

## **NORTH CAROLINA EDUCATION LOTTERY POLICIES AND PROCEDURES MANUAL**

### **CHAPTER 8 – SALES**

#### **8.01B - MULTIPLE TERMINAL LOCATIONS**

##### **PURPOSE**

To establish guidelines for when a retail location may have more than one Lottery Terminal. For purposes of this policy, a “Lottery Terminal” does not include self-service Lottery terminals.

##### **POLICY**

A single retail location (one TIN or EIN) may qualify for an additional Lottery Terminal based on Instant and On-Line Lottery Ticket Sales as outlined below. For Retailers (one TIN or EIN) who are already authorized to sell Instant and On-Line Games, the NCEL, at its sole discretion, may authorize additional Lottery Terminals at Retailer Business Locations which satisfy the following criteria:

1. Installation of an additional Lottery Terminal at a retail location shall be based primarily upon the retailer’s total Instant Game and On-Line Game Ticket sales at that retail location. If a retailer achieves a minimum average total Instant Game and On-line Game Ticket sales of \$20,000 per week for a period of four (4) weeks at the retail location, the NCEL may consider installing a second Lottery Terminal at that location. An average of \$7,000 of the total weekly sales for the four (4) consecutive weeks must be from draw games and an average of \$12,000 in total validations for the four (4) consecutive weeks for the retailer location. However, when a jackpot from any draw game reaches \$300 million or greater, the multiple terminal review process will be suspended until the jackpot resets. Any additional Lottery Terminal may be considered if the retailer achieves twice the designated sales and validation criteria as set forth above.
2. Under certain circumstances and for business reasons, the NCEL may, at its sole discretion, establish other criteria for determining a Retailer’s qualifications for installation of any additional Lottery Terminals.
3. If the retailer fails to maintain the minimum average weekly total Instant Game and On-Line Game Ticket sales of \$20,000 (or \$40,000 for more than two Lottery Terminals) per week in any thirteen (13) week period, as designated by the NCEL, the NCEL will notify the retailer that such retail location has not met the minimum sales requirements. Upon notification, the retailer will have an additional thirteen (13) weeks (“Grace Period”) to raise its average total Instant Game and On-Line Game Ticket sales to the required minimums. If a retail location fails to meet the minimum average total Instant Game and On-Line Game Ticket sales requirement by the end of the Grace Period, the NCEL may require the removal and return of the additional Lottery Terminal.
4. After the removal of the additional Lottery Terminal, the retailer must wait a period of six (6) months before the NCEL will evaluate whether the retailer may qualify for an additional Lottery Terminal.

For two (2) or more retailers that share the same physical address, depending upon the circumstances, the NCEL may permit the multiple retail locations (with different TINs or EINs) to qualify, individually, as a

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lottery retailer and each have an On-Line Game Lottery Terminal. Each retailer must satisfy the following criteria:

1. Each retail location (business entity) must have a separate Internal Revenue Tax Name (EIN), NC Department Of Revenue Sales and Use Identification and be registered with the NC Secretary of State even though located at the same physical location. Each business will independently undergo all required background investigations for retailer applicants and must be approved before being awarded a second terminal at the existing physical location.
2. Each retail location will be subject to the same criteria for review and selection and each is subject to NCEL regulations. The NCEL is not subject to any agreement between a lessor and lessee.