

Under this heading will appear the text of proposed rules and changes. The notice of proposed rulemaking is required to contain an explanation of any new rule or any change in an existing rule and the reasons therefor. This is set out in the Purpose section with each rule. Also required is a citation to the legal authority to make rules. This appears following the text of the rule, after the word "Authority."

Entirely new rules are printed without any special symbolology under the heading of proposed rule. If an existing rule is to be amended or rescinded, it will have a heading of proposed amendment or proposed rescission. Rules which are proposed to be amended will have new matter printed in boldface type and matter to be deleted placed in brackets.

An important function of the *Missouri Register* is to solicit and encourage public participation in the rulemaking process. The law provides that for every proposed rule, amendment, or rescission there must be a notice that anyone may comment on the proposed action. This comment may take different forms.

If an agency is required by statute to hold a public hearing before making any new rules, then a Notice of Public Hearing will appear following the text of the rule. Hearing dates must be at least thirty (30) days after publication of the notice in the *Missouri Register*. If no hearing is planned or required, the agency must give a Notice to Submit Comments. This allows anyone to file statements in support of or in opposition to the proposed action with the agency within a specified time, no less than thirty (30) days after publication of the notice in the *Missouri Register*.

An agency may hold a public hearing on a rule even though not required by law to hold one. If an agency allows comments to be received following the hearing date, the close of comments date will be used as the beginning day in the ninety- (90-) day-count necessary for the filing of the order of rulemaking.

If an agency decides to hold a public hearing after planning not to, it must withdraw the earlier notice and file a new notice of proposed rulemaking and schedule a hearing for a date not less than thirty (30) days from the date of publication of the new notice.

machine(s) or promote(s) behavior that violates the provisions of Chapter 572 (Gambling) of the Revised Statutes of Missouri, the Missouri Lottery may suspend or revoke said license. The Missouri Lottery may suspend or revoke the license of a lottery retailer, if said retailer is prosecuted by the state of Missouri for a violation of any provision of Chapter 572, RSMo (Gambling).

(5) Director—As used in these rules, director shall mean the director or his/her designee.

AUTHORITY: section 313.220, RSMo [1986] Supp. 2013. Original rule filed Oct. 7, 1985, effective Oct. 17, 1985. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

Title 12—DEPARTMENT OF REVENUE Division 40—State Lottery Chapter 10—General Considerations

PROPOSED AMENDMENT

12 CSR 40-10.040 Commission to Meet Quarterly. The commission proposes adding a statute to the authority section.

PURPOSE: The amendment adds section 313.225 RSMo as part of its authority.

AUTHORITY: section 313.220, RSMo [1986] Supp. 2013, and section 313.225, RSMo 2000. Original rule filed Jan. 10, 1986, effective Jan. 20, 1986. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

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Proposed Amendment Text Reminder:

Boldface text indicates new matter.

[Bracketed text indicates matter being deleted.]

Title 12—DEPARTMENT OF REVENUE Division 40—State Lottery Chapter 10—General Considerations

PROPOSED AMENDMENT

12 CSR 40-10.010 Definitions. The commission proposes to amend section (1) and add sections (4) and (5).

PURPOSE: This amendment clarifies the definition of the word "person" and adds definitions for "illegal machine" and "director." These terms are used throughout all of the lottery commission rules.

(1) Person—As used in these rules, person shall mean any **natural person**, individual, **firm**, corporation, partnership, trust, **limited liability company (LLC)**, or unincorporated association.

(4) **Illegal machine**—If a licensed lottery retailer shall possess

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 10—General Considerations**

PROPOSED RULE

12 CSR 40-10.070 Alternative Distribution Channels

PURPOSE: The purpose of this rule is to define alternative distribution channels.

(1) The lottery commission reserves the right to sell wagers through alternative distribution channels in order to ensure that the Missouri Lottery has the necessary products to sustain revenue growth and to remain competitive. These channels may be used to distribute lottery games, products, or promotions. Rules will be developed and established per channel and will adhere to existing rules of that particular game, product, or promotion. The lottery will report and settle retailer transactions in the same manner as the traditional retail distribution channel.

AUTHORITY: section 313.205, RSMo 2000, and section 313.220, RSMo Supp. 2013. Original rule filed July 15, 2014.

PUBLIC COST: This proposed rule will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rule will not cost private entities more than five hundred dollars (\$500) in the aggregate.

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**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 15—Employees**

PROPOSED AMENDMENT

12 CSR 40-15.010 All Employees to be Fingerprinted. The commission proposes to amend this rule.

PURPOSE: This amendment allows for other entities to fingerprint employees for the purposes described.

All employees shall be fingerprinted [by the Missouri State Highway Patrol] for the purpose of a background check.

AUTHORITY: section 313.220, RSMo [1986] Supp. 2013. Original rule filed Oct. 7, 1985, effective Oct. 17, 1985. Amended: Filed July 16, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip

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**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 20—Fiscal**

PROPOSED AMENDMENT

12 CSR 40-20.010 Licensees to Authorize Electronic Funds Transfer. The commission proposes to amend section (1) and subsection (1)(A).

PURPOSE: This amendment requires the licensees to follow the rule without being requested to do so by the director.

(1) Licensees[, at the request of the director,] shall authorize the debiting of an account in their names for the purpose of electronic funds transfer to a collection account.

(A) The licensee[, when the director requests,] shall execute all forms required by his/her bank and any forms required by the transferring bank.

AUTHORITY: section 313.220, RSMo [1986] Supp. 2013. Original rule filed Jan. 10, 1986, effective Jan. 20, 1986. Amended: Filed May 5, 1986, effective May 15, 1986. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 20—Fiscal**

PROPOSED AMENDMENT

12 CSR 40-20.020 Electronic Funds Transfer System (EFT). The commission proposes to amend the purpose, section (1) and subsection (1)(A), and delete subsection (1)(B).

PURPOSE: This amendment moves from the implementation of the EFT system to the execution of all retailers using EFT.

PURPOSE: The purpose of this rule is to [implement] require an Electronic Funds Transfer System which was established through agreement with the state lottery commission and the state treasurer.

(1) The Electronic Funds Transfer System (EFT)[, established pursuant to section 313.305,] shall be [implemented] executed by

the director in the following manner:

(A) The director may group retailers having similar characteristics for the purpose of *[implementing]* the EFT. The director shall notify licensees so grouped that s/he is requesting the authorization of forms required by 12 CSR 40-20.010.

1. For current licensees, within twenty (20) days of this request by the director, all licensees notified under this rule shall execute and return all documents required by 12 CSR 40-20.010.

2. For persons applying for a retail license *[after implementation]*, the documents required by 12 CSR 40-20.010 shall be executed prior to the issuance of a license; *and*].

[(B) The director is authorized to phase in the EFT system through the groupings authorized by subsection (1)(A) of this rule so as to ensure the smooth transition to the EFT system.]

AUTHORITY: section 313.220, RSMo [1986] Supp. 2013. Original rule filed May 5, 1986, effective May 15, 1986. Amended: Filed Dec. 5, 1988, effective April 27, 1989. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

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**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 20—Fiscal**

PROPOSED AMENDMENT

12 CSR 40-20.030 Nonsufficient Funds [Checks/EFT Debits]. The commission proposes to amend the rule name, the purpose, and the rule itself.

PURPOSE: This amendment removes the references of payment by checks.

PURPOSE: The purpose of this rule is to establish policy for the treatment of nonsufficient funds [checks] submitted by the licensees. [The policy will also cover EFT debits where insufficient funds to cover the debit exist].

[(1) Ticket Receipts.]

*[(A)](1) Any licensee [whose check for the payment of tickets is returned from his/her bank as nonsufficient funds (NSF) or] whose account does not contain sufficient funds for debiting by electronics funds transfer (EFT) [for the payment of tickets] **for any and all payments** shall be subject to changes in credit limits or establishment of special payment arrangements as may be required by the Missouri Lottery.*

[(B) This policy shall apply to licensees using the manual check system of remitting receipts and also licensees using the EFT system.]

[(C)](2) After the Missouri Lottery notifies a licensee of [an NSF

check] a non-transfer of funds (NTF), [all ticket purchases must be made with certified check, cashier's check or money order prior to the delivery of additional tickets.]

*[(D) The] the retailer shall pay the amount of the [NSF check] NTF by **re-sweep**, certified check, cashier's check, or money order immediately upon notification of an [NSF check] NTF as directed by the Missouri Lottery.*

[(2) Other Products or Services.

(A) In the event an NSF check is received for the payment of any licensing fee, bond, service mark fee or any other product or service provided by the Missouri Lottery, service will not be provided until the NSF check has been paid.

(B) The payment of the NSF check under this subsection of the rule shall be by certified check, cashier's check or money order.]

[(C)](3) The lottery may charge an additional fee [of up to fifty dollars (\$50)] for each [NSF check] NTF returned.

*[(3)](4) Any licensee who fails to comply with the conditions established by the Missouri Lottery shall be subject to suspension or revocation under section [313.255.6(3)] **313.255.7(3)**.*

[(4)](5) If the director is satisfied that a [check or] debit was returned [NSF] NTF as a result of the Missouri Lottery or of mistakes by any banking institution, s/he may waive the requirements of this rule.

AUTHORITY: section 313.220, RSMo Supp. [1999] 2013. Original rule filed May 5, 1986, effective May 15, 1986. Amended: Filed Aug. 23, 2000, effective March 30, 2001. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

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**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 20—Fiscal**

PROPOSED AMENDMENT

12 CSR 40-20.040 Return of Tickets for [the Instant] Scratchers Game. The commission proposes to amend the title, purpose, and sections (1), (2), and (3).

PURPOSE: This amendment changes the wording to describe the tickets from "instant" to "Scratchers" and updates the returned Scratchers process.

PURPOSE: The purpose of this rule is to establish a period of time for the return of [instant] game tickets at the end of [an instant] a Scratchers game.

(1) *[Instant]* **Scratchers** game tickets may be returned to the Missouri Lottery at any time prior to the end of an *[instant]* **Scratchers** game and up to ninety (90) days following the last day on which prizes may be claimed for that game for full credit.

(2) Any *[instant]* **Scratchers** game tickets returned within the time period set forth in section (1) of this rule will receive a full credit in the amount of money invoiced~~./~~ **based on verification of the tickets returned.**

(3) Returned *[instant]* **Scratchers** game tickets will not be given credit if returned after the time period set forth in section (1), unless the director is satisfied that a return after the period set forth in section (1) of this rule is the result of the Missouri Lottery or other conditions beyond the control of the licensee, s/he may waive the time period restriction set forth in section (1). **Returned Scratchers will not be credited if they cannot be verified.**

AUTHORITY: section 313.220, RSMo Supp. [1998] 2013. Original rule filed May 5, 1986, effective May 15, 1986. Amended: Filed June 3, 1999, effective Dec. 30, 1999. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

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**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 30—Lottery Vendors**

PROPOSED AMENDMENT

12 CSR 40-30.180 Adoption of State Purchasing Rules. The commission proposes to amend section (1).

PURPOSE: This amendment addresses the CSRs used for purchasing.

(1) The Missouri Lottery shall adopt the purchasing rules established for the Office of Administration (OA) in 1 CSR 40 with the exception of 1 CSR 40-1.010, 1 CSR 40-1.040, *[1 CSR 40-1.070 and 1 CSR 40-1.080]* **1 CSR 10-17.040, 1 CSR 10-17.050, and 1 CSR 40-1.090.**

AUTHORITY: section 313.270, RSMo [1994] Supp. 2013. Original rule filed June 25, 1998, effective Jan. 30, 1999. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 40—Retail Sales Licenses**

PROPOSED AMENDMENT

12 CSR 40-40.010 Application. The commission proposes to amend the purpose and sections (2) and (3).

PURPOSE: This amendment removes the fixed fee amount of seventy-five dollars (\$75), and the reference to the Missouri State Highway Patrol to perform the background check.

PURPOSE: This rule requires persons desiring to be a licensed agent for the sale of lottery tickets to apply for a license as agent on a form provided by the director and may require[s] a fee [of \$75].

(2) The application form shall provide sufficient information for the director to determine the eligibility for licenses as set forth in the statute and these rules and *[for the Missouri State Highway Patrol]* to perform sufficient background checks to insure that licensees conform to the provisions of these rules. Licensees shall submit fingerprints to the director on his/her request.

(3) The application may be accompanied by a processing fee *[not to exceed seventy-five dollars (\$75)]* as may be established by the commission.

AUTHORITY: section 313.220, RSMo Supp. [1997] 2013. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed Dec. 5, 1988, effective Jan. 27, 1989. Amended: Filed Sept. 15, 1997, effective March 30, 1998. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 40—Retail Sales Licenses**

PROPOSED AMENDMENT

12 CSR 40-40.012 Residency. The commission proposes to amend subsection (1)(B).

PURPOSE: The amendment expands the definition of a licensee.

(1) Each person applying for a license shall either—

(B) If a corporation, **limited liability company (LLC) or partnership**, be licensed to do business in this state; or

AUTHORITY: section 313.220, RSMo Supp. [1988] 2013. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

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Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 40—Retail Sales Licenses

PROPOSED AMENDMENT

12 CSR 40-40.015 Issuance and Length of Licenses. The commission proposes to amend the purpose of the rule.

PURPOSE: This amendment changes the length of time for a license.

*PURPOSE: This rule provides for licenses of [three] **one- (1-) year[s]** in length and allows the director to stagger the expiration by issuing longer or shorter licenses.*

AUTHORITY: section[s] 313.220, RSMo Supp. [1988] 2013, and section 313.230(1)(i)(2), RSMo [Supp. 1990] 2000. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed Aug. 28, 1987, effective Nov. 23, 1987. Amended: Filed Jan. 4, 1994, effective July 10, 1994. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

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Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 40—Retail Sales Licenses

PROPOSED AMENDMENT

12 CSR 40-40.020 Factors to be Considered. The commission proposes to amend the authority of the rule.

PURPOSE: This amendment adds section 313.255, RSMo as part of its authority.

AUTHORITY: section 313.220, RSMo Supp. [1988] 2013, and section 313.255, RSMo 2000. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

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Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 40—Retail Sales Licenses

PROPOSED AMENDMENT

12 CSR 40-40.030 Minority and Political Factors. The commission proposes to amend the authority of the rule.

PURPOSE: This amendment adds section 313.255, RSMo as part of its authority.

AUTHORITY: section 313.220, RSMo Supp. [1988] 2013, and section 313.255, RSMo 2000. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

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**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 40—Retail Sales Licenses**

PROPOSED AMENDMENT

12 CSR 40-40.040 License Locations. The commission proposes to amend section (3).

PURPOSE: This amendment allows the Missouri Lottery to define and approve the location for which an application is submitted.

(3) Each location for which an application is submitted must be a [fixed] location as defined and approved by the Missouri Lottery.

AUTHORITY: section 313.220, RSMo Supp. [1988] 2013. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

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**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 40—Retail Sales Licenses**

PROPOSED AMENDMENT

12 CSR 40-40.050 Bond/License Fee Requirements. The commission proposes to amend the rule title, the purpose, the rule, and the authority of the rule.

PURPOSE: This amendment removes the fixed amount required for the bond and adds a license fee. It also adds section 313.255, RSMo as part of its authority.

PURPOSE: This rule requires a [\$5000] bond and license fee for each licensee.

Each licensee shall post a bond and license fee in an amount to be determined by the director depending upon the actual or projected licensee's sales and payment history, credit record, or both, for each license obtained.

AUTHORITY: section[s] 313.220, RSMo Supp. [1988] 2013, and sections 313.230(1)(i)(2) and 313.255, RSMo [Supp. 1990] 2000. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed Aug. 28, 1987, effective Nov. 23, 1987. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

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**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 40—Retail Sales Licenses**

PROPOSED AMENDMENT

12 CSR 40-40.060 Display of License. The commission proposes to amend the purpose, the rule, and the authority of the rule.

PURPOSE: This amendment changes how and where licenses are required to be displayed, and adds section 313.255, RSMo as part of its authority.

PURPOSE: This rule requires the licensee to display the license. [at the point of sale and requires it to be secure from theft and defacing.]

Each licensee shall prominently display his/her license or a copy. [at the location designated in the license for the sale of lottery tickets. The license shall be visible and shall be displayed in a manner as to prevent the theft or defacing of the license.]

AUTHORITY: section 313.220, RSMo Supp. [1988] 2013, and section 313.255, RSMo 2000. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

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**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 40—Retail Sales Licenses**

PROPOSED AMENDMENT

12 CSR 40-40.070 Assignment or Transfer of License Prohibited. The commission proposes to amend the authority of the rule.

PURPOSE: This amendment adds section 313.255, RSMo as part of its authority.

AUTHORITY: section 313.220, RSMo Supp. [1988] 2013, and section 313.255, RSMo 2000. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the **Missouri Register**. No public hearing is scheduled.

Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 40—Retail Sales Licenses

PROPOSED AMENDMENT

12 CSR 40-40.071 Change of Business Location. The commission proposes to amend section (2) and the authority of the rule.

PURPOSE: This amendment incorporates subsection (2)(A) into the body of section (2) and deletes subsection (2)(B). It also adds section 313.255, RSMo as part of its authority.

(2) In the event that all the criteria in section (1) of this rule are met, the director shall authorize the issuance of a license bearing the location of the new premises.

[(A)] The new license may bear the same identification number as the previous license premises.

[(B) No new bond shall be required by reason of a change of location under this rule.]

AUTHORITY: section 313.220, RSMo Supp. [1988] 2013, and section 313.255, RSMo 2000. Original rule filed May 5, 1986, effective May 15, 1986. Amended: Filed Jan. 4, 1994, effective July 10, 1994. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the **Missouri Register**. No public hearing is scheduled.

Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 40—Retail Sales Licenses

PROPOSED AMENDMENT

12 CSR 40-40.080 Ticket Sales as Primary Business Prohibited. The commission proposes to amend the authority of the rule.

PURPOSE: This amendment adds section 313.260, RSMo as part of its authority.

AUTHORITY: section 313.220, RSMo Supp. [1988] 2013, and section 313.260, RSMo 2000. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the **Missouri Register**. No public hearing is scheduled.

Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 40—Retail Sales Licenses

PROPOSED AMENDMENT

12 CSR 40-40.090 Eligibility for Licenses. The commission proposes to amend section (3) and the authority of the rule.

PURPOSE: This amendment adds a type of business when referring to the word “person” for the purposes of licensing, and adds section 313.260, RSMo as part of its authority.

(3) For purposes of licensing “person” refers to the principal owner of a sole proprietorship, principal partner(s) of a partnership, manager of the lottery account within a corporation, or **limited liability company**, and top two (2) officers of a nonprofit organization.

AUTHORITY: section 313.220(2), RSMo Supp. [1999] 2013, and section 313.260, RSMo 2000. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed March 17, 1987, effective June 11, 1987. Amended: Filed Jan. 12, 2000, effective Aug. 30, 2000. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603,

Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 40—Retail Sales Licenses**

PROPOSED AMENDMENT

12 CSR 40-40.110 Revocation of Licenses. The commission proposes to amend section (1) and subsection (1)(C), add a new section (2), renumber as needed, and amend the authority of the rule.

PURPOSE: This amendment addresses when the director may revoke a license and how the licensee can present evidence. It also adds section 313.255, RSMo as part of its authority.

(1) The director shall revoke [after hearing,] the license of any person who has—

(C) Endangered the security and integrity of the lottery; and

(2) The licensee shall have the right to present evidence pursuant to 12 CSR 40-70.010.

[(2)](3) The director shall revoke all licenses held by any licensee violating subsections (1) (A)–(D) of this rule.

AUTHORITY: section 313.220, RSMo Supp. [1988] 2013, and section 313.255, RSMo 2000. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed Jan. 4, 1994, effective July 10, 1994. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 40—Retail Sales Licenses**

PROPOSED AMENDMENT

12 CSR 40-40.120 Suspension and Revocation of Licenses. The commission proposes to amend section (1), subsections (1)(C), (1)(F), and (1)(G), add subsections (1)(H)–(M), and amend the authority of the rule.

PURPOSE: This amendment clarifies when and for what reasons the director may suspend or revoke a retail license. It also adds section 313.255, RSMo as part of its authority.

(1) [The director, after a hearing, may suspend or revoke any license for any of the following reasons:]At the director's sole discretion, the director may immediately suspend or revoke a retailer license if the director determines that continuing to contract with the retailer is not in the best interest of the lottery, including, but not limited to, the following reasons:

(C) [A delinquency in remitting money owed to the lottery or to prize winners;] An electronic funds transfer (EFT) payment is rejected for non-transfer of funds (NTF) or the retailer fails to provide timely information to the lottery regarding any change on the retailers EFT bank account;

(F) The person is ineligible for obtaining a license under 12 CSR 40-40.090 and the facts giving rise to ineligibility occurred or were discovered subsequent to the issuance of the license; [and]

(G) The refusal to acquire any equipment or material required by the director[.];

(H) The manager or owner purposefully paid the player an amount less than the actual prize amount of the ticket, or the manager or owner retained the player's winning ticket without paying the prize due the player;

(I) The failure or refusal to properly use and/or display any equipment or material required by the director;

(J) The retailer provided false or misleading information to the lottery;

(K) The retailer or any key person is arrested or convicted of a felony while a licensed retailer;

(L) Any other reason contained in the contract or administrative rules that provides a basis for revocation of a retailer contract; and

(M) When the director concludes that continuing to contract with the retailer may pose a threat to the fairness, honesty, integrity, or security of the lottery and its games.

AUTHORITY: section 313.220, RSMo Supp. [1988] 2013, and section 313.255, RSMo 2000. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed March 17, 1987, effective March 27, 1987. Amended: Filed Jan. 4, 1994, effective July 10, 1994. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 40—Retail Sales Licenses**

PROPOSED AMENDMENT

12 CSR 40-40.150 Change of Information. The commission proposes to amend subsections (1)(A), (1)(B), and section (3).

PURPOSE: This amendment clarifies when it is required for the licensee to notify the director of any changes and removes the maximum fee amount that may be requested.

(1) The licensee must notify the director of any of the following changes in his/her business:

(A) Any change of business structure[*, that is sole proprietorship to partnership or corporation*];

(B) Changes of ownership for corporations[*, only*] (sale of ten percent (10%) or more of the equity) [*of the business*];

(3) The director may require a payment [*of up to twenty-five dollars (\$25) per person*] for any required investigation under this rule.

AUTHORITY: section 313.220, RSMo Supp. [1988] 2013. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 40—Retail Sales Licenses**

PROPOSED AMENDMENT

12 CSR 40-40.160 Prohibitions on Sale of Tickets. The commission proposes to amend the authority of the rule.

PURPOSE: The amendment adds section 313.280, RSMo as part of its authority.

AUTHORITY: section 313.220, RSMo Supp. [1988] 2013, and section 313.280, RSMo 2000. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed Jan. 4, 1994, effective July 10, 1994. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 40—Retail Sales Licenses**

PROPOSED AMENDMENT

12 CSR 40-40.170 Sale During Normal Business Hours. The commission proposes to amend the purpose and sections (1) and (2).

PURPOSE: This amendment clarifies business hours and updates the terminology of “on-line games” to “draw games.”

PURPOSE: This rule requires licensees to sell [valid] tickets during normal business hours.

(1) Licensees shall sell [valid] tickets during [the normal] their business hours for the location licensed. [Nothing in this rule shall prevent a licensee from having different business hours for each separate location licensed.]

(2) Retailers must give prompt service to lottery customers present and waiting at the terminal to purchase tickets for [on-line] draw games. Prompt service includes interrupting processing of [on-line] draw game ticket orders or sales for which the customer is not present at the terminal.

AUTHORITY: section 313.220, RSMo Supp. [2004] 2013. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed Sept. 17, 1992, effective June 7, 1993. Amended: Filed Aug. 24, 2004, effective March 30, 2005. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 40—Retail Sales Licenses**

PROPOSED AMENDMENT

12 CSR 40-40.180 Notification of Lost, Damaged or Stolen Tickets or Equipment. The commission proposes to amend the rule.

PURPOSE: The amendment requires licensees to report issues to either the Missouri State Highway Patrol or local law enforcement, not both.

Licensees shall immediately report the theft, loss, or damage of any lottery tickets or equipment to the director of the state lottery, the Missouri State Highway Patrol, [and] or local law enforcement authorities. The licensee shall cooperate in any investigation conducted by the commission, its employees, the Missouri State Highway Patrol, the Missouri attorney general, or local law enforcement authorities.

AUTHORITY: section 313.220, RSMo Supp. [1988] 2013. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 40—Retail Sales Licenses**

PROPOSED RESCISSION

12 CSR 40-40.190 Marking of Tickets. This rule required licensees to mark the location of sale on each ticket indelibly and of a quality approved by the director. The rule provided the director authority to require purchase of certain equipment if the printing is not approved.

PURPOSE: The commission proposes the rescission of this rule as it is no longer applicable.

AUTHORITY: section 313.220, RSMo Supp. 1988. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed Jan. 4, 1994, effective July 10, 1994. Rescinded: Filed July 15, 2014.

PUBLIC COST: This proposed rescission will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rescission will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rescission with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 40—Retail Sales Licenses**

PROPOSED AMENDMENT

12 CSR 40-40.210 Loss of License. The commission proposes to amend the purpose and delete subsections (1)(A)–(C).

PURPOSE: The amendment clarifies what is and is not necessary to receive a duplicate license.

PURPOSE: This rule provides [a procedure] for obtaining a duplicate license [when a license is lost, mutilated or destroyed].

[(1)] Upon the loss, mutilation, or destruction of any license issued by the director, the person holding the license may apply to the director for a duplicate.

[(A) The application for duplicate license shall state the details of the circumstances under which the license was lost, mutilated or destroyed.

[(B) The existing pieces of any mutilated or partially destroyed license shall be surrendered to the director at the time application for duplicate license is made.

[(C) If a licensee finds any lost license after a duplicate has been issued, s/he shall immediately surrender the license to the director. If the license is found prior to the issuance of a duplicate, s/he shall immediately inform the director who shall cancel his/her application for duplicate license.]

AUTHORITY: section 313.220, RSMo Supp. [1988] 2013. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed Jan. 4, 1994, effective July 10, 1994. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 40—Retail Sales Licenses**

PROPOSED AMENDMENT

12 CSR 40-40.220 Incapacity of Licensee. The commission proposes to amend the purpose and section (1), and to remove section (5).

PURPOSE: This amendment removes the application fee for reinstatement of license.

PURPOSE: This rule provides for suspension of licenses for any licensee who becomes incapacitated in some way. The rule provides for reinstatement on application[,] and the criteria for reinstatement [and a fee of \$25].

(1) In the event any licensee is proven to be incapacitated, dies, is adjudicated bankrupt, makes any assignment for the benefit of creditors, or is placed in any receivership or trusteeship, the director [shall] may suspend the license for all locations licensed to the person.

[(5) An application fee of twenty-five dollars (\$25) shall accompany any application for reinstatement under this rule.]

AUTHORITY: section 313.220, RSMo Supp. [1988] 2013. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 40—Retail Sales Licenses**

PROPOSED AMENDMENT

12 CSR 40-40.240 Retail Sales Tax License Required. The commission proposes to amend the purpose and subsections (1)(A) and (1)(B).

PURPOSE: This amendment removes the reference to being organized for a political purpose, and allows the director to exempt a retailer from having a retail sales tax license.

PURPOSE: This rule requires retail licensees to have either a retail sales tax license, be organized for civic, fraternal, charitable, [political] or labor purposes or be exempted by the director.

(1) All persons licensed to sell lottery tickets at retail shall either—
(A) Have a retail sales tax license issued by the Missouri Department of Revenue, **unless exempted by the director**;

(B) Be organized for civic, fraternal, charitable, [political] or labor purposes; or

AUTHORITY: section 313.220, RSMo Supp. [1988] 2013. Original rule filed Nov. 12, 1985, effective Nov. 22, 1985. Amended: July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 40—Retail Sales Licenses**

PROPOSED AMENDMENT

12 CSR 40-40.250 Special Event Licenses. The commission pro-

poses to amend subsection (1)(B), delete subsection (1)(D), and amend subsections (2)(A) and (2)(C).

PURPOSE: This amendment updates the terminology for Missouri Lottery tickets and does away with the bond requirement in this rule.

(1) The executive director may authorize a limited retail sales license for special events if all of the following are met:

(B) The applicant provides the following in the application:

1. The name of the special event;
2. The dates and times of the special event;
3. The dates and times for which the license is requested;
4. The location at the special event where Missouri Lottery tickets [or shares] will be sold;
5. A description of the facility for selling Missouri Lottery tickets [or shares]; **and**

6. The principal owner of a sole proprietorship, or the principal partner of a partnership, or the manager of the lottery account within a corporation, or the top two (2) officers of a non-profit organization;

[(D) The applicant shall post bond as required by the commission.]

(2) In the event a special event license is granted—

(A) Tickets [or shares] may only be sold at the location, during the times of day and for the dates designated on the license;

(C) The special event licensee shall keep the special event license in a secure place and shall make the license available at the special event location for inspection on the demand of any law enforcement agency[,] or lottery employee [or liquor control agent]; and

AUTHORITY: section 313.220, RSMo Supp. [1999] 2013. Original rule filed May 5, 1986, effective May 15, 1986. Amended: Filed Sept. 15, 1997, effective March 30, 1998. Amended: Filed Aug. 23, 2000, effective March 30, 2001. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 40—Retail Sales Licenses**

PROPOSED AMENDMENT

12 CSR 40-40.260 Retailer [Incentive] Compensation. The commission proposes to amend the rule title, the purpose, add a new section (1), renumber accordingly, and amend the sections newly numbered (2), (3), and (4).

PURPOSE: This amendment allows the director to authorize a retailer compensation program and sets the criteria for such.

PURPOSE: This rule authorizes the director to make commission or incentive payments to retailers [who meet or exceed sales quotas].

(1) The director may authorize a retailer compensation program.

[(1)](2) The director, at any time, may authorize a retailer incentive program, not to exceed one percent (1%) of gross sales. The incentive may be paid to retailers in either cash or its equivalent or merchandise.

[(2)](3) To be eligible to receive compensation or participate in the incentive program for the sale of [instant game] lottery tickets, a retailer must meet the following criteria:

(A) Be a licensed lottery retailer;

(B) Have sold [instant] lottery game tickets for the duration of the game immediately preceding the game for which the incentive is offered;

(C) Be current on payment for tickets at time incentive payment is made; and

[(D)] Prominently display a store sign stating "Instant Prizes up to \$100 Paid Here" and have paid instant game prizes ranging from twenty-five dollars and one cent (\$25.01) to one hundred dollars (\$100) during the game immediately preceding the game for which the incentive is offered; and]

[(E)](D) Must be in compliance with all aspects of the rules of the commission, and rules of the incentive program for which compensation is offered.

[(3)](4) [To be eligible to participate in the incentive program for the sale of on-line products, a retailer must meet the following criteria—] In setting incentives for each participating retailer, the formulas used to determine individual incentives in any lottery games shall be consistent for all retailers who participate.

[(A) Be an on-line contractor;

(B) Be current on payment for tickets; and

(C) Must be in compliance with the on-line contract and with all aspects of the rules of the commission.

(4) In setting incentives for each participating retailer, the following shall apply:

(A) The formulas used to determine individual incentives in the instant games and in the on-line games shall be the same for all instant game or on-line participating retailers as the case may be.]

AUTHORITY: section[s] 313.220, RSMo Supp. [1988] 2013, and section 313.230(1)(i)(2), RSMo [Supp. 1990] 2000. Original rule filed July 15, 1986, effective July 25, 1986. Amended: Filed Oct. 20, 1986, effective Oct. 30, 1986. Amended: Filed April 27, 1987, effective July 11, 1987. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 40—Retail Sales Licenses**

PROPOSED AMENDMENT

12 CSR 40-40.270 Ticket Transactions in Excess of \$5,000. The commission proposes to amend section (1).

PURPOSE: This amendment includes all lottery games in this rule, not only draw games.

(1) Missouri lottery retailers shall immediately report to the Missouri Lottery's director of security transactions in excess of five thousand dollars (\$5,000) for the purchase of lottery tickets [for any on-line game].

AUTHORITY: section 313.220, RSMo Supp. [2004] 2013. Original rule filed Sept. 17, 1992, effective June 7, 1993. Amended: Filed Aug. 24, 2004, effective March 30, 2005. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 50—Tickets and Prizes**

PROPOSED AMENDMENT

12 CSR 40-50.010 Tickets and Prizes. The commission proposes to amend the purpose and the rule.

PURPOSE: This amendment incorporates the updated terminology for tickets and removes the specifics of how the funds are appropriated.

PURPOSE: This rule provides that licensees own [instant game] Scratchers tickets after they are [purchased and] delivered to the licensee and the licensee shall bear the burden of any loss. The executive director may establish policies after consideration of circumstances to relieve the licensee of some or all of the burden of loss.

The licensee shall be responsible for all tickets upon delivery to the retailer and shall bear the burden of any loss, including theft, damage, or loss. The executive director of the lottery may establish policies which, after consideration of the circumstances of the licensee's loss, relieve the licensee of some or all of the burden of loss. The policies established by the executive director shall be made with the overall functionality of the lottery and the purpose of maximizing the funds available for appropriation [to the public institutions of elementary, secondary and higher education] as set forth in the Missouri Constitution, Article III, Section 39(b).

AUTHORITY: section 313.220, RSMo [2000] Supp. 2013. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed Aug. 28, 2002, effective March 30, 2003. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 50—Tickets and Prizes
PROPOSED AMENDMENT

12 CSR 40-50.030 Redemption of Winning Tickets. The commission proposes to amend the purpose, sections (1) and (2), and add sections (3), (4), and (5).

PURPOSE: This amendment updates the terminology for tickets, updates the prize amount licensees may pay, and further clarifies the redemption procedure.

PURPOSE: This rule addresses redemption amounts for [instant game] Scratchers tickets.

(1) Licensees shall redeem winning [instant game] Scratchers tickets of twenty-five dollars (\$25) or less.

(2) Licensees, at their option, may redeem winning [instant] Scratchers tickets of between twenty-five dollars and one cent (\$25.01) and [five hundred ninety-nine dollars and one cent (\$599.01)] six hundred dollars (\$600).

(3) Any Scratchers retailer may pay a prize for a winning Scratchers ticket regardless of where the ticket was purchased.

(4) Lottery Scratchers retailers shall follow the procedures for validation of the tickets issued by the lottery before paying any Scratchers prizes.

(5) Winning tickets over six hundred dollars (\$600) shall be processed at a lottery office, the location(s) of which shall be published periodically by the lottery.

AUTHORITY: section[s] 313.220, RSMo Supp. [1997] 2013, and section 313.255, RSMo [1994] 2000. Original rule filed Jan. 10, 1986, effective Jan. 20, 1986. Amended: Filed May 3, 1988, effective July 28, 1988. Amended: Filed Sept. 15, 1997, effective March 30, 1998. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 50—Tickets and Prizes
PROPOSED AMENDMENT

12 CSR 40-50.050 Claim Period. The commission proposes to amend sections (1) and (2), and delete section (3).

PURPOSE: This amendment updates the terminology for tickets, references lottery policy, and deletes the reference to pull-tab tickets.

(1) All winning tickets for any [instant] Scratchers game must be claimed, as defined in lottery policy, within one hundred eighty (180) days of the announced end of the game. The announced end of the game may be obtained from any Missouri Lottery office or www.molottery.com.

(2) All winning tickets for any [on-line] draw games must be claimed, as defined in lottery policy, within one hundred eighty (180) days of the last winning draw date on that ticket.

[(3) Players must redeem a winning pull-tab ticket the same day as it was purchased and must redeem all winning pull-tab tickets at the retailer at which the ticket was purchased. If the winning ticket is a ticket which must be redeemed at a Missouri Lottery office, then the claim period is one hundred eighty (180) days from the announced end of the game. The announced end of the game may be obtained from any Missouri Lottery office or www.molottery.com.]

AUTHORITY: section 313.220, RSMo Supp. [2006] 2013. Original rule filed Oct. 6, 2006, effective April 30, 2007. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 60—Payment of Prizes
PROPOSED AMENDMENT

12 CSR 40-60.020 Cash Prizes. The commission proposes to amend subsection (2)(B).

PURPOSE: This amendment updates the dollar amount of prizes the retailer is allowed to pay.

(2) Lump sum payments may be paid out as follows:

(B) [Cash p]Payments by retailers up to a maximum of [five hundred ninety-nine dollars (\$599)] six hundred dollars (\$600) per prize.

AUTHORITY: section[s] 313.220, RSMo Supp. [1999] 2013, and section 313.230(2), RSMo [1994] 2000. Original rule filed Jan. 10, 1986, effective Jan. 20, 1986. Amended: Filed Jan. 23, 1986, effective Feb. 1, 1986. Amended: Filed April 27, 1987, effective July 11, 1987. Amended: Filed Jan. 12, 2000, effective Aug. 30, 2000. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 60—Payment of Prizes**

PROPOSED AMENDMENT

12 CSR 40-60.030 Manner of Claiming Prizes from the Missouri Lottery. The commission proposes to amend section (3).

PURPOSE: This amendment outlines how the rules for claiming prizes will be made available.

(3) The director shall [place detailed rules for claiming prizes in brochures to be made generally available to the public] make generally available to the public detailed rules for claiming prizes and so much as may be practicable on the reverse side of [instant game] Scratchers and draw games tickets.

AUTHORITY: section 313.220, RSMo Supp. [1999] 2013. Original rule filed Jan. 10, 1986, effective Jan. 20, 1986. Amended: Filed Aug. 23, 2000, effective March 30, 2001. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept

comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 60—Payment of Prizes**

PROPOSED AMENDMENT

12 CSR 40-60.040 Requirements for Annuity Sellers. The commission proposes to amend subsection (1)(F).

PURPOSE: This amendment reflects updated terminology.

(1) To be eligible to contract with the director to provide periodic payments of a prize to a lottery winner through an annuity, the annuity company must meet the following requirements:

(F) The company must possess a current certificate of authority from the director of the [Division of Insurance] Department of Insurance, Financial Institutions and Professional Registration to transact the business of insurance which authorizes the company to issue annuities.

AUTHORITY: section 313.230(2), RSMo [1986] 2000. Original rule filed Jan. 23, 1986, effective Feb. 1, 1986. Amended: Filed March 17, 1987, effective June 11, 1987. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 60—Payment of Prizes**

PROPOSED AMENDMENT

12 CSR 40-60.050 Requirements for Companies Providing Insurance for Annuity Contracts. The commission proposes to amend subsection (1)(E).

PURPOSE: This amendment reflects updated terminology.

(1) To be eligible to contract with the executive director to provide insurance on periodic payments of prizes made to the Missouri Lottery prize winner, the company must meet the following requirements:

(E) The company must possess a current certificate of authority from the director of the [Division of Insurance] Department of Insurance, Financial Institutions and Professional Registration to transact the business of insurance which authorizes the company to become surety on bonds or obligations of persons or corporations.

AUTHORITY: section 313.230(1)(l), RSMo [1994] 2000. Original rule filed March 17, 1987, effective June 11, 1987. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 70—Suspension, Revocation and
Denial of Licenses**

PROPOSED AMENDMENT

12 CSR 40-70.010 Right to Present Evidence. The commission proposes to amend the purpose and section (2).

PURPOSE: This amendment updates the terminology in the rule.

PURPOSE: This rule provides for submission of evidence by licensees whenever the director suspends, revokes, or [devises] denies a retail license or terminates a contract with any lottery vendor.

(2) Any proceeding under this chapter shall be a noncontested case and reviewable under section 536.150, RSMo [(1986)] (2000).

AUTHORITY: section 313.220, RSMo [1986] Supp. 2013. Original rule filed April 9, 1986, effective April 19, 1986. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 70—Suspension, Revocation and
Denial of Licenses**

PROPOSED AMENDMENT

12 CSR 40-70.020 Director to Give Detailed Reason for Action. The commission proposes adding a statute to the authority of the rule.

PURPOSE: The amendment adds section 313.265, RSMo as part of its authority.

AUTHORITY: section 313.220, RSMo [1986] Supp. 2013, and section 313.265, RSMo 2000. Original rule filed April 9, 1986, effective April 19, 1986. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 70—Suspension, Revocation and
Denial of Licenses**

PROPOSED AMENDMENT

12 CSR 40-70.030 Time and Manner for Submitting Evidence. The commission proposes to amend subsections (1)(A) and (1)(B) and section (2).

PURPOSE: This amendment updates the terminology.

(1) All evidence or statements submitted under 12 CSR 40-70.010 shall be in written or documentary form and shall be delivered to the Missouri Lottery within thirty (30) days of the receipt of the notice provided in 12 CSR 40-70.020.

(A) Documents may be submitted in [dry duplication form] paper or electronic form.

(B) Witness testimony may be by sworn affidavit [or typewritten summary] and must contain the name, address, and telephone number of the witness. If the name, address, and telephone number are unknown, the sworn affidavit [or summary] shall state the fact together with how the facts became known to the licensee.

(2) Upon [the] receipt of the request of the licensee, the director may grant one (1) extension of an additional thirty (30) days for the submission of evidence.

AUTHORITY: section 313.220, RSMo [1986] Supp. 2013. Original rule filed April 9, 1986, effective April 19, 1986. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 70—Suspension, Revocation and
Denial of Licenses**

PROPOSED AMENDMENT

12 CSR 40-70.050 When Action Effective Immediately. The commission proposes to amend subsection (1)(B) and add a statute to the authority of the rule.

PURPOSE: This amendment updates the rule and adds section 313.260, RSMo as part of its authority.

(1) A suspension or revocation of the license(s) any licensee shall have immediate effect when the director has reason to believe—

(B) The license was issued to any person through inadvertence or mistake and the licensee was not qualified under section 313.260, RSMo *[(1986)] (2000)*; or

AUTHORITY: section 313.220, RSMo [1986] Supp. 2013, and section 313.260, RSMo 2000. Original rule filed April 9, 1986, effective April 19, 1986. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 70—Suspension, Revocation and
Denial of Licenses**

PROPOSED AMENDMENT

12 CSR 40-70.080 Decision of the Director. The commission proposes to amend section (2).

PURPOSE: The purpose of this amendment is to clarify the language.

(2) The decision shall be sent by certified mail[ed] to the licensee and to his/her attorney, if any.

AUTHORITY: section 313.220, RSMo [1986] Supp. 2013. Original

rule filed April 9, 1986, effective April 19, 1986. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 80—General Rules—[Instant] Scratchers Game**

PROPOSED AMENDMENT

12 CSR 40-80.010 Definitions for All [Instant] Scratchers Games. The commission proposes to amend the chapter name, rule name, purpose, and the rule itself.

PURPOSE: This amendment updates the terminology for definitions used throughout the rules.

PURPOSE: The purpose of this rule is to define certain terms for the [instant] Scratchers games [which will be applicable to all instant games].

(1) The following definitions shall apply to 12 CSR 40-80 and 12 CSR 40-90:

(A) *[Instant] Scratchers* ticket means a Missouri Lottery *[instant] Scratchers* game ticket, share or also called a *scratcher* ticket;

(B) Play symbols are the symbols printed on *[instant] Scratchers* game tickets. One (1) of these play symbols appears under each rub-off spot *[on the front]* of the *[instant] Scratchers* ticket;

(C) Validation number is a unique number on *[the front of]* the *[instant] Scratchers* game ticket;

(D) Pack means a pack of *[instant] Scratchers* game tickets. A pack shall consist of *[instant] Scratchers* game tickets, bearing a common pack number and having ticket numbers sequentially through the pack;

(E) *[Instant] Scratchers* game is the Missouri Lottery game in which a preprinted ticket is purchased and upon removal of a *[latex or other covering] scratch-off coating* on *[the front of]* the ticket, the ticket bearer determines his/her winnings, if any;

(F) Game identification number-pack-ticket number is the unique number printed on the *[back of the instant] Scratchers* game ticket which designates game identification number, pack number, and ticket number;

(H) Retailer validation code consists of letters found under the *[latex or other covering] scratch-off coating* over the play symbols on *[the front of]* the *[instant] Scratchers* game ticket;

(I) Valid ticket is *[an instant] a Scratchers* game ticket which meets all of the lottery's validation requirements;

(J) Rub-off spot is an area of *[an instant game] a Scratchers* ticket covered with *[latex or other covering] a scratch-off coating*. The player removes the *[latex or other covering off] scratch-off coating* to reveal a play symbol, play symbol caption, or other validation number, or validation code beneath; and

(K) Instant prize is the prize revealed on *[an instant]* a **Scratchers** game ticket.

AUTHORITY: section 313.230(2), RSMo [1994] 2000. Original rule filed Jan. 10, 1986, effective Jan. 20, 1986. Amended: Filed April 9, 1986, effective April 19, 1986. Amended: Filed March 17, 1987, effective July 3, 1987. Amended: Filed Dec. 5, 1988, effective April 27, 1989. Amended: Filed June 3, 1999, effective Dec. 30, 1999. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the **Missouri Register**. No public hearing is scheduled.

Title 12—DEPARTMENT OF REVENUE

Division 40—State Lottery

Chapter 80—General Rules—*[Instant]* Scratchers Game

PROPOSED AMENDMENT

12 CSR 40-80.020 Manner of Selecting Winning *[Instant]* Scratchers Tickets; Frequency of Drawings. The commission proposes to amend the purpose and section (1).

PURPOSE: This amendment updates the terminology.

PURPOSE: The purpose of this rule is to set forth the manner of determining *[instant game]* Scratchers prize winners.

(1) The manner of *[selecting]* **determining** winning tickets for each specific game shall be set in 12 CSR 40-90.110.

AUTHORITY: section 313.220, RSMo Supp. [1998] 2013. Original rule filed Jan. 10, 1986, effective Jan. 20, 1986. Amended: Filed June 3, 1999, effective Dec. 30, 1999. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the **Missouri Register**. No public hearing is scheduled.

Title 12—DEPARTMENT OF REVENUE

Division 40—State Lottery

Chapter 80—General Rules—*[Instant]* Scratchers Game

PROPOSED AMENDMENT

12 CSR 40-80.030 Limitation on Awarding Instant Prizes. The commission proposes to amend sections (1) and (2).

PURPOSE: This amendment updates the terminology.

(1) Multiple instant prize amounts won may be paid on any given *[instant game]* **Scratchers** ticket.

(2) No portion of the display printing on the *[instant game]* **Scratchers** ticket nor any extraneous matter whatsoever shall be usable or playable as part of the *[instant game]* **Scratchers** ticket.

AUTHORITY: section 313.220, RSMo Supp. [1998] 2013. Original rule filed Jan. 10, 1986, effective Jan. 20, 1986. Amended: Filed June 3, 1999, effective Dec. 30, 1999. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the **Missouri Register**. No public hearing is scheduled.

Title 12—DEPARTMENT OF REVENUE

Division 40—State Lottery

Chapter 80—General Rules—*[Instant]* Scratchers Game

PROPOSED AMENDMENT

12 CSR 40-80.050 *[Instant Ticket]* Scratchers Validation Requirements. The commission proposes to amend the rule name, purpose, and sections (1), (2), and (3), and subsections (1)(A), (1)(O), (1)(R)–(V), and (1)(X).

PURPOSE: This amendment updates the terminology.

PURPOSE: The purpose of this rule is to set forth the validation requirements for validating *[an instant game]* a **Scratchers** winning ticket.

(1) All of the following requirements must be met for *[an instant game]* a **Scratchers** ticket to be a valid *[instant game]* **Scratchers** winning ticket:

(A) Exactly one (1) play symbol must appear under each rub-off spot on the *[front of the]* ticket;

(O) The validation number of an apparent winning ticket shall appear on the lottery's official *[list]* file of validation numbers of winning tickets and the ticket with that validation number shall not have been paid previously according to the records of the lottery;

(R) Each of the play symbols on the ticket must correspond precisely to the *[artwork]* **game specifications** on file at the lottery.

Each of the play symbol captions must correspond precisely to the *[artwork] game specifications* on file at the lottery;

(S) The pack-ticket number must correspond precisely to the *[artwork] game specifications* on file at the lottery;

(T) The validation code must correspond precisely to the *[artwork] game specifications* on file at the lottery;

(U) The validation number must correspond precisely to the *[artwork] game specifications* on file at the lottery;

(V) The display printing must be regular in every respect and correspond precisely with the *[artwork] game specifications* on file at the lottery;

(X) The ticket must be *[an instant game] a Scratchers* ticket offered for sale by the Missouri Lottery during the period announced by the director for that *[instant] Scratchers* game.

(2) *[Except as provided in section (4), any ticket not passing all validation checks in this rule is void and ineligible for any prize and shall not be paid.] At the direction of the executive director, the lottery may pay a winning claim on a damaged or mutilated ticket. This is dependent on the lottery being able to identify the game-pack-ticket number or validation number, and a sufficient amount of the ticket play area, in order to have the ability to reconstruct the ticket, as directed by lottery procedure, to compare and successfully match it to the damaged/mutilated ticket. Provided that the ticket has not been validated, the lottery's executive director may authorize that the claim be paid.*

(3) The director, solely at his/her option, may replace an invalid ticket with an unplayed ticket(s) of equivalent sales price for any current lottery game. In the event a defective ticket is purchased, the only responsibility or liability of the lottery shall be the replacement of the defective ticket with another unplayed ticket(s) of equivalent sales price from any lottery *[instant] Scratchers* game currently on sale.

AUTHORITY: section 313.220, RSMo Supp. [1998] 2013. Original rule filed Jan. 10, 1986, effective Jan. 20, 1986. Amended: Filed June 3, 1999, effective Dec. 30, 1999. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 80—General Rules—*[Instant] Scratchers* Game**

PROPOSED AMENDMENT

12 CSR 40-80.090 Ticket Responsibility. The commission proposes to amend the purpose and sections (1) and (3).

PURPOSE: This amendment updates the terminology.

*PURPOSE: The purpose of this rule is to set forth the responsibility for *[instant game] Scratchers* winning tickets.*

(1) The player shall be responsible for *[instant game] Scratchers* tickets he/she purchased that may be subsequently lost or stolen.

(3) *[An instant game] A Scratchers* ticket is a bearer instrument, until signed on the back by the owner(s).

AUTHORITY: section 313.220, RSMo Supp. [1998] 2013. Original rule filed Jan. 10, 1986, effective Jan. 20, 1986. Amended: Filed June 3, 1999, effective Dec. 30, 1999. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 80—General Rules—*[Instant] Scratchers* Game**

PROPOSED AMENDMENT

12 CSR 40-80.100 Disputes. The commission proposes to amend the purpose and section (1).

PURPOSE: This amendment updates the terminology.

*PURPOSE: The purpose of this rule is to set forth the remedy for disputed winning *[instant] Scratchers* tickets.*

(1) In the event a dispute between the lottery and a ticket bearer occurs as to whether the ticket is a winning *[instant] Scratchers* ticket, and if the ticket prize is not paid, the director, solely at his/her option, may replace the disputed ticket with an unplayed ticket(s) of equivalent sales price from any current lottery instant game. All decisions of the director as to the winning ticket disputes are final and no administrative appeal shall be allowed.

AUTHORITY: section 313.220, RSMo Supp. [1998] 2013. Original rule filed Jan. 10, 1986, effective Jan. 20, 1986. Amended: Filed June 3, 1999, effective Dec. 30, 1999. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603,

Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 80—General Rules—[Instant] Scratchers Game

PROPOSED AMENDMENT

12 CSR 40-80.110 Compliance. The commission proposes to amend section (1).

PURPOSE: This amendment updates the terminology.

(1) In purchasing [an instant game] a Scratchers ticket, the customer agrees to comply with and abide by Section 313.200, RSMo all rules of the lottery commission and all procedures and instructions established by the director for the conduct of the [instant] Scratchers game for which ticket is purchased.

AUTHORITY: section 313.220, RSMo [1986] Supp. 2013. Original rule filed Jan. 10, 1986, effective Jan. 20, 1986. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 80—General Rules—[Instant] Scratchers Game

PROPOSED AMENDMENT

12 CSR 40-80.120 Termination of [an Instant] Scratchers Games. The commission proposes to amend the rule name, purpose, and section (1).

PURPOSE: This amendment updates the terminology.

PURPOSE: The purpose of this rule is to authorize the director to announce a termination date for [instant] Scratchers games.

(1) The director at any time may announce a termination date for any [instant] Scratchers game. Tickets for the terminated game may not be sold or validated after the date announced.

AUTHORITY: section 313.220, RSMo [1986] Supp. 2013. Original rule filed Jan. 10, 1986, effective Jan. 20, 1986. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 80—General Rules—[Instant] Scratchers Game

PROPOSED AMENDMENT

12 CSR 40-80.130 Retailer Conduct. The commission proposes to amend section (2) and add a new section (3).

PURPOSE: The purpose of this amendment is to update the terminology and limit the lottery's liability.

(2) Licensees or their employees are prohibited from playing [instant game] Scratchers tickets using any method which gives the licensee or his/her employees an advantage in terms of odds of winning over the public at large.

(3) The lottery reserves the right to immediately halt Scratchers sales at any retail location to limit the liability to the lottery and its retailer. Sales may resume at the discretion of the lottery.

AUTHORITY: section 313.220, RSMo [1986] Supp. 2013. Original rule filed Jan. 10, 1986, effective Jan. 20, 1986. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 85—[On-line] Draw Game

PROPOSED AMENDMENT

12 CSR 40-85.005 Definitions for All [On-Line] Draw Games. The commission proposes to amend the chapter name, rule name, purpose, and the rule itself.

PURPOSE: This amendment updates the terminology.

PURPOSE: This rule defines certain terms for [the on-line] all draw games [which will be applicable to all on-line games].

(1) Certified drawing. A drawing in which the lottery and an independent certified public [accountant] accounting firm attests that the drawing equipment functioned properly and that a random selection of a winning combination has occurred.

(3) Duplicate ticket. A ticket produced by photograph, [xerography] copier, or any other method other than a ticket generated by [an on-line] a draw games terminal.

(4) [On-line] Draw game. A game played on [an on-line] a draw game terminal which is in communication with the lottery's computer gaming system; also known as a computer-generated game.

(5) [On-line] Draw games lottery [contractor] retailer. A licensed retailer who has contracted with the lottery to sell [on-line] draw games.

(6) [On-line] Computer gaming system. The lottery's [on-line] draw games computer gaming system consisting of [on-line] draw games terminals and related equipment which communicates with the central processing equipment and a communication network.

(7) [On-line] Draw games terminal [OLT]. Computer hardware through which [an on-line] a draw games lottery [contractor] retailer enters the combination selected by a player and by which game tickets are generated and claims may be validated.

(8) [On-line] Draw games ticket. A computer generated ticket issued by [an on-line] a draw games lottery [contractor] retailer to a player as a [receipt] record for the [items] numbers/wager or combination of [items] numbers/wagers the player has selected.

(9) [Player-selected item] Number and Wager Selection Types.
(A) Player-selected numbers/wagers. A number or [item] wager or group of numbers or [items] wagers selected by a player in connection with [an on-line] a draw game.

(B) [Player-selected items include selections of items randomly by the computer on-line system.] Computer-generated numbers. Numbers randomly selected by the computer gaming system. The computer-generated numbers [or items] are also [are] known as quick picks or auto-picks.

(11) Validation. The process of determining whether [an on-line] a draw games ticket presented for payment is a winning ticket.

(12) Validation number. The number printed on the front of each [on-line] draw games ticket which is used for validation.

AUTHORITY: section 313.220, RSMo Supp. [1999] 2013. Original rule filed July 15, 1986, effective July 25, 1986. Amended: Filed May 25, 2000, effective Nov. 30, 2000. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in per-

son at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 85—[On-line] Draw Game**

PROPOSED AMENDMENT

12 CSR 40-85.010 [On-Line Game] Draw Games Contract Provisions. The commission proposes to amend the chapter name, rule name, purpose, and rule.

PURPOSE: This amendment updates the terminology.

PURPOSE: This rule establishes certain provisions for the [on-line game] draw games contract.

(1) In addition to provisions of the [on-line] draw games contract unique to each [contractor] retailer, the [on-line game] draw games contract may provide the following provisions:

(A) A discount commission of a percentage set by the executive director of [on-line] draw games tickets sold by the [contractor] retailer[.];

(B) An installation fee as may be established by the executive director[.];

(C) If the [contractor] retailer has purchased a business where a terminal has previously been installed, reconnection fees may be charged as may be established by the executive director[.];

(D) Requirements that the [contractor] retailer—
1. [Sell all on-line games offered;] Sell all games as required by the lottery;

2. Furnish players with proper claim forms provided by the lottery;

3. [Post] Provide winning numbers [prominently];

4. Attend training provided by the lottery;

5. Allow only trained personnel to operate terminals;

6. Report malfunctions as soon as practicable; and

7. Prominently display point-of-sale and other game-related materials and equipment[; and].
[8. Sell Scratchier games.]

(E) A weekly [telephone] communications fee as established by the executive director[.]; and

(F) Hold the [contractor] retailer liable for negligent or intentional damage to or loss of lottery or vendor equipment.

AUTHORITY: section 313.220, RSMo Supp. [1999] 2013. Original rule filed June 4, 1986, effective June 14, 1986. Amended: Filed March 17, 1987, effective March 27, 1987. Amended: Filed March 1, 1988, effective May 26, 1988. Amended: Filed May 25, 2000, effective Nov. 30, 2000. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 85—[On-line] Draw Game**

PROPOSED RESCISSION

12 CSR 40-85.020 Criteria for On-line Terminal Award. This rule lists the criteria for the award of on-line game contracts.

PURPOSE: The commission proposes to rescind this rule as it is no longer applicable.

AUTHORITY: section 313.220, RSMo Supp. 1988. Original rule filed June 4, 1986, effective June 14, 1986. Amended: Filed Dec. 5, 1988, effective April 27, 1989. Rescinded: Filed July 15, 2014.

PUBLIC COST: This proposed rescission will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rescission will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rescission with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 85—[On-line] Draw Game**

PROPOSED AMENDMENT

12 CSR 40-85.030 [On-Line] Draw Games Ticket Validation Requirements. The commission proposes to amend the chapter name, rule name, purpose, and section (1).

PURPOSE: This amendment updates the terminology.

PURPOSE: This rule sets forth the validation requirements for validating [on-line] draw games winning tickets.

(1) All of the following requirements must be met for [an on-line game] a draw games ticket to be a valid [on-line game] draw games winning ticket:

(B) The ticket shall not be [mutilated,] altered, reconstituted, or tampered with in any manner;

(D) The ticket shall have been issued by the lottery through [an on-line game contractor] a draw games retailer in an authorized manner;

(G) The ticket data shall have been recorded in the [central] computer gaming system [or magnetic tape or disc] before the drawing and the ticket data shall match this computer record in every respect;

(H) The player-selected [items] numbers/wagers, the validation number data, and the drawing date of an apparent winning ticket shall appear on the official file of winning tickets and a single-lettered game grid with the exact data may have not been previously paid;

AUTHORITY: section 313.220, RSMo Supp. [1999] 2013. Original rule filed July 15, 1986, effective July 25, 1986. Amended: Filed May 25, 2000, effective Nov. 30, 2000. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 85—[On-line] Draw Game**

PROPOSED AMENDMENT

12 CSR 40-85.050 Prize Amounts for [On-Line] Parimutuel Draw Games. The commission proposes to amend the rule name and sections (1), (2), (4), and (5).

PURPOSE: This amendment updates the terminology.

(1) The total amount of prize money allocated to the winnings pool for [on-line] draw games shall be a minimum of forty-five percent (45%) of the total gross [on-line] draw games sales. [Any unfunded portion of the guaranteed first prize may be funded from the Lottery Prize Reserve Fund.]

(2) The allocation of the [on-line] draw games winnings to the prize categories shall be announced by the executive director at least one (1) week prior to the effective date of this rule and one (1) week prior to any future changes in the allocation.

(4) In [an on-line] a draw game, if no winning ticket qualifies for [any of the] a prize [categories] category, the amount allocated for the prize shall be carried over and added to the prize pool of the next drawing for that particular game or will be allocated to other prize levels according to the rules of that game.

(5) The amount allocated to the first prize may be used to purchase securities or an annuity for each winning play. The first prize will be payable to winning tickets by an initial cash payment plus [equal] payments as established by the executive director. Any winning ticket owned in shares by multiple owners shall be funded as outlined above to the owners as declared on the claim form for claiming the [on-line] draw games prizes. As established by the executive director, the first prize may be payable to winning ticket holder(s) in a lump sum cash payment equal to the cash value of the first prize annuity or a percentage of the first prize. [The decision to accept a lump sum payment must be unanimously agreed to by all owners of the ticket.]

AUTHORITY: section[s] 313.220, RSMo Supp. [1999] 2013, and section 313.230, RSMo [1994] 2000. Original rule filed July 15, 1986, effective July 25, 1986. Amended: Filed May 14, 1987, effective Aug. 13, 1987. Amended: Filed Aug. 4, 1988, effective Oct. 27, 1988. Amended: Filed Sept. 15, 1997, effective March 30, 1998. Amended: Filed May 25, 2000, effective Nov. 30, 2000. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 85—[On-line] Draw Game**

PROPOSED AMENDMENT

12 CSR 40-85.055 Designation for Specifics for Each [On-Line] Draw Game. The commission proposes to amend the rule name, purpose, sections (1), (2), and (3), and subsection (1)(D).

PURPOSE: This amendment updates the terminology.

PURPOSE: This rule designates the specifics the director will publish for each [on-line] draw game.

(1) The director shall publish the following specifics for each [on-line] draw game at least one (1) week prior to the start of that game:

(D) The [method of announcing the] allocation of the winnings pool to the prize categories;

(2) The director shall retain the specifics for each [on-line] draw game at the Jefferson City office of the Missouri Lottery for one (1) year following the last day on which prizes may be claimed for that game.

(3) The director shall cause the specifics set out in section (1) to be published [on point of sale materials] and [be] released to media for publication to [ensure by] inform the public and players [to] of the specifics of the [on-line] draw game.

AUTHORITY: section 313.230(1)(b)(c)(d), RSMo [Cum. Supp. 1990] 2000. Original rule filed May 14, 1987, effective Aug. 13, 1987. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 85—[On-line] Draw Game**

PROPOSED AMENDMENT

12 CSR 40-85.060 Further Limitations on [On-Line] Draw Games Prizes. The commission proposes to amend the rule name, sections (1), (3), (5), (6), and add a new section (8).

PURPOSE: This amendment updates the terminology and adds a new section outlining game liability limits.

(1) The winning player(s) agrees by submitting [an on-line] a draw games ticket for validation to abide by the statutes and rules pertaining to the Missouri Lottery and to the [on-line] draw games.

(3) The [on-line] draw games ticket shall be a bearer instrument until it is signed. The owner(s) of a winning ticket must declare all other owners and the percentage of ownership for a winning ticket at the time of filing a claim with the Missouri Lottery or presenting the ticket for validation to [an on-line] a draw games lottery [contractor] retailer.

(5) The player shall be responsible for lost or stolen [on-line game] draw games tickets. **The lottery shall not be responsible for lost or stolen draw games tickets.**

(6) [An on-line] A draw games game play may only be claimed for the highest prize category won.

(8) Game liability limits—

(A) **When the potential aggregate prize liability, resulting from all wagers containing a particular combination of numbers, reaches or first exceeds a prize payout level as determined by the director in a single drawing, no further wagers of that number combination shall be accepted by the lottery gaming system for that drawing.**

(B) **Notwithstanding subsection (A) of this section, the director may, when conditions so warrant as determined in the director's sole discretion, establish a prize liability threshold that is higher than the published level for a single drawing.**

AUTHORITY: section 313.220, RSMo Supp. [1999] 2013. Original rule filed July 15, 1986, effective July 25, 1986. Amended: Filed Feb. 11, 1987, effective Feb. 21, 1987. Amended: Filed May 25, 2000, effective Nov. 30, 2000. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 85—[On-line] Draw Game**

PROPOSED AMENDMENT

12 CSR 40-85.070 Disputes. The commission proposes to amend the

purpose and section (1).

PURPOSE: This amendment updates the terminology.

PURPOSE: This rule sets forth the remedy for disputed [winning] tickets.

(1) In the event of a dispute between the lottery and the owner(s) or bearer(s) of a [winning] ticket as to whether the ticket is, in fact, a winning ticket, and if the claimed prize is not paid, the director, solely at his/her option, may replace the disputed ticket with an unplayed ticket(s) of equivalent price from any current [on-line] draw game. All decisions of the director as to winning tickets or any other disputes concerning the operation of the [on-line game] draw games are final and no administrative appeal shall be allowed.

AUTHORITY: section 313.220, RSMo Supp. [1988] 2013. Original rule filed July 15, 1986, effective July 25, 1986. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

Title 12—DEPARTMENT OF REVENUE Division 40—State Lottery Chapter 85—[On-line] Draw Game

PROPOSED AMENDMENT

12 CSR 40-85.080 Payments of Prizes Up to [599] \$600 Authorized. The commission proposes to amend the rule name, purpose, and the rule.

PURPOSE: This amendment updates the terminology and also updates the dollar amount of prizes a retailer is authorized to pay.

PURPOSE: This rule sets forth the manner of payment of prizes by [on-line contractors] draw games retailers.

(1) [On-line] Draw games lottery [contractors] retailers shall pay [on-line] draw games prizes up to and including [five hundred ninety-nine] six hundred dollars [599] \$600. The executive director may allow exceptions to the criteria in this rule.

(2) Any [on-line contractor] draw games retailer may pay a prize for a winning [on-line] draw games ticket regardless of where the [on-line] draw games ticket was purchased.

(3) Lottery [on-line] draw game [contractors] retailers shall follow the procedures for validation of the tickets issued by the lottery before paying any [on-line] draw games prize.

(4) All winning tickets up to [599] six hundred dollars (\$600) may be processed at [an on-line] a draw games lottery [contractor] retailer.

(5) Winning tickets over [599] six hundred dollars (\$600) shall be processed at [or with] a lottery [redemption center] office, the location of which shall be published periodically by the [L/lottery].

AUTHORITY: section 313.220, RSMo Supp. [1999] 2013. Original rule filed July 15, 1986, effective July 25, 1986. Amended: Filed Feb. 11, 1987, effective Feb. 21, 1987. Amended: Filed May 25, 2000, effective Nov. 30, 2000. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

Title 12—DEPARTMENT OF REVENUE Division 40—State Lottery Chapter 85—[On-line] Draw Game

PROPOSED AMENDMENT

12 CSR 40-85.090 Cancellation of or Failure to Enter [On-Line] Draw Game Tickets. The commission proposes to amend the rule name, purpose, section (1) and subsection (1)(A).

PURPOSE: This amendment updates the terminology.

PURPOSE: This rule provides for suspension or revocation of licenses for any [licensee] retailer who knowingly cancels an [on-line] draw game ticket without being requested to do so by the player owning the ticket or for the [licensee] retailer to fail to enter the play as requested by the player.

(1) A [licensee] retailer may be subject to suspension or revocation of his/her license if s/he knowingly either—

(A) Cancels any [on-line] draw game ticket without being requested to do so by the player owning that ticket; or

AUTHORITY: section 313.220, RSMo Supp. [1988] 2013. Original rule filed Sept. 15, 1986, effective Sept. 25, 1986. Amended: Filed Nov. 14, 1986, effective Nov. 24, 1986. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 85—[On-line] Draw Game**

PROPOSED AMENDMENT

12 CSR 40-85.100 Change of Location or of Business Organization for [On-Line Contractor] Draw Game Retailer. The commission proposes to amend the rule name, purpose, and sections (1), (2), and (3), and subsection (1)(A).

PURPOSE: This amendment updates the terminology and clarifies the appropriate rules to cite within the rule.

PURPOSE: This rule sets forth certain criteria for a change of location or of business organization for [on-line contractors in addition to 12 CSR 40-85.020] draw game retailer.

(1) The existing [on-line] draw game contract shall terminate whenever—

(A) Any [on-line contractor] draw game retailer changes location; or

(2) A new contract may be awarded on the basis of the factors set forth in 12 [CSR40-85.020] CSR 40-40.090.

(3) A change of business structure or change of ownership not included in 12 CSR 40-85.100(1) for [an on-line contractor] a draw game retailer will not require a new determination of factors set forth in 12 [CSR 40-85.020] CSR 40-40.090 even though a new contract is signed with the new business entity.

AUTHORITY: section 313.220, RSMo Supp. [1988] 2013. Original rule filed Nov. 14, 1986, effective Nov. 24, 1986. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 85—[On-line] Draw Game**

PROPOSED AMENDMENT

12 CSR 40-85.140 Drawing and Selling Times. The commission proposes to amend the purpose of the rule.

PURPOSE: This amendment updates the terminology.

PURPOSE: This rule establishes the drawing and selling times for the [on-line] draw games.

AUTHORITY: section 313.220, RSMo Supp. [1999] 2013. Original rule filed Feb. 11, 1987, effective Feb. 21, 1987. Amended: Filed Dec. 5, 1988, effective April 27, 1989. Amended: Filed May 25, 2000, effective Nov. 30, 2000. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 85—[On-line] Draw Game**

PROPOSED AMENDMENT

12 CSR 40-85.170 Game Sell-Out Prohibited. The commission proposes to amend section (1) and add section (2).

PURPOSE: The purpose of this amendment is to update the terminology and to outline the right to halt draw game sales to limit the liability to the lottery.

(1) No Missouri lottery office or Missouri lottery retailer shall directly and knowingly sell a ticket or combination of tickets to any person or entity which would guarantee such a purchaser a prize in [an on-line game or on-line game promotion] a draw game or draw game promotion.

(2) The lottery reserves the right to immediately halt draw game sales at any retail location to limit the liability to the lottery and its retailer. Sales may resume at the discretion of the lottery.

AUTHORITY: section 313.220, RSMo Supp. [2004] 2013. Original rule filed Sept. 17, 1992, effective June 7, 1993. Amended: Filed Aug. 24, 2004, effective March 30, 2005. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 85—[On-line] Draw Game

PROPOSED AMENDMENT

12 CSR 40-85.175 Entry of Plays. The commission proposes to amend the purpose and rule.

PURPOSE: This amendment updates the terminology.

PURPOSE: [This rule provides acceptable methods of playing any one-line lottery game.] **This rule provides acceptable methods of playing lottery draw games at retail locations.**

[On-line] Draw game plays may only be entered manually using the lottery terminal keypad or touch screen, or by means of inserting a playslip provided by the Missouri Lottery and handmarked by the player or by other means approved by the Missouri Lottery. Retailers shall not permit facsimile playslips, copies of playslips, or other materials not printed or approved by the Missouri Lottery to be inserted into the terminal's playslip reader. Retailers shall not permit any device to be connected to a lottery terminal to enter plays, except as approved by the Missouri Lottery.

AUTHORITY: section 313.220, RSMo Supp. [1988] 2013. Original rule filed Feb. 4, 1993, effective Aug. 9, 1993. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 90—Specific [Instant] Scratchers Game Rule

PROPOSED AMENDMENT

12 CSR 40-90.110 Designation of Specifics for Each [Instant] Scratchers Game. The commission proposes to amend the chapter name, rule name, purpose, and section (1).

PURPOSE: This amendment updates the terminology.

PURPOSE: This rule requires the director to publish the specifics for each [instant] Scratchers game one (1) week before the game starts.

(1) The director shall publish and provide to [licensees] retailers the specifics for each [instant] Scratchers game at least one (1) week prior to the start of that game.

AUTHORITY: section 313.220, RSMo Supp. [1998] 2013. Original rule filed April 9, 1986, effective April 19, 1986. Amended: Filed June 3, 1999, effective Dec. 30, 1999. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 95—Pull Tab Game

PROPOSED AMENDMENT

12 CSR 40-95.010 Pull Tab Game. The commission proposes to amend section (1).

PURPOSE: This amendment updates the terminology, addresses where the prize structure will be displayed, and outlines how the lottery will limit its liability on this game.

(1) The following rule shall define the game Pull Tab as a game for the Missouri Lottery:

(B) The price of Pull Tab tickets to [retail licenses] retailers shall be established by the executive director;

(C) [The prize structure for each Pull Tab game shall be displayed in the immediate vicinity of the pull tab dispensing device and those prizes shall be in full view of any person prior to that person purchasing the opportunity to play;] **The prize structure for each Pull Tab game will be published and available on the lottery's website, MOlottery.com two (2) weeks prior to the first sale of each game;**

[(D) Players must redeem a winning Pull Tab ticket the same day as it was purchased and must redeem all winning Pull Tab tickets at the retailer at which the ticket was purchased;]

[(E)](D) A licensed lottery retailer may sell pull tabs at the discretion of the executive director; [and]

[(F)](E) Compensation for the sale of Pull Tab tickets shall be paid by the lottery at an amount to be determined by the executive director [as a discount from the retail price of tickets in each carton]. The executive director may institute an incentive program[.]; **and**

(F) The lottery reserves the right to immediately halt Pull Tab sales at any retail location to limit the liability to the lottery and its retailer. Sales may resume at the discretion of the lottery.

AUTHORITY: section 313.230, RSMo [1994] 2000. Original rule filed Feb. 16, 1990, effective April 26, 1990. Amended: Filed May 25, 2000, effective Nov. 30, 2000. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Philip Smith, Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. Comments may be delivered in person at 1823 Southridge Drive, Jefferson City, MO. We will not accept comments via email. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 13—DEPARTMENT OF SOCIAL SERVICES
Division 70—MO HealthNet Division
Chapter 10—Nursing Home Program**

PROPOSED AMENDMENT

13 CSR 70-10.016 Global Per Diem Adjustments to Nursing Facility and HIV Nursing Facility Reimbursement Rates. The division is adding paragraph (3)(A)18.

PURPOSE: This amendment provides for a per diem increase to nursing facility and HIV nursing facility per diem reimbursement rates by granting a one dollar and twenty-five cents (\$1.25) increase to the current per diem rate for dates of service beginning July 1, 2014.

(3) Adjustments to the Reimbursement Rates. Subject to the limitations prescribed in 13 CSR 70-10.015, a nursing facility's reimbursement rate may be adjusted as described in this section. Subject to the limitations prescribed in 13 CSR 70-10.080, an HIV nursing facility's reimbursement rate may be adjusted as described in this section.

(A) Global Per Diem Rate Adjustments. A facility with either an interim rate or a prospective rate may qualify for the global per diem rate adjustments. Global per diem rate adjustments shall be added to the specified cost component ceiling.

1. FY-96 negotiated trend factor—

A. Facilities with either an interim rate or prospective rate in effect on October 1, 1995, shall be granted an increase to their per diem effective October 1, 1995, of four and six-tenths percent (4.6%) of the cost determined in paragraphs (11)(A)1., (11)(B)1., (11)(C)1., and the property insurance and property taxes detailed in subsection (11)(D) of 13 CSR 70-10.015; or

B. Facilities that were granted a prospective rate based on paragraph (12)(A)2. of 13 CSR 70-10.015 that is in effect on October 1, 1995, shall have their increase determined by subsection (3)(S) of 13 CSR 70-10.015.

2. FY-97 negotiated trend factor—

A. Facilities with either an interim rate or prospective rate in effect on October 1, 1996, shall be granted an increase to their per diem effective October 1, 1996, of three and seven-tenths percent (3.7%) of the cost determined in paragraphs (11)(A)1., (11)(B)1., (11)(C)1., and the property insurance and property taxes detailed in subsection (11)(D) of 13 CSR 70-10.015; or

B. Facilities that were granted a prospective rate based on paragraph (12)(A)2. of 13 CSR 70-10.015 that is in effect on October 1, 1995, shall have their increase determined by subsection (3)(S) of 13 CSR 70-10.015.

3. Nursing Facility Reimbursement Allowance (NFRA). Effective October 1, 1996, all facilities with either an interim rate or a prospective rate shall have its per diem adjusted to include the current NFRA as an allowable cost in its reimbursement rate calculation.

4. Minimum wage adjustment. All facilities with either an interim rate or a prospective rate in effect on November 1, 1996, shall be granted an increase to their per diem effective November 1, 1996, of two dollars and forty-five cents (\$2.45) to allow for the change in minimum wage. Utilizing Fiscal Year 1995 cost report data, the total industry hours reported for each payroll category was multiplied by

the fifty-cent (50¢) increase, divided by the patient days for the facilities reporting hours for that payroll category and factored up by eight and sixty-seven hundredths percent (8.67%) to account for the related increase to payroll taxes. This calculation excludes the director of nursing, the administrator, and assistant administrator.

5. Minimum wage adjustment. All facilities with either an interim rate or a prospective rate in effect on September 1, 1997, shall be granted an increase to their per diem effective September 1, 1997, of one dollar and ninety-eight cents (\$1.98) to allow for the change in minimum wage. Utilizing Fiscal Year 1995 cost report data, the total industry hours reported for each payroll category was multiplied by the forty-cent (40¢) increase, divided by the patient days for the facilities reporting hours for that payroll category and factored up by eight and sixty-seven hundredths percent (8.67%) to account for the related increase to payroll taxes. This calculation excludes the director of nursing, the administrator, and assistant administrator.

6. FY-98 negotiated trend factor—

A. Facilities with either an interim rate or prospective rate in effect on October 1, 1997, shall be granted an increase to their per diem effective October 1, 1997, of three and four-tenths percent (3.4%) of the cost determined in paragraphs (11)(A)1., (11)(B)1., (11)(C)1., and the property insurance and property taxes detailed in subsection (11)(D) of 13 CSR 70-10.015 for nursing facilities and 13 CSR 70-10.080 for HIV nursing facilities; or

B. Facilities that were granted a prospective rate based on paragraph (12)(A)2. of 13 CSR 70-10.015 that is in effect on October 1, 1995, shall have their increase determined by subsection (3)(S) of 13 CSR 70-10.015.

7. FY-99 negotiated trend factor—

A. Facilities with either an interim rate or prospective rate in effect on October 1, 1998, shall be granted an increase to their per diem effective October 1, 1998, of two and one-tenth percent (2.1%) of the cost determined in paragraphs (11)(A)1., (11)(B)1., (11)(C)1., the property insurance and property taxes detailed in subsection (11)(D) of 13 CSR 70-10.015 for nursing facilities and 13 CSR 70-10.080 for HIV nursing facilities, and the minimum wage adjustments detailed in paragraphs (3)(A)4. and (3)(A)5. of this regulation; or

B. Facilities that were granted a prospective rate based on paragraph (12)(A)2. of 13 CSR 70-10.015 that is in effect on October 1, 1998, shall have their increase determined by subsection (3)(S) of 13 CSR 70-10.015.

8. FY-2000 negotiated trend factor—

A. Facilities with either an interim rate or prospective rate in effect on July 1, 1999, shall be granted an increase to their per diem effective July 1, 1999, of one and ninety-four hundredths percent (1.94%) of the cost determined in subsections (11)(A), (11)(B), (11)(C), the property insurance and property taxes detailed in subsection (11)(D) of 13 CSR 70-10.015 for nursing facilities and 13 CSR 70-10.080 for HIV nursing facilities, and the minimum wage adjustments detailed in paragraphs (3)(A)4. and (3)(A)5. of this regulation; or

B. Facilities that were granted a prospective rate based on paragraph (12)(A)2. of 13 CSR 70-10.015 that is in effect on July 1, 1999, shall have their increase determined by subsection (3)(S) of 13 CSR 70-10.015.

9. FY-2004 nursing facility operations adjustment—

A. Facilities with either an interim rate or prospective rate in effect on July 1, 2003, shall be granted an increase to their per diem effective for dates of service beginning July 1, 2003, through June 30, 2004, of four dollars and thirty-two cents (\$4.32) for the cost of nursing facility operations. Effective for dates of service beginning July 1, 2004, the per diem adjustment shall be reduced to three dollars and seventy-eight cents (\$3.78); and

B. The operations adjustment shall be added to the facility's current rate as of June 30, 2003, and is effective for payment dates after August 1, 2003.

10. FY-2007 quality improvement adjustment—

A. Facilities with either an interim rate or prospective rate in effect on July 1, 2006, shall be granted an increase to their per diem effective for dates of service beginning July 1, 2006, of three dollars and seventeen cents (\$3.17) to improve the quality of life for nursing facility residents; and

B. The quality improvement adjustment shall be added to the facility's current rate as of June 30, 2006, and is effective for dates of service beginning July 1, 2006, and after.

11. FY-2007 trend adjustment—

A. Facilities with either an interim rate or a prospective rate in effect on February 1, 2007, shall be granted an increase to their per diem rate effective for dates of service beginning February 1, 2007, of three dollars and zero cents (\$3.00) to allow for a trend adjustment to ensure quality nursing facility services; and

B. The trend adjustment shall be added to the facility's reimbursement rate as of January 31, 2007, and is effective for dates of service beginning February 1, 2007, for payment dates after March 1, 2007.

12. FY-2008 trend adjustment—

A. Facilities with either an interim rate or a prospective rate in effect on July 1, 2007, shall be granted an increase to their per diem rate effective for dates of service beginning July 1, 2007, of six dollars and zero cents (\$6.00) to allow for a trend adjustment to ensure quality nursing facility services; and

B. The trend adjustment shall be added to the facility's current rate as of June 30, 2007, and is effective for dates of service beginning July 1, 2007.

13. FY-2009 trend adjustment—

A. Facilities with either an interim rate or a prospective rate in effect on July 1, 2008, shall be granted an increase to their per diem rate effective for dates of service beginning July 1, 2008, of six dollars and zero cents (\$6.00) to allow for a trend adjustment to ensure quality nursing facility services; and

B. The trend adjustment shall be added to the facility's current rate as of June 30, 2008, and is effective for dates of service beginning July 1, 2008.

14. FY-2010 trend adjustment—

A. Facilities with either an interim rate or a prospective rate in effect on July 1, 2009, shall be granted an increase to their per diem rate effective for dates of service beginning July 1, 2009, of five dollars and fifty cents (\$5.50) to allow for a trend adjustment to ensure quality nursing facility services; and

B. The trend adjustment shall be added to the facility's current rate as of June 30, 2009, and is effective for dates of service beginning July 1, 2009.

15. FY-2012 trend adjustment—

A. Facilities with either an interim rate or a prospective rate in effect on October 1, 2011, shall be granted an increase to their per diem rate effective for dates of service beginning October 1, 2011, of six dollars and zero cents (\$6.00) to allow for a trend adjustment to ensure quality nursing facility services;

B. The trend adjustment shall be added to the facility's current rate as of September 30, 2011, and is effective for dates of service beginning October 1, 2011; and

C. This increase is contingent upon the federal assessment rate limit increasing to six percent (6%) and is subject to approval by the Centers for Medicare and Medicaid Services.

16. FY-2013 trend adjustment—

A. Facilities with either an interim rate or a prospective rate in effect on July 1, 2012, shall be granted an increase to their per diem rate effective for dates of services beginning July 1, 2012, of six dollars and zero cents (\$6.00) to allow for a trend adjustment to ensure quality nursing facility services;

B. The trend adjustment shall be added to the facility's current rate as of June 30, 2012, and is effective for dates of service beginning July 1, 2012; and

C. This increase is contingent upon approval by the Centers for Medicare and Medicaid Services.

17. FY-2014 trend adjustment—

A. Facilities with either an interim rate or a prospective rate in effect on July 1, 2013, shall be granted an increase to their per diem rate effective for dates of services beginning July 1, 2013, of three percent (3.0%) of their current rate, less certain fixed cost items. The fixed cost items are the per diem amounts included in the facility's current rate from the following: subsection (2)(O) of 13 CSR 70-10.110, paragraphs (11)(D)1., (11)(D)2., (11)(D)3., (11)(D)4., (13)(B)3. and (13)(B)10. of 13 CSR 70-10.015;

B. The trend adjustment shall be added to the facility's current rate as of June 30, 2013, and is effective for dates of service beginning July 1, 2013; and

C. This increase is contingent upon approval by the Centers for Medicare and Medicaid Services.

18. FY-2015 trend adjustment—

A. Facilities with either an interim rate or a prospective rate in effect on July 1, 2014, shall be granted an increase to their per diem rate effective for dates of services beginning July 1, 2014, of one dollar and twenty-five cents (\$1.25) to allow for a trend adjustment to ensure quality nursing facility services;

B. The trend adjustment shall be added to the facility's current rate as of June 30, 2014, and is effective for dates of service beginning July 1, 2014; and

C. This increase is contingent upon approval by the Centers for Medicare and Medicaid Services.

AUTHORITY: section 208.159, RSMo 2000, and sections 208.153 and 208.201, RSMo Supp. 2013. Original rule filed July 1, 2008, effective Jan. 30, 2009. For intervening history, please consult the Code of State Regulations. Amended: Filed July 15, 2014.

PUBLIC COST: This proposed amendment will cost state agencies or political subdivisions approximately \$11,174,327 in SFY 2015.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Social Services, MO HealthNet Division, 615 Howerton Court, Jefferson City, MO 65109. To be considered, comments must be delivered by regular mail, express or overnight mail, in person, or by courier within thirty (30) days after publication of this notice in the Missouri Register. If to be hand-delivered, comments must be brought to the MO HealthNet Division at 615 Howerton Court, Jefferson City, Missouri. No public hearing is scheduled.

**FISCAL NOTE
PUBLIC COST**

- I. Department Title:** Title 13 - Department of Social Services
Division Title: Division 70 - MO HealthNet Division
Chapter Title: Chapter 10 - Nursing Home Program

Rule Number and Name:	13 CSR 70-10.016 Global Per Diem Adjustments to Nursing Facility and HIV Nursing Facility Reimbursement Rates
Type of Rulemaking:	Proposed Amendment

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Cost of Compliance in the Aggregate
Department of Social Services MO HealthNet Division	Estimated cost for SFY 2015: \$11,174,327

III. WORKSHEET

Description	Nursing Facility Rate Increase	Impact on Hospice for Services Provided in NF's	Total Impact
Estimated Paid Days: SFY 2015 x Rate Increase	8,342,844 \$1.25	626,699 \$1.19	
Total Estimated Impact: SFY 2015	\$10,428,555	\$745,772	\$11,174,327
State Share (36.905%)	\$3,848,658	\$275,227	\$4,123,885
Federal Share (63.095%)	\$6,579,897	\$470,545	\$7,050,442

IV. ASSUMPTIONS

Estimated Paid Days:

Nursing Facility:

The estimated paid days for SFY 2015 are based on the actual Medicaid days paid for nursing facility services during SFY 2013, increased by 0.5% for 2014 and an additional 0.5% for 2015.

Hospice:

The estimated paid days for SFY 2015 for hospice are based on the actual hospice days provided in nursing facilities from January 2013 through December 2013.

Impact on Hospice:

Hospice providers are reimbursed 95% of the nursing facility per diem for hospice participants residing in a nursing facility. The total increase to the nursing facility per diem is \$1.25. The increase to hospice reimbursement rates resulting from this amendment is \$1.19 (\$1.25 x 95%).

Title 17—BOARDS OF POLICE COMMISSIONERS
Division 10—Kansas City Board of Police Commissioners
Chapter 2—Private Security

PROPOSED AMENDMENT

17 CSR 10-2.040 Application Forms and Licensing Fees. The board is amending subsection (1)(T) and adding subsections (V) and (W).

PURPOSE: This amendment adds to the schedule of licensing fees of the Board of Police Commissioners of Kansas City, Missouri (board), fees associated with rifle and shotgun qualification at the range and clarifies that the existing fee is for handgun qualification at the range and clarifies that the existing fee is for handgun qualification only; those wishing to qualify with shotguns and rifles must pay an additional fee.

(1) The fees for licensing, renewing, transferring, etc., are as follows:

(T) Annual Range Fee (Handgun Training and Qualification/Continuing Education)	\$ 85.00
(V) Annual Range Fee (Rifle Training and Qualification Continuing Education)	\$200.00
(W) Annual Range Fee (Shotgun Training and Qualification/Continuing Education)	\$ 85.00

AUTHORITY: section 84.720, RSMo 2000. Original rule filed Dec. 5, 1979, effective March 17, 1980. For intervening history, please consult the Code of State Regulations. Amended: Filed July 11, 2014.

PUBLIC COST: This proposed amendment will cost state agencies or political subdivisions fourteen thousand two hundred fifty dollars (\$14,250) in the aggregate.

PRIVATE COST: This proposed amendment will cost private entities nineteen thousand nine hundred fifty dollars (\$19,950) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Board of Police Commissioners of Kansas City, Missouri, 635 Woodland, Suite 2104, Kansas City, MO 64106. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**FISCAL NOTE
PUBLIC COST**

- I. Department Title: 17**
- Division Title: 10**
- Chapter Title: 2**

Rule Number and Name:	17 CSR 10-2.040 – Application Forms and Licensing Fees
Type of Rulemaking:	Proposed Amendment

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Cost of Compliance in the Aggregate
Kansas City International Airport Police	\$14,250.00

III. WORKSHEET

The amendment to this rule will allow officers of the Kansas City International Airport Police to carry both rifles and shotguns in addition to the handguns for which they are already licensed after successfully completing a training class. The fee for rifle training is \$200.00; the training fee for a shotgun is \$85.00.

The Kansas City International Airport Police currently licenses fifty (50) armed officers. The number of current licensees was multiplied by the corresponding fees charged in order to assess the fiscal impact to the current licensees.

The Kansas City International Airport Police will incur costs in the amount of two hundred eighty-five dollars (\$285.00) per each of its armed licenses (50) for a total fiscal impact of fourteen thousand two hundred fifty dollars (\$14,250.00).

IV. ASSUMPTIONS

This rule assumes that all fifty (50) officers will wish to be licensed to carry both shotguns and rifles. These figures also assume that the agencies pay the license fees for those they license, rather than the individual paying the fees themselves. Board keeps no records of how the various entities operate and how they pay their fees. Therefore, the actual cost to these entities cannot be assessed with certainty, and it must be assumed that for purposes of this fiscal note that the entities pay the entire fee.

**FISCAL NOTE
PRIVATE COST**

- I. Department Title: 17
Division Title: 10
Chapter Title: 2**

Rule Number and Title:	17 CSR 10-2.040 – Application Forms and License Fees
Type of Rulemaking:	Proposed Amendment

II. SUMMARY OF FISCAL IMPACT

Estimate of the number of entities by class which would likely be affected by the adoption of the rule:	Classification by types of the business entities which would likely be affected:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
1	Armed Couriers	\$19,950.00

III. WORKSHEET

The amendment to this rule will allow armed couriers employed by Brinks, a private company to carry both rifles and shotguns in addition to the handguns for which they are already licensed after successfully completing a training class. The fee for rifle training is \$200.00; the training fee for a shotgun is \$85.00.

Brinks currently licenses seventy (70) armed couriers. The number of current licensees was multiplied by the corresponding fees charged in order to assess the fiscal impact to the current licensees.

Brinks will incur costs in the amount of two hundred eighty-five dollars (\$285.00) per each of its armed licenses (70) for a total fiscal impact of nineteen thousand nine hundred fifty dollars (\$19,950.00).

IV. ASSUMPTIONS

This rule assumes that all seventy (70) armed couriers will wish to be licensed to carry both shotguns and rifles. These figures also assume that the company pays the license fees for those they license, rather than the individual paying the fees themselves. Board keeps no records of how the various entities operate and how they pay their fees. Therefore, the actual cost to these entities cannot be assessed with certainty, and it must be assumed that for purposes of this fiscal note that the entities pay the entire fee.

**Title 17—BOARDS OF POLICE COMMISSIONERS
Division 10—Kansas City Board of Police Commissioners
Chapter 2—Private Security**

PROPOSED AMENDMENT

17 CSR 10-2.050 Testing Requirements and Qualification Standards. The board is amending section (1) and subsection (1)(D).

PURPOSE: This amendment sets out the training requirements for those armed licensees wishing to carry a shotgun and/or rifle in addition to a handgun.

(1) All applicants for licensing shall successfully pass a written examination as presented by the department to potential licensees. A person failing to obtain a passing score as established by the board may be allowed to retake the written test three (3) times. An additional fee and a new Form 5409 P.D. is required each time the test is retaken. The test may not be taken more than one (1) time per day. An applicant shall have the right to review their test. The Private Officers Licensing Unit (POLU) may refuse to test any person if evidence exists that there is grounds for denial of the license. This excludes any person holding an active or inactive Peace Officer Standards and Training (POST) certification and all retired sworn members of the department. The board has established categories of testing that reflect the responsibilities and qualifications required for the type of license sought by the applicant. An information manual outlining the examination will be available from the POLU. It is the company's responsibility to provide training necessary to prepare the applicant to take and pass the board's written examination. In addition to obtaining the license as an armed licensee, the company must certify that the applicant or licensee has completed the required training and must present a completed Form 5715 P.D. at the time of application. The licensee must successfully qualify annually with their weapon. The qualification will be equivalent to that required for department police officers. In addition, any person holding an armed license shall requalify any time they change weapons. A licensee may only carry and qualify with one (1) *[weapon]* handgun per company unless specific authorization is obtained from POLU. As set out in 17 CSR 10-2.040(1), a fee will be charged anytime a weapon change is made.

(D) Each armed licensee will complete four (4) hours of **handgun** training at the Kansas City, Missouri Police Pistol Range (range) each year **and additional hours for rifle and/or shotgun training if the applicant wishes to carry one (1) or both of those weapons. The applicant will be required to complete both a rifle and a shotgun training class if they wish to carry both weapons and pay the fees associated with those training classes as provided in 17 CSR 10-2.040(1)(T), (V) and (W).** The curriculum will be set by the range staff. Each armed licensee may additionally be required to complete four (4) hours of classroom training every two (2) years. The curriculum will be set by the POLU. Each company representative who is authorized to sign and do business with the board as outlined on Form 5486 P.D. along with all those licensed in an unarmed capacity may be required to complete the four- (4-) hour classroom portion of the training every two (2) years. Each company representative and licensee will pay the training fees associated with these continuing education requirements as set out in 17 CSR 10-2.040(1).

AUTHORITY: section 84.720, RSMo 2000. Original rule filed Dec. 5, 1979, effective March 17, 1980. For intervening history, please consult the *Code of State Regulations*. Amended: Filed July 11, 2014.

PUBLIC COST: This proposed amendment will cost state agencies or political subdivisions fourteen thousand two hundred fifty dollars (\$14,250) in the aggregate.

PRIVATE COST: This proposed amendment will cost private entities nineteen thousand nine hundred fifty dollars (\$19,950) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Board of Police Commissioners of Kansas City, Missouri, 635 Woodland, Suite 2104, Kansas City, MO 64106. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**FISCAL NOTE
PUBLIC COST**

- I. Department Title: 17**
Division Title: 10
Chapter Title: 2

Rule Number and Name:	17 CSR 10-2.050 – Testing Requirements and Qualification Standards
Type of Rulemaking:	Proposed Amendment

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Cost of Compliance in the Aggregate
Kansas City International Airport Police	\$14,250.00

III. WORKSHEET

The amendment to this rule will allow officers of the Kansas City International Airport Police to carry both rifles and shotguns in addition to the handguns for which they are already licensed after successfully completing a training class. The fee for rifle training is \$200.00; the training fee for a shotgun is \$85.00.

The Kansas City International Airport Police currently licenses fifty (50) armed officers. The number of current licensees was multiplied by the corresponding fees charged in order to assess the fiscal impact to the current licensees.

The Kansas City International Airport Police will incur costs in the amount of two hundred eighty-five dollars (\$285.00) per each of its armed licenses (50) for a total fiscal impact of fourteen thousand two hundred fifty dollars (\$14,250.00).

IV. ASSUMPTIONS

This rule assumes that all fifty (50) officers will wish to be licensed to carry both shotguns and rifles. These figures also assume that the agencies pay the license fees for those they license, rather than the individual paying the fees themselves. Board keeps no records of how the various entities operate and how they pay their fees. Therefore, the actual cost to these entities cannot be assessed with certainty, and it must be assumed that for purposes of this fiscal note that the entities pay the entire fee.

FISCAL NOTE
PRIVATE COST

- I. Department Title: 17**
Division Title: 10
Chapter Title: 2

Rule Number and Title:	17 CSR 10-2.050 – Testing Requirements and Qualification Standards
Type of Rulemaking:	Proposed Amendment

II. SUMMARY OF FISCAL IMPACT

Estimate of the number of entities by class which would likely be affected by the adoption of the rule:	Classification by types of the business entities which would likely be affected:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
1	Armed Couriers	\$19,950.00

III. WORKSHEET

The amendment to this rule will allow armed couriers employed by Brinks, a private company to carry both rifles and shotguns in addition to the handguns for which they are already licensed after successfully completing a training class. The fee for rifle training is \$200.00; the training fee for a shotgun is \$85.00.

Brinks currently licenses seventy (70) armed couriers. The number of current licensees was multiplied by the corresponding fees charged in order to assess the fiscal impact to the current licensees.

Brinks will incur costs in the amount of two hundred eighty-five dollars (\$285.00) per each of its armed licenses (70) for a total fiscal impact of nineteen thousand nine hundred fifty dollars (\$19,950.00).

IV. ASSUMPTIONS

This rule assumes that all seventy (70) armed couriers will wish to be licensed to carry both shotguns and rifles. These figures also assume that the company pays the license fees for those they license, rather than the individual paying the fees themselves. Board keeps no records of how the various entities operate and how they pay their fees. Therefore, the actual cost to these entities cannot be assessed with certainty, and it must be assumed that for purposes of this fiscal note that the entities pay the entire fee.

**Title 17—BOARDS OF POLICE COMMISSIONERS
Division 10—Kansas City Board of Police Commissioners
Chapter 2—Private Security**

PROPOSED AMENDMENT

17 CSR 10-2.055 Weapons Regulations and Firearms Qualification. The board is amending section (1), new section (5), new subsection (6)(B), adding sections (2) and (3), and renumbering as needed.

PURPOSE: The purpose of this amendment is to set out the specifications on the rifles and shotguns that are approved to carry for those armed applicants who wish to carry those weapons in addition to their handguns, and clarifies the number of times a licensee may attempt to qualify in one (1) year.

(1) A licensee is authorized to carry only *[firearms]* **handguns** in a strong side hip holster approved by the board and only if the licensee has qualified with that *[firearm]* **handgun** as set out herein. All licensees must have a completed Verification of Firearms Training Form (Form 5715 P.D.) before reporting to the Private Officers Licensing Unit (POLU). The *[firearms]* **handguns** approved by the board are as follows: .38 caliber, double action solid frame revolvers (five (5) or six (6) shot); and semi-automatics, double action only or double/single action, which are equipped with a decocker or decocker safety. This requirement limits the semi-automatics which may be carried to .40, .45, and 9mm calibers. Striker action *[firearms]* **handguns** are acceptable. The department shooting range supervisor or his/her designee may deny a licensee the opportunity to qualify if, in their discretion, they believe a person or a firearm does not meet the requirements set out herein or presents a danger to others.

(2) Licensees may carry patrol rifles under the following terms and conditions. The only approved rifle will be the Semi-automatic AR-15, .223/5.56 caliber firearm. The Patrol Rifle must meet the following requirements to be approved for use:

- (A) AR-15 type firearm that has forged upper and lower receivers. No cast or carbon fiber;
- (B) A 16" overall barrel length;
- (C) A factory-type trigger system. Light-weight match style triggers are not permitted on an approved personal rifle;
- (D) Iron sights, with a front tritium (night) sight (mandatory). Pop-up sights are also acceptable;
- (E) A minimum of 2, 30 round magazines or 3, 20 round magazines;
- (F) A mountable light source (minimum of 80-90 lumens);
- (G) A sling (1, 2 or 3 point styles are required);
- (H) Armed licensees carrying a Patrol Rifle will only carry U.S. made factory loaded 55 grain soft point ammunition in the weapon. (Hollow point and full metal jacket ammunition are forbidden.)

(3) Licensees may carry patrol shotguns under the following conditions. The Patrol Shotgun must meet the following requirements to be approved for use:

- (A) 12 gauge pump action shotgun;
- (B) Minimum 18.5" barrel, maximum of 20" (no rifled barrels, no ported barrels);
- (C) Minimum 4 round magazine capacity;
- (D) Must have a sling (1, 2 or 3 point) attached to the weapon;
- (E) Metallic sights only (no scopes, red dots or other optics);
- (F) Subdued finish, blued, parkerized, matte finish;
- (G) Stock trigger/safety systems, no aftermarket trigger systems or safeties;
- (H) No muzzle brake/compensators/hold off devices allowed;
- (I) No barrel shrouds allowed;
- (J) No knives or bayonets or bayonet attachments allowed;
- (K) Extended magazine tubes will be allowed, but must not

extend more than 1" past the muzzle;

(L) Armed licensees carrying a Patrol Shotgun will only carry U.S. made factory loaded 12 gauge slug or U.S. made factory loaded 12 gauge buckshot (#4 buckshot, #1 buckshot or 00 buckshot) ammunition in the weapon.

[(2)](4) All applicants seeking licensure for positions for which firearms may be possessed must qualify annually with the firearm(s) on the department pistol range and under the supervision of the department's firearms instructors. The firearms qualifications standards shall be in accordance with those established by department for its officers.

[(3)](5) An applicant must display the ability to safely and properly handle his/her approved firearm(s).

[(4)](6) An applicant who is determined by the range instructor to be unqualified or incapable of handling a firearm shall not be licensed.

(A) Any applicant who displays an inability to handle a firearm safely and properly will be disqualified from carrying a firearm.

(B) An applicant who does not attain the minimum scores for qualification shall be given a maximum of two- (2-) additional opportunities to qualify. An additional fee and new Form 5409 P.D. is required for each additional qualification and will be scheduled by the POLU. **If the applicant fails to qualify after two- (2-) additional attempts, the applicant will not be allowed to attempt to qualify for one- (1-) year from the date of the last failure.**

[(5)](7) In addition to the applicant successfully passing an approved firearms qualification test, the applicant or his/her employer must satisfy the physical certification requirements for a Class A license as established herein.

[(6)](8) Licensees holding an armed license may wear their approved firearm with their uniform, unless classified as a nonuniformed proprietary private investigator, while at work and while traveling directly to and from work.

[(7)](9) Those licensed as private security and proprietary private investigators must comply with city ordinance and state law which prohibits carrying a firearm or other weapon readily capable of lethal use into any building owned or occupied by any agency of the state government. This includes the POLU and any other office within the building or any other building occupied by the department.

AUTHORITY: section 84.720, RSMo 2000. Original rule filed May 28, 1993, effective Jan. 31, 1994. Rescinded and readopted: Filed Dec. 15, 1999, effective Aug. 30, 2000. Rescinded and readopted: Filed March 14, 2013, effective Aug. 30, 2013. Amended: Filed July 11, 2014.

PUBLIC COST: This proposed amendment will cost state agencies or political subdivisions fourteen thousand two hundred fifty dollars (\$14,250) in the aggregate.

PRIVATE COST: This proposed amendment will cost private entities nineteen thousand nine hundred fifty dollars (\$19,950) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Board of Police Commissioners of Kansas City, Missouri, 635 Woodland, Suite 2104, Kansas City, MO 64106. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**FISCAL NOTE
PUBLIC COST**

- I. Department Title: 17**
- Division Title: 10**
- Chapter Title: 2**

Rule Number and Name:	17 CSR 10-2.055 – Weapons Regulations and Firearms Qualification
Type of Rulemaking:	Proposed Amendment

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Cost of Compliance in the Aggregate
Kansas City International Airport Police	\$14,250.00

III. WORKSHEET

The amendment to this rule will allow officers of the Kansas City International Airport Police to carry both rifles and shotguns in addition to the handguns for which they are already licensed after successfully completing a training class. The fee for rifle training is \$200.00; the training fee for a shotgun is \$85.00.

The Kansas City International Airport Police currently licenses fifty (50) armed officers. The number of current licensees was multiplied by the corresponding fees charged in order to assess the fiscal impact to the current licensees.

The Kansas City International Airport Police will incur costs in the amount of two hundred eighty-five dollars (\$285.00) per each of its armed licenses (50) for a total fiscal impact of fourteen thousand two hundred fifty dollars (\$14,250.00).

IV. ASSUMPTIONS

This rule assumes that all fifty (50) officers will wish to be licensed to carry both shotguns and rifles. These figures also assume that the agencies pay the license fees for those they license, rather than the individual paying the fees themselves. Board keeps no records of how the various entities operate and how they pay their fees. Therefore, the actual cost to these entities cannot be assessed with certainty, and it must be assumed that for purposes of this fiscal note that the entities pay the entire fee.

**FISCAL NOTE
PRIVATE COST**

- I. Department Title: 17
Division Title: 10
Chapter Title: 2**

Rule Number and Title:	17 CSR 10-2.055 – Weapons Regulations and Firearms Qualification
Type of Rulemaking:	Proposed Amendment

II. SUMMARY OF FISCAL IMPACT

Estimate of the number of entities by class which would likely be affected by the adoption of the rule:	Classification by types of the business entities which would likely be affected:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
1	Armed Couriers	\$19,950.00

III. WORKSHEET

The amendment to this rule will allow armed couriers employed by Brinks, a private company to carry both rifles and shotguns in addition to the handguns for which they are already licensed after successfully completing a training class. The fee for rifle training is \$200.00; the training fee for a shotgun is \$85.00.

Brinks currently licenses seventy (70) armed couriers. The number of current licensees was multiplied by the corresponding fees charged in order to assess the fiscal impact to the current licensees.

Brinks will incur costs in the amount of two hundred eighty-five dollars (\$285.00) per each of its armed licenses (70) for a total fiscal impact of nineteen thousand nine hundred fifty dollars (\$19,950.00).

IV. ASSUMPTIONS

This rule assumes that all seventy (70) armed couriers will wish to be licensed to carry both shotguns and rifles. These figures also assume that the company pays the license fees for those they license, rather than the individual paying the fees themselves. Board keeps no records of how the various entities operate and how they pay their fees. Therefore, the actual cost to these entities cannot be assessed with certainty, and it must be assumed that for purposes of this fiscal note that the entities pay the entire fee.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 2110—Missouri Dental Board
Chapter 2—General Rules**

PROPOSED AMENDMENT

20 CSR 2110-2.170 Fees. The board is proposing to amend subsection (1)(C).

PURPOSE: The Missouri Dental Board is statutorily obligated to enforce and administer the provisions of Chapter 332, RSMo. Pursuant to section 332.031, RSMo, the board shall by rule and regulation set the amount of fees authorized by Chapter 332, RSMo, so that the revenue produced is sufficient, but not excessive, to cover the cost and expense to the board for administering the provisions of Chapter 332, RSMo.

(1) The following fees are established by the Missouri Dental Board:

(C) Biennial License Renewal Fee

- | | |
|------------------------------|---------------------------------|
| 1. Dentist License | [\$220] \$180 |
| 2. Dental Specialist License | [\$220] \$180 |
| 3. Dental Hygienist License | [\$100] \$ 60 |
| 4. Limited Teaching License | \$250 |

*AUTHORITY: section 332.031[.3], RSMo 2000. This rule originally filed as 4 CSR 110-2.170. Emergency rule filed June 30, 1981, effective July 9, 1981, expired Nov. 6, 1981. Original rule filed June 30, 1981, effective Oct. 11, 1981. For intervening history, please consult the **Code of State Regulations**. Emergency amendment filed July 8, 2014, effective July 18, 2014, expires Feb. 26, 2015. Amended: Filed July 8, 2014.*

PUBLIC COST: This proposed amendment will cost state agencies or political subdivisions approximately three hundred six thousand four hundred eighty dollars (\$306,480) biennially for the life of the rule. It is anticipated that the costs will recur for the life of the rule, may vary with inflation, and are expected to increase at the rate projected by the Legislative Oversight Committee.

PRIVATE COST: This proposed amendment will save private entities approximately three hundred six thousand four hundred eighty dollars (\$306,480) biennially for the life of the rule. It is anticipated that the savings will recur for the life of the rule, may vary with inflation, and are expected to increase at the rate projected by the Legislative Oversight Committee.

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Dental Board, PO Box 1367, Jefferson City, MO 65102, by facsimile at (573) 751-8216, or via email at dental@pr.mo.gov. To be considered, comments must be received within thirty (30) days after publication of this notice in the **Missouri Register**. No public hearing is scheduled.*

PUBLIC FISCAL NOTE

I. RULE NUMBER**Title 20 -Department of Insurance, Financial Institutions and Professional Registration****Division 2110 - Missouri Dental Board****Chapter 2 - General Rules****Proposed Amendment to 20 CSR 2110-2.170 - Fees**

Prepared June 19, 2014 by the Division of Professional Registration

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Loss of Revenue	
Missouri Dental Board	\$306,480	
	Total Loss of Revenue Biennially for the Life of the Rule	\$306,480

III. WORKSHEET

See Private Entity Fiscal Note

IV. ASSUMPTION

1. The total loss of revenue is based on the cost savings to private entities reflected in the Private Fiscal Note filed with this rule.
2. The board utilizes a rolling five-year financial analysis process to evaluate its fund balance, establish fee structure, and assess budgetary needs. The five-year analysis is based on the projected revenue, expenses, and number of licensees. Based on the board's recent five-year analysis, the board voted on a reduction in individual biennial renewal fees for dentist, dental specialist and dental hygienist.
3. The above figures are based on FY 2014 actuals.

PRIVATE FISCAL NOTE

I. RULE NUMBER

Title 20 -Department of Insurance, Financial Institutions and Professional Registration
Division 2110 - Missouri Dental Board
Chapter 2 - General Rules
Proposed Amendment to 20 CSR 2110-2.170 - Fees
 Prepared June 19, 2014 by the Division of Professional Registration

II. SUMMARY OF FISCAL IMPACT

Estimate the number of entities by class which would likely be affected by the adoption of the proposed rule:	Classification by type of the business entities which would likely be affected:	Estimated savings for the life of the rule by affected entities:
3,299	Biennial Renewal Fee (Dentist) (Renewal Fee Decrease @ \$40)	\$131,960
672	Biennial Renewal Fee (Dental Specialist) (Renewal Fee Decrease @ \$40)	\$26,880
3,691	Biennial Renewal Fee (Dental Hygienist) (Renewal Fee Decrease @ \$40)	\$147,640
Estimated Biennial Savings for the Life of the Rule		\$306,480

III. WORKSHEET

See Table Above

IV. ASSUMPTION

1. The above figures are based on FY 2014 actuals.
2. Individual dentist, dental specialist and dental hygienist renew biennially. This fiscal note shows the number expected to renew biennially.
3. It is anticipated that the total fiscal savings will occur beginning in FY2015, may vary with inflation, and is expected to increase at the rate projected by the Legislative Oversight Committee.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**
Division 2205—Missouri Board of Occupational Therapy
Chapter 1—General Rules

thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

PROPOSED AMENDMENT

20 CSR 2205-1.050 Fees. The board is proposing to amend subsections (1)(A), (B), (C), (D), and (E).

PURPOSE: The Division of Professional Registration and the Missouri Board of Occupational Therapy are statutorily obligated to enforce and administer the provisions of Chapter 324, RSMo. Pursuant to section 324.074, RSMo, the board shall by rule and regulation set the amount of fees authorized by Chapter 324 so that the revenue produced is sufficient, but not excessive, to cover the cost and expense to the board for administering the provisions of sections 324.050 to 324.089, RSMo.

(1) The Division of Professional Registration establishes the following fees which are nonrefundable:

- | | |
|--|-------------------------------------|
| (A) Application for Licensure as an Occupational Therapist Fee | [\$55.00] \$45.00 |
| (B) Application for Licensure as an Occupational Therapy Assistant Fee | [\$30.00] \$20.00 |
| (C) Application for Limited Permit Fee | [\$15.00] \$10.00 |
| (D) Biennial Occupational Therapist License Renewal Fee | [\$55.00] \$35.00 |
| 1. Effective April 1, 2013, to March 30, 2015, for the 2013 renewal period | \$30.00 |
| 2. Effective April 1, 2015, beginning with the 2015 renewal period | \$55.00] |
| (E) Biennial Occupational Therapy Assistant License Renewal Fee | [\$30.00] \$10.00 |
| 1. Effective April 1, 2013, to March 30, 2015, for the 2013 renewal period | \$25.00 |
| 2. Effective April 1, 2015, beginning with the 2015 renewal period | \$30.00] |

AUTHORITY: section 324.074, RSMo 2000, and sections 324.065 and 324.068, RSMo Supp. [2011] 2013. This rule originally filed as 4 CSR 205-1.050. Original rule filed Aug. 4, 1998, effective Dec. 30, 1998. For intervening history, please consult the Code of State Regulations. Amended: Filed July 8, 2014.

PUBLIC COST: This proposed amendment will cost state agencies or political subdivisions approximately seventy-four thousand dollars (\$74,000) biennially for the life of the rule and five thousand nine hundred dollars (\$5,900) annually for the life of the rule. It is anticipated that the costs will recur for the life of the rule, may vary with inflation, and are expected to increase at the rate projected by the Legislative Oversight Committee.

PRIVATE COST: This proposed amendment will save private entities approximately seventy-four thousand dollars (\$74,000) biennially for the life of the rule and five thousand nine hundred dollars (\$5,900) annually for the life of the rule. It is anticipated that the savings will recur for the life of the rule, may vary with inflation, and are expected to increase at the rate projected by the Legislative Oversight Committee.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Board of Occupational Therapy, PO Box 1335, Jefferson City, MO 65102, by facsimile at (573) 526-3489, or via email at ot@pr.mo.gov. To be considered, comments must be received within

PUBLIC FISCAL NOTE

I. RULE NUMBER

Title 20 -Department of Insurance, Financial Institutions and Professional Registration
Division 2205 - Missouri Board of Occupational Therapy
Chapter 1 - General Rules
Proposed Amendment to 20 CSR 2205-1.050 - Fees
 Prepared May 13, 2014 by the Division of Professional Registration

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Loss of Revenue	
Missouri Board of Occupational Therapy		\$74,000
	Total Loss of Revenue Biennially for the Life of the Rule	\$74,000

Affected Agency or Political Subdivision	Estimated Loss of Revenue	
Missouri Board of Occupational Therapy		\$5,900
	Total Loss of Revenue Annually for the Life of the Rule	\$5,900

III. WORKSHEET

See Private Entity Fiscal Note

IV. ASSUMPTION

1. The total loss of revenue is based on the cost savings to private entities reflected in the Private Fiscal Note filed with this rule.
2. The board utilizes a rolling five-year financial analysis process to evaluate its fund balance, establish fee structure, and assess budgetary needs. The five-year analysis is based on the projected revenue, expenses, and number of licensees. Based on the board's recent five-year analysis, the board voted on a reduction in individual biennial renewal fees for dentist, dental specialist and dental hygienist.
3. The above figures are based on FY 2014 actuals.

PRIVATE FISCAL NOTE

I. RULE NUMBER

Title 20 - Department of Insurance, Financial Institutions and Professional Registration

Division 2205 - Missouri Board of Occupational Therapy

Chapter 1 - General Rules

Proposed Amendment to 20 CSR 2205-1.050 - Fees

Prepared May 13, 2014 by the Division of Professional Registration

II. SUMMARY OF FISCAL IMPACT

Estimate the number of entities by class which would likely be affected by the adoption of the proposed rule:	Classification by type of the business entities which would likely be affected:	Estimated savings for the life of the rule by affected entities:
2,700	Biennial Renewal License Fee (Occupational Therapist) (Renewal Fee Decrease @ \$20)	\$54,000
1,000	Biennial Renewal License Fee (OT Assistant) (Renewal Fee Decrease @ \$20)	\$20,000
	Estimated Biennial Savings for the Life of the Rule	\$74,000

250	Application Fee (Occupational Therapist) (Fee Decrease @ \$10)	\$2,500
215	Application Fee (Occupational Therapist Assistants) (Fee Decrease @ \$10)	\$2,150
250	Application Fee (Limited Permit) (Fee Decrease @ \$5)	\$1,250
	Estimated Annual Savings for the Life of the Rule	\$5,900

III. WORKSHEET

See Table Above

IV. ASSUMPTION

1. The above figures are based on FY 2014 actuals.
2. Individual occupational therapist and occupational therapist assistants renew biennially. This fiscal note shows the number expected to renew biennially.
3. It is anticipated that the total fiscal savings will occur beginning in FY2015, may vary with inflation, and is expected to increase at the rate projected by the Legislative Oversight Committee.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 2220—State Board of Pharmacy
Chapter 4—Fees Charged by the Board of Pharmacy**

PROPOSED AMENDMENT

20 CSR 2220-4.010 General Fees. The Board of Pharmacy is proposing to add section (4).

PURPOSE: The Board of Pharmacy is statutorily obligated to enforce and administer the provisions of Chapter 338, RSMo, governing the practice of pharmacy. Pursuant to section 338.070, RSMo, the board shall set the appropriate amount of fees by rule, so that the revenue produced shall not substantially exceed the cost and expense of administering the provisions of Chapter 338, RSMo. Based on the board's five- (5-) year projections, the board is proposing a one- (1-) time reduction of the biennial renewal fees for pharmacists, intern pharmacists, and annual renewal fees for pharmacy technicians.

(4) To ensure compliance with section 338.070, RSMo, the following renewal fees shall be effective from July 1, 2014 to June 30, 2015:

(A) Pharmacist License Renewal Fee	\$50
(B) Intern Pharmacist License Renewal Fee	\$20
(C) Pharmacy Technician Annual Renewal Fee	\$20

AUTHORITY: sections 338.020, 338.035, 338.040, 338.060, 338.070, 338.185, 338.230, 338.270, 338.280, and 338.350, RSMo 2000, and sections 338.140, 338.220, and 338.335, RSMo Supp. [2012] 2013. This rule originally filed as 4 CSR 220-4.010. Emergency rule filed July 15, 1981, effective Aug. 3, 1981, expired Nov. 11, 1981. Original rule filed Aug. 10, 1981, effective Nov. 12, 1981. For intervening history, please consult the Code of State Regulations. Emergency amendment filed July 8, 2014, effective July 18, 2014, expires Feb. 26, 2015. Amended: Filed July 8, 2014.

PUBLIC COST: This proposed amendment will cost state agencies or political subdivisions approximately \$1,771,500 in the aggregate. It is anticipated that the costs will recur for the life of the rule, may vary with inflation, and are expected to increase at the rate projected by the Legislative Oversight Committee.

PRIVATE COST: This proposed amendment will save private entities approximately \$1,771,500 in the aggregate. It is anticipated that the costs will recur for the life of the rule, may vary with inflation, and are expected to increase at the rate projected by the Legislative Oversight Committee.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Board of Pharmacy, PO Box 625, 3605 Missouri Boulevard, Jefferson City, MO 65102, by facsimile at (573) 526-3464, or via email at pharmacy@pr.mo.gov. To be considered, comments must be received within thirty (30) days after publication of this rule in the Missouri Register. No public hearing is scheduled.

PUBLIC FISCAL NOTE

I. RULE NUMBER**Title 20 -Department of Insurance, Financial Institutions and Professional Registration****Division 2220- State Board of Pharmacy****Chapter 4 - Fees Charged by the Board of Pharmacy****Proposed Amendment to 20 CSR 2220-4.010 - General Fees**

Prepared March 18, 2014 by the Division of Professional Registration

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Loss of Revenue	
State Board of Pharmacy	(\$1,771,500)	
	Estimated Revenue Loss for FY2013 Renewal Period	(\$1,771,500)

III. WORKSHEET

See Private Entity Fiscal Note

IV. ASSUMPTION

1. The total loss of revenue is based on the cost savings to private entities reflected in the Private Fiscal Note filed with this rule.
2. The board utilizes a rolling five year financial analysis process to evaluate its fund balance, establish fee structure, and assess budgetary needs. The five year analysis is based on the projected revenue, expenses, and number of licensees. Based on the board's recent five year analysis, the board voted on a one-time one hundred fifty dollar (\$150) reduction in the biennial pharmacist license renewal fee, a one-time sixty dollar (\$60) reduction in the biennial intern pharmacist license renewal fee, and a one-time fifteen dollar (\$15) reduction in the annual technician registration renewal fee.
3. The estimated licensing counts were based on FY 2012 and FY 2013 actual licensee counts. Based on the Board's licensing history, the Board does not anticipate 100% renewal of all current licensees. Accordingly, FY 2012 and FY13 licensee counts have been adjusted to account for a limited number of estimated non-renewals.
4. Estimated decreased revenue may be lower based on actual renewal applications received.

PRIVATE FISCAL NOTE

I. RULE NUMBER

Title 20 -Department of Insurance, Financial Institutions and Professional Registration
Division 2220 - State Board of Pharmacy
Chapter 4 - Fees Charged by the Board of Pharmacy
Proposed Amendment to 20 CSR 2220-4.010 - General Fees
 Prepared March 18, 2014 by the Division of Professional Registration

II. SUMMARY OF FISCAL IMPACT

Estimate the number of entities by class which would likely be affected by the adoption of the proposed rule:	Classification by type of the business entities which would likely be affected:	Estimated cost of compliance with the amendment by affected entities:
9,200	Biennial Renewal Fee - Pharmacists (Renewal Fee Decrease @ \$150)	\$1,380,000
1,650	Biennial Renewal Fee - Intern Pharmacists (Renewal Fee Decrease @ \$60)	\$99,000
19,500	Renewal Fee - Technician Registration (Renewal Fee Decrease @ \$15)	\$292,500
Estimated Savings for the FY 2015 Biennial Renewal		\$1,771,500

III. WORKSHEET

See Table Above

IV. ASSUMPTION

1. The estimated licensing counts were based on FY 2012 and FY 2013 actual licensee counts. Based on the board's licensing history, the board does not anticipate 100% renewal of all current licensees. Accordingly, FY 2012 and FY13 licensee counts have been adjusted to account for a limited number of estimated non-renewals.
2. Individual pharmacists and intern pharmacist renew biennially. This fiscal note shows the number expected to renew biennially. Technicians renew annually.
3. Estimated decreased revenue may be lower based on actual renewal applications received.