket, the commission shall pay the claimant the amount due in accordance with commission
22 procedures. If the ticket is determined to be a non-winning ticket, the claim shall be denied and
23 the claimant shall be promptly notified. Tickets will not be returned to the claimant.

1 (4) Before paying any prize, claim center personnel shall validate the winning ticket
2 according to established validation requirements and procedures.

3 (5) All prizes shall be subject to tax withholding, offsets, and other withholdings as
4 provided by law.

5 (6) If a person is indebted or owes delinquent taxes to the state, other than those specified
6 in paragraph (5) of this subsection, the winnings of a person shall be withheld until the debt or
7 taxes are paid.

8 (7) When paying a prize of \$600 or more, the commission shall file the appropriate income
9 reporting form with the Internal Revenue Service.

10 (8) Payment of a prize will be made to the bearer of the validated winning ticket for that
11 prize upon presentation of proper identification following the completion of all procedures of the
12 commission related to claiming a prize.

13 (9) The commission shall recognize only one person as claimant of a particular prize. A
14 claim may be made in the name of a person other than an individual only if the person possesses a
15 federal employer identification number (FEIN) issued by the Internal Revenue Service and such
16 number is shown on the claim form. Groups, family units, clubs, organizations, or other persons
17 without an FEIN shall designate one individual in whose name the claim is to be filed. If a claim
18 is erroneously entered with multiple claimants, the claimants shall designate one of them as the
19 individual recipient of the prize, or, if they fail to designate an individual recipient, the director
20 may designate any one of the claimants as the sole recipient. In either case, the claim shall then be
21 considered as if it were originally entered in the name of the designated individual and payment of
22 any prizes won shall be made to that single individual. Once a ticket is submitted as a claim, it will
23 not be returned to the winner.

1 (10) The executive director has discretion to set a maximum total cash amount or maximum
2 payment time period for each prize level.

3 (e) Validation requirements.

4 (1) To be a valid winning draw game ticket, all of the following conditions must be met.

5 (A) All printing on the ticket shall be present in its entirety, be legible, and
6 correspond, using the computer validation file, to the combination and data printed on the ticket.
7 The ticket must have been produced prior to the drawing.

8 (B) The ticket shall not be mutilated, altered, unreadable, reconstituted,
9 misregistered, defective, incomplete, or tampered with in any manner.

10 (C) The ticket shall not be counterfeit or forged, in whole or in part, or an exact
11 duplicate of another winning ticket.

12 (D) The ticket must have been issued by an authorized retailer in an authorized
13 manner on official Texas Lottery paper stock, or, for third-party point-of-sale systems approved
14 by the commission, printed on paper stock or otherwise issued in a manner approved by the
15 commission to provide tangible evidence of participation in a lottery game.

16 (E) The ticket shall not be stolen. Neither the commission nor its retailers shall be
17 responsible for the payment of prizes for lost or stolen tickets.

18 (F) The ticket shall not have been previously paid.

19 (G) The ticket data shall have been recorded on the central computer system prior
20 to the drawing, and the ticket data must match the computer record data in every respect.

21 (H) The ticket shall pass all other confidential security checks of the commission.

22 (2) The commission may pay the prize for a draw game ticket that is partially mutilated or
23 not intact if the ticket can still be validated by the other validation requirements.

1 (3) Liability for void tickets, if any, is limited to the replacement of ticket or refund of the
2 sales price.

3 (4) A ticket shall be the only valid receipt for claiming a prize. A copy of a ticket or a
4 playslip has no pecuniary or prize value and shall not constitute evidence of ticket purchase or of
5 numbers selected.

6 (5) In submitting an official draw game ticket for validation, the player agrees to abide by
7 applicable laws, all commission rules, regulations, policies, directives, instructions, conditions,
8 procedures, and final decisions of the executive director.

9 (6) All prizes shall be subject to tax withholdings, offsets, and other withholdings as
10 provided by law.

11 (f) Payment of prizes by retailers.

12 (1) A retailer may pay to the ticket bearer game prizes of an amount less than \$600 for any
13 valid claims presented to that retailer. All tickets validated by a retailer must be paid by that
14 retailer. Retailers may pay claims for prizes if the commission's validation system is operational.
15 The retailer shall not charge the claimant any fee for payment of the prize or for cashing a business
16 check drawn on the licensed retailer's account.

17 (2) Retailers may pay prizes in cash. If acceptable to the claimant, retailers may also pay
18 cash prizes by business check, certified check, cashier's check, money order, gift card, stored-value
19 card, or store merchandise. If a retailer decides to pay with anything other than cash, it is the
20 responsibility of the retailer to ensure the claimant has voluntarily agreed to the non-cash prize
21 payment.

22 (g) Payment of prize awarded to minor.

1 (1) A person 18 years of age or older may purchase a ticket to give as a gift to another
2 person, including a minor.

3 (2) If a minor is entitled to a cash prize of less than \$600, the commission shall deliver to
4 an adult member of the minor's family or to the minor's guardian a check or warrant in the amount
5 of the prize payable to the order of the minor.

6 (3) If a minor is entitled to a cash prize of \$600 or more, the commission shall deposit the
7 amount of the prize in a custodial bank account, with an adult member of the minor's family or the
8 minor's guardian serving as custodian for the minor.

9 (4) If a minor is entitled to a prize other than money, the commission shall pay the cash
10 equivalent of such prize in the manner provided by paragraphs (2) and (3) of this subsection.

11 (5) A retailer is not authorized to pay a prize claimed by a minor.

12 (h) Game termination and prize claim period.

13 (1) The executive director or his/her designee, at any time, may announce the termination
14 date for a draw game. If this occurs, no tickets for that draw game shall be sold past the termination
15 date.

16 (2) Draw game prizes shall be claimed no later than 180 days after the applicable draw date
17 of the draw game. In the event any player who has a valid winning ticket does not claim the prize
18 within 180 days after the drawing in which the prize was won, the prize amount shall be deposited
19 in accordance with Government Code, §466.408.

20 §401.305. "Lotto Texas" Draw Game Rule.

21 (a) Lotto Texas®. The executive director is authorized to conduct a game known as "Lotto Texas."
22 The executive director may issue further directives for the conduct of Lotto Texas that are
23 consistent with this rule. In the case of conflict, this rule takes precedence over §401.304 of this

1 title (relating to Draw Game Rules (General)). Lotto Texas consists of a base game for which plays
2 may be purchased for the opportunity to win prizes during drawings in accordance with this
3 section. Lotto Texas With Extra!® is an add-on feature that allows players who purchase this
4 feature to increase non-jackpot prize amounts.

5 (b) Definitions. In addition to the definitions provided in §401.301 of this title (relating to General
6 Definitions), and unless the context in this rule otherwise requires, the following definitions apply:

7 (1) Lotto Texas Play--A Lotto Texas Play refers to the selection of six different numbers
8 from 1 to 54 for one opportunity to win a prize in the Lotto Texas base game and the purchase of
9 a ticket evidencing that selection. A Lotto Texas With Extra! Play refers to a play purchased as
10 part of the Extra! feature fully described in subsection (g) of this section.

11 (2) Playboard--A field of 54 numbers from 1 to 54 found on the playslip.

12 (3) Roll cycle--A series of drawings that ends when there is a drawing for which one or
13 more tickets are sold that match the six numbers drawn in the Lotto Texas base game drawing. A
14 new roll cycle begins with the next Lotto Texas base game drawing after one or more tickets are
15 sold that match the six numbers drawn in the drawing.

16 (c) Lotto Texas Plays and tickets.

17 (1) A Lotto Texas base game ticket may be sold only by a retailer and only at the location
18 listed on the retailer's license. A ticket sold by a person other than a retailer is not valid.

19 (2) The price of a single play for the Lotto Texas base game is \$1.

20 (3) A player may use a single playslip or other commission-approved method of play to
21 purchase the same Lotto Texas or Lotto Texas With Extra! Play(s) for up to 15 consecutive
22 drawings, to begin with the next drawing after the purchase.

(4) At the time of making a play, a player may select the option for payment of the cash value or annuitized payments of a share of the jackpot if the play is a winning play. If no selection is made, payment option will be as described in the chart below:

Figure: 16 TAC §401.305(c)(4)

Terminal Type	Manual Entry	Playslip with No Payment Option Selected
GT1200 (Retailer Terminal)	Default to CVO; retailer toggles to choose Annuity	Playslip Rejected with message "Playslip Rejected. Select Payment Option."
GT1200C (Retailer Terminal)	Default to CVO; retailer toggles to choose Annuity.	Playslip Rejected with message "Playslip Rejected. Select Payment Option."
Gemini (Self-service Lottery Ticket Vending Machine)	CVO only – designated on draw game Quick Pick buttons.	Playslip Rejected with message "Playslip Rejected. Select Payment Option."
GT20 (Self-service Lottery Ticket Vending Machine)	CVO only – designated on draw game Quick Pick buttons.	N/A
Third-party POS systems	CVO only – Quick Pick selections through authorized third-party systems.	N/A

(5) A retailer shall issue a ticket as evidence of one or more plays. A ticket must show the numbers selected for each play, the number of plays, the draw date(s) for which the plays were purchased, the cost of the ticket, the jackpot payment option, and the security and transaction serial numbers. Tickets must be printed on official Texas Lottery paper stock, or, for third-party point-of-sale systems approved by the commission, printed on paper stock or otherwise issued in a manner approved by the commission to provide tangible evidence of participation in a lottery game.

(6) An unsigned winning ticket is payable to the holder or bearer of the ticket if the ticket meets all applicable validation requirements.

1 (d) Drawings.

2 (1) Lotto Texas base game drawings shall be held each week on the days and at times
3 specified by the executive director.

4 (2) Six different numbers from 1 to 54 shall be drawn at each drawing.

5 (3) Numbers drawn must be certified by the commission in accordance with the
6 commission's draw procedures.

7 (4) The numbers selected in each drawing shall be used to determine all winning plays for
8 that drawing.

9 (5) Each drawing shall be witnessed by an independent certified public accountant. All
10 drawing equipment used shall be examined by a commission drawings representative and the
11 independent certified public accountant immediately before each drawing and immediately after
12 each drawing.

13 (e) Lotto Texas Advertised Jackpots. For the Lotto Texas base game drawing, the commission
14 shall approve a jackpot amount to be advertised in a manner prescribed by written procedure. The
15 advertised amount shall be an amount payable in 30 annual installments. To the extent that
16 advertised amount is based on projected sales, the projections shall be fair and reasonable. The
17 commission may approve an increase in the amount of the jackpot originally advertised for a
18 drawing if the increase is supported by reasonable sales projections and is prescribed by written
19 procedure.

20 (f) Lotto Texas Prizes. The following prizes are intended for the Lotto Texas base game drawing
21 only.

22 (1) Jackpot prize (first prize).

1 (A) A person who holds a valid ticket for a play matching (in any order) the six
2 numbers drawn in a drawing is entitled to a share of the jackpot prize (first prize) for the drawing.

3 (B) The jackpot prize for a drawing is the greater of:

4 (i) 40.47 percent of the proceeds from Lotto Texas ticket sales for all
5 drawings in the roll cycle and any earnings on an investment of all or part of the proceeds from
6 ticket sales, paid in 30 annual installments; or

7 (ii) The amount advertised in accordance with subsection (e) of this section
8 as the estimated jackpot for the drawing, paid in 30 annual installments.

9 (C) Except as provided by subparagraph (F) of this paragraph, a person who is
10 entitled to a share of a jackpot prize and who opted for annualized installment payments, shall
11 receive payment in 30 annual installments.

12 (D) The first installment payment shall be made upon completion of commission
13 validation procedures. The subsequent 29 installment payments shall be made annually on the 15th
14 day of the month in which the applicable drawing occurred.

15 (E) The second through 29th installment payments shall be in equal amounts. The
16 first installment payment may be equal to or higher than the subsequent installment payments.

17 (F) If a person would otherwise receive total installment payments of \$2 million or
18 less, the commission shall pay the person, upon completion of all validation procedures, a single
19 payment in the amount of the cash value of those total installment payments. The cash value is the
20 cost on the first business day after the applicable drawing of funding those installment payments.

21 (G) A person who is entitled to a share of the jackpot and who selected the cash
22 value option, or for whom the cash value option was automatically selected shall receive the greater
23 of the following two amounts:

1 (i) a share of 40.47 percent of the proceeds from Lotto Texas ticket sales;
2 or

3 (ii) the cost on the day after the drawing of funding a share of installment
4 payments under subparagraph (B)(ii) of this paragraph.

5 (H) A payment under subparagraph (G) of this paragraph shall be made upon
6 completion of commission validation procedures.

7 (I) Any investment necessary to fund a jackpot prize shall be made on the first
8 business day after a drawing for which one or more tickets were sold that match the six numbers
9 drawn in the drawing.

10 (J) A claim for a jackpot prize must be presented at the Austin claim center.

11 (K) If 40.47 percent of the proceeds from Lotto Texas ticket sales is not sufficient
12 to pay a jackpot prize, the commission shall use funds from other authorized sources, including
13 the State Lottery Account as identified in Government Code, §466.355.

14 (2) Second prize.

15 (A) A person who holds a valid ticket for a play matching (in any order) five of the
16 six numbers drawn in a drawing is entitled to a share of the second prize for that drawing.

17 (B) The second prize consists of 2.23 percent of the proceeds from Lotto Texas
18 ticket sales for the drawing and any amounts carried forward under subparagraph (D) of this
19 paragraph.

20 (C) A payment made to a person for a share of the second prize for a drawing shall
21 be rounded to the closest whole dollar amount. An amount of exactly fifty cents shall be rounded
22 up to the nearest whole dollar amount.

1 (D) Any part of the second prize for a drawing that is not paid in prizes shall be
2 carried forward and shall become part of the second prize for the next drawing.

3 (3) Third prize.

4 (A) A person who holds a valid ticket for a play matching (in any order) four of the
5 six numbers drawn in a drawing is entitled to a share of the third prize for that drawing.

6 (B) The third prize consists of 3.28 percent of the proceeds from Lotto Texas ticket
7 sales for the drawing and any amounts carried forward under subparagraphs (C) and (D) of this
8 paragraph.

9 (C) A payment made to a person for a share of the third prize for a drawing shall
10 be rounded to the closest whole dollar amount. An amount of exactly fifty cents shall be rounded
11 up to the nearest whole dollar amount.

12 (D) Any part of the third prize for a drawing that is not paid in prizes shall be carried
13 forward and shall become part of the third prize for the next drawing.

14 (4) Fourth prize.

15 (A) A person who holds a valid ticket for a play matching (in any order) three of
16 the six numbers drawn in a drawing is entitled to a guaranteed prize of \$3.

17 (B) If 4.02 percent of the proceeds from Lotto Texas ticket sales is not sufficient to
18 pay all fourth prizes for a draw, the commission shall use funds from other authorized sources,
19 including the State Lottery Account as identified in Government Code, §466.355.

20 (C) To the extent that the total amount of fourth prizes for a drawing is less than
21 4.02 percent of the proceeds from ticket sales for the drawing, the difference shall be carried
22 forward to fund future fourth prize payments.

(5) A person may win only one prize per play per drawing. A player who holds a valid ticket for a winning play is entitled to the highest prize for that play.

(6) A share of a prize is determined by dividing the prize by the number of winning plays for that prize.

(7) Jackpot payment amounts are calculated on the first business day after the applicable drawing. A claimant is not entitled to interest or other earnings on those amounts, regardless of when the claim is actually presented and regardless of the dates on which payments are made.

(g) Lotto Texas With Extra!.

(1) A Lotto Texas player may purchase the Extra! feature by paying an additional \$1 per play at the time of his/her Lotto Texas base game ticket purchase.

(2) Extra! offers players a chance to increase the amount of any of the non-jackpot prizes won in a Lotto Texas base game drawing, and to win a prize for matching two of the six numbers drawn. The Extra! feature does not apply to a Lotto Texas base game jackpot prize (match six-of-six).

(3) A Lotto Texas Play that wins one of the non-jackpot prizes or matches two of the six numbers drawn, and for which the player paid an additional \$1 for Extra!, shall be paid as follows:

Figure: 16 TAC §401.305(g)(3)

Lotto Texas Prizes	Extra! Guaranteed Prize Amount
Jackpot Prize or Match 6-of-6	Not applicable
Second Prize or Match 5-of-6	Second Prize Amount Plus \$10,000
Third Prize or Match 4-of-6	Third Prize Amount Plus \$100
Fourth Prize or Match 3-of-6	Fourth Prize Amount Plus \$10
Match 2-of-6	\$2

(h) Lotto Texas Jackpot information on commission website.

1 (1) After the commission has approved an advertised estimated annuitized jackpot under
2 subsection (e) of this section, the commission shall post the following information on the agency
3 website:

4 (A) the amount of ticket sales, if any, for previous drawings in the roll cycle;

5 (B) the amount of projected ticket sales for the upcoming drawing;

6 (C) investment information used to determine the advertised estimated jackpot; and

7 (D) other information used to determine the advertised estimated jackpot.

8 (2) After the commission determines that one or more tickets have been sold that match
9 the six numbers drawn in a drawing, the commission shall post on the agency website information
10 used to calculate the Lotto Texas base game jackpot prize.

11 §401.307. "Pick 3" Draw Game Rule.

12 (a) Pick 3™. The executive director is authorized to conduct a game known as "Pick 3." The
13 executive director may issue further directives and procedures for the conduct of Pick 3 that are
14 consistent with this rule. In the case of conflict, this rule takes precedence over §401.304 of this
15 title (relating to Draw Game Rules (General)).

16 (b) Definitions. In addition to the definitions provided in §401.301 of this title (relating to General
17 Definitions), and unless the context in this rule otherwise requires, the following definitions apply.

18 (1) Pick 3 Play--A play other than a Pick 3 plus FIREBALL play consists of:

19 (A) the selection of a play type;

20 (B) the selection of a Pick 3 base play amount of \$.50, \$1, \$2, \$3, \$4 or \$5;

21 (C) the selection of a draw date and time;

22 (D) the selection of numbers in accordance with this section; and

23 (E) the purchase of a ticket evidencing those selections.

(2) Pick 3 plus FIREBALL Play--A Pick 3 plus FIREBALL play refers to a play purchased as part of the Pick 3 plus FIREBALL add-on feature fully described in subsection (h) of this section. A Pick 3 FIREBALL number is the additional number drawn from 0 to 9 that is used to replace any one of the three Pick 3 winning numbers to make FIREBALL prize winning combinations. The Pick 3 plus FIREBALL option cannot be purchased independently of a Pick 3 play.

(3) Playboard--Three fields of numbers found on the playslip, with each field containing 10 numbers from 0 to 9.

(c) Play types.

(1) Pick 3 may include the following play types: exact order, any order, exact/any order, combo, and Pick 3 plus FIREBALL.

(A) An "exact order" play is a winning play if the player's three single-digit numbers match in exact order the three single-digit numbers drawn in the applicable drawing.

(B) An "any order" play is a winning play if the player's three single-digit numbers match in any order the three single-digit numbers drawn in the applicable drawing.

(C) An "exact order/any order" play is a winning play if either the player's three single-digit numbers match in exact order the numbers drawn in the applicable drawing or the player's three single-digit numbers match in any order the numbers drawn in the applicable drawing.

(i) An exact order/any order play is a 3-way play when exact order/any order play is selected as the play type in connection with a set of three single-digit numbers that includes two occurrences of one single-digit number and one occurrence of one other single-digit number. An exact order/3-way any order play involves three possible winning combinations.

(ii) An exact order/any order play is a 6-way play when exact order/any order play is selected as the play type in connection with a set of three single-digit numbers that includes a single occurrence of three different single-digit numbers. An exact order/6-way any order play involves six possible winning combinations.

(iii) An exact order/any order play is not permitted in connection with a set of numbers that includes three occurrences of one single-digit number.

(D) A "combo" play combines all of the possible straight (exact) plays that can be played with the three single-digit numbers selected for the play.

(i) A combo play may be a 3-way combo play or a 6-way combo play.

(ii) 3-way combo play is a combo play in connection with a set of three single-digit numbers that includes two occurrences of one single-digit number and one occurrence of one other single-digit number. A 3-way combo play involves three possible winning combinations.

(iii) 6-way combo play is a combo play in connection with a set of three single-digit numbers that includes a single occurrence of three different single-digit numbers. A 6-way combo play involves six possible winning combinations.

(iv) Combo play is not permitted in connection with a set of numbers that includes three occurrences of one single-digit number.

(E) A Pick 3 plus FIREBALL play wins a FIREBALL prize for each winning combination of numbers created by replacing any one of the three Pick 3 winning numbers with the Pick 3 FIREBALL number for that drawing, as determined by the selected play type and wager amount.

(2) The executive director may allow or disallow any type of play described in this subsection.

(d) Plays and tickets.

(1) A ticket may be sold only by a retailer and only at the location listed on the retailer's license. A ticket sold by a person other than a retailer is not valid.

(2) A Pick 3 play involves the selection of three single-digit numbers, with each selected from the numbers 0 to 9.

(3) The cost of an exact order play is the same as the Pick 3 base play amount selected for the play.

(4) The cost of an any order play is the same as the Pick 3 base play amount selected for the play.

(5) The cost of an exact order/any order play is:

(A) \$1 if the Pick 3 base play amount selected for the play is \$.50;

(B) \$2 if the Pick 3 base play amount selected for the play is \$1;

(C) \$4 if the Pick 3 base play amount selected for the play is \$2;

(D) \$6 if the Pick 3 base play amount selected for the play is \$3;

(E) \$8 if the Pick 3 base play amount selected for the play is \$4; or

(F) \$10 if the Pick 3 base play amount selected for the play is \$5.

(6) The cost of a combo play is determined by multiplying the Pick 3 base play amount selected for the play by the number of winning combinations possible with the three single-digit numbers selected for the play.

1 (7) The cost of a Pick 3 plus FIREBALL play is equal to the cost of the connected Pick 3
2 wager for the base game, thereby doubling the purchase. The cost of a Pick 3 plus FIREBALL
3 play is in addition to the cost of the connected Pick 3 play.

4 (8) The cost of a ticket is determined by the total cost of the plays evidenced by the ticket.

5 (9) Consecutive plays. A player may purchase one or more plays for any one or more of
6 the next 24 drawings after the purchase and may purchase up to 24 consecutive plays for a
7 particular drawing time.

8 (10) A retailer shall issue a ticket as evidence of one or more plays. A ticket must show the
9 numbers, play type and base play amount selected for each play; the number of plays, the draw
10 date(s) for which the plays were purchased; cost of the ticket, and the security and transaction
11 serial numbers. Tickets must be printed on official Texas Lottery paper stock, or, for third-party
12 point-of-sale systems approved by the commission, printed on paper stock or otherwise issued in
13 a manner approved by the commission to provide tangible evidence of participation in a lottery
14 game.

15 (11) An unsigned winning ticket is payable to the holder or bearer of the ticket if the ticket
16 meets all applicable validation requirements.

17 (e) Cancellation of plays. A retailer may cancel a Pick 3 play only in accordance with the following
18 provisions:

19 (1) the ticket evidencing the play must have been sold at the retail location at which it is
20 cancelled;

21 (2) the retailer must have possession of the ticket evidencing the play;

22 (3) all Pick 3 plays evidenced by a single ticket must be cancelled;

1 (4) cancellation may occur no later than 60 minutes after sale of the ticket evidencing the
2 play;

3 (5) cancellation must occur before the beginning of the next draw break after the sale of
4 the ticket evidencing the play;

5 (6) cancellation must occur before midnight on the day the ticket evidencing the play was
6 sold; and

7 (7) the play was not generated as part of a promotion.

8 (f) Drawings.

9 (1) Pick 3 drawings shall be held four times a day, Monday through Saturday, at 10:00
10 a.m., 12:27 p.m., 6:00 p.m., and 10:12 p.m. Central Time. The executive director may change the
11 drawing schedule, if necessary.

12 (2) At each Pick 3 drawing, three single-digit numbers shall be drawn for the base game.
13 Each single-digit number will be drawn from a set that includes a single occurrence of all 10 single-
14 digit numbers (0 to 9). After the Pick 3 base game drawing, the Pick 3 FIREBALL number will be
15 randomly drawn from a set of 10 numbered balls (0 to 9).

16 (3) Numbers drawn and the order in which the numbers are drawn must be certified by the
17 commission in accordance with the commission's draw procedures.

18 (4) The numbers selected in a drawing and the order of the numbers selected in the drawing
19 shall be used to determine all winners for that drawing.

20 (5) Each drawing shall be witnessed by an independent certified public accountant. All
21 drawing equipment used shall be examined by a lottery drawing representative and the independent
22 certified public accountant immediately before each drawing and immediately after each drawing.

23 (g) Prizes.

(1) Prize payments shall be made upon completion of commission validation procedures.

(2) A Pick 3 plus FIREBALL play is a separate play from the exact order play, any order play, exact order/any order play, or combo play with which it is connected.

(3) The executive director may temporarily increase any prize set out in this paragraph for promotional or marketing purposes.

(4) A person who holds a valid ticket for a winning exact order play is entitled to a prize as shown.

Figure: 16 TAC §401.307(g)(4)

Exact Order	Exact with 3 different numbers							Fireball Exact with 3 different numbers						Fireball Example		
	Cost Per Play							Cost Per Play with Fireball						Example Wager of 1-2-3		
	\$0.50	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00		\$1.00	\$2.00	\$4.00	\$6.00	\$8.00	\$10.00	Odds 1 in	Base Draw	Fireball Draw
Base Price	\$250.00	\$500.00	\$1,000.00	\$1,500.00	\$2,000.00	\$2,500.00	Fireball Prize (1 Win)	\$90.00	\$180.00	\$360.00	\$540.00	\$720.00	\$900.00	333	1-2-9	3
Base Game Odds 1 in 1,000																
	Exact with 2 like numbers and 1 different number							Fireball Exact with 2 like numbers and 1 different number						Fireball Example		
	Cost Per Play							Cost Per Play with Fireball						Example Wager of 1-2-2		
	\$0.50	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00		\$1.00	\$2.00	\$4.00	\$6.00	\$8.00	\$10.00	Odds 1 in	Base Draw	Fireball Draw
Base Price	\$250.00	\$500.00	\$1,000.00	\$1,500.00	\$2,000.00	\$2,500.00	Fireball Prize (2 Wins)	\$180.00	\$360.00	\$720.00	\$1,080.00	\$1,440.00	\$1,800.00	10,000	1-2-2	2
Base Game Odds 1 in 1,000							Fireball Prize (1 Win)	\$90.00	\$180.00	\$360.00	\$540.00	\$720.00	\$900.00	357	4-2-2	1
	Exact with 3 like numbers							Fireball Exact with 3 like numbers						Fireball Example		
	Cost Per Play							Cost Per Play with Fireball						Example Wager of 1-1-1		
	\$0.50	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00		\$1.00	\$2.00	\$4.00	\$6.00	\$8.00	\$10.00	Odds 1 in	Base Draw	Fireball Draw
Base Price	\$250.00	\$500.00	\$1,000.00	\$1,500.00	\$2,000.00	\$2,500.00	Fireball Prize (3 Wins)	\$270.00	\$540.00	\$1,080.00	\$1,620.00	\$2,160.00	\$2,700.00	10,000	1-1-1	1
Base Game Odds 1 in 1,000							Prize (1 Win)	\$90.00	\$180.00	\$360.00	\$540.00	\$720.00	\$900.00	370	1-3-1	1

(5) A person who holds a valid ticket for a winning 3-way any order play is entitled to a prize as shown.

Figure: 16 TAC §401.307(g)(5)

3-Way Any Order	Any with 2 like numbers and 1 different number							Fireball Any with 2 like numbers and 1 different number						Fireball Example				
	Cost Per Play							Cost Per Play with Fireball						Example Wager of 1-2-2			Example Draw with this Outcome	
	\$0.50	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00		\$1.00	\$2.00	\$4.00	\$6.00	\$8.00	\$10.00	Odds 1 in	Base Draw	Fireball Draw		
Base Prize	\$80.00	\$160.00	\$320.00	\$480.00	\$640.00	\$800.00	Fireball Prize (3 Wins)	\$90.00	\$180.00	\$360.00	\$540.00	\$720.00	\$900.00	10,000	2-2-2	1		
Base Game Odds 1 in 333							Fireball Prize (2 Wins)	\$60.00	\$120.00	\$240.00	\$360.00	\$480.00	\$600.00	1,667	1-1-2	2		
							Fireball Prize (1 Win)	\$30.00	\$60.00	\$120.00	\$180.00	\$240.00	\$300.00	133	0-1-2	2		

(6) A person who holds a valid ticket for a winning 6-way any order play is entitled to a prize as shown.

Figure: 16 TAC §401.307(g)(6)

6-Way Any Order	Any with 3 different numbers						Fireball Any with 3 different numbers						Fireball Example				
	Cost Per Play							Cost Per Play with Fireball						Example Wager of 1-2-3		Example Draw with this Outcome	
	\$0.50	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00		\$1.00	\$2.00	\$4.00	\$6.00	\$8.00	\$10.00	Odds 1 in	Base Draw	Fireball Draw	
Base Price	\$40.00	\$80.00	\$160.00	\$240.00	\$320.00	\$400.00	Fireball Prize (2 Wins)	\$30.00	\$60.00	\$120.00	\$180.00	\$240.00	\$300.00	556	1-1-2	3	
Base Game Odds 1 in 167							Fireball Prize (1 Win)	\$15.00	\$30.00	\$60.00	\$90.00	\$120.00	\$150.00	69	0-1-3	2	

(7) A person who holds a valid ticket for a winning exact order/3-way any order play is entitled to a prize as shown.

Figure: 16 TAC §401.307(g)(7)

Exact Order/3-Way Any Order		Exact/Any with 2 like numbers and 1 different number						Fireball Exact/Any with 2 like numbers and 1 different number								Fireball Example			
		Base Play Amount																	
		\$0.50	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00												
		Cost Per Play						Cost Per Play with Fireball								Example Wager of 1-2-2			
		\$1.00	\$2.00	\$4.00	\$6.00	\$8.00	\$10.00	Any Wins	Exact Wins	\$2.00	\$4.00	\$8.00	\$12.00	\$16.00	\$20.00	Odds 1 in	Base Draw	Fireball Draw	
Exact Order Prize	\$330.00	\$660.00	\$1,320.00	\$1,980.00	\$2,640.00	\$3,300.00		2	2	\$240.00	\$480.00	\$960.00	\$1,440.00	\$1,920.00	\$2,400.00	10,000	1-2-2	2	
Not in Exact Order Prize	\$80.00	\$160.00	\$320.00	\$480.00	\$640.00	\$800.00		3	1	\$180.00	\$360.00	\$720.00	\$1,080.00	\$1,440.00	\$1,800.00	10,000	2-2-2	1	
								2	1	\$150.00	\$300.00	\$600.00	\$900.00	\$1,200.00	\$1,500.00	5,000	1-1-2	2	
								2	0	\$60.00	\$120.00	\$240.00	\$360.00	\$480.00	\$600.00	3,333	2-1-1	2	
								1	1	\$120.00	\$240.00	\$480.00	\$720.00	\$960.00	\$1,200.00	400	0-2-2	1	
								1	0	\$30.00	\$60.00	\$120.00	\$180.00	\$240.00	\$300.00	200	0-1-2	2	

Base Game Odds 1 in 333

(8) A person who holds a valid ticket for a winning exact order/6-way any order play is entitled to a prize as shown.

Exact Order/6-Way Any Order							Exact/Any with 3 different numbers							Fireball Exact/Any with 3 different numbers							Fireball Example				
							Base Play Amount																		
							\$0.50	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00													
							Cost Per Play																		
							\$1.00	\$2.00	\$4.00	\$6.00	\$8.00	\$10.00													
Exact Order Prize							\$290.00	\$580.00	\$1,160.00	\$1,740.00	\$2,320.00	\$2,900.00													
Not in Exact Order Prize							\$40.00	\$80.00	\$160.00	\$240.00	\$320.00	\$400.00													
														Cost Per Play with Fireball							Example Wager of 1-2-3				
																					Example Draw with this Outcome				
																					Odds 1 in				
																					Base Draw				
																					Fireball Draw				
Fireball Prize							2	1	\$120.00	\$240.00	\$480.00	\$720.00	\$960.00	\$1,200.00								1,667			
Fireball Prize							1	1	\$105.00	\$210.00	\$420.00	\$630.00	\$840.00	\$1,050.00								417			
Fireball Prize							2	0	\$30.00	\$60.00	\$120.00	\$180.00	\$240.00	\$300.00								833			
Fireball Prize							1	0	\$15.00	\$30.00	\$60.00	\$90.00	\$120.00	\$150.00								83			

Base Game Odds 1 in 167

(9) A person who holds a valid ticket for a winning combo play is entitled to a prize as shown.

Figure: 16 TAC §401.307(g)(9)

Combo	Combo with 2 like numbers and 1 different number						Fireball Combo with 2 like numbers and 1 different number						Fireball Example			
	Base Play Amount						Cost Per Play with Fireball						Example Wager of 1-2-2			
	\$0.50	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00		\$3.00	\$6.00	\$12.00	\$18.00	\$24.00	\$30.00	Odds 1 in	Base Draw	Fireball Draw
	Cost Per Play													Example Draw with this Outcome		
	\$1.50	\$3.00	\$6.00	\$9.00	\$12.00	\$15.00										
Base Price	\$250.00	\$500.00	\$1,000.00	\$1,500.00	\$2,000.00	\$2,500.00	Fireball Prize (3 Wins)	\$270.00	\$540.00	\$1,080.00	\$1,620.00	\$2,160.00	\$2,700.00	10,000	2-2-2	1
Base Game Odds 1 in 333							Fireball Prize (2 Wins)	\$180.00	\$360.00	\$720.00	\$1,080.00	\$1,440.00	\$1,800.00	1,667	1-1-2	2
							Fireball Prize (1 Win)	\$90.00	\$180.00	\$360.00	\$540.00	\$720.00	\$900.00	133	0-1-2	2
	Combo with 3 different numbers						FIREBALL Combo with 3 different numbers						Fireball Example			
	Base Play Amount						Cost Per Play with Fireball						Example Wager of 1-2-3			
	\$0.50	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00		\$6.00	\$12.00	\$24.00	\$36.00	\$48.00	\$60.00	Odds 1 in	Base Draw	Fireball Draw
	Cost Per Play													Example Draw with this Outcome		
	\$3.00	\$6.00	\$12.00	\$18.00	\$24.00	\$30.00										
Base Price	\$250.00	\$500.00	\$1,000.00	\$1,500.00	\$2,000.00	\$2,500.00	Fireball Prize (2 Wins)	\$180.00	\$360.00	\$720.00	\$1,080.00	\$1,440.00	\$1,800.00	556	1-1-2	3
Base Game Odds 1 in 167							Fireball Prize (1 Win)	\$90.00	\$180.00	\$360.00	\$540.00	\$720.00	\$900.00	69	0-1-3	2

(h) Pick 3 plus FIREBALL.

(1) Pick 3 plus FIREBALL is an add-on feature to the Pick 3 base game. Adding the Pick 3 plus FIREBALL option doubles the cost of wager and creates more possible winning combinations. For instance, if a player purchases a Pick 3 play with an exact order play type for \$1.00, the Pick 3 plus FIREBALL play will cost an additional \$1.00. If a player purchases a Pick 3 "6-way combo" for \$6, the Pick 3 plus FIREBALL play will cost an additional \$6. The Pick 3 FIREBALL number will be randomly drawn from a set of 10 numbers from 0 to 9. The Pick 3 FIREBALL number drawn will apply exclusively to the Pick 3 base game drawing and prizes. The Pick 3 plus FIREBALL option cannot be purchased independently of a Pick 3 play.

(2) The Pick 3 FIREBALL number is used to replace any one of the three drawn Pick 3 winning numbers to create FIREBALL prize winning combinations.

(3) If the player's selected numbers match any of the FIREBALL prize winning combinations, the Pick 3 plus FIREBALL play wins in accordance with the charts in Figures 401.307(g)(4) through 401.307(g)(9).

(4) All FIREBALL prizes are in addition to any Pick 3 base game wins. Specifically, if a player purchases the Pick 3 plus FIREBALL option, then if the Pick 3 FIREBALL number is the same as one of the three numbers drawn in the Pick 3 base game drawing, and the player's numbers already match the numbers drawn for the player's play type, the player will be awarded the FIREBALL prize in addition to the Pick 3 prize as identified in subsection (g) of this section (relating to the Pick 3 prize charts). For instance, assume a player selects an exact order \$1.00 base game play of 1, 2, and 3, and purchases a Pick 3 plus FIREBALL play for an additional \$1.00 (total \$2.00 wager). If the Pick 3 winning numbers drawn are 1-2-3, and the Pick 3 FIREBALL number is 1, the play will win the base game prize of \$500 and the FIREBALL prize of \$180 for a total of \$680. As another example, assume the player selects an exact order 1-2-2 for \$1.00 and

1 purchases a Pick 3 plus FIREBALL play for an additional \$1.00 (total \$2.00 wager). If the Pick 3
2 winning numbers drawn are 1-2-2 and the Pick 3 FIREBALL number is 2, then the play will win
3 the base game prize of \$500 and win the FIREBALL prize of \$180 twice for a total of \$860.

4 §401.312. "Texas Two Step" Draw Game Rule.

5 (a) Texas Two Step®. The executive director is authorized to conduct a game known as "Texas
6 Two Step." The executive director may issue further directives for the conduct of Texas Two Step
7 that are consistent with this rule. In the case of conflict, this rule takes precedence over §401.304
8 of this title (relating to Draw Game Rules (General)).

9 (b) Definitions. In addition to the definitions provided in §401.301 of this title (relating to General
10 Definitions), and unless the context in this rule otherwise requires, the following definitions apply.

11 (1) Play--The selection of four different numbers from 1 to 35 and the selection of an
12 additional number from 1 to 35 for one opportunity to win in Texas Two Step, and the purchase
13 of a ticket evidencing that selection.

14 (2) Playboard--Two fields found on the playslip, with each field containing 35 numbers
15 from 1 to 35.

16 (3) Roll cycle--A series of one or more drawings that ends when there is a drawing for
17 which one or more tickets are sold that match, in accordance with the provisions of subsection
18 (e)(1)(A) of this section, the numbers drawn in the drawing. A new roll cycle begins with the next
19 drawing after a drawing for which one or more jackpot tickets are sold that match, in accordance
20 with the provisions of subsection (e)(1)(A) of this section, the numbers drawn in the drawing.

21 (c) Plays and tickets.

22 (1) A ticket may be sold only by a retailer and only at the location listed on the retailer's
23 license. A ticket sold by a person other than a retailer is not valid.

1 (2) The price of a play is \$1.

2 (3) A player may use a single playslip, or other commission-approved method of play, to
3 purchase the same play(s) for up to 10 consecutive drawings, to begin with the next drawing after
4 the purchase.

5 (4) A retailer shall issue a ticket as evidence of one or more plays. A ticket must show the
6 numbers selected for each play, the number of plays, the draw date(s) for which the plays were
7 purchased, the cost of the ticket, and the security and transaction serial numbers. Tickets must be
8 printed on official Texas Lottery paper stock, or, for third-party point-of-sale systems approved by
9 the commission, printed on paper stock or otherwise issued in a manner approved by the
10 commission to provide tangible evidence of participation in a lottery game.

11 (5) An unsigned winning ticket is payable to the holder or bearer of the ticket if the ticket
12 meets all applicable validation requirements.

13 (d) Drawings.

14 (1) Texas Two Step drawings shall be held each week on the days and at times specified
15 by the executive director.

16 (2) At each Texas Two Step drawing, the commission shall draw four different numbers
17 from a set of numbers from 1 to 35, and the commission shall draw a single number from a separate
18 set of numbers from 1 to 35.

19 (3) Numbers drawn must be certified by the commission in accordance with the
20 commission's draw procedures.

21 (4) The numbers selected in a drawing shall be used to determine all winners for that
22 drawing.

(5) Each drawing shall be witnessed by an independent certified public accountant. All drawing equipment used shall be examined by a lottery drawing representative and the independent certified public accountant immediately before each drawing and immediately after each drawing.

(e) Prizes.

(1) Jackpot prize (first prize).

(A) A person who holds a valid ticket for a Texas Two Step play is entitled to a share of the jackpot prize (first prize) for a drawing if:

(i) the four numbers the player selected from a field of 35 numbers match (in any order) the four numbers selected from a set of 35 numbers at the drawing; and

(ii) the single number the player selected from a field of 35 numbers matches the single number selected from a set of 35 numbers at the drawing.

(B) The jackpot prize for a Texas Two Step drawing is the amount the commission establishes and authorizes vendors to publicize for the drawing.

(C) If 23.78 percent of Texas Two Step sales proceeds for a roll cycle are not sufficient to pay a jackpot prize, the commission shall use funds from other authorized sources, including the State Lottery Account established by Government Code §466.355, to pay the prize.

(2) Second prize.

(A) A person who holds a valid ticket for a Texas Two Step play is entitled to a share of the second prize for a drawing if:

(i) the four numbers the player selected from a field of 35 numbers match (in any order) the four numbers selected from a set of 35 numbers at the drawing; and

(ii) the single number the player selected from a field of 35 numbers does not match the single number selected from a set of 35 numbers at the drawing.

1 (B) The second prize consists of 2.79 percent of the proceeds from Texas Two Step
2 ticket sales for the drawing and any amounts carried forward under subparagraph (D) of this
3 paragraph.

4 (C) A payment made to a person for a share of the second prize for a drawing shall
5 be rounded to the closest whole dollar amount. An amount of exactly fifty cents shall be rounded
6 up to the nearest whole dollar amount.

7 (D) Any part of the second prize for a drawing that is not paid in prizes shall be
8 carried forward and shall become part of the second prize for the next drawing.

9 (3) Third prize.

10 (A) A person who holds a valid ticket for a Texas Two Step play is entitled to a
11 share of the third prize for a drawing if:

12 (i) three of the four numbers the player selected from a field of 35 numbers
13 match (in any order) three of the four numbers selected from a set of 35 numbers at the drawing;
14 and

15 (ii) the single number the player selected from a field of 35 numbers
16 matches the single number selected from a set of 35 numbers at the drawing.

17 (B) The third prize consists of 0.34 percent of the proceeds from Texas Two Step
18 ticket sales for the drawing and any amounts carried forward under subparagraph (D) of this
19 paragraph.

20 (C) A payment made to a person for a share of the third prize for a drawing shall
21 be rounded to the closest whole dollar amount. An amount of exactly fifty cents shall be rounded
22 up to the nearest whole dollar amount.

1 (D) Any part of the third prize for a drawing that is not paid in prizes shall be carried
2 forward and shall become part of the third prize for the next drawing.

3 (4) Fourth prize.

4 (A) A person who holds a valid ticket for a Texas Two Step play is entitled to a
5 share of the fourth prize for a drawing if:

6 (i) three of the four numbers the player selected from a field of 35 numbers
7 match (in any order) three of the four numbers selected at the drawing from a set of 35 numbers;
8 and

9 (ii) the single number the player selected from a field of 35 numbers does
10 not match the single number selected from a set of 35 numbers at the drawing.

11 (B) The fourth prize consists of 4.60 percent of the proceeds from Texas Two Step
12 ticket sales for the drawing and any amounts carried forward under subparagraph (D) of this
13 paragraph.

14 (C) A payment made to a person for a share of the fourth prize for a drawing shall
15 be rounded to the closest whole dollar amount. An amount of exactly fifty cents shall be rounded
16 up to the nearest whole dollar amount.

17 (D) Any part of the fourth prize for a drawing that is not paid in prizes shall be
18 carried forward and shall become part of the fourth prize for the next drawing.

19 (5) Fifth prize.

20 (A) A person who holds a valid ticket for a Texas Two Step play is entitled to a
21 share of the fifth prize for a drawing if:

1 (i) two of the four numbers the player selected from a field of 35 numbers
2 match (in any order) two of the four numbers selected from a set of 35 numbers at the drawing;
3 and

4 (ii) the single number the player selected from a field of 35 numbers
5 matches the single number selected from a set of 35 numbers at the drawing.

6 (B) The fifth prize consists of 3.04 percent of the proceeds from Texas Two Step
7 ticket sales for the drawing and any amounts carried forward under subparagraph (D) of this
8 paragraph.

9 (C) A payment made to a person for a share of the fifth prize for a drawing shall be
10 rounded to the closest whole dollar amount. An amount of exactly fifty cents shall be rounded up
11 to the nearest whole dollar amount.

12 (D) Any part of the fifth prize for a drawing that is not paid in prizes shall be carried
13 forward and shall become part of the fifth prize for the next drawing.

14 (6) Sixth prize.

15 (A) A person who holds a valid ticket for a Texas Two Step play is entitled to a \$7
16 prize for a drawing if:

17 (i) one of the four numbers the player selected from a field of 35 numbers
18 matches one of the four numbers selected from a set of 35 numbers at the drawing; and

19 (ii) the single number the player selected from a field of 35 numbers
20 matches the single number selected from a set of 35 numbers at the drawing.

21 (B) If 6.87 percent of sales proceeds for the drawing are not sufficient to pay all of
22 the sixth prizes for that drawing, the commission shall use funds from other authorized sources,
23 including the State Lottery Account established by Government Code §466.355, to pay the prize.

1 (C) To the extent that the total amount of sixth prizes for a Texas Two Step drawing
2 is less than 6.87 percent of the proceeds from ticket sales for the drawing, the difference shall be
3 carried forward to fund future sixth prize payments.

4 (7) Seventh prize.

5 (A) A person who holds a valid ticket for a Texas Two Step play is entitled to a \$5
6 prize for a drawing if:

7 (i) none of the four numbers the player selected from a field of 35 numbers
8 match any of the four numbers selected from a set of 35 numbers at the drawing; and

9 (ii) the single number the player selected from a field of 35 numbers
10 matches the single number selected from a set of 35 numbers at the drawing.

11 (B) If 8.58 percent of sales proceeds for the drawing are not sufficient to pay all of
12 the seventh prizes for that drawing, the commission shall use funds from other authorized sources,
13 including the State Lottery Account established by Government Code §466.355, to pay the prize.

14 (C) To the extent that the total amount of seventh prizes for a Texas Two Step
15 drawing is less than 8.58 percent of the proceeds from ticket sales for the drawing, the difference
16 shall be carried forward to fund future seventh prize payments.

17 (8) A person may win only one prize per play per drawing. A player who holds a valid
18 ticket for a winning play is entitled to the highest prize for that play.

19 (9) A share of a prize is determined by dividing the prize by the number of winning plays
20 for that prize.

21 (10) A Texas Two Step prize payment shall be made upon completion of commission
22 validation procedures.

1 (11) A claimant is not entitled to interest or other earnings on a prize, regardless of when a
2 claim is actually presented and regardless of when payment is made.

3 (f) Jackpot information on commission website. After the commission has approved an advertised
4 estimated jackpot under subsection (e) of this section, the commission shall post the following
5 information on the agency website:

6 (1) the amount of ticket sales, if any, for previous drawings in the roll cycle; and

7 (2) the amount of projected ticket sales for the upcoming drawing.

8 §401.315. "Mega Millions" Draw Game Rule.

9 (a) Mega Millions®. The Multi-State Lottery Association ("MUSL") has entered into an
10 Agreement ("Cross-Sell Agreement") with those U.S. lotteries operating under an agreement to
11 sell a draw game known as Mega Millions ("Mega Millions Lotteries") to permit the MUSL Party
12 Lotteries who are members of the MUSL Mega Millions Product Group ("Product Group"),
13 including the Texas Lottery Commission (commission), to sell the Mega Millions lottery game.
14 The purpose of the Mega Millions game is the generation of revenue for Mega Millions Lotteries
15 and Product Group members participating under the Cross-Sell Agreement, through the operation
16 of a specially designed multi-jurisdiction lottery game that will award prizes to ticket holders
17 matching specified combinations of numbers randomly selected in regularly scheduled drawings.
18 The Mega Millions game is authorized to be conducted by the commission executive director
19 (executive director) under the conditions of the Cross-Sell Agreement, MUSL rules, the laws of
20 the State of Texas, this section, and under such further instructions, directives, and procedures as
21 the executive director may issue in furtherance thereof. In this regard, the executive director is
22 authorized to issue such further instructions and directives as may be necessary to conform the
23 conduct and play of the Mega Millions game to the requirements of the MUSL rules and the Cross-

Sell Agreement, if, in the opinion of the executive director, such instructions, directives, and procedures are in conformance with state law. To be clear, the authority to participate in the Mega Millions game is provided to the commission by MUSL through the Cross-Sell Agreement. The conduct and play of the Mega Millions game must conform to the Product Group's Mega Millions game rules ("MUSL MM Rules"). Further, if a conflict arises between this section and §401.304 of this chapter (relating to Draw Game Rules (General)) , this section shall have precedence. In addition to other applicable rules contained in Chapter 401, this section and definitions herein apply unless the context requires a different meaning or is otherwise inconsistent with the intent of the MUSL MM Rules adopted by the Product Group.

(b) Definitions. In addition to the definitions provided in §401.301 of this subchapter (relating to General Definitions), and unless the context in this section otherwise requires, the following definitions apply.

(1) "Agent" or "retailer" means a person or entity authorized by the commission to sell lottery Plays.

(2) "Drawing" refers collectively to the formal draw event for randomly selecting the winning numbers that determine the number of winning Plays for each prize level of the Mega Millions game and Megaplier® Promotion.

(3) "Game ticket" or "ticket" means an acceptable evidence of Play, which is a ticket produced in a manner that meets the specifications defined in the MUSL rules or the rules of each Selling Lottery, and is a physical representation of the Play or Plays sold to the player as described in subsection (g) of this section (Ticket Validation).

(4) "Just the Jackpot® Play" ("JJ Play") shall refer to a wager purchased which includes two (2) Plays as part of the Just the Jackpot Promotion as described in subsection (l) of this section.

1 (5) "Megaplier Plays" shall refer to Plays purchased as part of the Megaplier Promotion
2 described in subsection (k) of this section.

3 (6) "Mega Millions Lotteries" refers to those lotteries that have joined under the Mega
4 Millions Lottery Agreement and that have entered into the Cross-Sell Agreement with MUSL for
5 the selling of the Mega Millions game by the Product Group. "Mega Millions Finance Committee"
6 refers to a Committee of the Mega Millions Lotteries that determines the Grand Prize amount (cash
7 value option and annuity).

8 (7) "Mega Millions Plays" ("MM Plays") shall refer to Plays purchased as part of the Mega
9 Millions game, but shall not include JJ Plays or Megaplier Plays.

10 (8) "MUSL" means the Multi-State Lottery Association, a government-benefit association
11 wholly owned and operated by the MUSL Party Lotteries.

12 (9) "MUSL Board" means the governing body of the MUSL, which is comprised of the
13 chief executive officer of each Party Lottery.

14 (10) "Party Lottery" means a state lottery or lottery of a political subdivision or entity that
15 has joined MUSL and, in the context of the Product Group rules, has joined in selling the games
16 offered by the Product Group. "Selling Lottery" or "Participating Lottery" shall mean a state lottery
17 or lottery of a political subdivision or entity that is participating in selling the Mega Millions game
18 and that may be a member of either the Product Group or the Mega Million Lotteries.

19 (11) "Play" means a set of six (6) numbers, the first five (5) from a field of seventy (70)
20 numbers and the last one (1) from a field of twenty-five (25) numbers, that appear on a ticket and
21 are to be played by a player in the game. As used in this section, unless otherwise indicated, "Play"
22 includes both Mega Millions Plays ("MM Plays") and Just the Jackpot Plays ("JJ Play").
23 "Megaplier Plays" are separately described in subsection (k) of this section.

1 (12) "Prize" means an amount paid to a person or entity holding a winning ticket. The terms
2 "Grand Prize" or "Jackpot" may be used interchangeably and shall refer to the top prize in the
3 Mega Millions game. "Advertised Grand Prize" or "Advertised Jackpot" shall mean the estimated
4 annuitized Grand Prize amount as determined by the Mega Millions Finance Committee and
5 communicated through the Selling Lotteries prior to the next Mega Millions Drawing. The
6 Advertised Grand Prize is not a guaranteed prize amount and the actual Grand Prize amount may
7 vary from the advertised amount, except in circumstances where there is a guaranteed Grand Prize
8 amount as described in subsection (f)(1) of this section.

9 (13) "Product Group" means the MUSL Party Lotteries who are members of the MUSL
10 Mega Millions Product Group and who offer the Mega Millions game product pursuant to the
11 terms of the Cross-Sell Agreement between MUSL and the Mega Millions Lotteries, and in
12 accordance with the Multi-State Lottery Agreement and the MUSL MM Rules.

13 (14) "Set Prize" or "low-tier prize" means all other prizes, except the Grand Prize and,
14 except in instances outlined in this section, or the MUSL MM Rules, will be equal to the prize
15 amount established by the MUSL Board for the prize level.

16 (15) "Terminal" means a device authorized by the commission for the purpose of issuing
17 Mega Millions game tickets and as defined in §401.301 (General Definitions) of this chapter.

18 (16) "Winning Numbers" means the indicia or numbers randomly selected during a
19 Drawing event which shall be used to determine the winning Plays for the Mega Millions game
20 contained on a game ticket.

21 (c) Game Description. Mega Millions is a five (5) out of seventy (70) plus one (1) out of twenty-
22 five (25) lottery game drawn on the day(s), time(s) and location(s) as determined by the Mega
23 Millions Lotteries, and which pays the Grand Prize, at the election of the player made in

1 accordance with this section, or by a default election made in accordance with this section, either
2 on a graduated annuitized annual pari-mutuel basis or as a cash value option using a rate
3 determined by the Mega Millions Finance Committee on a pari-mutuel basis. Except as provided
4 in this section, all other prizes are paid on a single payment basis. During the Drawing event, five
5 (5) numbers shall be drawn from the first set of seventy (70) numbers, and one (1) number shall
6 be drawn from the second set of twenty-five (25) numbers, which shall constitute the Winning
7 Numbers.

8 (1) Mega Millions Play. To play Mega Millions, a player shall select (or request a Quick
9 Pick) five (5) different numbers, from one (1) through seventy (70) and one (1) additional number
10 from one (1) through twenty-five (25). The additional number may be the same as one of the first
11 five numbers selected by the player. MM Plays can be purchased for two dollars (U.S. \$2.00),
12 including any specific statutorily-mandated tax of a Party Lottery to be included in the price of a
13 lottery Play. Plays may be purchased from a Party Lottery approved sales outlet in a manner as
14 approved by the Party Lottery and in accordance MUSL rules.

15 (2) Claims. A ticket shall be the only proof of a game Play or Plays and is subject to the
16 validation requirements set forth in subsection (g) of this section. The submission of a winning
17 ticket to the commission or its authorized agent shall be the sole method of claiming a prize or
18 prizes. A playslip has no pecuniary or prize value and shall not constitute evidence of Play
19 purchase or of numbers selected. A terminal-produced paper receipt has no pecuniary or prize
20 value and shall not constitute evidence of Play purchase or of numbers selected.

21 (3) Cancellations Prohibited. In all instances, a Play recorded on the Lottery gaming system
22 may not be voided or cancelled by returning the ticket to the selling agent or to the commission,
23 including tickets that are misprinted, illegible, printed in error, or for any reason not successfully

1 transferred to an authorized selling entity or player. A Selling Lottery may develop an approved
2 method of compensating retailers for Plays that are not transferred to a player for a reason
3 acceptable to the Selling Lottery and not prohibited by the Mega Millions Product Group. No Play
4 that is eligible for a prize can be returned to the commission for credit. Plays accepted by retailers
5 as returned Plays and which cannot be re-sold shall be deemed owned by the bearer thereof.

6 (4) Maximum Purchase. The maximum number of consecutive drawings on a single Play
7 purchase is ten (10).

8 (5) Subscription sales. A subscription sales program may be offered, at the discretion of
9 the executive director.

10 (d) Mega Millions Prize Pool. The prize pool for all prize categories offered by the Party Lotteries
11 shall consist of up to fifty-five percent (55%) of each Drawing period's sales, inclusive of any
12 specific statutorily-mandated tax of a Party Lottery to be included in the price of a MM Play, and
13 inclusive of contributions to the prize pool accounts and prize reserve accounts, but may be higher
14 or lower based upon the number of winning Plays at each prize level, as well as the funding
15 required to meet a guaranteed Annuity Grand Prize as may be required by subsection (f)(1) of this
16 section.

17 (1) Mega Millions Prize Pool Accounts and Prize Reserve Accounts. The Product Group
18 shall set the contribution rates to the Prize Pool and Prize Reserve Accounts established by this
19 section.

20 (A) The following Prize Reserve Account for the Mega Millions game is hereby
21 established: the Prize Reserve Account (PRA) which is used to guarantee the payment of valid,
22 but unanticipated, Grand Prize claims that may result from a system error or other reason, to fund

1 deficiencies in the Set-Aside Pool, and to fund pari-mutuel prize deficiencies as defined and
2 limited in subsections (d)(3)(A) and (k)(9)(B)(i) of this section.

3 (B) The following Prize Pool Accounts for the Mega Millions game are hereby
4 established:

5 (i) The Grand Prize Pool (GPP), which is used to fund the current Grand
6 Prize;

7 (ii) The Set Prize Pool (SPP), which is used to fund the Set Prizes. The
8 SPP shall hold the temporary balances that may result from having fewer than expected winners
9 in the Set Prize (aka low-tier prize) categories. The source of the SPP is the Party Lottery's weekly
10 prize contributions less actual Set Prize liability; and

11 (iii) The Set-Aside Pool (SAP), which is used to fund the payment of the
12 awarded minimum starting Annuity Grand Prizes and the minimum Annuity Grand Prize increase,
13 if necessary (subject to the limitations in this section or the MUSL MM Rules), as may be set by
14 the Product Group. The source of the SAP funding shall accumulate from the difference between
15 the amount in the Grand Prize Pool at the time of a Grand Prize win and the amount needed to
16 fund Grand Prize payments as determined by the Mega Millions Lotteries.

17 (C) The above Prize Reserve Account shall have maximum balance amounts or
18 balance limiter triggers that are set by the Product Group and are detailed in the Comments to
19 MUSL MM Rule 28. The maximum balance amounts and balance limit triggers are subject to
20 review by the MUSL Board Finance and Audit Committee. The Finance and Audit Committee
21 shall have two weeks to state objections, if any, to the approved maximum balance amounts or
22 balance limiter triggers. Approved maximum balance amounts or balance limiter triggers shall
23 become effective no sooner than two weeks after notice is given to the Finance and Audit

Committee and no objection is stated or sooner if the Committee affirmatively approves the maximum balance amounts or balance limiter triggers. The Product Group may appeal the Committee's objections to the full Board. Group approved changes in the maximum balance amounts or balance limiter triggers set by the Product Group shall be effective only after the next Grand Prize win.

(D) The contribution rate to the GPP from MM Plays shall be 37.6509% of sales. An amount up to five percent (5%) of a Party Lottery's sales, including any specific statutorily mandated tax of a Party Lottery to be included in the price of a lottery play, shall be added to a Party Lottery's Mega Millions Prize Pool contribution and placed in trust in one or more prize pool and prize reserve accounts held by the Product Group at any time that the Party Lottery's share of the PRA is below the amounts designated by the Product Group. Details shall be noted in the Comments to MUSL MM Rule 28.

(E) The Product Group may determine to expend all or a portion of the funds in the prize pools (except the GPP) and the prize reserve accounts:

(i) for the purpose of indemnifying the Party Lotteries in the payment of prizes to be made by the Selling Lotteries; and

(ii) for the payment of prizes or special prizes in the game, limited to prize pool and prize reserve contributions from lotteries participating in the special prize promotion, subject to the approval of the Board's Finance & Audit Committee or that Committee's failure to object after given two weeks' notice of the planned action, which actions may be appealed to the full Board by the Product Group.

(F) The prize reserve shares of a Party Lottery may be adjusted with refunds to the Party Lottery from the prize reserve account(s) as may be needed to maintain the approved maximum balance and sales percentage shares of the Party Lotteries.

(G) A Party Lottery may contribute to its sales percentage share of prize reserve accounts over time, but in the event of a draw down from a reserve account, a Party Lottery is responsible for its full sales percentage share of the prize reserve account, whether or not it has been paid in full.

(H) Any amount remaining in the Mega Millions prize pool accounts or prize reserve accounts when the Product Group declares the end of the game shall be returned to the lotteries participating in the prize pool and prize reserve accounts after the end of all claim periods of all Selling Lotteries, carried forward to a replacement game, or otherwise expended in a manner at the election of the individual Members of the Product Group in accordance with jurisdiction statute.

(2) Expected Prize Payout Percentages. The Grand Prize payout shall be determined on a pari-mutuel basis. Except as otherwise provided in this section, all other prizes awarded shall be paid as single payment prizes. All prize payouts are made with the following expected prize payout percentages, which does not include an additional amount held in prize reserves, although the prize payout percentages per draw may vary:

Figure: 16 TAC §401.315(d)(2)

Number of Matches Per MM Play	Prize Payment	MM Prize Pool Percentage Allocated to Prize
All five (5) of first set plus one (1) of second set.	Grand Prize	75.3018%*
All five (5) of first set and none of second set.	\$1,000,000	7.9319%
Any four (4) of first set plus one (1) of second set.	\$10,000	1.0742%

Any four (4) of first set and none of second set.	\$500.00	1.2889%
Any three (3) of first set plus one (1) of second set.	\$200.00	1.3749%
Any three (3) of first set and none of second set.	\$10.00	1.6498%
Any two (2) of first set plus one (1) of second set.	\$10.00	1.4436%
Any one (1) of first set plus one (1) of second set.	\$4.00	4.4752%
None of first set plus one (1) of second set.	\$2.00	5.4597%
<i>*MM Prize Pool percentage allocated to the Grand Prize shall be combined with JJ Prize Pool percentage allocated to the Grand Prize.</i>		

(A) The Grand Prize amount shall be divided equally by the number of MM Plays and JJ Plays winning the Grand Prize.

(B) The SPP (for payment of single payment prizes of one million dollars (\$1,000,000.00) or less) shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the set prizes awarded in the current draw.

(3) Pari-mutuel Prize Determinations. Except as otherwise provided for in subparagraph (C) of this paragraph below:

(A) If the total of the Mega Millions Set Prizes (as multiplied by the respective Megaplier multiplier, if applicable) awarded in a drawing exceeds the percentage of the prize pool allocated to the Mega Millions Set Prizes, then the amount needed to fund the Mega Millions Set Prizes, including Megaplier prizes, awarded shall be drawn from the following sources, in the following order:

- (i) the amount available in the SPP and the Megaplier Prize Pool, if any;
- (ii) an amount from the PRA, if available, not to exceed forty million dollars (\$40,000,000.00) per drawing.

1 (B) If, after these sources are depleted, there are not sufficient funds to pay the Set
2 Prizes, including Megaplier prizes, then the highest Set Prize shall become a pari-mutuel prize. If
3 the amount of the highest Set Prize, including Megaplier prizes, when paid on a pari-mutuel basis,
4 drops to or below the next highest Set Prize and there are still not sufficient funds to pay the
5 remaining Set Prizes awarded, then the next highest Set Prize shall become a pari-mutuel prize.
6 This procedure shall continue down through all Set Prize levels, if necessary, until all Set Prize
7 levels become pari-mutuel prize levels. In that instance, the money available from the funding
8 sources listed in this section shall be divided among the winning MM Plays in proportion to their
9 respective prize percentages. Mega Millions and Megaplier prizes will be reduced by the same
10 percentage.

11 (C) By agreement with the Mega Millions Lotteries, the Mega Millions Lotteries
12 shall independently calculate their set pari-mutuel prize amounts. The Party Lotteries and the Mega
13 Millions Lotteries shall then agree to set the pari-mutuel prize amount for all lotteries selling the
14 game at the lesser of the independently-calculated prize amounts.

15 (4) Except as may be required by subsection (f)(1) of this section, the official advertised
16 Grand Prize annuity amount is subject to change based on sales forecasts and/or actual sales.

17 (5) Subject to the laws and rules governing each Party Lottery, the number of prize
18 categories and the allocation of the prize fund among the prize categories may be changed at the
19 discretion of the Mega Millions Lotteries, for promotional purposes. Such change shall be
20 announced by Mega Millions Lotteries.

21 (e) Probability of Winning Mega Millions Prizes. The following table sets forth the probability of
22 winning and the probable distribution of winning Plays in and among each prize category for MM
23 Plays, based upon the total number of possible combinations in Mega Millions.

1 Figure: 16 TAC §401.315(e)

Number of Matches Per MM Play	Probability Distribution		Probable/Set Prize Amount
	Winners	Probability	
All five (5) of first set plus one (1) of second set	1	1:302,575,350	Grand Prize
All five (5) of first set and none of second set	24	1:12,607,306	\$1,000,000.00
Any four (4) of first set plus one (1) of second set	325	1:931,001	\$10,000.00
Any four (4) of first set and none of second set	7,800	1:38,792	\$500.00
Any three (3) of first set plus one (1) of second set	20,800	1:14,547	\$200.00
Any three (3) of first set and none of second set	499,200	1:606	\$10.00
Any two (2) of the first set plus one (1) of second set	436,800	1:693	\$10.00
Any one (1) of the first set plus one (1) of the second set	3,385,200	1:89	\$4.00
None of the first set plus one (1) of second set	8,259,888	1:37	\$2.00
Overall	12,610,038	1:24.0	

2

3 (f) Mega Millions Prize Payment.

4 (1) Mega Millions Grand Prize. The prize money allocated from the current Mega Millions
5 prize pool for the Grand Prize, plus any previous portions of prize money allocated to the Grand
6 Prize category in which no matching MM Plays or JJ Plays were sold will be divided equally
7 among all Grand Prize winning MM Plays and JJ Plays in all Participating Lotteries. The Annuity
8 Grand Prize amount will be paid in thirty (30) graduated annual installments. Grand Prizes won
9 shall be funded by the Selling Lotteries in accordance with the formula set by the Mega Millions
10 Lotteries. The Mega Millions Lotteries may set a minimum guaranteed annuitized Grand Prize
11 amount that shall be advertised by the Selling Lotteries as the starting guaranteed annuitized Grand

Prize amount. At the time of ticket purchase, a player must select a payment option of either a single cash value payment or annuitized payments of a share of the Grand Prize if the Play is a winning Play. A player's selection of the payment option at the time of purchase from the commission is final and cannot be revoked, withdrawn, or otherwise changed. If no selection is made, payment option will be as described in the chart below:

Figure: 16 TAC §401.315(f)(1)

Terminal Type	Manual Entry	Playslip with No Payment Option Selected
GT1200 (Retailer Terminal)	Default to CVO; retailer toggles to choose Annuity	Playslip Rejected with message "Playslip Rejected. Select Payment Option."
GT1200C (Retailer Terminal)	Default to CVO; retailer toggles to choose Annuity.	Playslip Rejected with message "Playslip Rejected. Select Payment Option."
Gemini (Self-service Lottery Ticket Vending Machine)	CVO only – designated on draw game Quick Pick buttons.	Playslip Rejected with message "Playslip Rejected. Select Payment Option."
GT20 (Self-service Lottery Ticket Vending Machine)	CVO only – designated on draw game Quick Pick buttons.	N/A
Third-party POS systems	CVO only – Quick Pick selections through authorized third-party POS systems.	N/A

(2) Mega Millions Prize Rollover. If in any Mega Millions Drawing there are no MM Plays or JJ Plays that qualify for the Grand Prize category, the portion of the prize fund allocated to such Grand Prize category shall remain in the Grand Prize category and be added to the amount allocated for the Grand Prize category in the next consecutive Mega Millions Drawing.

1 (3) A player(s) who elects a cash value option payment shall be paid his/her share(s) in a
2 single cash payment upon completion of validation procedures determined by the commission.
3 The cash value option amount shall be determined by the Mega Millions Lotteries.

4 (4) All annuitized prizes shall be paid annually in thirty (30) graduated annual installments
5 upon completion of validation procedure determined by the commission. The initial payment shall
6 be paid upon completion of the validation procedures and the subsequent twenty-nine (29)
7 payments shall be paid annually to coincide with the winning draw date, and shall escalate by a
8 factor of 5% annually. Prize payments may be rounded down to the nearest one thousand dollars
9 (\$1,000) increment. The annuitized option prize shall be determined by multiplying the winning
10 Play's share of the Grand Prize Pool by the annuity factor established in accordance with Texas
11 law and the rules of the Texas Comptroller of Public Accounts.

12 (5) If individual shares of the Grand Prize Pool funds held to fund an annuity is less than
13 \$250,000.00, the Product Group, in its sole discretion, may elect to pay the winners their share of
14 the cash held in the Grand Prize Pool.

15 (6) Funds for the initial payment of an annuitized prize or the lump sum cash value option
16 payment shall be made available by MUSL for payment by the Party Lottery on a schedule
17 approved by the Product Group. If necessary, when the due date for the payment of a prize occurs
18 before the receipt of funds in the prize pool trust sufficient to pay the prize, the transfer of funds
19 for the payment of the full cash value option payment amount may be delayed pending receipt of
20 funds from the Party Lotteries or other lotteries participating in the Mega Millions game. A Party
21 Lottery may elect to make the initial payment from its own funds after validation, with notice to
22 MUSL.

1 (7) Payment of Prize Payments upon the Death of a Prize Winner. In the event of the death
2 of a prize winner, payments may be made in accordance with §401.310 of this chapter (relating to
3 Payment of Prize Payments Upon Death of Prize Winner), otherwise, payment of prize payments
4 will be made to the estate of a deceased prize winner in accordance with Texas Government Code
5 §466.406.

6 (8) Prize Payments. All prizes shall be paid through the Selling Lottery that sold the
7 winning Play(s). All low-tier cash prizes (all prizes except the Grand Prize) shall be paid in cash
8 or warrants in accordance with Texas statutes and these rules. A Selling Lottery may begin paying
9 low-tier cash prizes after receiving authorization to pay from the MUSL central office.

10 (9) Prizes Rounded. Annuitized payments of the Grand Prize or a share of the Grand Prize
11 may be rounded to facilitate the purchase of an appropriate funding mechanism. Breakage on an
12 annuitized Grand Prize win shall be added to the first payment to the winner or winners. Prizes
13 other than the Grand Prize, which, under this section, may become single-payment, pari-mutuel
14 prizes, may be rounded down so that prizes can be paid in multiples of whole dollars. Breakage
15 resulting from rounding these prizes shall be carried forward to the prize pool for the next Drawing.

16 (10) Limited to Highest Prize Won. The holder of a winning MM Play may win only one
17 (1) prize per Play in connection with the Winning Numbers drawn, and shall be entitled only to
18 the prize won by those numbers in the highest matching prize category. A JJ Play is not eligible to
19 win non-Grand Prize category prizes. All liabilities for a Mega Millions prize are discharged upon
20 payment of a prize claim.

21 (11) Claim Period. Prizes must be claimed no later than 180 days after the draw date, or in
22 accordance with Texas Government Code §466.408(e).

23 (g) Ticket Validation.

1 (1) To be a valid Play and eligible to receive a prize, a Play's ticket shall satisfy all the
2 requirements established by the commission for validation of winning Plays sold through the
3 computer gaming system, as well as any other validation requirements adopted by the Product
4 Group, the MUSL Board and published as the Confidential MUSL Minimum Game Security
5 Standards. The MUSL and the Party Lotteries shall not be responsible for Plays or tickets that are
6 altered in any manner.

7 (2) Under no circumstances will a claim for any prize be paid without an official Mega
8 Millions ticket issued as authorized by the commission and matching all game Play, serial number
9 and other validation data residing in the commission's computer gaming system and such ticket
10 shall be the only valid proof of the wager placed and the only valid receipt for claiming or
11 redeeming such prize.

12 (3) In addition to the above, in order to be deemed a valid, winning Mega Millions Play,
13 all of the following conditions must be met:

14 (A) The validation data must be present in its entirety and must correspond, using
15 the computer validation file, to the number selections printed on the ticket for the applicable
16 drawing date(s);

17 (B) The ticket must be intact;

18 (C) The ticket must not be mutilated, altered, reconstituted, or tampered with in any
19 manner;

20 (D) The ticket must not be counterfeit or an exact duplicate of another winning
21 ticket;

22 (E) The ticket must have been issued by an authorized sales agent on official Texas
23 Lottery paper stock or, for third-party point-of-sale systems approved by the commission, printed

1 on paper stock or otherwise issued in a manner approved by the commission to provide tangible
2 evidence of participation in a lottery game;

3 (F) The ticket must not have been stolen, to the knowledge of the commission;

4 (G) The ticket must be submitted for payment in accordance with the prize claim
5 procedures of the commission as set out in §401.304 of this subchapter and any internal procedures
6 used by the commission;

7 (H) The Play data on the ticket must have been recorded on the computer gaming
8 system prior to the drawing and the Play data must match this computer record in every respect.
9 In the event of a contradiction between information as printed on the ticket and as accepted by the
10 commission's computer gaming system, the wager accepted by the commission's computer gaming
11 system shall be the valid wager;

12 (I) The player or Quick Pick number selections, validation data and the drawing
13 date(s) of an apparent winning Play must appear in the official file of winning Plays, and a Play
14 with that exact data must not have been previously paid;

15 (J) The Play must not be misregistered, and the Play's ticket must not be defectively
16 printed or printed or produced in error to an extent that it cannot be processed by the commission;

17 (K) The ticket must pass confidential validation tests in accordance with the MUSL
18 MM Rules. In addition, the ticket must pass all other confidential security checks of the
19 commission;

20 (L) In submitting a ticket for validation, the claimant agrees to abide by applicable
21 laws, all rules and regulations, instructions, conditions and final decisions of the executive director
22 of the commission;

1 (M) There must not be any other breach of the MUSL MM Rules, or this
2 subchapter, in relation to the Play, which, in the sole and final opinion of the executive director of
3 the commission, justifies invalidation; and

4 (N) The Ticket must be submitted to the commission, or the Selling Lottery that
5 issued it.

6 (4) A Play submitted for validation that fails any of the preceding validation conditions
7 shall be considered void, subject to the following determinations:

8 (A) In all cases of doubt, the determination of the commission shall be final and
9 binding; however, the commission may, at its option, replace an invalid Play with a Mega Millions
10 Play of equivalent sales price;

11 (B) In the event a defective ticket is purchased or in the event the commission
12 determines to adjust an error, the claimant's sole and exclusive remedy shall be the replacement of
13 such defective or erroneous ticket(s) with a Mega Millions Play of equivalent sales price; and

14 (C) In the event a Mega Millions Play is not paid by the commission and a dispute
15 occurs as to whether the Play is a winning Play, the commission may, at its option, replace the
16 Play as provided in subparagraph (A) of this paragraph. This shall be the sole and exclusive remedy
17 of the claimant.

18 (h) Ticket Responsibility.

19 (1) Prize Claims. Prize claim procedures shall be governed by the rules of the commission.
20 The MUSL and the Selling Lotteries shall not be responsible for prizes that are not claimed
21 following the proper procedures as determined by the commission.

22 (2) Stolen Plays. The Product Group, the MUSL, the Party Lotteries and the commission
23 shall not be responsible for lost or stolen Plays.

1 (3) The Party Lotteries shall not be responsible to a prize claimant for Mega Millions Plays
2 redeemed in error by a Texas Lottery sales agent.

3 (4) Winning Plays are determined by the numbers drawn and certified by the independent
4 auditor responsible for auditing the Mega Millions draw. MUSL, the Party Lotteries and the
5 commission are not responsible for Mega Millions winning numbers reported in error.

6 (i) Ineligible Players.

7 (1) A Play, or share of a Play, for a MUSL game issued by the MUSL or any of its Party
8 Lotteries shall not be purchased by, and a prize won by any such Play, or share of a Play, shall not
9 be paid to:

10 (A) a MUSL employee, officer, or director;

11 (B) a contractor or consultant under agreement with the MUSL to review the MUSL
12 audit and security procedures;

13 (C) an employee of an independent accounting firm under contract with MUSL to
14 observe drawings or site operations and actually assigned to the MUSL account and all partners,
15 shareholders, or owners in the local office of the firm; or

16 (D) an immediate family member (parent, stepparent, child, stepchild, spouse, or
17 sibling) of an individual described in subsections (a), (b), and (c) of this section and residing in the
18 same household.

19 (2) Those persons designated by the State Lottery Act, Texas Government Code, Chapter
20 466, as ineligible to play its games shall also be ineligible to play any MUSL lottery game sold in
21 the state of Texas.

22 (3) A Play, or share of a Play, of the Mega Millions game may not be purchased in any
23 lottery jurisdiction by any Party Lottery board member; commissioner; officer; employee; or

1 spouse, child brother, sister or parent residing as a member of the same household in the principle
2 place of residence of any such person. Prizes shall not be paid to any persons prohibited from
3 playing Mega Millions in a particular jurisdiction by rules, governing law, or any contract executed
4 by the Selling Lottery.

5 (j) Applicable Law.

6 (1) In purchasing a Play, or attempting to claim a prize, purchasers and prize claimants
7 agree to comply with and abide by all applicable laws, rules, regulations, procedures, and decisions
8 of the commission and by directives and determinations of the commission's executive director.
9 Additionally, the player shall be bound to all applicable provisions in the MUSL MM Rules.

10 (2) A prize claimant agrees, as its sole and exclusive remedy, that claims arising out of a
11 Play can only be pursued against the Party Lottery which issued the Play. Litigation, if any, shall
12 only be maintained within the jurisdiction in which the Play was purchased and only against the
13 Party Lottery that issued the Play. No claim shall be made against any other Party Lottery or against
14 the MUSL.

15 (3) Nothing in this section or the MUSL MM Rules shall be construed as a waiver of any
16 defense or claim the commission, which issued the Play, any other Party Lottery, or MUSL may
17 have in any litigation, including in the event a player or prize claimant pursues litigation against a
18 Party Lottery or MUSL, or their respective officers, directors or employees.

19 (4) All decisions made by the commission, including the declaration of prizes and the
20 payment thereof and the interpretation of MUSL MM Rules, shall be final and binding on all Play
21 purchasers and on every person making a prize claim in respect thereof, but only in the jurisdiction
22 where the Play was issued.

1 (5) Unless the laws, rules, regulations, procedures, and decisions of the commission, which
2 issued the Play, provide otherwise, no prize shall be paid upon a Play purchased, claimed or sold
3 in violation of this section, the MUSL MM Rules, or the laws, rules, regulations, procedures, and
4 decisions of the commission; any such prize claimed but unpaid shall constitute an unclaimed prize
5 under this section and the laws, rules, regulations, procedures, and decisions of the commission.

6 (k) Mega Millions Megaplier Promotion.

7 (1) Promotion Description. The Mega Millions Megaplier Promotion is a limited extension
8 of the Mega Millions game and is conducted in accordance with the MUSL MM Rules and other
9 lottery rules applicable to the Mega Millions game except as may be amended herein. The
10 Promotion will begin at a time announced by the commission and will continue until discontinued
11 by the commission. The Promotion will offer to the owners of a qualifying Megaplier Play a chance
12 to multiply or increase the amount of any of the Set Prizes (the prizes normally paying two dollars
13 (\$2.00) to one million dollars (\$1,000,000.00) won in a Drawing held during the Promotion. The
14 Grand Prize is not a Set Prize and will not be multiplied or increased by means of the Megaplier
15 Promotion or the Just the Jackpot Promotion.

16 (2) Qualifying Megaplier Play. A qualifying Megaplier Play is any single Mega Millions
17 Play for which the player pays an extra one dollar (\$1.00) for the Megaplier option and that is
18 recorded at on the commission's computer gaming system as a qualifying Megaplier Play. Just the
19 Jackpot Plays do not qualify to purchase a Megaplier Play.

20 (3) Prizes To Be Multiplied Or Increased. A qualifying Megaplier Play that wins one of
21 the Set Prizes will be multiplied by the number selected, either two, three, four, or five (2, 3, 4, or
22 5), in a separate random Megaplier Drawing announced in a manner approved by the Product
23 Group.

1 (4) Megaplier Draws. MUSL will either itself conduct, or authorize a U.S. Lottery to
2 conduct on its behalf, a separate random "Megaplier" Drawing. Before each Mega Millions
3 Drawing a single number (2, 3, 4 or 5) shall be drawn. The Product Group may change one or
4 more of the multiplier features for special promotions from time to time. In the event the Megaplier
5 Drawing does not occur prior to the Mega Millions Drawing, the multiplier number will be a 5
6 (five), which shall solely be determined by the lottery authorized to conduct the "Megaplier"
7 Drawing.

8 (5) Megaplier Prize Pool.

9 (A) The Megaplier Prize Pool (MPP) is hereby created, and shall be used to fund
10 Megaplier prizes. The MPP shall hold the temporary balances that may result from having fewer
11 than expected winning Megaplier Plays. The source of the MPP is the Party Lottery's weekly prize
12 contributions less actual Megaplier Prize liability.

13 (B) Up to fifty-five percent (55%) of each Drawing period's sales, as determined
14 by the Product Group, including any specific statutorily-mandated tax of a Party Lottery to be
15 included in the price of a lottery ticket, shall be collected for the payment of Megaplier prizes.

16 (C) Prize payout percentages per draw may vary. The MPP shall be carried forward
17 to subsequent draws if all or a portion of it is not needed to pay the Megaplier prizes awarded in
18 the current draw and held in the MPP.

19 (6) End of Game. Any amount remaining in the MPP when the Product Group declares the
20 end of this game shall be returned to the lotteries participating in the account after the end of all
21 claim periods of all Selling Lotteries, carried forward to a replacement game or otherwise
22 expended in a manner at the election of the individual Members of the Product Group in
23 accordance with jurisdiction law.

(7) Expected Prize Payout. Except as provided in this section, all prizes awarded shall be paid as single payment Set Prizes. Instead of the Mega Millions Set Prize amounts, qualifying Megaplier Plays will pay the amounts shown below when matched with the Megaplier number drawn. In certain rare instances, the Mega Millions Set Prize amount may be less than the amount shown. In such case, the Megaplier prizes will be a multiple of the changed Mega Millions prize amount announced after the draw. For example, if the Match 4+1 Mega Millions set prize amount of ten thousand dollars (\$10,000.00) becomes two thousand dollars (\$2,000.00) under the rules of the Mega Millions game, then a Megaplier player winning that prize amount with a 4X multiplier would win eight thousand dollars (\$8,000): two thousand dollars multiplied by four (\$2,000.00 x 4).

Figure: 16 TAC §401.315(k)(7)

Prize Levels	With Megaplier Purchase and Multiplier:				
	Standard	2x	3X	4X	5X
Match 5+0	\$1,000,000.00	\$2,000,000.00	\$3,000,000.00	\$4,000,000.00	\$5,000,000.00
Match 4+1	\$10,000.00	\$20,000.00	\$30,000.00	\$40,000.00	\$50,000.00
Match 4+0	\$500.00	\$1,000.00	\$1,500.00	\$2,000.00	\$2,500.00
Match 3+1	\$200.00	\$400.00	\$600.00	\$800.00	\$1,000.00
Match 3+0	\$10.00	\$20.00	\$30.00	\$40.00	\$50.00
Match 2+1	\$10.00	\$20.00	\$30.00	\$40.00	\$50.00
Match 1+1	\$4.00	\$8.00	\$12.00	\$16.00	\$20.00
Match 0+1	\$2.00	\$4.00	\$6.00	\$8.00	\$10.00
Multiplier numbers do not apply to the Mega Millions Grand Prize or Just the Jackpot Plays.					

(8) Probability of Winning. The following table sets forth the probability of the various Megaplier numbers being drawn during a single Mega Millions Drawing. The Product Group may elect to run limited promotions that may modify the multiplier features.

Figure: 16 TAC §401.315(k)(8)

Megaplier	Probability of Prize Increase
5X - Prize Won Times 5	1 in 15
4X - Prize Won Times 4	3 in 15
3X - Prize Won Times 3	6 in 15
2X - Prize Won Times 2	5 in 15
Multiplier numbers do not apply to the Mega Millions Grand Prize or Just the Jackpot Plays.	

(9) Limitation on Payment of Megaplier Prizes.

(A) Prize Pool Carried Forward. The prize pool percentage allocated to the Megaplier Set Prizes shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the Set Prizes awarded in the current draw or may be held in a prize reserve account.

(B) Pari-Mutuel Prizes--All Prize Amounts. Except as otherwise provided for in subparagraph (C) of this paragraph below:

(i) If the total of the original Mega Millions Set Prizes and the Megaplier prize amounts awarded in a drawing exceeds the percentage of the prize pools allocated to the set prizes, then the amount needed to fund the Set Prizes (including the Megaplier prize amounts) awarded shall be drawn from the following sources, in the following order:

(I) the amount available in the SPP and the MPP, if any;

(II) an amount from the PRA, if available in the account, not to exceed forty million dollars (\$40,000,000.00) per drawing.

(ii) If, after these sources are depleted, there are not sufficient funds to pay the Set Prizes awarded (including Megaplier prize amounts), then the highest Set Prize (including the Megaplier prize amounts) shall become a pari-mutuel prize. If the amount of the highest Set Prize, when paid on a pari-mutuel basis, drops to or below the next highest Set Prize and there are still not sufficient funds to pay the remaining Set Prizes awarded, then the next highest Set Prize (including the Megaplier prize amount) shall become a pari-mutuel prize.

1 This procedure shall continue down through all Set Prizes levels, if necessary, until all Set Prize
2 levels become pari-mutuel prize levels. In that instance, the money available from the funding
3 sources listed in this section shall be divided among the winning MM Plays in proportion to their
4 respective prize percentages. Mega Millions and Megaplier prizes will be reduced by the same
5 percentage.

6 (C) By agreement with the Mega Millions Lotteries, the Mega Millions Lotteries
7 shall independently calculate their set pari-mutuel prize amounts, including the Megaplier prize
8 amounts. The Party Lotteries and the Mega Millions Lotteries shall then agree to set the pari-
9 mutuel prize amounts for all lotteries selling the game at the lesser of the independently-calculated
10 prize amounts.

11 (10) Prize Payment. All Megaplier prizes shall be paid in one single payment through the
12 Party Lottery that sold the winning Megaplier Play(s). A Party Lottery may begin paying
13 Megaplier prizes after receiving authorization to pay from the MUSL central office. Prizes that,
14 under this section, may become pari-mutuel prizes, may be rounded down so that prizes can be
15 paid in whole dollars. Breakage resulting from rounding these prizes shall be carried forward to
16 the MPP for the next drawing.

17 (I) Just the Jackpot Promotion.

18 (1) Promotion Description. The Mega Millions Just the Jackpot Promotion is a limited
19 extension of the Mega Millions game and is conducted in accordance with the MUSL MM Rules
20 and other lottery rules applicable to the Mega Millions game except as may be amended herein,
21 and any other lottery rules applicable to this Promotion. All rules applicable to the Mega Millions
22 game in subsections (a) through (j) of this section are applicable to the Just the Jackpot Promotion
23 unless otherwise indicated. The Promotion will begin at a time announced by the commission and

1 will continue until discontinued by the commission. The Promotion will offer to players a chance
2 to purchase a Just the Jackpot Play ("JJ Play") which will qualify a player for two (2) chances
3 (each a "Play") to win the Grand Prize, and no other prize levels. If the player matches any non-
4 Grand Prize (any prize level other than the Grand Prize) numbers with his or her JJ Play(s), the
5 player who purchased the JJ Play is not eligible to win or claim the non-Grand Prizes in the Just
6 the Jackpot Promotion.

7 (2) Winning JJ Plays will be paid the Mega Millions Grand Prize, at the election of the
8 player made in accordance with subsection (f) of this section or by a default election made in
9 accordance with this section, either on a graduated annuitized annual pari-mutuel basis or as a cash
10 value option using a rate determined in accordance with subsection (f)(4) of this section. All
11 provisions in subsections (a) through (j) of this section regarding payment of the Mega Millions
12 Grand Prize are applicable to winning JJ Play(s). The Grand Prize amount shall be divided equally
13 by the number of MM Plays and JJ Plays winning the Grand Prize.

14 (3) Just the Jackpot shall use the Mega Millions winning numbers. Mega Millions winning
15 numbers applicable to determine Just the Jackpot prizes will be determined on the day(s), time(s)
16 and location(s) as determined by the Mega Millions Lotteries.

17 (4) To play Just the Jackpot, a player shall select (or request a Quick Pick) two (2) sets of
18 five (5) different numbers, from one (1) through seventy (70) and one (1) additional number from
19 one (1) through twenty-five (25). The additional number may be the same as one of the first five
20 numbers selected by the player. Each set of numbers shall constitute a single "Play" as that term is
21 defined in subsection (b)(11) of this section. The two (2) Plays for each three dollar (\$3.00) JJ
22 Plays purchase shall be for the same drawing, although the commission may sell multi-draw JJ
23 Plays as well.

1 (5) The purchase price of a single JJ Play shall be three dollars (US \$3.00) for two (2)
2 Plays, including any specific statutorily-mandated tax of a Party Lottery to be included in the price
3 of a lottery JJ Play. JJ Plays must be printed on separate tickets from MM Plays and must clearly
4 indicate the Plays are for the Just the Jackpot Promotion. Each JJ Play is played separately in
5 determining matches to winning numbers and prize amounts. JJ Plays may be purchased from any
6 authorized Texas Lottery sales agent in a manner as approved by the commission and in
7 accordance with this section and the MUSL rules. The winning numbers for the JJ Plays will be
8 the winning numbers drawn in the applicable Mega Millions Drawing. The Grand Prize will not
9 be multiplied or increased by means of the Megaplier Promotion.

10 (6) Just the Jackpot Prize Pool Contributions.

11 (A) Mega Millions Prize Pool. The prize pool for JJ Plays shall consist of up to
12 fifty-five percent (55%) of each Drawing period's sales, inclusive of any specific statutorily-
13 mandated tax of a Party Lottery to be included in the price of a lottery's JJ Play, and inclusive of
14 contributions to the prize pool accounts and prize reserve accounts, but may be higher or lower
15 based the funding required to meet a guaranteed Annuity Grand Prize as may be required by the
16 MUSL MM Rules.

17 (B) Mega Millions Prize Pool Account and Prize Reserve Account contributions.
18 The Product Group shall set the contribution rates to the Just the Jackpot prize pool and prize
19 reserve accounts established by this section.

20 (i) The contribution rate for JJ Plays to the GPP shall be 50.2012% of sales.
21 An amount up to five percent (5%) of a Party Lottery's JJ Play sales, including any specific
22 statutorily mandated tax of a Party Lottery to be included in the price of a lottery's JJ Play, shall
23 be added to a Party Lottery's Just the Jackpot Prize Pool contribution and placed in trust in one or

more prize pool and prize reserve accounts held by the Product Group at any time that the Party Lottery's share of the PRA is below the amounts designated by the Product Group. Details shall be noted in the Comments to the MUSL MM Rule JJ5.2.

(ii) All provisions regarding the Grand Prize Pool and Prize Reserve Account as described herein are applicable to JJ Play contributions to the Grand Prize Pool and Prize Reserve Account.

(7) Expected Prize Payout Percentage. The Mega Millions Grand Prize payout shall be determined on a pari-mutuel basis. The Grand Prize amount shall be divided equally by the number of MM Plays and JJ Plays winning the Mega Millions Grand Prize. All prize payouts are made with the following expected prize payout percentages, which does not include any additional amount held in prize reserves:

Figure: 16 TAC §401.315(1)(7)

Number of Matches Per JJ Play	Prize Payment	JJ Prize Pool Percentage Allocated to Prize
All five (5) of first set plus one (1) of second set.	Grand Prize	100%*
All other matching combinations/prize tiers	No Prize	0%
* JJ Prize Pool percentage allocated to the Grand Prize shall be combined with MM Prize Pool percentage allocated to the Grand Prize.		

§401.316. "Daily 4" Draw Game Rule.

(a) Daily 4™. The executive director is authorized to conduct a game known as "Daily 4." The executive director may issue further directives and procedures for the conduct of Daily 4 that are consistent with this rule. In the case of conflict, this rule takes precedence over §401.304 of this title (relating to Draw Game Rules (General)).

(b) Definitions. In addition to the definitions provided in §401.301 of this title (relating to General Definitions), and unless the context in this rule otherwise requires, the following definitions apply.

(1) Daily 4 Play--A play other than a Daily 4 plus FIREBALL play consists of:

(A) the selection of a play type;

(B) the selection of a Daily 4 base play amount of \$.50, \$1, \$2, \$3, \$4 or \$5;

(C) the selection of a draw date and time;

(D) the selection of numbers in accordance with this section; and

(E) the purchase of a ticket evidencing those selections.

(2) Daily 4 plus FIREBALL Play--A Daily 4 plus FIREBALL play refers to a play purchased as part of the Daily 4 plus FIREBALL add-on feature fully described in subsection (h) of this section. A Daily 4 FIREBALL number is the additional number drawn from 0 to 9 that is used to replace any one of the four Daily 4 winning numbers to make FIREBALL prize winning combinations. The Daily 4 plus FIREBALL option cannot be purchased independently of a Daily 4 play.

(3) Playboard--Four fields of numbers found on the playslip, with each field containing 10 numbers from 0 to 9.

(c) Play types.

(1) Daily 4 may include the following play types: straight, box, straight/box, combo, front-pair, mid-pair, back-pair, and Daily 4 plus FIREBALL.

(A) A "straight" play is a winning play if the player's four single-digit numbers match in exact order the four single-digit numbers drawn in the applicable drawing.

(B) A "box" play is a winning play if the player's four single-digit numbers match in any order the four single-digit numbers drawn in the applicable drawing.

(i) A box play may be a 4-way box play, a 6-way box play, a 12-way box play, or a 24-way box play.

(I) A box play is a 4-way box play when box play is selected as the play type in connection with a set of four single-digit numbers that includes three occurrences of one single-digit number and one occurrence of one other single-digit number. A 4-way box play involves four possible winning combinations.

(II) A box play is a 6-way box play when box play is selected as the play type in connection with a set of four single-digit numbers that includes two occurrences of one single-digit number and two occurrences of another single-digit number. A 6-way box play involves six possible winning combinations.

(III) A box play is a 12-way box play when box play is selected as the play type in connection with a set of four single-digit numbers that includes two occurrences of one single-digit number and one occurrence of two other single-digit numbers. A 12-way box play involves 12 possible winning combinations.

(IV) A box play is a 24-way box play when box play is selected as the play type in connection with a set of four single-digit numbers that includes a single occurrence of four different single-digit numbers. A 24-way box play involves 24 possible winning combinations.

(ii) Box play is not permitted in connection with a set of numbers that includes four occurrences of one single-digit number.

(C) A "straight/box" play is a winning play either if the player's four single-digit numbers match in exact order the numbers drawn in the applicable drawing or if the player's four single-digit numbers match in any order the numbers drawn in the applicable drawing. The prize

amount is greater if the player's four single-digit numbers match in exact order the numbers drawn in the applicable drawing.

(i) A straight/box play may be a 4-way straight/box play, a 6-way straight/box play, a 12-way straight/box play, or a 24-way straight/box play.

(I) A straight/box play is a 4-way straight/box play when straight/box play is selected in connection with a set of four single-digit numbers that includes three occurrences of one single-digit number and one occurrence of one other single-digit number. A 4-way straight/box play involves four possible winning combinations.

(II) A straight/box play is a 6-way straight/box play when straight/box play is selected in connection with a set of four single-digit numbers that includes two occurrences of one single-digit number and two occurrences of another single-digit number. A 6-way straight/box play involves six possible winning combinations.

(III) A straight/box play is a 12-way straight/box play when straight/box play is selected in connection with a set of four single-digit numbers that includes two occurrences of one single-digit number and one occurrence of two other single-digit numbers. A 12-way straight/box play involves 12 possible winning combinations.

(IV) A straight/box play is a 24-way straight/box play when straight/box play is selected in connection with a set of four single-digit numbers that includes a single occurrence of four different single-digit numbers. A 24-way straight/box play involves 24 possible winning combinations.

(ii) Straight/box play is not permitted in connection with a set of numbers that includes four occurrences of one single-digit number.

1 (D) A "combo" play combines into a single play all of the possible straight plays
2 that can be played with the four single-digit numbers selected for the play.

3 (i) A combo play may be a 4-way combo play, a 6-way combo play, a 12-
4 way combo play, or a 24-way combo play.

5 (I) 4-way combo play is a combo play in connection with a set of
6 four single-digit numbers that includes three occurrences of one single-digit number and one
7 occurrence of one other single-digit number. A four-way combo play involves four possible
8 winning combinations.

9 (II) 6-way combo play is a combo play in connection with a set of
10 four single-digit numbers that includes two occurrences of one single-digit number and two
11 occurrences of another single-digit number. A six-way combo play involves six possible winning
12 combinations.

13 (III) 12-way combo play is a combo play in connection with a set of
14 four single-digit numbers that includes two occurrences of one single-digit number and one
15 occurrence of two other single-digit numbers. A 12-way combo play involves 12 possible winning
16 combinations.

17 (IV) 24-way combo play is a combo play in connection with a set of
18 four single-digit numbers that includes a single occurrence of four different single-digit numbers.
19 A 24-way combo play involves 24 possible winning combinations.

20 (ii) Combo play is not permitted in connection with a set of numbers that
21 includes four occurrences of one single-digit number.

22 (E) Pair play.

1 (i) A "front-pair" play is a winning play if the player's two single-digit
2 numbers match in exact order the first two single-digit numbers drawn in the applicable drawing.

3 (ii) A "mid-pair" play is a winning play if the player's two single-digit
4 numbers match in exact order the second and third single-digit numbers drawn in the applicable
5 drawing.

6 (iii) A "back-pair" play is a winning play if the player's two single-digit
7 numbers match in exact order the last two single-digit numbers drawn in the applicable drawing.

8 (F) A Daily 4 plus FIREBALL play wins a FIREBALL prize for each winning
9 combination of numbers created by replacing any one of the four Daily 4 winning numbers with
10 the Daily 4 FIREBALL number for that drawing, as determined by the selected play type and
11 wager amount.

12 (2) The executive director may allow or disallow any type of play described in this
13 subsection.

14 (d) Plays and tickets.

15 (1) A ticket may be sold only by a retailer and only at the location listed on the retailer's
16 license. A ticket sold by a person other than a retailer is not valid.

17 (2) The selection of numbers for a straight play, a box play, a straight/box play, or a combo
18 play involves the selection of four single-digit numbers, with each selected from the numbers 0 to
19 9.

20 (3) The selection of numbers for a front-pair play, a mid-pair play, or a back-pair play
21 involves the selection of two single-digit numbers, with each selected from the numbers 0 to 9.

22 (4) The cost of a play varies according to the play type selected for the play and the base
23 play amount selected for the play.

(A) The cost of a straight play is the same as the base play amount selected for the play.

(B) The cost of a box play is the same as the base play amount selected for the play.

(C) The cost of a straight/box play is:

(i) \$1 if the base play amount selected for the play is \$.50;

(ii) \$2 if the base play amount selected for the play is \$1;

(iii) \$4 if the base play amount selected for the play is \$2;

(iv) \$6 if the base play amount selected for the play is \$3;

(v) \$8 if the base play amount selected for the play is \$4; or

(vi) \$10 if the base play amount selected for the play is \$5.

(D) The cost of a combo play is determined by multiplying the base play amount selected for the play by the number of winning combinations possible with the four single-digit numbers selected for the play.

(E) The cost of a front-pair, mid-pair, or back-pair play is the same as the base play amount selected for the play.

(F) The cost of a Daily 4 plus FIREBALL play is equal to the cost of the connected Daily 4 wager for the base game, thereby doubling the purchase. The cost of a Daily 4 plus FIREBALL play is in addition to the cost of the Daily 4 play with which the Daily 4 plus FIREBALL play is connected.

(5) The cost of a ticket is determined by the total cost of the plays evidenced by the ticket.

(6) A player may purchase one or more plays for any one or more of the next 24 drawings after the purchase and may purchase up to 24 consecutive plays for a drawing time.

1 (7) A retailer shall issue a ticket as evidence of one or more plays. A ticket must show the
2 numbers, play type and base play amount selected for each play; the number of plays, the draw
3 date(s) for which the plays were purchased; the cost of the ticket, and the security and transaction
4 serial numbers. Tickets must be printed on official Texas Lottery paper stock, or, for third-party
5 point-of-sale systems approved by the commission, printed on paper stock or otherwise issued in
6 a manner approved by the commission to provide tangible evidence of participation in a lottery
7 game.

8 (8) An unsigned winning ticket is payable to the holder or bearer of the ticket if the ticket
9 meets all applicable validation requirements.

10 (e) Cancellation of plays. A retailer may cancel a Daily 4 play, including a Daily 4 plus FIREBALL
11 play, only in accordance with the following provisions:

12 (1) The ticket evidencing the play must have been sold at the retail location at which it is
13 cancelled;

14 (2) The retailer must have possession of the ticket evidencing the play;

15 (3) All Daily 4 plays evidenced by a single ticket must be cancelled;

16 (4) Cancellation must occur no later than 60 minutes after sale of the ticket evidencing the
17 play;

18 (5) Cancellation must occur before the beginning of the next draw break after the sale of
19 the ticket evidencing the play;

20 (6) Cancellation must occur before midnight on the day the ticket evidencing the play was
21 sold; and

22 (7) the play was not generated as part of a promotion.

23 (f) Drawings.

1 (1) Daily 4 drawings shall be held four times a day, Monday through Saturday, at 10:00
2 a.m., 12:27 p.m., 6:00 p.m., and 10:12 p.m. Central Time. The executive director may change the
3 drawing schedule, if necessary.

4 (2) At each Daily 4 drawing, four single-digit numbers shall be drawn for the base game.
5 Each single-digit number will be drawn from a set that includes a single occurrence of all ten
6 single-digit numbers (0 to 9). After the base game drawing, the Daily 4 FIREBALL number will
7 be randomly drawn from a set of 10 numbered balls (0 to 9).

8 (3) Numbers drawn and the order in which the numbers are drawn must be certified by the
9 commission in accordance with the commission's draw procedures.

10 (4) The numbers selected in a drawing and the order of the numbers selected in the drawing
11 shall be used to determine all winners for that drawing.

12 (5) Each drawing shall be witnessed by an independent certified public accountant. All
13 drawing equipment used shall be examined by a lottery drawing representative and the independent
14 certified public accountant immediately before each drawing and immediately after each drawing.

15 (g) Prizes.

16 (1) Prize payments shall be made upon completion of commission validation procedures.

17 (2) A Daily 4 plus FIREBALL play is a separate play from the straight play, box play,
18 straight/box play, combo play or pairs play with which it is connected.

19 (3) The executive director may temporarily increase any prize set out in this subsection for
20 promotional or marketing purposes.

21 (4) A person who holds a valid ticket for a winning straight play is entitled to a prize as
22 shown.

23 Figure: 16 TAC §401.316(g)(4)

Straight	Straight with 4 like numbers						Fireball Straight with 4 like numbers						Fireball Example			
	Cost Per Play						Cost Per Play with Fireball						Example Wager of 1-1-1-1 Example Draw with this Outcome			
	\$0.50	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00	\$1.00	\$2.00	\$4.00	\$6.00	\$8.00	\$10.00	Odds 1 in	Base Draw	Fireball Draw	
Base Prize	\$2,500.00	\$5,000.00	\$10,000.00	\$15,000.00	\$20,000.00	\$25,000.00	Fireball Prize (4 Wins)	\$2,700.00	\$5,400.00	\$10,800.00	\$16,200.00	\$21,600.00	\$27,000.00	100,000	1-1-1-1	1
Base Game Odds 1 in 10,000							Fireball Prize (1 Win)	\$675.00	\$1,350.00	\$2,700.00	\$4,050.00	\$5,400.00	\$6,750.00	2,778	1-4-1-1	1
	Straight with 2 sets of 2 like numbers						Fireball Straight with 2 sets of 2 like numbers						Fireball Example			
	Cost Per Play						Cost Per Play with Fireball						Example Wager of 1-2-1-2 Example Draw with this Outcome			
	\$0.50	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00	\$1.00	\$2.00	\$4.00	\$6.00	\$8.00	\$10.00	Odds 1 in	Base Draw	Fireball Draw	
Base Prize	\$2,500.00	\$5,000.00	\$10,000.00	\$15,000.00	\$20,000.00	\$25,000.00	Fireball Prize (2 Wins)	\$1,350.00	\$2,700.00	\$5,400.00	\$8,100.00	\$10,800.00	\$13,500.00	50,000	1-2-1-2	2
Base Game Odds 1 in 10,000							Fireball Prize (1 Win)	\$675.00	\$1,350.00	\$2,700.00	\$4,050.00	\$5,400.00	\$6,750.00	2,778	0-2-1-2	1
	Straight with 3 like numbers and 1 different number						Fireball Straight with 3 like numbers and 1 different number						Fireball Example			
	Cost Per Play						Cost Per Play with Fireball						Example Wager of 1-2-2-2 Example Draw with this Outcome			
	\$0.50	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00	\$1.00	\$2.00	\$4.00	\$6.00	\$8.00	\$10.00	Odds 1 in	Base Draw	Fireball Draw	
Base Prize	\$2,500.00	\$5,000.00	\$10,000.00	\$15,000.00	\$20,000.00	\$25,000.00	Fireball Prize (3 Wins)	\$2,025.00	\$4,050.00	\$8,100.00	\$12,150.00	\$16,200.00	\$20,250.00	100,000	1-2-2-2	2
Base Game Odds 1 in 10,000							Fireball Prize (1 Win)	\$675.00	\$1,350.00	\$2,700.00	\$4,050.00	\$5,400.00	\$6,750.00	2,703	1-2-7-2	2
	Straight with all 4 numbers different						Fireball Straight with all 4 numbers different						Fireball Example			
	Cost Per Play						Cost Per Play with Fireball						Example Wager of 1-2-3-4 Example Draw with this Outcome			
	\$0.50	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00	\$1.00	\$2.00	\$4.00	\$6.00	\$8.00	\$10.00	Odds 1 in	Base Draw	Fireball Draw	
Base Prize	\$2,500.00	\$5,000.00	\$10,000.00	\$15,000.00	\$20,000.00	\$25,000.00	Fireball Prize (1 Win)	\$675.00	\$1,350.00	\$2,700.00	\$4,050.00	\$5,400.00	\$6,750.00	2,500	1-2-8-4	3
Base Game Odds 1 in 10,000																
	Straight with 2 like numbers and 2 different numbers						Fireball Straight with 2 like numbers and 2 different numbers						Fireball Example			
	Cost Per Play						Cost Per Play with Fireball						Example Wager of 1-2-2-4 Example Draw with this Outcome			
	\$0.50	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00	\$1.00	\$2.00	\$4.00	\$6.00	\$8.00	\$10.00	Odds 1 in	Base Draw	Fireball Draw	
Base Prize	\$2,500.00	\$5,000.00	\$10,000.00	\$15,000.00	\$20,000.00	\$25,000.00	Fireball Prize (2 Wins)	\$1,350.00	\$2,700.00	\$5,400.00	\$8,100.00	\$10,800.00	\$13,500.00	100,000	1-2-2-4	2
Base Game Odds 1 in 10,000							Fireball Prize (1 Win)	\$675.00	\$1,350.00	\$2,700.00	\$4,050.00	\$5,400.00	\$6,750.00	2,632	1-3-2-4	2

(5) A person who holds a valid ticket for a winning 4-way box play is entitled to a prize as shown.

Figure: 16 TAC §401.316(g)(5)

4-Way Box	Box with 3 like numbers and 1 different number						Fireball Box with 3 like numbers and 1 different number						Fireball Example				
	Cost Per Play						Cost Per Play with Fireball						Example Wager of 1-2-2-2 Example Draw with this Outcome				
		\$0.50	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00		\$1.00	\$2.00	\$4.00	\$6.00	\$8.00	\$10.00	Odds 1 in	Base Draw	Fireball Draw
	Base Prize	\$600.00	\$1,200.00	\$2,400.00	\$3,600.00	\$4,800.00	\$6,000.00	Fireball Prize (4 Wins)	\$680.00	\$1,360.00	\$2,720.00	\$4,080.00	\$5,440.00	\$6,800.00	100,000	2-2-2-2	1
	Base Game Odds 1 in 2,500							Fireball Prize (3 Wins)	\$510.00	\$1,020.00	\$2,040.00	\$3,060.00	\$4,080.00	\$5,100.00	25,000	2-2-1-2	2
						</											

12-Way Box	Box with 2 like numbers and 2 different numbers						Fireball Box with 2 like numbers and 2 different numbers						Fireball Example		
	Cost Per Play						Cost Per Play with Fireball						Example Wager of 1-2-2-3		
	\$0.50	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00		\$1.00	\$2.00	\$4.00	\$6.00	\$8.00	\$10.00	Odds 1 in	Example Draw with this Outcome
Base Price	\$200.00	\$400.00	\$800.00	\$1,200.00	\$1,600.00	\$2,000.00	Fireball Prize (3 Wins)	\$168.00	\$336.00	\$672.00	\$1,008.00	\$1,344.00	\$1,680.00	12,500	3-2-2-2 ✓ 1
Base Game Odds 1 in 833							Fireball Prize (2 Wins)	\$112.00	\$224.00	\$448.00	\$672.00	\$896.00	\$1,120.00	2,083	2-2-1-1 ✓ 3
							Fireball Prize (1 Win)	\$56.00	\$112.00	\$224.00	\$336.00	\$448.00	\$560.00	278	7-3-2-2 ✓ 1

(8) A person who holds a valid ticket for a winning 24-way box play is entitled to a prize

as shown.

Figure: 16 TAC §401.316(g)(8)

24-Way Box	Box with 4 different numbers						Fireball Box with 4 different numbers						Fireball Example		
	Cost Per Play						Cost Per Play with Fireball						Example Wager of 1-2-3-4		
	\$0.50	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00		\$1.00	\$2.00	\$4.00	\$6.00	\$8.00	\$10.00	Odds 1 in	Example Draw with this Outcome
Base Price	\$100.00	\$200.00	\$400.00	\$600.00	\$800.00	\$1,000.00	Fireball Prize (2 Wins)	\$56.00	\$112.00	\$224.00	\$336.00	\$448.00	\$560.00	694	4-1-4-2 ✓ 3
Base Game Odds 1 in 417							Fireball Prize (1 Win)	\$28.00	\$56.00	\$112.00	\$168.00	\$224.00	\$280.00	149	9-4-3-2 ✓ 1

(9) A person who holds a valid ticket for a winning straight/4-way box play is entitled to a

prize as shown.

Figure: 16 TAC §401.316(g)(9)

Straight/4-Way Box							Straight/Box with 3 like numbers and 1 different number							Fireball Straight/Box with 3 like numbers and 1 different number							Fireball Example				
							Base Play Amount																		
							\$0.50	\$1.00		\$2.00	\$3.00	\$4.00	\$5.00												
							Cost Per Play							Cost Per Play with Fireball							Example Wager of 1-2-2-2 Example Draw with this Outcome				
							\$1.00	\$2.00		\$4.00	\$6.00	\$8.00	\$10.00	Box Wins	Straight Wins	\$2.00	\$4.00	\$8.00	\$12.00	\$16.00	\$20.00	Odds 1 in	Base Draw	Fireball Draw	
Exact Order Prize							\$3,100.00	\$6,200.00	\$12,400.00	\$18,600.00	\$24,800.00	\$31,000.00		Fireball Prize	3	3	\$2,535.00	\$5,070.00	\$10,140.00	\$15,210.00	\$20,280.00	\$25,350.00	100,000	1-2-2-2	2
Not in Exact Order Prize							\$600.00	\$1,200.00	\$2,400.00	\$3,600.00	\$4,800.00	\$6,000.00		Fireball Prize	4	1	\$1,355.00	\$2,710.00	\$5,420.00	\$8,130.00	\$10,840.00	\$13,550.00	100,000	2-2-2-2	1
														Fireball Prize	3	0	\$510.00	\$1,020.00	\$2,040.00	\$3,060.00	\$4,080.00	\$5,100.00	33,333	2-1-2-2	2
														Fireball Prize	2	1	\$1,015.00	\$2,030.00	\$4,060.00	\$6,090.00	\$8,120.00	\$10,150.00	33,333	1-1-2-2	2
														Fireball Prize	2	0	\$340.00	\$680.00	\$1,360.00	\$2,040.00	\$2,720.00	\$3,400.00	33,333	2-1-1-2	2
														Fireball Prize	1	1	\$845.00	\$1,690.00	\$3,380.00	\$5,070.00	\$6,760.00	\$8,450.00	3,030	0-2-2-2	1
														Fireball Prize	1	0	\$170.00	\$340.00	\$680.00	\$1,020.00	\$1,360.00	\$1,700.00	1,010	0-1-2-2	2
Base Game Odds 1 in 2,500																									

(10) A person who holds a valid ticket for a winning straight/6-way box play is entitled to

a prize as shown.

Figure: 16 TAC §401.316(g)(10)

Straight/6-Way Box							Straight/Box with 2 sets of 2 like numbers							Fireball Straight/Box with 2 sets of 2 like numbers							Fireball Example			
							Base Play Amount																	
							\$0.50	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00												
							Cost Per Play							Cost Per Play with Fireball							Example Wager of 1-2-1-2			
							\$1.00	\$2.00	\$4.00	\$6.00	\$8.00	\$10.00	Box Wins	Straight Wins	\$2.00	\$4.00	\$8.00	\$12.00	\$16.00	\$20.00	Odds 1 in	Base Draw	Fireball Draw	
Exact Order Prize							\$2,900.00	\$5,800.00	\$11,600.00	\$17,400.00	\$23,200.00	\$29,000.00	Fireball Prize	2	2	\$1,574.00	\$3,148.00	\$6,296.00	\$9,444.00	\$12,592.00	\$15,740.00	50,000	1-2-1-2	1
Not in Exact Order Prize							\$400.00	\$800.00	\$1,600.00	\$2,400.00	\$3,200.00	\$4,000.00	Fireball Prize	3	1	\$1,011.00	\$2,022.00	\$4,044.00	\$6,066.00	\$8,088.00	\$10,110.00	25,000	1-1-1-2	2
													Fireball Prize	3	0	\$336.00	\$672.00	\$1,344.00	\$2,016.00	\$2,688.00	\$3,360.00	25,000	1-1-2-1	2
													Fireball Prize	2	0	\$224.00	\$448.00	\$896.00	\$1,344.00	\$1,792.00	\$2,240.00	10,000	1-1-2-2	1
													Fireball Prize	1	1	\$787.00	\$1,574.00	\$3,148.00	\$4,722.00	\$6,296.00	\$7,870.00	3,125	0-2-1-2	1
													Fireball Prize	1	0	\$112.00	\$224.00	\$448.00	\$672.00	\$896.00	\$1,120.00	625	0-1-1-2	2
Base Game Odds 1 in 1,667																								

(11) A person who holds a valid ticket for a winning straight/12-way box play is entitled

to a prize as shown.

Figure: 16 TAC §401.316(g)(11)

Straight/12-Way Box							Straight/Box with 2 like numbers and 2 different numbers							Fireball Straight/Box with 2 like numbers and 2 different numbers							Fireball Example						
							Base Play Amount																				
							\$0.50	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00															
							Cost Per Play																				
							\$1.00	\$2.00	\$4.00	\$6.00	\$8.00	\$10.00															
Exact Order Prize							\$2,700.00	\$5,400.00	\$10,800.00	\$16,200.00	\$21,600.00	\$27,000.00															
Not in Exact Order Prize							\$200.00	\$400.00	\$800.00	\$1,200.00	\$1,600.00	\$2,000.00															
</																											

Combo	Combo with 3 like numbers and 1 different number (4 way Combo)						Fireball Combo with 3 like numbers and 1 different number (4 way Combo)						Fireball Example		
	Base Play Amount						Cost Per Play with Fireball						Example Wager of 1-2-2-2		
	\$0.50	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00	\$4.00	\$8.00	\$16.00	\$24.00	\$32.00	\$40.00	Odds 1 in	Base Draw	Fireball Draw
	Cost Per Play														
	\$2.00	\$4.00	\$8.00	\$12.00	\$16.00	\$20.00	\$2,700.00	\$5,400.00	\$10,800.00	\$16,200.00	\$21,600.00	\$27,000.00	100,000	2-2-2-2	1
Base Prize	\$2,500.00	\$5,000.00	\$10,000.00	\$15,000.00	\$20,000.00	\$25,000.00	\$2,025.00	\$4,050.00	\$8,100.00	\$12,150.00	\$16,200.00	\$20,250.00	25,000	2-2-1-2	2
Base Game Odds 1 in 2,500							\$1,350.00	\$2,700.00	\$5,400.00	\$8,100.00	\$10,800.00	\$13,500.00	16,667	2-2-1-1	2
							\$675.00	\$1,350.00	\$2,700.00	\$4,050.00	\$5,400.00	\$6,750.00	758	1-2-5-2	2
	Combo with 2 sets of 2 like numbers (6 way Combo)						Fireball Combo with 2 sets of 2 like numbers (6 way Combo)						Fireball Example		
	Base Play Amount						Cost Per Play with Fireball						Example Wager of 1-2-1-2		
	\$0.50	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00	\$6.00	\$12.00	\$24.00	\$36.00	\$48.00	\$60.00	Odds 1 in	Base Draw	Fireball Draw
	Cost Per Play														
	\$3.00	\$6.00	\$12.00	\$18.00	\$24.00	\$30.00	\$2,025.00	\$4,050.00	\$8,100.00	\$12,150.00	\$16,200.00	\$20,250.00	12,500	1-1-1-2	2
Base Prize	\$2,500.00	\$5,000.00	\$10,000.00	\$15,000.00	\$20,000.00	\$25,000.00	\$1,350.00	\$2,700.00	\$5,400.00	\$8,100.00	\$10,800.00	\$13,500.00	8,333	2-1-2-1	2
Base Game Odds 1 in 1,667							\$675.00	\$1,350.00	\$2,700.00	\$4,050.00	\$5,400.00	\$6,750.00	521	9-2-5-2	1
	Combo with 2 like numbers and 2 different numbers (12 way Combo)						Fireball Combo with 2 like numbers and 2 different numbers (12 way Combo)						Fireball Example		
	Base Play Amount						Cost Per Play with Fireball						Example Wager of 1-2-3-3		
	\$0.50	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00	\$12.00	\$24.00	\$48.00	\$72.00	\$96.00	\$120.00	Odds 1 in	Base Draw	Fireball Draw
	Cost Per Play														
	\$6.00	\$12.00	\$24.00	\$36.00	\$48.00	\$60.00	\$2,025.00	\$4,050.00	\$8,100.00	\$12,150.00	\$16,200.00	\$20,250.00	12,500	3-2-2-2	1
Base Prize	\$2,500.00	\$5,000.00	\$10,000.00	\$15,000.00	\$20,000.00	\$25,000.00	\$1,350.00	\$2,700.00	\$5,400.00	\$8,100.00	\$10,800.00	\$13,500.00	2,083	2-2-1-1	3
Base Game Odds 1 in 833							\$675.00	\$1,350.00	\$2,700.00	\$4,050.00	\$5,400.00	\$6,750.00	278	7-3-2-2	1
	Combo with 4 different numbers (24 way Combo)						Fireball Combo with 4 different numbers (24 way Combo)						Fireball Example		
	Base Play Amount						Cost Per Play with Fireball						Example Wager of 1-2-3-4		
	\$0.50	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00	\$24.00	\$48.00	\$96.00	\$144.00	\$192.00	\$240.00	Odds 1 in	Base Draw	Fireball Draw
	Cost Per Play														
	\$12.00	\$24.00	\$48.00	\$72.00	\$96.00	\$120.00	\$1,350.00	\$2,700.00	\$5,400.00	\$8,100.00	\$10,800.00	\$13,500.00	694	4-1-4-2	3
Base Prize	\$2,500.00	\$5,000.00	\$10,000.00	\$15,000.00	\$20,000.00	\$25,000.00	\$675.00	\$1,350.00	\$2,700.00	\$4,050.00	\$5,400.00	\$6,750.00	149	9-4-3-2	1
Base Game Odds 1 in 417															

(14) A person who holds a valid ticket for a winning front-pair, mid-pair, or back-pair play is entitled to a prize as shown.

Figure: 16 TAC §401.316(g)(14)

Front-Pair, Mid-Pair, Back-Pair	Front-Pair, Mid-Pair, and Back-Pair with 2 like numbers						Fireball Front-Pair, Mid-Pair, and Back-Pair with 2 like numbers						Fireball Example		
	Cost Per Play						Cost Per Play with Fireball						Example Wager of 1-1-x-x		
	\$0.50	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00	\$1.00	\$2.00	\$4.00	\$6.00	\$8.00	\$10.00	Odds 1 in	Base Draw	Fireball Draw
Base Prize	\$25.00	\$50.00	\$100.00	\$150.00	\$200.00	\$250.00	\$28.00	\$56.00	\$112.00	\$168.00	\$224.00	\$280.00	1,000	1-1-3-5	1
Base Game Odds 1 in 100							\$14.00	\$28.00	\$56.00	\$84.00	\$112.00	\$140.00	111	1-1-3-5	7
							\$7.00	\$14.00	\$28.00	\$42.00	\$56.00	\$70.00	56	1-6-9-4	1
	Front-Pair, Mid-Pair, and Back-Pair with 2 different numbers						Fireball Front-Pair, Mid-Pair, and Back-Pair with 2 different numbers						Fireball Example		
	Cost Per Play						Cost Per Play with Fireball						Example Wager of 1-2-x-x		
	\$0.50	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00	\$1.00	\$2.00	\$4.00	\$6.00	\$8.00	\$10.00	Odds 1 in	Base Draw	Fireball Draw
Base Prize	\$25.00	\$50.00	\$100.00	\$150.00	\$200.00	\$250.00	\$21.00	\$42.00	\$84.00	\$126.00	\$168.00	\$210.00	500	1-2-4-5	1
Base Game Odds 1 in 100							\$14.00	\$28.00	\$56.00	\$84.00	\$112.00	\$140.00	125	1-2-1-0	6
							\$7.00	\$14.00	\$28.00	\$42.00	\$56.00	\$70.00	56	1-1-7-4	2

(h) Daily 4 plus FIREBALL.

(1) Daily 4 plus FIREBALL is an add-on feature to the Daily 4 base game. Adding the Daily 4 plus FIREBALL option doubles the cost of the wager and creates more possible winning combinations. For instance, if a player purchases a Daily 4 play with a straight order play type for \$1.00, the Daily 4 plus FIREBALL play will cost an additional \$1.00. If a player purchases a Daily

1 4 "6-way combo" for \$6, the Daily 4 plus FIREBALL play option will cost an additional \$6. The
2 Daily 4 FIREBALL number will be randomly drawn from a set of 10 numbers from 0 to 9. The
3 Daily 4 FIREBALL number drawn will apply exclusively to the Daily 4 base game drawing and
4 prizes. The Daily 4 plus FIREBALL option cannot be purchased independently of a Daily 4 play.

5 (2) The Daily 4 FIREBALL number is used to replace any one of the four drawn Daily 4
6 winning numbers to create FIREBALL prize winning combinations.

7 (3) If the player's selected numbers match any of the FIREBALL prize winning
8 combinations, the Daily 4 plus FIREBALL play wins in accordance with the charts in Figures
9 401.316(g)(4) through 401.316(g)(14).

10 (4) All FIREBALL prizes are in addition to any Daily 4 base game wins. Specifically, if a
11 player purchases the Daily 4 plus FIREBALL option, then if the Daily 4 FIREBALL number is
12 the same as one of the four numbers drawn in the Daily 4 base game drawing, and the player's
13 numbers already match the numbers drawn for the player's play type, the player will be awarded
14 the FIREBALL prize, in addition to the Daily 4 prize as identified in subsection (g) of this section
15 (relating to the Daily 4 prize charts). For instance, assume a player selects 1, 2, 3, and 4 in a straight
16 play order for the base game at \$1.00 and purchases a Daily 4 plus FIREBALL play for an
17 additional \$1.00 (total \$2.00 wager). If the numbers drawn are 1, 2, 3, and 4 and the Daily 4
18 FIREBALL number is 4, the play will win the base game prize of \$5000 and the FIREBALL prize
19 of \$1350, for a total of \$6350.

20 §401.317. "Powerball" Draw Game Rule.

21 (a) Powerball®. Powerball is a Multi-State Lottery Association (MUSL) lottery draw game offered
22 by all Lotteries that have agreed to MUSL's Powerball Group Rules. The purpose of the Powerball
23 game is the generation of revenue for MUSL Party Lottery members and Mega Millions Party

1 Lotteries participating under the Cross-Sell Agreement, through the operation of a specially
2 designed multi-jurisdiction lottery game that will award prizes to ticket holders of validated
3 winning tickets matching specified combinations of numbers randomly selected in regularly
4 scheduled Drawings. The Powerball game is authorized to be conducted by the commission
5 executive director (executive director) under the conditions of the MUSL rules, the laws of the
6 State of Texas, this section, and under such further instructions, directives, and procedures as the
7 executive director may issue in furtherance thereof. In this regard, the executive director is
8 authorized to issue such further instructions and directives as may be necessary to conform the
9 conduct and play of the Powerball game to the requirements of the MUSL rules if, in the opinion
10 of the executive director, such instructions, directives, and procedures are in conformance with
11 state law. To be clear, the authority to participate in the Powerball game is provided to the Texas
12 Lottery Commission (commission) by MUSL. The conduct and play of the Powerball game must
13 conform to the MUSL Powerball Group Rules. Further, if a conflict arises between this section
14 and §401.304 of this chapter (relating to Draw Game Rules (General)), this section shall have
15 precedence. In addition to other applicable rules contained in Chapter 401, this section and
16 definitions herein apply unless the context requires a different meaning or is otherwise inconsistent
17 with the intent of the rules adopted by the MUSL or the MUSL Powerball Group.

18 (b) Definitions.

19 (1) "Agent" or "retailer" means a person or entity authorized by the commission to sell
20 lottery Plays.

21 (2) A "Drawing" refers collectively to the formal draw event for randomly selecting the
22 Winning Numbers that determine the number of winning Plays for each prize level of the
23 Powerball game and Power Play promotion.

1 (3) "Game ticket" or "ticket" means an acceptable evidence of Play, which is a ticket
2 produced in a manner that meets the specifications defined in the rules of the Selling Lottery and
3 subsection (g) of this section, and is a physical representation of the Play or Plays sold to the
4 player.

5 (4) "MUSL" means the Multi-State Lottery Association, a government-benefit association
6 wholly owned and operated by the MUSL Party Lotteries.

7 (5) "MUSL Board" means the governing body of the MUSL, which is comprised of the
8 chief executive officer of each Party Lottery. "MUSL Finance and Audit Committee" shall mean
9 the committee of that name established by the MUSL Board.

10 (6) "MUSL Annuity Factor" shall mean the annuity factor as determined by the MUSL
11 central office through a method approved by the MUSL Finance and Audit Committee and which
12 is used as described in this rule.

13 (7) "Pari-Mutuel" or "pari-mutuel" as used in this section shall mean wagered funds that
14 are pooled and then paid in equal shares to the holders of winning Plays as described in this section
15 and the MUSL Rules.

16 (8) "Party Lottery" means a state lottery or lottery of a political subdivision or entity that
17 has joined MUSL and is authorized to sell the Powerball game. "Licensee Lottery" shall mean a
18 state lottery or lottery of a governmental unit, political subdivision, or entity thereof that is not a
19 Party Lottery but has agreed to comply with all applicable MUSL and Product Group requirements
20 and has been authorized by the MUSL and by the Powerball Product Group to sell the Powerball
21 game. "Selling Lottery" or "Participating Lottery" shall mean a lottery authorized by the Product
22 Group to sell Plays, including Party Lotteries and Licensee Lotteries.

1 (9) "Play" means the six (6) numbers, the first five (5) from a field of sixty-nine (69)
2 numbers and the last one (1) from a field of twenty-six (26) numbers, that appear on a ticket and
3 are to be played by a player in the Powerball game.

4 (A) "Powerball Plays" (PB Plays) shall refer to Plays purchased as part of the
5 Powerball game, but shall not include Power Play Plays.

6 (B) "Power Play Plays" shall refer to Plays purchased as part of the Power Play
7 promotion described in subsection (k) of this section.

8 (10) "Power Play" shall refer to the Power Play promotion as described in subsection (k)
9 of this section.

10 (11) "Powerball Group" or "Product Group" means the MUSL member group of lotteries
11 which have joined together to offer the Powerball product pursuant to the terms of the Multi-State
12 Lottery Agreement and the Powerball Group's rules, including the MUSL Powerball Drawing
13 Procedures. In this rule, wherever either term is used it is referring to the MUSL Powerball Group.

14 (12) "Prize" means an amount paid to a person or entity holding a winning ticket.

15 (A) "The Grand Prize" shall refer to the top prize in the Powerball game.

16 (B) The Advertised Grand Prize shall mean the estimated annuitized Grand Prize
17 amount as determined by the MUSL Central Office by use of the MUSL Annuity Factor and
18 communicated through the Selling Lotteries prior to the Grand Prize Drawing. The Advertised
19 Grand Prize is not a guaranteed prize amount and the actual Grand Prize amount may vary from
20 the advertised amount, except in circumstances where there is a guaranteed Grand Prize amount
21 as described in paragraph (6) of subsection (f) of this section.

1 (C) The "Set Prize" or "low-tier prize" means all other prizes, except the Grand
2 Prize, and, except in instances outlined in this section, will be equal to the prize amount established
3 by the Product Group for the prize level.

4 (13) "Terminal" means a device authorized by the commission for the purpose of issuing
5 Powerball game tickets and as defined in §401.301 (General Definitions) of this chapter.

6 (14) "Winning Numbers" means the numbers randomly selected during a Drawing event
7 which shall be used to determine the winning Plays for the Powerball game or the Powerball game
8 promotion being drawn.

9 (c) Game Description.

10 (1) Powerball Game. Powerball is a five (5) out of sixty-nine (69) plus one (1) out of
11 twenty-six (26) numbers lottery game drawn on the days specified by the MUSL Powerball Group
12 and announced by the executive director, as part of the Powerball Drawing, which pays the Grand
13 Prize, at the election of the player made in accordance with this section, or by a default election
14 made in accordance with this section, either on an annuitized pari-mutuel basis or as a single lump
15 sum payment of the total funding held in the Grand Prize Pool for the winning Drawing on a pari-
16 mutuel basis. Except as provided in this section, all other prizes are paid on a single payment basis.

17 (A) Powerball Winning Numbers applicable to determine Powerball prizes will be
18 determined in the Powerball Drawing. During the Powerball Drawing, five (5) numbers shall be
19 drawn from the first set of sixty-nine (69) and one (1) number shall be drawn from the second set
20 of twenty-six (26) numbers, which shall constitute the Powerball Winning Numbers.

21 (B) To play Powerball, a player shall select five (5) different numbers, from one (1)
22 through sixty-nine (69) and one (1) additional number from one (1) through twenty-six (26), or

1 request the retailer to generate a Quick Pick selection of numbers from the lottery terminal. The
2 additional number may be the same as one of the first five numbers selected by the player.

3 (C) Powerball Plays can be purchased for two dollars (U.S. \$2.00), including any
4 specific statutorily-mandated tax of a Selling Lottery to be included in the price of a PB Play. PB
5 Plays may be purchased from a Selling Lottery approved sales outlet in a manner as approved by
6 the Selling Lottery and in accordance with MUSL Rules.

7 (2) Claims. A ticket shall be the only proof of a game Play or Plays and is subject to the
8 validation requirements set forth in subsection (g) of this section. The submission of a winning
9 ticket to the issuing Selling Lottery or its authorized agent shall be the sole method of claiming a
10 prize or prizes. A playslip has no pecuniary or prize value and shall not constitute evidence of Play
11 purchase or of numbers selected. A terminal-produced paper receipt has no pecuniary or prize
12 value and shall not constitute evidence of Play purchase or of numbers selected.

13 (3) Cancellations Prohibited. In all instances, a Play recorded on the Lottery gaming system
14 may not be voided or cancelled by returning the ticket to the selling agent or to the commission,
15 including tickets that are misprinted, illegible, printed in error, or for any reason not successfully
16 transferred to an authorized selling entity or player. A Selling Lottery may develop an approved
17 method of compensating retailers for Plays that are not transferred to a player for a reason
18 acceptable to the Selling Lottery and not prohibited by the Powerball Product Group. No Play that
19 is eligible for a prize can be returned to the commission for credit. Plays accepted by retailers as
20 returned Plays and which cannot be re-sold shall be deemed owned by the bearer thereof.

21 (4) Subscription Sales. A subscription sales program may be offered, at the discretion of
22 the executive director.

1 (5) Maximum Purchase. The maximum number of consecutive Drawings on a single PB
2 Play purchase is fifteen (15), including Power Play Plays if purchased.

3 (d) Powerball Prize Pool.

4 (1) Powerball Prize Pool.

5 (A) The prize pool for all Powerball prize categories shall consist of fifty percent
6 (50%) of each Drawing period's Powerball sales, inclusive of any specific statutorily-mandated
7 tax of a Selling Lottery to be included in the price of a PB Play, and including contributions to the
8 prize pool accounts and prize reserve accounts.

9 (B) Powerball Prize Pool Accounts and Prize Reserve Accounts. The Product
10 Group shall set the contribution rates to the prize pool and to one or more prize reserve or pool
11 accounts established by the MUSL Powerball Group Rules.

12 (i) Prize Reserve Accounts. The Product Group has established the
13 following prize reserve accounts for the Powerball game: the Powerball Prize Reserve Account
14 (PRA), which is used to guarantee the payment of valid, but unanticipated, Grand Prize claims that
15 may result from a system error or other reason; and the Powerball Set Prize Reserve Account
16 (SPRA), which is used to fund deficiencies in low-tier Powerball prize payments, subject to the
17 limitations of the MUSL rules.

18 (ii) Prize Pool Accounts. The Product Group has established the following
19 prize pool accounts for the Powerball game: the Grand Prize Pool, which is used to fund the current
20 Grand Prize; the Powerball Set Prize Pool, which is used to fund the Powerball Set Prizes; the
21 Powerball Set-Aside Pool, which is used to fund the payment of the awarded minimum starting
22 annuity Grand Prizes and minimum annuity Grand Prize increase, if necessary (subject to the
23 limitations in the MUSL Powerball Group Rules), as may be set by the Product Group; and the

1 Grand Prize Carry Forward Pool (GPCFP), which is used to fund the starting minimum annuity
2 Grand Prize, as may be set by the Product Group, if such funds are available, and if sales do not
3 fund the Grand Prize. The Power Play Prize Pool is described in subsection (k)(4) of this section.
4 The Powerball Set Prize Pool shall hold the temporary balances that may result from having fewer
5 than expected winners in the Powerball Set Prize (aka low-tier prize) categories and the source of
6 the Powerball Set Prize Pool is the Party Lottery's weekly prize contributions less actual Powerball
7 Set Prize liability.

8 (iii) The above prize reserve accounts, the GPCFP and the Set-Aside Pool
9 shall have maximum balance amounts or balance limiter triggers that are set by the Product Group
10 and are detailed in the Comments to the MUSL Rule. The maximum balance amounts and balance
11 limiter triggers are subject to review by the MUSL Board Finance and Audit Committee. The
12 Finance and Audit Committee shall have two weeks to state objections, if any, to the approved
13 maximum balance amounts or balance limiter triggers. Approved maximum balance amounts or
14 balance limiter triggers shall become effective no sooner than two weeks after notice is given to
15 the Finance and Audit Committee and no objection is stated or sooner if the Committee
16 affirmatively approves the maximum balance amounts or balance limiter triggers. The Group may
17 appeal the Committee's objections to the full Board. Group approved changes in the maximum
18 balance amounts or balance limiter triggers set by the Product Group shall be effective only after
19 the next Grand Prize win.

20 (iv) The maximum contribution rate to the Grand Prize Pool shall be
21 68.0131% of the prize pool (34.0066% of sales). An amount up to five percent (5%) of a Party
22 Lottery's sales shall be deducted from a Party Lottery's Grand Prize Pool contribution and placed
23 in trust in one or more prize pool accounts and prize reserve accounts held by the Product Group

1 (hereinafter the "prize pool and reserve deduction") at any time that the prize pool accounts and
2 Party Lottery's share of the prize reserve accounts is below the amounts designated by the Product
3 Group. An additional amount up to twenty percent (20%) of a Party Lottery's sales shall be
4 deducted from a Party Lottery's Grand Prize Pool contribution and placed in trust in the GPCFP to
5 be held by the Product Group at a time as determined by the Product Group.

6 (v) The Product Group may determine to expend all or a portion of the funds
7 in the Powerball prize pool accounts (except the Powerball Grand Prize Pool account and the
8 GPCFP) and the prize reserve accounts: (1) for the purpose of indemnifying the Selling Lotteries
9 for the payment of prizes to be made by the Selling Lottery; and, (2) for the payment of prizes or
10 special prizes in the game, limited to prize pool and prize reserve contributions from lotteries
11 participating in the special prize promotion, subject to the approval of the Board's Finance and
12 Audit Committee or that Committee's failure to object after given two weeks' notice of the planned
13 action, which actions may be appealed to the full MUSL Board by the Product Group. The GPCFP
14 may only be expended to fund the starting minimum annuity Grand Prize.

15 (vi) The prize reserve shares of a Party Lottery may be adjusted with refunds
16 to the Party Lottery from the prize reserve account(s) as may be needed to maintain the approved
17 maximum balance and sales percentage shares of the Party Lotteries.

18 (vii) A Party Lottery may contribute to its sales percentage share of prize
19 reserve accounts over time, but in the event of a draw down from a prize reserve account, a Party
20 Lottery is responsible for its full sales percentage share of the prize reserve account, whether or
21 not it has been paid in full.

22 (viii) Any amount remaining in the Powerball prize pool accounts or prize
23 reserve accounts when the Product Group declares the end of this game shall be returned to the

lotteries participating in the accounts after the end of all claim periods of all Selling Lotteries, carried forward to a replacement game or otherwise expended in a manner at the election of the individual Members of the Product Group in accordance with jurisdiction statute.

(2) Expected Powerball Prize Payout Percentages. The Grand Prize payout shall be determined on a pari-mutuel basis. Except as otherwise provided in this section, all other prizes awarded shall be paid as single payment set cash prizes. All prize payouts are made with the following expected prize payout percentages, although the prize payout percentage per draw may vary:

Figure: 16 TAC §401.317(d)(2)

Number of Matches Per PB Play	Prize Payment	PB Prize Pool Percentage Allocated to Prize	PB Sales Percentage Allocated to Prize
All five (5) of first set plus one (1) of second set.	Grand Prize	68.0131% *	34.0066%
All five (5) of first set and none of second set.	\$1,000,000	8.5558%	4.2779%
Any four (4) of first set plus one (1) of second set.	\$50,000	5.4757%	2.7378%
Any four (4) of first set and none of second set.	\$100	0.2738%	0.1369%
Any three (3) of first set plus one (1) of second set.	\$100	0.6899%	0.3450%
Any three (3) of first set and none of second set.	\$7	1.2074%	0.6037%
Any two (2) of first set plus one (1) of second set.	\$7	0.9981%	0.4990%
Any one (1) of first set plus one (1) of second set.	\$4	4.3489%	2.1744%
None of first set plus one (1) of second set.	\$4	10.4373%	5.2187%
<i>*The maximum contribution rate may include contributions to reserves and pools as described in this rule and the MUSL Powerball Group Rules.</i>			

1 (A) The prize money allocated to the Powerball Grand Prize category shall be
2 divided on a pari-mutuel basis by the number of PB Plays winning the Powerball Grand Prize.

3 (B) Powerball Set Prize Pool Carried Forward. For Party Lotteries, the Powerball
4 Set Prize Pool (for single payment prizes of \$1,000,000 or less) shall be carried forward to
5 subsequent draws if all or a portion of it is not needed to pay the Powerball Set Prizes awarded in
6 the current draw.

7 (C) Pari-Mutuel Powerball Prize Determinations. Except as otherwise provided, if
8 the total of the Powerball Set Prizes (as multiplied by the respective Power Play multiplier, if
9 applicable) awarded in a Drawing exceeds the percentage of the prize pool allocated to the
10 Powerball Set Prizes, then the amount needed to fund the Powerball Set Prizes, including Power
11 Play prizes, awarded shall be drawn first from the amount available in the Powerball Set Prize
12 Pool and the Power Play Prize Pool, if any; second from the SPRA, if available, not to exceed forty
13 million dollars (\$40,000,000.00) per Drawing; and, third from other amounts as agreed to by the
14 Product Group in their sole discretion.

15 (D) If, after these sources are depleted, there are not sufficient funds to pay the Set
16 Prizes awarded, including Power Play Prizes, then the highest Set Prize shall become a pari-mutuel
17 prize. If the amount of the highest Set Prize, when paid on a pari-mutuel basis, drops to or below
18 the next highest Set Prize and there are still not sufficient funds to pay the remaining Set Prizes
19 awarded, then the next highest Set Prize, including Power Play prizes, shall become a pari-mutuel
20 prize. This procedure shall continue down through all Set Prize levels, if necessary, until all Set
21 Prize levels become pari-mutuel prize levels. In that instance, the money available from the
22 funding sources listed in this rule shall be divided among the winning PB Plays in proportion to

their respective prize percentages. Powerball Set Prizes and Power Play Prizes will be reduced by the same percentage.

(E) By agreement, the Licensee Lotteries shall independently calculate their Set Prize pari-mutuel prize amounts. The Party Lotteries and the Licensee Lotteries shall then agree to set the pari-mutuel prize amounts for all lotteries selling the game at the lesser of the independently-calculated prize amounts.

(e) Probability of Winning Powerball Plays. The following table sets forth the probability of winning PB Plays and the probable distribution of winning PB Plays in and among each prize category, based upon the total number of possible combinations in the Powerball game. The Set Prize Amount shall be the prizes set for all Selling Lotteries unless prohibited or limited by a jurisdiction's statute or judicial requirements.

Figure: 16 TAC §401.317(e)

Number of Matches Per PB Play	Probability Distribution		Probable/Set Prize Amount
	Winners	Probability	
All five (5) of first set plus one (1) of second set	1	1:292,201,338.0000	Grand Prize
All five (5) of first set and none of second set	25	1:11,688,053.5200	\$1,000,000
Any four (4) of first set plus one (1) of second set	320	1:913,129.1813	\$50,000
Any four (4) of first set and none of second set	8,000	1:36,525.1673	\$100
Any three (3) of first set plus one (1) of second set	20,160	1:14,494.1140	\$100
Any three (3) of first set and none of second set	504,000	1:579.7646	\$7
Any two (2) of the first set plus one (1) of second set	416,640	1:701.3281	\$7
Any one (1) of the first set plus one (1) of the second set	3,176,880	1:91.9775	\$4

None of the first set plus one (1) of second set	7,624,512	1:38.3239	\$4
Overall	11,750,538	1:24.8671	

(f) Powerball Prize Payment.

(1) Powerball Grand Prizes. The Advertised Grand Prize in a Powerball game is not a guaranteed amount; it is an estimated amount, and all advertised prizes, even advertised Set Prizes, are estimated amounts. At the time of ticket purchase, a player must select a payment option of either a single lump sum payment (cash value option or CVO) or annuitized payments (Annuity) of a share of the Grand Prize if the PB Play is a winning Play. If no selection is made, payment option will be as described in the chart below:

Figure: 16 TAC §401.317(f)(1)

Terminal Type	Manual Entry	Playslip with No Payment Option Selected
GT1200 (Retailer Terminal)	Default to CVO; retailer toggles to choose Annuity	Playslip Rejected with message "Playslip Rejected. Select Payment Option."
GT1200C (Retailer Terminal)	Default to CVO; retailer toggles to choose Annuity.	Playslip Rejected with message "Playslip Rejected. Select Payment Option."
Gemini (Self-service Lottery Ticket Vending Machine)	CVO only – designated on draw game Quick Pick buttons.	Playslip Rejected with message "Playslip Rejected. Select Payment Option."
GT20 (Self-service Lottery Ticket Vending Machine)	CVO only – designated on draw game Quick Pick buttons.	N/A

Third-party POS systems	CVO only – Quick Pick selections through authorized third-party POS systems.	N/A
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(A) A player's selection of the payment option at the time of purchase is final and cannot be revoked, withdrawn, or otherwise changed.

(B) The Grand Prize available in the Grand Prize Pool shall be determined on a pari-mutuel basis among all winning PB Plays of the Grand Prize. A player(s) who elects a cash value option payment shall be paid their share(s) in a single lump sum payment. The annuitized option prize shall be determined by multiplying the winning Play's share of the Grand Prize Pool by the annuity factor established in accordance with Texas law and the rules of the Texas Comptroller of Public Accounts. The MUSL Annuity Factor will not be used for Texas Lottery players. Neither MUSL nor any Selling Lottery shall be responsible or liable for changes in the advertised or estimated annuity prize amount and the actual amount purchased after the prize payment method is actually known to MUSL.

(C) In certain instances announced by the Powerball Group, the Grand Prize shall be a guaranteed amount and shall be determined pursuant to paragraph (6) of this subsection.

(D) If individual shares of the Grand Prize Pool funds held to fund an annuity is less than \$250,000.00, the Powerball Group, in its sole discretion, may elect to pay the winners their share of the funds held in the Grand Prize Pool. All annuitized prizes shall be paid annually in thirty (30) payments with the initial payment being made in a single payment, to be followed by twenty-nine (29) payments funded by the annuity.

1 (E) All annuitized prizes shall be paid annually in thirty (30) graduated payments,
2 as provided by the MUSL rules, (increasing each year) at a rate as determined by the MUSL
3 Product Group. Prize payments may be rounded down to the nearest one thousand dollars (\$1,000).

4 (F) Funds for the initial payment of an annuitized prize or the lump sum cash value
5 option payment shall be made available by MUSL for payment by the Selling Lottery no earlier
6 than the fifteenth calendar day (or the next banking day if the fifteenth day is a holiday) following
7 the Drawing. If necessary, when the due date for the payment of a prize occurs before the receipt
8 of funds in the prize pool trust sufficient to pay the prize, the transfer of funds for the payment of
9 the full lump sum cash value option payment amount may be delayed pending receipt of funds
10 from the Selling Lotteries. The identification of the securities to fund the annuitized prize shall be
11 at the sole discretion of the State of Texas. If the State of Texas purchases the securities, or holds
12 the prize payment annuity for a Powerball prize won in this state, the prize winner will have no
13 recourse on the MUSL or any other Party Lottery for payment of that prize.

14 (2) Payment of Prize Payments upon the Death of a Prize Winner. In the event of the death
15 of a prize winner, payments may be made in accordance with §401.310 of this chapter (relating to
16 Payment of Prize Payments Upon Death of Prize Winner), otherwise, payment of prize payments
17 will be made to the estate of a deceased prize winner in accordance with Texas Government Code
18 §466.406.

19 (3) Powerball Prize Payments. All prizes shall be paid through the Selling Lottery that sold
20 the winning Play(s). All low-tier cash prizes (all prizes except the Grand Prize) shall be paid in
21 cash or warrants in accordance with Texas statutes and these rules. A Selling Lottery may begin
22 paying low-tier cash prizes after receiving authorization to pay from the MUSL central office.

1 (4) Powerball Prizes Rounded. Annuitized payments of the Grand Prize or a share of the
2 Grand Prize may be rounded to facilitate the purchase of an appropriate funding mechanism.
3 Breakage on an annuitized Grand Prize win shall be added to the first cash payment to the winner
4 or winners. Prizes other than the Grand Prize, which, under this section, may become single-
5 payment, pari-mutuel prizes, may be rounded down so that prizes can be paid in multiples of whole
6 dollars. Breakage resulting from rounding these prizes shall be carried forward to the prize pool
7 for the next Drawing.

8 (5) Powerball Prize Rollover. If the Grand Prize is not won in a Drawing, the prize money
9 allocated for the Grand Prize shall roll over and be added to the Grand Prize Pool for the following
10 Drawing.

11 (6) Funding of Guaranteed Powerball Prizes. The Powerball Group may offer guaranteed
12 minimum Grand Prize amounts or minimum increases in the Grand Prize amount between
13 Drawings or make other changes in the allocation of prize money where the Powerball Group finds
14 that it would be in the best interest of the game. If a minimum Grand Prize amount or a minimum
15 increase in the Grand Prize amount between Drawings is offered by the Powerball Group, then the
16 Grand Prize shares shall be determined as follows:

17 (A) If there are multiple Grand Prize winning PB Plays during a single Drawing,
18 each selecting the annuitized option prize, then a winning PB Play's share of the guaranteed
19 annuitized Grand Prize shall be determined by dividing the guaranteed annuitized Grand Prize by
20 the number of Grand Prize winning PB Plays.

21 (B) If there are multiple Grand Prize winning PB Plays during a single Drawing
22 and at least one of the Grand Prize ticket holders has elected the annuitized option prize, then the
23 MUSL Annuity Factor may be utilized to determine the cash pool. The cost of the annuitized

1 prize(s) will be determined at the time the annuity is purchased through a process as approved by
2 the MUSL Board. If the annuitized option prize is selected by a Texas Lottery player, the amount
3 shall be determined by multiplying the winning PB Play's share of the Grand Prize Pool by the
4 annuity factor established in accordance with Texas law and the rules of the Texas Comptroller of
5 Public Accounts. The MUSL Annuity Factor will not be used for Texas Lottery players.

6 (C) If there are multiple Grand Prize winning PB Plays during a single Drawing,
7 and no claimant of the Grand Prize has elected the annuitized option prize, then the amount of cash
8 in the Grand Prize Pool shall be an amount equal to the guaranteed annuitized amount divided by
9 the MUSL Annuity Factor.

10 (D) Minimum guaranteed prizes or increases may be waived upon approval of the
11 Powerball Group if the alternate funding mechanism set out in subsection (d)(2)(D) of this section
12 becomes necessary.

13 (7) Limited to Highest Powerball Prize Won. The holder of a winning PB Play may win
14 only one (1) prize per PB Play in connection with the Winning Numbers drawn, and shall be
15 entitled only to the prize won by those numbers in the highest matching prize category. All
16 liabilities for a Powerball game or Powerball game promotional prize are discharged upon payment
17 of a prize claim.

18 (8) Powerball Prize Claim Period. Prizes must be claimed no later than 180 days after the
19 draw date.

20 (g) Play Validation. To be a valid Play and eligible to receive a prize, a Play's ticket shall satisfy
21 all the requirements established by the commission for validation of winning tickets sold through
22 its lottery gaming system and any other validation requirements adopted by the Powerball Group,
23 the MUSL Board, and published as the Confidential MUSL Minimum Game Security Standards.

1 The MUSL and the Selling Lotteries shall not be responsible for tickets which are altered in any
2 manner.

3 (1) Under no circumstances will a claim be paid for any prize without an official ticket
4 matching all game Play, serial number and other validation data residing in the selling Party
5 Lottery's lottery gaming system and such ticket shall be the only valid proof of the wager placed
6 and the only valid evidence for purposes of claiming or redeeming such prize.

7 (2) In addition to the above condition, in order to be deemed a valid winning Play, all of
8 the following conditions must be met:

9 (A) The validation data must be present in its entirety and must correspond, using
10 the computer validation file, to the number selections printed on the ticket for the applicable
11 Drawing date(s).

12 (B) The ticket must be intact.

13 (C) The ticket must not be mutilated, altered, reconstituted, or tampered with in any
14 manner.

15 (D) The ticket must not be counterfeit or an exact duplicate of another winning
16 ticket.

17 (E) The ticket must have been issued by an authorized sales agent, selling agent or
18 retailer on official Texas Lottery paper stock, or, for third-party point-of-sale systems approved by
19 the commission, printed on paper stock or otherwise issued in a manner approved by the
20 commission to provide tangible evidence of participation in a lottery game.

21 (F) The ticket must not have been stolen, to the knowledge of the commission.

22 (G) The Play data must have been recorded on the commission's lottery gaming
23 system prior to the Drawing and the Play data must match this lottery record in every respect. In

1 the event of a conflict between information as printed on the ticket and as accepted by the
2 commission's lottery gaming system, the wager accepted by the commission's lottery gaming
3 system shall be the valid wager.

4 (H) The player or Quick Pick number selections, validation data and the Drawing
5 date(s) of an apparent winning Play must appear in the official file of winning Plays, and a Play
6 with that exact data must not have been previously paid.

7 (I) The play must not be misregistered, and the Play's ticket must not be defectively
8 printed or printed or produced in error to an extent that it cannot be processed by the commission.

9 (J) In submitting a Play for validation, the claimant agrees to abide by applicable
10 laws, all rules and regulations, instructions, conditions and final decisions of the executive director.

11 (K) There must not be any other breach of the Powerball Game Rules in relation to
12 the Play that, in the opinion of the executive director, justifies invalidation.

13 (L) The Play must be submitted to the Selling Lottery that issued it.

14 (3) A Play submitted for validation that fails any of the validation conditions shall be
15 considered void, subject to the following determinations:

16 (A) In all cases of doubt, the determination of the commission shall be final and
17 binding; however, the commission may, at its option, replace an invalid Play with a Play of
18 equivalent sales price;

19 (B) In the event a defective ticket is purchased or in the event the commission
20 determines to adjust an error, the claimant's sole and exclusive remedy shall be the replacement of
21 such defective or erroneous ticket(s) with a Play of equivalent sales price;

1 (C) In the event a Play is not paid by the commission and a dispute occurs as to
2 whether the Play is a winning Play, the commission may, at its option, replace the Play as provided
3 in subparagraph (A) of this paragraph. This shall be the sole and exclusive remedy of the claimant.

4 (h) Ticket Responsibility.

5 (1) Signature. Until such time as a signature is placed upon a ticket in the area designated
6 for signature, a ticket shall be owned by the bearer of the ticket. When a signature is placed on the
7 ticket in the place designated, the person whose signature appears in such area shall be the owner
8 of the ticket and shall be entitled (subject to the validation requirements in subsection (g) of this
9 section (Ticket Validation) and state or district law) to any prize attributable thereto.

10 (2) Multiple Claimants. The issue of multiple claimants shall be handled in accordance
11 with Texas Government Code Chapter 466 and §401.304 of this chapter.

12 (3) Stolen Tickets. The Powerball Group, the MUSL and the Party Lotteries shall not be
13 responsible for lost or stolen tickets.

14 (4) Prize Claims. Prize claim procedures shall be governed by the rules of the commission
15 as set out in §401.304 of this subchapter and any internal procedures used by the commission. The
16 MUSL and the Party Lotteries shall not be responsible for prizes that are not claimed following
17 the proper procedures as determined by the Selling Lottery.

18 (5) The MUSL and the Participating Lotteries shall not be responsible to a prize claimant
19 for Plays redeemed in error by a selling agent, sales agent or retailer.

20 (6) Winning Plays are determined by the numbers drawn and certified by the independent
21 auditor responsible for auditing the Drawing. MUSL and the Participating Lotteries are not
22 responsible for Winning Numbers reported in error.

23 (i) Ineligible Players.

1 (1) A Play or share for a MUSL game issued by the MUSL or any of its Selling Lotteries
2 shall not be purchased by, and a prize won by any such Play or share shall not be paid to:

3 (A) a MUSL employee, officer, or director;

4 (B) a contractor or consultant under agreement with the MUSL to review the MUSL
5 audit and security procedures;

6 (C) an employee of an independent accounting firm under contract with MUSL to
7 observe Drawings or site operations and actually assigned to the MUSL account and all partners,
8 shareholders, or owners in the local office of the firm; or

9 (D) an immediate family member (parent, stepparent, child, stepchild, spouse, or
10 sibling) of an individual described in subparagraphs (A), (B), and (C) of this paragraph and
11 residing in the same household.

12 (2) Those persons designated by a Selling Lottery's law as ineligible to play its games shall
13 also be ineligible to Play the Powerball game in that Selling Lottery's jurisdiction.

14 (j) Applicable Law.

15 (1) In purchasing a Play, as evidenced by a ticket, or attempting to claim a prize, the
16 purchasers and prize claimants agree to comply with and abide by all applicable laws, rules,
17 regulations, procedures, and decisions of the Selling Lottery where the ticket was purchased, and
18 by directives and determinations of the director of that Party Lottery.

19 (2) A prize claimant agrees, as its sole and exclusive remedy, that claims arising out of a
20 Powerball game or a Powerball game promotion (as described in this section) can only be pursued
21 against the Selling Lottery which issued the Play. Litigation, if any, shall only be maintained within
22 the jurisdiction in which the Play was purchased and only against the Selling Lottery that issued
23 the Play. No claim shall be made against any other Participating Lottery or against the MUSL.

1 (3) Nothing in these Rules shall be construed as a waiver of any defense or claim the Selling
2 Lottery which issued the Play, any other Participating Lottery or MUSL may have in any litigation,
3 including in the event a player or prize claimant pursues litigation against the Selling Lottery, any
4 other Participating Lottery or MUSL, or their respective officers, directors or employees.

5 (4) All decisions made by a Selling Lottery, including the declaration of prizes and the
6 payment thereof and the interpretation of Powerball Rules, shall be final and binding on all Play
7 purchasers and on every person making a prize claim in respect thereof, but only in the jurisdiction
8 where the Play was issued.

9 (5) Unless the laws, rules, regulations, procedures, and decisions of the Lottery which
10 issued the Play provide otherwise, no prize shall be paid upon a Play purchased, claimed or sold
11 in violation of the MUSL Powerball Rules or the laws, rules, regulations, procedures, and decisions
12 of that Selling Lottery; any such prize claimed but unpaid shall constitute an unclaimed prize under
13 these Rules and the laws, rules, regulations, procedures, and decisions of that Selling Lottery.

14 (k) Powerball Special Game Rules: Powerball Power Play®.

15 (1) Power Play Description. The Powerball Power Play is a promotional limited extension
16 of the Powerball game and is conducted in accordance with the Powerball game rules and other
17 lottery rules applicable to the Powerball game except as may be amended herein. Power Play will
18 begin at a time announced by the commission and will continue until discontinued by the
19 commission. Power Play will offer to the owners of a qualifying Play a chance to increase the
20 amount of any of the eight Low-Tier Set Prizes (the Low-Tier prizes normally paying \$4 to
21 \$1,000,000) won in a Power Play Drawing. The Grand Prize is not a Set Prize and will not be
22 increased. MUSL will conduct a separate random "Power Play" Drawing and announce results
23 during each of the regular Powerball Drawings held during the promotion. During each Power

Play Drawing a single number (2, 3, 4, 5 and sometimes 10) shall be drawn. The ten (10X) multiplier shall be available for all Drawings in which the initially Advertised Grand Prize amount is one hundred fifty million dollars (\$150,000,000.00) or less. The probability of the possible Power Play numbers being drawn is indicated in Figure 16 TAC §401.317(k)(4)(D). The Powerball Group may modify the multiplier features for special promotions from time to time.

(2) Qualifying Play. A qualifying Play is any single PB Play for which the player pays an extra dollar (\$1.00) for the Power Play option and which is recorded at the commission's lottery gaming system as a qualifying Power Play Play.

(3) Prizes to be Increased. Except as provided in the MUSL Powerball game rules and this section, a qualifying Play which wins one of the seven lowest Set Prizes (excluding the Match 5 + 0) will be multiplied by the number drawn, either two (2), three (3), four (4), five (5), or sometimes ten (10), in a separate random Power Play Drawing announced during the official Powerball Drawing show. The ten (10X) multiplier will be available for Drawings in which the initially advertised annuitized Grand Prize amount is one hundred fifty million dollars (\$150,000,000.00) or less. The announced Match 5+0 prize, for players selecting the Power Play option, shall be paid two million dollars (\$2,000,000.00) unless a higher limited promotional dollar amount is announced by the Powerball Group.

Figure: 16 TAC §401.317(k)(3)

Prize Amount	Regardless of Power Play number selected:					
Match 5+0	\$1,000,000.00	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00
	Prize Amount	10X	5X	4X	3X	2X
Match 4+1	\$50,000.00	\$500,000.00	\$250,000.00	\$200,000.00	\$150,000.00	\$100,000.00
Match 4+0	\$100.00	\$1,000.00	\$500.00	\$400.00	\$300.00	\$200.00

Match 3+1	\$100.00	\$1,000.00	\$500.00	\$400.00	\$300.00	\$200.00
Match 3+0	\$7.00	\$70.00	\$35.00	\$28.00	\$21.00	\$14.00
Match 2+1	\$7.00	\$70.00	\$35.00	\$28.00	\$21.00	\$14.00
Match 1+1	\$4.00	\$40.00	\$20.00	\$16.00	\$12.00	\$8.00
Match 0+1	\$4.00	\$40.00	\$20.00	\$16.00	\$12.00	\$8.00

(4) Prize Pool.

(A) Power Play Prize Pool. The Power Play Prize Pool is created to be used to fund Power Play Prizes and shall hold the temporary balances that may result from having fewer than expected winners in the Power Play. The source of the Power Play Prize Pool is the Party Lottery's weekly prize contributions less actual Power Play Prize liability. In total, fifty percent (50%) of each draw's sales shall be collected for the payment of prizes.

(i) In Drawings where the ten (10X) multiplier is available, the expected payout for all prize categories shall consist of up to forty-nine and nine hundred sixty-nine thousandths percent (49.969%) of each Drawing period's sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery Play. In Drawings where the ten (10X) multiplier is not available, the expected payout for all prize categories shall consist of up to forty-five and nine hundred thirty-four thousandths percent (45.934%) of each Drawing period's sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery Play.

(ii) In Drawings where the ten (10X) multiplier is available, an additional thirty-one thousandths percent (0.031%) of each Drawing period's sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery ticket, may be

1 collected and placed in trust in the Power Play Prize Pool, for the purpose of paying Power Play
2 prizes. In drawings where the ten (10X) multiplier is not available, an additional four and sixty-
3 six thousandths percent (4.066%) of each Drawing period's sales, including any specific statutorily
4 mandated tax of a Selling Lottery to be included in the price of a lottery ticket, may be collected
5 and placed in trust in the Power Play Prize Pool, for the purpose of paying Power Play Prizes.

6 (iii) The prize payout percentage per draw may vary. The Power Play Prize
7 Pool shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the
8 Power Play Prizes awarded in the current draw and held in the Power Play Prize Pool.

9 (B) End of Promotion. Any amount remaining in the Power Play Prize Pool when
10 the Powerball Group declares the end of this promotion shall be returned to the lotteries
11 participating in the account after the end of all claim periods of all Selling Lotteries, carried
12 forward to a replacement game or promotion, or otherwise expended in a manner at the election
13 of the individual Participating Lotteries of the Product Group in accordance with jurisdiction
14 statute.

15 (C) Expected Prize Payout. Except as provided in this section, all prizes awarded
16 shall be paid as single payment cash prizes. Instead of the Powerball Set Prize amounts, qualifying
17 winning Plays of Power Play will pay the amounts shown in paragraph (3) of this subsection,
18 above. In certain rare instances, the Powerball Set Prize amount may be less than the amount shown
19 in Figure: 16 TAC §401.317(k)(3). In such case, the eight lowest Power Play Prizes will be
20 changed to an amount announced after the draw. For example, if the Match 4+1 Powerball Set
21 Prize amount of \$50,000 becomes \$25,000 under the rules of the Powerball game, and a 5X Power
22 Play Multiplier is drawn, then a Power Play winning Play prize amount would win \$125,000.

(D) Probability of Power Play Numbers Being Drawn. The following table sets forth the probability of the various Power Play numbers being drawn during a single Powerball Power Play Drawing. The Powerball Group may elect to run limited promotions that may modify the multiplier features. Power Play does not apply to the Powerball Grand Prize. Except as provided in subparagraph (C) of this paragraph, a Power Play Match 5 + 0 prize is set at two million dollars (\$2,000,000.00), regardless of the multiplier selected.

Figure: 16 TAC §401.317(k)(4)(D)

When the 10X multiplier is available:		
Power Play	Probability of Prize Increase	Chance of Occurrence
10X (Prize Won Times 10)	1 in 43	2.3255%
5X (Prize Won Times 5)	2 in 43	4.6512%
4X (Prize Won Times 4)	3 in 43	6.9767%
3X (Prize Won Times 3)	13 in 43	30.2326%
2X (Prize Won Times 2)	24 in 43	55.8140%
When the 10X multiplier is not available:		
Power Play	Probability of Prize Increase	Chance of Occurrence
10X (Prize Won Times 10)	0 in 42	0.0000%
5X (Prize Won Times 5)	2 in 42	4.7619%
4X (Prize Won Times 4)	3 in 42	7.1429%
3X (Prize Won Times 3)	13 in 42	30.9523%
2X (Prize Won Times 2)	24 in 42	57.1429%
Power Play does not apply to the Grand Prize. Except as provided in subparagraph (C) of this paragraph, a Power Play Match 5 prize is set at two million dollars (\$2 million), regardless of the multiplier selected.		

1 (5) Limitations on Payment of Power Play Prizes.

2 (A) Prize Pool Carried Forward. The prize pool percentage allocated to the Power
3 Play Set Prizes shall be carried forward to subsequent draws if all or a portion of it is not needed
4 to pay the Set Prizes awarded in the current draw.

5 (B) Pari-Mutuel Prizes--All Prize Amounts. If the total of the original Powerball
6 Set Prizes and the Power Play Prizes awarded in a Drawing exceeds the percentage of the prize
7 pools allocated to the Set Prizes, then the amount needed to fund the Set Prizes (including the
8 Power Play prize amounts) awarded shall first come from the amount available in the Set Prize
9 Pool and the Power Play Prize Pool, if any, second from the Powerball Group's Set Prizes Reserve
10 Account, if available, not to exceed forty million dollars (\$40,000,000.00) per Drawing, and third
11 from other amounts as agreed to by the Powerball Group in their sole discretion.

12 (C) If, after these sources are depleted, there are not sufficient funds to pay the Set
13 Prizes awarded (including Power Play prize amounts), then the highest Set Prize (including the
14 Power Play prize amounts) shall become a pari-mutuel prize. If the amount of the highest Set Prize,
15 when paid on a pari-mutuel basis, drops to or below the next highest Set Prize and there are still
16 not sufficient funds to pay the remaining Set Prizes awarded, then the next highest Set Prize,
17 including the Power Play prize amount, shall become a pari-mutuel prize. This procedure shall
18 continue down through all Set Prizes levels, if necessary, until all Set Prize levels become pari-
19 mutuel prize levels. In that instance, the money available from the funding sources listed in this
20 section shall be divided among the winning Plays in proportion to their respective prize
21 percentages. Powerball and Power Play prizes will be reduced by the same percentage. By
22 agreement, the Licensee Lotteries shall independently calculate their set pari-mutuel prize
23 amounts, including the Power Play prize amounts. The Party Lotteries and the Licensee Lotteries

shall then agree to set the pari-mutuel prize amounts for all lotteries selling the game at the lesser of the independently-calculated prize amounts.

(6) Prize Payment.

(A) Prize Payments. All Power Play prizes shall be paid in a single payment through the Selling Lottery that sold the winning Power Play Play(s). A Selling Lottery may begin paying Power Play prizes after receiving authorization to pay from the MUSL central office.

(B) Prizes Rounded. Prizes, which, under these rules, may become pari-mutuel prizes, may be rounded down so that prizes can be paid in multiples of whole dollars. Breakage resulting from rounding these prizes shall be carried forward to the prize pool for the next Drawing.

§401.320. "All or Nothing" Draw Game Rule.

(a) All or Nothing™. The executive director is authorized to conduct a game known as "All or Nothing." The executive director may issue further directives for the conduct of All or Nothing that are consistent with this rule. In the case of conflict, this rule takes precedence over §401.304 of this title (relating to Draw Game Rules (General)).

(b) Object of the Game. The object of the game is to either select as many or as few numbers that match the 12 numbers drawn in the drawing. If a player matches more than 7 (seven) or fewer than 5 (five) numbers drawn in the drawing, the player wins a prize. (See the prize schedule chart in subsection (g) of this section.) If the player matches all 12 numbers drawn in the drawing, or does not match any numbers drawn in the drawing, the player wins the Top Prize. If more than one ticket has been sold in which a player has matched all or none of the numbers drawn in the drawing, each player possessing such ticket shall win the Top Prize.

(c) Definitions. In addition to the definitions provided in §401.301 of this title (relating to General Definitions), and unless the context in this rule otherwise requires, the following definitions apply.

1 (1) Play--The selection of twelve different numbers from 1 to 24 for one opportunity to
2 win in All or Nothing and the purchase of a ticket evidencing that selection.

3 (2) Playboard--A field of 24 numbers from 1 to 24 found on the playslip.

4 (d) Plays and tickets.

5 (1) A ticket may be sold only by a retailer and only at the location listed on the retailer's
6 license. A ticket sold by a person other than a retailer is not valid.

7 (2) The price of an individual play is \$2.

8 (3) A player may use a single playslip or other commission-approved method of play to
9 purchase the same play(s) for up to 24 consecutive drawings, to begin with the next drawing after
10 the purchase.

11 (4) A retailer shall issue a ticket as evidence of one or more plays. A ticket must show the
12 numbers selected for each play, the number of plays, the draw date(s) and time(s) for which the
13 plays were purchased, the cost of the ticket and the security and transaction serial numbers. Tickets
14 must be printed on official Texas Lottery paper stock, or, for third-party point-of-sale systems
15 approved by the commission, printed on paper stock or otherwise issued in a manner approved by
16 the commission to provide tangible evidence of participation in a lottery game.

17 (5) An unsigned winning ticket is payable to the holder or bearer of the ticket if the ticket
18 meets all applicable validation requirements.

19 (e) Drawings.

20 (1) All or Nothing drawings will be held four times a day, (at 10:00 a.m., 12:27 p.m., 6:00
21 p.m., and 10:12 p.m. Central Time) six days a week (Monday through Saturday). The executive
22 director may change the drawing schedule, if it is deemed necessary.

23 (2) Twelve different numbers from 1 to 24 shall be drawn at each All or Nothing drawing.

1 (3) Numbers drawn must be certified by the commission in accordance with the
2 commission's draw procedures.

3 (4) The numbers selected in a drawing shall be used to determine all winners for that
4 drawing.

5 (5) A drawing will not be invalidated based on the financial liability of the lottery.

6 (f) Announcement of incentive or bonus program. The executive director shall announce each
7 incentive or bonus program prior to its commencement. The announcement shall specify the
8 beginning and ending time, if applicable, of the incentive or bonus program and the value for the
9 award.

10 (g) Prizes.

11 (1) The Top Prize.

12 (A) Each person who holds a valid ticket for a play matching (in any order) the
13 twelve numbers drawn in a drawing, or matching none of the twelve numbers drawn in a drawing
14 is entitled to a top prize in the amount of \$250,000; provided that, in any drawing where the number
15 of top prize winning plays is greater than twenty (20), the top prize shall be paid on a pari-mutuel
16 rather than fixed prize basis and a liability cap of \$5 million will be divided equally by the number
17 of top prize winning plays. For purposes of prize calculation with respect to the pari-mutuel prize,
18 the calculation shall be rounded down so that prizes shall be paid in multiples of one dollar. Any
19 part of the top pari-mutuel prize for a drawing that is not paid in prizes (breakage) shall be applied
20 to offset prize expense. All other prizes are in amounts for matching or non-matching selections
21 as shown in the following chart. All prizes are paid in cash.

22 Figure: 16 TAC §401.320(g)(1)(A)

Match	Odds	Prize
0	1 in 2,704,156	\$250,000*
1	1 in 18,779	\$500
2	1 in 621	\$50
3	1 in 56	\$10
4	1 in 11	\$2
5	Not a winner	Not a winner
6	Not a winner	Not a winner
7	Not a winner	Not a winner
8	1 in 11	\$2
9	1 in 56	\$10
10	1 in 621	\$50
11	1 in 18,779	\$500
12	1 in 2,704,156	\$250,000*
	Overall odds of winning any prize: 1 in 4.54	
*In any drawing where the number of top prize winning plays is greater than twenty (20), the top prize shall be paid on a pari-mutuel rather than fixed prize basis and a liability cap of \$5 million will be divided equally by the number of top prize winning plays.		

(B) All payments shall be made upon completion of commission validation procedures.

(C) A claim for any prize of \$600 or more must be presented at a claim center.

(2) A person may win only one prize per play per drawing. A player who holds a valid ticket for a winning play is entitled to the highest prize for that play.

posed amendments: will not create or eliminate a government program; will not result in the addition or reduction of employees; will not require an increase or decrease in future legislative appropriations; will not lead to an increase or decrease in fees paid to a state agency; will not create a new regulation; will not repeal an existing regulation; and will not result in an increase or decrease in the number of individuals subject to the rule. During the first five years that the amendments would be in effect, the proposed amendments will not positively or adversely affect the Texas economy.

REQUEST FOR PUBLIC COMMENT. Comments on the proposed amendments may be submitted to Mark Wolfe, Executive Director, Texas Historical Commission, P.O. Box 12276, Austin, Texas 78711. Comments will be accepted for 30 days after publication in the *Texas Register*.

STATUTORY AUTHORITY AND STATEMENT ON AUTHORITY. This new rule is proposed under the authority of Texas Government Code §442.005(q), which provides the Commission with the authority to promulgate rules to reasonably affect the purposes of that chapter.

This rule is also authorized under Texas Government Code §442.0045 (included in HB 1422 from the 86th Legislative Session to be effective September 1, 2019), which allows the Commission to delegate its authority to the executive director by rule or order.

§11.25. State Employee Family Leave Pool.

A state employee family leave pool is established to provide eligible employees more flexibility in bonding and caring for children during a child's first year following birth, adoption, or foster placement, and caring for a seriously ill family member or the employee, including pandemic-related illnesses or complications caused by a pandemic.

(1) The Commission's Executive Director shall designate a pool administrator.

(2) The pool administrator will recommend a policy, operating procedures, and forms for the administration of this section for approval by the Executive Director.

(3) Operation of the pool shall be consistent with Texas Government Code, Chapter 661, Subchapter A-1. State Employee Family Leave Pool.

(4) Adoption of this rule is required of state agencies by Texas Government Code §661.022.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on February 14, 2022.

TRD-202200518

Mark Wolfe

Executive Director

Texas Historical Commission

Earliest possible date of adoption: March 27, 2022

For further information, please call: (512) 463-6100



TITLE 16. ECONOMIC REGULATION

PART 9. TEXAS LOTTERY COMMISSION

CHAPTER 401. ADMINISTRATION OF STATE LOTTERY ACT

SUBCHAPTER D. LOTTERY GAME RULES

16 TAC §§401.304, 401.305, 401.307, 401.312, 401.315 - 401.317, 401.320

The Texas Lottery Commission (Commission) proposes amendments to 16 TAC §401.304 (Draw Game Rules (General)), §401.305 ("Lotto Texas" Draw Game Rule), §401.307 ("Pick 3" Draw Game Rule), §401.312 ("Texas Two Step" Draw Game Rule), §401.315 ("Mega Millions" Draw Game Rule), §401.316 ("Daily 4" Draw Game Rule), §401.317 ("Powerball" Draw Game Rule), and §401.320 ("All or Nothing" Draw Game Rule).

The proposed amendments to §401.305 and §401.317 increase the number of consecutive draws a player can purchase in the Lotto Texas and Powerball draw games, respectively. The proposed amendments also consolidate various provisions regarding a player's verification of numbers and other selection(s) on a lottery ticket from the individual draw game rules (§§401.305, 401.307, 401.312, 401.315, 401.316, 401.317, 401.320) into the general draw game rule (§401.304).

Kathy Pyka, Controller, has determined that for each year of the first five years the amendments will be in effect, there will be no significant fiscal impact for state or local governments as a result of the proposed amendments. There will be no adverse effect on small businesses or rural communities, micro businesses, or local or state employment. There will be no additional economic cost to persons required to comply with the amendments, as proposed. Furthermore, an Economic Impact Statement and Regulatory Flexibility Analysis is not required because the proposed amendments will not have an adverse economic effect on small businesses or rural communities as defined in Texas Government Code §2006.001(1-a) and (2).

Ryan Mindell, Lottery Operations Director, has determined that for each year of the first five years the proposed amendments will be in effect, the public benefit expected is greater player convenience as a result of increasing the number of consecutive Lotto Texas and Powerball drawings a player can purchase, and greater understanding of the Commission's rules and draw games by licensed lottery retailers and lottery players through increased uniformity and clarity in game rules.

Pursuant to Texas Government Code §2001.0221, the Commission provides the following Government Growth Impact Statement for the proposed amendments. For each year of the first five years the proposed amendments will be in effect, Kathy Pyka, Controller, has determined the following:

(1) The proposed amendments do not create or eliminate a government program.

(2) Implementation of the proposed amendments does not require the creation of new employee positions or the elimination of existing employee positions.

(3) Implementation of the proposed amendments does not require an increase or decrease in future legislative appropriations to the Commission.

- (4) The proposed amendments do not require an increase or decrease in fees paid to the Commission.
- (5) The proposed amendments do not create a new regulation.
- (6) The proposed amendments do not expand or limit an existing regulation.
- (7) The proposed amendments do not increase or decrease the number of individuals subject to the rule's applicability.
- (8) The proposed amendments do not positively or adversely affect this state's economy.

The Commission requests comments on the proposed amendments from any interested person. Comments on the proposed amendments may be submitted to Kyle Wolfe, Assistant General Counsel, by mail at Texas Lottery Commission, P.O. Box 16630, Austin, Texas 78761-6630; by facsimile at (512) 344-5189; or by email at legal.input@lottery.state.tx.us. Comments must be received within 30 days after publication of this proposal in the *Texas Register* to be considered.

These amendments are proposed under Texas Government Code §466.015(c), which authorizes the Commission to adopt rules governing the operation of the lottery, and §467.102, which authorizes the Commission to adopt rules for the enforcement and administration of the laws under the Commission's jurisdiction.

This proposal is intended to implement Texas Government Code Chapter 466.

§401.304. Draw Game Rules (General).

- (a) (No change.)
- (b) Sale of tickets.
- (1) - (5) (No change.)

(6) Player Responsibility. It shall be the sole responsibility of the player to verify the accuracy of the game Play or Plays and other data printed on the ticket. The placing of Plays is done at the player's own risk through the licensed sales agent who is acting on behalf of the player in entering the Play or Plays.

- (c) - (h) (No change.)

§401.305. "Lotto Texas" Draw Game Rule.

- (a) - (b) (No change.)
- (c) Lotto Texas Plays and tickets.
- (1) - (2) (No change.)

(3) A player may use a single playslip or other commission-approved method of play to purchase the same Lotto Texas or Lotto Texas With Extra! Play(s) [play(s)] for up to 15 [10] consecutive drawings, to begin with the next drawing after the purchase.

- (4) - (5) (No change.)

~~[(6) It shall be the exclusive responsibility of the player to verify the accuracy of the player's selection(s) and other data printed on the ticket.]~~

(6) [(7)] An unsigned winning ticket is payable to the holder or bearer of the ticket if the ticket meets all applicable validation requirements.

- (d) - (h) (No change.)

§401.307. "Pick 3" Draw Game Rule.

- (a) - (c) (No change.)

- (d) Plays and tickets.

- (1) - (10) (No change.)

~~[(11) The purchaser is responsible for verifying the accuracy of the numbers and other selections shown on a ticket.]~~

(11) [(12)] An unsigned winning ticket is payable to the holder or bearer of the ticket if the ticket meets all applicable validation requirements.

- (e) - (h) (No change.)

§401.312. "Texas Two Step" Draw Game Rule.

- (a) - (b) (No change.)

- (c) Plays and tickets.

- (1) - (4) (No change.)

~~[(5) The purchaser is responsible for verifying the accuracy of the numbers and other selections shown on a ticket.]~~

(5) [(6)] An unsigned winning ticket is payable to the holder or bearer of the ticket if the ticket meets all applicable validation requirements.

- (d) - (f) (No change.)

§401.315. "Mega Millions" Draw Game Rule.

- (a) - (b) (No change.)

(c) Game Description. Mega Millions is a five (5) out of seventy (70) plus one (1) out of twenty-five (25) lottery game drawn on the day(s), time(s) and location(s) as determined by the Mega Millions Lotteries, and which pays the Grand Prize, at the election of the player made in accordance with this section, or by a default election made in accordance with this section, either on a graduated annuitized annual pari-mutuel basis or as a cash value option using a rate determined by the Mega Millions Finance Committee on a pari-mutuel basis. Except as provided in this section, all other prizes are paid on a single payment basis. During the Drawing event, five (5) numbers shall be drawn from the first set of seventy (70) numbers, and one (1) number shall be drawn from the second set of twenty-five (25) numbers, which shall constitute the Winning Numbers.

- (1) - (3) (No change.)

~~[(4) Player Responsibility. It shall be the sole responsibility of the player to verify the accuracy of the game Play or Plays and other data printed on the ticket. The placing of Plays is done at the player's own risk through the licensed sales agent who is acting on behalf of the player in entering the Play or Plays.]~~

(4) [(5)] Maximum Purchase. The maximum number of consecutive drawings on a single Play purchase is ten (10).

(5) [(6)] Subscription sales. A subscription sales program may be offered, at the discretion of the executive director.

- (d) - (l) (No change.)

§401.316. "Daily 4" Draw Game Rule.

- (a) - (c) (No change.)

- (d) Plays and tickets.

- (1) - (7) (No change.)

~~[(8) The purchaser is responsible for verifying the accuracy of the numbers and other selections shown on a ticket.]~~

(8) [(9)] An unsigned winning ticket is payable to the holder or bearer of the ticket if the ticket meets all applicable validation requirements.

(e) - (h) (No change.)

§401.317. "Powerball" Draw Game Rule.

(a) - (b) (No change.)

(c) Game Description.

(1) - (3) (No change.)

[(4) **Player Responsibility.** It shall be the sole responsibility of the player to verify the accuracy of the game Play or Plays and other data printed on the ticket. The placing of Plays is done at the player's own risk through the licensed sales agent who is acting on behalf of the player in entering the Play or Plays.]

(4) [(5)] **Subscription Sales.** A subscription sales program may be offered, at the discretion of the executive director.

(5) [(6)] **Maximum Purchase.** The maximum number of consecutive Drawings on a single PB Play purchase is fifteen (15) [ten (40)], including Power Play Plays if purchased.

(d) - (k) (No change.)

§401.320. "All or Nothing" Draw Game Rule.

(a) - (c) (No change.)

(d) Plays and tickets.

(1) - (4) (No change.)

[(5) **It shall be the exclusive responsibility of the player to verify the accuracy of the player's selection(s) and other data printed on the ticket.**]

(5) [(6)] **An unsigned winning ticket is payable to the holder or bearer of the ticket if the ticket meets all applicable validation requirements.**

(e) - (g) (No change.)

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on February 11, 2022.

TRD-202200462

Bob Biard

General Counsel

Texas Lottery Commission

Earliest possible date of adoption: March 27, 2022

For further information, please call: (512) 344-5392



TITLE 19. EDUCATION

PART 2. TEXAS EDUCATION AGENCY

CHAPTER 61. SCHOOL DISTRICTS

SUBCHAPTER A. BOARD OF TRUSTEES RELATIONSHIP

19 TAC §61.3

The State Board of Education (SBOE) proposes new §61.3, concerning school safety training for school board members. The proposed new section would reflect changes made by House Bill

(HB) 690, 87th Texas Legislature, Regular Session, 2021, to the SBOE's duty to provide training courses for independent school district trustees.

BACKGROUND INFORMATION AND JUSTIFICATION: Texas Education Code (TEC), §11.159, Member Training and Orientation, requires the SBOE to provide a training course for school board trustees. Chapter 61, Subchapter A, addresses this statutory requirement. School board trustee training under current SBOE rule includes a local school district orientation session, a basic orientation to the TEC, an annual team-building session with the local school board and the superintendent, specified hours of continuing education based on identified needs based on the SBOE's Framework for School Board Development, training on evaluating student academic performance, and training on identifying and reporting potential victims of sexual abuse, human trafficking, and other maltreatment of children.

HB 690, 87th Texas Legislature, Regular Session, 2021, added new TEC, §11.159(b-1), which obligates the SBOE to require trustees to complete training on school safety. Proposed new §61.3 would codify the school safety training requirement in rule.

New TEC, §11.159(b-1), also required that the SBOE, in coordination with the Texas School Safety Center, develop the curriculum and materials for the training by January 1, 2022. At the September 2021 SBOE meeting, the board discussed an outline of the school safety training curriculum proposed by the Texas School Safety Center and provided feedback on the outline. The SBOE approved the school safety training curriculum and materials developed by the Texas School Safety Center at its November 2021 meeting.

The SBOE approved the proposed new section for first reading and filing authorization at its January 28, 2022 meeting.

FISCAL IMPACT: Jeffrey Cottrill, deputy commissioner for governance and accountability, has determined that there are no additional costs to state or local government required to comply with the proposal.

LOCAL EMPLOYMENT IMPACT: The proposal has no effect on local economy; therefore, no local employment impact statement is required under Texas Government Code, §2001.022.

SMALL BUSINESS, MICROBUSINESS, AND RURAL COMMUNITY IMPACT: The proposal has no direct adverse economic impact for small businesses, microbusinesses, or rural communities; therefore, no regulatory flexibility analysis specified in Texas Government Code, §2006.002, is required.

COST INCREASE TO REGULATED PERSONS: The proposal does not impose a cost on regulated persons, another state agency, a special district, or a local government and, therefore, is not subject to Texas Government Code, §2001.0045.

TAKINGS IMPACT ASSESSMENT: The proposal does not impose a burden on private real property and, therefore, does not constitute a taking under Texas Government Code, §2007.043.

GOVERNMENT GROWTH IMPACT: Texas Education Agency (TEA) staff prepared a Government Growth Impact Statement assessment for this proposed rulemaking. During the first five years the proposed rulemaking would be in effect, it would create a new regulation by adding training on school safety to the existing required trustee training. The school safety training is required by TEC, §11.159(b-1), as added by HB 690, 87th Texas Legislature, Regular Session, 2021.