

NORTH CAROLINA EDUCATION LOTTERY POLICIES AND PROCEDURES MANUAL

CHAPTER 8 – SALES

8.01C – TICKET VENDING MACHINES MINIMUM SALES REQUIREMENTS

PURPOSE

To establish minimum sales requirements for Ticket Vending Machines located at Lottery Retailer locations. For purposes of this policy, a “Ticket Vending Machine” is a self-service Lottery machine that offers draw games and/or scratch-off games.

POLICY

Pursuant to the NCEL Retailer Rules and Regulations, the Retailer Contract and the Retailer Contract Addendum, the NCEL may establish minimum sales requirements associated with Lottery Terminals and/or Ticket Vending Machines (“TVMs”). Due to limited quantities of TVMs available, the NCEL has established a minimum total weekly Lottery sales requirement in order for a retailer to retain the TVM assigned to the store location.

A. Beginning January 1, 2014, any retailer location that has been assigned a TVM must achieve an average of five hundred dollars (\$500.00) in total Scratch-Off and Draw Game Ticket (“Ticket”) sales per week over the most recent thirteen (13) week period. Otherwise, the retailer location may be subject to having the TVM removed by the NCEL or its designee.

B. New Retailers with assigned TVMs or current Retailers with newly assigned TVMs will have a trial period of twenty-six (26) weeks to determine the average total sales for such locations. After the 26-week trial period, the Retailers must maintain an average of \$500.00 in weekly total Ticket sales for each assigned TVM in order for such store location to retain the TVM(s).

C. The NCEL will notify the Retailer if any store location with an assigned TVM does not meet the average weekly total Ticket sales. The Retailer will be provided a thirteen (13) week period to raise its average total Ticket sales to \$500.00 per week for each Retailer location.

D. If any Retailer location does not meet the \$500.00 weekly average total Ticket sales by the end of the thirteen (13) week period, the NCEL may remove the TVM from such store location. However, the applicable Retailer location may still continue selling Tickets via counter sales.

E. For store locations with assigned TVMs that have a change of ownership, the NCEL may authorize the acquiring Retailer applicant(s)/owner(s) to retain the assigned TVMs at the applicable store locations subject to the following conditions:

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- (1) The acquiring Retailer has been approved by the NCEL as a Lottery Retailer pursuant to a signed Retailer Contract and meets all criteria established by the NCEL for the sale of Tickets utilizing the TVM;
- (2) Prior to the change of ownership, the applicable store location with an assigned TVM maintained an average of \$500.00 in total Ticket sales per week; and
- (3) The selling Retailer has made complete financial settlement with the NCEL.
- (4) The minimum sales requirements set forth in this Policy shall continue to apply to the transferred Retailer location(s). Failure to satisfy the conditions set forth in this Policy may result in the removal of the TVM from the applicable store location that failed to maintain the minimum sales requirement.