

7.7.1. Sales Locations For Break Open Tickets

Tickets may be sold at the locations and under the circumstances listed below.

7.7.1 (A) Licensees selling from their own premises

A licensee that provides goods or services to itself and sells tickets at its own premises is not required to be registered under the [Gaming Control Act, 1992](#). A licensee may sell tickets from its own premises without registration provided that it:

- orders and stores its own tickets;
- leases an entire facility at a flat rate or owns its own premises; and
- sells the tickets itself using its own bona fide members or staff. (The staff members' primary responsibility cannot be providing gaming services.)

The landlord of the premises does not have to be registered, provided that the landlord does not participate in the conduct and management of the break open ticket event, and does not receive any payment (rent or otherwise) based on a percentage of tickets sold.

A licensee selling from its own premises may choose to pay itself rent for the portion of the premises used for the sale of its break open tickets. In order to create an audit trail for these rental payments, the licensee must issue itself an invoice, and pay itself with a cheque issued from the lottery trust account. The revenue from these rental payments may be deposited to its general account. A licensee's expenses related to the sale of break open tickets must not exceed the maximum amount established by the Registrar.

7.7.1 (B) Registered Seller locations

If an eligible organization proposes to sell break open tickets at a location other than a bingo hall or a premises it owns or leases for its own charitable activities, the location must be registered as a Seller under the *Gaming Control Act, 1992*. The Seller's registration number must be included with the licence application.

In order to sell break open tickets at a registered Seller location, the licensee must enter into a contract with the Seller. This contract must contain a termination clause allowing either party to terminate the contract upon at least 90 days written notice prior to licence expiry, to be effective upon licence expiry. The termination clause must also provide for immediate cancellation of the contract should the organization's licence or the Seller's registration be suspended or revoked. In the event that a licence is suspended or revoked, the Seller may enter into a contract with another licensee.

The licensee may pay the Seller the allowable commission for the sale of break open tickets. The licensee may choose to request its net proceeds (gross proceeds minus sales commissions) when the break open tickets are delivered to the Seller. Alternatively, the licensee may choose to allow the Seller to pay the net proceeds for all break open tickets within 30 days after they have been delivered for sale.

If a licensee cancels a contract with a Seller and the Seller does not sell all the deals but has paid the full net proceeds, the licensee must refund to the Seller the full amount of the net proceeds for the unsold deals.

For purposes of reconciliation, the Seller is responsible for the security of the break open tickets once the seal on the deal package is broken. The Seller must return all the unsold deals and partial deals to the licensee, to allow the licensee to do a full reconciliation.

7.7.1 (C) Special occasions

A municipality may issue break open ticket licences allowing eligible organizations to sell break open tickets at special community events of limited duration, such as community festivals, regardless of whether or not they have licences to sell tickets at break open ticket Seller locations, provided that:

- the applicant has obtained the written approval of the board of the event, signed by an authorized board member;
- only one licence for a special occasion is issued per organization, per year;
- only one organization is licensed during the community festival regardless of the size of the event; and
- the licence is not issued for more than five (5) consecutive days.

An eligible organization with a current break open ticket licence may apply to be licensed to sell tickets at a community festival in one of two ways:

1. The organization may apply to the municipality to have its licence amended to allow it to stop selling tickets at its current location during the community event and to sell tickets at the community event instead. The licensee may resume selling tickets at its regular location on the date specified in the licence amendment.
2. The organization may maintain its current licence and apply for a special occasion licence to sell break open tickets at the community event.

If a registered Seller location or a licensee-owned (or leased) premises is already selling break open tickets on the community event grounds, they may continue their ticket sales during the event.

Break open ticket sale locations at festivals and other community events do not have to be registered as Seller locations under the [Gaming Control Act, 1992](#) unless the location is providing other services that would require registration under the Act.

7.7.1 (D) Designated fair or exhibition locations

The Registrar may issue break open ticket licences allowing eligible organizations to sell tickets at designated fairs or exhibitions, regardless of whether or not they have licences to sell break open tickets at Seller locations, provided that:

- the applicant has obtained the written approval of the board of the fair or exhibition, signed by an authorized board member;
- only one organization is licensed for the fair or exhibition regardless of the size of the event; and
- each licence is issued only for the duration of the event, and cannot be extended.

Break open ticket sale locations at designated fairs or exhibitions do not have to be registered as Sellers under the [Gaming Control Act, 1992](#) unless the location is providing other services requiring registration under the Act.

If a registered Seller location or a licensee-owned (or leased) premises is already selling break open tickets on the designated fair or exhibition grounds, they may continue their ticket sales during the event.