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GOVERNMENT CODE - GOV

TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000 - 22980] (Title 2 enacted by Stats. 1943, Ch. 134.)

DIVISION 1. GENERAL [8000 - 8899.95] (Division 1 enacted by Stats. 1943, Ch. 134.)

CHAPTER 12.5. [California State Lottery Act of 1984] [8880 - 8880.72] (Chapter 12.5 added November 6, 1984, by initiative Proposition 37, Sec. 3.)

ARTICLE 3. Powers and Duties of the Commission [8880.24 - 8880.335] (Article 3 added November 6, 1984, by initiative Proposition 37.)

8880.24. Powers and Duties of the Commission

(a) The California State Lottery Commission shall exercise all powers necessary to effectuate the purposes of this chapter. In all decisions, the commission shall take into account the particularly sensitive nature of the California State Lottery and shall act to promote and ensure integrity, security, honesty, and fairness in the operation and administration of the Lottery.

(b) In decisions relating to advertising and promotion of the California State Lottery, the commission shall ensure that the California State Lottery complies with both the letter and spirit of the laws governing false and misleading advertising, including Section 17500 et seq. of the Business and Professions Code. The commission shall also ensure that the overall estimated odds of winning some prize or prizes in a particular lottery game are posted on all television and print advertising, exclusive of outdoor advertising displays, signs, or banners, related to that game.

(Amended by Stats. 2000, Ch. 131, Sec. 1. Effective January 1, 2001. Note: This section was added on Nov. 6, 1984, by initiative Prop. 37.)

8880.25. Operation of the Lottery

The Lottery shall be initiated and operated so as to produce the maximum amount of net revenues to supplement the total amount of money allocated for public education in California.

(Amended by Stats. 1989, Ch. 917, Sec. 3. Note: This section was added on Nov. 6, 1984, by initiative Prop. 37.)

8880.25.5. (a) Notwithstanding any other provision of law, the Lottery Commission may do all of the following:

- (1) Purchase and sell assets in its own name.
- (2) Invest funds on deposit in the State Lottery Fund within or outside the State Treasury system.
- (3) Purchase and sell securities, including entering into bond purchase agreements with the state to purchase state general obligation bonds, or invest in other evidence of indebtedness issued by the state, including, but not limited to, notes issued pursuant to Part 5 (commencing with Section 17300) of Division 4 or warrants issued pursuant to Part 4 (commencing with Section 17000) of Division 4.

(b) The bonds or other evidence of indebtedness specified in subdivision (a), upon delivery to the Lottery Commission, shall, for all purposes, be valid and binding obligations of the issuer thereof, be validly issued and outstanding in accordance with their stated terms, and shall not be deemed to be owned by or on behalf of the issuer thereof.

(Added by Stats. 2009, 4th Ex. Sess., Ch. 24, Sec. 1. Effective July 29, 2009.)

8880.26. (a) The provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 are not applicable to any rule or regulation promulgated by the commission.

(b) Section 2889 of the Public Utilities Code shall not be applicable to any live, recorded, or recorded-interactive audio text access telephone service under contract to the commission, as of the effective date of the act adding this subdivision, that provides the public with lottery game draw results.

(c) The provisions of the Public Contract Code shall not apply to expenditures made by the lottery in furtherance of its duty to produce the maximum amount of net revenues.

(Amended by Stats. 2008, Ch. 764, Sec. 8. Effective November 14, 2008. Note: This section was added on Nov. 6, 1984, by initiative Prop. 37.)

8880.27. Meetings with the Director

The Commission shall meet with the Director not less than once each quarter to make recommendations and set policy, to approve or reject reports of the Director and transact such other business that may be properly brought before it.

(Added November 6, 1984, by initiative Proposition 37.)

8880.28. (a) The commission shall promulgate regulations specifying the types of lottery games to be conducted by the lottery, provided:

- (1) No lottery game may use the theme of roulette, dice, baccarat, blackjack, Lucky 7s, draw poker, slot machines, or dog racing.
- (2) In lottery games utilizing tickets, each ticket in these games shall bear a unique number distinguishing it from every other ticket in that game; and no name of an elected official shall appear on these tickets.
- (3) In games utilizing computer terminals or other devices, no coins or currency shall be dispensed as prizes to players from these computer terminals or devices.

(b) Notwithstanding subdivision (a), no changes in the types of games or methods of delivery of these games that incorporate technologies or mediums that did not exist, were not widely available, or were not commercially feasible at the time of the enactment of this chapter in 1984 shall be made, unless all of the following conditions are met:

- (1) This chapter is amended by statute to expressly authorize these changes.
- (2) The act making the amendments contains express legislative findings that the amendments are consistent with the terms of, and further the purposes of, this chapter.
- (3) The amendments comport with applicable state and federal law.

(c) For purposes of this section, a change in the method of delivery means a material change in the way a consumer directly interacts with the game.

(d) Subdivision (b) does not apply to technological changes implemented prior to October 11, 1993.

(e) This section does not limit any internal technological changes made to the equipment or components utilized by the lottery.

(Amended by Stats. 2003, Ch. 83, Sec. 1. Effective January 1, 2004. Note: This section was added on Nov. 6, 1984, by initiative Prop. 37.)

8880.29. (a) The commission shall promulgate regulations that specify the number and value of prizes for winning tickets or shares in each lottery game including, without limitation, cash prizes, merchandise prizes, prizes consisting of deferred payments or annuities, and prizes of tickets or shares in the same lottery game or other games conducted by the lottery, provided:

- (1) In lottery games utilizing tickets, the overall estimated odds of winning some prize or some cash prize as appropriate for the lottery game shall be printed on each ticket or on a play slip.
- (2) A detailed tabulation of the estimated number of prizes of each particular prize denomination that are expected to be awarded in each lottery game, or the estimated odds of winning the prizes, shall be available at each location at which tickets or shares in the lottery games are offered for sale to the public.

(b) Annuity contracts that are purchased for prizes shall be exempt from the requirements of Section 8880.57.

(Amended by Stats. 1994, Ch. 377, Sec. 1. Effective August 29, 1994. Note: This section was added on Nov. 6, 1984, by initiative Prop. 37.)

8880.30. The commission shall promulgate regulations that specify the method for determining winners in each lottery game, provided:

(a) A lottery game may be based on the results of a horse race with the consent of the association conducting the race and the California Horse Racing Board. Any compensation received by an association for the use of its races to determine the winners of a lottery game shall be divided equally between commissions and purses.

(b) If a lottery game utilizes a drawing of winning numbers, a drawing among entries, or a drawing among finalists, the drawings shall always be open to the public. No manual or physical selection in the drawings shall be conducted by any employee of the Lottery.

Except for computer automated drawings, drawings shall be witnessed in person or via live audio and video feed by an independent lottery contractor having qualifications established by the commission. Any equipment used in the drawings shall be inspected in person or via live audio and video feed by the independent lottery contractor and an employee of the Lottery both before and after the drawings. The drawings and the inspections shall be both audio and video recorded.

(c) It is the intent of this chapter that the commission may use any of a variety of existing or future methods or technologies in determining winners.

(Amended by Stats. 2013, Ch. 152, Sec. 1. (SB 817) Effective August 26, 2013. Note: This section was added on Nov. 6, 1984, by initiative Prop. 37.)

8880.31. Sale Price of Tickets and Shares

The Commission shall promulgate rules and regulations specifying the retail sales price for each ticket or share for each Lottery Game, provided:

(a) Except as provided in subdivision (b), no ticket or share shall be sold for more or less than the retail sales price established by the Commission.

(b) The retail price of each ticket or share in any Lottery Game conducted by the Lottery shall be at least one dollar (\$1), except to the extent of any discounts authorized by the Commission.

(Amended by Stats. 1989, Ch. 917, Sec. 4. Note: This section was added on Nov. 6, 1984, by initiative Prop. 37.)

8880.321. The commission shall promulgate regulations to establish a system of verifying the validity of prizes and to effect payment of the prizes, provided that:

(a) For convenience of the public, lottery game retailers may be authorized by the commission to pay winners of up to six hundred dollars (\$600) after performing validation procedures on their premises appropriate to the lottery game involved.

(b) No prize may be paid arising from tickets or shares that are stolen, counterfeit, altered, fraudulent, unissued, produced or issued in error, unreadable, not received or not recorded by the lottery by applicable deadlines, lacking in captions that confirm and agree with the lottery play symbols required by the lottery game involved, purchased by a minor, or not in compliance with additional specific rules and regulations and confidential validation and security tests appropriate to the particular lottery game. The lottery may pay a prize even though the actual winning ticket is not received by the lottery if the lottery validates the claim for the prize based upon substantial proof. "Substantial proof" means any evidence that would permit the lottery to use established validation procedures, as specified in lottery regulations, to validate the claim.

The commission may require that any form relating to a claim for a prize shall be signed under penalty of perjury. This declaration shall meet the requirements of Section 2015.5 of the Code of Civil Procedure.

(c) No particular prize in any lottery game shall be paid more than once.

(d) The commission may specify that winners of less than twenty-five dollars (\$25) claim the prizes from either the same lottery game retailer from whom the ticket or share was purchased or from the lottery itself.

(e) Players shall have the right to claim prize money for 180 days after the drawing or the end of the lottery game or play in which the prize was won, or, if a multistate lottery game, up to one year for jackpots and grand prizes. The commission may define shorter time periods for eligibility for participation in, and entry into, drawings involving entries or finalists. If a valid claim is not made for a prize directly payable by the commission or for any online game prize within the period applicable for that prize, the unclaimed prize money shall be treated as set forth in subdivision (a) of Section 8880.4 or, commencing with the 2009–10 fiscal year, be treated as total revenues as set forth in Section 8880.4.5.

(f) After the expiration of the claim period for prizes for each lottery game, the commission shall make available a detailed tabulation of the total number of tickets or shares actually sold in a lottery game and the total number of prizes of each prize denomination that were actually claimed and paid directly by the commission.

(g) A ticket or share shall not be purchased by, and a prize shall not be paid to, a member of the commission, any officer or employee of the commission, any officer or employee of the Controller who is designated in writing by the Controller as having possible access to confidential lottery information, programs, or systems, or any spouse, child, brother, sister, or parent of that person who resides within the same household of the person. Any person who knowingly sells or purchases a ticket or share in violation of this section, or who knowingly claims or attempts to claim a prize with a ticket or share that was purchased or sold in violation of this section, is guilty of a misdemeanor.

(h) No prize shall be paid to any person under the age of 18 years. Any person who knowingly claims or attempts to claim a prize with a ticket or share purchased by a person under the age of 18 years is guilty of a misdemeanor.

(Amended by Stats. 2009, Ch. 207, Sec. 1. (SB 831) Effective October 11, 2009. Note: This section was added by Stats. 1995, Ch. 363, with provisions from former Section 8880.32 (repealed by Ch. 363), which was added on Nov. 6, 1984, by initiative Prop. 37.)

8880.325. The right of any person to a prize shall not be assignable, except that the payment of any prize may be assigned, in whole or in part, as provided by Section 8880.326 and this section, under any of the following circumstances:

(a) An assignment executed by the prizewinner on a form approved by, and filed with, the commission during the prizewinner's lifetime in accordance with regulations adopted by the commission, to a trust that by its terms is revocable, and that is established by the prizewinner for the benefit of the prizewinner as a beneficiary and governed by the laws of the state.

(b) An appropriate judicial order appointing a conservator or a guardian for the protection of the prizewinner, or for adjudicating rights to, or ownership of, the prize.

(c) An assignment, as collateral, to a person to secure a loan pursuant to Division 9 (commencing with Section 9101) of the Commercial Code. The assignment as collateral of the right to receive payment of a prize shall be subject to all of the following:

(1) All security agreements, rights of the prizewinner, and rights of the secured creditor shall be determined pursuant to the laws of the state.

(2) In the event of a default under the loan or security agreement, the secured creditor's rights shall be limited to receiving the regular payments made by the lottery, based on the prizewinner's right to receive a regular prize payment until the obligation has been paid in full or the prize has been paid in full, whichever occurs first. Notwithstanding Division 9 (commencing with Section 9101) of the Commercial Code, the secured creditor shall not have the right to sell or assign the prizewinner's rights to payments to itself or to any other person. This section shall not limit the secured creditor's right to sell, assign, or transfer the obligation of the debtor and related security interest to a third party.

(3) The prizewinner and secured creditor may agree, and may jointly instruct the lottery, to directly deposit all prizewinning payments into an account maintained by the prizewinner at a federally insured financial institution located within the state. This account may be subject to the secured creditor's lien. Upon receipt of these instructions, the lottery shall continue to deposit all payments due to the prizewinner into the account until the lottery receives notification from both the secured creditor and the prizewinner that the payments are to be made to an account maintained at another bank, or that the secured creditor releases or terminates the security interest in the prizewinner's payments.

(4) (A) The prizewinner, pursuant to an order of the court obtained in compliance with subdivision (d), may direct the lottery to make the prize payments, in whole or in part, directly to the secured creditor. A direction to the lottery to make a prize payment to a secured creditor shall not, in itself, constitute an assignment of the prize payment to the secured creditor.

(B) For purposes of this paragraph and subdivision (d), "assignee" and "secured creditor" are synonymous, and "assignment" or "prize payment" means the payment that is directed to be paid to the secured creditor.

(5) For purposes of perfecting the security interest of the secured creditor, the right of the prizewinner to receive payments is deemed to be a contract right that is perfected by the filing of a financing statement with the office of the Secretary of State.

(6) A copy of the security agreement, an endorsed copy of the financing statement, and the joint instruction to deposit the prizewinner's payments directly into an account, if any, at the financial institution shall be filed with the lottery. Notwithstanding the security interest granted a creditor, all lottery payments shall be made payable directly to the prizewinner, except as follows:

(A) Payments sent directly to the financial institution designated pursuant to paragraph (3).

(B) In the event of a default under the security agreement or obligation it secures, payments sent directly to the secured creditor pursuant to an order of a court of competent jurisdiction determining that the payments are to be made directly to the secured creditor.

(7) Upon the termination or release of the security interest, the secured creditor shall file an endorsed copy of the release or termination of the security interest with the lottery.

(d) Except as provided in subdivision (k), an assignment of future payments to another person designated pursuant to an appropriate judicial order of a California superior court or a federal court having jurisdiction over property located within California, if the court determines and states in its order all of the following:

(1) That the prizewinner was represented by independent legal counsel whose name and State Bar of California number appears as counsel of record on all pleadings filed in all court proceedings. The prizewinner's legal counsel shall appear as counsel of record at any proceedings that are required by the court.

(2) That the prizewinner has represented to the court, either by sworn testimony if a personal appearance is required by the court, or by written declaration filed with the court under penalty of perjury, and that the court has determined these representations to be true and correct, that the prizewinner (A) has reviewed and understands the terms and effects of the assignment, (B) understands that the prizewinner will not receive the prize payments, or portions thereof, for the years assigned, (C) has entered into the agreement of their own free will without undue influence or duress and not under the influence of drugs or alcohol, (D) has had an opportunity to retain independent financial and tax advice, and (E) has been represented by independent legal counsel, who has advised the prizewinner of their legal rights and obligations under the assignment.

(3) It shall be the responsibility of the prizewinner to bring to the attention of the court, either by sworn testimony or by written declaration submitted under penalty of perjury, the existence or nonexistence of a current spouse. If married, the prizewinner shall identify their spouse and submit to the court a signed and notarized statement wherein the spouse consents to the assignment. If the prizewinner is married, and the notarized statement is not presented to the court, the court shall determine, to the extent necessary and as appropriate under applicable law, the ability of the prizewinner to make the proposed assignment without the spouse's consent.

(4) The specific prize payment or payments assigned, or any portion thereof, including the dates and amounts of the payments to be assigned, the years in which each payment is to begin and end, the gross amount of the annual payments assigned before taxes, the prizewinner's name as it appears on the lottery claim form, the full legal name of the assignor if different than the prizewinner's name as it appears on the lottery claim form, the assignor's social security or tax identification number, the assignee's full legal name and social security or tax identification number, and, if applicable, the citizenship or United States Citizenship and Immigration Services-assigned number of the assignee if a natural person.

(5) Expressly identifies the amount, the date if available, any nonspouse coowner, claimant, or lienholder, and the interests, liens, security interests, assignments, or offsets asserted by the state or other persons against any of the prize payments, including, but not limited to, those payments that are the subject of the proposed assignment as those interests, liens, security interests, assignments, or offsets have been represented to the court by the prizewinner in a written declaration signed under penalty of perjury and filed with the court.

(6) That the lottery and the State of California are not parties to the proceeding, and that the lottery and the state may rely upon the order in disbursing the prize payments that are the subject of the order. Further, that upon payment of prize moneys pursuant to an order of the court, the lottery, the director, the commission, and the employees of the lottery and the state shall be discharged of all liability for the prize paid, and these persons and entities shall have no duty or obligation to any person asserting another interest in, or right to receive, the prize payment.

(7) That the prizewinner or the proposed assignee has obtained and filed with the court a notification from the lottery of any liens, levies, or claims, and from the Controller's office of any offsets, asserted as of that time against the prizewinner, as reflected in their respective official records as of the time of the notification. The date of the notification shall not be more than 20 days prior to the court hearing, unless extended by the court.

(e) The assignment of the right to receive any prize payment or payments by the prizewinner pursuant to subdivision (d) shall be conditioned on the following terms, conditions, and rights, which may not be waived or modified by the prizewinner:

(1) The payment of moneys to, or on behalf of, the prizewinner by the assignee, in consideration for the assignment of the prize payment or payments, shall be made in full prior to the time when, under the terms of the assignment, the lottery is required to make the first prize payment to the assignee, or may be made in two installments, the first being paid prior to the time when, under the terms of the assignment, the lottery is required to make the first prize payment to the assignee and the second installment within 11 months thereafter. The second installment shall not be in an amount that exceeds the first installment. Notwithstanding this paragraph, any other installment payment schedule is permitted if the installment obligation relating to the installments is guaranteed by a financial institution, as defined in paragraph (2) of subdivision (a) of Section 4981 of the Financial Code, or a brokerage firm that is a member of the Securities Investor Protection Corporation (SIPC), as required by the federal Securities Investor Protection Act of 1970 (15 U.S.C. Sec. 78aaa et seq.).

(2) If the prizewinner elects to accept the consideration to be paid for the assignment in two installments as provided in paragraph (1), the prizewinner shall have a special lien for the balance of any payment due, effective without any further action, agreement, or notice, on any of the prize payments assigned by the prizewinner for the payment of moneys from the assignee. This lien shall terminate upon the prizewinner receiving actual payment of the moneys. The tendering of a check, payment instrument, or recital of payment shall not constitute actual payment of moneys for the purposes of this paragraph. Notwithstanding this paragraph, if a prizewinner accepts an installment obligation guaranteed by a Federal Deposit Insurance Corporation (FDIC) or SIPC insured entity, then the lien created by this section shall automatically terminate upon delivery of the installment obligation.

(3) The Legislature finds and declares that the creation of a statutory lien in favor of a prizewinner is necessary to protect the rights of the prizewinner from any creditors, subsequent bankruptcy trustees of the assignee, or from any subsequent assignees

when the prizewinner has not received full payment for the assigned prize payments.

(f) Prior to the assignment of any prize as provided in subdivisions (c) and (d), the Controller shall determine whether the prizewinner owes any obligation that is subject to offset under Article 2 (commencing with Section 12410) of Chapter 5 of Part 2 of Division 3, and shall provide written notification of that determination to the lottery and to the Secretary of State.

(g) If the lottery determines that the court order issued pursuant to subdivision (d) is complete and correct in all respects, the lottery shall send the prizewinner and the assignee or assignees written confirmation of receipt of the court-ordered assignment and of the lottery's intention to rely on that assignment in making future payments to the assignee or assignees named in the court order.

(h) Notwithstanding any other law, by entering into an agreement to assign any prize payments pursuant to subdivision (c) or (d), a prizewinner shall be deemed to have waived any statutory period of limitation as to the State of California enforcing any rights against annual prize payments due after the last assigned payment is paid or released, if assigned as collateral, from the lien granted the secured creditor.

(i) The assignment of prize payments pursuant to either subdivision (c) or (d) shall not be valid or allowed for the final three annual prize payments from the lottery to the prizewinner unless the contract assigning all or any part of the final three annual prize payments is entered into on or after the effective date of the act adding this subdivision.

(j) Any loans made to a prizewinner pursuant to this section shall be exempt from the usury provisions of Article XV of the California Constitution with respect to an assignment of a lottery prize as collateral to secure a loan.

(k) (1) Notwithstanding any other provision of this section, a prizewinner shall not have the right to assign prize payments pursuant to subdivision (d), or to direct the payment of a prize pursuant to paragraph (4) of subdivision (c), if either of the following occurs:

(A) The issuance by the United States Internal Revenue Service (IRS) of a technical rule letter, revenue ruling, or other public ruling of the IRS in which the IRS determines that, based upon the right of assignment provided in subdivision (d), a California lottery prizewinner who does not assign any prize payments pursuant to subdivision (d) would be subject to an immediate income tax liability for the value of the entire prize rather than annual income tax liability for each installment when paid.

(B) The issuance by a court of competent jurisdiction of a published decision holding that, based upon the right of assignment provided in subdivision (d), a California lottery prizewinner who does not assign any prize payments pursuant to subdivision (d) would be subject to an immediate income tax liability for the value of the entire prize rather than annual income tax liability for each installment when paid.

(2) Upon receipt of a letter or ruling from the IRS or a published decision of a court of competent jurisdiction, as specified in paragraph (1), the director shall immediately file a copy of that letter, ruling, or published decision with the Secretary of State. Immediately upon the filing by the director of a letter, ruling, or published decision with the Secretary of State, a prizewinner shall be ineligible to assign a prize pursuant to subdivision (d), or to direct the payment of a prize pursuant to paragraph (4) of subdivision (c).

(Amended by Stats. 2021, Ch. 296, Sec. 30. (AB 1096) Effective January 1, 2022.)

8880.326. Upon the death of the prizewinner, the prize may be paid by any of the following methods:

(a) To the trustee of a trust established pursuant to subdivision (a) of Section 8880.325, or, if the trust has been terminated, to those beneficiaries entitled to distribution under Section 8880.325.

(b) To one or more beneficiaries designated on a form approved by the commission for that purpose, executed by the prizewinner, filed with the commission in accordance with regulations adopted by the commission to govern those designations, and in effect upon the prizewinner's death.

(c) In the absence of an assignment to a trust or a beneficiary designation, the prizewinner's prize may be paid, as follows:

(1) To the personal representative of the testate or intestate estate of a deceased prizewinner upon receipt by the commission of a court order and letters appointing an executor, administrator, or other personal representative of the estate of the deceased prizewinner, or pursuant to a final order of distribution.

(2) As provided under Part 1 (commencing with Section 13000) or Part 2 (commencing with Section 13500) of Division 8 of the Probate Code.

(3) To a person or persons designated under an appropriate judicial order adjudicating rights to the ownership of the prize.

(Added by Stats. 1995, Ch. 363, Sec. 4. Effective August 4, 1995.)

8880.327. For any assignments, transfers, or security interests provided for in Sections 8880.325 and 8880.326, the following shall apply:

(a) The commission may establish a reasonable fee for all expenses incurred in order to comply with Section 8880.325 or 8880.326 relating to an authorized assignment, transfer, or security interest. The fee may be deducted from the prize moneys paid by the lottery pursuant to Section 8880.325 or 8880.326.

(b) Upon the payment of prize moneys pursuant to Section 8880.325 or 8880.326 or an order of a court, the lottery, the director, the commission, and the employees of the lottery and the state shall be discharged of any and all liability for the prize paid, and they shall have no duty or obligation to any persons asserting another interest in, or right to receive, the prize payment.

(c) The commission shall adopt regulations necessary to implement Section 8880.325 or 8880.326 allowing for a limited right of prizewinners to assign their rights to prize payments and setting the reasonable fee for expenses to be recovered by the lottery. The regulations shall be consistent with and shall further the Legislature's intent that prizewinners who wish to do so should be afforded the opportunity to currently enjoy more of their winnings as provided by Section 1 of Chapter 890 of the Statutes of 1994. If the commission deems it necessary, the regulations may require, as a condition to any voluntary assignment pursuant to subdivision (d) of Section 8880.325, that the prizewinner be represented by independent legal counsel and receive independent financial and tax advice concerning the effect of the assignment.

(Added by Stats. 1995, Ch. 363, Sec. 5. Effective August 4, 1995.)

8880.33. (a) The commission shall promulgate regulations specifying the manner of distribution, dissemination, or sale of lottery tickets or shares to lottery game retailers or directly to the public, and the incentives, if any, for lottery employees engaged in the distribution or sales activities.

(b) The commission shall also make available upon request to lottery game retailers a model agreement to govern the division of prizes among multiple purchasers of a winning ticket or tickets purchased through a group purchase or pooling arrangement.

(Amended by Stats. 1992, Ch. 500, Sec. 4. Effective August 17, 1992. Note: This section was added on Nov. 6, 1984, by initiative Prop. 37.)

8880.335. The commission may promulgate regulations to authorize the use of an electronic or electromechanical device to dispense lottery tickets to be used in the play of any lottery game, if the device satisfies all of the following specifications:

(a) The lottery ticket dispenser dispenses a paper or cardboard ticket that provides the purchaser of the ticket with an opportunity to win a prize in a lottery game, and the ticket fits one of the following descriptions:

(1) The ticket has an ascertainable prize value, including a null prize value or an opportunity to enter another lottery game at the time it is dispensed, provided that the prize value of the ticket may be revealed to the purchaser of the ticket only after the purchaser has removed the ticket from the dispenser and only by physically removing a covering that hides numbers or symbols that are imprinted on the ticket.

(2) The ticket has no value at the time it is dispensed, except for restitution of the purchase price, but may acquire a redemption value as the result of a draw that occurs after the ticket is dispensed.

(b) If the lottery ticket dispenser dispenses tickets described in paragraph (1) of subdivision (a), then neither the operation or functioning of the ticket dispenser nor the operation or functioning of any component, subcomponent, part, chip, or program of the ticket dispenser, or of any device in direct or indirect communication with the ticket dispenser, may affect the probability that a ticket that is dispensed will have a prize value other than a null prize value.

(c) If a lottery ticket dispenser includes any component, subcomponent, mechanism, or feature that is capable of generating numbers or symbols for use in the play of a lottery game, or if the lottery ticket dispenser communicates directly or indirectly with any device that includes any component, subcomponent, mechanism, or feature that is capable of generating numbers or symbols for use in the play of a lottery game, that component, subcomponent, mechanism, or feature may be used only in the production and dispensing of lottery tickets described in paragraph (2) of subdivision (a).

(d) A lottery ticket dispenser that dispenses tickets described in paragraph (2) of subdivision (a) shall not also be the device used in the subsequent draw to determine winning tickets and shall not be capable of causing, directly or indirectly, the operation of any device used in the subsequent draw to determine winning tickets.

(e) The lottery ticket dispenser shall not make change or otherwise dispense coins, currency, or any thing of value other than a lottery ticket.

(f) No lottery ticket dispenser that utilizes a television monitor or video screen shall display or reproduce the image or facsimile of, or any other visual representation of, a lottery ticket that will be or has been dispensed or issued from that lottery ticket dispenser. Nothing herein shall preclude the use of television monitors or video screens to transmit messages about lottery games and game results, if those messages are not generated by the lottery ticket dispenser.

(Added by Stats. 1997, Ch. 226, Sec. 1. Effective August 5, 1997.)