

Texas Lottery® Retailer Support

March 11, 2016

Frequently Asked Questions – Scratch Ticket Policies and Practices

Is a Texas Lottery retailer required to sell scratch tickets?

Yes. The Texas Administrative Code (TAC) Rule 401.361 states, “Each retailer shall offer for sale to the public at all times at least two instant games, provided that the commission makes available at least two games.”

How does a retailer pay for scratch tickets?

There are four (4) traditional ways a pack of scratch tickets can be settled (charged) to a retailer’s account and the Texas Lottery is testing an additional method planned for introduction in July 2016. All settlements are reflected in the weekly invoice available the upcoming Sunday. The retailer will have the choice of two (2) settlement classes: Traditional Settlement Class and 21-Day Settlement Class*. Retailers may make up to two (2) changes to the settlement class within 12 consecutive months*. All retailers default to the Traditional Settlement Class.

Traditional Settlement Class

- 1. Validation.** When 70% of the low-tier winning tickets (\$24.99 or less) have been validated the pack will settle. A G-Tier (guaranteed prizes in a pack) prize level category exists for all games \$25 and higher which do not have low-tier prizes. These games will settle when 70% of the G-Tier prizes have been validated.
- 2. Manually.** After a pack is activated the retailer can choose to settle the pack and it will be charged into the current accounting week.
- 3. Time.** Forty-five (45) calendar days from the date a pack is activated, the pack will automatically settle (be charged) to the current accounting week and be included in the weekly invoice. Time settlement occurs if the pack was not previously settled by another method.
- 4. Game Closing.** Retailers will be charged for any tickets in their possession after the official End of Game date. Players have 180 days from the Game Closed date to validate tickets.

21-Day Settlement Class (available July 2016)*

- 5. 21-Day Settlement.** In coordination with the North American Association of State and Provincial Lotteries (NASPL), the Texas Lottery is developing a new settlement method to provide a streamlined accounting process to aid in lottery reconciliation. Retailers may choose to have all their packs settle 21 days after each pack is activated. Any pack that remains in a retailer’s possession after the official End of Game/Closing date will automatically settle if the pack was not previously settled. Retailers will be able to manually settle packs under the 21-Day Settlement Class.

Each retailer should carefully examine the financial impact of each settlement method and consult with the Texas Lottery Retailer Services staff before choosing to change from the **Traditional Settlement Class** to the **21-Day Settlement Class** when it becomes available. The following criteria will be used to evaluate a retailer’s suitability for the 21-Day Settlement Class.

- Current average days for pack settlement
- Impact on inventory with the settlement class change
- Settlement class change history

For more information, contact Texas Lottery Retailer Services at Customer.Service@lottery.state.tx.us or **800-375-6886**. Our hours are 7:00 a.m. to 5:30 p.m. Monday through Friday. Your lottery sales representative may also provide assistance.

*Pending tentative July 2016 availability.



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