

From: Danielle E. Boyd
To: elizabeth.orcutt@igt.com
Cc: Alan Larrick; Robin Graley
Subject: RE: IGT US Lottery License Application Fees
Date: Wednesday, July 26, 2017 2:37:00 PM
Attachments: image003.png
image004.png

Dear Ms. Orcutt,

Thank you for providing the information below to us during the comment period so that we could consider additional changes to the State Lottery Rule. The Commission has incorporated changes to the installation fee and provisions relating to average weekly sales for traditional retailers based upon your comments. This approval occurred at the July 26, 2017, meeting, and will be filed as part of the Agency Approved rule.

Thanks again for your information and comments,

Danielle Boyd



Danielle E. Boyd, Esq.
Managing General Counsel
e-mail: dboyd@wvlottery.com

P. O. Box 2067 • Charleston, WV 25327
500 Pennsylvania Avenue • Charleston, WV 25302
Office: 304-558-0500 ext. 293 • Cell #: 304-330-4551 • 1-800-873-4359



From: Orcutt, Elizabeth [<mailto:Elizabeth.Orcutt@IGT.com>]
Sent: Thursday, July 20, 2017 3:43 PM
To: Kayla Brown; Michael Thaxton; Danielle E. Boyd; Alan Larrick
Subject: FW: IGT US Lottery License Application Fees

Hello!

First, I would like to "thank you" for your time today and for allowing me the opportunity to be a true partner with the Lottery. Per our discussion regarding Licensing fees, the Corporate Marketing Account Manager for WV has provided me the information below. It looks like there are only a few jurisdictions that continue to charge installation fees for new retailers. I will provide you with additional information as it is received, but this is what was gathered in the short timeframe provided.

Hopefully this is helpful in assessing the value of a significant reduction to your install fee, which was based on an antiquated communication need.

Thank you,

Nikki

Elizabeth (Nikki) Orcutt
Account Development Manager
West Virginia



1700 MacCorkle Ave., SE
Charleston, WV 25314
Phone: +1 304.206.3190
Mobile: +1 304.552.3079
Fax: +1 681.265.9143
E-mail: Elizabeth.Orcutt@IGT.com

From: Sullivan, Nathan (RI)
Sent: Thursday, July 20, 2017 2:37 PM
To: Orcutt, Elizabeth <Elizabeth.Orcutt@IGT.com>
Subject: RE: Lottery License Application Fees

Nikki,

From what I have been provided, it looks like WV is certainly in the minority for charging install fees to new retailers. The vast majority of the jurisdictions I received info from do not charge an install fee. Many charge a license or application fee and some charge or require a bond be held by the retailer. Michigan is the only jurisdiction I have found that charges a substantial fee. I am waiting on a few additional sites, but am feeling comfortable that the info I have is supportive of the move to reduce the install charges in WV. I am also looking for info on non-customers but wanted to get you this to review while I continue my search.

AZ

An application fee of \$45.00 and an additional credit check fee of \$22 .

TX

An application fee is charged, no charge for install to retailers

TN

Upfront cost of \$95 application fee, \$15 wkly service fee to cover operational expenses
If no credit a bond fee is applied.

MO

License fee - \$75

Credit check fee - \$0

Bond fee - \$50

Communication fee \$20 per week (except Keno retailers which is \$0)

Install fee - \$0

Misc. Fees if any (please provide detail) \$0

WI

MI

Schedule of Fees

Licensing Fees

Application processing (non-refundable, due at time of application) \$150.00

Annual license renewal (probationary status retailers only) \$200.00

Investigation fee resulting in disciplinary action \$700.00

Telecommunications Fees

Initial Satellite installation/New Retailer \$550.00

Additional device installation \$100.00

VSAT exterior move (retailer requested) \$400.00

Interior terminal move (retailer requested) \$100.00

Additional Equipment Fees

Additional monitor above the two provided \$900.00

Additional ticket checker \$750.00

Other equipment may be charged on a cost pass-through basis

Other Fees

Delinquency (see Retailer Directive No. 2) \$200.00

Low Sales (weekly fee, see Terminal Minimum Performance Directive \$ 70.00

20.SLS.1.10.2

Pack Activation (two or more occurrences within 13 week period) \$ 25.00

The fees are based on costs the bureau incurs related to activities involving the licensing, investigation

and on-going monitoring of Retailers. These fees are subject to revision as costs incurred to the bureau

change. The annual licensing renewal fee will be waived for those Retailers who are not on probation

for violation of the Lottery Act or its rules at the time of renewal.

NC

Initial \$75 fee then a monthly service fee of \$15

NJ

Bond fee of \$100

Background check \$20

MN

\$100 dollar application fee

\$20 dollar a year renewal fee for that application.

RI

One time \$50 License Fee

NY

There is a fingerprinting fee of approximately \$112. There is a new schedule for Bonding fees dependent upon retailer volume and averages 1.1% of net sales.

There is no communication or installation fee and there are no other miscellaneous fees other than those listed above.

OR

Traditional Lottery

One Time Network Service Deposit of \$634 to start application process

Installation of dedicated electrical power for the online terminal

Non dedicated power for the Keno monitor

All electrical costs

Monthly telephone charges of \$73

Video Lottery

As for VIDEO fees, the VLT retailers pay the following at startup:

One Time Network Service Deposit of \$634

Department of Revenue Amusement Tax of \$135 per terminal, per year

All remodeling costs for supplying power and for ensuring the video area is "age controlled".

Monthly Telephone charges of \$211

NE

The only fee associated with becoming a retailer is being bonded, and the amount required (and consequently the cost of obtaining the bond) are unique to the retailer. The Lottery Accounting folks determine the amount.

From: Orcutt, Elizabeth

Sent: Thursday, July 20, 2017 10:27 AM

To: Cahill, Kasia <Katarzyna.Cahill@IGT.com>

Cc: Sullivan, Nathan (RI) <Nathan.Sullivan@IGT.com>

Subject: Lottery License Application Fees

Good Morning!

Do you happen to have a list of license application fees for each respective IGT Lottery jurisdiction in which we do business in the U.S. The WV Lottery is trying to reduce their license application fee from \$500 to \$250, but it requires a Legislative Rule change and they want to ensure they are charging a fee in other U.S. Lotteries.

Any information you can provide me on short order would be extremely helpful as they need this information by EOB today! If you don't know and/or have this information, I will simply let the

customer know.

Thank you,
Nikki

Elizabeth (Nikki) Orcutt
Account Development Manager
West Virginia



1700 MacCorkle Ave., SE
Charleston, WV 25314
Phone: +1 304.206.3190
Mobile: +1 304.552.3079
Fax: +1 681.265.9143
E-mail: Elizabeth.Orcutt@IGT.com

CONFIDENTIALITY NOTICE: This message is the property of International Game Technology PLC and/or its subsidiaries and may contain proprietary, confidential or trade secret information. This message is intended solely for the use of the addressee. If you are not the intended recipient and have received this message in error, please delete this message from your system. Any unauthorized reading, distribution, copying, or other use of this message or its attachments is strictly prohibited.