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**TITLE 19. ALCOHOL, HORSE AND DOG RACING, LOTTERY AND GAMING
CHAPTER 3. ARIZONA STATE LOTTERY COMMISSION
ARTICLE 8. ELECTRONIC KENO**

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ARTICLE 8. ELECTRONIC KENO

R19-3-801 Definitions

In this Article, unless the context otherwise requires, these words and terms shall have the following meanings:

1. "Authorized keno location" means a physical facility located at least five miles from an Indian gaming facility that is licensed by the Director in the same manner as licenses issued pursuant to A.R.S. § 5-562 but only to a fraternal organization or veterans' organization or to a racetrack enclosure or additional wagering facility where pari-mutuel wagering on horse races is conducted.
2. "Authorized keno retailer" means a person or entity licensed by the Lottery to sell electronic keno game plays and operate electronic keno at an authorized keno location.



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3. "Card" means a physical play slip or a virtual digital interface authorized by the Lottery containing the numbers one through eighty from which a player selects numbers to generate a game play.
4. "Drawing" means the process used to randomly select the winning numbers from the defined game matrix.
5. "Electronic keno game" means a house banking game in which a player selects from one to twenty numbers on a card that contains the numbers one through eighty, the Lottery randomly draws twenty numbers, and players win if the numbers they select correspond to the numbers drawn by the Lottery.
6. "Game play" or "play" means the selected numbers that appear on a ticket or digital receipt as a single wager. More than one game play may appear on a single ticket or digital receipt.
7. "Game Profile" means the written document in which the Lottery Commission authorizes the Director to issue an order that contains all of the non-confidential game fundamentals required by these rules for an electronic keno game.
8. "Game ticket" or "ticket" means a physical receipt produced by the Lottery or a Lottery-authorized device, or a digital receipt displayed on a personal electronic device, evidencing participation in an electronic keno game.
9. "Geofencing" means the use of global positioning system, radio frequency identification, Wi-Fi, cellular data, or other location-based technology to create a virtual geographic boundary that restricts gameplay to the physical premises of an authorized keno location.
10. "Matrix" means the specific grid, arrangement, or pool of numbers established in the Game Profile from which game plays and winning numbers are selected.



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11. "Numbers" means the numbers from one through eighty used to determine if a player is entitled to a prize.
12. "Personal electronic device" means a player's personal mobile phone, tablet, or computing device used to interface with the electronic keno game within an authorized keno location.
13. "Prize structure" means the estimated number of prizes, prize values, any fixed or pari-mutuel payments, and the approximate overall odds of winning the prizes.
14. "Quick pick" means the random selection by a terminal or central computer system of one or more numbers to generate a game play from the defined game matrix.
15. "Self-service kiosk" means a player-activated terminal authorized by the Lottery that allows a player to independently purchase electronic keno game plays within an authorized keno location.
16. "Terminal" means a device authorized by the Lottery linked to a computer gaming system that records the wagers for the purpose of issuing Lottery tickets and entering, receiving, and processing Lottery transactions.
17. "Winning numbers" means the twenty numbers randomly selected at each drawing which determine winning game plays.

R19-3-802 Applicability; Electronic Keno Game Profile

- A. This Article applies to all electronic keno games operated by the Lottery.
- B. Each electronic keno game shall have a Game Profile containing the following information:
 1. Game name or game option name;
 2. Game number;



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3. Playstyle or Matrix and a description of how to play and win;
 4. Retail sales price or wager increments;
 5. Purchase conditions and characteristics;
 6. Numbers and prize symbols, if any;
 7. Prize structure, including the approximate odds, the prize value available, the prize payout percentage, if alternate prize structures are to be used, any pari-mutuel provisions, and any special multi-jurisdictional prize specifications;
 8. Special features, if any; and
 9. Prize draw eligibility requirements, including filing period for eligibility in a winners drawing, if applicable.
- C. The Commission shall approve the individual Game Profile prior to the game being sold or made available to the public.

R19-3-803 Licensing of Authorized Keno Locations

- A. So long as a facility meets the statutory requirement to be an authorized keno location pursuant to A.R.S. § 5-554, the licensing requirements for the location and the persons that control the business shall be consistent with A.R.S. § 5-554(B)(8) and the licensing rule requirements from Chapter 2 (A.A.C. Title 19, Chapter 2).
- B. In evaluating a license application or maintaining an active license, the Director may also take into consideration the prospective or current authorized keno retailer's ability to successfully implement and adhere to geofencing requirements.

R19-3-804 Game Purchases, Characteristics, and Restrictions



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- A. An electronic keno game may only be operated and played within an authorized keno location.
- B. To play an electronic keno game, a player shall select from one to twenty numbers from the defined game matrix. Selection methods include:
 - 1. Communicating the numbers to an authorized keno retailer;
 - 2. Marking a physical card and submitting it to an authorized keno retailer;
 - 3. Requesting a "Quick Pick" or marking a "Quick Pick" box on a card;
 - 4. Selecting numbers or a "Quick Pick" option through the interface on a personal electronic device; or
 - 5. Purchasing a game play through a Lottery-authorized self-service kiosk.
- C. If the electronic keno game is authorized to be played on a player's personal electronic device, the authorized keno location and the gaming system provider shall ensure players are geographically restricted by means of geofencing. Gameplay shall be restricted to the physical boundaries of the authorized keno location.
- D. The electronic keno game interface may not present the player with a user interface depicting spinning reels or that replicates a slot machine, blackjack, poker, roulette, craps, or any other casino-style game other than traditional keno.
- E. Retailer Status Notification and Duty to Cease Operations:
 - 1. An authorized keno retailer assumes an affirmative duty to immediately notify the Lottery in writing of any change in circumstances that may disqualify the facility from operating as an authorized keno location.



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2. Disqualifying events include, but are not limited to, the loss or suspension of a fraternal or veterans' organization liquor license, the cessation of pari-mutuel wagering at a racetrack enclosure, or the opening of an Indian gaming facility within five miles of the authorized keno location.
 3. Upon the occurrence of any disqualifying event, the authorized keno retailer must immediately cease all electronic keno operations.
- F. All electronic keno game ticket sales are final. If an authorized keno retailer accepts a returned physical electronic keno game ticket from a player or generates a physical electronic keno game ticket refused by the player and the retailer does not resell the ticket, the Lottery shall deem the electronic keno game ticket to be owned by the retailer. Digital game plays purchased or confirmed on a personal electronic device via a digital wallet or account cannot be cancelled once the wager is confirmed.
- G. A player may purchase consecutive draws on a single physical ticket or digital wager. The maximum number of consecutive draws permitted per wager shall be established in the Game Profile.
- H. An authorized keno retailer shall not sell a physical electronic keno game ticket to any individual under twenty-one (21) years of age. Additionally, prior to funding a digital wallet or placing an electronic keno wager on a personal electronic device, a player's identity and age must be verified to ensure the player is at least twenty-one (21) years of age, in accordance with applicable state laws.
- I. Any electronic keno game play purchased or attempted to be purchased by a player utilizing a virtual private network, location-spoofing software, proxy server, or any other technology or



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method designed to circumvent or falsify the geofencing requirements or obscure a player's actual location is void and automatically ineligible for any prize payout.

- J. An electronic keno wager is valid only for the specific drawing for which it is officially received, time-stamped, and recorded in the Lottery's designated internal control system prior to the close of that drawing, regardless of the drawing the player intended to enter or the time the player initiated the transaction on their device.
- K. The Lottery may authorize the use of self-service kiosks for the purchase of electronic keno game plays at authorized keno locations. Such kiosks may incorporate automatic timeout features, maximum cash insertion limits established by the Director, and physical age-verification mechanisms or be subject to monitoring by the authorized keno retailer to prevent use by individuals under twenty-one (21) years of age.
- L. The Director may establish daily, weekly, or monthly deposit and velocity limits on Lottery-authorized digital wallets used to fund electronic keno wagers.

R19-3-805 Drawings and Rate of Play

- A. Drawings shall be held at the intervals established in the Game Profile.
- B. Computerized or electronic drawing methods shall be used to make the random selection of winning numbers. The Director may authorize the use of a manual drawing procedure if deemed necessary due to a system malfunction or to otherwise ensure the integrity and continuity of the game.



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- C. Pursuant to A.R.S. § 5-554(K), an authorized keno retailer and the Lottery computer gaming system must limit the rate of play such that electronic keno game draws may not be conducted more frequently than once every four (4) minutes.
- D. In accordance with A.R.S. § 5-554(C)(5)(a), all drawings must be open to the public. An authorized keno retailer must display the results of electronic keno drawings on a public monitor prominently located within the authorized keno location.

R19-3-806 Determination of a Winning Game Play

- A. A player shall win the prize(s) indicated in the prize structure in the Game Profile in the manner described in the approved Game Profile.
- B. Eligibility to win a prize is based on the player selecting from one to twenty numbers on a virtual or physical card containing the numbers one through eighty.
- C. The player wins if the numbers they selected correspond to the twenty numbers randomly drawn by the Lottery.
- D. The Lottery may establish a maximum prize payout per ticket and a maximum liability limit per draw, which shall be detailed in the Game Profile. If the total valid winning game plays for a single drawing exceed the established liability limit, the available prize pool shall be divided on a pari-mutuel basis among the winning game plays.

R19-3-807 Ticket Ownership and Responsibility

- A. Until a physical ticket is signed, the ticket is owned by its physical possessor.
- B. The owner of a winning physical game ticket is the person whose signature appears upon the ticket in the area designated for that purpose.



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- C. For game plays purchased, stored, or displayed via a personal electronic device, the owner of the digital ticket or receipt is the registered owner of the Lottery-authorized digital wallet or account.
- D. The Lottery is not responsible for lost or stolen physical tickets, or for unauthorized access to a player's personal electronic device, digital wallet, or account.

R19-3-808 Ticket Validation and Confirmation Requirements

- A. Each electronic keno game play, whether represented by a physical ticket or a digital receipt on a personal electronic device, shall be validated prior to the payment of a prize.
- B. To be eligible for a prize, an electronic keno game play shall meet all of the following validation requirements:
 - 1. The physical ticket or digital receipt shall have been issued by the Lottery through an authorized keno retailer, an approved self-service kiosk, or other legally authorized manner;
 - 2. A physical ticket shall be intact and not mutilated, altered, unreadable, reconstituted, or tampered with in any manner;
 - 3. A physical ticket shall not be blank, partially blank, misregistered, defectively printed, or produced in error;
 - 4. A physical ticket shall not be a reprinted ticket stating "Not for Sale" or "VOID" on the ticket;
 - 5. A digital receipt shall not be altered, corrupted, or manipulated in any manner;
 - 6. The ticket or digital receipt shall not be counterfeit or forged in whole or in part;



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7. The ticket or digital receipt shall not be stolen, cancelled, or appear on any list of omitted or missing tickets on file with the Lottery;
 8. The display printed on a physical ticket or displayed on a digital receipt shall correspond precisely with the approved artwork or display format on file at the Lottery;
 9. The ticket or digital receipt shall be able to pass all other confidential validation tests determined by the Director;
 10. The ticket or digital receipt data is:
 - a. Recorded in the designated central computer system prior to the drawing;
 - b. In agreement with the computer record; and
 - c. In the Lottery's official file of winning tickets;
 11. Any winning game play on the ticket or digital receipt consists of a selected set of numbers from the defined game matrix shown in the Game Profile;
 12. Where required by the Game Profile, numbers and prize symbols shall have the captions that confirm and agree with those applicable to the game; and
 13. The ticket or digital receipt shall not have been previously paid.
- C. If the ticket or digital receipt fails to pass any of the applicable requirements, the play is void and ineligible for any prize payout.

R19-3-809 Procedure for Claiming Prizes

- A. To claim an electronic keno prize, a player shall present a valid winning physical game ticket or valid digital receipt.



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- B. For a winning game play represented by a physical game ticket, prizes of less than \$600 may be claimed at any authorized lottery retailer. Prizes of \$600 or more shall be claimed directly from the Lottery or an authorized redemption agent. Prior to the payment of a prize of \$600 or more, the claimant shall be identified in a manner necessary to process any mandatory tax withholdings and complete a state debt set-off check pursuant to A.R.S. § 5-575.
- C. Winnings of less than \$600 accrued on a personal electronic device may be deposited directly into a player's Lottery-authorized digital wallet or account. For any digital prize of \$600 or more, funds shall not be deposited directly into a digital wallet or account until the claimant is identified in a manner necessary to process any mandatory tax withholdings and complete a state debt set-off check pursuant to A.R.S. § 5-575.
- D. For prizes claimed via a digital receipt or processed through a digital wallet, the Director retains the authority to delay or withhold payment to investigate suspected fraud, investigate geofencing evasion, ensure the integrity of the game, or ensure compliance with any applicable state and federal laws, including anti-money laundering regulations.

R19-3-810 Claim Period

- A. In order for the claimant to receive payment, a winning electronic keno game ticket or digital receipt shall be presented for payment no later than 180 days after the date of the drawing for which the game play is valid.
- B. If the 180th day falls on a Saturday, Sunday, or a state holiday, the claiming period shall be extended to the end of the next business day.



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- C. A ticket or digital receipt presented for payment after the expiration of the claim period is void and ineligible for any prize payout. Any unredeemed prize money shall revert to the state or be used for additional prizes in accordance with state law.

R19-3-811 Disputes Concerning a Ticket or Prize

- A. If a dispute between the Lottery and a claimant occurs concerning an electronic keno ticket or prize, the Lottery, at the sole discretion of the Director, may replace the disputed ticket or play with a ticket or play of equivalent sales price for a subsequent drawing.
- B. In the event of any discrepancy between the numbers, graphics, or results displayed on a physical monitor, personal electronic device, or digital receipt, and the official data recorded in the Lottery's computer gaming system, the data contained in the Lottery's computer gaming system shall be the sole and final authority in determining the outcome of the game and any prize eligibility.
- C. Any hardware malfunction, software glitch, display error, or other system failure immediately voids the affected game play and any associated prize payout.

R19-3-812 Terminated Game Prize Monies

If an electronic keno game is terminated for any reason, any remaining prize monies shall be held by the Lottery for a period of 180 days from the date of the last drawing and then used for additional prizes in any other Lottery game.

R19-3-813 Compliance with State Laws and Authorized Equipment



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- A. An authorized keno retailer shall abide by all applicable Arizona state laws and lottery regulations, including but not limited to A.R.S. Title 5, Chapter 5.1, and all rules promulgated by the Arizona State Lottery Commission.
- B. An authorized keno retailer shall only operate, display, or facilitate gameplay using terminals, self-service kiosks, digital interfaces, displays, and associated electronic keno equipment that are explicitly authorized, provided, or certified by the Arizona Lottery.
- C. As a condition of licensing and operation, an authorized keno retailer shall not install, possess, operate, or allow the operation of any unauthorized gambling devices, unregulated sweepstakes machines, or any other unregulated electronic gaming or amusement devices anywhere on the physical premises. The possession or operation of such unauthorized devices, regardless of whether they are connected to or associated with the Lottery's electronic keno game, constitutes a material breach and shall result in the immediate suspension or revocation of the retailer's authorized keno location license.