

CHAPTER 7857
STATE LOTTERY
LOTTERY PRIZE PAYMENTS

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7857.2000 DISCLOSURE OF PURCHASE.

The lottery reserves the right to request a claimant of a winning ticket to disclose the location or person from whom the claimant purchased the ticket.

Statutory Authority: *MS s 349A.05*

History: *14 SR 2354*

7857.2010 TICKETS LOST OR STOLEN.

The lottery reserves the right to withhold prize money pending the findings of an investigation, when the claimed ticket for that prize has been reported stolen or lost by a retailer.

Statutory Authority: *MS s 349A.05*

History: *14 SR 2354*

7857.3000 PURCHASE RESTRICTIONS.

Subpart 1. **Lottery employee.** A lottery ticket may not be purchased by, nor a prize awarded to the director, board member, employee of the lottery, or any spouse, child, brother, sister, or parent residing in the same household as the director, board member, or employee of the lottery.

Subp. 2. **Vendor.** A lottery ticket may not be purchased, or prize awarded, to an officer or employee of a vendor which at the time the game or drawing was being conducted was involved in supplying goods or services to the lottery under a lottery procurement contract as determined by law.

Subp. 3. [Repealed, L 2001 c 23 s 1]

Statutory Authority: *MS s 349A.05*

History: *14 SR 2354; L 2001 c 23 s 1*

7857.3010 SALES ARE FINAL.

All ticket sales are final and no ticket returns may be accepted by a retailer, except as provided for in game procedures.

Statutory Authority: *MS s 349A.05*

History: *14 SR 2354*

7857.4000 CLAIM VERIFICATION.

The retailer shall verify the information on the claim form and give a copy of the claim form to the claimant. The retailer shall forward the winning ticket and the claim form to the lottery for validation. Upon validation by the lottery, a check will be forwarded to the claimant in payment of the amount due subject to the restrictions of

payment provided by law. In the event that the claim is not validated, the claim must be denied and the claimant will be notified.

Statutory Authority: *MS s 349A.05*

History: *14 SR 2354*

7857.4010 CLAIMING A PRIZE.

Subpart 1. **Payment by retailers.** Retailers are authorized and required to pay prizes as determined by the game procedures adopted by the director, consistent with the retailer's security requirements, as approved by the director.

Subp. 2. **Claim form.** Prizes over \$599 must be paid by filing a claim form provided by the lottery. The claimant shall prepare and submit a claim form and the apparent winning ticket to a lottery office for processing. For prizes over \$30,000, the claimant must submit a claim form and the apparent winning ticket in person at the lottery's headquarters for processing.

Statutory Authority: *MS s 349A.05*

History: *14 SR 2354; 24 SR 180*

7857.4020 INFORMATION TO BE FURNISHED BY CLAIMANT.

A potential claimant must complete a claim form, supplying the required information, and surrender the apparent winning ticket. The director may require that additional information be supplied by the claimant as necessary to verify the validity of the ticket and the identity of the claimant.

Statutory Authority: *MS s 349A.05*

History: *14 SR 2354*

7857.4030 TIME OF PAYMENT.

Payment of prizes will be awarded only after a claim has been filed, verified, fully validated and checks made as required by law. The claimant must further provide identification to the satisfaction of the director.

Statutory Authority: *MS s 349A.05*

History: *14 SR 2354*

7857.4040 MANNER OF PAYMENT.

Payment of prizes may be by check, draft, or a free ticket.

Statutory Authority: *MS s 349A.05*

History: *14 SR 2354*

7857.4041 PRIZES PAYABLE OVER TIME.

Subpart 1. **General.** A person claiming a prize, that will be paid in the form of installments over a definite period of time, consisting of at least ten years, may elect to receive a single cash payment equal to the present value of the prize that is payable over a definite period of time, in lieu of receiving payment of the prize in installments, if the person notifies the lottery within 60 days of becoming entitled to the prize.

Subp. 2. **Previous winners.** A person who is entitled to a prize before October 21, 1998, that is payable over a definite period of time, may elect to receive the present value of the investment securities held by the lottery to satisfy payment of the prize, in lieu of receiving the remaining payments due, if the person notifies the lottery in writing between July 1, 1999, and December 31, 2000.

Subp. 3. **Person defined.** For purposes of this part, a "person" is an individual or a pass-through entity consisting entirely of individuals that compute taxable income using a cash basis method of accounting.

Statutory Authority: *MS s 349A.05*

History: *24 SR 180*

7857.4050 DISCHARGE OF LIABILITY.

The state and its agents, officers, and employees, the lottery and its agents and employees shall be discharged of any and all liability upon payment of a prize to the holder of a winning ticket.

Statutory Authority: *MS s 349A.05*

History: *14 SR 2354*

7857.5000 OWNERSHIP OF LOTTERY TICKETS.

A lottery ticket is considered to be owned by the person who has physical possession of the ticket until a name is imprinted or placed on the rear portion of the lottery ticket in the area designated. When a name is placed in the designated area, the person whose name appears in that area is the owner of the ticket and is entitled to any prize attributable to that ticket. The lottery will only make payment of a prize to the name on the back of the ticket, notwithstanding any name submitted on the claim form. If one or more names appear on the rear of the ticket, one of those persons will be designated to receive payment by indicating on the claim form and by signature on the claim form of all other persons whose names appear on the rear of the ticket. The person or persons appearing for payment shall be the same as that which appears on the lottery ticket in the designated area.

Statutory Authority: *MS s 349A.05*

History: *14 SR 2354*

7857.5010 UNCLAIMED PRIZES.

Unclaimed prize money on a winning ticket will be retained by the lottery for payment to the person entitled to the prize for one year after the drawing in which the prize was won or for one year after the announced end of the game. If no claim is made within that time, the prize money will be used pursuant to law and the holder of the winning ticket shall have no further claim to the prize.

Statutory Authority: *MS s 349A.05*

History: *14 SR 2354*

7857.6000 PRIZES PAYABLE AFTER DEATH OF PRIZE WINNER.

Subpart 1. **General.** All prizes or portions of prizes due will remain payable at the time of death of the prize winner. Upon payment as provided under this chapter, the lottery will be absolved of any further liability. The payment of a prize may not be accelerated before the normal date of tender or payment because of the death of the prize winner or for any reason, except as provided in subpart 4.

Subp. 2. **Prizes not payable over time.** Prizes or a portion of a prize not payable over time will be payable to any designated beneficiary which the deceased prize winner may appoint by will. If the deceased prize winner fails to designate any party specifically or by residuary clause, or fails to exercise any power of appointment in a will, the payment then will be made directly to those parties who would succeed to the assets of the deceased prize winner under Minnesota Statutes, chapter 524.

Subp. 3. **Prizes paid over time.** All prizes or portions of prizes payable over time will be payable to the party designated as a beneficiary on the latest valid beneficiary statement filed with the lottery. If a winner of a prize or portion of a prize dies before completing a valid beneficiary statement or does not have a valid beneficiary statement on file with the lottery at the time of death, then the prize or portion of the prize will be payable according to subpart 2.

Subp. 4. **Acceleration of payment.** After the death of a lottery prize winner and upon petition of the estate of the lottery prize winner, the director may accelerate payment of all remaining proceeds from the winning ticket to the estate of the lottery winner by either:

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A. transferring to the estate all securities and other investment securities held by the lottery to satisfy the prize requirements; or

B. paying the estate the present value of the remaining payments of the lottery winner's prize.

Statutory Authority: *MS s 349A.05*

History: *14 SR 2354; 18 SR 1223*

7857.6010 [Repealed, 24 SR 180]

7857.6020 ASSIGNABILITY OF PRIZES.

Prizes in the lottery are not assignable except:

A. if the prize winner dies before the prize is paid the director shall pay the prize as required under law; or

B. pursuant to an appropriate court order, which order shall not include an order issued to enforce or approve an agreement between a prize winner and any third party where the prize winner has agreed to transfer future prize payments to a third party in exchange for consideration.

Statutory Authority: *MS s 349A.05*

History: *14 SR 2354*

7857.7000 PROMOTIONAL PRIZES.

Independently of, or concurrently with, the operation of the lottery, the director may establish special drawings, bonuses, or additional prizes. The nature and number of prizes will be determined by the director. The drawing for promotional prizes may be held independently of the regular prize drawings or may be incorporated with those drawings. The director will make a public announcement to inform the public of the promotions.

Statutory Authority: *MS s 349A.05*

History: *14 SR 2354*