



Rules of Department of Revenue

Division 40—State Lottery

Chapter 40—Retail Sales Licenses

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**Title 12—DEPARTMENT OF
REVENUE**

**Division 40—State Lottery
Chapter 40—Retail Sales Licenses**

12 CSR 40-40.010 Application

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 a fee.

(1) Any person interested in obtaining a license as an agent for the sale of lottery tickets shall first file an application for a lottery sales agent's license with the commission on application forms provided by the director.

(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 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 as may be established by the commission.

AUTHORITY: section 313.220, RSMo Supp. 2014. 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, effective Feb. 28, 2015.*

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

12 CSR 40-40.011 Renewal Application for Retail License

(Rescinded July 10, 1994)

AUTHORITY: sections 313.220 and 313.230(1)(i)(2), RSMo 1986. Original rule filed Nov. 14, 1986, effective Nov. 24, 1986. Amended: Filed Aug. 28, 1987, effective Nov. 23, 1987. Amended: Filed Dec. 5, 1988, effective Jan. 27, 1989. Rescinded: Filed Jan. 4, 1994, effective July 10, 1994.

12 CSR 40-40.012 Residency

PURPOSE: This rule requires licensees to be residents of Missouri and provides for residency of corporations and partnerships.

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

- (A) Be a resident of this state;
- (B) If a corporation, limited liability company (LLC) or partnership, be licensed to do business in this state; or
- (C) If a partnership, have at least one (1) partner residing in this state.

AUTHORITY: section 313.220, RSMo Supp. 2014. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed July 15, 2014, effective Feb. 28, 2015.*

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

12 CSR 40-40.015 Issuance and Length of Licenses

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

(1) The lottery shall issue a license to an applicant who qualifies for licensure and the license shall authorize the retailer to conduct the routine sale of tickets only at the location specified on the license.

(2) The license shall be valid for approximately one (1) year or until terminated by the lottery.

(3) The retailer shall provide periodic updates of license information as may be required by the director.

AUTHORITY: sections 313.220 and 313.230, RSMo 2016. 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, effective Feb. 28, 2015. Amended: Filed Dec. 27, 2017, effective June 30, 2018.*

**Original authority: 313.220, RSMo 1985, amended 1988, 1993, 1995, 2003 and 313.230, RSMo 1985, amended 1988, 1990, 1993.*

12 CSR 40-40.020 Factors to be Considered

PURPOSE: This rule sets forth the factors the director shall consider in determining whether to issue a license.

(1) In determining whether to license any person as a retail sales agent, the director shall consider the following factors:

(A) The financial responsibility and security of the person and his/her business or activity;

(B) The accessibility of the proposed license location;

(C) The sufficiency of any existing licenses to best serve the public interest;

(D) The volume of expected sales at the location;

(E) The provisions for security of the lottery operation on the license premises;

(F) The effect the proposed licensee will have on the overall security and efficiency of operation of the state lottery; and

(G) The veracity of the information supplied in the application.

AUTHORITY: section 313.220, RSMo Supp. 2014, and section 313.255, RSMo 2000. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed July 15, 2014, effective Feb. 28, 2015.*

**Original authority: 313.220, RSMo 1985, amended 1988, 1993, 1995, 2003 and 313.255, RSMo 1985, amended 1988.*

12 CSR 40-40.030 Minority Businesses

PURPOSE: This rule requires ten percent (10%) of the businesses in the City of St. Louis and the City of Kansas City to be minority-owned or-controlled.

(1) The director shall select licensees to ensure that ten percent (10%) of the licensees in the City of St. Louis and the City of Kansas City are minority-owned or minority-controlled business enterprises.

AUTHORITY: sections 313.220 and 313.255, RSMo 2016. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed July 15, 2014, effective Feb. 28, 2015. Amended: Filed Dec. 27, 2017, effective June 30, 2018.*

**Original authority: 313.220, RSMo 1985, amended 1988, 1993, 1995, 2003 and 313.255, RSMo 1985, amended 1988.*

12 CSR 40-40.040 License Locations

PURPOSE: This rule requires a separate application and license for each location, the address of the location be on the license and the location to be fixed.

(1) Licenses shall be issued only for the location specified in the application.



(2) Each person shall submit a separate application for each location at which s/he intends to sell lottery tickets.

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

(4) The address of the licensed premises shall appear on the license.

AUTHORITY: section 313.220, RSMo Supp. 2014.* Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed July 15, 2014, effective Feb. 28, 2015.

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

12 CSR 40-40.050 Bond/License Fee Requirements

PURPOSE: This rule requires a 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 313.220, RSMo Supp. 2014, and sections 313.230(1)(i)(2) and 313.255, RSMo 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, effective Feb. 28, 2015.

*Original authority: 313.220, RSMo 1985, amended 1988, 1993, 1995, 2003; 313.230(1)(i)(2), RSMo 1985, amended 1988, 1990, 1993; and 313.255, RSMo 1985, amended 1988.

12 CSR 40-40.060 Display of License

PURPOSE: This rule requires the licensee to display the license.

Each licensee shall prominently display his/her license or a copy.

AUTHORITY: section 313.220, RSMo Supp. 2014, and section 313.255, RSMo 2000.* Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed July 15, 2014, effective Feb. 28, 2015.

*Original authority: 313.220, RSMo 1985, amended 1988, 1993, 1995, 2003 and 313.255, RSMo 1985, amended 1988.

12 CSR 40-40.070 Assignment or Transfer of License Prohibited
(Rescinded June 30, 2018)

AUTHORITY: section 313.220, RSMo Supp. 2014, and section 313.255, RSMo 2000. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed July 15, 2014, effective Feb. 28, 2015. Rescinded: Filed Dec. 27, 2017, effective June 30, 2018.

12 CSR 40-40.071 Change of Business Location

PURPOSE: This rule clarifies when a change of location is allowed and when the change is an assignment or transfer in violation of section 313.255.4., RSMo.

(1) The change of a business address for any retail licensee will not be considered the assignment or transfer of the license if all of the following criteria are met:

(A) The licensee informs the director in writing, of the change of address including the old address, the new address and the reasons for the change of address;

(B) The old location ceases all business activity by this licensee, and not merely the sale of lottery tickets, no later than thirty (30) days after beginning any business activity at the new business location; and

(C) The director is satisfied that the change in location—

- 1. Is accessible to the public;
- 2. Is in the public interest, both as to the sufficiency of existing licenses and to protect the public interest and trust in the lottery;
- 3. Has sufficient security at the new location;
- 4. Has a sufficient expected sales volume at the new location; and
- 5. Meets all the requirements for the initial issuance of licenses in 12 CSR 40, Chapter 40.

(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. The new license may bear the same identification number as the previous license premises.

AUTHORITY: section 313.220, RSMo Supp. 2014, 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, effective Feb. 28, 2015.

*Original authority: 313.220, RSMo 1985, amended 1988, 1993, 1995, 2003 and 313.255, RSMo 1985, amended 1988.

12 CSR 40-40.080 Ticket Sales as Primary Business Prohibited

PURPOSE: This rule prohibits licensees from engaging in business primarily as a lottery game retailer and establishes the factors for determining whether a licensee is so engaged.

(1) No license shall be issued to any person to engage in business primarily as a lottery game retailer.

(2) The director in determining whether a licensee is engaging in business primarily as a lottery game retailer shall consider the following factors:

- (A) The length of time the business has existed;
- (B) The percent of business that lottery tickets constitute of sales, in both dollar amount and number of items sold;
- (C) The nature of the business, other than lottery game tickets, in which the licensee is engaged; and
- (D) The total volume of sales.

AUTHORITY: section 313.220, RSMo Supp. 2014, and section 313.260, RSMo 2000.* Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed July 15, 2014, effective Feb. 28, 2015.

*Original authority: 313.220, RSMo 1985, amended 1988, 1993, 1995, 2003 and 313.260, RSMo 1985.

12 CSR 40-40.090 Eligibility for Licenses

PURPOSE: This rule establishes which persons are not eligible for licenses.

(1) No person shall be licensed as a lottery game retailer who—

- (A) Has been convicted of a felony;
- (B) Is or has been a professional gambler or gambling promoter;
- (C) Has been convicted of bookmaking or any other form of illegal gambling;
- (D) Has been convicted of a crime involving fraud or misrepresentation;
- (E) Has purchased a federal tax stamp for wagering or gambling activity;
- (F) Has been convicted of or pleaded *nolo contendere* to any illegal gambling activity;
- (G) Has had a retail license to sell lottery tickets revoked by the commission;
- (H) Is an employee of the commission or a spouse, child, brother, sister or parent of an employee of the commission or a commissioner;
- (I) Is under the age of twenty-one (21);



(J) Is a lottery contractor or a lottery vendor or has a direct interest in any lottery contractor or lottery vendor. For purpose of this subsection a direct interest shall mean a ten percent (10%) or greater interest by shares or percentage of partnership in any lottery contractor or vendor; and

(K) Owes any debt to the state of Missouri. For purposes of this subsection, the state of Missouri shall not include any city or county.

(2) Person is defined as any natural person, firm, corporation, or other legal entity possessing a Department of Revenue retail sales license, as provided by law.

(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. 2014, 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, effective Feb. 28, 2015.*

**Original authority: 313.220(2), RSMo 1985, amended 1988, 1993, 1995, 2003 and 313.260, RSMo 1985.*

12 CSR 40-40.100 Certain Employees Prohibited From Participating in Lottery Operation (Rescinded June 30, 2018)

AUTHORITY: section 313.220, RSMo Supp. 1988. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Rescinded: Filed Dec. 27, 2017, effective June 30, 2018.

12 CSR 40-40.110 Revocation of Licenses

PURPOSE: This rule establishes when the director shall revoke the licenses of a licensee.

(1) The director shall revoke the license of any person who has—

(A) Knowingly provided false or misleading information to the commission, its employees, members of the Missouri State Highway Patrol while in the course of conducting an investigation on behalf of the commission or members of the staff of the attorney general while in the course of conducting investigations for the commission;

(B) Been convicted of any felony;
(C) Endangered the security and integrity of the lottery; and

(D) Sold any ticket or share at a price other than that set by a rule of the commission.

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

(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. 2014, 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, effective Feb. 28, 2015.*

**Original authority: 313.220, RSMo 1985, amended 1988, 1993, 1995, 2003 and 313.255, RSMo 1985, amended 1988.*

12 CSR 40-40.120 Suspension and Revocation of Licenses—When Effective Immediately

PURPOSE: This rule establishes when the director may suspend, revoke or decline to renew the license of any licensee and when a suspension or revocation is effective immediately.

(1) At the director’s sole discretion, the director may immediately suspend or revoke a retailer license for reasons including, but not limited to, the following:

(A) A change of business location;
(B) An insufficient sales volume;
(C) An electronic funds transfer (EFT) payment is rejected for non-transfer of funds (NTF) or failure to provide timely information to the lottery regarding any change on the retailer’s EFT bank account;

(D) Any violation of any rule adopted by the commission;

(E) Knowingly selling any ticket to a person under the age of eighteen (18) years old;

(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 or the license was issued through inadvertence or mistake to an unqualified licensee;

(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, or concealed any material fact from, the lottery during the application process or thereafter;

(K) The retailer or any key person is arrested or convicted of a felony or a violation of any provision of Chapter 572, RSMo (Gambling), while a licensed retailer;

(L) Any contractual reason that provides a basis for suspension or revocation of a retailer contract;

(M) The failure to remit any sales proceeds required to be remitted to the lottery;

(N) Knowingly either—

1. Canceling any draw game ticket without being requested to do so by the player owning that ticket; or

2. Failing to enter a draw game play requested by a player; and

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

(2) The director may suspend or revoke any number or all of the licenses held by any licensee.

AUTHORITY: sections 313.220, 313.255, and 313.260, RSMo 2016. 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, effective Feb. 28, 2015. Amended: Filed Dec. 27, 2017, effective June 30, 2018.*

**Original authority: 313.220, RSMo 1985, amended 1988, 1993, 1995, 2003; 313.255, RSMo 1985, amended 1988; and 313.260, RSMo 1985.*

12 CSR 40-40.130 Written Notice of Revocation, Suspension or Denial Required

PURPOSE: This rule requires the director to notify applicants or licensees in writing of the action s/he intends to take or has taken and the reasons for the action.

The director, on any revocation, suspension or denial of any license, shall inform in writing, the person applying for or holding license(s) of the action the director intends to take or has taken and the reason for the action.

*AUTHORITY: section 313.220, RSMo 2016.**



Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed Jan. 4, 1994, effective July 10, 1994. Amended: Filed Dec. 27, 2017, effective June 30, 2018.

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

12 CSR 40-40.140 Redemption of Prizes Required
(Rescinded January 20, 1986)

AUTHORITY: section 313.220, RSMo 1985. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Rescinded: Filed Jan. 10, 1985, effective Jan. 20, 1986.

12 CSR 40-40.150 Change of Information

PURPOSE: This rule requires licensees to notify the director of certain changes in their businesses.

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

- (A) Any change of business structure;
- (B) Changes of ownership for corporations (sale of ten percent (10%) or more of the equity);
- (C) Changes in the officers; and
- (D) Changes in the board of directors.

(2) The director shall require additional information when it is necessary to conduct background information on any persons added to the business. The director may require a payment for any required investigation under this rule.

(3) The director may require a new contract on the basis of the factors set forth in 12 CSR 40-40.090.

AUTHORITY: section 313.220, RSMo 2016. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed July 15, 2014, effective Feb. 28, 2015. Amended: Filed Dec. 27, 2017, effective June 30, 2018.*

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

12 CSR 40-40.160 Prohibitions on Sale of Tickets

PURPOSE: This rule prohibits the sale of tickets to persons under the age of 18 and from a nonlicensed location. It also prohibits revoked, suspended or non-renewed licensees from holding themselves out as a licensee.

(1) No licensee shall—

(A) Sell any lottery ticket to a person under the age of eighteen (18) years;

(B) Sell any lottery ticket from any location or place other than the licensed premises; and

(C) Hold him/herself out as a licensee if his/her license is revoked or suspended.

AUTHORITY: section 313.220, RSMo Supp. 2014, 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, effective Feb. 28, 2015.*

*Original authority: 313.220, RSMo 1985, amended 1988, 1993, 1995, 2003 and 313.280, RSMo 1985.

12 CSR 40-40.170 Sale During Normal Business Hours

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

(1) Licensees shall sell tickets during their business hours for the location licensed.

(2) Retailers must give prompt service to lottery customers present and waiting to purchase lottery tickets.

AUTHORITY: section 313.220, RSMo 2016. 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, effective Feb. 28, 2015. Amended: Filed Dec. 27, 2017, effective June 30, 2018.*

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

12 CSR 40-40.180 Notification of Lost, Damaged or Stolen Tickets or Equipment

PURPOSE: This rule requires licensees to notify the director and certain law enforcement agencies of the loss, damage or theft of lottery tickets or equipment.

Licensees shall immediately report the theft, loss, or damage of any lottery tickets or equipment to the director of the state lottery and either the Missouri State Highway Patrol 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 enforce-

ment authorities.

AUTHORITY: section 313.220, RSMo 2016. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed July 15, 2014, effective Feb. 28, 2015. Amended: Filed Dec. 27, 2017, effective June 30, 2018.*

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

12 CSR 40-40.190 Marking of Tickets
(Rescinded February 28, 2015)

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, effective Feb. 28, 2015.

12 CSR 40-40.200 Political Subdivisions Prohibited from Obtaining Licenses

PURPOSE: This rule prohibits political subdivisions from selling tickets.

(1) No political subdivision shall be licensed to sell lottery tickets.

(2) Nothing in this rule shall prohibit any person, holding a retail sales license to sell on public property, from being licensed to sell lottery tickets.

AUTHORITY: section 313.220, RSMo Supp. 1988. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985.*

*Original authority 1985, amended 1988.

12 CSR 40-40.210 Loss of License

PURPOSE: This rule provides for obtaining a duplicate license.

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.

AUTHORITY: section 313.220, RSMo Supp. 2014. Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed Jan. 4, 1994, effective July 10, 1994. Amended: Filed July 15, 2014, effective Feb. 28, 2015.*

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



12 CSR 40-40.220 Incapacity of Licensee

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.

(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, guardianship, conservatorship or trusteeship, the director may suspend the license for all locations licensed to the person.

(2) The licensee, his/her agent, executor, guardian, conservator or trustee shall immediately inform the director of the occurrence of any circumstances set forth in section (1) of this rule. The executor, trustee in bankruptcy, receiver or any other officer or any court taking charge of the assets of any licensee may apply to the director for reinstatement of the license to sell lottery tickets.

(3) If the director is satisfied that the person applying for the reinstatement of the license is qualified under these rules and the director determines that it is in the best interest of both the lottery and the applicant that the license should be reinstated, s/he shall promptly reinstate the license on the terms as s/he, in writing, may set forth.

(4) In no event shall any license reinstated under this section be for a longer period than the time remaining on the original license.

AUTHORITY: section 313.220, RSMo 2016.* Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed July 15, 2014, effective Feb. 28, 2015. Amended: Filed Dec. 27, 2017, effective June 30, 2018.

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

12 CSR 40-40.230 Licensees Required to Read Rules

PURPOSE: This rule requires licensees and their employees to read the commission's rules concerning retail licenses and certify that they have read the rules and agree not to violate the rules.

Each licensee and any employee of the licensee who will be involved in the sale, bookkeeping or any other aspect of the state lottery shall read the rules of the commission concerning retail licenses and be familiar

with the rules.

AUTHORITY: section 313.220, RSMo Supp. 1999.* Original rule filed Sept. 4, 1985, effective Sept. 14, 1985. Amended: Filed Aug. 23, 2000, effective March 30, 2001.

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

12 CSR 40-40.240 Retail Sales Tax License Required

PURPOSE: This rule requires retail licensees to have either a retail sales tax license, be organized for civic, fraternal, charitable, 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, or labor purposes; or

(C) Be a corporation organized under Chapter 355, RSMo and be exempted from this rule under section (2).

(2) The director shall have the discretion to exempt from this rule any corporation organized under Chapter 355, RSMo if the corporation is otherwise qualified under these rules and it is in the best interest of the lottery to license the corporation to sell lottery tickets at retail.

AUTHORITY: section 313.220, RSMo Supp. 2014.* Original rule filed Nov. 12, 1985, effective Nov. 22, 1985. Amended: Filed July 15, 2014, effective Feb. 28, 2015.

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

12 CSR 40-40.250 Special Event Licenses (Rescinded June 30, 2018)

AUTHORITY: section 313.220, RSMo Supp. 2014. 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, effective Feb. 28, 2015. Rescinded: Filed Dec. 27, 2017, effective June 30, 2018.

12 CSR 40-40.260 Retailer Compensation

PURPOSE: This rule authorizes the director

to make commission or incentive payments to retailers.

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

(2) The director, at any time, may authorize a retailer incentive program. The incentive may be paid to retailers in either cash or its equivalent or merchandise.

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

(A) Be a licensed and active lottery retailer selling lottery tickets at the incentive program's end;

(B) Be current on payment for tickets at time incentive payment or award is made; and

(C) Be in compliance with the retailer agreement, all aspects of the rules of the commission, and rules of the incentive program for which compensation is offered.

(4) 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.

AUTHORITY: sections 313.220 and 313.230, RSMo 2016.* 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, effective Feb. 28, 2015. Amended: Filed Dec. 27, 2017, effective June 30, 2018.

*Original authority: 313.220, RSMo 1985, amended 1988, 1993, 1995, 2003 and 313.230, RSMo 1985, amended 1988, 1990, 1993.

12 CSR 40-40.270 Ticket Transactions in Excess of \$5,000

(Rescinded June 30, 2018)

AUTHORITY: section 313.220, RSMo Supp. 2014. Original rule filed Sept. 17, 1992, effective June 7, 1993. Amended: Filed Aug. 24, 2004, effective March 30, 2005. Amended: Filed July 15, 2014, effective Feb. 28, 2015. Rescinded: Filed Dec. 27, 2017, effective June 30, 2018.

12 CSR 40-40.280 Retailer Contract Provisions

PURPOSE: This rule contains provisions already existing in other regulations but would move those provisions to the chapter



that primarily governs retailers. This rule establishes certain provisions that may be included, but are not required, in retailer contracts.

(1) In addition to any contractual provisions unique to a retailer, retailer contracts may provide the following provisions:

(A) A discount commission of a percentage set by the director of tickets sold by the retailer;

(B) An installation fee and a weekly communications fee as may be established by the director;

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

(D) Requirements that the retailer—

1. Sell all games as required by the lottery;

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

3. Provide winning numbers;

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

(E) Retailer liability for negligent or intentional damage to or loss of lottery or vendor equipment.

AUTHORITY: section 313.220, RSMo 2016. Original rule filed Dec. 27, 2017, effective June 30, 2018.*

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