

NYS Gaming Commission

NYS Lottery Retailers

Overview

General Description

The New York Lottery was created to raise revenues to support education in New York State. The Lottery is unique in that it earns its revenue through sales, rather than through taxation or fees. Every Lottery retailer is a part of a successful public-private partnership that includes the Lottery administration, the private businesses that contract to provide tickets and sales support programs, and, most importantly, the retailers.

The New York Lottery's sole mission is to earn revenue for education. The New York Lottery was enacted into the New York State Constitution by voters as a result of a referendum in 1966. It continues to be North America's largest and most profitable Lottery.

The Lottery currently licenses approximately 18,000 retail locations across the State. Each license to sell Lottery products represents an investment by the State in a retail location. All equipment, telephone costs, advertising materials—including marketing and maintenance support—are provided to the licensee at no cost in addition to a commission of six percent on every sale. In order to justify this investment, the Lottery must be assured of the retailer's ability to create new Lottery sales. If a new location merely redistributes sales from existing locations, it is not considered a justifiable investment. It is for this reason that the search for new retail locations now concentrates on reaching the broadest consumer base. By law, the decision to license a retailer must be based strictly on the Lottery's judgment that the partnership will create additional incremental sales for the Lottery, while reasonably compensating a retailer for the level of effort applied.

The Lottery License

1. There are two Lottery retailer licensing options. A retailer may be selected to be a full-service retailer or, at select social locations, a Quick Draw® retailer.

A. THE FULL-SERVICE RETAILER

Every New York Lottery terminal features a Scratch-off Games automatic prize validating tool. This bar code technology not only makes sales and prize validation simple and convenient for the customer, it also provides the retailer with improved security and an automatic record of sales and purchases to facilitate bookkeeping. As a condition of licensing, all retailers must demonstrate:

- Commitment of sales and service personnel time throughout the business day and night
- Dedication of space for the location of the terminal, Instant Game tickets, and ancillary point-of-sale items

B. THE QUICK DRAW RETAILER

The Quick Draw game is a computerized Lottery game occurring every few minutes requiring a full-service terminal and the most successful locations are those reflective of a social environment.

2. Evaluation Factors to become Lottery Licensee

A retailer's selection as a Lottery licensee will be determined not only by the nature and quality of his or her business, but by his or her willingness and ability to sell Lottery games. The license evaluation process looks at a number of factors to determine the potential for incremental revenue:

- Business location
- Type of business
- Business traffic and customer base
- Existing Lottery sales in immediate area
- Convenience, accessibility, hours, and quality of customer service

The Lottery also considers the financial responsibility and security of the retailer's business, whether the business is predominantly frequented by minors, and whether the retailer has any criminal history.

3. What leads to retailer selection

The Lottery recruits a variety of retail establishments to strengthen its network of qualified Lottery retailers. The Lottery reserves the right to deny a license request in lieu of pending recruitment activities

4. What happens when a retailer submits an application

Once a retailer has submitted the completed application – [available via nylottery.ny.gov > Retailers](http://nylottery.ny.gov) – an experienced District Sales Representative will visit the business to conduct an evaluation. A subsequent evaluation may be conducted by another Field Manager to ensure objectivity. The information collected during these on-site visits will then be further reviewed by the retailer's regional Lottery office management, who will consider other pertinent marketing, sales, and demographic information concerning the location before making a final decision. Applicants will receive written confirmation of the evaluation results and the Gaming Commission's decision.

5. Selection as a full-service retailer

Once operational, a retailer is assigned minimum weekly sales criteria in accordance with the Minimum Sales Standards Program and enters a probationary period. During this period, the retailer must demonstrate their ability to meet these sales levels. A Lottery representative will review the retailer's Minimum Sales Standards on a semi-annual basis. If sales standards have not been met, the terminal may be removed. All retailers must meet three additional requirements:

- Each owner of the retail location will be charged for fingerprinting as part of an extensive background investigation.
- Each retailer will be assessed a settlement assurance fee based upon their sales criteria. A nominal fee will be deducted weekly from the retailer's commissions.

- The Lottery collects its receipts and credits a retailer's commissions electronically. A retailer must have and maintain a checking account to accommodate electronic funds transfers (EFTs) of Lottery sales receipts.

6. Selection as a Quick Draw retailer

Quick Draw is a computer-generated game that offers players a wide variety of chances to win cash prizes every four minutes. The Lottery generally reserves licenses for this game for retail establishments with social environments. Quick Draw requires the same terminal on which full-service retailers operate; however, it often includes a dedicated video monitor to display drawing results. This monitor is linked to the terminal to receive drawing information. Quick Draw results are also available via consumers' smartphones using the [Lottery's Winning Numbers app](#). A business seeking to be licensed as a Quick Draw retailer must meet the same requirements as a full-service retailer. (See "Selection as a Full-Service Retailer.") Additionally, legislation requires that certain other eligibility conditions be met for Quick Draw retailer licensure. Businesses with an on-premises liquor license, bowling centers, Off-Track Betting parlors and racetracks qualify for Quick Draw by the nature of their business. All other businesses must have a minimum of 2,500 square feet to qualify for Quick Draw.

Data Collection Methodology

This dataset includes a current listing of all licensed retailers that sell New York Lottery products across the state.

Statistical and Analytical Issues

Information on the locations are subject to change. Every effort is made to ensure accuracy and resolve inconsistencies. Consumers can also check the Lottery Retailer website <http://nylottery.ny.gov/wps/portal/Home/Lottery/Home/Lottery+Locator> for a list of retailers. Base information corresponds to that provided, by applicants. Any address information provided in this dataset reflects the NYS Gaming Commission's address of record for the retailer.

Limitations

None.