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**Rules of**  
**Department of Revenue**  
**Division 40—State Lottery**  
**Chapter 10—General Considerations**

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## Title 12—DEPARTMENT OF REVENUE

### Division 40—State Lottery Chapter 10—General Considerations

#### 12 CSR 40-10.010 Definitions

*PURPOSE: This rule defines the terms used throughout all 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.

(2) Vendor—As used in these rules, vendor shall mean any person who contracts with the commission to supply goods or services which will be used directly in the operation of lottery games. Vendor does not include parent corporations of, holding companies of or subsidiary corporations of a corporation contracting with the commission.

(3) Licensee—As used in these rules, licensee shall mean any person licensed to sell lottery tickets at one (1) or more locations.

(4) Illegal machine—If a licensed lottery retailer shall possess 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 Supp. 2014.\* Original rule filed Oct. 7, 1985, effective Oct. 17, 1985. Amended: Filed July 15, 2014, effective Feb. 28, 2015.*

*\*Original authority: 313.220, RSMo 1985, amended 1988, 1993, 1995, 2003.*

#### 12 CSR 40-10.020 Sovereign Immunity

*PURPOSE: This rule provides that sovereign immunity applies to the lottery operations except as it is waived by the legislature.*

The Missouri State Lottery Commission, its staff and employees and the state of Missouri shall not be liable to any licensee or vendor for any damage arising in connection with the

operation or conduct of the lottery except as may be provided by statute.

*AUTHORITY: section 313.220, RSMo 1986.\* Original rule filed Oct. 7, 1985, effective Oct. 17, 1985.*

*\*Original authority: 313.220, RSMo 1985, amended 1988, 1993, 1995.*

#### 12 CSR 40-10.030 Use of Certain Terms Prohibited

*PURPOSE: This rule restricts the use of “Missouri Lottery,” “State Lottery” or “Missouri State Lottery” without authorization of the director.*

(1) No person shall use the terms “State Lottery,” “Missouri Lottery” or “Missouri State Lottery” without the approval of the commission.

(2) The director is delegated to approve requests for use of the terms set forth in section (1).

(3) The director shall inform the commission of approvals under this rule at its next regular meeting.

*AUTHORITY: section 313.220, RSMo 1986.\* Original rule filed Nov. 12, 1985, effective Nov. 22, 1985.*

*\*Original authority: 313.220, RSMo 1985, amended 1988, 1993, 1995.*

#### 12 CSR 40-10.040 Commission to Meet Quarterly

*PURPOSE: The purpose of this rule is to designate quarterly meetings of the commission.*

The lottery commission shall meet at least quarterly.

*AUTHORITY: section 313.220, RSMo Supp. 2014, and section 313.225, RSMo 2000.\* Original rule filed Jan. 10, 1986, effective Jan. 20, 1986. Amended: Filed July 15, 2014, effective Feb. 28, 2015.*

*\*Original authority: 313.220, RSMo 1985, amended 1988, 1993, 1995, 2003 and 313.225, RSMo 1985, amended 1988.*

#### 12 CSR 40-10.050 Personal Pecuniary Interest

*PURPOSE: The purpose of this rule is to define personal pecuniary interest as that term is used in section 313.275.*

(1) The Missouri State Lottery Commission interprets the term personal pecuniary interest as that term is used in section 313.275 to mean—

(A) Pecuniary interest means—

1. An ownership interest in the corporation, association or firm referred to in section 313.275; and

2. The ownership interest must exceed five percent (5%) of the total ownership; and

(B) A personal interest shall mean the exercise of any business or management decision, including the signing of a proxy voting requests by the individual involved. The term shall not include blind trusts or other arrangements in which trustees or other individuals execute management decisions without consultation with the individual and the individual owns only a beneficial interest.

*AUTHORITY: section 313.220, RSMo 1986.\* Original rule filed May 5, 1986, effective May 15, 1986.*

*\*Original authority: 313.220, RSMo 1985, amended 1988, 1993, 1995.*

#### 12 CSR 40-10.060 Moneys Received

*PURPOSE: The purpose of this rule is to define moneys received from the sale of lottery tickets as that term is used in section 313.321.*

(1) The Missouri State Lottery Commission interprets the term moneys received from the sale of Missouri State Lottery tickets, as that term is used in section 313.321, to mean moneys received by the retailer for the sale of Missouri Lottery products to the public.

*AUTHORITY: section 313.220, RSMo 1986.\* Original rule filed Oct. 20, 1986, effective Oct. 30, 1986.*

*\*Original authority: 313.220, RSMo 1985, amended 1988, 1993, 1995.*

#### 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. 2014.\* Original rule filed July 15, 2014, effective Feb. 28, 2015.*

*\*Original authority: 313.205, RSMo 1985 and 313.220, RSMo 1985, amended 1988, 1993, 1995, 2003.*