Form: TH- 01 3/31/00



# Notice of Intended Regulatory Action Agency Background Document

| Agency Name:        | 5  |
|---------------------|--|
| VAC Chapter Number: | 20   |
| Regulation Title:   | Administration Regulations                 |
| Action Title:       | Amend for simplification and clarification |
| Date:               | 07/20/2000                                 |

This information is required prior to the submission to the Registrar of Regulations of a Notice of Intended Regulatory Action (NOIRA) pursuant to the Administrative Process Act § 9-6.14:7.1 (B). Please refer to Executive Order Twenty-Five (98) and Executive Order Fifty-Eight (99) for more information.

## **Purpose**

Please describe the subject matter and intent of the planned regulation. This description should include a brief explanation of the need for and the goals of the new or amended regulation.

The purpose is to simplify and clarify the regulations and eliminate redundant and unnecessary language.

### **Basis**

Please identify the state and/or federal source of legal authority to promulgate the contemplated regulation. The discussion of this authority should include a description of its scope and the extent to which the authority is mandatory or discretionary. The correlation between the proposed regulatory action and the legal authority identified above should be explained. Full citations of legal authority and, if available, web site addresses for locating the text of the cited authority must be provided.

Section 58.1-4007 of the Code of Virginia authorizes the State Lottery Board to adopt regulations governing the operation of the lottery, and to amend, repeal or supplement the regulations as necessary. The code section specifies that matters to be included in regulations must include but not be limited to advertisement of the lottery, the licensing of agents,

apportionment of revenues, standards of ethics and competitive procurement principles, and the appeal process.

#### **Substance**

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Please detail any changes that would be implemented: this discussion should include a summary of the proposed regulatory action where a new regulation is being promulgated; where existing provisions of a regulation are being amended, the statement should explain how the existing regulation will be changed. The statement should set forth the specific reasons the agency has determined that the proposed regulatory action would be essential to protect the health, safety or welfare of citizens. In addition, a statement delineating any potential issues that may need to be addressed as the regulation is developed shall be supplied.

The amendment under consideration will simplify and clarify the regulations and will eliminate redundant and unnecessary language. Amendments include, but are not limited to: (i) clarifying definitions, (ii) repealing certain detailed procurement procedures, with the exception of reference to standards of ethics and competitive principles, and including these specific procedures in department manuals which will be incorporated by reference; (iii) eliminating the specific percentage allocation of lottery revenue among prizes, the State Lottery Fund and retailer compensation; (iv) eliminating the Lottery Prize Special Reserve Fund; (v) eliminating of specific frequency of external audits and of board meetings; and (vi) clarifying procedures for informal and formal licensing conferences and hearings.

## **Alternatives**

Please describe, to the extent known, the specific alternatives to the proposal that have been considered or will be considered to meet the essential purpose of the action.

No alternatives were considered because this new chapter will simplify the regulations and will provide more user-friendly application.

## Family Impact Statement

Please provide a preliminary analysis of the potential impact of the proposed regulatory action on the institution of the family and family stability including to what extent the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.

No impact on the family is anticipated.