

COLORADO LOTTERY COMMISSION
Minutes of Public Hearing
July 10, 2002

The Public Hearing was called to order by Chair Timothy Bachicha at 9:05 a.m. on July 10, 2002, at the Pueblo Lottery Office. Present were Chair Timothy Bachicha, Vice-Chair Javonni Willis, Commissioners Stephen Hess, Micheal Acree, and Michael Bennet; George Turner, Enforcement Director; Mark Zamarripa, Director; Kathy Jones, Lottery Deputy Director; Dan Noreen, Lottery Marketing Director; Vickie Robb, Lottery Administration Director; Tom Thornburg, Lottery Security Director; Perry King, Internal Auditor; Maurice Knaizer, Deputy Attorney General; Paul Louderman of Karsh and Hagan; Phyllis Mendoza of GTECH; Toben Molica of Scientific Games International; Pete Webb of Peter Webb Public Relations; and members of the Lottery staff.

Chair Bachicha called for the items on the Public Hearing Agenda. At the request of Director Zamarripa, Website/Scratch Game Coordinator, Bev Saidel presented the Rules.

Director Zamarripa introduced Commissioner Michael Bennet.

The first Rule reviewed by Ms. Saidel was Permanent Rule 6.ML, Cool 5s, Game No. 179. She described the features of the game, including the play style, the prize amounts, the number of times players may win on a ticket, the number of tickets ordered, and the projected launch date for the game. Ms. Saidel further stated staff was requesting adoption as a Permanent Rule.

The next Rule reviewed by Ms. Saidel was Permanent Rule 6.MM, Colorado Cash, Game No. 180. She described the features of the game, including the play style, the prize amounts, the number of times players may win on a ticket, the number of tickets ordered, and the projected launch date for the game. Ms. Saidel further stated staff was requesting adoption as a Permanent Rule.

The next Rule reviewed by Ms. Saidel was Permanent Rule 6.MN, 7-11-21, Game No. 181. She described the features of the game, including the play style, the prize amounts, the number of times players may win on a ticket, the number of tickets ordered, and the projected launch date for the game. Ms. Saidel further stated staff was requesting adoption as a Permanent Rule.

Commissioner Hess made a motion to approve Permanent Rules 6.ML, Cool 5s, Game No. 179; 6.MM, Colorado Cash, Game No. 180; and Permanent Rule 6.MN, 7-11-21, Game No. 181. The motion was seconded by Vice-Chair Willis and passed unanimously.

Ms. Saidel next stated that Dilbert, Game No. 178 would be continued to the August Public Hearing.

Director Zamarripa next gave a narrative on the Rules Process and explained the Commission's role in adopting the Rules for Commissioner Bennet's benefit.

Ms. Saidel next reviewed Permanent Rule 14.A, Powerball, as Amended. Ms. Saidel stated staff is requesting adoption of Rule 14.A, Powerball as an Amended Permanent Rule. She stated the amendments to Rule 14.A, Powerball, reflect the changes to Powerball that were discussed at the June Commission Meeting and would be effective on October 6, 2002. Director Zamarripa stated the basic changes are going from 1/42 matrix to 1/53, and at record jackpot levels, the jackpot would increase in \$25 million increments with the excess money going to the five of six prizes to create a super bonus pool for five of six winners. The annuity was changed from 25 years to 30-years. He further stated that there is an additional rule that clarifies if no one were to claim the five of six prize, the state selling the ticket retains the unclaimed portion of \$100,000. The remainder is allocated among the other states according to their contribution to the prize pool.

Vice-Chair Willis made a motion to adopt Permanent Rule 14.A, Powerball, as Amended. The motion was seconded by Commissioner Acree and passed unanimously.

Ms. Saidel next reviewed Permanent Rule 14.B, Powerplay, as Amended. Ms. Saidel stated staff is requesting adoption of Permanent Rule 14.B, Powerplay. She stated the number one multiplier will **no** longer be available and only the numbers two through five would be used as the Powerplay multiplier. She stated these changes would be effective on October 6, 2002.

Commissioner Acree made a motion to adopt Permanent Rule 14.B, Powerplay, as Amended. The motion was seconded by Vice-Chair Willis and passed unanimously.

Ms. Saidel next reviewed Rule 5 as Amended. She stated staff is requesting adoption of Rule 5 as Amended as discussed at the Commission Meeting in June. She stated the Rule is being amended as part of the housekeeping process, and if approved, would be effective 2002. Chair Bachicha requested Ms. Saidel review the housekeeping process. Director Zamarripa stated as part of the housekeeping of Rules, Ms. Saidel has gone back through some of the old Rules to ensure that they are current.

Ms. Saidel stated several of the definitions have been changed to reflect how the Lottery currently conducts business. She stated changes have also been made to issues regarding what the Lottery calls the name of an instant ticket so it conforms to what the Lottery does and how the public perceives the product. She stated changes were also made regarding the payment

of cash prizes to reflect how the Lottery pays out prizes to the public as well as drawing prizes in scratch games. She further stated staff has redefined the use of coupons, Lottery Bucks and free tickets, and how the Director has additional discretion in that area.

After discussion, Commissioner Hess made a motion to approve Rule 5 as Amended. The motion was seconded by Commissioner Acree and passed unanimously.

Ms. Saidel next stated staff was requesting approval of the following Rules to be repealed: Rule 6.KG, Magic Numbers, Game No. 121; Rule 6.KI, One Eyed Jacks, Game No. 123; Rule 6.KO, Super 7s Bingo, Game No. 127 and Rule 6.KZ, Colorado Crossword, Game No. 138.

Vice-Chair Willis made a motion to approve the repeal of the following Rules: Rule 6.KG, Magic Numbers, Game No. 121; Rule 6.KI, One Eyed Jacks, Game No. 123; Rule 6.KO, Super 7s Bingo, Game No. 127 and Rule 6.KZ, Colorado Crossword, Game No. 138. The motion was seconded by Commissioner Acree and passed unanimously.

There being no further business to come before the Public Hearing, Chair Bachicha adjourned the Public Hearing at 9:23 a.m.

Antoinette A. Lewis
Secretary