

Retailer Compensation Rate Rules  
Adopted by the Commission January 30, 2020  
To be effective upon expiration of current retailer contract on June 28, 2020

**177-040-0025**

**Retailer Compensation — Traditional Lottery Games**

*(Effective upon expiration of current retailer contract on 6/28/20)*

(1)

- (a) **Traditional Sales Compensation:** The Lottery shall pay a retailer eight percent of weekly sales of traditional lottery game tickets or shares offered by the Lottery and sold by the retailer.
- (b) **Calculation of Sales:** A retailer's weekly sales shall be calculated on the combined weekly gross sales of Draw game tickets and Scratch-it tickets made from the retailer's premises during a business week, less Scratch-it ticket returns recorded by the Lottery and other sales related adjustments made during the week. For the purpose of calculating weekly sales, Scratch-it tickets are sold when the tickets are activated by the retailer, and Draw game tickets are sold when the request for the Draw game ticket is electronically received and verified by the Lottery's central computer system.

(2)

- (a) **One Percent Selling Bonus:** For selling any winning and validated Scratch-it or Draw game ticket with a prize of \$10,000 or more, a Lottery retailer shall receive a bonus equal to one percent (1.00%) of the offered or advertised prize won by the player up to a maximum bonus of \$100,000 rounded to the nearest dollar. For example: For selling a winning and validated annuitized prize of \$8,000,000, the selling Lottery retailer shall receive a bonus of \$80,000 regardless of the payment option chosen by the winner; for selling a winning and validated Scratch-it prize of \$25,000, the selling Lottery retailer shall receive \$250.
- (b) **Bonus for Variable Prizes:** Prior to the implementation of a traditional lottery game that includes one or more prizes with a value that is, in the opinion of the Director, variable or in some other way ambiguous including, but not limited to, circumstances such as non-monetary prizes or annuities of unspecified duration, the Director shall assign a prize value to any such prize for the purposes of determining the retailer selling bonus pursuant to subsection (a) of this section. The Director's determination of the prize value is final.

(3)

**One Percent Prize Payment Bonus:** For paying a winning and validated Scratch-it or Draw game ticket with a prize of \$600 or less, a Lottery retailer shall receive a bonus from the Lottery equal to one percent of the prize won by the player.

(4)

**Alternative Compensation Agreements:** Upon approval of the Commission, the Director may enter into an alternative compensation agreement with certain Lottery retailers to accommodate new business models aimed at the retention and recruitment of Lottery retailers offering different sales styles. Under such alternative compensation agreements, the Lottery retailer may receive a compensation rate, selling bonuses, and prize payment bonuses that are

less, or more, than the rates or bonuses established in sections (1), (2), and (3) of this rule. The compensation rate and bonuses shall be determined by the Director for each agreement.

Statutory/Other Authority: [OR Const. Art. XV & Sec. 4\(4\)\(a\)](#), [ORS 461.120](#), [461.260](#), [461.300](#)

Statutes/Other Implemented: [OR Const. Art. XV § 4](#), [ORS 461.120](#), [461.260](#), [461.300](#), [461.310](#), [461.445](#)

### **177-040-0026**

#### **Retailer Compensation — Video Lottery Games**

*(Effective upon expiration of current retailer contract on 6/28/20)*

- (1) General: The compensation the Lottery shall pay a retailer for the sale of Video Lottery game shares is calculated on a percentage of dollars played during a business year. “Dollars played” means the amount wagered on Video Lottery games at a retailer’s premises.
- (2) Compensation When Dollars Played Exceeds Tier Threshold: During the course of a business year, when a Video Lottery retailer’s dollars played exceeds the threshold of a tier applicable to the retailer under this rule, the Video Lottery compensation rate shall remain unchanged for the remainder of the business day on which the threshold is exceeded. The compensation rate for that tier, as set forth in this rule shall apply at the start of the next business day. For example, under section (4) of this rule, if on Wednesday the dollars played reaches \$2,250,001, the retailer is compensated at 2.20 percent of the dollars played for the remainder of the business day. At 5:00 a.m. on the next day, Thursday, which is the start of the next business day, the compensation rate is reduced to 1.75 percent of dollars played.
- (3) Applicability: The compensation rates for the sale of Video Lottery game shares set forth in this rule apply to compensation for the sale of shares on all Video Lottery game terminals at all Video Lottery retailers effective as of the start of the business day beginning June 28, 2020.
- (4) Four-Tier Compensation: Dollars Played per Year – Compensation/Percent of Dollars Played:
  - (a) Up to \$2,250,000 – 2.20%.
  - (b) \$2,250,000.01 to 4,000,000 – 1.75%.
  - (c) \$4,000,000.01 to 6,500,000 – 1.50%.
  - (d) \$6,500,000.01 and up – 1.34%.

Statutory/Other Authority: [OR Const. Art. XV & Sec. 4\(4\)\(a\)](#), [ORS 461.120](#), [461.260](#), [461.300](#)

Statutes/Other Implemented: [OR Const. Art. XV § 4](#), [ORS 461.120](#), [461.260](#), [461.300](#), [461.310](#), [461.445](#)