



Updated Lotto Licensing Rules and Fees – Tribal as of July 4, 2010

License Fees

Effective July 4, 2010, the fee for an instant ticket or instant and lotto ticket license is \$1,200. All retailers licensed after that date will be required to sell both the instant and lotto games with the exception of licensees on Indian Reservations which are prohibited from selling the lotto games.

Annual Renewal Fee

All licensees are required to pay an annual renewal fee of \$150 which is waived in the first year in which the license is issued. Prior to July 4, 2010, instant ticket only retailers paid no annual renewal fee. Instant ticket only retailers now receive the high speed validation equipment and network which costs the Lottery substantially more than the previous terminal. The new equipment is nearly 6 times faster than the old equipment, averaging 3 seconds per transaction versus the previous 22 seconds per transaction. The annual renewal fee has been added to help off-set part of the Lottery's extra costs for the high speed equipment.

Communication Costs

Retailers licensed after July 4, 2010, including tribal locations, will be charged \$12.93 per week for communications costs. The weekly \$12.93 fee is what the Lottery is charged by the vendor for communication costs for all terminals.

Retailer Incentives

Retailers licensed after July 4, 2010 that sell \$5,000 or more in instant tickets in a quarter will be credited \$168.09 (13 weeks of communication costs) at the end of that quarter. New retailers who are part of a chain in which the chain's per store average is \$6,000 in instant ticket sales for a quarter will be credited the communication costs for that quarter. A chain store is defined as two or more stores under the same ownership or entity.

Assistance in Increasing Instant Sales

The communications fee and related incentives revolve around the instant games as that is the product in which a retailer, positively or negatively, can have the most impact. The Lottery will work with any retailer to increase their instant sales. Your Lottery sales representative will show you how.