

The Texas Lottery Commission (Commission) proposes amendments to 16 Tex. Admin. Code §401.317 “Powerball®” On-Line Game Rule. The primary purpose of the proposed amendments is to make changes to the game matrix, to offer a new multiplier level to the Power Play add-on feature, and to incorporate additional conforming language needed as a result of the Texas Lottery’s membership in the Multi-State Lottery Association (“MUSL”). The first drawing under these amendments is anticipated to occur on or around October 7, 2015 (subject to change by the executive director and/or MUSL).

Kathy Pyka, Controller, has determined that for each year of the first five years the amendments will be in effect, there will be no significant fiscal impact for state or local governments as a result of the proposed amendments. There will be no adverse effect on small businesses, micro businesses, or local or state employment. There will be no additional economic cost to persons required to comply with the amendments, as proposed. Furthermore, an Economic Impact Statement and Regulatory Flexibility Analysis is not required because the amendments will not have an economic effect on small businesses as defined in Texas Government Code §2006.001(2).

Michael Anger, Director of Lottery Operations, has determined that for each year of the first five years the proposed amendments will be in effect, the public benefit is anticipated to be the potential for larger Grand Prize amounts and slightly improved overall odds for players. Players will also have the opportunity to win prizes based on a higher level multiplier if participating in the Power Play add-on feature at advertised Grand Prize levels of \$150 million or less.

The Commission requests comments on the proposed amendments from any interested person. Comments on the proposed amendments may be submitted to Deanne Rienstra,

Assistant General Counsel, by mail at Texas Lottery Commission, P.O. Box 16630, Austin, Texas 78761-6630; by facsimile at (512) 344-5189; or by email at *legal.input@lottery.state.tx.us*. The Commission will hold a public hearing on this proposal on June 30, 2015 at 11:00 a.m., at 611 E. 6th Street, Austin, Texas 78701. Comments must be received within 30 days after publication of this proposal in order to be considered.

These amendments are proposed under Texas Government Code § 466.015, which authorizes the Commission to adopt rules governing the operation of the lottery, § 466.451, which authorizes the Commission to adopt rules relating to a multi-jurisdiction lottery game, and § 467.102, which authorizes the Commission to adopt rules for the enforcement and administration of the laws under the Commission's jurisdiction.

This proposal is intended to implement Texas Government Code, Chapter 466. §401.317. "Powerball®" On-Line Game Rule.

(a) Powerball. Powerball is a Multi-State Lottery Association (MUSL) on-line game offered by all Lotteries that have agreed to MUSL's Powerball Group Rules, ~~which has been opened to the participation of the twelve states now conducting the Mega Millions on line games, and with which the Texas Lottery Commission has elected to participate under an Agreement with MUSL (hereinafter called the Reciprocal Game Agreement.)~~ "Powerball" is authorized to be conducted by the executive director under the conditions of the ~~Reciprocal Game Agreement,~~ MUSL rules, the laws of the State of Texas, this section, and under such further instructions, directives, and procedures as the executive director may issue in furtherance thereof. In this regard, the executive director is authorized to issue such further instructions and directives as may be necessary to conform the conduct and play of Powerball to the requirements of the MUSL rules ~~Reciprocal Game Agreement,~~ if, in the opinion of the executive director, such instructions,

directives, and procedures are in conformance with state law. If a conflict arises between this section and §401.304 of this chapter (relating to On-Line Game Rules (General)), this section shall have precedence. The purpose of the Powerball game is the generation of revenue for MUSL Party Lottery members and Mega Millions Party Lotteries participating under the Reciprocal Game Agreement, through the operation of a specially designed multi-jurisdiction lottery game that will award prizes to ticket holders matching specified combinations of numbers randomly selected in regularly scheduled drawings. In addition to other applicable rules contained in Chapter 401, this section and definitions apply unless the context requires a different meaning or is otherwise inconsistent with the intention of the rules adopted by the MUSL or the MUSL Powerball Group. To be clear, the authority to participate in the MUSL Powerball game is provided to the Texas Lottery by MUSL. The conduct and play of Powerball must conform to the MUSL Powerball game.

(b) Definitions.

(1) "Agent" or "retailer" means a person or entity authorized by the Texas Lottery Commission (TLC) to sell lottery Plays. ~~tickets.~~

(2) A "Drawing" refers collectively to ~~means~~ the formal draw event for randomly process of selecting the winning numbers which determine the number of winners for each prize level of the Powerball game and the Power Play multiplier. ~~game.~~

(3) "Game board", "board", "panel", or "playboard" means that area of the playslip which contains ~~two~~ sets of numbered squares to be marked by the player, ~~the first set containing fifty-nine (59) squares, number one (1) through fifty nine (59), and the second set containing thirty-five (35) squares, number one (1) through thirty five (35).~~

(4) "Game ticket" or "ticket" means an acceptable evidence of Play, play, which is a ticket produced in a manner that by a terminal and meets the specifications defined in the MUSL rules or the rules of each member or participating Selling Party Lottery (Ticket Validation), and is a physical representation of the Play or Plays sold to the player.

(5) "MUSL" means the Multi-State Lottery Association, a government-benefit association wholly owned and operated by the MUSL Party ~~Member~~-Lotteries.

(6) "MUSL Board" means the governing body of the MUSL, which is comprised of the chief executive officer of each Party Lottery, ~~member of MUSL. It does not include participating non-members.~~

(7) "MUSL Annuity Factor" shall mean the annuity factor as determined by the MUSL central office through a method approved by the MUSL Finance & Audit Committee and which is used as described in this rule. ~~"On-Line Lottery Game" means a lottery game which utilizes a computer system to administer plays, the type of game, and amount of Play for a specified drawing date, and in which a player either selects a combination of numbers or allows number selection by a random number generator operated by the terminal, referred to as Quick Pick. MUSL will conduct a drawing to determine the winning combination(s) in accordance with the Powerball rules and the Powerball drawing procedures.~~

(8) "Party Lottery" means a state lottery or lottery of a political subdivision or entity that has joined MUSL and is authorized to sell the Powerball game. "Selling Lottery" shall mean a lottery authorized by the Product Group to sell Powerball plays, including Party Lotteries and Licensee Lotteries. ~~jurisdiction or entity which is a member of MUSL, or is a participating lottery, participating in Powerball pursuant to the Reciprocal Game Agreement between the~~

~~Mega Millions Party Lotteries and MUSL, and, in the context of these rules and the MUSL Powerball Group Rules, that has joined in selling the Powerball game or games.~~

(9) "Play" ~~or "bet"~~ means the six (6) numbers, the first five (5) from a field of sixty-nine ~~(69) fifty-nine (59)~~ numbers and the last one (1) from a field of twenty-six (26) ~~thirty-five (35)~~ numbers, that appear on a ticket as a single lettered selection and are to be played by a player in the Powerball game.

(10) "Playslip" ~~or "bet slip"~~ means an optically readable card issued by the Texas Lottery Commission used by players of Powerball to select Plays ~~plays~~ and to elect all features. There shall be five playboards on each playslip. A playslip has no pecuniary value and shall not constitute evidence of ticket purchase or of numbers selected.

(11) "Powerball Group" or "Product Group" means the MUSL member group of lotteries which have joined together to offer the Powerball product pursuant to the terms of the Multi-State Lottery Agreement and the Powerball Group's rules, including the MUSL Powerball Drawing Procedures. In this rule, these rules, wherever either term ~~the term~~ "Powerball Group" is used it is referring to the MUSL Powerball Group.

(12) "Prize" means an amount paid to a person or entity holding a winning ticket. "Grand Prize" shall refer to the top prize in the Powerball game. "Advertised Grand Prize" shall mean the estimated annuitized Grand Prize amount as determined by the MUSL Central Office by use of the MUSL Annuity Factor and communicated through the Selling Lotteries prior to the Grand Prize Drawing. The "Advertised Grand Prize" is not a guaranteed prize amount and the actual Grand Prize amount may vary from the advertised amount. ~~"No advertised Grand Prize in a Powerball game is a guaranteed amount, and all advertised prizes, even Set Prizes, are estimated amounts."~~

(13) "Set Prize" or "low-tier prize" means all other prizes, except the Grand Prize, ~~that are advertised to be paid by a single cash payment~~ and, except in instances outlined in this section, will be equal to the prize amount established by the MUSL Board for the prize level.

(14) "Terminal" means a device authorized by a Selling Party Lottery to function in an on-line, interactive mode with the gaming lottery's computer system for the purpose of issuing lottery tickets and entering, receiving, and processing lottery transactions, including purchases, validating tickets, and transmitting reports.

(15) "Winning Numbers"-~~numbers~~" means the ~~six (6) numbers, the first five (5) from a field of fifty nine (59) numbers and the last one (1) from a field of thirty five (35) numbers,~~ numbers randomly selected during a Drawing event ~~at each drawing~~, which shall be used to determine winning Plays for the Powerball game contained on a game ticket.

(c) Game Description.

(1) Powerball is a five (5) out of sixty-nine (69) ~~fifty nine (59)~~ plus one (1) out of twenty-six numbers (26) ~~thirty five (35)~~ on-line lottery game, drawn every Wednesday and Saturday, as part of the Powerball Drawing event, which pays the Grand Prize, at the election of the player made in accordance with this rule, or by a default election made in accordance with this rule, either on an annuitized pari-mutuel basis or as a cash lump sum payment of the total cash held for this prize pool on a pari-mutuel basis. Except as provided in this section, all other prizes are paid on a set cash basis. Powerball Winning Numbers applicable to determine Powerball prizes will be determined in the Powerball Drawing event. To play Powerball, a player shall select five (5) different numbers, from one (1) through sixty-nine (69), ~~fifty nine (59)~~, and one (1) additional number from one (1) through twenty-six (26), ~~thirty five (35)~~, or request the retailer to generate a Quick Pick selection of numbers from the lottery terminal. ~~for~~

~~input into a terminal.~~ The additional number may be the same as one of the first five numbers selected by the player. Plays ~~Tickets~~ can be purchased for two dollars (U.S. \$2.00), including any specific statutorily-mandated tax of a Selling Party Lottery to be included in the price of a Play ~~lottery ticket, either from a terminal operated by an agent (i.e., a clerk-activated terminal) or from a terminal operated by the player (i.e., a player-activated terminal).~~ Plays ~~If purchased from an agent, the player may select a set of five numbers and one additional number by communicating the six (6) numbers to the agent, or by marking six (6) numbered squares in any one game board on a playslip and submitting the playslip to the agent or by requesting Quick Picks from the agent. The agent will then issue a ticket, via the terminal, containing the selected, or terminal-generated, set or sets of numbers, each of which constitutes a game play. Tickets can may be purchased from a Selling Lottery approved sales outlet in a manner as approved by the Selling Lottery and in accordance with MUSL Rules. ~~player-activated terminal by using the Quick Pick buttons or by inserting a playslip into the machine.~~ The Drawing Procedures adopted by MUSL shall include procedures for randomly selecting the Powerball game Winning Numbers and the Power Play multiplier.~~

(2) Claims. A ticket ~~(subject to the validation requirements set forth in subsection (g) of this section (Ticket Validation))~~ shall be the only proof of a game Play or Plays ~~play or plays~~ and is subject to the validation requirements set forth in subsection (g) of this rule. The the submission of a winning ticket to the issuing Selling Party Lottery or its authorized agent shall be the sole method of claiming a prize or prizes. A playslip has no pecuniary or prize value and shall not constitute evidence of Play ticket purchase or of numbers selected. A terminal-produced paper receipt has no pecuniary or prize value and shall not constitute evidence of Play ticket purchase or of numbers selected.

(3) Cancellations Prohibited. A Play ticket may not be voided or canceled by returning the ticket to the selling agent or to the lottery, including tickets that are printed in error. A Selling Lottery may develop an approved method of compensating retailers for Plays that are not transferred to a player for a reason acceptable to the Selling Lottery. No Play that is eligible for a prize can ~~No ticket which can be used to claim a prize shall~~ be returned to the lottery for credit. Plays Tickets accepted by retailers as returned Plays tickets and which cannot be re-sold shall be deemed owned by the bearer thereof.

(4) Player Responsibility. It shall be the sole responsibility of the player to verify the accuracy of the game Play or Plays ~~play or plays~~ and other data printed on the ticket. The placing of Plays ~~plays~~ is done at the player's own risk through the licensed sales ~~on-line~~ agent who is acting on behalf of the player in entering the Play or Plays. ~~play or plays.~~

(5) Entry of Plays. Plays may ~~only~~ be entered manually using the lottery retailer terminal touch screen or by means of a playslip provided by the Texas Lottery ~~Party Lottery~~ and hand-marked by the player or by such other means approved by the Texas Lottery. ~~Party Lottery.~~ Retailers shall not permit the use of facsimiles of playslips, copies of playslips, or other materials that are inserted into the terminal's playslip reader that are not printed or approved by the Texas Lottery. ~~Party Lottery.~~ Retailers shall not permit any device to be connected to a lottery terminal to enter Plays, except as approved by the Texas Lottery. ~~Party Lottery.~~ A ticket generated using a selection method that is not approved by the Texas Lottery is not valid. A selection of numbers for a Play may be made only if the request is made in person. Acceptable methods of Play selection include:

- (A) using a self-service terminal;
- (B) using a playslip;

(C) using a previously-generated “Powerball” ticket provided by the player;

(D) requesting a retailer to use a Quick Pick to select numbers;

(E) requesting a retailer to manually enter numbers; or

(F) using a QR code generated through a Texas Lottery Mobile Application offered and approved by the Texas Lottery.

(6) Subscription sales. A subscription sales program may be offered, at the discretion of the executive director.

(d) Powerball Prize Pool.

(1) Powerball Prize Pool.

(A) ~~The For the MUSL Powerball Group Lotteries,~~ the prize pool for all prize categories shall consist of fifty percent of each Drawing ~~drawing~~ period's sales, inclusive of including any specific statutorily-mandated tax of a Selling Party Lottery to be included in the price of a Play, lottery ticket, after the prize pool accounts and prize reserve accounts are funded to the amounts set by the Product Group. Any amount remaining in the prize pool at the end of this game shall be returned to all lotteries participating in the prize pool at the end of all claim periods of all Selling Party Lotteries, carried forward to a replacement game, or expended in a manner as directed by the Members of the Powerball Group in accordance with jurisdiction statute.

(B) Powerball Prize Pool Accounts and Prize Reserve Accounts. An amount up to five ~~For the Party Lotteries which are not a member of the MUSL Powerball Group,~~ the prize pool for all prize categories shall consist of fifty percent (5%) of a Party Lottery's sales, each drawing period's sales, including any specific statutorily mandated tax of a Party Lottery to be included in the price of a Play, lottery ticket shall be deducted from a Party Lottery's Grand Prize

Pool contribution and placed in trust in one or more Powerball prize pool accounts and prize reserve accounts held by the Product Group at any time that the prize pool accounts and Party Lottery's share of the prize reserve account(s) is below the amounts designated by the Product Group. Any amount remaining in the prize pool at the end of this game shall be carried forward to a replacement game or expended in a manner as directed by the Powerball Group in accordance with state law.

(i) Prize Reserve Accounts: The Product Group has established the following prize reserve accounts for the Powerball game: the Powerball Prize Reserve Account (PRA), which is used to guarantee the payment of valid, but unanticipated, Grand Prize claims that may result from a system error or other reason; and the Powerball Set Prize Reserve Account (SPRA), which is used to fund deficiencies in low-tier Powerball prize payments, subject to the limitations of the MUSL rules.

(ii) Prize Pool Accounts: The Product Group has established the following prize pool accounts for the Powerball game: the Grand Prize Pool, which is used to fund the immediate Grand Prize; the Powerball Set Prize Pool, which is used to fund the Powerball Set Prize payments; and the Powerball Set-Aside Account, which is used to guarantee payment of the minimum or starting Grand Prize. The Power Play Prize Pool and Power Play Pool Account are described in subsection (k) of this rule. The Set Prize Pool holds the temporary balances that may result from having fewer than expected winners in the Powerball Set Prize (aka low-tier prize) categories and the source of the Set Prize Pool is the Party Lottery's weekly prize contributions less actual Powerball Set Prize liability. The source of the Set-Aside Account funding shall be the prize reserve deduction until such time as the Set-Aside Account is fully funded.

(iii) Once the Powerball prize pool accounts and the Party Lottery's share of the Powerball prize reserve accounts exceed the designated amounts, the excess shall become part of the Powerball Grand Prize Pool. The Product Group, with approval of the Finance & Audit Committee, may establish a maximum balance for the Powerball prize pool accounts and the prize reserve accounts. The Product Group may determine to expend all or a portion of the funds in the Powerball prize pool accounts (except the Powerball Grand Prize pool account) and the prize reserve accounts, (1) for the purpose of indemnifying the Selling Lotteries for the payment of prizes, subject to the approval of the Board; and (2) for the payment of prizes or special prizes in the game, limited to prize pool and prize reserve contributions from lotteries participating in the special prize promotion following review and comment of the Finance & Audit Committee. The prize reserve shares of a Party Lottery may be adjusted with refunds to the Party Lottery from the prize reserve account(s) as may be needed to maintain the approved maximum balance and shares of the Party Lotteries. A Party Lottery may contribute to its share of prize reserve accounts over time, but in the event of a draw down from the reserve account, a Party Lottery is responsible for its full percentage share of the account, whether or not it has been paid in full.

(iv) Any amount remaining in the Powerball prize pool accounts or prize reserve accounts when the Product Group declares the end of this game shall be returned to the lotteries participating in the accounts after the end of all claim periods of all Selling Lotteries, carried forward to a replacement game or otherwise expended in a manner at the election of the individual Members of the Product Group in accordance with jurisdiction statute.

(2) Expected Powerball Prize Payout Percentages. The Grand Prize payout shall be determined on a pari-mutuel basis. Except as otherwise provided in this section, all other prizes

awarded shall be paid as single payment set cash prizes with the following expected prize payout percentages:

Figure: 16 TAC §401.317(d)(2)

<u>Number of Matches Per Play</u>	<u>Prize Payment</u>	<u>Prize Pool Percentage Allocated to Prize</u>
<u>All five (5) of first set plus one (1) of second set.</u>	<u>Grand Prize</u>	<u>68.0131%</u>
<u>All five (5) of first set and none of second set.</u>	<u>\$1,000,000</u>	<u>8.5558%</u>
<u>Any four (4) of first set plus one (1) of second set.</u>	<u>\$50,000</u>	<u>5.4757%</u>
<u>Any four (4) of first set and none of second set.</u>	<u>\$100</u>	<u>0.2738%</u>
<u>Any three (3) of first set plus one (1) of second set.</u>	<u>\$100</u>	<u>0.6899%</u>
<u>Any three (3) of first set and none of second set.</u>	<u>\$7</u>	<u>1.2074%</u>
<u>Any two (2) of first set plus one (1) of second set.</u>	<u>\$7</u>	<u>0.9981%</u>
<u>Any one (1) of first set plus one (1) of second set.</u>	<u>\$4</u>	<u>4.3489%</u>
<u>None of first set plus one (1) of second set.</u>	<u>\$4</u>	<u>10.4373%</u>

Figure: 16 TAC §401.317(d)(2)

<u>Number of Matches Per Play</u>	<u>Prize Payment</u>	<u>Prize Pool Percentage Allocated to Prize</u>
<u>All five (5) of first set plus one (1) of second set.</u>	<u>Grand Prize</u>	<u>63.9511%</u>
<u>All five (5) of first set and none of second set.</u>	<u>\$1,000,000</u>	<u>19.4038%</u>
<u>Any four (4) of first set plus one (1) of second set.</u>	<u>\$10,000</u>	<u>1.5409%</u>
<u>Any four (4) of first set and none of second set.</u>	<u>\$100</u>	<u>0.5239%</u>
<u>Any three (3) of first set plus one (1) of second set.</u>	<u>\$100</u>	<u>0.8167%</u>
<u>Any three (3) of first set</u>	<u>\$7</u>	<u>1.9437%</u>

and none of second set.		
Any two (2) of first set plus one (1) of second set.	\$7	0.9909%
Any one (1) of first set plus one (1) of second set.	\$4	3.6097%
None of first set plus one (1) of second set.	\$4	7.2194%

(A) The prize money allocated to the Powerball Grand Prize category shall be divided equally by the number of Plays ~~plays~~ winning the Powerball Grand Prize. ~~If sales proceeds are not sufficient to pay a Grand Prize, the Commission shall use funds from other authorized sources, including the State Lottery Account as identified in Government Code, §466.355.~~

(B) Powerball Set Prize Pool Carried Forward. For Party ~~the MUSL Powerball Group~~ Lotteries, the Powerball Set Prize Pool (for single payment cash prizes of \$1,000,000 or less) shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the Powerball Set Prizes awarded in the current draw. ~~If the total of the Set Prizes awarded in a drawing exceeds the percentage of the prize pool allocated to the Set Prizes, then the amount needed to fund the Set Prizes, including the Power Play prizes, awarded shall be drawn first from the amount allocated to the Set Prizes, and carried forward from previous draws, if any, and second from the Powerball Group's Set Prizes Reserve Account, if available, not to exceed forty million dollars (\$40,000,000.00) per drawing.~~

(C) ~~For the Party Lotteries which are not a member of the MUSL Powerball Group, the prize pool percentage allocated to the Set Prizes (the cash prizes of \$1,000,000 or less) shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the Set Prizes awarded in the current draw. If the total of the Set Prizes awarded in a drawing~~

~~exceeds the percentage of the prize pool allocated to the Set Prizes, then the amount needed to fund the Set Prizes awarded shall be drawn from the amount allocated to the Set Prizes and carried forward from previous draws, if any.~~

(C) ~~(D)~~ Pari-Mutuel Powerball Prize Determinations. Except as otherwise provided, if the total of the Powerball Set Prizes (as multiplied by the respective Power Play multiplier, if applicable) awarded in a Drawing exceeds the percentage of the prize pool allocated to the Powerball Set Prizes, then the amount needed to fund the Powerball Set Prizes, including Power Play prizes, awarded shall be drawn first from the amount allocated to the Powerball Set Prizes, and carried forward from previous draws, if any; second from the SPRA, if available, not to exceed forty million dollars (\$40,000,000.00) per Drawing; and, third from other amounts as agreed to by the Product Group in their sole discretion.

(D) If, after these sources are depleted, there are not sufficient funds to pay the Set Prizes awarded, including Power Play Prizes, then the highest Set Prize shall become a pari-mutuel prize. If the amount of the highest Set Prize, when paid on a pari-mutuel basis, drops to or below the next highest Set Prize and there are still not sufficient funds to pay the remaining Set Prizes awarded, then the next highest Set Prize, including Power Play prizes, shall become a pari-mutuel prize. This procedure shall continue down through all Set Prize levels, if necessary, until all Set Prize levels become pari-mutuel prize levels. In that instance, the money available from the funding sources listed in this rule shall be divided among the winning Plays in proportion to their respective prize percentages. Powerball Set Prizes and Power Play prizes will be reduced by the same percentage.

(E) By agreement, the Licensee Lotteries shall independently calculate their Set Prize pari-mutuel prize amounts. The Party Lotteries and the Licensee Lotteries shall then agree

to set the pari-mutuel prize amounts for all lotteries selling the game at the lesser of the independently-calculated prize amounts.

~~(E) The Party Lotteries which are not a member of the MUSL Powerball Group shall independently calculate their set pari-mutuel prize amounts. Both groups, the non-member Party Lotteries and the MUSL Powerball Group, shall then agree to set the pari-mutuel prize amounts for all lotteries selling the game at the lesser of the independently-calculated prize amounts.~~

(e) Probability of Powerball Winning Plays. The following table sets forth the probability of winning Plays and the probable distribution of winning Plays plays in and among each prize category, based upon the total number of possible combinations in Powerball. The Set Prize Amount shall be the prizes set for all Selling Lotteries unless prohibited or limited by a jurisdiction's statute or judicial requirements.

Figure: 16 TAC §401.317(e)

<u>Number of Matches Per Ticket</u>	<u>Probability Distribution</u>		<u>Probable/Set Prize Amount</u>
	<u>Winners</u>	<u>Probability</u>	
<u>All five (5) of first set plus one (1) of second set</u>	<u>1</u>	<u>1:292,201,338.0000</u>	<u>Grand Prize</u>
<u>All five (5) of first set and none of second set</u>	<u>25</u>	<u>1:11,688,053.5200</u>	<u>\$1,000,000</u>
<u>Any four (4) of first set plus one (1) of second set</u>	<u>320</u>	<u>1:913,129.1813</u>	<u>\$50,000</u>
<u>Any four (4) of first set and none of second set</u>	<u>8,000</u>	<u>1:36,525.1673</u>	<u>\$100</u>
<u>Any three (3) of first set plus one (1) of second set</u>	<u>20,160</u>	<u>1:14,494.1140</u>	<u>\$100</u>
<u>Any three (3) of first set and none of second set</u>	<u>504,000</u>	<u>1:579.7646</u>	<u>\$7</u>
<u>Any two (2) of the first set plus one (1) of second set</u>	<u>416,640</u>	<u>1:701.3281</u>	<u>\$7</u>
<u>Any one (1) of the first set</u>	<u>3,176,880</u>	<u>1:91.9775</u>	<u>\$4</u>

<u>plus one (1) of the second set</u>			
<u>None of the first set plus one (1) of second set</u>	<u>7,624,512</u>	<u>1:38.3239</u>	<u>\$4</u>
<u>Overall</u>	<u>11,750,538</u>	<u>1:24.8671</u>	

Figure: 16 TAC §401.317(e)

Number of Matches Per Ticket	Probability Distribution		Probable/Set Prize Amount
	Winners	Probability	
All five (5) of first set plus one (1) of second set	4	1:175,223,510.0000	Grand Prize
All five (5) of first set and none of second set	34	1:5,153,632.6471	\$1,000,000
Any four (4) of first set plus one (1) of second set	270	1:648,975.9630	\$10,000
Any four (4) of first set and none of second set	9,180	1:19,087.5283	\$100
Any three (3) of first set plus one (1) of second set	14,310	1:12,244.8295	\$100
Any three (3) of first set and none of second set	486,540	1:360.1420	\$7
Any two (2) of the first set plus one (1) of second set	248,040	1:706.4325	\$7
Any one (1) of the first set plus one (1) of the second set	1,581,255	1:110.8129	\$4
None of the first set plus one (1) of second set	3,162,510	1:55.4065	\$4
Overall	5,502,140	1:31.8464	

(f) Powerball Prize Payment.

(1) Powerball Grand Prizes. The advertised Grand Prize in a Powerball game is not a guaranteed amount; it is an estimated amount, and all advertised prizes, even advertised Set Prizes, are estimated amounts. At the time of ticket purchase, a player must ~~person may~~ select a payment option of either a single cash value payment ~~the option for payment of the cash value~~ or annuitized payments of a share of the Grand Prize if the Play is a winning Play. If no selection is made, payment option will be as described in the chart below:

Figure: 16 TAC §401.317(f)(1)

<u>Terminal Type</u>	<u>Manual Entry</u>	<u>Playslip with No Payment Option Selected</u>
<u>GT1200 (Retailer Terminal)</u>	<u>Default to CVO; retailer toggles to choose Annuity</u>	<u>Playslip Rejected with message "Playslip Rejected. Select Payment Option."</u>
<u>GT1200C (Retailer Terminal)</u>	<u>Default to CVO; retailer toggles to choose Annuity.</u>	<u>Playslip Rejected with message "Playslip Rejected. Select Payment Option."</u>
<u>GT Mini (Retailer Terminal)</u>	<u>Default to CVO; retailer toggles to choose Annuity.</u>	<u>Not Applicable.</u>
<u>Gemini (Self-service Terminal)</u>	<u>CVO only - designated on on-line game Quick Pick buttons.</u>	<u>Playslip Rejected with message "Playslip Rejected. Select Payment Option."</u>

(A) A player's selection of the payment option at the time of purchase from the Texas Lottery is final and cannot be revoked, withdrawn, or otherwise changed.

~~(A) If no payment option is selected. With the exception of a ticket purchase using the GT Mini terminal, which has no default, the default payment option, where an option is not chosen by the player, will be the cash value option.~~

~~(B) Selection of the option for payment of the cash value or annuitized payments of a share of the Grand Prize if the Play is a winning Play is a selection made at the time of purchase and is final and cannot be revoked, withdrawn, or otherwise changed.~~

(B) Shares of the Grand Prize shall be determined by dividing the cash available in the Grand Prize Pool equally among all winning Plays of the Grand Prize. A player(s) who elects a cash value option payment shall be paid his/her share(s) in a single cash payment. The annuitized option prize shall be determined by multiplying the winning Play's share of the Grand Prize Pool by the annuity factor established in accordance with Texas law and the rules of the Texas Comptroller of Public Accounts. The MUSL Annuity Factor will not be used for Texas Lottery players. ~~The annuity factor is determined by the best total securities price obtained through a competitive bid of qualified, pre-approved brokers made after it is determined that the prize is to be paid as an annuity prize.~~ Neither MUSL nor any Party Lottery shall be responsible or liable for changes in the advertised or estimated annuity prize amount and the actual amount purchased after the prize payment method is actually known to MUSL.

(C) In certain instances announced by the Powerball Group, the Grand Prize shall be a guaranteed amount and shall be determined pursuant to paragraph (6) of this subsection.

(D) If individual shares of the cash held to fund an annuity is less than \$250,000, the Powerball Group, in its sole discretion, may elect to pay the winners their share of the cash held in the Grand Prize Pool. All annuitized prizes shall be paid annually in thirty (30) payments

with the initial payment being made in cash, to be followed by twenty-nine (29) payments funded by the annuity.

(E) All annuitized prizes shall be paid annually in thirty (30) graduated payments, as provided by the MUSL rules, (increasing each year) at a rate as determined by the MUSL Product Group. Prize payments may be rounded down to the nearest one thousand dollars (\$1,000). ~~Annual payments after the initial payment shall be made by the lottery on the anniversary date or if such date falls on a non-business day, then the first business day following the anniversary date of the selection of the jackpot winning numbers.~~

(F) Funds for the initial payment of an annuitized prize or the lump sum cash prize shall be made available by MUSL for payment by the Selling Party Lottery no earlier than the fifteenth calendar day (or the next banking day if the fifteenth day is a holiday) following the Drawing. ~~drawing~~. If necessary, when the due date for the payment of a prize occurs before the receipt of funds in the prize pool trust sufficient to pay the prize, the transfer of funds for the payment of the full lump sum cash amount may be delayed pending receipt of funds from the Selling party lotteries. The identification of the securities to fund the annuitized prize shall be at the sole discretion of the State of Texas. If the State of Texas purchases the securities, or holds the prize payment annuity for a Powerball prize won in this state, the prize winner will have no recourse on the MUSL or any other Party Lottery for payment of that prize.

(2) Payment of Prize Payments upon the Death of a Prize Winner. In the event of the death of a prize winner, payments may be made in accordance with §401.310 of this chapter (relating to Payment of Prize Payments Upon Death of Prize Winner), otherwise, payment of prize payments will be made to the estate of a deceased prize winner in accordance with Texas Government Code §466.406.

(3) Powerball Low-Tier Cash Prize Payments. All prizes shall be paid through the Selling Lottery that sold the winning Play(s). All low-tier cash prizes (all prizes except the Grand Prize) shall be paid in cash or warrants in accordance with Texas statutes and these rules, ~~through the Party Lottery which sold the winning ticket(s)~~. A Selling Party Lottery may begin paying low-tier cash prizes after receiving authorization to pay from the MUSL central office.

(4) Powerball Prizes Rounded. Annuitized payments of the Grand Prize or a share of the Grand Prize may be rounded to facilitate the purchase of an appropriate funding mechanism. Breakage on an annuitized Grand Prize win shall be added to the first cash payment to the winner or winners. Prizes other than the Grand Prize, which, under this section, may become single-payment, pari-mutuel prizes, may be rounded down so that prizes can be paid in multiples of whole dollars. Breakage resulting from rounding these prizes shall be carried forward to the prize pool for the next Drawing, ~~drawing~~.

(5) Powerball Prize Rollover. If the Grand Prize is not won in a Drawing, ~~drawing~~, the prize money allocated for the Grand Prize shall roll over and be added to the Grand Prize Pool for the following Drawing, ~~drawing~~.

(6) Funding of Guaranteed Powerball Prizes. The Powerball Group may offer guaranteed minimum Grand Prize amounts or minimum increases in the Grand Prize amount between Drawings ~~drawings~~ or make other changes in the allocation of prize money where the Powerball Group finds that it would be in the best interest of the game. If a minimum Grand Prize amount or a minimum increase in the Grand Prize amount between Drawings ~~drawings~~ is offered by the Powerball Group, then the Grand Prize shares shall be determined as follows:-

(A) If there are multiple Grand Prize winning Plays ~~plays~~ during a single Drawing, ~~drawing~~, each selecting the annuitized option prize, then a winning Play's ~~play's~~ share

of the guaranteed annuitized Grand Prize shall be determined by dividing the guaranteed annuitized Grand Prize by the number of winning Plays. ~~plays.~~

(B) If there are multiple Grand Prize winning Plays ~~plays~~ during a single Drawing ~~drawing~~ and at least one of the Grand Prize ticket holders has elected the annuitized option prize, then the best bid submitted by MUSL's pre-approved qualified brokers shall determine the cash pool needed to fund the guaranteed annuitized Grand Prize.

(C) If there are multiple Grand Prize winning Plays during a single Drawing, and no claimant of the Grand Prize ~~during a single drawing~~ has elected the annuitized option prize, then the amount of cash in the Grand Prize Pool shall be an amount equal to the guaranteed annuitized amount divided by the MUSL Annuity Factor. ~~average annuity factor of the most recent three best quotes provided by MUSL's pre-approved qualified brokers submitting quotes. In no case, shall quotes be used which are more than two weeks old, and if less than three quotes are submitted, then MUSL shall use the average of all quotes submitted.~~ Changes in the allocation of prize money shall be designed to retain approximately the same prize allocation percentages, over a year's time, set out in the Powerball Group Rules. Minimum guaranteed prizes or increases may be waived if the alternate funding mechanism set out in subsection (d)(2)(D) ~~(d)(2)(B)~~ of this section becomes necessary.

(7) Limited to Highest Powerball Prize Won. The holder of a winning Play ~~ticket~~ may win only one prize per Play ~~board~~ in connection with the Winning Numbers ~~winning numbers~~ drawn, and shall be entitled only to the prize won by those numbers in the highest matching prize category.

(8) Powerball Prize Claim Period. Prizes must be claimed no later than 180 days after the draw date.

(g) Ticket Validation. To be a valid Play ticket and eligible to receive a prize, a Play's ticket shall satisfy all the requirements established by the Texas Lottery Commission for validation of winning tickets sold through its computer gaming on-line system and any other validation requirements adopted by the Powerball Group, ~~and~~ the MUSL Board, and published as the Confidential MUSL Minimum Game Security Standards. The MUSL and the Selling Party Lotteries shall not be responsible for tickets which are altered in any manner.

(h) Ticket Responsibility.

(1) Signature. Until such time as a signature is placed upon a ticket in the area designated for signature, a ticket shall be owned by the bearer of the ticket. When a signature is placed on the ticket in the place designated, the person whose signature appears in such area shall be the owner of the ticket and shall be entitled (subject to the validation requirements in subsection (g) of this section (Ticket Validation) and state or district law) to any prize attributable thereto.

(2) Multiple Claimants. The issue of multiple claimants shall be handled in accordance with Texas Government Code Chapter 466 and §401.304 of this chapter.

(3) Stolen Tickets. The Powerball Group, the MUSL and the Party Lotteries shall not be responsible for lost or stolen tickets.

(4) Prize Claims. Prize claim procedures shall be governed by the rules of the Commission as set out in §401.304 of this subchapter and any internal procedures used by the Texas Lottery. Commission. The MUSL and the Party Lotteries shall not be responsible for prizes that are not claimed following the proper procedures as determined by the Selling selling lottery.

(i) Ineligible Players.

(1) A Play ticket or share for a MUSL game issued by the MUSL or any of its Selling Party Lotteries shall not be purchased by, and a prize won by any such Play ticket or share shall not be paid to:

(A) a MUSL employee, officer, or director;

(B) a contractor or consultant under agreement with the MUSL to review the MUSL audit and security procedures;

(C) an employee of an independent accounting firm under contract with MUSL to observe drawings or site operations and actually assigned to the MUSL account and all partners, shareholders, or owners in the local office of the firm; or

(D) an immediate family member (parent, stepparent, child, stepchild, spouse, or sibling) of an individual described in subparagraphs (A), (B), and (C) of this paragraph and residing in the same household.

(2) Those persons designated by a Selling Party Lottery's law as ineligible to Play its games shall also be ineligible to Play the MUSL game in that Selling Party Lottery's jurisdiction.

(j) Applicable Law. In purchasing a Play, as evidenced by a ticket, the purchaser agrees to comply with and abide by all applicable laws, rules, regulations, procedures, and decisions of the Selling Party Lottery where the ticket was purchased.

(k) Powerball Special Game Rules: Powerball Power Play.

(1) Power Play Description. The Powerball Power Play is a limited extension of the Powerball game and is conducted in accordance with the Powerball game rules and other lottery rules applicable to the Powerball game except as may be amended herein. Power Play will begin at a time announced by the Selling Party Lottery and will continue until discontinued by the lottery. Power Play will offer to the owners of a qualifying Play-play a chance to increase the

amount of any of the eight ~~Low-Tier lump-sum~~ Set Prizes (the ~~Low-Tier lump-sum~~ prizes normally paying \$4 to \$1,000,000) won in a ~~Power Play Drawing~~. ~~drawing held during Power Play~~. The Grand Prize ~~jackpot~~ is not a Set Prize and will not be increased.

(2) Qualifying Play. A qualifying ~~Play play~~ is any single Powerball ~~Play play~~ for which the player pays an extra dollar for the Power Play option ~~Play play~~ and which is recorded at the ~~Selling Party Lottery's central~~ computer ~~gaming system~~ as a qualifying play.

(3) Prizes to be Increased. Except as provided in these rules, a qualifying ~~Play play~~ which wins one of the seven lowest ~~lump-sum~~ Set Prizes (excluding the Match 5 + 0) will be multiplied by the number drawn, either two (2), three (3), four (4), ~~or~~ five (5), or ten (10), in a separate random Power Play ~~Drawing drawing~~ announced during the official Powerball drawing show. The Powerball Group may announce prior to a drawing that the “ten (10)” multiplier will not be available for Drawings in which the advertised Grand Prize amount is above a specified amount, but the “ten (10)” multiplier shall at a minimum be available for all drawings in which the advertised annuitized Grand Prize amount is one hundred fifty million dollars (\$150,000,000.00) or less. The announced Match 5+0 prize, for players selecting the Power Play option, shall be paid two million dollars (\$2,000,000.00) unless a higher limited promotional dollar amount is announced by the Powerball Group.

Figure: 16 TAC §401.317(k)(3)

<u>Prize Amount</u>	<u>Regardless of Power Play number selected:</u>					
<u>Match 5+0</u>	<u>\$1,000,000.00</u>	<u>\$2,000,000.00</u>	<u>\$2,000,000.00</u>	<u>\$2,000,000.00</u>	<u>\$2,000,000.00</u>	<u>\$2,000,000.00</u>
	<u>Prize Amount</u>	<u>10X</u>	<u>5X</u>	<u>4X</u>	<u>3X</u>	<u>2X</u>
<u>Match 4+1</u>	<u>\$50,000.00</u>	<u>\$500,000.00</u>	<u>\$250,000.00</u>	<u>\$200,000.00</u>	<u>\$150,000.00</u>	<u>\$100,000.00</u>
<u>Match 4+0</u>	<u>\$100.00</u>	<u>\$1,000.00</u>	<u>\$500.00</u>	<u>\$400.00</u>	<u>\$300.00</u>	<u>\$200.00</u>
<u>Match 3+1</u>	<u>\$100.00</u>	<u>\$1,000.00</u>	<u>\$500.00</u>	<u>\$400.00</u>	<u>\$300.00</u>	<u>\$200.00</u>

<u>Match</u> 3+0	<u>\$7.00</u>	<u>\$70.00</u>	<u>\$35.00</u>	<u>\$28.00</u>	<u>\$21.00</u>	<u>\$14.00</u>
<u>Match</u> 2+1	<u>\$7.00</u>	<u>\$70.00</u>	<u>\$35.00</u>	<u>\$28.00</u>	<u>\$21.00</u>	<u>\$14.00</u>
<u>Match</u> 1+1	<u>\$4.00</u>	<u>\$40.00</u>	<u>\$20.00</u>	<u>\$16.00</u>	<u>\$12.00</u>	<u>\$8.00</u>
<u>Match</u> 0+1	<u>\$4.00</u>	<u>\$40.00</u>	<u>\$20.00</u>	<u>\$16.00</u>	<u>\$12.00</u>	<u>\$8.00</u>

Figure: 16 TAC §401.317(k)(3)

(Effective with the drawing on January 22, 2014.)

Prize Amount Regardless of Power Play number selected:

Match \$1,000,000.00 \$2,000,000.00 \$2,000,000.00 \$2,000,000.00 \$2,000,000.00
5+0

	Prize Amount	5X	4X	3X	2X
Match 4+1	\$10,000.00	\$50,000.00	\$40,000.00	\$30,000.00	\$20,000.00
Match 4+0	\$100.00	\$500.00	\$400.00	\$300.00	\$200.00
Match 3+1	\$100.00	\$500.00	\$400.00	\$300.00	\$200.00
Match 3+0	\$7.00	\$35.00	\$28.00	\$21.00	\$14.00
Match 2+1	\$7.00	\$35.00	\$28.00	\$21.00	\$14.00
Match 1+1	\$4.00	\$20.00	\$16.00	\$12.00	\$8.00
Match 0+1	\$4.00	\$20.00	\$16.00	\$12.00	\$8.00

(4) Prize Pool.

(A) Power Play Prize Pool. In Drawings where the “ten (10)” multiplier is available, the ~~The~~ prize pool for all prize categories shall consist of up to forty-nine and nine ~~hundred sixty-nine thousandths~~ ~~thirty-six one-hundredths~~ percent (49.969%) (~~49.36%~~) of each Drawing ~~drawing~~ period's sales, including any specific statutorily mandated tax of a Selling ~~Party~~ Lottery to be included in the price of a lottery Play ticket. In drawings where the “ten (10)” multiplier is not available, the prize pool for all prize categories shall consist of up to forty-five

and nine hundred thirty-four thousandths percent (45.934%) of each Drawing period's sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery ticket. The Power Play Prize Pool shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the Power Play prizes awarded in the current draw and held in the Power Play Pool Account.

~~(i) For the MUSL Powerball Group Lotteries, the Power Play Prize Pool Shall continue to be carried forward to subsequent draws if all or a portion of it is not needed to pay the Power Play prizes awarded in the current draw and held in the Power Play Pool Account.~~

~~(ii) For the Party Lotteries which are not a member of the MUSL Powerball Group, any amount remaining in the prize pool at the end of this game shall be carried forward to a replacement game or expended in a manner as directed by the Powerball Group in accordance with state law.~~

(B) Power Play Pool Account. In Drawings where the “ten (10)” multiplier is available, an additional thirty-one thousandths of a percent (0.31%) of sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery Play, may be collected and placed in trust in the Power Play Pool account, for the purpose of paying Power Play prizes. In drawings where the “ten (10)” multiplier is not available, four and sixty-six hundredths percent (4.066%) of sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery Play, may be collected and placed in trust in the Power Play Pool account, for the purpose of paying Power Play prizes. Any amount remaining in the Power Play Pool account when the Powerball Group declares the end of this game shall be returned to the lotteries participating in the account after the end of all claim periods of all Selling Lotteries, carried forward to a replacement game, or otherwise expended in

a manner at the election of the individual Members of the Product Group in accordance with jurisdiction statute.

(C) ~~(B)~~ Expected Prize Payout. Except as provided in this section, all prizes awarded shall be paid as single payment cash prizes. ~~lump sum Set Prizes.~~ Instead of the Powerball Set Prize amounts, qualifying winning Plays of Power Play ~~plays~~ will pay the amounts shown in paragraph (3) of this subsection.

~~(C)~~ In certain rare instances, the Powerball Set Prize amount may be less than the amount shown in Figure: 16 TAC §401.317(d)(2). In such case, the eight lowest Power Play prizes will be changed to an amount announced after the draw. For example, if the Match 4+1 Powerball Set Prize amount of \$50,000 ~~\$10,000~~ becomes \$25,000 ~~\$5,000~~ under the rules of the Powerball game, and a 5X ~~5x~~ Power Play Multiplier is drawn, then a Power Play winning Play ~~play~~ prize amount would win \$125,000. ~~\$25,000.~~

(D) Probability of Power Play Numbers Being Drawn. The following table sets forth the probability of the various Power Play numbers being drawn during a single Powerball Power Play Drawing. ~~drawing.~~ The Powerball Group may elect to run limited promotions that may modify the multiplier features. Power Play does not apply to the Powerball Grand Prize. Except as provided in subparagraph (C) of this paragraph, a Power Play Match 5 + 0 prize is set at two million dollars (\$2,000,000.00), regardless of the multiplier selected.

Figure: 16 TAC §401.317(k)(4)(D)

When the 10x multiplier is available:

<u>Power Play</u>		<u>Probability of Prize Increase</u>	
<u>10X</u>	<u>Prize Won Times 10</u>	<u>1 in 43</u>	<u>2.3255%</u>
<u>5X</u>	<u>Prize Won Times 5</u>	<u>2 in 43</u>	<u>4.6512%</u>
<u>4X</u>	<u>Prize Won Times 4</u>	<u>3 in 43</u>	<u>6.9767%</u>
<u>3X</u>	<u>Prize Won Times 3</u>	<u>13 in 43</u>	<u>30.2326%</u>
<u>2X</u>	<u>Prize Won Times 2</u>	<u>24 in 43</u>	<u>55.8140%</u>

When the 10x multiplier is not available:

<u>Power Play</u>		<u>Probability of Prize Increase</u>	
<u>10X</u>	<u>Prize Won Times 10</u>	<u>0 in 42</u>	<u>0.0000%</u>
<u>5X</u>	<u>Prize Won Times 5</u>	<u>2 in 42</u>	<u>4.7619%</u>
<u>4X</u>	<u>Prize Won Times 4</u>	<u>3 in 42</u>	<u>7.1429%</u>
<u>3X</u>	<u>Prize Won Times 3</u>	<u>13 in 42</u>	<u>30.9523%</u>
<u>2X</u>	<u>Prize Won Times 2</u>	<u>24 in 42</u>	<u>57.1429%</u>

Power Play does not apply to the Grand Prize. Except as provided in subparagraph (C), a Power Play Match 5 prize is set at two million dollars (\$2 million), regardless of the multiplier selected.

Figure: ~~16 TAC §401.317(k)(4)(D)~~

Power Play		Probability of Prize Increase
5X - Prize Won Times 5		1 in 10
4X - Prize Won Times 4		1 in 10
3X - Prize Won Times 3		1 in 3.33
2X - Prize Won Times 2		1 in 2

(5) Limitations on Payment of Power Play Prizes.

(A) Prize Pool Carried Forward. The prize pool percentage allocated to the Power Play Set Prizes shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the Set Prizes awarded in the current draw.

(B) Pari-Mutuel Prizes--All Prize Amounts. ~~If (i) For MUSL Powerball Group Lotteries,~~ if the total of the original Powerball Set Prizes and the Power Play Prizes awarded in a drawing exceeds the percentage of the prize pools allocated to the Set Prizes, then the amount needed to fund the Set Prizes (including the Power Play prize amounts) awarded shall first come from the amount allocated to the Set Prizes and carried forward from previous draws, if any, ~~and~~

second from the Powerball Group's Set Prizes Reserve Account, if available, not to exceed forty million dollars (\$40,000,000.00) per drawing, and third from other amounts as agreed to by the Powerball Group in their sole discretion.

~~(ii) For the Party Lotteries which are not members of the MUSL Powerball Group, if the total of the original Powerball Set Prizes and the Power Play Prizes awarded in a drawing exceeds the percentage of the prize pools allocated to the Set Prizes, then the amount needed to fund the Set Prizes (including the Power Play prize amounts) awarded shall be the amount allocated to the Set Prizes and carried forward from previous draws, if any.~~

(C) If, after these sources are depleted, there are not sufficient funds to pay the Set Prizes awarded (including Power Play prize amounts), then the highest Set Prize (including the Power Play prize amounts) shall become a pari-mutuel prize. If the amount of the highest Set Prize, when paid on a pari-mutuel basis, drops to or below the next highest Set Prize and there are still not sufficient funds to pay the remaining Set Prizes awarded, then the next highest Set Prize, including the Power Play prize amount, shall become a pari-mutuel prize. This procedure shall continue down through all Set Prizes levels, if necessary, until all Set Prize levels become pari-mutuel prize levels. In that instance, the money available from the funding sources listed in this section shall be divided among the winning Plays ~~plays~~ in proportion to their respective prize percentages. Powerball and Power Play prizes will be reduced by the same percentage. By agreement, the Licensee Lotteries shall independently calculate their set pari-mutuel prize amounts, including the Power Play prize amounts. The Party Lotteries and the Licensee Lotteries shall then agree to set the pari-mutuel prize amounts for all lotteries selling the game at the lesser of the independently-calculated prize amounts. ~~In rare instances, where the Powerball Set Prize amount may be funded but the money available to pay the full Power Play prize~~

~~amount may not be available due to an unanticipated number of winning plays, the Powerball Group may announce pari-mutuel shares of the available pool for the Power Play payment only.~~

~~(D) The Party Lotteries which are not members of the MUSL Powerball Group shall independently calculate the set pari-mutuel prize amounts, including the Power Play prize amounts. Both groups, the non-member Party Lotteries and the MUSL Powerball Group, shall then agree to set the pari-mutuel prize amounts for all lotteries selling the game at the lesser of the independently-calculated prize amounts.~~

(6) Prize Payment.

(A) Prize Payments. All Power Play prizes shall be paid in one single payment lump sum through the Selling Party Lottery that sold the winning Play(s). ticket(s). A Selling Party Lottery may begin paying Power Play prizes after receiving authorization to pay from the MUSL central office.

(B) Prizes Rounded. Prizes, which, under these rules, may become pari-mutuel prizes, may be rounded down so that prizes can be paid in multiples of whole dollars. Breakage resulting from rounding these prizes shall be carried forward to the prize pool for the next Drawing. drawing.