

STATE OF NORTH DAKOTA
STATE GAMING COMMISSION

NORTH DAKOTA
GAMES OF CHANCE
ADMINISTRATIVE RULES

Article 99-01.3 of the
North Dakota Administrative Code

Effective July 1, 2012

TITLE 99

STATE GAMING COMMISSION

Article
99-01.3 Games of Chance

ARTICLE 99-01.3
GAMES OF CHANCE

Chapter
99-01.3-01 Organization Licenses and Permits
99-01.3-02 General Rules
99-01.3-03 Accounting Rules
99-01.3-04 Bingo
99-01.3-04.1 Quick Shot Bingo Card Marking Devices
99-01.3-05 Raffles
99-01.3-06 Pull Tabs, Club Special, Tip Board, Seal Board, Prize Board,
and Punchboard
99-01.3-07 Sports Pools
99-01.3-08 Twenty-one
99-01.3-09 Poker
99-01.3-10 Calcuttas
99-01.3-11 Paddlewheels
99-01.3-12 Pull Tab Dispensing Devices
99-01.3-12.1 Prize Board Dispensing Devices
99-01.3-13 Bingo Card Dispensing Devices [Repealed]
99-01.3-14 Eligible Uses
99-01.3-15 Distributors
99-01.3-16 Manufacturers of Pull Tabs, Paper Bingo Cards, Pull Tab
Dispensing Devices, Bingo Card Marking Devices, ~~and~~
Card Shuffling Devices, and Quick Shot Bingo Card
Marking Devices

CHAPTER 99-01.3-01
ORGANIZATION LICENSES AND PERMITS

Section
99-01.3-01-01 Ineligible Organizations
99-01.3-01-02 Site Authorization
99-01.3-01-03 License
99-01.3-01-04 Reporting a Change in Information
99-01.3-01-05 Permits

99-01.3-01-01. Ineligible organizations. An organization or a closely related organization may be ineligible for a license or permit if either organization has failed to resolve an imbalance involving its gaming or trust account according to section 99-01.3-03-05, has deals or games with state gaming stamps that are not accounted for, is delinquent in paying any tax, interest, penalty, or monetary fine due, has failed to comply with the terms and conditions of an administrative order, or was convicted of violating this article or North Dakota Century Code chapter 12.1-28 or 53-06.1. An auxiliary that is not a closely related organization is eligible for a permit. An organization that is licensed or issued a permit must either have its principal executive office in North Dakota or be a foreign corporation authorized to

conduct a raffle under chapter 20.1-04 or 20.1-08. A county, city, state, political subdivision, or federal entity is not eligible for a license or permit. A nonprofit social, hobby, trade, business, professional, similar club or association, or organization whose primary purpose mainly provides a direct benefit to its officers, is not a public-spirited organization eligible for a license.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; July 1, 2012.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01, 53-06.1-01.1

99-01.3-01-02. Site authorization.

1. An eligible organization shall obtain an approved site authorization for a site within a city or county from the governing body of the appropriate jurisdiction. The attorney general shall have final approval of a site authorization. A separate site authorization is required for each site. A site authorization may be issued for a location on public or private property and may be restricted or conditional including types of games, days of the week, and designation where games will be conducted. An organization shall comply with a restriction of a site authorization unless an amended site authorization is approved. A site authorization must describe the gaming area designated by an organization that restricts where games may be conducted and played. No restroom may be part of the gaming area. A governing body may revoke or suspend a site authorization based on good cause.
2. A governing body may issue a site authorization to two or more organizations to conduct games at the same site if the site authorizations restrict the organizations to different days of the week. However, more than one organization may be issued a site authorization for a fairground or similar open space of land.
3. For an initial application for a site authorization for an organization that desires to be recognized as an eligible organization, a governing body of a city or county may determine whether the organization qualifies by examining documents outlined in subsection 1 of section 99-01.3-01-03.
4. An organization may temporarily use more twenty-one tables at a site than a site authorization allows for up to fourteen days per special event provided that the event is recognized by a local governing body, no more than two events are held per quarter, written approval is granted by a local governing body, and the monthly rent amount does not increase. A special event is an infrequent, significant, and identifiable activity in the community. The site authorization does not need to be amended, regardless of where the tables are placed.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; October 1, 2006.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-03

99-01.3-01-03. License.

1. An organization may not conduct games at a site unless the attorney general first approves a site authorization and license for that city or county. A separate license is required for each city or county. For an initial application for a license for an organization that desires to be recognized as an eligible organization, the attorney general shall determine whether the organization qualifies by examining a copy of an organization's articles of incorporation, charter, bylaws, board of directors' minutes for the previous two years, or any other documents or records considered necessary to determine its primary purpose and date of origin. If the attorney general determines that an organization's actual primary purpose does not qualify it as an eligible organization, the attorney general shall deny the application.
2. A license is effective for one year beginning July first and ending June thirtieth and may be issued at any time during the fiscal year. However, the annual license fee is not prorated. If an organization plans to conduct a raffle on or after July first, a license

cannot be issued before January first. If an organization received a charity local permit during the fiscal year, it may not receive a state license.

3. When an organization first applies for a license to conduct ~~a game~~ games of chance, the license may not be issued to the organization until after its gaming manager satisfactorily demonstrates to the attorney general that the organization is capable of properly managing and controlling the ~~game~~ games that it intends to conduct.
4. If an organization only conducts a raffle or calcutta in two or more cities or counties, the organization may apply for a consolidated license prescribed by the attorney general and remit a one hundred fifty dollar license fee for each city or county in which a site is located.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; July 1, 2012.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-03

99-01.3-01-04. Reporting a change in information. If information on a site authorization or license application becomes inaccurate or outdated in a material way, including a change in an organization's primary purpose, the organization shall provide the attorney general, in writing, items of change within fourteen days following the change.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-01-05. Permits.

1. A permit is issued by a city or county governing body and may be for a site located on public or private property. It may be restricted, including types of games, days of the week, and designation of an area at a site where games will be conducted. A governing body may revoke or suspend a permit based on good cause.
2. A permit is required for each site at which games have been authorized. The primary prize under a permit may not exceed six thousand dollars and total prizes of all games may not exceed twelve thousand dollars per year. However, the total cash prizes for raffles may not exceed four thousand dollars per day and no single cash prize can exceed four thousand dollars. A donated merchandise prize is valued at its retail price.
3. When a governing body issues a permit, it shall assign a permit number, specify the day or period for which it is effective, and send a copy to the attorney general within fourteen days from when it was issued. An organization that has a license may not at the same time have a permit.
4. An organization may receive one or more local permits to conduct a raffle, bingo, or sports pool from a city or county governing body during a year and may be issued two or more local permits at the same time. For a calendar raffle, a local permit may be issued for a calendar year. If an organization plans to conduct a raffle, a permit may not be issued more than six months prior to the first raffle drawing date unless authorized by the attorney general.
5. An organization may receive one charity local permit to conduct a raffle, bingo, sports pool, paddlewheels, twenty-one, or poker from a city or county governing board during a year. If the organization has received a local permit or license during the fiscal year, it may not receive a charity local permit. If the organization received a charity local permit during the fiscal year, it may not receive a local permit. For a charity local permit an organization shall within thirty days of the event file a report on a prescribed form with the attorney general and governing body.
6. For bingo, an organization shall comply with sections 99-01.3-04-01 and 99-01.3-04-02 and the applicable subsections of section 99-01.3-04-03. For a raffle, an organization shall comply with sections 99-01.3-05-01 through 99-01.3-05-05. For a sports pool, an organization shall comply with section 99-01.3-07-01. For twenty-one, an organization

shall comply with sections 99-01.3-08-01, 99-01.3-08-02, 99-01.3-08-08, 99-01.3-08-09, 99-01.3-08-10, 99-01.3-08-11, and 99-01.3-08-12. For poker, an organization shall comply with section 99-01.3-09-01. For paddlewheels, an organization shall comply with subsection 2 of section 99-01.3-11-01.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-03, 53-06.1-06

CHAPTER 99-01.3-02
GENERAL RULES

Section	
99-01.3-02-01	Definitions
99-01.3-02-02	Record Check
99-01.3-02-03	Restrictions and Requirements
99-01.3-02-04	Equipment Acquisitions and Use
99-01.3-02-05	Lessor and Organization - Restrictions
99-01.3-02-06	Rental Agreement
99-01.3-02-07	Gaming Manager, Shift Manager, and Reporting Violations
99-01.3-02-08	Currency of Play, Credit Play, and Borrowing From Gaming Funds
99-01.3-02-09	Persons Restricted From Playing Games
99-01.3-02-10	Training and Acknowledgment of the Gaming Law and Rules
99-01.3-02-11	Independent Contractor Services Restricted
99-01.3-02-12	Audit and Inspection of Facilities and Records [Repealed]
99-01.3-02-13	Denial, Suspension, or Revocation of a License

99-01.3-02-01. Definitions. As used in this article:

1. "Attorney general" includes an agent of the attorney general.
2. "Bar" means retail alcoholic beverage establishment.
3. "Bar employee" is a person, employed by a bar that is not operated by an organization, who redeems winning pull tabs or prize boards, or both, involving a dispensing device or who sells raffle tickets or sports pool chances on a board for an organization.
4. "Cash on hand" means coin, currency, and checks, plus an IOU due from another source of cash or nongaming funds, less an IOU owed to another source of cash or nongaming funds.
5. "Cash prize" means coin, currency, marketable security, and a similar item that can be readily redeemed or converted into legal tender. Cash prize does not include precious metal bullion, a coin of precious metal or antique coin that has a market value greater than its face value, or a merchandise gift certificate. The value of a marketable security is its cost.
6. "Cash profit" means:
 - a. For bingo and quick shot bingo card marking devices, total ending cash on hand, which includes unredeemed credits for quick shot bingo card marking devices, less starting cash on hand and prizes paid by check, for a bingo session.
 - b. For a raffle, total receipts less prizes paid by cash and check.
 - c. For a commingled game of pull tabs, total ending cash on hand, less starting cash on hand and cash prizes paid by check, for a day's activity.
 - d. For a commingled game of pull tabs involving a dispensing device, total currency withdrawn from a dispensing device, less credit paid on a credit redemption register, cash long or short from an employee bank, and prizes paid, for an interim period.
 - e. For a club special, tip board, seal board, and punchboard, the total daily difference between ending cash on hand and starting cash on hand and less prizes paid by check, for the game.
 - f. For a prize board, the total daily difference between ending cash on hand and starting cash on hand, less prizes paid by check and cost of coins, for the game.
 - g. For a prize board involving a dispensing device, total currency withdrawn from a dispensing device, less total cash prizes paid, prizes paid by check, cost of coins,

- credit paid on a credit redemption register, and cash long or short from an employee bank, for the game.
- h. For a sports pool, the total daily difference between ending cash on hand and starting cash on hand, less prizes paid by check.
 - i. For twenty-one, and paddlewheels described by subsection 2 of section 99-01.3-11-01, total ending cash on hand, plus drop box cash, less total starting cash on hand, for a day's activity.
 - j. For poker, total ending cash on hand, less starting cash on hand, less prizes paid by check, for a day's activity.
 - k. For calcuttas, total ending cash on hand, less starting cash on hand, prizes paid by check, and refunds to players, for the event.
 - l. For paddlewheels described by subsection 1 of section 99-01.3-11-01, total ending cash on hand, less starting cash on hand and prizes paid by check, for a paddlewheel ticket card.
7. "Conduct of games" means the direct operation of a game on a site, including placing pull tabs in or withdrawing currency from a dispensing device. This term excludes a bar employee who redeems a winning pull tab or removes the seal on a prize board involving a dispensing device or who sells a raffle ticket or a sports pool chance on a board.
 8. "Deal" in pull tabs means each individual game or series of pull tab packages which makes up a game with a specific form number and a unique serial number.
 9. "Employee" includes a person employed by an organization, an employee of a temporary employment agency who provides gaming-related services to an organization, and a volunteer of an organization.
 10. "Flare" refers to a flare or master flare as follows:
 - a. Flare. A flare is a display with the state gaming stamp affixed which describes a punchboard, sports-pool board, calcutta board, deal of pull tabs, club special, tip board, prize board, and seal board. The flare for a punchboard is its face sheet. A flare for a sports-pool board, calcutta board, prize board, club special, tip board, and seal board is the game board.
 - b. Master flare. A master flare for a game of pull tabs is the same as a "flare" but it does not have a state gaming stamp affixed. A master flare for paddlewheels is described by subsection 1 of section 99-01.3-11-02.
 11. "Gaming equipment" means a game piece or device specifically designed for use in conducting games, including integral components of a dispensing device such as a currency validator, processing board, EPROM microchip or other data storage device, attached bar code credit devices, and card shuffling devices. The term excludes fill and credit slips, promotional paper bingo cards, bingo daubers, video surveillance equipment, and weight scales.
 12. "Inside information" is any information about the status of a game when that game is conducted that may give a person an advantage over another person who does not have that information, regardless if the person uses or does not use the information, when providing that information is prohibited by the gaming law or rules. It includes information provided through written, verbal, or nonverbal communications that implies or expresses the number of unsold chances; relationship of a game's cash on hand to its ideal adjusted gross proceeds; number of unredeemed top tier or minor winning game pieces that is not posted, value of a hole card in twenty-one, number under the tape of a sports-pool board, or number under a seal.
 13. "Organization" in reference to a permit includes a "group of people" working together for a public-spirited cause.

14. "Primary game" is the principal game conducted on a site. Determining factors include frequency of conduct, square footage used, duration of time conducted, and volume of activity.
15. "Retail price" means the purchase price paid by an organization, excluding sales tax.
16. "Volunteer" means a person who conducts games for no compensation. A volunteer may receive a gift not exceeding a total retail value of thirty dollars for a consecutive twenty-four-hour period, cash tips, and reimbursement for documented business expenses. No gift may be cash or convertible into cash. See definition of employee.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; July 1, 2012.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-06

99-01.3-02-02. Record check.

1. An organization or distributor may not employ a person as a temporary or permanent "employee" until the organization or distributor has initiated a record check on the person, the person has independently requested a record check from the bureau of criminal investigation within one year before employment, or a person is not required to have a record check according to subsection 4. However, an organization or distributor may temporarily employ a person pending the results of a record check.
2. An organization or distributor shall initiate a record check of a person by submitting a "request for record check" form to the attorney general within ten calendar days of the first day of employment. If special circumstances exist, including an applicant residing out of state, the organization must follow procedures prescribed by the attorney general. An organization or distributor may only request a record check of a person who has a written promise of employment or who is temporarily employed pending the result of the record check. A person shall attest to the accuracy of the information on the form and authorize the attorney general to release information on any criminal record found, including a copy of the bureau of criminal investigation's criminal history record information, to an organization or distributor which requested the record check.
3. For the purpose of this section, the definition of an "employee" is:
 - a. A person who directly operates games on a site;
 - b. A person who is a shift or gaming manager;
 - c. A person who is employed by a bar that is not operated by an organization, and who is authorized by an organization under subsection 4 of section 99-01.3-12-02 to withdraw currency or a drop box from a pull tab dispensing device;
 - d. A person who places a deal of pull tabs in a dispensing device, removes currency from the device, or reimburses a bar for redeemed pull tabs;
 - e. A person who is a member of a drop box cash count team; or
 - f. A person who directly sells or distributes gaming equipment for a distributor.
4. These employees of an organization are not required to have a record check:
 - a. A volunteer, except a gaming manager or person who is a member of a drop box cash count team;
 - b. An employee who is sixteen or seventeen years of age;
 - c. An employee who has an expired work permit and who continues to be employed by the same organization or distributor that the person was employed by when the work permit expired;
 - d. An employee who has had a record check done and, within one year of the record check, has become reemployed by the same organization or employed by a different organization, distributor, or bar than the person was employed by when the record check was done, and who provides the notification copy of a "request for record check" form and, if applicable, a copy of the bureau of criminal

- investigation's criminal history record information, to the new employing organization, distributor, or bar; or
- e. An employee, other than a gaming manager, who only conducts a calcutta, raffle, poker, or sports pool or is employed by an organization that conducts games on no more than fourteen days during a calendar year.
 5. The attorney general may require fingerprints of a person. A local law enforcement agency may charge a fee for taking fingerprint impressions.
 6. The fee for a record check is fifteen dollars and is not refundable. However, if a federal agency or local law enforcement agency has done a record check, the attorney general may waive the fee. The fee must be remitted by an organization, distributor, or person with the request form.
 7. The attorney general shall do the record check and provide a copy of the "request for record check" form to an organization or distributor which requested the record check and the person on whom the record check was done unless a federal or local law enforcement agency conducts a record check. This copy must indicate whether a criminal record was found or not found. If a criminal record is found, the attorney general shall also provide an organization or distributor and person with a copy of the bureau of criminal investigation's criminal history record information. An organization or distributor shall review this report to determine whether a person is eligible for employment as an employee according to subdivision a or b of subsection 5 of North Dakota Century Code section 53-06.1-06.
 8. If a person is not eligible for employment but has been temporarily employed pending the results of a record check, an organization or distributor, within five days of receiving the copy of the record check, shall terminate the person's employment. This period cannot be extended.
 9. An organization or distributor shall retain the copy of a "request for record check" form and criminal history record information from the federal or local law enforcement licensing document for the time period prescribed by federal law.
 10. If a person, while employed by an organization or distributor, pleads guilty to or has been found guilty of a felony or misdemeanor offense referenced by subdivisions a and b of subsection 5 of North Dakota Century Code section 53-06.1-06, the person must immediately notify the organization or distributor. Upon notification, an organization or distributor, within five days, shall terminate the person's employment unless the person received a deferred imposition of sentence or deferred prosecution and has fully complied with the terms of the deferral.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-06

99-01.3-02-03. Restrictions and requirements.

1. An employee shall wear an identification tag while working in the gaming area of a site. The tag must display a person's name, which may be the employee's middle name or a shortened form of a proper name, and first initial of the last name or the person's identification number, and organization's name. The tag must be worn on the upper one-third of a person's body. An organization shall provide an identification tag to a gaming employee and is responsible for ensuring that the tag is properly displayed.
2. An organization shall have the gaming law; chapter 99-01.3-02, general rules; chapter 99-01.3-03, accounting rules; and the rules chapter of each game type conducted at a site available in the gaming area for review by any person.
3. An organization shall have a policy manual on its conduct and play of games in the gaming area at a site available for review by any person. The manual must include

- policies for resolving a question, dispute, or violation of the gaming law or rules. The manual cannot include internal controls.
4. An organization's top official shall provide to the governing board in writing, or by electronic publication method, each quarter information on an organization's adjusted gross proceeds; cash profit; cash long or short; net proceeds; excess expenses; reimbursement of excess expenses; and, for a fraternal, veterans, or civic and service organization, a list of eligible uses. If an administrative complaint is issued to an organization, the top official shall disclose the allegation, in writing, to the board within seven days from the date the complaint was received. If an allegation is substantiated, the top official shall disclose to the board, in writing, the allegation and sanction imposed within ninety days of the final disposition of the complaint. The organization shall disclose to the membership how they may obtain information on the quarterly gaming activity and any information regarding the final disposition of a complaint. This information and how it was provided to the governing board and membership must be included in an organization's records.
 5. A person may not modify a state gaming stamp or flare, including a last sale prize. An organization may not, independent of a distributor, add or delete a last sale prize.
 6. A person under the age of twenty-one may not conduct or play games, except bingo and raffles, and, at an alcoholic beverage establishment, may not be a member of a drop box cash count team. An employee under the age of eighteen may not count drop box cash. A person under the age of sixteen may not conduct bingo.
 7. An employee or a bar employee may not use inside information or provide inside information to any person.
 8. The attorney general may waive a rule when it is for the best interest of the gaming industry and public.
 9. If an organization does not plan to reapply for a license for the next licensing period or relinquishes a license, it shall return its unplayed games, with state gaming stamps, to the attorney general or distributor. An organization may not destroy an unplayed or unreported game without permission of the attorney general.
 10. When an organization disposes played deals of pull tabs, club specials, prize boards, tip boards, seal boards, and punchboards, the disposal method must assure complete destruction.
 11. If an organization is forced to dispose accounting records or game pieces damaged in a natural or extraordinary disaster, it shall document each item disposed and provide a copy of the documentation to the attorney general within fourteen days before the disposal.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-02-04. Equipment acquisitions and use.

1. An organization shall procure gaming equipment only from a licensed distributor. However, an organization may:
 - a. Buy raffle tickets with a detachable stub from a printer or buy double roll tickets from any vendor;
 - b. Buy, lease, or sell a used pull tab dispensing device from or to a distributor or another organization provided that a distributor records the transaction on a sales invoice;
 - c. Buy, sell, rent, lend, exchange, or give its own used playing cards, jar bar, twenty-one or poker table, bingo hard cards, bingo machine, flashboard, dealing shoe, discard holder, poker chips, chip tray, paddlewheel, or paddlewheel table

from or to any organization. An organization may not sell or otherwise provide any of these particular items or any other item of gaming equipment, except playing cards, to any other person unless approval is obtained from the attorney general; or

- d. Buy a twenty-one or paddlewheel table which has been designed and constructed by a carpenter provided that the table playing surface, chip tray, drop box, and any related gaming equipment is purchased from a distributor.
2. An organization may not use or knowingly permit its gaming equipment to be used for an illegal purpose.
3. An organization or an employee may not conduct or possess a deal of pull tabs, club special, tip board, seal board, prize board, punchboard, sports-pool board, calcutta board, or series of paddlewheel ticket cards unless its flare has a gaming stamp.
4. If an organization or distributor suspects that a deal of pull tabs, club special, tip board, prize board, or punchboard may be defective, the organization or distributor shall comply with guidelines prescribed by the attorney general.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; October 1, 2006; July 1, 2010.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-06, 53-06.1-14

99-01.3-02-05. Lessor and organization - Restrictions.

1. A lessor's employee who is not the lessor's spouse, lessor's common household member, management, management's spouse, or lessor's employee or agent who approved the lease may conduct games at that site, including accessing a dispensing device, as an organization employee:
 - a. On a day when the employee is not working for the bar; or
 - b. On a day when the employee is working for the bar but is working in an area of the bar where alcoholic beverages are not dispensed or consumed.
2. No game may be directly operated as part of a lessor's business. However, a lessor may donate a gift certificate or cash or merchandise prize to an organization.
3. A lessor, lessor's spouse, lessor's common household member, management, management's spouse, officer, board of directors member, or lessor's employee or agent who approved the lease, may not:
 - a. Loan money or provide gaming equipment to an organization;
 - b. Interfere with or attempt to influence an organization's selection of games, determination of prizes, including a bingo jackpot prize, or disbursement of net proceeds. However, a lessor may recommend an eligible use. If the lessor violates this rule, the attorney general may suspend any or all games at the site for up to six months;
 - c. Conduct games at any of the organization's sites and, except for officers and board of directors members who did not approve the lease, may not play any game at the lessor's site;
 - d. Require an organization's employee to assist, for or without compensation, in a lessor's business at the site. However, an organization's employee may voluntarily order drinks for customers; or
 - e. Count drop box cash.
4. A lessor who is an officer or board member of an organization may not participate in the organization's decisionmaking that is a conflict of interest with gaming.
5. Only an organization or its employee that has received approval from the attorney general or follows guidelines prescribed by the attorney general, may buy a gift certificate or merchandise as a gaming prize from a lessor, or buy merchandise, food, or alcoholic or nonalcoholic drinks from the lessor for the lessor's employees or patrons. An

organization's employee may patronize a lessor in the normal course of a lessor's business.

6. An organization, employee, or bar may not give a free or discounted game piece, chip, or play of a game except for discounts allowed for bingo and raffle activity, or free or discounted alcoholic drink to a person to play a game. A lessor may at its own expense advertise gaming on promotional drink tickets.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; July 1, 2010.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-06

99-01.3-02-06. Rental agreement.

1. A rental agreement must be signed and dated by a lessor and organization.
2. An agreement must contain:
 - a. Term of the agreement which must be on a fiscal year basis from July first to June thirtieth or, if a site authorization is for a shorter period, the term is for the shorter period. Except for a site where bingo is the primary game, an agreement may not exceed three years;
 - b. Monetary consideration;
 - c. The inclusion of this statement with proper selections made:
"The lessor agrees that the (lessor), (lessor's) spouse, (lessor's) common household members, (management), (management's) spouse, or an employee of the lessor who is in a position to approve or deny a lease may not conduct games at any of the organization's sites and, except for officers and board of directors members who did not approve the lease, may not play games at that site. However, a bar employee may redeem a winning pull tab, pay a prize board cash prize, and award a prize board merchandise prize involving a dispensing device and sell raffle tickets or sports pool chances on a board on behalf of an organization";
 - d. If an organization provides a lessor with a temporary loan of funds for redeeming winning pull tabs or for paying prize board cash prizes involving a dispensing device, a statement that the lessor agrees to repay the entire loan immediately when the organization discontinues using a device at the site; and
 - e. Statements that:
 - (1) Bingo is or is not the primary game conducted;
 - (2) Twenty-one or paddlewheels, or both (involving a playing table), is or is not conducted and the number of tables on which the rent is based, including the number of tables on which a wager over five dollars is accepted;
 - (3) Pull tabs is or is not conducted;
 - (4) The rental agreement is automatically terminated, at a lessor's option, if an organization's license is suspended for more than fourteen days or revoked; and
 - (5) An oncall, temporary or permanent employee, except a bar employee defined by subsection 3 of section 99-01.3-02-01 will not, directly or indirectly, conduct games at the site as an organization employee on the same day the employee is working in the area of the bar where alcoholic beverages are dispensed or consumed.
3. Rent must be a fixed dollar amount per month.
 - a. A participatory or graduated rate arrangement based on gross proceeds or adjusted gross proceeds is prohibited.
 - b. If bingo is the primary game or if a site is leased by an organization that has the alcoholic beverage license for that site, the monthly rent must be reasonable.

Factors include time usage, floor space, local prevailing rates, and available sites and services. An organization may pay seasonal expenses, such as snow removal, air-conditioning, and heating, to a vendor.

- c. If bingo is not the primary game, the maximum monthly rent must be according to subsection 5 of North Dakota Century Code section 53-06.1-11. Special considerations are:
 - (1) If two or more organizations conduct twenty-one or paddlewheels, or both, involving a table and pull tabs for less than a month at a temporary site which is a public or private premise, or if two or more organizations are issued site authorizations to conduct games at a site on different days of the week, the maximum monthly rent, in the aggregate, may not exceed the limit set by subsection 5 of North Dakota Century Code section 53-06.1-11; and
 - (2) If a raffle, calcutta, sports pool, or poker is conducted with twenty-one, paddlewheels, or pull tabs, no additional rent is allowed.
 - d. Except for applying subsection 3 or 4 of section 99-01.3-03-04, and additional rent paid to a lessor for simulcast racing, an organization or employee may not pay any additional rent or expense, from any source, or for any other purpose, including office or storage space, snow removal, maintenance or cleaning fees, equipment, furnishings, entertainment, or utilities. Except for a leased site at which bingo is the primary game conducted, an organization may not pay for any capital or leasehold improvements or remodeling.
4. If there is a change in the monthly rent or any other material change to a rental agreement, the agreement must be amended and a copy received by the attorney general before its effective date.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-06, 53-06.1-07.4

99-01.3-02-07. Gaming manager, shift manager, and reporting violations.

1. An organization shall designate one person as the gaming manager. A gaming manager may not be an employee of a temporary employment agency. A gaming manager is the person who is responsible and held accountable for managing and controlling the overall gaming operation. A person may be a gaming manager for two or more organizations. When the gaming manager changes, an organization shall notify the attorney general on a prescribed form within fourteen days of the change.
2. An organization shall designate an employee at a site as a shift manager for each shift of each day. A shift manager shall be on the site during that shift and may not be an employee of a temporary employment agency. A shift manager is a person who is responsible and held accountable for regularly managing games at a site and ensuring compliance with the gaming law and rules by an employee, lessor, and player.
3. An organization, distributor, or gaming or shift manager shall immediately report any material violation of the gaming law or rules and any gaming-related criminal activity to the gaming division of the office of attorney general and a local law enforcement agency.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-02-08. Currency of play, credit play, and borrowing from gaming funds.

1. Play of a game must be in United States currency. Play of a game must be on a cash basis. An organization may, by policy, accept checks and allow the use of debit cards. No credit may be extended to a player. The consideration to play a game must be paid before play. An employee may not loan money to a player, accept a postdated check,

allow a player to alter a check, permit a player to establish an account by depositing cash for making periodic withdrawals, or any similar practice. An organization may allow a player to buy back a check with cash and may return a player's check to the player as part of a prize payout but may not unnecessarily delay the bank deposit of that check.

2. An employee may not borrow gaming funds as a personal loan or substitute a personal check for gaming funds.

History: Effective May 1, 1998; amended effective July 1, 2000; October 1, 2006.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-02-09. Persons restricted from playing games.

1. An employee who is a shift or gaming manager may not play any game at any of the organization's sites. An employee who services a pull tab dispensing device may not play the device at that site.
2. An employee may not play any game while on duty, except a volunteer may participate in a raffle. For the game of bingo, if an organization's total gross proceeds for the previous fiscal year, for which tax returns were filed, was twenty-five thousand dollars or less, a volunteer who is not a bingo caller, shift manager, or gaming manager, may also play bingo while on duty.
3. An employee may not play pull tabs, including through a dispensing device, tip board, club special, prize board, or punchboard until after three hours of active play have occurred since the employee went off duty at that site. "Active" play means that a game has been available for play. A player may not provide and an employee may not accept an unopened pull tab as a tip.
4. An employee who is not a volunteer may play twenty-one while off duty at that site only on a table that has a video surveillance system.
5. A bar employee may not play ~~bingo~~ or pull tabs, which involve a dispensing device, while on duty. A bar employee may play pull tabs involving a device while off duty after three hours of active play have occurred since the bar employee went off duty at that site, unless otherwise prohibited by subdivision c of subsection 3 of section 99-01.3-02-05.
6. An employee or bar employee taking a temporary break is still considered on duty.
7. If an organization allows an employee to play games at its site, it shall disclose or make available to players the policy at that site.
8. A shift manager may not permit and an employee may not allow an employee's common household member, spouse, child, parent, brother, or sister, at a site, to:
 - a. Play pull tabs of a game while the employee is on duty as a jar operator for that game, regardless if the employee takes a temporary break or rotates to conduct another game. This rule does not apply to an employee who only places pull tabs in or withdraws currency from a dispensing device; or
 - b. Play twenty-one or paddlewheels at a table when the employee is dealing or is a wheel operator at that table.
9. An organization may prohibit a person from playing games at a site.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; July 1, 2010; July 1, 2012.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-02-10. Training and acknowledgment of the gaming law and rules.

1. A gaming manager and an employee who is principally responsible for auditing closed games, daily activity, or does bookkeeping and has no previous gaming-related experience in those capacities shall request training from the attorney general within thirty days of employment. The training must include the gaming law and rules, recordkeeping, internal control, and tax return.

2. An employee shall read and acknowledge in writing, within thirty days of employment and the effective date of new gaming laws or rules, that the person has read and understands the provisions that relate to the person's job duties. The attorney general shall designate the provisions to be read. An acknowledgment must be dated, reference the provisions, and be part of the person's personnel file.
3. This section does not apply to an organization that only conducts a raffle, calcutta, poker, paddlewheels described by subsection 1 of section 99-01.3-11-01, sports pool, or to an independent contractor.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-02-11. Independent contractor services restricted. Only an organization member, employee, including an employee of a temporary employment agency, or member of an auxiliary to an organization may manage, control, or conduct games. An organization may have an independent contractor, including another organization, provide specific gaming-related services. The organization shall ensure that the independent contractor complies with the gaming law and rules and may allow assistance with the following:

1. Perform audit services, including auditing closed games and daily activity, do interim audits of games, verify bank deposits, and reconcile inventory of gaming equipment and cash banks;
2. Perform accounting and bookkeeping services, including recording receipts and disbursements, processing payroll and payroll reports, reconcile bank statements, write checks, and prepare budgets, financial statements, and tax returns. However, an independent contractor may not have signatory authority of a bank account;
3. Train personnel how to conduct games and operate a dispensing device;
4. Repair and store a dispensing device;
5. Access, store, and review recorded video;
6. Store records and played games;
7. Take a locked bank bag or locked drop box to a financial institution provided the independent contractor has no access key;
8. An independent contractor that is a security company, security agency, accounting firm, or financial institution may count drop box cash; and
9. Provide consulting services to an organization for a poker occasion provided that the independent contractor does not manage, control, or conduct the game.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2004; October 1, 2006.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-06

99-01.3-02-12. Audit and inspection of facilities and records. Repealed effective July 1, 2000.

99-01.3-02-13. Denial, suspension, or revocation of a license.

1. The attorney general may deny, suspend, or revoke a license of an organization, distributor, or manufacturer when the applicant or licensee has:
 - a. Violated, failed, or refused to comply with any provision of the gaming law or rules or any other law of North Dakota or has knowingly allowed, caused, aided, abetted, or conspired with another person to cause the person to violate any provision of the gaming law or rules or any other law of North Dakota;
 - b. Falsified information on a license application or obtained a license by fraud, misrepresentation, concealment, or mistake;

- c. Denied the attorney general access to a site or manufacturing facility, or failed to timely provide information requested or required by the attorney general, gaming law, or rules;
 - d. Misrepresented, or failed to disclose, a material fact to the attorney general; or
 - e. Engaged in any act or practice to defraud or cheat a person, or has used a device or scheme to defraud a person.
2. Upon revocation of a license, an organization, distributor, or manufacturer shall return the license and, if applicable, site authorization to the attorney general.

History: Effective May 1, 1998; amended effective July 1, 2000.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-03, 53-06.1-14, 53-06.1-16

CHAPTER 99-01.3-03
ACCOUNTING RULES

Section	
99-01.3-03-01	Accounting Records and System of Internal Control
99-01.3-03-02	Gaming Account
99-01.3-03-03	Trust Account
99-01.3-03-04	Restrictions and Requirements
99-01.3-03-05	Reconciliation of Net Proceeds and Trust Account Carryovers
99-01.3-03-06	Gross Proceeds, IOUs, Documenting Cash and Chip Banks
99-01.3-03-07	Prize Register
99-01.3-03-08	Record of Win
99-01.3-03-09	Inventory Records of Games, Paper Bingo Cards, Tickets, Cash Banks, and Chips and Reconciliation
99-01.3-03-10	Bank Deposit and Audit
99-01.3-03-11	Audit [Repealed]
99-01.3-03-12	Tax Return

99-01.3-03-01. Accounting records and system of internal control.

1. An organization shall retain purchase invoices, receipts, accounting and bank records, including receipts documenting eligible uses and solicitations for net proceeds, for three years from the end of the quarter in which the activity was reported on a tax return, unless otherwise provided by rule.
2. A governing board of the organization shall establish a written system of internal control, comprised of accounting and administrative controls. An organization may not permit any unauthorized person as determined by the governing board from reviewing this system. If the attorney general determines that a system of internal control is inadequate, an organization shall address the inadequacy. This subsection does not apply to an organization that has gross proceeds of twenty-five thousand dollars or less, only conducts a calcutta, raffle, sports pool, paddlewheel described by subsection 1 of section 99-01.3-11-01, or poker, or is involved only in conducting no more than two events during a fiscal year of July first through June thirtieth and each event lasts no more than fourteen calendar days.
3. Accounting controls must include procedures and records that achieve these objectives:
 - a. Transactions are executed as authorized by management;
 - b. Gaming activity is properly recorded;
 - c. Access to cash, games, and other assets is permitted as authorized by management; and
 - d. Assets recorded on records are periodically compared to actual assets and any differences are resolved.
4. Administrative controls must describe the interrelationship of employee functions and their division of responsibilities.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-03-02. Gaming account.

1. An organization shall maintain all gaming accounts at financial institutions located in North Dakota. These accounts must be used for depositing gaming funds and transferring net proceeds to a trust account, except as provided by subsection 3. Transfers must be made by the last day of the quarter following the quarter in which the net proceeds were earned. The amount transferred must be for an amount equal to or

greater than the adjusted gross proceeds, less gaming and ~~excise~~ taxes, and less the greater of actual or allowable gaming expenses for the quarter. The gaming account may be used for payment of expenses. An organization may transfer funds to its general account for payment of expenses. If an organization is not required to maintain a trust account, a disbursement of net proceeds to an eligible use must be payable to the ultimate use or recipient. A payment may be made by electronic transfer.

2. Interest earned is other income. A service fee is an expense.
3. Organizations shall reimburse the gaming account as required by section 99-01.3-03-05 and may deposit raffle nongaming funds, bingo dauber receipts, fees from players who use bingo card marking devices, and prizes paid by an insurance company to an organization for payment to a player. Any additional deposit of nongaming funds into a gaming account ~~must be approved by~~ should be communicated to the attorney general.
4. ~~If an organization buys a qualifying item of video surveillance equipment according to subsection 2 of section 99-01.3-08-04 and later sells or rents the item, it shall make a record of the transaction, deposit the gross receipts or rental income directly into its gaming account, and make a proper adjustment on the tax return.~~

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; July 1, 2012.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-11

99-01.3-03-03. Trust account.

1. An organization shall maintain all trust accounts at financial institutions located in North Dakota. If an organization only conducts a calcutta, raffle, sports pool, paddlewheel described by subsection 1 of section 99-01.3-11-01, or poker or a combination of these games, or is involved in conducting no more than two events during a fiscal year and each event lasts no more than fourteen calendar days, an organization is not required to maintain a separate trust account and may use the gaming account for the disbursement of eligible uses. Trust accounts are used only to disburse net proceeds to eligible uses and must receive only funds from a gaming account, except to reimburse the account as required by section 99-01.3-03-05 and as provided by subsection 13 of section 99-01.3-14-01. A transfer of net proceeds to another trust account or to a closely related organization is not a disbursement of net proceeds. Net proceeds cannot be pledged as collateral for any loan.
2. An organization shall disburse net proceeds within a reasonable time period.
3. An organization may not transfer funds from a trust account to any other bank account, except for transferring funds to another trust account or to reimburse its general account for compensation that qualifies as an eligible use. A reimbursement must be documented by a supporting schedule. A disbursement must be payable directly to the ultimate use or recipient. However, an organization may make a payment directly to a credit card company for charges on a credit card provided that an organization can identify purchases that qualify as an eligible use from other purchases. A payment may be made by electronic transfer.
4. If an organization invests net proceeds in a certificate of deposit, bond, stock, mutual fund, or other marketable securities, all income earned, including interest, dividends, and capital gains, must be reported each quarter as an adjustment on a tax return and be disbursed to an eligible use. An actual loss on an investment may not be deducted on a tax return. A service fee is an adjustment to the account's balance.
5. For reporting purposes, an organization may elect to report the gain in market value of the accounts outlined in subsection 4. Adjustments can be made for decreases in market value; however, such decreases cannot reduce the account's value below its adjusted

basis. Electing to report securities at market value must be consistently applied each quarter.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-06

99-01.3-03-04. Restrictions and requirements.

1. An organization is allowed an expense limit according to subsection 2 of North Dakota Century Code section 53-06.1-11 ~~and an additional expense for qualifying items of security and video surveillance equipment prescribed by subsection 2 of section 99-01.3-08-04.~~ The allowable expense amount may be used for any purpose that does not violate the gaming law or rules.
2. An organization may not base an employee's compensation on a participatory percentage of gross proceeds, adjusted gross proceeds, or net proceeds. An organization may pay a fixed bonus through an incentive program.
3. An organization may not pay or reimburse, nor may a lessor accept a payment or reimbursement from an organization, for any media advertising done by the lessor or any other person that is related to games at a site unless the organization's share of this expense is prorated to the benefit the organization receives and the media advertising is voluntary by the organization.
4. An organization may not pay or reimburse a lessor or share in the cost, nor may a lessor accept a payment, reimbursement, or sharing of the cost from an organization, of any sign advertising related to games at a site unless the sign is not owned by the lessor. If a lessor rents an advertising sign from a vendor, the organization's share of this expense must be prorated to the benefit the organization receives and the sign advertising is voluntary to the organization.
5. A player's uncollectible check is an expense. If an organization establishes a policy to reduce a player's cash prize by the amount of the player's uncollectible check and award the player the difference, if any, the organization shall disclose or make available to players that policy.
6. If a door prize is awarded as a promotion of games, the cost of the door prize is an expense.
7. A net cash short is an expense and a net cash long is other income for a quarter.
8. Only an unopened pull tab, unopened set of stapled jar tickets, or set of banded jar tickets that has the band intact may be accounted for as unsold or defective when a game is reported on a tax return. An organization shall account for any single unsold or defective jar ticket at a proportional selling price of a stapled set of jar tickets.
9. If foreign currency is exchanged into United States currency, any loss is an expense.
10. The attorney general shall determine whether a theft of an organization's gaming funds can be deducted toward adjusted gross proceeds on its tax return and notify the organization. The attorney general shall consider whether the organization:
 - a. Immediately reported the theft to a local law enforcement agency and the attorney general;
 - b. Has documentation that substantiates the theft amount;
 - c. Had physical security of the funds;
 - d. Has an adequate system of internal control; and
 - e. Incurred an identifiable theft.
11. If an organization rents out gaming equipment, the income is nongaming income.
12. All accounting records must be completed and initialed or signed with permanent ink. The use of correction fluid or correction tape to make changes to accounting records is prohibited. Changes shall be made with a single strikethrough of the original amount,

writing the correct amount, and initialed by the person making the change. An organization shall maintain a register of each employee's name and the employee's initials or signature as the employee normally writes them on a record or report. The initials or signature of a person on a record or report attests that to the person's best knowledge the information is true and correct.

13. A fee charged a player to enter a twenty-one tournament, less the cost of a prize, must be reported as other income.
14. For computing prizes on a tax return, a merchandise prize and a gift certificate are valued at an organization's actual cost, including sales tax, and a donated prize is valued at zero.
15. If a prize winner is ineligible to receive a merchandise prize, the organization may convert the prize to a cash prize or other fair alternative, provided that the conversion of a raffle prize does not exceed the limits outlined in N.D.C.C. 53-06.1-10.1.
16. If a raffle, sports pool, or calcutta prize is not claimed by the winning player and has previously been reported on a tax return, an organization shall report the prize as other income.
- ~~16-17.~~ When a deal of pull tabs, club special, tip board, seal board, prize board, sports-pool board, calcutta board, or a series of paddlewheel ticket cards is placed in play, an employee shall compare the game serial number on the pull tab, board, or card to the serial number on the state gaming stamp. If the two serial numbers are different, an employee shall immediately notify the distributor ~~and complete a form prescribed by the attorney general.~~
- ~~17-18.~~ If an organization pays a fee to an insurance company to insure a contingency cash or merchandise prize for bingo or a raffle, the fee is an expense. If the insurance company pays or provides a prize to a winning player, it is not reported as a prize on a tax return.
- ~~18-19.~~ If an organization conducts twenty-one, it may pay monthly rent for more than one table provided that each additional table is used at least thirteen times a quarter. This level of activity is based on a site's historical experience, or seasonal activity, for each of the previous four quarters, regardless of which organization conducted twenty-one at the site. For a new site or a site that has been completely remodeled in appearance and function, the level of activity must be reviewed and reestablished after the first full quarter. If an additional table is used at least thirteen times in at least one but not all of the previous four quarters, the allowable monthly rent for that table must be prorated over all the active months of the licensing year. For example, if a second table was used at least thirteen times in only two of the previous four quarters, the additional monthly rent for the second table would be a maximum of two hundred dollars per month (or three hundred dollars per month if a wager greater than five dollars is accepted on the table) multiplied by six months (totaling one thousand two hundred dollars) and prorated to one hundred dollars per month for the licensing year.
- 19-20. If an organization does not intend to reapply for a license for the next fiscal year, its license is revoked or suspended for a period of more than six months, or its license application is denied, and it has net proceeds that are not disbursed, the organization shall file an action plan with the attorney general. The plan must be filed within thirty days of the expiration of the license or when the license is relinquished, revoked, suspended, or the license application is denied, and include a planned timetable for disbursing all the net proceeds and anticipated uses.

If the action plan is not timely filed, net proceeds must be disbursed within ninety days of the expiration of the license or when the license is relinquished, revoked, suspended, or

the license application is denied. The disbursement must be reported to the attorney general.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; July 1, 2010; July 1, 2012.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-06, 53-06.1-11

99-01.3-03-05. Reconciliation of net proceeds and trust account carryovers. If an organization's gaming account check register balance is less than its net proceeds carryover balance or its trust account check register balance is less than its trust account carryover balance, or both, as reported on the tax return for the quarter ended December thirty-first, the organization shall deposit the amount of the difference in the respective account by January thirty-first or an extended date approved by the attorney general. The source of the deposit must be nongaming funds. An organization shall provide the attorney general with evidence of the deposit.

History: Effective May 1, 1998; amended effective July 1, 2000.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-03-06. Gross proceeds, IOUs, documenting cash and chip banks.

1. Gross proceeds for a game must be separately maintained while the game is conducted. An organization shall use a separate cash bank for each game. However, the cash banks for twenty-one, and paddlewheel activity described by subsection 2 of section 99-01.3-11-01, may be combined and the cash banks for pull tab games at a site may be combined, if approved by the attorney general. If an employee needs to establish or replenish a cash bank by withdrawing funds from the gaming account, the employee shall execute a withdrawal by check or other withdrawal method and reference the specific game's name, other game type, or the combined cash bank. If a cash bank needs replenishment and another specific game or other game type's cash bank, cash reserve bank, or other funds from nongaming sources are used, an IOU form must be used to record the loan and payback. An IOU form must include:
 - a. The source and destination of the funds;
 - b. For a club special, prize board, tip board, seal board, series of paddlewheel ticket cards, and punchboard, the game's gaming stamp number;
 - c. Amount and date of loan and repayment; and
 - d. Initials of a cash bank cashier or an employee for each transaction.
2. An organization shall document each game's daily starting and ending cash on hand, including a cash reserve bank. Unless there is only one employee on duty when a site opens or closes, two persons shall participate in the cash count in the presence of each other. After completing and documenting the cash count, both persons shall initial the record.
3. An organization shall document the daily starting and ending chip banks for casino and betting chips including, on the date of a poker event, an organization's no-value poker chips. The chip banks for twenty-one, and paddlewheel activity described by subsection 2 of section 99-01.3-11-01, may be combined. Unless there is only one employee on duty when a site opens or closes, two persons shall participate in the count of the chips in the presence of each other and record the count by denomination of chip or ~~total~~ total quantity of no-value chips. After completing and documenting the chip count, both persons shall initial the record.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2012.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-03-07. Prize register. For a bingo session, raffle drawing, sports-pool board, calcutta board, paddlewheel excluding the use of a table, and twenty-one or poker tournament, an employee

shall legibly print this information on a prize register or similar document when a prize is issued to a player:

1. Name of the site;
2. Game type:
 - a. Bingo - Date of the session and game number.
 - b. Raffles - Date of the drawing, winning ticket number, and initials of two employees who conducted the drawing unless the initials are on another document.
 - c. Sports pools - Date of the sports event, winning score, and gaming stamp number.
 - d. Twenty-one or poker tournament - Date of the tournament.
 - e. Calcutta - Date of the sports event and gaming stamp number.
 - f. Paddlewheel excluding the use of a table - Date of the event, card number, winning ticket number, and gaming stamp number;
3. Amount of a cash prize or a description and cost of a merchandise prize;
4. Name of player;
5. Total amount of cash and cost of merchandise prizes awarded; and
6. Initials of preparer.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-03-08. Record of win.

1. An employee shall prepare a record of win if a player wins a last sale prize, a seal prize, a cash prize greater than two hundred dollars, a merchandise prize that has a retail price exceeding two hundred dollars, or a donated merchandise prize with a fair market value exceeding two hundred dollars, or wins a cash prize but receives a partial payout of the prize in cash and the remainder by check. If a pull tab has two or more winning prize patterns, the requirement is based on the value of each prize pattern. A record of win must be completed for the total prize even if a player splits the prize with another person. The record may be a check drawn from the gaming account, a numbered receipt, or the flare of a sports-pool board, calcutta board, club special, tip board, prize board, punchboard, or seal board. A bar employee shall print this information on a receipt or an employee shall print this information on a check, receipt, or flare, unless it is already provided:
 - a. Name of the site;
 - b. Game type and, by game type:
 - (1) Bingo - Date of the session, game number, cash prize amount or description of a merchandise prize and retail price, and date of prize payout if different from the date of the session.
 - (2) Raffles - Date of the drawing, winning ticket number, cash prize amount or description of a merchandise prize and retail price, and date of prize payout if different from the date of the drawing.
 - (3) Pull tabs and prize boards, including a dispensing device, punchboards, club special, tip board, and seal board - Name of the game, cash prize amount or description of a merchandise prize and retail price, date of activity, and game stamp number. For a game with a last sale prize or a seal prize, the game stamp number should correspond with the respective deal's flare.
 - (4) Sports pools - Date of the event, cash prize amount, date of prize payout, and gaming stamp number.
 - (5) Twenty-one or poker tournament - Date of the tournament, cash prize amount, or description of a merchandise prize and retail price.

- (6) Calcuttas - Date of the event, cash prize amount, date of prize payout, and gaming stamp number;
- c. A player's full name and address:
 - (1) If the player is present but not personally known by a bar employee or an employee, this information must be recorded from a pictured driver's license or tribal, government, or military identification;
 - (2) If the player is present but does not have one of these pictured identifications, a bar employee or an employee shall record the player's full name from another form of identification or mail the prize to the player; or
 - (3) If the player is not present, verification of this information is not required and the prize must be mailed; and
- d. Initial of a bar employee or an employee.
- 2. After a record of win is completed at a site, a player shall sign and date it. However, this rule does not apply to a prize mailed to a player.
- 3. Unless a prize is for a last sale prize feature, a bar employee or an employee shall print, in ink, the check or receipt number on a pull tab or punchboard punch.
- 4. A player who has actually won a prize shall claim the prize. A bar employee or employee may not falsify or permit a player to falsify a record of win or enable a player to conspire with another person to have the other person claim a prize. If a bar employee or employee determines that a player has falsified or attempted to falsify a record of win before the prize payout, the bar employee or employee shall deny the player the prize and notify the attorney general and local law enforcement agency.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010.
 General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-11

99-01.3-03-09. Inventory records of games, paper bingo cards, tickets, cash banks, and chips and reconciliation.

- 1. An organization shall maintain master and site inventory records of all deals and games that have a state gaming stamp affixed to their flares. The master records must include the sales invoice number, date received, name of game, dates of issuance to and received from a site, site name, date deal was placed, date deal was closed, and quarter tax return on which reported, by gaming stamp number. The site records must include the gaming stamp number, date received, date placed, and date closed, by site and name of game. If an organization has only one site where inventory is stored, it may combine the master and site inventory records. Annually an organization shall reconcile its inventory records of all deals and games that have a state gaming stamp affixed to their flares that are recorded as being in play and in inventory as unplayed to the items that are actually in play and in inventory. A person shall count these items that are actually in play and in inventory, compare this count to the inventory records, and resolve any difference.
- 2. An organization shall maintain master and site inventory records of paper bingo cards. The master records must include for each primary color ~~or serial number,~~ the and type of card, the sales invoice number, date received, number of cards bought, serial number (optional), dates of issuance to a site, ~~and~~ site name, and quantity of cards issued to the site, or include information prescribed by a method approved by the attorney general. If an organization has only one site where inventory is stored, it may combine the master and site inventory records. The site records for each series must include site name, primary color ~~or serial number,~~ and type of card, serial number (optional), quantity received, date received, and quantity issued and returned for each session, or include information prescribed by a method approved by the attorney general. Annually an

- organization shall reconcile its inventory records of paper bingo cards that are recorded as being in inventory to the cards that are actually in inventory. A person shall count these items that are actually in inventory, comparing this count to the inventory records, and resolve any difference.
3. An organization shall maintain master and site inventory records of rolls of tickets. The master records must include for each ticket roll the color of the roll, date received, beginning ticket number, ending ticket number, number of tickets bought, date of issuance to a site, and site name, or include information prescribed by a method approved by the attorney general. If an organization has only one site where inventory is stored, it may combine the master and site inventory records. The site records must include site name, color of roll, beginning ticket number, ending ticket number, quantity received, date received, and quantity issued and returned for each session or event, or include information prescribed by a method approved by the attorney general. Annually an organization shall reconcile its inventory of rolls of tickets. This reconciliation must include verification of the starting ticket number and total number of remaining tickets that are recorded as being at the home office and site to the rolls of tickets that are actually on hand. A person shall count the rolls of tickets at the home office and site, compare this count to the inventory records, and resolve any difference.
 4. An organization shall maintain a master record of ideal cash bank amounts and account for permanent increases or decreases. For each cash bank, the record must include the site, game type, game identifier, and amount. When a cash bank is started or when the ideal amount is permanently increased or decreased, the date, check number, amount, source or destination of the funds, and updated ideal cash bank amount must be recorded. Annually an organization shall reconcile its master cash bank records to the actual cash banks. A person shall count the cash banks, compare the count to the current ideal cash bank amount recorded on the record, and resolve any difference.
 5. An organization shall maintain casino and betting chip master and site inventory records. The records must include the dates chips are acquired, transferred to, and received from a site and running totals, by value of chip. Annually an organization shall reconcile its inventory of chips that are recorded as being at the home office and site to the chips that are actually in inventory. If an organization has only one site where inventory is stored, it may combine the master and site inventory records. A person shall count the chips in inventory at the home office and site, compare this count to the inventory records, and resolve any difference.
 6. The count and reconciliation must be done by a person who does not have access to deals, games, paper bingo cards, rolls of tickets, cash banks (and who does not have sole signatory authority of the gaming account), or chips. It must be documented, including the name and title of the person who does the count and reconciliation, date and procedure performed, result, corrective action taken, and initials of that person.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; July 1, 2012.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-03-10. Bank deposit and audit.

1. The cash profit, less a documented increase or plus the decrease in the starting cash on hand for the next gaming activity, plus cash and merchandise prizes paid by check and cost of coins for a prize board, must be deposited in the gaming account by the third banking day following the day of a bingo session or quick shot bingo card marking device session; club special, prize board, tip board, seal board, or punchboard is removed from play; sports-pool game; calcutta event; poker occasion; day's or interim period's pull tab and prize board, and twenty-one or paddlewheel activity. However, the receipts for a

- raffle, calendar or master sports-pool board, or paddlewheel described by subsection 1 of section 99-01.3-11-01 must be deposited in the gaming account by the third banking day following receipt of the cash by the person responsible for the activity.
2. For a day's pull tab ~~and prize board~~ activity, bingo session, quick shot bingo card marking device session, raffle drawing, poker occasion, twenty-one and paddlewheel activity, and interim period's pull tab or prize boards activity involving a dispensing device, a deposit slip or receipt must reference a site, name of the game, game type, date of activity, and deposit amount. The deposit amount for twenty-one, and paddlewheel activity described by subsection 2 of section 99-01.3-11-01, may be combined. For a club special, prize board, tip board, seal board, punchboard, and series of paddlewheel ticket cards, a deposit slip or receipt must reference a site, name of the game, game type, date removed from play or date of activity, deposit amount, and gaming stamp number. For a sports-pool board or calcutta board, a deposit slip or receipt must reference a site, date of the event or auction, deposit amount, and gaming stamp number. For all game types, an employee who prepares a deposit shall initial the bank deposit slip. If another employee makes the bank deposit and has access to the cash, the employee shall also initial the bank deposit slip.
 3. If an organization prepares a deposit slip for more than one type of game, it shall record on the deposit slip or a supporting schedule by each game type, the information required by subsection 2. A supporting schedule must reconcile to a validated bank deposit slip or receipt. A validated bank deposit slip or receipt and any supporting schedule must be included with the accounting records. If a bank does not return a validated bank deposit slip that contains information required by subsection 2, an organization shall prepare a duplicate deposit slip, make a copy of it, or prepare a supporting schedule that reconciles to the bank deposit amount.
 4. For a bank deposit, a person shall record the amount to be deposited on the game's accounting record and retain the copy of a two-part bank deposit slip and any supporting schedule. This person shall forward the accounting record, copy of the bank deposit slip, and any supporting schedule to a bookkeeper. A second person shall take custody of the bank deposit funds and the original of the bank deposit slip and take them to a financial institution or arrange for the funds to be deposited. If, before the bank deposit is made, the custody of bank deposit funds is transferred from a person to another person, face-to-face, and the cash is accessible to be counted, both persons shall participate in a count of the cash in the presence of each other and resolve any difference. After completing and documenting the cash count, both persons shall initial and date the record. The person who makes the bank deposit shall forward a validated bank deposit slip or receipt to a bookkeeper. An organization shall comply with this rule unless it uses another bank deposit procedure which has proper accounting control.
 5. If an employee prepares or has custody of a bank deposit which is not scheduled to be immediately deposited, the employee shall safeguard the funds.
 6. An employee who did not have access to the cash to be deposited shall, within a reasonable time, verify that the amount recorded on a daily or interim accounting record to be deposited was actually deposited according to a bank statement. The employee shall document the verification by initialing the accounting record and dating it. If more than one deposit amount is recorded on an accounting record, the employee shall initial the record for each verified deposit amount and date the record.
 7. A closed game or daily activity must be audited, within a reasonable time, by a person who did not conduct the game and who did not have sole access to the total receipts or cash profit for the game's or day's activity. This person may not have sole signatory authority of the gaming account. A person who audits a closed game or daily activity

shall verify the number and value of unsold chances, gross proceeds, number and value of prizes, adjusted gross proceeds, and cash profit. If the audit reveals an irregularity, the person shall notify the appropriate organization representative.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; July 1, 2012.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-03-11. Audit. Repealed effective July 1, 2000.

99-01.3-03-12. Tax return.

1. An organization that has an active license shall file a tax return each quarter. Closely connected organizations shall file a consolidated tax return. A tax return and payment of tax for a quarter must be postmarked or hand-delivered by the last day of the month following the end of the quarter. However, if the last day of the month is a Saturday, Sunday, or holiday, the due date is the first following business day. An extension for filing a tax return may be granted for good cause, with approval of the attorney general, by filing a written request explaining the reason. A request must be postmarked or hand-delivered by the due date of a tax return.
2. An incomplete tax return will not be considered timely filed unless it is correctly completed and returned by the due date or an approved extended date. A tax return is incomplete if information is missing or misrepresented, it is not properly signed, instructions are not followed, current schedules are not used, or required documentation is not provided.
3. An organization shall file a quarterly tax return on its original due date, even though payment of the entire tax due cannot be paid, to minimize the interest and penalty assessed. An explanation, including the anticipated payment date, must accompany a tax return received from an organization to be considered for an installment pay plan. The attorney general may for good cause allow an organization to make installment payments of delinquent tax, interest, and penalty.

History: Effective May 1, 1998; amended effective July 1, 2004.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-12

CHAPTER 99-01.3-04
BINGO

Section	
99-01.3-04-01	Bingo
99-01.3-04-02	Equipment
99-01.3-04-03	Conduct and Play
99-01.3-04-04	Cash Register
99-01.3-04-05	Tickets
99-01.3-04-06	Paper Card Count
99-01.3-04-07	Floorworker Sales Report
99-01.3-04-08	Recordkeeping

99-01.3-04-01. Bingo. “Bingo” is when a player buys a card or uses a bingo card marking device and marks squares, or a radio frequency signal or Wi-Fi transmission marks squares on a marking device, as a caller announces a letter and number or only a number for speedball bingo. Speedball bingo is a game in which a bingo caller announces the drawn numbers in a fast manner. ~~Except for bonanza bingo or a game that has a certain number or all of its numbers predrawn, a~~ A winning player of a game is the player who first covers a predetermined pattern of squares by matching letters and numbers on a bingo card with balls drawn and called for that or another game and ~~the player has timely called bingo~~ calls out the word “bingo”. ~~Except for a game that has all of its numbers predrawn, there must be a winning player.~~ Quick shot bingo is a bingo game in which all of the numbers are predrawn and that may or may not have a winning player and if there is a winning player, the player is not required to timely call out the word “bingo”. Bonanza bingo is a game in which a bingo caller predraws a certain quantity of balls before a session begins for a predetermined pattern ~~and players buy and play cards throughout the session. During the session when the bonanza bingo game is conducted, and~~ unless a player has already won, the caller will draw additional balls until a player wins the game. ~~In a game in which a bingo caller draws a certain quantity of balls for the game before a session begins for a predetermined pattern,~~ both quick shot and bonanza bingo games, players may buy and play the cards throughout the session.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; October 1, 2006; July 1, 2010; July 1, 2012.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-04-02. Equipment. An organization shall use this equipment:

1. A device from which balls are withdrawn or a random number generator. If a random number generator is not used, a set of either seventy-five or ninety balls bearing the letters and numbers corresponding to the bingo cards in play. The balls must be stored in a safe storage place when not in use and be available for inspection by a player before a session begins. The balls must be equal size, weight, shape, and balance and must be in a receptacle before each game begins. A flashboard is optional.
2. Hard cards and paper cards, including paper cards that have two numbers in a square or enable a player to select and print numbers on a blank card, may be used. A blank card may be used if:
 - a. A card is a two-part carbonless card with a control number and five columns of numbers;
 - b. A player shall legibly print in ink one number in each blank square. A middle square, if any, may be a free space. The numbers cannot be repeated on a card and they must correspond with the letters and numbers of the bingo balls;
 - c. After a card is completed, a player shall provide an employee with the card before the start of the game. An employee shall ensure that the numbers are legible,

- validate the original and duplicate parts of a card, retain the original part, and return the duplicate part to the player; and
- d. An employee shall verify a winning player's card and match the card's original part to the duplicate part. A card must be voided if it is illegible or altered.
- 3. Before conducting a bingo session, an employee shall test the equipment and ensure it is working properly.
- 4. An organization may not separate a collated set of paper bingo cards except to apply subsection 10 of section 99-01.3-04-03 or cut up a paper bingo card that has two or more faces on it to separately sell the cards or faces.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2010.
 General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-04-03. Conduct and play.

- 1. These rules and information must be disclosed or made available to players:
 - a. A person may not separate a paper card when there are two or more faces on a sheet;
 - b. A person under eighteen years of age may not play bingo unless an individual, eighteen years of age or older, accompanies a minor when buying a bingo card or package and throughout the session. The adult may not be an employee on duty. This rule does not apply if a person under twenty-one years of age is not allowed on the site or an organization has a permit or prize structure that does not exceed the limit of a permit;
 - c. If an organization does not restrict duplicate paper cards from being in play for a game, it shall disclose or make available that information to all players before their purchase of cards or packages;
 - d. The actual letter and number on a ball drawn or freely awarded is official;
 - e. If a person knowingly uses a fraudulent scheme or technique to cheat or skim involving bingo, regardless of the amount gained, the offense is a class C felony punishable by a five thousand dollar fine or five years in jail or both;
 - f. A bingo card is void if it is taken outside the gaming area; and
 - g. If a player attempts to falsify or falsifies a record of win, the prize is forfeited.
- 2. These policies must be disclosed or made available to players:
 - a. A policy of when an organization may cancel a bingo session;
 - b. A policy that if a player has more than one bingo on one card or on two or more cards for a game, whether it is considered as one bingo or more than one bingo for splitting a prize with another winning player;
 - c. A policy that a bingo is timely called by a player when, on the last number called, the player calls the word "bingo" or other required word before the bingo caller announces the whole letter and number of the next ball to be called, or other policy;
 - d. A policy on sharing a prize by two or more winning players on identically or differently priced cards. A policy must include the following except that an organization may award a minimum prize:
 - (1) If a prize is cash and all winning players bingo on identically priced cards, the cash prize must be divided equally. An organization may round fractional dollars.
 - (2) If a prize is cash and the winning players bingo on differently priced cards, an organization shall award each winning player:
 - (a) The designated prize;
 - (b) An equal share of the designated prize; or

- (c) A proportional part of the designated prize for that card or any other fair method. The proportional part is the ratio that each winning player is in relation to the total number of winning players. To illustrate, if three players bingo on differently priced cards, each player is to be awarded one-third of the designated prize for that player's card.
 - (3) If a prize is merchandise and it cannot be divided, an organization shall do one of these options which must be disclosed in the bingo program or promotional material or announced before the bingo session:
 - (a) Award each winning player a substitute merchandise prize which must be of at least equal value and total the retail price of the original prize. A merchandise prize may be redeemable or convertible into cash at an organization's option;
 - (b) Award a certain cash split amount that totals the retail price of the original prize; or
 - (c) Conduct a continuous or separate playoff game between the winning players;
 - e. A policy that a player may or may not use a bingo card marking device and play additional paper bingo cards at the same time; and
 - f. A policy that a player may or may not share the player's bingo package with another player.
- 3. An organization shall make these announcements:
 - a. Before each session, the policies on:
 - (1) When a bingo is timely called by a player;
 - (2) Whether the bingo caller, floorworker, or both must hear and acknowledge a player who calls the word "bingo" or other required word; and
 - (3) That a player is responsible for ensuring that the bingo caller, floorworker, or both hear and acknowledge the player; and
 - b. Before each game, the game's winning bingo pattern.
- 4. An employee may only assist a disabled player in playing a bingo card or assist a player in how to use a bingo card marking device. A legally blind or disabled player may use the player's personal braille or special card when an organization does not provide such a card. An organization may inspect and reject the card.
- 5. An employee may not sell or award a gift certificate as a prize unless:
 - a. A certificate is accounted for when it is sold or awarded. An employee shall issue a certificate to the purchaser or player and retain a copy or stub of the certificate with the daily records and record the certificate on a register to document the sale. An organization shall recognize a sale of a certificate as gross proceeds on the tax return for the quarter in which it was sold. A certificate awarded as a prize has no cash value. A certificate must be used to buy only a bingo card or package;
 - b. A register is maintained which accounts for all certificates sold or awarded at a site. A register must include, for each certificate, a consecutive control number, selling price (if applicable), dates issued and redeemed, sites at which it is issued and redeemed, and initials of the employees who issue and redeem the certificate; and
 - c. A redeemed certificate is signed by a player and retained by an organization with the daily accounting records. A player is issued a bingo card or package at the site when the certificate is redeemed.

6. If an organization changes a publicly announced bingo program for a session in which a potential prize or the number of games is reduced, an employee shall notify a player of the change before the player buys a card.
7. If an organization sells two or more differently priced cards or packages for a game, it shall use a different type, color, serial number, or a distinctive identifiable feature for each differently priced card or package. An organization may not use the same serial numbered paper bingo cards for more than one game or group of games during a bingo session, unless the face of a card is a different color or a card audit tracking number is used.
8. If an organization accepts a discount coupon, the redeemed coupon must contain the dollar value or percentage discount and be signed by a player. An employee shall write the value of the bingo card or package purchased on the face of the coupon unless the value is already stated, record the date on the coupon or on a group of coupons for a session, and retain the coupon with the daily records. The value of a player's one or more coupons must be less than the value of the card or package bought.
9. If an organization accepts a donated item in exchange for a discount, an employee shall account for the discount on a register as part of the daily records. A discount must be less than the value of the card or package bought. A register must contain:
 - a. Bingo session and date of the session;
 - b. Amount of the discount;
 - c. Value of the bingo card or package bought;
 - d. Signature of the player;
 - e. Total amount of bingo card or package discounts for the session; and
 - f. Date and initials of the cashier.
10. A card or package must be bought on a site immediately before the start of a game or during a session. However, an organization may presell a card or package for a special session that involves a bingo prize or prizes that equal or exceed ten thousand dollars for the session provided the organization:
 - a. Uses a consecutively numbered two-part receipt to register a player who prepays. One part is issued to a player who shall redeem the receipt to receive the card or package. The second part is retained by the organization to account for the gross proceeds;
 - b. Separately accounts for the gross proceeds and reports it on a tax return for the quarter in which the game is conducted; and
 - c. Provides a card or package to the player before the start of the session that day.No card may be sold for a game which is in progress or ended except for a bonanza bingo or a game that has all of its numbers predrawn. If a paper bingo card is included in a package for a game in progress or ended, the card must be withdrawn and voided or destroyed. An employee may exchange a purchased package for another package if the employee accounts for all the cards of the first package and a session has not started.
11. An organization may allow a player to use a bingo card marking device provided by the organization that marks an electronic card image of a purchased card as follows:
 - a. A device cannot be reserved for a player unless a player is disabled. An organization shall provide each player an equal opportunity to use the available devices on a first-come, first-served basis. A device cannot be issued through a floorworker;
 - b. A device must be used only at a site where the site system is located and the session is being conducted;

- c. A device must be rented for a fixed amount, regardless of the price for a card or package or number of cards played through the device, or provided free to a player for the player's temporary use during the session;
 - d. No player can use more than one device at a time during a session;
 - e. No player can play more than seventy-two single-faced cards per game on a device and cannot choose or reject downloaded cards;
 - f. An organization shall use paper bingo cards in the session that are of a series different than the cards downloaded in the devices;
 - g. If a card or package may be used in a device and in paper form, it must be sold for the same price. An organization may sell a special card or package to a player for use only in a device. The organization may require a player to buy a minimum-priced card or package to use a device;
 - h. If a player rents a device while a game for that session is in progress, the player may not play that game and a cashier shall record on the player's receipt that the specific game number is void;
 - i. An organization may print a facsimile of a winning card and post it for players to inspect;
 - j. A player may use an input function key on a device or an organization may use a radio frequency signal or Wi-Fi transmission to mark each number as it is called. When a player inputs a number or an organization sends a radio frequency signal or Wi-Fi transmission, a device may automatically mark all the player's cards that contain that number;
 - k. If a player has a winning card, the player shall:
 - (1) Timely call bingo according to subdivision c of subsection 2 and it must be by a method other than through a device; and
 - (2) Provide the device with the winning card displayed to a floorworker to verify according to subsection 18;
 - l. If a player's call of a bingo is disputed or if the attorney general makes a request, an organization shall print the winning card stored on the device;
 - m. An organization shall have one spare device available should a device in use malfunction. If a player's device malfunctions, the player may exchange the device for a spare device. An organization shall restore the player's same cards from the site system;
 - n. An organization may perform routine maintenance on a device; and
 - o. An organization shall back up all of a site system's accounting information for a session on a report or separate electronic media immediately after that session and retain the backup file for three years from the end of the quarter in which the activity was reported on a tax return. The accounting information must comply with subsection 1 of section 99-01.3-16-09.1.
12. After the start of a session, an organization may not refund the purchase price of a card or package unless a site incurs an electrical power loss, there is inclement weather, an organization experiences an extraordinary incident, a session is canceled, or a player has an emergency.
 13. If an organization sells hard cards before each game, during the game an employee shall count the number of hard cards played by all the players to the number recorded as sold. If the comparison reveals an irregularity, the gaming manager shall take corrective action.
 14. An organization may not sell a bingo package that contains a variable number of cards based on each player's ability to play. Each separately priced package must contain a standard number of cards.

15. If a game has an actual or potential prize valued at five hundred dollars or greater, an employee shall use an electronic bingo card verifier; record in writing the called numbers and the sequence in which they were drawn; or audio recording of the bingo caller calling the balls. When a player bingos, an employee shall retain the bingo card verifier record, the written record, or audio record, which includes the following and retain these records for three months:
 - a. Game number, winning pattern, type of card (number of faces on a sheet), type of package (regular, premium, super), series (card) number, and last number called; and
 - b. Cash register receipt number, if applicable.
16. A caller shall manually display the letter and number on the ball to players except for speedball bingo or when a monitor or random number generator is used. An employee shall announce the letters and numbers on the balls or displayed by a random number generator in their exact sequence; however, numbers freely awarded do not need to be announced. The caller is also not required to announce all letters and numbers for a game in which the pattern does not require the use of the selected letters or numbers. If a player calls bingo and the bingo is invalid, the next ball called must be in sequence of the balls drawn.
17. A player may bingo more than one time on the same card when an organization conducts continuation games of more than one pattern on the same card. An organization may also conduct bonus games where multiple winning patterns may be played on the same card and where one or all of the prize patterns has a winner.
18. A winning card must be verified by an employee and one neutral player or person unless an electronic bingo card verifier is used and the display of electronic bingo card verifier is shown to all players on a monitor. A floorworker may not access a verifier. For a winning card on a bingo card marking device, an employee shall compare the serial number of the device to the receipt for the cards played on that device.
19. An organization may offer a variety of prizes to a winning player who may choose a prize by random selection or chance. A player may win an additional prize by choosing the prize by random selection, by an organization drawing from previous winning players, or playing a game of skill if the player is not required to give anything of value. An organization shall disclose the potential prizes in the bingo program and notify a player of these prizes before the player chooses a prize, has the opportunity to win a prize, or plays a game of skill.
20. An organization may award, as a prize, cash, merchandise, merchandise gift certificate, or gift certificate that can be redeemed for a bingo card or package.
21. An organization may conduct a qualifying game whereby a player wins an opportunity to play in a special game.
22. An organization may award a bonus that is based on a factor incidental to a bingo program if it is disclosed in a program, calendar, or flyer, and announced before a session, and is recorded on a prize register. Factors may include a player binging on a certain color of card, combination of colored cards, last number called, particular face of a multifaced card, or winning a game on the player's birthday.
23. If a player bingos and an employee determines that the player is playing more bingo cards than were bought, the player's bingo is void.
24. Bonanza bingo and a game that has all of its numbers predrawn must be conducted as follows:
 - a. A caller shall initially call a certain quantity of balls. While a caller initially calls the bingo balls or before the caller calls the next continuous number, a player shall verify that the letter and number on the balls drawn are correctly displayed. A

- posted display must be used for the games, have restricted access, and reference that game;
- b. A card must be sealed and unpeekable when it is sold;
 - c. An organization may sell or exchange cards throughout a session until sales are closed. If an organization exchanges cards, an employee shall, before the next continuous number is called, fully account for the floorworkers' sales of cards according to section 99-01.3-04-07. A floorworker may not turn in any exchanged card after the accounting is begun;
 - d. If a player bingos before the next continuous number is called, the player wins. Otherwise, an additional bingo ball is drawn until a player bingos. This rule does not apply to a game that has all of its numbers predrawn;
 - e. A game may not extend beyond a session;
 - f. If an organization permits a player to exchange a partially played card for a new card and pay a discounted or exchange price, an employee shall:
 - (1) Validate the date of the session on the card with a mechanical device or rubber stamp. A card validated for a session, but not sold, must be voided. The organization shall use a different color of card for each game conducted at a site during a day;
 - (2) Retain the exchanged cards as part of the daily records for six months;
 - (3) Record the validation date and card color used by session; and
 - (4) Reconcile the cards, accounting for:
 - (a) Number of cards taken from inventory which must be independently counted and verified by two employees who shall initial and date the verification;
 - (b) Number of cards sold;
 - (c) Number of cards exchanged, which must be separately maintained for each floorworker. The cards must be recounted by an employee who is not the floorworker. The employee who controls the floorworker sales report shall band each floorworker's exchanged cards separately, identify the banded group with the floorworker's name, session, and initial and date. A floorworker shall also initial the floorworker's banded group;
 - (d) Number of cards returned to inventory and voided which must be independently counted and verified by two employees. Each person shall initial and date the verification; and
 - (e) Document any discrepancy and corrective action taken; and
 - g. A voided card must be retained for six months.
25. If an employee determines, during or immediately after the play of a game and before a card is verified as a winning bingo, that a ball is missing, the employee shall void the game and offer the players a fair alternative.
 26. An employee shall record a prize and bonus prize on a register according to section 99-01.3-03-07, except for a game that has all of its numbers predrawn and for which an organization has recorded the information required by section 99-01.3-03-07 on the winning card and retains the card.
 27. An organization shall receipt gross proceeds, including an additional amount paid by a player for a chance to win an extra prize in a special game, by a cash register, tickets, paper card count, or floorworker sales report, unless written approval is obtained from the attorney general for use of another receipting method. The receipting method must reference the primary color or serial number, and type of cards, serial number (optional),

- number of the cards sold, or reference other information approved by the attorney general.
28. For a site where bingo is the primary game or a site that is leased by a licensed organization, the organization or any person may not pay bingo prizes in which the total bingo prizes exceed total bingo gross proceeds for two entire consecutive quarters. However, if bingo is the primary game at the site, a bingo prize that equals or exceeds ten thousand dollars is excluded from the calculation of total bingo prizes.
 29. An organization shall have a written bingo program for each session. However, if the program does not change each day or session, an organization may retain one program and record the dates on which it applied. A program must contain:
 - a. Name of a site ~~or~~ and organization;
 - b. Date or dates of the sessions;
 - c. Description of each game and the game's prize; and
 - d. Selling prices of the cards or packages.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; July 1, 2012.
 General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-06

99-01.3-04-04. Cash register. This receipting method may be used to record gross proceeds of packages, hard cards, and paper cards, excluding floorworker sales, by issuing consecutively numbered receipts.

1. A receipt must contain:
 - a. Name of a site or organization;
 - b. Date of the session; and
 - c. Selling price of a card or package and receipt number.
2. A cash register must:
 - a. Have at least a consecutive four-digit receipt number which does not return to zero at the end of any use and retain its transaction count between uses if it is off or without electricity; and
 - b. Separately record each type of regular and discounted priced card or package sold, including a sale of a card or package related to a redeemed gift certificate, and provide a total for each type of sale. For a discounted card or package, the regular price may be recorded provided that the discount is recorded and accounted for on a supporting schedule. When a gift certificate is sold, the selling price must be recorded on a cash register or daily receipting record.
3. A cash register receipt for a void, refund, or similar item must be initialed and retained with the daily records.
4. A cash register cashier may not issue a refund or void a sale that has been recorded as a transaction, but may do a no sale transaction to access a cash drawer. For a refund, a cashier's supervisor shall execute a refund and initial the refund transaction on the internal tape. For a voided sale, a cashier's supervisor shall execute a void and initial the void transaction on the internal tape. If a supervisor is not available or if the cashier is the supervisor, another employee shall comply with this rule.
5. All transactions and control totals must be recorded on an internal tape that must be retained with the daily records. If a cash register is also used for a purpose other than bingo, the internal tape from the other use must also be retained.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2010.
 General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-04-05. Tickets. The ticket receipting method may be used to record gross proceeds of packages, hard cards, and paper cards, including floorworker sales, by issuing consecutively numbered tickets. These rules apply:

1. All tickets must have a preprinted consecutive number and must be issued consecutively from a roll.
2. The daily records must contain the ticket color, ticket selling price, and lowest and highest numbered tickets issued from each roll for a session. A verification of the tickets used must be done by two persons, unless there is only one employee on duty at the time. Both persons shall participate in the verification in the presence of each other and resolve any differences. After completing and documenting the verification, both shall initial the record. Every ticket on a particular roll must be issued for the same price on that day. Tickets issued for each type of sale must be recorded separately. A ticket not issued during a session that bears a number below the highest numbered ticket issued, along with any tickets from the end of the roll which will not be issued in a future session, must be retained as part of the daily records as unsold.
3. A discount coupon and gift certificate must be recorded in the daily records.

History: Effective May 1, 1998; amended effective July 1, 2002; July 1, 2004; July 1, 2010; July 1, 2012.
 General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-04-06. Paper card count. The paper card count receipting method may be used to record gross proceeds of paper bingo cards, including floorworker sales. The daily records must include the total number of cards or collated sets taken from inventory and returned to inventory. A count of the cards or sets taken from or returned to inventory must be done by two persons, unless there is only one employee on duty at the time. Both persons shall participate in a count of the cards or sets in the presence of each other and resolve any difference. After completing and documenting the count, both persons shall initial the record. The record must include the selling price of the card or set and number of cards or sets issued, returned, voided, and sold for each type of card for the session. A discount coupon and gift certificate must be recorded in the daily records.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; July 1, 2010; July 1, 2012.
 General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-04-07. Floorworker sales report. The floorworker sales report receipting method may be used to record gross proceeds of paper bingo cards sold by floorworkers. A report must be completed, for each floorworker, by an employee who is not a floorworker. For a bonanza bingo game in which an organization permits a player to exchange a partially played card for a new card and pay a discounted or exchange price, a report must contain all the information required by subsections 1 through 10. For all other games, a floorworker's report must contain the information required by subsections 1 through 6, by game, and must contain the information required by subsections 7 through 10, by session.

1. Game number or game name.
2. Floorworkers' names or assigned numbers.
3. Selling price of each single (one card) and packet.
4. Number of singles and packets issued to each floorworker, by game. The employee issuing the cards and the floorworker shall initial the report. If an organization sells singles at a discount, the number of discounted sets must be predetermined and separately accounted for when issued to a floorworker.
5. Number of singles and packets returned by floorworker, by game, as unsold, including the number of exchanged bonanza bingo cards. The floorworker and an employee who is not a floorworker shall count the cards and initial the report in the presence of each other.
6. Number and value of singles and packets sold by each floorworker, by game.
7. Amount of cash turned in to a cashier by floorworker. The floorworker and the cashier shall count the cash and initial the report in the presence of each other.
8. Amount of cash long or short by floorworker.

9. Total value of singles and packets sold, total cash turned in, and total cash long or short.
10. A void, refund, or similar item must be approved by a supervisor and retained with the floorworker sales report.

History: Effective May 1, 1998; amended effective July 1, 2002; July 1, 2004; October 1, 2006.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-04-08. Recordkeeping. Records must include and be retained for three years from the end of the quarter in which the activity was reported, unless otherwise provided by rule:

1. For each session:
 - a. The gross proceeds for each type of sale or game. If a site system involving bingo card marking devices is used, records must include the summary report for the session according to subdivision c of subsection 1 of section 99-01.3-16-09.1;
 - b. The starting and ending cash on hand and IOU records according to section 99-01.3-03-06;
 - c. A summary of gross proceeds, prizes, adjusted gross proceeds, cash profit, cash long or short, and bank deposit. The summaries of all sessions for a quarter must reconcile to the tax return;
 - d. Prize register according to section 99-01.3-03-07 and record of win according to section 99-01.3-03-08;
 - e. Inventory records according to subsections 2 and 3 of section 99-01.3-03-09;
 - f. If bingo is the primary game at a site, the number of players and time of the count;
 - g. A copy of or reference to a bingo program according to subsection 29 of section 99-01.3-04-03;
 - h. All voided paper bingo cards, other voided sealed and unpeekable bingo cards, and exchanged bonanza bingo cards, which must be retained for six months;
 - i. The gift certificate register;
 - j. Redeemed gift certificates and discount coupons; and
 - k. Purchase invoice or receipt documenting the cost of a merchandise prize.
2. Ideal cash bank master records according to subsection 4 of section 99-01.3-03-09.
3. The cash profit defined in subdivision a of subsection 6 of section 99-01.3-02-01, verification of the amount deposited according to a bank statement, and an audit of the game's activity according to section 99-01.3-03-10.
4. The count and reconciliation of paper bingo cards, rolls of tickets, and cash banks according to subsection 6 of section 99-01.3-03-09.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

CHAPTER 99-01.3-04.1
QUICK SHOT BINGO CARD MARKING DEVICES

Section

- 99-01.3-04.1-01 Quick shot bingo card marking devices
- 99-01.3-04.1-02 Equipment
- 99-01.3-04.1-03 Conduct and play
- 99-01.3-04.1-04 Recordkeeping

99-01.3-04.1-01. Quick shot bingo card marking devices. “Quick shot bingo card marking devices” means a device used to play a quick shot bingo game where letters and numbers are pre-drawn and players purchase sealed bingo cards on the device which are matched against the pre-drawn letters and numbers. If a predetermined pattern is achieved, then the player wins a prize based on a specific prize table. Because the game has all of its letters and numbers pre-drawn, there may or may not be a winning player for each game played. A player is not required to say the word “bingo” before a bingo is awarded. Before a session begins, an employee shall draw or a random number generator shall draw twenty-four balls or numbers comprised of the first five balls or numbers from each of the “B”, “I”, “G”, and “O” rows, and the first four balls or numbers from the “N” row. Up to six additional balls or numbers may be drawn as bonus numbers. Once twenty-four balls or numbers and any bonus balls or numbers, if applicable, are selected, an employee or the related equipment shall enter the numbers into the quick shot bingo site operating system and post the selected balls or numbers prior to starting the session. A quick shot bingo card marking device and related equipment may only be sold or provided to an organization with a state gaming license.

History: Effective July 1, 2012.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-04.1-02. Equipment. An organization shall use this equipment:

1. A device from which bingo balls are drawn or a random number generator. The device or random number generator must draw from a set of seventy-five balls or numbers used to determine the original twenty-four balls or numbers for play of the game and any bonus numbers, if applicable. If actual bingo balls are used, rather than a random number generator, an organization employee shall insure that all seventy-five numbers are available prior to the draw.
2. A quick shot bingo card marking device site operating system, including a portable point of sale device, which allows an employee to deposit credits received from a player by cash, check, or debit card. All deposits must be received prior to play and no credit play is allowed. The quick shot bingo card marking device site operating system must store all accounting information for a session.
3. A quick shot bingo card marking device that allows a player to play between one and sixteen bingo cards for an individual game. When a player initiates play of the selected cards, the device may automatically mark all of the player’s cards with the pre-drawn numbers. The device may randomly mark the pre-drawn numbers in any order for each game played. No auto-daub feature which initiates play of a new game without a player’s interaction is allowed.

History: Effective July 1, 2012.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-04.1-03. Conduct and play.

1. The pre-drawn numbers for the current session must be posted at the site. The use of a flashboard is optional. Unless there is only one employee on duty, two persons shall verify and attest to the numbers drawn or selected, numbers posted, and numbers entered into the quick shot bingo card marking device site operating system for the

- current session. Players are not allowed to pick any numbers to match for a quick shot bingo game or bonus feature. No bingo session may extend beyond the end of a business day.
2. Players are responsible for safeguarding their receipt with the designated control number to track all deposits on a quick shot bingo card marking device. A player's receipt must be presented when redeeming prizes or cashing out credits.
 3. If a player has a winning prize pattern, all prize winnings must be awarded to players in a separate winnings account on a quick shot bingo card marking device. Automatic transfer by the player of any winnings balance to the credit (deposit) balance on the device is prohibited. All payouts of winnings must be transacted by an organization employee.
 4. A player must not be required to forfeit any winnings or make an additional wager in order to receive a bonus game or feature.
 5. These rules and information must be disclosed or made available to players:
 - a. If applicable, a person under eighteen years of age may not play bingo unless an individual, eighteen years of age or older, accompanies a minor when buying bingo cards on a quick shot bingo card marking device;
 - b. The actual letters and numbers pre-drawn by the organization are official;
 - c. If a person knowingly uses a fraudulent scheme or technique to cheat or skim involving bingo, regardless of the amount gained, the offense is a class C felony punishable by a five thousand dollar fine or five years in jail or both;
 - d. A quick shot bingo card marking device may not be taken outside of the gaming area;
 - e. An employee may only assist a player in how to use a quick shot bingo card marking device;
 - f. No player can use more than one quick shot bingo card marking device at a time during a session;
 - g. If a player attempts to falsify or falsifies a record of win, the prize is forfeited;
 - h. That a player may not sell the remaining credits on a device to another player; and
 - i. A player must present their receipt when redeeming prizes or cashing out credits.
 6. These policies and information must be disclosed to players:
 - a. A policy that if a player has more than one winning bingo pattern on a card, whether the highest prize pattern will be awarded or all winning prize patterns will be awarded;
 - b. A policy in the event that a player has lost their receipt;
 - c. A policy when an organization may cancel a session due to power outage, quick shot bingo card marking device site operating system being down, or any transmission problems; and
 - d. If applicable, a policy regarding use of a quick shot bingo card marking device and additional paper bingo cards at the same time.
 7. An employee or floorworker must use a point of sale device when adding additional credits (deposits) and redeeming winnings for additional credits (deposits) involving a quick shot bingo card marking devices provided that all transactions are accounted for according the manufacturing specifications in 99-01.3-16-09.4.
 8. A quick shot bingo card marking device cannot be reserved for a player. An organization shall provide each player an equal opportunity to use the available devices on a first-come, first-served basis.
 9. An organization may pay a fixed rate per quick shot bingo card marking device or a fixed fee per bingo card sold. No payment for use of a device may be based on a percentage of the gross proceeds or net income earned.

10. A receipt must comply with paragraph 1 of subdivision i of subsection 13 of section 99-01.3-16-09.4.
11. All prizes awarded must be cash.
12. No quick shot bingo games may be played with a progressive prize unless authorized by the attorney general.
13. A separate cash bank must be used with quick shot bingo card marking devices at a site. All deposits must be separately indentified from other game types including other bingo games conducted at a site.
14. Unredeemed credits on a quick shot bingo card marking device are not considered to be gross proceeds but rather is cash profit. Unclaimed prizes on the device are subtracted from total prizes won in calculating the adjusted gross proceeds.
15. An organization shall deactivate an employee password within 48 hours of that employee leaving employment. Passwords for employees of a site must be changed every 6 months.
16. No discount, gift certificates, or promotions are allowed unless authorized by the attorney general.

History: Effective July 1, 2012.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-06

99-01.3-04.1-04. Recordkeeping. Records must include and be retained for three years from the end of the quarter in which the activity was reported, unless otherwise provided by rule:

1. For each session:
 - a. The quick shot bingo site operating system involving a bingo card marking device must include the summary report for the session according to paragraph 2 of subdivision i of subsection 13 of section 99-01.3-16-09.4.
 - b. The starting and ending cash on hand and IOU records according to section 99-01.3-03-06;
 - c. A summary of the gross proceeds, unplayed credits cashed out, unredeemed credits, prizes, unclaimed prizes, adjusted gross proceeds, cash profit, cash long and short, and bank deposit. The summaries of all sessions for a quarter must reconcile to the tax return;
 - d. Record of win according to Section 99-01.3-03-08; and
 - e. Record of the balls or numbers pre-drawn, including bonus numbers and a record of numbers actually entered into the quick shot bingo card marking device site operating system.
2. Ideal cash bank master records according to subsection 4 of section 99-01.3-03-09.
3. The cash profit defined in subdivision a of subsection 6 of section 99-01.3-02-01, verification of the amount deposited according to a bank statement, and an audit of the game's activity according to section 99-01.3-03-10.

History: Effective July 1, 2012.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

CHAPTER 99-01.3-05
RAFFLES

Section	
99-01.3-05-01	Raffle
99-01.3-05-02	Tickets - Limitations and Requirements
99-01.3-05-03	Prize Restrictions and Requirements
99-01.3-05-04	Information on a Ticket
99-01.3-05-05	Double Roll Tickets
99-01.3-05-06	Reporting Gross Proceeds and Prizes
99-01.3-05-07	Recordkeeping

99-01.3-05-01. Raffle. A raffle is a game in which a prize is won by a player who bought a raffle ticket or square on a board. A winning player is determined by drawing a ticket stub or number of a square on a board from a receptacle or by an alternate fair method. A calendar raffle is a raffle in which a player's ticket stub is entered in two or more drawings held on predetermined days over an extended period of time for predetermined prizes. The conduct of a raffle is the drawing or alternate fair method of selection.

History: Effective May 1, 1998; amended effective July 1, 2002; July 1, 2004.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-05-02. Tickets - Limitations and requirements.

1. Each raffle ticket is a separate and equal chance to win with all other tickets sold. A person may not be required to buy more than one ticket, or to pay for anything other than the ticket, to enter a raffle. An organization may sell several tickets or sell tickets in advance of a special event to a person at a discount. A discounted ticket must be specifically designated as a discounted ticket on the ticket and its stub. The number of discounted tickets must be predetermined and separately issued and accounted for when issued to a ticket seller.
2. An organization may not allow a raffle ticket seller to retain a ticket for free or retain any portion of the price of a ticket as compensation, and may not compensate the seller a certain amount or provide a gift for selling a winning ticket. An organization may provide a raffle ticket seller a fixed amount for selling the most or a certain number of tickets. No raffle ticket can be resold.
3. A raffle ticket must have a detachable stub that is consecutively numbered. A raffle ticket stub must have a duplicate number corresponding to the number on the ticket and contain the purchaser's name, address, and telephone number, except when double roll tickets are used. A ticket must be issued, as a receipt, to a player. For a raffle conducted by a licensed organization, the ticket numbers must be mechanically or electronically imprinted. For a raffle conducted by an organization that has a permit, the ticket may be manually imprinted.
4. An employee may not sell a ticket on a site where another organization is licensed or has a permit unless the employee is granted permission by the lessor and other organization. An employee of a lessor may sell raffle tickets at the site for the organization authorized to conduct games at that site.
5. A ticket seller shall return the stubs of all tickets sold. The stubs must be intermixed in a receptacle.
6. An organization shall return the price of a ticket to a player if the stub of the player's ticket was not placed in the receptacle for the drawing.

7. For a calendar raffle, the stub of each ticket sold must be entered in all the drawings conducted since the ticket was sold. A licensed organization may not conduct a calendar raffle for other than a fiscal year beginning July first and ending June thirtieth.
8. An organization may not conduct a drawing unless two employees are present. A drawing must occur at an authorized public or private site.
9. In conducting a drawing, an employee shall draw a stub for the highest valued prize first. If there is more than one prize, an employee shall continue drawing for the prizes in the order of descending value. A prize is valued at its cash value or retail price. An organization may defer announcing the names of the winning players and respective prizes until after all the drawings have occurred and may make the announcement in any sequence. This rule does not apply when an organization adopts a written policy to place a winning player's stub immediately back into a receptacle to potentially be drawn for another prize or multiple drawings with a winner's choice of prizes.
10. An organization may not print any word or phrase on promotional material or advertising which implies or expresses that a purchase of the ticket is a charitable donation.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; July 1, 2010.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-06

99-01.3-05-03. Prize restrictions and requirements.

1. No prize may be real estate, ticket for entry into another raffle, or live animal except for beef or dairy cattle, horse, bison, sheep, or pig. A prize must be an item that may be legally owned and possessed and has a value or a right to a free service. A winning player may not be required to first pay for or buy something to receive a prize. Cash or merchandise prizes may be awarded. A cash prize may be based on a percentage of gross proceeds. However, a single cash prize cannot exceed four thousand dollars and the total cash prizes cannot exceed four thousand dollars during a day.
2. On not more than two occasions per year a licensed organization may, at the request of a winning player, exchange a merchandise prize valued at not more than twenty-five thousand dollars for a cash prize. Merchandise prizes with a value in excess of twenty-five thousand dollars may not be exchanged for cash. If an organization conducts no more than two raffles per year it may advertise, except on the raffle ticket, that cash may be requested as an alternative to the merchandise prize being offered.
3. An organization shall own, have a contract to acquire, or be able to obtain a merchandise prize before offering a merchandise prize in a drawing. However, an organization does not need to register or title an automobile or similar item.
4. Besides a primary prize that is awarded, an organization may offer an additional unguaranteed cash prize limited to one thousand dollars or merchandise prize provided:
 - a. A ticket must describe the prize;
 - b. The prize is predetermined and may be limited to a winning player of one of the other prizes;
 - c. A player is not required to pay an additional amount, forfeit a prize, or be present to participate;
 - d. Unless an organization owns a prize, an award of the prize must be insured; and
 - e. Unless the prize is limited to a winning player of one of the other prizes, a drawing must be conducted from all tickets sold.
5. If an organization has not been able to recover the cost of the prize, it may cancel a raffle with approval from the attorney general and refund the gross proceeds.
6. A prize winner must be drawn or determined on the date and at the location indicated on a ticket unless a different date or location is requested in writing and approved by the attorney general before the date of the drawing. If a different drawing date or location is

approved, an organization shall notify the purchasers of the tickets of the change by contacting each purchaser or by making a public announcement. The attorney general may, for good cause, change the date or location for a drawing.

7. Within seven days of a raffle, an organization shall notify the winning player verbally or, if the value of the prize exceeds two hundred dollars, in writing, of the prize and arrange the pickup or delivery of the prize. If a prize remains unclaimed by a winning player for thirty days following the date of the written notification and an organization has made a good-faith effort to contact the winner to redeem the prize, the organization may retain the prize, have a second prize drawing, or award it in another raffle or game.
8. An organization may award a bonus prize based on a separate drawing of previously drawn winning tickets.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 36-21.1-09, 53-06.1-01.1, 53-06.1-10.1

99-01.3-05-04. Information on a ticket. Each raffle ticket must contain this preprinted information, except for double roll tickets:

1. Name of organization;
2. Ticket number;
3. Price of the ticket, including any discounted price;
4. Prize, description of an optional prize selectable by a winning player, or option to convert a merchandise prize to a cash prize that is limited to the lesser of the value of the merchandise prize or four thousand dollars. However, if there is insufficient space on a ticket to list each minor prize that has a retail price not exceeding twenty-five dollars, an organization may state the total number of minor prizes and their total retail price;
5. For a licensed organization, print "office of attorney general" and license number. For an organization that has a permit, print the authorizing city or county and permit number;
6. A statement that a person is or is not required to be present at a drawing to win;
7. Date and time of the drawing or drawings and, if the winning player is to be announced later, date and time of that announcement. For a calendar raffle, if the drawings are on the same day of the week or month, print the day and time of the drawing;
8. Location and street address of the drawing;
9. If a merchandise prize requires a title transfer involving the department of transportation, a statement that a winning player is or is not liable for sales or use tax;
10. If a purchase of a ticket or winning a prize is restricted to a person of a minimum age, a statement that a person must be at least "____" years of age to buy a ticket or win a prize;
11. A statement that a purchase of the ticket is not a charitable donation;
12. If a secondary prize is an unguaranteed cash or merchandise prize, a statement that the prize is not guaranteed to be won and odds of winning the prize based on numbers of chances; and
13. If a prize is live beef or dairy cattle, horse, bison, sheep, or pig, a statement that the winning player may convert the prize to a cash prize that is limited to the lesser of the market value of the animal or four thousand dollars.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; July 1, 2010.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-05-05. Double roll tickets. An organization may use double roll tickets provided:

1. Two tickets must be printed side by side on a roll with a consecutive number. Both tickets must have the same number;

2. A list of the prizes must be disclosed or made available to players or the prize must be present at the site. If there is more than one prize, an organization may use a different receptacle for each prize to enable an employee or player to place one of the tickets in the receptacle related to a certain prize, or one receptacle in which the winning player can select from a variety of prizes. All tickets must be sold consecutively or in consecutive sets if the tickets are tracked by each ticket seller at an authorized site on the day of the raffle. All the tickets of each separately colored roll must be sold for the same price on that day. An organization may use a separate colored roll to sell several tickets to a person at a discount. The organization and player each retains one ticket, unless the player is allowed to temporarily retain the entire ticket until the player places one ticket into a receptacle;
3. A winning player need not be present when a drawing is held but shall claim the prize within a reasonable redemption period set by the organization. Otherwise, an organization shall conduct one or more additional prize drawings until the prize is claimed. A statement of the time of the drawing and redemption period must be on all promotional material and be posted at a site; and
4. ~~An organization shall record in its daily records the color and selling value of each ticket and the lowest and highest numbered ticket sold from each roll.~~ The organization's daily records must contain the ticket color, ticket selling price, and lowest and highest numbered tickets sold from each roll. A verification of the tickets used must be done by two persons, unless there is only one employee on duty at the time. Both persons shall participate in the verification in the presence of each other and resolve any differences. After completing and documenting the verification, both shall initial the record. Any tickets left on a roll which will not be sold in any other raffle must be retained as part of the daily records. This subsection does not apply to a permit.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; July 1, 2012.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-05-06. Reporting gross proceeds and prizes.

1. When the sales price of a raffle ticket relates partly to admission for a meal or other nongaming activity, an organization shall deposit the gross proceeds into its gaming account and allocate the amount between gaming and nongaming activity in this order:
 - a. An amount is allocated to raffle gross proceeds equal to the cost of the prize.
 - b. An amount is allocated to nongaming activity to recover its cost. This amount must be documented and is not reported on a tax return.
 - c. The remaining amount is allocated to raffle gross proceeds.
2. If an organization conducts a raffle in which the prize drawing is in one quarter, the gaming activity must be reported in the quarter in which the prize drawing is held. If an organization conducts a calendar raffle in which prizes are awarded in more than one quarter, the gross proceeds and prizes must be reported in the quarter in which the final prize is awarded. Actual drawings for a calendar raffle may be conducted at one time with the awarding of prizes at a later date.

History: Effective May 1, 1998; amended effective July 1, 2002; July 1, 2004; October 1, 2006.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-05-07. Recordkeeping. Records must include and be retained for three years from the end of the quarter in which the activity was reported, unless otherwise provided by rule:

1. For each raffle:
 - a. Purchase invoice documenting the purchase of tickets and range of ticket numbers printed;

- b. Ticket distribution log containing a ticket seller's name, quantity issued, range of single and discounted ticket numbers issued to the seller, and quantity sold;
 - c. Reconciliation of the cash received from each ticket seller based on the number of tickets sold, including discounted tickets, date cash is received, and a schedule of bank deposits;
 - d. For double roll tickets, the daily starting and ending cash on hand, IOU records according to section 99-01.3-03-06, and daily records according to subsection 4 of section 99-01.3-05-05;
 - e. A sample of a ticket;
 - f. The stubs of all sold tickets which must be retained for one year from the end of the quarter in which the activity was reported on a tax return;
 - g. Prize register according to section 99-01.3-03-07 and record of win according to section 99-01.3-03-08;
 - h. A summary of gross proceeds, prizes, adjusted gross proceeds, cash profit, cash long or short, and bank deposit. The summaries of all raffles for a quarter must reconcile to the tax return; and
 - i. Purchase invoice or receipt documenting the cost of a merchandise prize and documentation of the cost of nongaming activity according to subdivision b of subsection 1 of section 99-01.3-05-06.
2. For double roll tickets, inventory records according to subsection 3 of section 99-01.3-03-09.
 3. Ideal cash bank master records according to subsection 4 of section 99-01.3-03-09.
 4. The cash profit defined in subdivision b of subsection 6 of section 99-01.3-02-01, verification of the amount deposited according to a bank statement, and an audit of the game's activity according to section 99-01.3-03-10.
 5. The count and reconciliation of rolls of tickets and cash banks according to subsection 6 of section 99-01.3-03-09.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010.
 General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

CHAPTER 99-01.3-06
PULL TABS, CLUB SPECIAL,
TIP BOARD, SEAL BOARD, PRIZE BOARD, AND PUNCHBOARD

Section

99-01.3-06-01	Games - Definitions
99-01.3-06-02	Conduct and Play
99-01.3-06-03	Recordkeeping

99-01.3-06-01. Games - Definitions. This chapter applies to a licensed organization that conducts pull tabs, club specials, tip boards, seal boards, prize boards, and punchboards, but not pull tabs or prize boards involving a dispensing device. The maximum price per chance is two dollars. A prize board, club special, punchboard, seal board, and tip board are conducted as a single game which may have a cash or merchandise prize and one or more seal prizes. The value of a seal prize or a last sale prize may exceed the value of the top tier prize. For pull tabs described by subsection 3, only a cash prize can be awarded, not a merchandise or seal prize.

1. "Club special" means a placard used with pull tabs and it contains numbered lines and a seal covering the winning number of the top tier prize. A player may win a minor prize or, if the player has a pull tab with a number matching a predesignated number on the placard, would sign the player's full name on the line. Only one player's name may be signed on a specific line. When all the lines are signed, a seal is removed to reveal a winning line number. A player whose signature is on that line wins the seal prize. An organization is responsible for ensuring that a description and retail price of a merchandise prize or cash prize to be awarded and cost per play is on a flare. The maximum number of pull tabs in a deal is five hundred. The maximum cash prize, last sale prize, or seal prize, including the retail price of a merchandise prize, is one hundred fifty dollars.
2. "Prize board" means a board used with pull tabs to award cash or merchandise prizes. Coins of various values may be affixed to the board and, under each coin, a cash prize value preprinted on the board. A board may contain numbered lines and a seal covering a winning number. A player having a pull tab with a number matching a predesignated number on a board for a seal prize signs the player's full name on the numbered line or supplemental sheet. Only one player's name may be signed on a specific line. However, if a number or symbol matches a winning number or symbol assigned to a specific coin or minor prize, the player wins that coin or prize, and a cash prize value stated under the coin. A last sale prize may be awarded. When the board is closed, a seal is removed to reveal the winning line number. A player whose signature is on that line wins the seal prize. No board may be closed unless all the top tier winning pull tabs have been redeemed, all the pull tabs are sold, all the seals have been opened, or the board has been conducted for ninety calendar days. An organization is responsible for ensuring that a description and retail price of a merchandise prize or cash prize to be awarded and cost per play is on a board. A seal prize and a last sale prize are not considered top tier prizes. If a coin is not awarded, an organization shall determine the prizes to report on a tax return by prorating the total cost of the coins, according to their face value, of the coins that were awarded to the total face value of all the coins. An organization may use an unawarded prize in another game, sell the prize, or deposit the coin in the gaming account. The maximum number of pull tabs in a deal is two thousand. The maximum cash prize, last sale prize, or seal prize, including the retail price of a merchandise prize, is five hundred dollars.
3. "Pull tab" means a folded or banded ticket (jar ticket), a card with break-open tabs (pull tab), or a ticket with a latex covering. The terms "pull tab" and "jar ticket" are used

- interchangeably unless otherwise stated. A winning pull tab contains certain symbols or numbers and may contain multiple winning symbols or numbers. A pull tab game must be played with two or more deals commingled at any time. The maximum cash prize for a winning symbol or number on a pull tab or last sale prize is five hundred dollars.
4. "Punchboard" means a board comprised of holes that contain numbered slips of paper (punches). A punchboard may include a seal prize, and more than one last sale prize if the punchboard is split into more than one section. An employee or player extracts a punch from the punchboard. If the number on the punch matches a number on a flare, the player wins a prize. No punchboard may be closed unless all the top tier winning punches have been redeemed, all the punches are sold, or the punchboard has been conducted for ninety calendar days. A seal prize and a last sale prize are not considered top tier prizes. An organization is responsible for ensuring that a description and retail price of a merchandise prize or cash prize to be awarded and cost per play is on a board. The maximum cash prize, seal prize, or last sale prize, including the retail price of a merchandise prize, is five hundred dollars.
 5. "Seal board" means a placard containing consecutively numbered lines. A seal covers the winning number. A player buys a blank "line" and signs the player's full name on it. Only one player's name may be signed on a specific line. After all the lines are signed, the seal is removed to reveal the winning line number. An organization is responsible for ensuring that a description and retail price of a merchandise prize or cash prize to be awarded and cost per play is on a board. The maximum seal cash prize or retail price of a merchandise prize is five hundred dollars.
 6. "Tip board" means a placard to which jar tickets or pull tabs are attached. A seal covers the winning number of the top tier prize. A player may win a minor prize or, if the number of a player's jar ticket matches a number on the placard, the player signs the player's full name on the line. Only one player's name may be signed on a specific line. After all the lines are signed or all the pull tabs have been sold, the seal is removed to reveal the winning number. An organization is responsible for ensuring that a description and retail price of a merchandise prize or cash prize to be awarded and cost per play is on a board. The maximum number of jar tickets or pull tabs in a deal is five hundred. The maximum cash prize, seal prize, or last sale prize, including the retail price of a merchandise prize, is one hundred fifty dollars.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-08

99-01.3-06-02. Conduct and play.

1. Deals of pull tabs must be commingled for a game as follows:
 - a. Two or more deals must be placed in a receptacle and be thoroughly intermixed. When an organization's predetermined number or range of numbers of winning pull tabs remain in a game as unredeemed, an additional deal is added. An employee shall add a deal to a game when there are about two hundred fifty pull tabs remaining and the game cannot be or is not being closed. The new pull tabs must be intermixed with the pull tabs in the receptacle before any pull tab is sold;
 - b. The deals must be identical except for the game serial number, and a minor difference in printing that is approved by the attorney general. Each deal must have at least two top tier winning pull tabs. If deals of a game involve folded or banded jar tickets, the color of the tickets' band must be the same; however, multiple-colored bands on a single ticket may be used. When a deal is added to a game, an employee shall compare the color of a deal's pull tabs to the color of the game's pull tabs. If the colors are not the same, the deal cannot be used;

- c. A master flare or flare for at least one deal of a game must be displayed with the game and be visible to and not easily removed by a player. An organization shall retain all original flares at a site while a game is in play. If a deal has a last sale prize feature, the deal's flare must also be displayed. Only the flare of one deal of a game may have a last sale prize feature;
 - d. If an indicator for adding a deal to a game has been reached and an organization does not have a deal to add, the organization shall temporarily suspend the game until it procures a deal. However, if the organization is unable to procure a deal from the distributors and all the top tier winning pull tabs have been redeemed, it may close the game;
 - e. If a site's total gross proceeds of pull tabs averages twelve thousand five hundred dollars or less per quarter, a game may be closed anytime if all top tier winning pull tabs have been redeemed;
 - f. Except as provided by subdivision g, if a site's total gross proceeds of pull tabs averages more than twelve thousand five hundred dollars per quarter, no game may be closed unless an organization discontinues gaming at the site, or all the top tier winning pull tabs have been redeemed and:
 - (1) Fifty deals have been added to a game;
 - (2) A game's actual gross proceeds are twenty-five thousand dollars; or
 - (3) A game has been in play for twenty-five consecutive calendar days; and
 - g. An organization shall close a game by the end of a quarter. If all top tier winning pull tabs have been redeemed, an organization may close a game for the quarter within fourteen calendar days before the end of that quarter. An organization may start a new game for the next quarter within fourteen calendar days before the next quarter begins. However, an organization may not start a new game and end that game within this fourteen-calendar-day period.
2. An employee may not place a deal of pull tabs, club special, or prize board in play which has a manufacturer's or distributor's seal broken on the game's container when the game was received from a distributor. A person may not take off a deal's manufacturer's cellophane shrink wrap or break the manufacturer's or distributor's security seal on the deal's container until the deal is to be placed in a receptacle. If a distributor's or manufacturer's security seal is broken before the deal is used, an organization shall return the deal to the distributor. If a deal is packaged in two or more containers, the full deal must be placed in play at the same time.
3. These rules must be disclosed or made available to players:
- a. Restricting the play of a game to one player or a group of players is prohibited;
 - b. A winning pull tab must be redeemed within a fifteen-minute time limit;
 - c. If a person knowingly solicits, provides, receives, or knowingly uses any inside information, from or to any person, by any means, or knowingly uses a fraudulent scheme or technique to cheat or skim involving pull tabs, regardless of the amount gained, the offense is a class C felony punishable by a five thousand dollar fine or five years in jail or both;
 - d. A pull tab cannot be redeemed if it has been taken from the gaming area;
 - e. To the best of the organization's knowledge, a prize remaining on a board relates to a winning pull tab that has not been bought. This rule is not required to be disclosed or made available to players if an organization does not conduct a prize board;
 - f. A deal may be added to a game at any time; and

10. An employee shall deface a winning number or symbol of a pull tab, including pull tabs used with a prize board, and punchboard punch when it is redeemed. If a pull tab has two or more winning prize patterns, a winning number or symbol of at least one pattern must be defaced. An employee may not knowingly pay a prize to a player who is redeeming a pull tab that has been defaced, tampered with, counterfeited, has a game serial number different from the serial numbers of the deals in the game, or is defective.
11. If a player buys a set of stapled jar tickets and, before or after opening any jar ticket, determines that the set contains less than the standard number of tickets, an employee may issue the player only the number of tickets actually missing. If a player buys a set of banded jar tickets and, before breaking the band, determines that the set contains less than the standard number of tickets, an employee may issue the player a new set in exchange for the defective set. An employee may staple together the proper number of loose jar tickets of a game to sell. An employee may, at any time, sell a loose unopened jar ticket or partial set of banded jar tickets at a proportional selling price of a full set.
12. When a game is being closed, an organization may continue to conduct the game although all of its top tier and minor winning pull tabs have been redeemed. An employee may not permit a player to buy out a game except when a game is being closed. If an organization closes a game that has pull tabs unsold, it may not open or place the pull tabs back into play.
13. Unless an organization conducts a commingled game according to subdivision e of subsection 1 or closes a commingled game at least monthly, an employee who did not conduct the game shall do a monthly interim audit of the game. If the percent-of-accuracy of all the games of a site for the previous quarter was less than ninety-eight and one-half percent, and a cash shortage of more than one hundred dollars, an employee who did not conduct the game shall do a weekly interim audit of the games for that site for up to twelve continuous weeks or until the organization determines, resolves, and documents the cause. One of the weekly interim audits may be the audit required by subsection 7 of section 99-01.3-03-10. An organization shall start the weekly audits no later than the date on which its tax return for the quarter was filed with the attorney general. Percent-of-accuracy is computed as cash profit divided by adjusted gross proceeds.
14. An employee shall award the last sale cash or merchandise prize to the player who actually buys the last pull tab or punch.
15. An organization may transfer a commingled game, club special, tip board, seal board, prize board, and punchboard from a site to another site, or rotate games among sites. If an organization discontinues gaming at a site, it may close a game. If a game is in the process of being conducted through a jar bar, the game cannot be transferred to a dispensing device. A game must be reported for the site at which it was closed and on a tax return for the quarter in which it was closed.
16. An employee may not pay, from any source of funds, a prize to a player unless the player redeems an actual winning pull tab that has a game serial number from a game conducted at the site. This rule does not apply to a last sale prize.
17. Before leaving a jar bar unattended, an employee shall safeguard the games, cash, and records.
18. An organization may not publicly display a redeemed pull tab.
19. An organization or employee may not reimburse, from any source of funds, an amount to a player for play of a game that has a manufacturing defect nor has an incorrect posting of information described by subsection 6, unless the attorney general approves.

20. If an organization suspects or determines that a game may be defective, the organization shall temporarily suspend the game, notify the attorney general, and follow the attorney general's instructions.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; July 1, 2010; July 1, 2012.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-08

99-01.3-06-03. Recordkeeping. Records must include and be retained for three years from the end of the quarter in which the activity was reported, unless otherwise provided by rule:

1. All redeemed and unsold pull tabs or punches for a game must be retained as documentation for gross proceeds and prizes for one year from the end of the quarter in which the activity was reported on a tax return;
2. For a commingled game, an accounting of each deal's, shift's, or day's redeemed pull tabs, including the number by prize value, total prizes, and number of redeemed top tier pull tabs by game serial number. This accounting must be consistent and be done each time a deal is added to a game, a shift ends, or at the end of each day. If the accounting is done each time a deal is added to a game, the redeemed winning pull tabs for the period must be grouped separately and retained with all other groups of pull tabs of that game. If the accounting is done at the end of each shift or day, the redeemed winning pull tabs for each shift or day must be banded and each banded group must be dated with the date of activity and be retained in a storage container with all other banded groups of that game. For each game, there must be a daily accounting of deals added to a game, by gaming stamp and game serial numbers, and of the cash profit and bank deposit;
3. For a club special, tip board, seal board, prize board, and punchboard, an accounting of prizes, by state gaming stamp number;
4. A daily accounting of starting and ending cash on hand and IOU records according to section 99-01.3-03-06;
5. For a deal of pull tabs or prize board, the game information sheet and flare, and for a club special, tip board, punch board, and seal board, the flare, with the state gaming stamp affixed;
6. A summary of ideal gross proceeds, value of unsold pull tabs or punches, gross proceeds, prizes, adjusted gross proceeds, cash profit, cash long or short, and bank deposit. The summaries for a quarter must reconcile to the activity reported on the tax return;
7. Record of win according to section 99-01.3-03-08;
8. Inventory records according to subsection 1 of section 99-01.3-03-09;
9. Ideal cash bank master records according to subsection 4 of section 99-01.3-03-09;
10. An organization approved by the attorney general to use a combined cash bank for pull tab games at a site shall document the allocation of cash profit to each game based on the ratio of a game's adjusted gross proceeds to the total adjusted gross proceeds of all the games;
11. For a commingled game, club special, tip board, seal board, prize board, and punchboard the cash profit defined in subdivisions c, e, and f of subsection 6 of section 99-01.3-02-01, verification of the amount deposited according to a bank statement, and an audit of the game's activity according to section 99-01.3-03-10;
12. Interim audit records according to subsection 13 of section 99-01.3-06-02;
13. Purchase invoice or receipt documenting the cost of a merchandise prize; and
14. The count and reconciliation of deals, games, and cash banks according to subsection 6 of section 99-01.3-03-09.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

CHAPTER 99-01.3-07
SPORTS POOLS

Section

99-01.3-07-01

Sports Pool

99-01.3-07-02

Recordkeeping

99-01.3-07-01. Sports pool. A “sports pool” is comprised of wagers paid by players for a line or square that will determine which player wins. The maximum cost per line or square is five dollars. The conduct of a sports pool is the selling of chances on the board and award of a prize. Only cash prizes can be awarded. No sports-pool board with the state gaming stamp affixed may be conducted off of a site.

1. A sports-pool board must be a multiple line or multiple square board based on the professional sporting event, provide for an equal chance for each player to win, and be acquired from a distributor.
2. An organization shall complete the cost per play, date of sports event, ideal prizes, and method of prize payout on a board. An employee of a lessor may sell chances on a board, but not award prizes, at the site for the organization authorized to conduct games at the site. The method of prize payout may be at periodic intervals or the end of an event. The total payout cannot exceed ninety percent of the gross proceeds.
3. An organization shall designate one opponent along the vertical columns of numbers and the other opponent along the horizontal rows of numbers. However, if the opponents are unknown when the board is being sold, an organization shall designate identifiable conferences, divisions, or events. A player who buys a square or line or an employee shall write the player’s full name in that square or on that line. Only one player may buy a specific square or line. Except for a calendar sports pool, no tapes may be removed until all the squares or lines are sold and the opponents are designated. All the squares or lines must be sold before the sports event begins. If all the squares or lines are not sold, an organization may advance the board to another event or refund the players’ money. If opponents were designated but the board is advanced to another event, an organization may keep the same opponents or designate new opponents. When an unsold board is advanced to another event, an organization shall post a notice on a site disclosing its policy of advancing the board. Gross proceeds must be separately maintained for each board.
4. An organization may conduct a calendar or master sports pool for two or more events of the same sport. An organization shall use one board for each event and buy the necessary number of boards before selling any square. For example, if a sports pool involves sixteen events, an organization shall buy sixteen boards. A player buys the same square on each board for all the events. Each board is reported separately on a tax return for the quarter in which the event was held.
5. A calendar sports pool must be conducted as follows:
 - a. The tapes covering the numbers assigned the horizontal rows and vertical columns of the boards must be removed to reveal the numbers. One opponent must be designated along the vertical columns of numbers and the other opponent designated along the horizontal rows of numbers. The board must state the event and its date;
 - b. Each square of each board must be assigned a consecutive number starting with number one. The numbering must be in sequence, left to right;
 - c. Each board must be printed and may be reduced in size. The quantity printed is based on the type of board. For example, for a one hundred square board, each

- board must be printed one hundred times. A printed board for each event and a receipt comprise a book;
- d. A receipt must contain:
 - (1) A consecutive receipt number starting with one. A statement that the receipt number is the player's assigned square for all the boards in the book;
 - (2) Name and address of organization and name of site;
 - (3) For a licensed organization, print "office of the attorney general" and site license number. For an organization that has a permit, print the name of the city or county and permit number;
 - (4) Price of the book, method of prize payout and prize; and
 - (5) A detachable section containing a player's full name, address, telephone number, and matching receipt number which is retained by an organization;
 - e. An employee may not sell a book on a site where another organization is licensed or has a permit unless the employee is granted permission by the lessor and other organization;
 - f. A player may not choose a particular book to buy. When a book is sold, a receipt's detachable section is completed. After a player buys a book, the player may see the numbers assigned that player's square on the boards;
 - g. A board must be posted at the site on the day that the related event is held; and
 - h. If all the books of a calendar sports pool are not sold before the first event, an organization shall refund the players' money and void all the boards. The voided boards must be reported on the tax return as "no activity".
6. A master sports pool must be conducted as follows:
- a. An organization shall post a multiple square master board at a site. Each square must be assigned a consecutive number starting with number one. The numbering must be in sequence, left to right. A master board must include:
 - (1) Name of organization;
 - (2) The events;
 - (3) Price of participating, number of events, method of prize payout and prize; and
 - (4) A statement that the scores assigned to the players' squares for each event will be posted at the site five days before the event.
 - b. A player shall buy a square and write the player's full name and telephone number in it.
 - c. A sports-pool board with the state gaming stamp affixed must be posted at a site five days before the event related to that board is held.
 - d. If all the squares of a master sports pool are not sold before the first event, an organization shall refund the players' money and void all the boards. The voided boards must be reported on the tax return as "no activity".
7. The winner of a board is determined, at periodic intervals or at the end of the event:
- a. For a multiple line board, by determining the line that is assigned the winning number (one's position) or the combined score of both opponents.
 - b. For a multiple square board, by determining the square at the juncture of the horizontal row and vertical column which relate to the numbers (one's position) of each opponent's score.
8. An organization shall make a good-faith effort to contact a winning player to award a prize. If a prize is unclaimed for thirty days following the notification or a player attempts to falsify or falsifies a record of win, the prize is forfeited.

9. An employee shall record a prize on a board or a register according to section 99-01.3-03-07. If a prize is recorded on a board, the board must contain the information required by section 99-01.3-03-07. This subsection does not apply to a permit.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-09

99-01.3-07-02. Recordkeeping. Records must include and be retained for three years from the end of the quarter in which the activity was reported:

1. For each sports-pool board:
 - a. The sold board with the state gaming stamp affixed which must indicate the winning square or line;
 - b. The daily starting and ending cash on hand and IOU records according to section 99-01.3-03-06;
 - c. The type of professional sport and amount of each prize;
 - d. A summary of gross proceeds, prizes, adjusted gross proceeds, cash profit, cash long or short, and bank deposit. The summaries of all sports-pool boards conducted during a quarter must reconcile to the activity reported on a tax return; and
 - e. Prize register according to section 99-01.3-03-07 and record of win according to section 99-01.3-03-08.
2. Inventory records according to subsection 1 of section 99-01.3-03-09.
3. Ideal cash bank master records according to subsection 4 of section 99-01.3-03-09.
4. The cash profit defined in subdivision h of subsection 6 of section 99-01.3-02-01, verification of the amount deposited according to a bank statement, and an audit of the event's activity according to section 99-01.3-03-10.
5. The count and reconciliation of sports-pool boards and cash banks according to subsection 6 of section 99-01.3-03-09.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

CHAPTER 99-01.3-08
TWENTY-ONE

Section

99-01.3-08-01	Twenty-one
99-01.3-08-02	Table, Drop Box, Cards, and Dealing Shoe
99-01.3-08-03	Casino Chips
99-01.3-08-04	Video Surveillance System
99-01.3-08-05	Distributing and Removing Chips
99-01.3-08-06	Chip Bank Services
99-01.3-08-07	Opening a Table and Accepting Cash and Chips
99-01.3-08-08	Shuffle and Cut of the Cards
99-01.3-08-09	Betting
99-01.3-08-10	Dealing
99-01.3-08-11	Playing
99-01.3-08-12	Dealing Mistakes
99-01.3-08-13	Disclosure
99-01.3-08-14	Drop Box Cash Count
99-01.3-08-15	Tournaments
99-01.3-08-16	Recordkeeping

99-01.3-08-01. Twenty-one.

1. "Twenty-one" is a card game in which a player tries to obtain a higher total card count than a dealer without exceeding twenty-one. An ace counts either one or eleven. A king, queen, and jack have a count of ten. Cards two through ten are counted at their face value.
2. A maximum of seven players may play at a table. A player may play up to two betting spaces if an adjacent betting space is available. An outsider may not wager on a player's hand and a player may not wager on another player's hand.

History: Effective May 1, 1998.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-10

99-01.3-08-02. Table, drop box, cards, and dealing shoe.

1. If there is more than one table at a site, a table must have a number. A table playing surface must display no more than seven separate betting spaces and these or equivalent statements:

BLACKJACK PAYS 3 TO 2
and
DEALER MUST STAND ON 17 AND MUST DRAW TO 16

or

If a site allows the dealer to take a hit card when the dealer has a soft seventeen:

BLACKJACK PAYS 3 TO 2
and
DEALER MUST HIT SOFT 17

2. A table must have a drop box that meets the specification of subsection 5 of section 99-01.3-15-02. If there is more than one table at a site, a drop box must have a number

- matching the table number. A drop box must have a money plunger which must remain in the slot unless the plunger is used to insert currency or forms.
3. The cards must be four, six, or eight decks and be dealt from a dealing shoe located at a dealer's left. The cards must be the same size, shape, design, and be jumbo-faced. However, if a mechanical or electronic hole card reader is used on a table, cards that are not jumbo-faced may be used provided that the organization has received approval from the attorney general. Approval must be based on the attorney general's evaluation of the clarity of the cards on a recorded video of activity for the table. The color of the backs of all decks must be one predominate color, or one-half of the number of decks must be one predominate color and the other decks a different predominate color. The design on the back of each card must be identical.
 4. A dealing shoe must hold four or more decks of playing cards.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; October 1, 2006; July 1, 2010.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-08-03. Casino chips.

1. A wager and tip must be made with chips. If an organization accepts a twenty-five dollar wager, it shall provide twenty-five dollar chips to players for their optional use. Chips may be issued in values of fifty cents, one dollar, two dollars, five dollars, and twenty-five dollars. An organization may use a fifty cent metal coin or fifty cent United States coin as a substitute for a fifty cent chip provided the coin produces sufficient clarity on video surveillance. An organization may not use a different chip of the same value at a site, except for a commemorative chip.
2. Each chip must be one and nine-sixteenths inches [39.62 millimeters] in diameter and be permanently impressed, engraved, or imprinted on one side with an organization's name and on the other side with the value of the chip. The name may be represented by a unique identification that differentiates an organization's chips from all other organizations' chips. If a site had twenty-one gross proceeds averaging ten thousand dollars or more for two consecutive quarters and this level of activity is expected to continue or an organization installs a video surveillance system at a site, regardless of the value of wagers accepted at the site, the chips must meet the specifications of subsection 3.
3. Each value of chip must have the following prescribed primary color. A chip must have one or two contrasting secondary colors as edge spots, except for a fifty cent chip or metal coin. Edge spots must be visible on the perimeter of both sides of a chip and on the chip's circumference. An organization may not use a secondary color on any value of chip that is identical to the primary color used by the organization on another value of chip that results in a reversed combination of primary and secondary colors between the two values of chips. The primary colors and edge spots must be:
 - a. Fifty cent mustard yellow chip - a fifty cent chip has no edge spots. A fifty cent metal coin or fifty cent United States coin may be used as a substitute for the fifty cent chip.
 - b. One dollar white chip - a one dollar chip must have four solid edge spots and each edge spot must be one-half of one inch [12.7 millimeters] in width.
 - c. Two dollar pink chip - a two dollar chip must have four split edge spots and each edge spot must be three-eighths of one inch [9.40 millimeters] in width. Each of the two split portions of an edge spot and the space between the two split portions must be one-eighth of one inch [3.05 millimeters] in width. The two split portions of an edge spot must be the secondary color and the middle space may either be the primary color or a third color.

- d. Five dollar red chip - a five dollar chip must have six solid edge spots and each edge spot must be one-quarter of one inch [6.35 millimeters] in width.
 - e. Twenty-five dollar green chip - a twenty-five dollar chip must have eight white solid edge spots and each edge spot must be five thirty-seconds of one inch [4.06 millimeters] in width or, if the center of the chip is embossed in gold or inlaid with a coin, the chip must have three white solid edge spots and each edge spot must be fifteen thirty-seconds of one inch [12.18 millimeters] in width.
 - f. One hundred dollar black chip - a one hundred dollar chip must have four white triple split edge spots and each edge spot must be one-half of one inch [12.7 millimeters] in width. Each of the three split portions of an edge spot and the two spaces between the three split portions must be about three thirty-seconds of one inch [1.52 millimeters] in width. This chip is used in the game of paddlewheels.
4. An employee shall safeguard chips in a safe place or on a table with a locking cover. If a table has been opened and no employee is stationed at it, an employee shall remove or secure the chip tray with a locking cover.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010.
 General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-10

99-01.3-08-04. Video surveillance system. If a site had twenty-one gross proceeds averaging ten thousand dollars or more per quarter for two entire consecutive quarters, this level of activity is expected to continue, and wagers exceed two dollars, an organization shall have a video surveillance system operational at the site within forty-five days from the end of the second quarter. However, for a site with seasonal activity, this level of activity is based on the average gross proceeds of the active quarters within the fiscal year July first through June thirtieth. A level of activity is based on a site's recent historical experience, but not earlier than the previous fiscal year, regardless of which organization conducted twenty-one at the site. If an organization conducts twenty-one at a newly acquired site that has a level of activity requiring a video surveillance system, it shall have the system for a table operational within forty-five days of conducting twenty-one or limit wagers to two dollars until the system is operational. A system must be operational for each twenty-one table that is regularly located on a site, regardless of how infrequent a table is used or the value of wagers accepted at the table. A temporary table that is brought onto a site for fourteen or fewer consecutive days for a special event according to subsection 4 of section 99-01.3-01-02, but for not more than two events per quarter, does not need a system. An organization shall:

- 1. Install a system that meets these specifications:
 - a. A recording unit must be a super VHS (S-VHS) system utilizing super VHS (S-VHS) videotapes, central processing unit (CPU), or a digital video recorder (DVR) system and must record in real time. A video system must be approved by the attorney general and no time lapse or multiplex video recorders may be used as the primary mode of operation. A recording unit must be secured in a locked vented cabinet or area, plugged into an outlet that cannot be switched off, and be programmable with a minimum seven-day memory backup. A recording unit must have a built-in or separate time and date generator that displays the time and date on the recorded video without significantly obstructing a recorded picture. A playback unit used to review a recorded video must have forward and reverse frame-by-frame and high-speed scanning capability;
 - b. A super VHS, digital, or high resolution color camera that has four hundred or more active lines of horizontal resolution must be used. A camera must have a signal to noise ratio, with the automatic gain circuitry off, of forty-five decibels or better. A camera must be positioned above the center of a table and record gaming activity from the dealer's perspective. A camera must be plugged into a

- surge protector and use an outlet that cannot be switched off. A camera must be protected by a slotted or clear dome. An automatic iris is optional;
- c. A camera lens must have an f-stop rating of f-1.2 or better, be color-corrected and have a format size equal to or greater than the format size of a camera. A lens may be fixed or variable focus. A lens must have a field of view to record the face of a dealing shoe, all betting spaces, discard holder, chip tray, currency plunger, and table number;
 - d. A color video monitor with a connection that produces lines of horizontal resolution that equal or exceed the number of active lines of horizontal resolution that a video camera is outputting. A monitor's screen must measure at least thirteen inches [330.2 millimeters] diagonally;
 - e. For a super VHS color camera, super VHS YC or coaxial video cable must be used. For a high resolution color camera, coaxial video cable must be used. The cable must meet these specifications:
 - (1) If the length of a cable is one hundred linear feet [30.48 linear meters] or less and the cable will not be flexed, exposed outside a building, or constantly moved, the center conductor must be stranded or solid pure copper material. Otherwise, the center conductor must be stranded pure copper material.
 - (2) The shield must be braided pure copper material. The dielectric must be foam material. A cable must be rated for seventy-five ohms of impedance. If a cable is to be placed in a return air system, the jacket must be teflon or other accepted fire-rated material; and
 - f. A digital video recorder (DVR) system must be capable of allowing organizations to download, burn, or copy files onto a storage device.
2. ~~Buy or lease qualifying items. Additional allowable expense funds may be used for only these qualifying items :~~
- a. ~~Super VHS video cassette recorder (VCR), central processing unit (CPU), digital video recorder (DVR), time and date generator, and locking vented enclosure;~~
 - b. ~~Super VHS, digital, or high resolution color camera with a fixed or zoom lens and dome;~~
 - c. ~~Super VHS or high resolution color video monitor;~~
 - d. ~~Super VHS YC or coaxial video cable;~~
 - e. ~~VCR, CPU, or DVR cabinet, super VHS tapes or computer hard drives, and related storage cabinet;~~
 - f. ~~Table number and site identification;~~
 - g. ~~Installation and maintenance of equipment, including lighting fixture;~~
 - h. ~~In-line video cable amplifier, surge protector, video printer, tape rewinder, battery backup, and tape eraser; and~~
 - i. ~~Lease payment and interest expense on a financing loan.~~
3. If an organization conducts twenty-one or paddlewheels at more than one site, a table must have a site identification. A site identification and any table number must be visible on a recorded video.
- 4.3. A playing surface must be the standard green, unless authorized by the attorney general. Red or maroon and black jumbo-faced playing cards may be used.
- 5.4. Maintain a clean dome and a proper field of view on the playing surface.
- 6.5. Authorize only a gaming or shift manager or an independent person to:
- a. Access a recording unit, camera, and stored recorded video;

- b. Start and stop a recording unit for a table when chips are first made available for use on the table and continue recording until the table is permanently closed for the day; and
 - c. Change a recorded video in a recording unit for a table at the beginning, during, or at the end of a day's activity, regardless if the authorized person is a dealer or wheel operator at the site. An organization may use two real time recorders in sequence to record a table's activity that exceeds the recording capability of one tape. If two recorders are used for one table, their separate recordings for a day's activity must overlap by ten minutes.
- ~~7-6.~~ Retain a recorded video in a safe storage place for thirty days.
- ~~8-7.~~ On a daily basis an employee shall review and document that a surveillance camera at each twenty-one and paddlewheel table at a site is recording an unobstructed view of the table activity. If a recording unit or camera for a table is not properly operating or not producing an unobstructed view and clear picture of the cards, currency, or chips and is not repaired or remedied within forty-eight hours of activity on the table or four calendar days, the organization shall close the table or limit wagers to two dollars on the table until the equipment is repaired.
- ~~9-8.~~ The attorney general's current recordkeeping system must be used unless approval is obtained from the attorney general for use of another recordkeeping system. An organization shall track a dealer's and wheel operator's percent-of-hold performance. Percent-of-hold is computed as adjusted gross proceeds divided by gross proceeds.
- ~~10-9.~~ Limit its purchase or lease of a camera, lens, cable, camera dome, digital recording device, time and date generator, and installation, including moving a camera to another site, to a vendor approved by the attorney general. An organization shall defer remitting at least fifty percent of the cost or lease price of this equipment to a vendor until the attorney general approves the clarity of the recorded video for a table. A vendor shall provide the attorney general with a sample recording to evaluate. If an organization acquires video surveillance equipment at a new site from another organization, moves a camera or table to another location at the site, or converts to a digital video recorder (DVR), the organization shall, within fourteen days, provide the attorney general with a sample recorded video to evaluate. If the quality of the sample ~~tape~~ recording is not satisfactory, an organization and vendor shall resolve the deficiency. An organization may buy or lease a qualifying item from another organization provided the equipment meets the specification of subsection 1.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; July 1, 2012.
 General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-10, 53-06.1-11

99-01.3-08-05. Distributing and removing chips.

1. A fill slip must be used to distribute casino and betting chips from a chip bank to a table and a credit slip to return chips from the table to the chip bank. An organization may not transfer or exchange chips directly between two tables. An organization shall use a fill and credit slip to temporarily transfer a chip tray to or from a table and jar bar. Access to a fill and credit slip must be restricted to an authorized person. The same fill and credit slip format may be used for both twenty-one and paddlewheels.
2. A fill slip and credit slip must be separate forms. Fill and credit slips must be mechanically or electronically consecutively renumbered two-part carbonless forms, be used in sequential order, and be all accounted for. Originals and copies of voided fill and credit slips must be marked "VOID" and be initialed by the preparer.

3. A fill slip must be prepared by a chip bank cashier, pit boss, or shift manager. A credit slip must be prepared by a dealer, wheel operator, pit boss, or shift manager. The original and copy of a fill and credit slip must contain:
 - a. Reference to twenty-one (21) or paddlewheels (PW), site, date and time (including a.m. or p.m.), and a table number;
 - b. Quantity and total value of chips, by value, and grand total value of chips; and
 - c. For a fill slip, the initials of a chip bank cashier. However, if a dealer is the only employee on duty, this person shall initial the fill slip. For a credit slip, the initials of a dealer or wheel operator.
4. After preparation of a fill slip, a chip bank cashier shall retain the original. However, if a dealer is the only employee on duty, this person shall retain the original. After preparation of a credit slip, a dealer or wheel operator shall deposit the original in a drop box.
5. If an organization has a shift manager or authorized employee on duty who is not presently dealing or operating a paddlewheel, this person shall verify the quantity and value of the chips, initial the original part of the fill or credit slip, and transfer the copy of the fill slip with the chips to a table, or transfer the copy of the credit slip with the chips to a cashier.
6. A dealer or wheel operator shall verify the information on the copy of a fill slip and, if correct, initial and deposit it in a drop box. A cashier shall verify the information on the copy of a credit slip and, if correct, initial and retain it. However, if a dealer is the only employee on duty, the dealer shall retain the copy of a credit slip.
7. As an option, an organization may have:
 - a. A dealer or wheel operator initial the original part of a fill slip before it is retained by a chip bank cashier; and
 - b. A chip bank cashier initial the original part of a credit slip before it is retained by a dealer or wheel operator.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006.
 General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-08-06. Chip bank services.

1. An organization shall sell casino chips at a table only for cash, no checks. A chip may be exchanged for a paddlewheel betting chip at a paddlewheel table. Checks may be cashed by a cashier. Cash for chips sold must be kept separate from all other cash until it has been counted. Only a two-person audit team may access a drop box before the drop box cash count.
2. An organization shall redeem a chip for cash at the value for which it was sold, except when a chip was obtained or used unlawfully. An organization shall adopt a procedure on redeeming a player's chips that ensures that redeemed chips are separated, by value, and counted accurately. A cashier may use a rack to account for one or more sets of twenty chips of the same value. If an organization discontinues twenty-one or paddlewheels at a site, it shall redeem its chips, at its business office or active site, for thirty days thereafter. An employee shall redeem a dealer's and wheel operator's tips through cash on hand. Unless a table has a video surveillance system, a dealer and wheel operator shall redeem the actual chips received as tips. This rule does not prohibit pooling of tips.
3. An employee may not take any chip, including tips, to a location outside the gaming area of a site. A dealer shall redeem tips before leaving a site.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002.
 General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-10

99-01.3-08-07. Opening a table and accepting cash and chips.

1. When playing cards are brought to a table, a dealer shall first approve all decks of cards. Decks must be sorted into sequence, by suit and the back of each card inspected to assure that all cards are present and none are marked, taped, bent, crimped, cut, or shaved. After approval, a dealer shall spread the cards face upwards on a table, by deck, according to suit and in sequence within the suit for review by the first player. After a player's review, the cards must be shuffled. If cards are removed from a table for any reason, they must be stored in a safe place and a dealer shall comply with this subsection when the cards are brought back to the table. If a table has been opened and no dealer is stationed at it, a dealer shall remove the cards from the table or place the cards in a discard holder or dealing shoe and securely cover them.
2. A dealer or shift manager shall inspect each dealing shoe before each day's activity. If a shoe is removed from a table for any reason, it must be stored in a safe place. If a table has been opened and no dealer is stationed at it, a dealer shall securely cover the shoe or remove the shoe from the table.
3. A dealer, upon receiving currency or chips from a player, shall:
 - a. If an organization has not installed a video surveillance system at a site, spread the currency on top of a table in full view of the player and shift manager and state the amount of currency in a voice loud enough to be heard by all players at the table. A dealer shall then take chips from a chip tray, equal in value to the currency, place the chips in a stacked manner in the inner table area with only the dealer's right hand, fan the chips, push the chips to the player and place the currency in a drop box; or
 - b. If an organization has installed a video surveillance system at a site, spread each bill of currency face down and flat, in sequence of denomination, in the inner table area, perpendicular to a chip tray, and momentarily move the dealer's hands away from the currency so the currency is within a camera's view. A dealer shall then take chips from a chip tray, equal in value to the currency, place the chips in a stacked manner in the inner table area with only the dealer's right hand, fan the chips, and momentarily move the dealer's hands away from the chips so the chips are within a camera's view. A dealer shall then restack the chips, and push the chips to a player, and place the currency in a drop box.
 - c. If a chip is received from a player to be exchanged for smaller value chips, the dealer shall place the chip in the inner table area at the dealer's left, sort, stack, and fan the chips. If the table has a video surveillance system, a dealer shall momentarily move the dealer's hands away from the chips so they are within a camera's view. A dealer shall then take twenty-one chips from the chip tray, equal in value to the chips, and fan the chips. If the table has a video surveillance system, a dealer shall momentarily move the dealer's hands away from the chips so they are within a camera's view. A dealer shall then restack the chips, push the chips to the player, and place the exchanged chip in the chip tray.

History: Effective May 1, 1998; amended effective July 1, 2002.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-08-08. Shuffle and cut of the cards.

1. Before starting play, and after each shoe of cards is dealt, a dealer shall, in front of the players, thoroughly shuffle all the cards. As an alternative to a dealer hand shuffling the cards, an organization may use an automatic card shuffling device which complies with section 99-01.3-16-09.3. Then, a dealer shall offer the stack of cards, with backs facing away from the dealer, to a random player to be cut. A player shall cut the cards by

placing a cutting card in the stack at least ten cards in from either end. A dealer shall rotate the opportunity to cut the cards among all the players. If all players decline, a dealer or pit boss shall cut the cards. For a site with a video surveillance system, an organization shall standardize its dealers' procedures for shuffling and cutting cards and may use one or more standard shuffling methods.

2. A dealer shall take all the cards in front (toward the dealer) of a cutting card and place them in back of the stack or take all the cards in back (away from the dealer) of the cutting card and place them in front of the stack. The cutting card must be at the bottom of the stack. A dealer shall then insert an indicator card about fifty to one hundred cards from the bottom of the stack. The stack is inserted into a dealing shoe facedown. When an indicator card appears at the face of a shoe and enough cards have been dealt to complete the present hand, a dealer shall reshuffle the cards. A dealer may reshuffle the cards only if the indicator card appears, no activity has occurred at the table for a period of time set by the organization, or a table has been temporarily closed with no dealer stationed at the table and it is reopened.

History: Effective May 1, 1998; amended effective July 1, 2002; July 1, 2004; October 1, 2006.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-08-09. Betting.

1. An original wager must be an even dollar amount and may range from one dollar to twenty-five dollars. A wager of one dollar must be accepted unless an organization has more than one active table then a minimum wager may be set on no more than one-half of the tables. An active table under this subsection means a table in which a dealer and chips are present and available for play or has one or more players participating in the game. An organization may establish a maximum wager for each table. If all the tables at a site do not have the same betting limit, a plaque must be placed on top of a table indicating the minimum and maximum wager for the table. If a table that has a minimum wager becomes the only active table at a site or more than one-half of the active tables have a minimum wager, then the organization must notify players that the minimum wager amount will be lowered to a wager of one dollar at the end of the current dealing shoe. A wager that exceeds the maximum wager is valued at a table's maximum wager and the excess must be returned to a player. An organization shall post and announce a change in the maximum wager at a table with adequate notice to a player.
2. An original wager is the amount bet per hand before the first card is dealt and excludes tip betting. After the first card has been dealt, no original wager or tip bet may be changed. A separate wager may be a tip bet, insurance bet, splitting pairs, and doubling-down. After the first two cards have been dealt to each betting space, with the exception of the tip bet which is placed prior to any cards being dealt, the following additional wagers may be bet:
 - a. Tip bet. An organization may permit tip betting. A tip bet is made when the original wager is made by placing a chip outside a betting space, but with the chip touching the lower left edge of the betting space, from a dealer's perspective. A betting space is limited to one tip bet. A tip bet does not have to equal an original wager and may range from fifty cents up to a table's maximum wager, but may be limited to less than the table's maximum wager at an organization's option. If a player's hand wins, a tip bet is paid off at an equal amount and the tip bet and payoff are placed in a dealer's tip receptacle. If the dealer's hand wins, a tip bet is placed in the chip tray. If a player's and dealer's hands tie, a tip bet is a tie (push).
 - b. Insurance bet. If a dealer's faceup card is an ace, the dealer shall ask the players if they desire to make an insurance bet. A player shall make an insurance bet by

placing a chip on the insurance line of the playing surface. An organization may permit insurance betting except on a tip bet. An insurance bet must be one-half the original wager. The payoff on a winning insurance bet is two to one. A dealer shall reposition the chip below the lower right-hand corner of the first card dealt and to the immediate right of the second card dealt, from the dealer's perspective. A dealer shall then announce "insurance bets are closed". However, if a player who has been dealt a natural twenty-one (blackjack) desires to make an insurance bet and does not desire to double-down, a dealer may, at an organization's option, do an even money payoff rather than having the player place an "insurance" bet. To exercise this option, a dealer shall state "even money" and immediately do a chip payoff to a player equal to the player's original wager. A dealer shall then place the player's cards in a discard holder. For this option, a tip bet is a tie (push). This rule does not apply if an insurance bet is not permitted.

- c. Splitting pairs. A dealer shall, beginning from the dealer's left and for each player's hand, prompt a player to indicate whether the player desires to split. Splitting is permitted on any pair or any two 10-count value cards. A player is allowed a maximum of four hands per betting space. For splitting a hand, a player shall place an additional wager, equal to an original wager, horizontal to the original wager. A player's right-hand card in a split must be played to completion before the adjacent split hand is dealt a second card. A player shall take at least one card on a split hand. A wager on each hand must equal the original wager. Split aces draw only one card each; however, if an additional ace is drawn it may be split again up to a maximum of four hands. A two-card twenty-one after a split is not a natural twenty-one.
 - d. Doubling-down. Doubling-down is permitted on the first two cards dealt to a betting space or the first two cards of a split hand, except on split aces ~~or a tip bet~~. An organization may permit doubling-down on tip bets. An organization may require a double-down wager to equal the original wager or tip bet or ~~allow a double-down~~ ~~wager to be equal to or less than the original wager~~ or tip bet. Only one additional card is dealt. A dealer shall, beginning from the dealer's left and for each player's hand, prompt a player to indicate whether the player desires to double-down. For doubling-down on an original wager or tip bet, a player shall place a chip vertical to the wager. A player may not double-down on a tip bet unless the player also doubles-down on the original wager. ~~A doubled-down tip bet may be equal to or less than the original tip bet.~~ If a dealer is unsure of a player's intent, the dealer shall ask the player and properly reposition a chip.
3. If a player's wager consists of two or more values of chips, a player shall neatly stack the lowest value chip on top of the highest value chip. If the chips are improperly stacked, a dealer shall tell the player and either the dealer or player shall properly stack the chips.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; July 1, 2010; July 1, 2012.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-10

99-01.3-08-10. Dealing.

1. After a shuffle, a dealer shall remove the first card face downwards and without showing its value, place it in a discard holder (burning a card) located at the dealer's right. Each new dealer at a table shall burn one card before dealing. If a table is open but there is no player, a dealer shall reshuffle the cards or burn one card when a player comes to the table. Only one of two dealing methods may be used at a site:

- a. Hole-card-no-peek method. A dealer may not look at the face of a hole card until after all cards requested by players are dealt. The cards must be dealt in this order:
 - (1) One card face upwards to each betting space with a wager.
 - (2) One card face upwards or face downwards (hole card) to a dealer.
 - (3) A second card face upwards to each betting space with a wager.
 - (4) A second card face upwards to a dealer if the first card was dealt face downwards; or, a second card face downwards to a dealer if the first card was dealt face upwards. The dealer may use a mechanical or electronic hole card reader and special cards to determine if the dealer's hand is a natural twenty-one.
 - b. No-hole-card method. A dealer may not deal a second card (hole card) to the dealer until after all cards requested by players are dealt. The cards must be dealt in this order:
 - (1) One card face upwards to each betting space with a wager.
 - (2) One card face upwards to a dealer.
 - (3) A second card face upwards to each betting space with a wager.
2. A dealer shall, starting on the dealer's left, deal the cards by removing them from a dealing shoe with the left hand, turning them face upwards and with the right hand place them on the proper area of a playing surface; however, a dealer may deal cards to the first two betting spaces with the left hand. A player's second card and any hit card must be placed on top of the preceding card covering no more than the lower left-hand quarter of the preceding card, from the dealer's perspective. This rule does not apply to a disabled dealer.
 3. If the dealer is using the hole-card-no-peek method of dealing, the dealer's faceup card is an ace or a ten-count card, the dealer is using a mechanical or electronic hole card reader and special cards, and the dealer's hand is a natural twenty-one, the dealer shall play the dealer's hand by:
 - a. Collecting all player's original wagers and original tip bets, unless a player's original hand is also a natural twenty-one which results in a tie; and
 - b. Paying any insurance bet at the rate of two to one.

History: Effective May 1, 1998; amended effective July 1, 2010.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-08-11. Playing.

1. A dealer may announce the dealer's faceup card to all the players at a table. As a prompt for optional wagers (splitting pairs or doubling down), a dealer may announce the point total of each player's hand.
2. A dealer may not allow a player to touch any cards and may not switch or remove a player's card or chip, pay on a tie, or do anything to alter a fair and legal outcome of a betting hand.
3. If a player has split or doubled-down, or both, a dealer shall play each hand as follows:
 - a. When a player places a wager for a split, a dealer shall split the cards side by side. If a player has also placed a tip bet, a dealer shall assign and reposition the tip bet to the split hand located at the foremost left of a betting space, from the dealer's perspective. Each split hand must be played separately. If aces are split, one additional card must be dealt face upwards to each of the hands and placed at a right angle to the first card dealt, except if an additional ace is drawn it may be split again up to a maximum of four hands.

- b. A doubled-down hand must be dealt one additional card face upwards and placed at a right angle to the first two cards dealt. However, if a table does not have a video surveillance system, the card may be placed beneath a player's original wager.
4. A dealer may not take a hit card from a dealing shoe nor may a dealer bypass a player unless the player has first indicated the player's request for a hit card or to stand by a distinct hand signal.
5. As a player indicates to stand or draw a hit card, other than on a hand that has split aces or a double-down, a dealer shall deal face upwards an additional card or cards as the player requests. A player is responsible for correctly computing the total card count of the player's hand.
6. If a player did not split, double-down, or place an insurance bet, and busts (a player's total card count exceeds twenty-one), the player loses an original wager and any tip bet. A dealer shall immediately collect and place a player's chips, including any tip bet, in a chip tray and the cards in a discard holder.
7. If a dealer's faceup card is not an ace or a ten-count card and a player split or doubled-down and busts, the player loses the wager for that split or double-down hand and any tip bet assigned to it. A dealer shall immediately collect and place a player's chips in a chip tray and the cards in a discard holder.
8. If a dealer's faceup card is an ace or a ten-count card and a player split, doubled-down, or placed an insurance bet and busts, the dealer shall gather the cards of that hand and place them outside the betting space. Then, a dealer shall reposition the player's split and or doubled-down wagered chips, in the same betting position, on top of the player's cards of that hand. A tip bet for such a split or double-down hand that busts is lost. A dealer shall immediately place the tip bet chips in a chip tray.
9. If a dealer's faceup card is not an ace or a ten-count card and all players bust, a dealer shall end the round. If a dealer's faceup card is an ace or a ten-count card and all players bust, and no player split, doubled-down, or placed an insurance wager, a dealer shall end the round.
10. If the decisions of all players have been carried out, a dealer shall turn up the dealer's facedown card (hole-card-no-peek method) or deal a second card face upwards to the dealer (no-hole-card method). However, for the no-hole-card method, a dealer shall remove the dealer's second card from a dealing shoe and, without looking at the value of the card, place it beside the dealer's first card. Then, a dealer shall announce the total card count of the two cards. A dealer shall play the dealer's hand as follows:
 - a. If a dealer's faceup card is an ace and the dealer's hand is not a natural twenty-one, the dealer shall immediately, starting with the player to the dealer's right and moving left around the table, collect all the players' insurance bet chips, with the dealer's right or left hand, in a sweeping motion, and place them in a chip tray. A dealer may not use the right and left hand at the same time. Then, for all the players' busted hands that have been split, doubled-down, or both, a dealer shall immediately, starting with the player to the dealer's right and moving left around the table, collect the chips of busted hands, with the dealer's right or left hand, in a sweeping motion. A dealer may not use the right and left hand at the same time. When no other busted hand remains, a dealer shall place the collected chips in a chip tray, collect those players' busted hands, and place the cards in a discard holder. A dealer may, at an organization's option that is consistently applied at a site, collect each player's insurance bet chips and busted hands and related chips with only the dealer's right hand, on a hand-by-hand basis, and place the chips in a chip tray and the cards in a discard holder. Then,

- for all the players who have been dealt a natural twenty-one, the dealer shall immediately, starting with the player to the dealer's right and moving left around the table, do the payoff according to subsection 15 or 16, and collect and place those players' cards in a discard holder. If a player's hand remains in play, a dealer shall proceed according to subdivision f or g, and do the payoff procedure on any winning hand according to subsection 15 or 16.
- b. If a dealer's faceup card is a ten-count card and a dealer's hand is not a natural twenty-one, for all the players' busted hands that have been split, doubled-down, or both, the dealer shall immediately, starting with the player to the dealer's right and moving left around the table, collect the chips of busted hands, with the dealer's right or left hand, in a sweeping motion. A dealer may not use the right and left hand at the same time. When no other busted hand remains, a dealer shall place the collected chips in a chip tray, collect those players' busted hands and place the cards in a discard holder. A dealer may, at an organization's option that is consistently applied at a site, collect each player's busted hands and related chips with only the dealer's right hand, on a hand-by-hand basis, and place the chips in a chip tray and the cards in a discard holder. Then, for all the players who have been dealt a natural twenty-one, the dealer shall immediately, starting with the player to the dealer's right and moving left around the table, do the payoff according to subsection 15 or 16, and collect and place those players' cards in a discard holder. If a player's hand remains in play, a dealer shall proceed according to subdivision f or g, and do the payoff procedure on any winning hand according to subsection 15 or 16.
 - c. If a dealer's faceup card is an ace, the dealer's hand is a natural twenty-one, and a player has placed an insurance bet, the player wins the insurance wager at the rate of two to one. A dealer shall do the payoff procedure according to subsection 15 or 16. However, if a player's original hand also is a natural twenty-one, subdivision d also applies.
 - d. If a dealer's faceup card is an ace or a ten-count card and the dealer's hand is a natural twenty-one, the organization wins all original wagers and original tip bets, unless a player's original hand also is a natural twenty-one which results in a tie (push). All other players lose.
 - e. If a player has doubled-down or split against a dealer's faceup card of an ace or a ten-count card and the dealer's hand is a natural twenty-one, only the player's original wager is lost unless the player's original hand also is a natural twenty-one which results in a tie. All separate splitting and doubling-down wagers are voided. A dealer shall return the chips of the separate wagers to the players.
 - f. If the count of a dealer's hand is sixteen or under, the dealer shall draw a hit card until the count exceeds sixteen. An additional card must be dealt face upwards to the immediate right of a dealer's first two cards dealt, from the dealer's perspective, and the dealer shall announce the total card count.
 - g. If the count of a dealer's hand exceeds sixteen but does not exceed twenty-one, the dealer shall stay (not draw a hit card). At its option, an organization may permit a site to allow a dealer to take a hit card when the dealer has a soft seventeen (ace card and a six). If the organization allows this option, it must be posted at the site. If a dealer's hand contains an ace and a count of seventeen, eighteen, nineteen, twenty, or twenty-one can be obtained by counting the ace as an eleven, a dealer shall value the dealer's hand as such and stay. A dealer shall announce the final total card count of the dealer's hand.
 - h. If a dealer's hand busts, the remaining players with active hands win.

11. If a player's original hand is a natural twenty-one and a dealer's faceup card is not an ace or a ten-count card, the player's hand wins and is paid off at a rate of three to two, unless the player chooses to double-down. A dealer's chip payoff on a player's wager may occur immediately or when the dealer, in the order of hands, comes to that player's hand.
12. A wager is won or lost by comparing the total card count of each player's hand to the dealer's hand. A dealer or player with the highest total card count wins. Wagers, including tip bets, are paid off at an equal amount according to subsection 15 or 16. All ties are a push - no payoff is made, including on a tip bet.
13. If a player's hand loses against a dealer's hand, an organization wins any tip bet. A dealer shall immediately, starting with the player to the dealer's right and moving left around the table, collect the chips of adjacent losing hands with the dealer's right or left hand, in a sweeping motion. A dealer may not use the right and left hand at the same time. A dealer may, at an organization's option that is consistently applied at a site, collect the chips of losing hands with only the dealer's right hand, on a hand-by-hand basis. When a tie hand is reached, the dealer shall recognize that hand with a tap on the tabletop and announce that it is a push. When a winning hand is reached, a dealer shall place any previously collected chips in a chip tray and do the payoff procedure for adjacent winning hands according to subsection 15 or 16. When a losing hand is again reached, the dealer shall repeat the collection and payoff procedure until all losing wagers have been collected and all winning hands have been paid. The dealer shall then collect all the remaining cards according to subsection 17.
14. If a player's hand wins against a dealer's hand and the player placed a tip bet, the dealer wins the tip bet and the one-to-one payoff from a chip tray according to subsection 15 or 16.
15. If a player's hand wins against a dealer's hand and a table does not have a video surveillance system, the payoff procedure is:
 - a. Normal hand. A payoff chip must be placed beside the original wagered chip in a betting space.
 - b. Split hand. The payoff chip must be placed beside the wagered chips in a betting space.
 - c. Double-down hand. The payoff chips must be placed beside the two wagered chips in a betting space.
 - d. Insurance bet. A payoff chip must be first placed beside the insurance bet chip, fanned, then placed on top of the insurance bet chip and the chips pushed to a player.
 - e. Natural twenty-one. The payoff chips must be pyramided with the higher value chip placed beside the original wagered chip in a betting space and the smaller value chip placed on top over the center of the other two chips.
 - f. Tip bet. A payoff chip must be placed beside the tip bet chip and any double-down chip in the inner table area. Then, a dealer shall place the chips directly in a tip receptacle.
16. If a player's hand wins against a dealer's hand and a table has a video surveillance system, the payoff of each winning hand must be done on a hand-by-hand basis. The payoff procedure is:
 - a. A dealer shall fan all of a player's wagered chips toward the dealer or side with only the dealer's left hand. A dealer may, at an organization's option that is consistently applied at a site, fan all of a player's wagered chips toward the dealer or side with only the dealer's right hand. However, for a site that has a pit boss on duty and the organization requires a double-down wager to equal the original wager, a dealer may, for a player who has placed a split bet or double-down bet,

or both, fan only one of the player's stacks of wagered chips. A dealer shall reposition a ~~player's tip bet chip chips~~ in the inner table area with the dealer's left hand and fan the chips. A dealer may, at an organization's option that is consistently applied at a site, fan all the players' tip bets ~~and double-down chips~~ after the payoff procedure has been done on all winning players' hands. However, if a player's bet exceeds five dollars, the dealer shall separate the player's chips, by value, fan them in sets of five chips, and then fan any remaining chips. A dealer shall, with the dealer's right hand, take ~~a chip chips~~ from a the chip tray, equal in value to the player's wagered chips (not tip bet chips), place the payoff ~~chip in a stacked manner chips~~ beside the wagered fanned chips, and fan the payoff chips toward the side or toward the dealer ~~or side~~, and move the dealer's hands away from the chips. However, if the prize payoff exceeds twenty casino chips of the same value, the dealer may use a rack to account for one or more sets of twenty chips and fan the remaining chips. A dealer shall repeat this procedure for each separate winning hand.

- b. After the payoff procedure has been done on all winning players' hands and the tip bet chips have been fanned, a dealer shall, with the dealer's right hand, take a ~~chip chips~~ from a the chip tray ~~of the same equal in~~ value as the tip bet ~~chip chips~~, place the payoff ~~chip in a stacked manner chips~~ beside the fanned wagered tip bet chips, and fan the payoff chips. A dealer shall repeat this procedure for each separate winning tip bet. Then, a dealer shall move the dealer's hands away from the chips. After a dealer has picked up the cards according to subsection 17, the dealer shall place the chips directly in a tip receptacle.
17. At the end of a round of play, a dealer shall pick up all the cards remaining on the playing surface so that they can be played back to recreate each hand, starting with the player to the dealer's right and moving to the left around the table. After the cards have been collected in a sweep or hand by hand, a dealer shall pick up the dealer's cards against the top of the players' cards and place them in a discard holder.
 18. If a table has a video surveillance system, a dealer's shift ends, and the dealer:
 - a. Does not desire to exchange the dealer's tips for other chips in the chip tray, the dealer shall momentarily show both sides of the dealer's hands, with fingers extended, within a camera's view. A dealer shall then take the tip receptacle and leave the table.
 - b. Does desire to exchange the dealer's tips for other chips in the chip tray, the dealer shall take all the chips out of the tip receptacle. A dealer shall place the chips in the inner table area at the dealer's left; sort, stack, and fan only the chips to be exchanged; take chips from a chip tray equal in value to the fanned chips; place the replacement chips at the dealer's right; sort, stack, and fan the chips, momentarily move the dealer's hands away from the chips so the chips are within a camera's view; place the exchanged chips in a chip tray; then place the replacement chips and unexchanged chips in a tip receptacle. A dealer shall then momentarily show both sides of the dealer's hands, with fingers extended, within a camera's view, take the tip receptacle, and leave the table. As an option, a dealer for the next shift may exchange the present dealer's tips.
 19. An organization may adopt a policy to allow a dealer, when a player leaves a table, to exchange two or more of the player's casino chips for higher value chips provided that the dealer first asks the player's permission, the player agrees, and the dealer announces the value of chips being exchanged.

99-01.3-08-12. Dealing mistakes. These procedures must be applied for dealing mistakes, unless an organization has an alternative written policy:

1. A card found turned face upwards in a dealing shoe must be burned.
2. If no cards are dealt to a player's betting space containing a wager, the betting space is inactive for the round. If only one card is dealt to a player's betting space, at the player's option, a dealer shall deal a second card to the player after all other players have received a second card. Otherwise, a player's betting space is inactive and the card dealt must be burned.
3. If a dealer deals a card to an inactive betting space and continues dealing cards to active betting spaces, the dealer shall burn the card dealt to the inactive betting space.
4. If a dealer misses dealing the dealer's first or second card, the dealer shall continue dealing the first two cards to each player, and then deal the proper number of cards to the dealer.
5. If a dealer does not ask a player if the player desires to place an insurance wager and the hand is played, the hand is valid.
6. If a dealer drops a player's or dealer's card off a table, the dealer shall burn the card.
7. A card drawn from a dealing shoe in error without the card's face being exposed to any player must be used as if it were the next card from the shoe.
8. After the first two cards are dealt to each player and a card is drawn from a dealing shoe in error with the card's face exposed to any player, the card must be burned.
9. If an insufficient number of cards remains in a dealing shoe to complete a round of play, all of the cards in a discard holder must be shuffled and cut, the first card must be burned, and a dealer shall complete the round of play.
10. If a dealer has a count of at least seventeen and draws a hit card, the card must be burned.
11. If a dealer permits a player to wager an unlawful amount and the player's hand wins, the dealer shall return the improper portion of the wager to the player. A dealer shall value a player's hand at the proper wager for the payoff. However, if a dealer permits a player to wager fifty cents and is dealt a card, the dealer shall return the fifty cents to the player and burn the card.
12. If a dealer or player suspects that the dealer miscounted the dealer's hand after a round of play, the dealer shall play back the cards.
13. If a dealer does not burn a card at the beginning of dealing a shoe, the dealer shall burn the card after the first complete round of play.
14. If a dealer's facedown card is exposed to any player before the decisions of all the players are carried out, the dealer shall burn the card and, after the decisions of all the players have been carried out, draw a new facedown card.
15. If a dealer misses dealing a player a hit card, the dealer shall continue dealing any requested hit cards to all other players and then deal a hit card to the player who was missed.

99-01.3-08-13. Disclosure. These rules and notice must be disclosed or made available to players:

HOUSE RULES

Betting limit

Use Hole-Card-No-Peek method of dealing

-or-

Use Hole-Card with Card Reading Device method of dealing

- or -

Use No-Hole-Card method of dealing (Choose one)

PLAYER RULES

Must compute the card count of the player's hand

Must be twenty-one years of age or older

Hand signals must be used

No touching of cards

Two betting spaces maximum

No side bets

No payoff on tie counts

Splitting on any pair and two 10-count
value cards and limited

to a maximum of 4 hands per betting space

Doubling-down on the first 2 cards dealt
or the first 2 cards of any split hand, except on split aces

Double-down bet must equal the original wager

- or -

Double-down bet may be equal to or less than the original wager (Choose one)

Insurance not permitted

- or -

Insurance permitted - pays 2 to 1 (Choose one)

Tip betting permitted

- or -

Tip betting not permitted (Choose one)

Doubling-down on a tips permitted – must equal the original tip bet

- or -

Doubling-down on tip bets permitted - may be equal to or less than the original tip bet

- or -

Doubling-down on tip bets not permitted (Choose one)

NOTICE

If a person knowingly uses a fraudulent scheme or technique to cheat or skim involving twenty-one, regardless of the amount gained, the offense is a class C felony punishable by a five thousand dollar fine or five years in jail or both.

99-01.3-08-14. Drop box cash count.

1. A drop box that has been used must be removed from a table by the end of the day's activity. If a drop box is removed from a table and the cash is not counted immediately, the drop box must be transported by the shift manager and, if there is more than one employee on duty, escorted by an employee to a safe storage place. The cash must be removed from the drop box before the drop box can be used for another day's activity. An empty drop box may be stored on a table or in a safe storage place.
2. A drop box must be opened by a two-person count team. The persons must be independent of each other. A count team may be an independent person and a gaming employee; two representatives of a financial institution, accounting firm, security agency, or security company; two nongaming employees; or two gaming employees provided they did not conduct games at the same site on the day of the gaming activity and day of the count. One of these two gaming employees may have conducted games at the site associated with the drop box cash. A count team may not be two persons who have a direct supervisor and subordinate relationship and may not be a common household member, spouse, child, parent, brother, or sister of the other count team member, except when using an independent contractor.
3. The key to the lock securing the contents of a drop box must be controlled by one count team member who may not access the drop box unless both count team members are present. If there are two separate locks that secure the contents of a drop box, the key to the second lock must be controlled by the other count team member.
4. Each person shall independently count the drop box cash in the presence of the other person and resolve any difference between the two counts. Documentation of the count must be initialed and dated by both count team members.
5. An organization shall comply with this rule unless it uses another drop box cash count procedure that has been approved by the attorney general.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-08-15. Tournaments. Except as provided by this section, an organization shall conduct a twenty-one tournament according to this chapter. These rules must be disclosed to players:

1. An organization shall charge a player an entry fee and provide the player a fixed number of no-value chips. The cumulative entry fee, including rebuys or add-ons, for an entire tournament cannot exceed two hundred dollars per player. An organization may allow a player to rebuy or add-on additional chips during a tournament by paying an additional amount which may be less than or equal to the original entry fee. An entry fee has no relationship to the number of chips issued to the player. The chips have no cash redemption value. An organization shall maintain a register of players and their entry fee.
2. An organization may assign a player one or two betting spaces. An organization may use a rotating button to signify the order of betting. If a button is used, it must move clockwise one position after each hand. The organization shall set the time or number of shoes or hands to be played.
3. A player may not move from table to table, temporarily stop playing, remove chips from on top of a table, or transfer chips to or from another player. An organization shall set a minimum bet limit and may set a maximum bet limit based on a number of chips. A bet must be made on each hand. A player may not cash out before the end of play unless the player withdraws.
4. An organization may advance players with the most number of chips from each preliminary round to the next round or championship round. A player with the most number of chips, based on preliminary rounds or a championship round, wins. An

organization may award a prize to the winning player of each preliminary round. However, if two players remain in the tournament, they may agree to split the prize rather than finish the tournament. A cash or merchandise prize may be awarded.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-07.2

99-01.3-08-16. Recordkeeping. Records must include and be retained for three years from the end of the quarter in which the activity was reported, unless otherwise provided by rule:

1. For each day's activity:
 - a. The starting and ending cash and chip banks and IOU records according to section 99-01.3-03-06;
 - b. Drop box cash and values of fill and credit slips of each table;
 - c. Daily surveillance review log;
 - d. For a tournament, prize register according to section 99-01.3-03-07 and record of win according to section 99-01.3-03-08;
 - e. A summary of gross proceeds, prizes, adjusted gross proceeds, cash profit, cash long or short, and bank deposit. The summaries of all twenty-one activity for a quarter must reconcile to the tax return; and
 - f. For a video surveillance system, dealer percent-of-hold information must be retained for one year from the end of the quarter of the activity.
2. Inventory records according to subsection 5 of section 99-01.3-03-09.
3. Ideal cash bank master records according to subsection 4 of section 99-01.3-03-09.
4. An organization using a combined cash bank for twenty-one and paddlewheel at a site, shall document the allocation of cash profit on a monthly basis to each game type based on the ratio of the game type's adjusted gross proceeds to the total adjusted gross proceeds of both game types.
5. The cash profit defined in subdivision i of subsection 6 of section 99-01.3-02-01, verification of the amount deposited according to a bank statement, and an audit of the game's activity according to section 99-01.3-03-10.
6. The count and reconciliation of cash banks and casino and betting chips according to subsection 6 of section 99-01.3-03-09.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

CHAPTER 99-01.3-09
POKER

Section

99-01.3-09-01	Definitions
99-01.3-09-02	Limitations and Fees
99-01.3-09-03	Disclosure
99-01.3-09-04	Recordkeeping

99-01.3-09-01. Definitions. As used in this article:

1. "Add-on" is the last opportunity a player has to buy additional chips in an attempt to better the player's chances to win in a tournament that allows the additional purchase of chips. The amount and time restriction is found in the tournament rules.
2. "Bounty" is a feature in some poker tournaments that rewards a player for eliminating another player.
3. "Buy-in" is the minimum amount of money required to enter a tournament.
- ~~3.4.~~ "Poker" is a card game dealt by one dealer. A player bets on the cards (hand) the player holds. All bets are collected together in the center of the table which is the pot. There may be an initial ante round and a blind bet by players. Then, after players receive their starting cards and after each round of new cards, there is a betting round. Each round, a player decides whether to continue contending for the pot by calling or raising the bet. After all the dealing of cards and betting has occurred and there are two or more players still in contention, there is a showdown to determine which player has the best hand. The object is for a player to win the pot by making a bet no other player is willing to match or for the player to have the most valuable hand after all the betting is over. Cards and hands are ranked according to the normal rules of poker.
- ~~4.5.~~ "Poker run" is an event in which each participant in the event follows a charted course, stopping at five to seven checkpoints along the route to pick up a single playing card. Upon all participants' arrival at the final checkpoint, a showdown of the poker hands is conducted and prizes are awarded.
- ~~5.6.~~ "Rebuy" is when a player qualifies to purchase another buy-in during a tournament that allows a player to continue competing in the tournament. The number and time restriction are found in the tournament rules.
- ~~6.7.~~ "Satellite" is a qualifying tournament in which the prize is a buy-in to a larger tournament.
- ~~7.8.~~ "Side game" is a poker game running concurrently with a tournament made up of players who have either been eliminated or opted not to play in the tournament.

History: Effective May 1, 1998; amended effective July 1, 2002; July 1, 2010; July 1, 2012.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-09-02. Limitations and fees.

1. An organization may only conduct poker on two occasions per year. An occasion may include more than one authorized site. A nontournament occasion and a side game are restricted to a twenty-four-hour period of play. Tournament activity, including any satellite activity, is an occasion of not more than three consecutive calendar days of play. Both tournament and nontournament play can occur as part of the same occasion provided that the nontournament play and a side game does not exceed a twenty-four-hour period of play.
2. For nontournament play and a side game, if an organization does not provide a dealer, players shall use cash. If an organization provides a dealer, players shall use chips. An organization shall charge a player a fee not to exceed two dollars per one-half hour of

- playing time and collect the fee in advance. An employee shall record the fee when it is collected. The fee schedule must be disclosed or made available to players.
3. For a tournament, an organization may provide a dealer who cannot play in the game or allow the players to alternate as dealers and:
 - a. An organization may award a buy-in to a larger tournament to multiple winning players of each satellite, ~~however, the tournament. If a satellite buy-in prize is nontransferable~~ transferable to another player, an organization must issue a receipt for the buy-in prize.
 - b. Satellite tournaments may be conducted with a separate fee not to exceed three hundred dollars per player and are considered part of gross proceeds for the tournament.
 - c. Advance players with the most number of chips from each round to the next round or championship round. A player with the most number of chips, based on a championship round, wins. Any remaining players in the tournament may agree to split the prize rather than finish the tournament.
 - e.d. Use no-value chips. The buy-in fee, plus any rebuy or add-on fees collected, for a tournament cannot exceed three hundred dollars per player and are considered gross proceeds for a tournament. ~~Only a cash prize may be awarded and the total prizes may not exceed ninety percent of the entry fees.~~
 - d. ~~Satellite tournaments may be conducted with a separate fee not to exceed three hundred dollars per player and are considered part of gross proceeds for the tournament.~~
 - e. Bounty buy-in fees and payouts, if applicable, must be included as part of the gross proceeds and prizes of a tournament.
 - f. Only a cash prize may be awarded and the total prizes may not exceed ninety percent of the entry fees.
 4. An organization shall establish and post tournament rules for each poker occasion and indicate the buy-in fee for satellite tournaments and the main tournament. Any restrictions regarding rebuys and add-ons, if allowed, shall be provided in the tournament rules.
 5. An organization that conducts poker through a poker run involving more than one site shall comply with guidelines prescribed by the attorney general.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; July 1, 2012.
 General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-07.2

99-01.3-09-03. Disclosure. These rules must be disclosed or made available to players:

HOUSE RULES

- Must use one deck of cards which is dealt out of the hand
- Must use a cut card to conceal the bottom card of the deck
- May allow a blind bet and set a minimum table limit
- May allow a minimum ante
- May allow a maximum of three raises per round
- Must limit each raise to an amount equal to or greater than the original bet; however, each raise must be equal to or greater than the original bet of that betting round

PLAYER RULES

- Must be twenty-one years of age or older
- No side bets or credit play is allowed

History: Effective May 1, 1998; amended effective July 1, 2002; October 1, 2006; July 1, 2010.
 General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-07.2

99-01.3-09-04. Recordkeeping. Records must include and be retained for three years from the end of the quarter in which the activity was reported:

1. For each poker occasion:
 - a. The starting and ending cash on hand and chips according to section 99-01.3-03-06;
 - b. For nontournament play and a side game, the fees collected for each one-half hour interval on each table, number of players, time each fee is collected and the name, signature, and time worked of the employee who collected the fee;
 - c. For tournament play, including satellite games, the fees, rebuys, and add-ons collected, name of each player, and signature or initials and date of the employee who collected the fee;
 - d. For tournament play, including satellite games, prize register according to section 99-01.3-03-07 and record of win according to section 99-01.3-03-08;
 - e. A summary of gross proceeds, prizes, adjusted gross proceeds, cash profit, cash long or short, and bank deposit. The summaries of all poker activity for a quarter must reconcile to the tax return; and
 - f. A copy of the tournament rules for each poker occasion.
2. Ideal cash bank master records according to subsection 4 of section 99-01.3-03-09.
3. The cash profit defined in subdivision j of subsection 6 of section 99-01.3-02-01, verification of the amount deposited according to a bank statement, and an audit of the game's activity according to section 99-01.3-03-10.
4. The count and reconciliation of cash banks according to subsection 6 of section 99-01.3-03-09.

History: Effective May 1, 1998; amended effective July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

CHAPTER 99-01.3-10
CALCUTTAS

Section

99-01.3-10-01

Calcutta

99-01.3-10-02

Recordkeeping

99-01.3-10-01. Calcutta. A “calcutta” is a sporting event in which players wager at an auction on the competitors. A sporting event is a competitive sport involving physical skill or endurance and scores a person’s physical ability. The conduct of a calcutta is the auction process. An auction pool is comprised of the wagers paid by players who offered the highest bids on the competitors. The auction pool is distributed to the player who wagered on the winning competitor. The winning competitor may be one competitor, a team of competitors, or ranked competitors. The payout of the cash prize to a winning player is based on a predetermined percentage of the auction pool, which may not exceed ninety percent. Only cash prizes may be awarded.

1. A calcutta may only be conducted for a professional or amateur sporting event held in North Dakota, but not for an elementary, secondary, or postsecondary education sporting event. An organization may conduct more than one calcutta on the same sporting event. More than one organization may independently conduct a calcutta on the same event.
2. An organization shall acquire a calcutta board from a distributor and complete on it the sporting event, date of the sports event, and manner of distributing the auction pool as a prize. The requirements of the players must be disclosed or made available to the players on the site.
3. Each competitor in a sporting event must be identified before the auction begins. A competitor may also be a player who may wager on oneself. A competitor may wager on another competitor.
4. Each competitor must be eighteen years of age or older to be eligible to be listed on a calcutta board. Each eligible competitor must be offered through an auction to prospective players. An organization may require that all eligible competitors be bid on and may set a minimum bid. A player who offers the highest bid for a competitor by a verbal, sealed, or open bid wagers on that competitor. A player may wager any amount and buy more than one competitor. A competitor may be auctioned off only to one player.
5. An open bid enables a potential player, during a certain time, to write the player’s name and bid for a competitor on a register assigned that competitor. Each successive potential player interested in that competitor shall write the player’s name and bid, of an amount higher than the previous bid, on the register. When the time period ends, the last player listed on the register wagers the amount bid on that competitor.
6. An organization shall conduct an auction at its site that may be where the sporting event is held. A player must be present to bid.
7. Before an auction, an employee shall:
 - a. Verbally announce the predetermined percentages of the auction pool that will be paid to a winning player and retained by an organization. The amount a player may win depends on the total amount of the auction pool and not on any odds; and
 - b. Complete for each line on a board a sequential number starting with the number one and a name of a competitor.
8. The sequence of a verbal bid auction must be determined by a random drawing of the numbers assigned each line.
9. If a competitor is not bid on by a player, an organization may sell the competitor by:

- a. If there is more than one competitor not bid on, placing the competitors in one or more groups and auction a group as one competitor; or
 - b. Allowing a competitor to purchase oneself for a predetermined minimum wager.
10. After an auction, an employee shall complete this information for each line on a board and total the amounts wagered:
- a. Full name and address of the player who bought the competitor; and
 - b. Amount wagered by the player.
11. If a competitor was bought by a player and does not compete in the event, an organization shall refund the wagered amount to the player and adjust the prize payout.
12. After a sporting event, an employee shall complete on the board, for each winning player, the amount of the auction pool won. A winning player is the player who wagered on the competitor who won the event. An organization may award the prize to a winning player where the event is held. If an eligible competitor was not bought by a player and wins or places in the event, the organization shall retain the prize that would have been awarded on the competitor. If an ineligible competitor wins or places in the event, the organization shall award the prize that would have been awarded on the competitor to the next highest ranked eligible competitor.
13. An organization shall make a good-faith effort to contact a winning player to award a prize. If a prize is unclaimed for thirty days following the notification or a player attempts to falsify or falsifies a record of win, the prize is forfeited.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; July 1, 2010.
 General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-07.3

99-01.3-10-02. Recordkeeping. Records must include and be retained for three years from the end of the quarter in which the activity was reported:

- 1. For each calcutta:
 - a. A calcutta board with the state gaming stamp affixed indicating the winning competitor and player;
 - b. The starting and ending cash on hand and IOU records according to section 99-01.3-03-06;
 - c. A summary of gross proceeds, prizes, adjusted gross proceeds, cash profit, cash long or short, and bank deposit. The summaries of all calcuttas conducted for a quarter must reconcile to the tax return; and
 - d. Prize register according to section 99-01.3-03-07 and record of win according to section 99-01.3-03-08.
- 2. Inventory records according to subsection 1 of section 99-01.3-03-09.
- 3. Ideal cash bank master records according to subsection 4 of section 99-01.3-03-09.
- 4. The cash profit defined in subdivision k of subsection 6 of section 99-01.3-02-01, verification of the amount deposited according to a bank statement, and an audit of the game's activity according to section 99-01.3-03-10.
- 5. The count and reconciliation of calcutta boards and cash banks according to subsection 6 of section 99-01.3-03-09.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010.
 General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

CHAPTER 99-01.3-11
PADDLEWHEELS

Section	
99-01.3-11-01	Paddlewheels
99-01.3-11-02	Paddlewheels - Excluding the Use of a Table
99-01.3-11-03	Paddlewheel, Table, Chips, and Video Surveillance System
99-01.3-11-04	Opening and Closing a Table, Number of Employees, Chip Bank Services, Procedure for Accepting Currency and Chips, and Drop Box
99-01.3-11-05	Conduct and Play
99-01.3-11-06	Disclosure
99-01.3-11-07	Recordkeeping

99-01.3-11-01. Paddlewheels. Paddlewheels must be conducted and played according to these two methods:

1. Paddlewheels may be a game in which a prize cannot be a variable multiple of the amount bet. The ticket must contain one or more numbers or symbols corresponding to a paddlewheel. The number or symbol on a ticket may not be duplicated on any other ticket of the same card. No chips may be used. Cash or merchandise prizes may be awarded. Sections 99-01.3-11-02 and 99-01.3-11-07 also apply to this method.
2. Paddlewheels may be a table game in which a prize is a predetermined variable multiple of the amount bet. No merchandise prize may be awarded. Sections 99-01.3-11-03 through 99-01.3-11-07 also apply to this method.

History: Effective May 1, 1998.
General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-07.4

99-01.3-11-02. Paddlewheels - Excluding the use of a table. This section applies to the method of paddlewheels described by subsection 1 of section 99-01.3-11-01.

1. All paddlewheel tickets of a card must be preprinted and contain one or more numbers or symbols corresponding to a paddlewheel. A number or symbol cannot be repeated on any of the tickets of a card number. A ticket must have a game serial number corresponding to the number printed on the ticket card's stub. A master flare for a series of paddlewheel ticket cards must state the type of paddlewheel tickets, cost per ticket, range of card numbers, have a state gaming stamp affixed to it bearing the card number of the lowest-numbered ticket card, and be posted.
2. The maximum price per ticket is two dollars. All the tickets of a series of paddlewheel ticket cards must be sold for the same price and the tickets cannot be discounted. A person may not be required to buy more than one ticket. All tickets must be sold on a site the day the game is conducted. All the tickets of a card must be sold before a spin. Otherwise, an employee shall refund the gross proceeds in exchange for the players' unplayed tickets.
3. A winner must be determined by spinning a paddlewheel. An organization may spin a paddlewheel multiple times to award multiple prizes for one paddlewheel ticket card. A paddlewheel must make at least four revolutions. Otherwise, the spin is void and the paddlewheel must be spun again.
4. No cash prize may be a variable multiple of the price of a ticket. No cash prize or the retail price of a merchandise prize for one winning ticket may exceed one hundred dollars. After a prize payoff, an employee shall record the date, card number, and cash prize amount or cost and description of a merchandise prize and retain the winning ticket.

5. All paddlewheel ticket cards of a series related to the same master flare must be reported on the tax return in the quarter in which the series was first played. An organization may not carry over a partial series of paddlewheel ticket cards to another quarter. Any cards of a series which remain unsold during a quarter when other cards of that series were sold must be retained as part of the accounting records and cannot be used or disposed.
6. These rules and policy must be disclosed or made available to players:
 - a. A player may not bet tickets that exceed a value of twenty dollars for one spin;
 - b. A paddlewheel must make at least four revolutions;
 - c. Whether a player is or is not required to be present when the paddlewheel is spun to win; and
 - d. The time limit for the winning player to claim the prize; however, the limit cannot exceed one hour from the time of the drawing.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2012.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-07.4

99-01.3-11-03. Paddlewheel, table, chips, and video surveillance system.

1. A paddlewheel is a round mechanical vertical wheel, at least thirty inches [76.2 centimeters] in diameter, and may be divided into a maximum of five concentric circles. The outer circle must contain at least forty numbers or symbols. A paddlewheel may have house numbers or symbols for an optional odd or even bet. Each inner circle may contain up to one-half of the number of numbers or symbols as that circle's adjacent outer circle. The numbers and symbols may repeat on a circle. Each circle must be divided into equally spaced sections, be a different primary color, and correspond to the colored numbers or symbols of a table playing surface. The colored numbers or symbols of all concentric circles must be at least five-eighths of one inch [15.88 millimeters] in height.
2. A peg must protrude, on the circumference of a paddlewheel, between each section of the outside circle. A pointer must be positioned above a paddlewheel. It is used to stop a spin of a paddlewheel and determine the winning colored number or symbol.
3. A table must have:
 - a. A chip tray and a rail for holding a player's chips;
 - b. A playing surface which must be permanently imprinted with colored numbers or symbols of at least one and one-half inches [3.81 centimeters] in height relating to each circle of a paddlewheel. A table may have spaces for various wagers, including sets of numbers, colored numbers, symbols, and "ODD" and "EVEN" bets;
 - c. Either a mirror to reflect or a color video camera and monitor to display the winning colored number or symbol on the paddlewheel; and
 - d. A table must have a "drop box" that meets the specification of subsection 5 of section 99-01.3-15-02. A "drop box" must have a money plunger which must remain in the slot unless the plunger is used.
4. An organization shall issue solid color-coded sets of chips for betting purposes. No betting chip can be the primary color of mustard yellow. The number of different sets and number of chips within each set is based on an organization's discretion. Each chip must be one and nine-sixteenths inches [39.62 millimeters] in diameter and be permanently impressed, engraved, or imprinted on one side with an organization's name and the other side may have a stated value of one dollar. The name may be represented by a unique identification that differentiates an organization's chips from other organizations' chips. Each chip is valued at one dollar. An organization shall issue casino chips in values of one dollar, five dollars, twenty-five dollars, and one hundred dollars for paying a winning

bet or exchanging a betting chip. A casino chip must meet the specification of subsection 3 of section 99-01.3-08-03.

5. An organization shall have a picture-in-picture or simultaneous recording video surveillance system on a table and paddlewheel. The system must meet the specifications and requirements prescribed by subsections 1, 2, ~~3~~ 4, 5, 6, 7, 8, and 9, ~~and 10~~ of section 99-01.3-08-04.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; July 1, 2010; July 1, 2012.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-07.4

99-01.3-11-04. Opening and closing a table, number of employees, chip bank services, procedure for accepting currency and chips, and drop box.

1. To open a paddlewheel table, an employee shall inspect each peg and the pointer of a paddlewheel for uneven wear, immediately replace any worn peg or pointer, and evaluate the balance of a paddlewheel. To close a paddlewheel table, an employee shall make it inoperable.
2. An organization may not conduct paddlewheels unless two employees are on duty at the site.
3. A fill and credit slip must be prepared and used according to section 99-01.3-08-05. An organization shall perform chip bank services according to section 99-01.3-08-06. An organization may account for the games of paddlewheels and twenty-one separately and, if the activity is separately recorded, shall use casino chips prescribed by the attorney general.
4. A wheel operator, upon receiving currency from a player at a table, shall spread each bill of currency facedown and flat, in sequence of denomination, in the inner table area, perpendicular to a chip tray, and momentarily move the wheel operator's hands away from the currency so it is within a camera's view. A wheel operator, upon receiving a casino chip from a player at a table to be exchanged for a betting chip, shall place the chip in the inner table area at the dealer's left, and sort, stack, and fan the chips. However, a wheel operator may use a rack to account for one or more sets of twenty chips of the same value. A wheel operator shall then take betting chips from the chip tray, equal in value to the currency or casino chip, fan the betting chips, and momentarily move the wheel operator's hands away from the betting chips so they are within a camera's view. A wheel operator shall then restack the betting chips, push the betting chips to the player, and place the currency in a drop box or place the casino chip in the chip tray, or both.
5. After a day's activity, an employee shall transport a drop box from a table, store it, and count drop box cash according to section 99-01.3-08-14.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2010.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-11-05. Conduct and play.

1. An organization may limit the number of players and may require a minimum number of players to open a table.
2. A player shall buy a betting chip with currency or may exchange a casino chip for a betting chip. Only a betting chip can be used to place a bet.
3. The maximum betting limit of a player for each spin is twenty dollars. Each chip is a separate chance to win. Unless an organization has a restrictive policy, a player may bet more than one chip on the same colored number or symbol for a spin. To bet, a player shall place a chip on the betting layout of a table. If a player's total bet exceeds a value of twenty dollars or exceeds an organization's maximum wager on a spin, the bet is void

- and the organization shall adopt a policy that a player's chips of the voided bet are returned to the player. A player may not place a tip bet for a wheel operator.
4. After all the players have bought a betting chip and before a paddlewheel is spun, a wheel operator shall announce that the players' bets for the next spin must now be placed. A wheel operator may place a chip for a player if the wheel operator first states, in a voice loud enough to be heard by all the players at a table, that the player is being assisted. When a wheel operator has determined that no other person desires to bet, the wheel operator shall announce bets closed. Thereafter, a player may not bet or touch any placed betting chip or obstruct the view of the playing surface until after a wheel operator pays off all winning wagers. A wheel operator shall double spin a paddlewheel by pulling it in a downward or upward direction and releasing it. While the paddlewheel is in motion, a wheel operator shall again pull it in a consistent downward or upward direction. A paddlewheel must rotate at least four full unrestricted revolutions. Otherwise, the spin is void and a paddlewheel must be spun again.
 5. When a paddlewheel stops, a wheel operator shall announce the winning colored number or symbol in a tone of voice loud enough to be heard by all the players at a table. The announcement must be in sequence of the outermost circle first to the innermost circle last. A wheel operator shall first remove all losing betting chips from the table and place them in the chip tray. Then, a wheel operator shall pay off the winning betting chips in the sequence of the bets that are most accessible to the players first and to the bets that are least accessible to the players last.
 6. To pay off a winning bet, a wheel operator shall fan all of a player's betting chips toward the wheel operator or side. A wheel operator shall take a betting chip or chips of the same color as the winning chip or casino chip, equal to the prize amount of the winning bet, from the chip tray, place the betting or casino chips in a stacked manner beside the wagered fanned betting chips, fan the payoff chips toward the wheel operator or side, and momentarily move the wheel operator's hands away from the chips so they are within a camera's view. However, if the prize payout exceeds twenty betting or casino chips of the same value, the wheel operator may use a rack to account for one or more sets of twenty chips and fan the remaining payoff chips.
 7. A tip for a wheel operator must be made with a betting or casino chip. If a tip is made with a betting chip, a wheel operator shall immediately exchange the betting chip for a casino chip in the inner table area, momentarily move the wheel operator's hands away from the chip so it is within a camera's view, place the betting chip in the chip tray and casino chip in the tip receptacle. When the wheel operator's shift ends, the wheel operator shall take the tip receptacle and leave the table.
 8. If a player desires to redeem a betting chip, an organization shall exchange the betting chip for a casino chip at the paddlewheel table. A player may redeem a casino chip with the cash bank cashier or use it in the game of twenty-one.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; October 1, 2006.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-07.4

99-01.3-11-06. Disclosure.

1. These rules and notice must be disclosed or made available to players:
 - a. A player may not bet chips that exceed a value of twenty dollars for one spin.
 - b. A player must bet by placing a betting chip properly on the betting layout.
 - c. A player may not touch a betting chip after the wheel operator announces "bets closed" or obstruct the view of the playing surface until after a wheel operator pays off all winning wagers.
 - d. A paddlewheel must make at least four revolutions.

- e. If a pointer stops on top of a peg, the number preceding the peg is the winning number.
 - f. A winning odd or even bet is determined by a winning number of only the designated colored circle. However, a player loses all odd and even bets if the pointer stops on a designated house number. This must be disclosed or made available to players if an odd or even bet is accepted.
 - g. A player may not take a betting chip away from the table and must be at the table to win. Otherwise, the player's bet is void.
 - h. If a player stops playing and has an unused betting chip, the player must exchange the betting chip for a casino chip through the wheel operator before the player leaves the table.
2. Prize information must be disclosed, made available to players, or stated on a table playing surface. The information must reference each differently colored number or symbol, including an optional odd or even bet, and state each prize payoff. The payoff is the relationship of the prize to a winning betting chip. The payoff must be stated as "_____ to _____" or "_____ for _____". For example, for a red-colored number or symbol which pays forty dollars for a winning betting chip, the information must reference the red-colored number or symbol and state the payoff as "EXACT NUMBER RED 40 to 1".
 3. A notice that if a person knowingly uses a fraudulent scheme or technique to cheat or skim involving paddlewheels, regardless of the amount gained, the offense is a class C felony punishable by a five thousand dollar fine or five years in jail or both.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; October 1, 2006.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-07.4, 53-06.1-16

99-01.3-11-07. Recordkeeping. Records must include and be retained for three years from the end of the quarter in which the activity was reported, unless otherwise provided by rule:

1. For paddlewheel activity described by subsection 1 of section 99-01.3-11-01:
 - a. For each day's activity, the starting and ending cash banks and IOU records according to section 99-01.3-03-06;
 - b. For each ticket card of each series of paddlewheel ticket cards:
 - (1) Date conducted, card number, cash prize amount or cost and description of a merchandise prize;
 - (2) All winning tickets and unsold ticket cards which must be retained for one year from the end of the quarter in which the activity was reported on a tax return; and
 - (3) The flare with the state gaming stamp affixed;
 - c. Inventory records according to subsection 1 of section 99-01.3-03-09;
 - d. The count and reconciliation of each series of paddlewheel ticket cards according to subsection 6 of section 99-01.3-03-09;
 - e. Prize register according to section 99-01.3-03-07; and
 - f. Purchase invoice or receipt documenting the cost of a merchandise prize.
2. For paddlewheel activity described by subsection 2 of section 99-01.3-11-01:
 - a. The starting and ending cash and chip banks and IOU records according to section 99-01.3-03-06;
 - b. Drop box cash and values of fill and credit slips;
 - c. Daily surveillance review log;
 - d. Wheel operator percent-of-hold information log must be retained for one year from the end of the quarter of the activity;
 - e. Inventory records according to subsection 5 of section 99-01.3-03-09;

- f. An organization using a combined cash bank for twenty-one and paddlewheel at a site, shall document the allocation of cash profit on a monthly basis to each game type based on the ratio of the game type's adjusted gross proceeds to the total adjusted gross proceeds of both game types; and
 - g. The count and reconciliation of casino and betting chips according to subsection 6 of section 99-01.3-03-09.
3. For all paddlewheel activity:
- a. A summary of gross proceeds, prizes, adjusted gross proceeds, cash profit, cash long or short, and bank deposit. For paddlewheel activity described by subsection 1 of section 99-01.3-11-01, a summary must be completed for each series of paddlewheel ticket cards. The summaries of all paddlewheel activity for a quarter must reconcile to the tax return;
 - b. The cash profit defined in subdivisions i and l of subsection 6 of section 99-01.3-02-01, verification of the amount deposited according to a bank statement, and an audit of the game's activity according to section 99-01.3-03-10;
 - c. Ideal cash bank master records according to subsection 4 of section 99-01.3-03-09; and
 - d. The count and reconciliation of cash banks according to subsection 6 of section 99-01.3-03-09.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; July 1, 2012.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

CHAPTER 99-01.3-12
PULL TAB DISPENSING DEVICES

Section	
99-01.3-12-01	Use [Repealed]
99-01.3-12-02	Use and Requirements of an Organization
99-01.3-12-03	Requirements of a Bar
99-01.3-12-04	Requirements of a Bar and an Organization
99-01.3-12-05	Recordkeeping

99-01.3-12-01. Use. Repealed effective July 1, 2000.

99-01.3-12-02. Use and requirements of an organization.

1. A licensed organization may operate a pull tab dispensing device when the organization's employee is on duty and may have a bar employee redeem a winning pull tab when the organization's employee is or is not on duty.
2. If a distributor's or manufacturer's security seal is broken on a deal's container before the deal is used, an organization shall return the deal to the distributor.
3. An organization shall disclose or make these rules available to players:
 - a. Restricting access to or delaying using credits on a device is prohibited;
 - b. A winning pull tab must be redeemed within fifteen minutes;
 - c. A pull tab cannot be redeemed if it has been taken from the gaming area;
 - d. If a person knowingly solicits, provides, or receives any inside information, by any person, by any means, or knowingly uses a fraudulent scheme or technique to cheat or skim involving pull tabs, regardless of the amount gained, the offense is a class C felony punishable by a five thousand dollar fine or five years in jail or both; and
 - e. If a player attempts to falsify or falsifies a record of win, the prize is forfeited.
4. An organization shall maintain custody of all keys to a device. However, an organization may provide an authorized employee of a bar with a key to the cash compartment to withdraw currency or a drop box if:
 - a. A device's cash compartment is separate from its pull tab and accounting meter compartments. However, if access to a device's accounting meters is controlled by a security code, the cash and accounting meters may be in the same compartment;
 - b. The organization authorizes a specific employee of a bar to withdraw cash and complies with section 99-01.3-02-02 regarding a record check on the employee; and
 - c. If a drop box is not used, an authorized employee of a bar shall count the cash, record the amount, sign and date the record, and secure the cash and record in a keyless locking bank bag. If a drop box is used, an organization may not provide the authorized employee of a bar the key to access the contents of the drop box.
5. An organization shall withdraw currency from a device within a seven-calendar-day interim period.
6. An organization shall use the current recordkeeping system unless approval is obtained from the attorney general for use of another system.
7. An organization shall have a rental agreement conforming to section 99-01.3-02-06.
8. An organization shall maintain an access log prescribed by the attorney general. A person who accesses a device for any reason shall record the access and initial the log. When a person does a test vend which affects the accounting meters or a test validation

- of currency, the person shall record the value of pull tabs and currency validated. An organization shall retain the log in a device during the quarter of activity.
9. An organization may provide a bar with a temporary loan to enable a bar employee to redeem a winning pull tab. A loan and any increase in the loan must be made by check payable to the bar and be interest free. An organization may not access, count, or take custody of the loaned money. The duration of the loan must be until an organization discontinues conducting pull tabs at a site through a device. When the bar repays the loan, the organization shall deposit the funds in its gaming account and the deposit slip or receipt must reference the site, source of funds, and amount. The amount reimbursed to a bar must equal the value of redeemed winning pull tabs which the bar provides an organization. An organization employee may not use a bar's cash on hand for redeeming a winning pull tab.
 10. An organization may not provide an independent service technician a key to access a device regardless if the device is leased.
 11. If a theft of currency occurs, an organization shall record the currency and pull tab accounting meters or print a cash withdrawal report and audit the game. The organization shall provide a copy of all of this information to a local law enforcement agency and the attorney general.
 12. When a game is closed:
 - a. The game must be reported on a tax return for the site at which it was closed;
 - b. An employee shall buy back all remaining redeemed winning pull tabs from a bar; and
 - c. If the game has unsold pull tabs, these cannot be put back into play.
 13. An organization or employee may not:
 - a. Modify the assembly or operational functions of a device;
 - b. Use or continue to conduct a deal of pull tabs after being notified by a distributor of a ban or recall of the deal;
 - c. Designate a pull tab to entitle a player who buys it with a prize provided by a bar or distributor; or
 - d. Intentionally test vend currency or pull tabs to synchronize nonresettable accounting meters.
 14. A game must be conducted and played through a device as follows:
 - a. The deals must be identical, except for a game serial number and color of the pull tabs;
 - b. An employee shall securely attach a master flare to the interior or exterior of a device, or on an adjacent wall, so the flare's information is visible to players. When a deal is added, the deal's flare may be retained in a device or at an organization's office;
 - c. An employee shall place at least one complete and one-third to one-half of a second deal in a device at the same time at the start of a game. The remaining pull tabs of any partial deal must be stored onsite and added to the game before any additional deals may be added. If during the quarter a deal is added to a game and the complete deal's tickets will not fit in a device, any remaining pull tabs of the partial deal must be stored onsite and added to the game before any additional deals may be added;
 - d. At the start of a game the pull tabs must be randomly placed in all the stacking columns. To add pull tabs to a game, an employee shall first add any remaining pull tabs of a deal previously partially placed in the device or pull tabs of a new deal by randomly mixing these pull tabs with the pull tabs in the device;

- e. If a deal is to be added to a game and an organization does not have a deal to add, the organization shall temporarily suspend the game until it procures a deal. However, if the organization is unable to procure a deal from the distributors and all the top tier winning pull tabs have been redeemed, it may close the game;
 - f. If a site's total gross proceeds of pull tabs averages twelve thousand five hundred dollars or less per quarter or if a site has not previously had gaming, a game may be closed anytime if all top tier winning pull tabs have been redeemed;
 - g. Except as provided by subdivision h, if a site's total gross proceeds of pull tabs averages more than twelve thousand five hundred dollars per quarter, no game may be closed unless an organization discontinues gaming at the site, or all the top tier winning pull tabs have been redeemed and:
 - (1) Fifty deals have been added to a game;
 - (2) A game's actual gross proceeds are twenty-five thousand dollars; or
 - (3) A game has been in play for twenty-five consecutive calendar days;
 - h. An organization shall close a game by the end of a quarter. If all top tier winning pull tabs have been redeemed or low-level switches in all but two columns of a device have been triggered, an organization may close a game for the quarter within fourteen calendar days before the end of that quarter. An organization may start a new game for the next quarter within fourteen calendar days before the next quarter begins. However, an organization may not start a new game and end that game within this fourteen-calendar-day period. When a game is being closed, an employee shall post a sign stating that the game is being sold out;
 - i. If the percent-of-accuracy of all the games involving a device for a site for the previous quarter was less than ninety-eight and one-half percent, and a cash shortage of more than one hundred dollars, an employee who did not conduct the game shall do a weekly interim audit of the games at the site for up to twelve continuous weeks or until the organization determines, resolves, and documents the cause. One of the weekly interim audits may be the audit required by subsection 7 of section 99-01.3-03-10. An organization shall start the weekly audits no later than the date on which its tax return for the quarter was filed with the attorney general. However, if games involving a device are conducted without a bar employee redeeming a winning pull tab, pull tab games not involving a device are also conducted, and the combined percent-of-accuracy of all pull tab games at the site for the previous quarter was ninety-eight and one-half percent or greater, no weekly interim audit is required. Percent-of-accuracy is computed as cash profit divided by adjusted gross proceeds; and
 - j. An organization may transfer a device from a site to another site or rotate a device among sites. If an organization discontinues gaming at a site, it may close a game or transfer the game to a device at another site. If a game is in the process of being conducted through a device, an organization may not transfer the game to a jar bar.
15. Two or more organizations may use devices at the same site on different days of the week provided the organizations use different names of games in the devices and the bar uses separate cash banks.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-06

99-01.3-12-03. Requirements of a bar.

- 1. A bar shall:

- a. Place a device in a location where alcoholic beverages are dispensed and consumed and where a bar employee will regularly observe the device;
 - b. Prohibit a person from tampering or interfering with the operation or play of a device;
 - c. Have the electrical current to a device turned off unless alcoholic beverages may be dispensed, a bar employee or an employee is available to redeem a winning pull tab and a bar has cash on hand to redeem a winning pull tab;
 - d. Absorb a loss related to a counterfeited or lost pull tab, redeemed pull tab that was not bought at the site, and loss or theft of the temporary loan of funds;
 - e. Repay an organization's temporary loan of funds ~~within fourteen days of when~~ immediately upon request from the organization that discontinues conducting pull tabs through a device at a site;
 - f. If a malfunction of a device is known by the bar or its employee, turn the device off and promptly notify the organization. Otherwise, the bar or its employee is responsible for any cash shortage; and
 - g. Use an organization's loan of money only to redeem a winning pull tab. If the bar violates this rule, the attorney general may suspend any or all games at the site for up to six months.
2. A bar employee may not access, attempt to access, or permit a person, other than an employee of an organization, to access the interior of a device for any reason, except to withdraw currency or a drop box according to subsection 4 of section 99-01.3-12-02.
 3. If a bar employee believes that a deal is defective or there is a problem with a redeemed pull tab, the bar employee shall contact an organization and may turn a device off.
 4. A bar may accept or not accept a gaming-related check from a player. A player's check must be payable to a bar. A bar is responsible for a player's check returned by a financial institution as uncollectible. A bar may allow a player to buy back the player's check with cash and may return a player's check to the player as part of a prize payout.
 5. Only a bar employee who is authorized by a bar may redeem a winning pull tab.
 6. A bar employee may not summarize or audit a game of pull tabs for an organization.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2010; July 1, 2012.
 General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-06

99-01.3-12-04. Requirements of a bar and an organization.

1. A bar employee or an employee shall deface a winning number or symbol of a pull tab when it is redeemed. Tickets redeemed for credit must be defaced by an employee of the organization at the time of the interim period site visit. If a pull tab has two or more winning prize patterns, a winning number or symbol of at least one pattern must be defaced.
2. A bar employee or an employee may not:
 - a. Assist a player in opening a pull tab except to assist a disabled player;
 - b. Knowingly pay a prize to a player who is redeeming a pull tab that has been defaced, tampered with, counterfeited, or has a game serial number different from the serial numbers of the deals in the game;
 - c. Knowingly pay a prize to a player who is redeeming a pull tab when the player with the pull tab has left the gaming area of a site;
 - d. Publicly display a redeemed pull tab;
 - e. Knowingly pay a prize for a pull tab after fifteen minutes has elapsed since it was bought. If a player attempts to redeem a pull tab after the allowed time limit, a bar employee or an employee shall, if possible, retain and void the pull tab;

- f. Pay, from gaming funds or any other source, a prize to a player unless the player redeems an actual winning pull tab that has a game serial number from a game conducted at the site; or
 - g. Reimburse, from any source of funds, an amount to a player for play of a game that has a manufacturing defect or has an incorrect posting of information described by subsection 7, unless the attorney general approves.
3. A prize must be cash. There may be no last sale prize.
 4. If a device malfunctions, is inoperable, and a player has a credit, a bar employee or an employee shall pay the player for the player's unplayed credits and record the refund on a credit redemption register. A bar shall provide this form to an organization to claim a reimbursement. If a player's currency jams in a currency validator and a device does not show a credit, a bar employee may not reimburse a player, and shall record the jam on a credit redemption register and notify an organization. If an organization determines that a device is cash long, the organization shall reimburse a player by cash or check.
 5. A bar employee and an employee shall document and attest to the number and value of redeemed winning pull tabs, by value and in total, that are exchanged for cash or check. These pull tabs must be grouped, banded, and retained separate from other pull tabs that an organization employee may have redeemed, and separate from those redeemed through a credit redemption device, by interim period.
 6. An organization shall provide a bar employee and a bar shall maintain a current copy of subsection 7 of section 99-01.3-02-03 and sections 99-01.3-02-05, 99-01.3-02-09, 99-01.3-03-08, 99-01.3-12-03, and 99-01.3-12-04 regarding the bar employee's and bar's duties and restrictions.
 7. A bar employee or an employee may post the information referenced by subdivision a or b, or both, provided that an organization does not have a partial deal that is to be added to a device. An organization shall post a statement that the information is correct to the best of the organization's knowledge and that the information is not guaranteed to be accurate. If an organization does not have a policy on when to stop posting this information when a game is being closed, it shall stop posting the information when there are less than six winning pull tabs, through a level of prize value determined by the organization, that remain unredeemed. Posted information may be the information described in subdivision a or b, or both:
 - a. The minimum number of unredeemed winning pull tabs or a range of numbers of unredeemed winning pull tabs, through a level of prize value determined by an organization that will always be in a game unless the game is being closed. This information may be for each prize value or the total of several prize values. The level of prize value must be posted. If a pull tab has two or more winning prize patterns, the information must be based on the value of each prize pattern.
 - b. The number of unredeemed winning pull tabs, through a level of prize value determined by an organization that remain in a game. This information may be for each prize value or the total of several prize values. The level of prize value must be posted. If a pull tab has two or more winning prize patterns, the information must be based on the value of each prize pattern. The information must be continually updated.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; July 1, 2010.
 General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-06

99-01.3-12-05. Recordkeeping. Records must include and be retained for three years from the end of the quarter in which the activity was reported, unless otherwise provided by rule:

1. All redeemed and unsold pull tabs for a game and be retained as documentation for gross proceeds and prizes for one year from the end of the quarter in which the activity was reported on a tax return;
2. The deal's game information sheet and flare with the state gaming stamp affixed;
3. A record of game serial numbers for each game;
4. Record of win according to section 99-01.3-03-08;
5. Credit redemption register, including the date, amount, if credits were still on the device, player's name and signature, signature or initials of person who paid the player, bar reimbursement information if applicable, and date paid;
6. If an employee redeems winning pull tabs at a site, a daily employee report documenting the starting and ending cash on hand, IOU records according to section 99-01.3-03-06, and prizes redeemed by prize value, total prizes, credits paid, and cash long or short, and number of redeemed top tier pull tabs by game serial number;
7. Interim period site summary, including meter readings, test vends (if it affects the meter readings), gaming stamp number and game serial number of a deal added to a device, currency withdrawn, redeemed prizes by denomination obtained from a bar, total prizes, total prizes credited through the device if applicable, information on top tier winners redeemed by game serial number, credit redemption register refunds, cash profit or loss, and bank deposit;
8. A summary that includes the following:
 - a. Number of redeemed top tier pull tabs by game stamp and serial number, cumulative cash profit (loss), bank deposits, and prizes;
 - b. Reconciliation of nonresettable meters for currency and the number of pull tabs dispensed to the currency in the device and to the value of the pull tabs dispensed; and
 - c. Ideal gross proceeds, value of unsold pull tabs, gross proceeds, prizes, adjusted gross proceeds, cash profit, and cash long (short). The summaries of all games for a quarter must reconcile to the tax return;
9. Inventory records according to subsection 1 of section 99-01.3-03-09;
10. Ideal cash bank master records according to subsection 4 of section 99-01.3-03-09;
11. Access log, including the date, time, nonresettable currency meter reading, reason for entry, and initials of the employee;
12. Interim period audit records according to subdivision i of subsection 14 of section 99-01.3-12-02;
13. The cash profit defined in subdivision d of subsection 6 of section 99-01.3-02-01, verification of the amount deposited according to a bank statement, and an audit of the game's activity according to section 99-01.3-03-10; and
14. The count and reconciliation of deals and cash banks according to subsection 6 of section 99-01.3-03-09.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; July 1, 2012.
 General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

CHAPTER 99-01.3-12.1
PRIZE BOARD DISPENSING DEVICES

Section

99-01.3-12.1-01	Definition
99-01.3-12.1-02	Use and Requirements of an Organization
99-01.3-12.1-03	Requirements of a Bar
99-01.3-12.1-04	Requirements of a Bar and an Organization
99-01.3-12.1-05	Recordkeeping

99-01.3-12.1-01. Definition. This chapter applies to a licensed organization that conducts prize boards involving a dispensing device. The maximum price per chance is two dollars. The value of a seal prize or a column sold out indicator may exceed the value of the top tier prize. For purposes of this chapter, “prize board dispensing device” means a board used with pull tabs dispensed from a device to award cash or merchandise prizes. Coins of various values may be affixed to the board and, under each coin, a cash prize value preprinted on the board. A board may contain numbered lines and a seal covering a winning number. A player having a pull tab with a number matching a predesignated number on a board for a seal prize signs the player’s full name on the numbered line or supplemental sheet. However, if a number or symbol matches a winning number or symbol assigned to a specific coin or minor prize, the player wins that coin or prize, and a cash prize value stated under the coin. A column sold out indicator may be awarded. The column sold out indicator is an additional prize, which must be described on the flare, and is used to assist organizations in selling out pull tabs. Pull tabs with a column sold out indicator need to be distinctly marked as the last pull tab in each column and must contain the initials and date of the organization employee putting the column sold out indicator on the pull tab and upon redemption must include the signature of the winning player and date that the pull tab was redeemed. When the board is closed, a seal is removed to reveal the winning line number. A player whose signature is on that line wins the seal prize. No board may be closed unless all the top tier winning pull tabs have been redeemed, all the pull tabs are sold, all the seals have been opened, or the board has been conducted for ninety calendar days. An organization is responsible for ensuring that a description and retail price of a merchandise prize or cash prize to be awarded and cost per play are on a flare. The maximum number of pull tabs in a deal is two thousand. The maximum cash prize, total of all column sold out indicators, or seal prize, including the retail price of a merchandise prize, is five hundred dollars.

History: Effective July 1, 2010.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-06

99-01.3-12.1-02. Use and requirements of an organization.

1. An organization may operate a prize board dispensing device when the organization’s employee is on duty and may have an authorized bar employee redeem a winning pull tab and pay a cash or merchandise prize when the organization’s employee is or is not on duty.
2. If a distributor’s or manufacturer’s security seal is broken on a deal’s container before the deal is used, an organization shall return the deal to the distributor.
3. An organization shall disclose or make these rules available to players:
 - a. Restricting access to or delaying using credits on a device is prohibited;
 - b. A winning pull tab must be redeemed within fifteen minutes;
 - c. A pull tab cannot be redeemed if it has been taken from the gaming area;
 - d. If a person knowingly solicits, provides, or receives any inside information, by any person, by any means, or knowingly uses a fraudulent scheme or technique to cheat or skim involving pull tabs, regardless of the amount gained, the offense is a class C felony punishable by a five thousand dollar fine or five years in jail or both;

- e. To the best of the organization's knowledge, a prize remaining on a board relates to a winning pull tab that has not been bought; and
 - f. If a player attempts to falsify or falsifies a record of win, the prize is forfeited.
4. An organization shall maintain custody of all keys to a device. However, an organization may provide an authorized employee of a bar with a key to the cash compartment to withdraw currency or a drop box if:
 - a. A device's cash compartment is separate from its pull tab and accounting meter compartments. However, if access to a device's accounting meters is controlled by a security code, the cash and accounting meters may be in the same compartment;
 - b. The organization authorizes a specific employee of a bar to withdraw cash and complies with section 99-01.3-02-02 regarding a criminal history record check on the employee; and
 - c. If a drop box is not used, an authorized employee of a bar shall count the cash, record the amount, sign and date the record, and secure the cash and record in a keyless locking bank bag. If a drop box is used, an organization may not provide the authorized employee of a bar the key to access the contents of the drop box.
 5. An organization shall withdraw currency from a device within a seven-calendar-day interim period.
 6. An organization shall use the current recordkeeping system unless approval is obtained from the attorney general for use of another system.
 7. An organization shall have a rental agreement conforming to section 99-01.3-02-06.
 8. An organization shall maintain an access log prescribed by the attorney general. A person who accesses a device for any reason shall record the access and initial the log. When a person does a test vend which affects the accounting meters or a test validation of currency, the person shall record the value of pull tabs and currency validated. An organization shall retain the log in a device during the quarter of activity.
 9. An organization may provide a bar with a temporary loan to enable a bar employee to redeem winning pull tabs and pay prize board cash prizes. The loan and any increase must be made by check payable to the bar and be interest free. An organization may not access, count, or take custody of the loaned money. The duration of the loan must be until an organization discontinues conducting prize boards at a site through a device. An organization may also supply the bar with a separate temporary loan equal to the total amount of cash prizes on a prize board. If a separate temporary loan is used all remaining cash from unredeemed winning pull tabs and the redeemed winning pull tabs must be returned to the organization following final distribution of the seal prize. When the bar repays any loan, the organization shall deposit the funds in its gaming account and the deposit slip or receipt must reference the site, source of funds, and amount. The amount reimbursed to a bar must equal the value of redeemed winning pull tabs which the bar provides an organization. An organization employee may not use a bar's cash on hand for redeeming a winning pull tab.
 10. An organization may not provide an independent service technician a key to access a device regardless if the device is leased.
 11. If a theft of currency occurs, an organization shall record the currency and pull tab accounting meters or print a cash withdrawal report and audit the game. The organization shall provide a copy of all of this information to a local law enforcement agency and the attorney general.
 12. When a prize board is closed:
 - a. The prize board must be reported on a tax return for the site at which it was closed;

- b. An employee shall buy back all remaining redeemed winning pull tabs from a bar;
 - c. If the game has unsold pull tabs, these cannot be put back into play; or
 - d. If a coin is not awarded, an organization shall determine the prizes to report on a tax return by prorating the total cost of the coins, according to their face value, of the coins that were awarded to the total face value of all the coins. An organization may use an unawarded prize in another game, sell the prize, or deposit the coin in the gaming account.
13. An organization or employee may not:
- a. Modify the assembly or operational functions of a device;
 - b. Use or continue to conduct a deal of pull tabs after being notified by a distributor of a ban or recall of the deal;
 - c. Designate a pull tab to entitle a player who buys it with a prize provided by a bar or distributor; or
 - d. Intentionally test vend currency or pull tabs to synchronize nonresettable accounting meters.
14. A prize board dispensing device must be conducted and played as follows:
- a. An employee shall place all pull tabs from a deal evenly among the columns used.
 - b. An organization may transfer a device from a site to another site or rotate a device among sites. If an organization discontinues gaming at a site, it may close a prize board or transfer the prize board to a device at another site. If a prize board is in the process of being conducted through a device, an organization may not transfer the prize board to a jar bar.

History: Effective July 1, 2010.
 General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-06

99-01.3-12.1-03. Requirements of a bar.

1. A bar shall:
 - a. Place a device in a location where alcoholic beverages are dispensed and consumed and where a bar employee will regularly observe the device;
 - b. Prohibit a person from tampering or interfering with the operation or play of a device;
 - c. Have the electrical current to a device turned off unless alcoholic beverages may be dispensed, a bar employee or an employee is available to redeem a winning pull tab, and a bar has cash on hand to redeem a winning pull tab or cash seal prize;
 - d. Absorb a loss related to a counterfeited or lost pull tab, redeemed pull tab that was not bought at the site, and loss or theft of the temporary loan of funds;
 - e. Repay an organization's temporary loan of funds ~~within fourteen days of when~~ immediately upon request from the organization that discontinues conducting prize boards through a device at a site;
 - f. If a malfunction of a device is known by the bar or its employee, turn the device off and promptly notify the organization. Otherwise, the bar or its employee is responsible for any cash shortage; and
 - g. Use an organization's loan of money only to redeem a winning pull tab or cash seal prize. If the bar violates this rule, the attorney general may suspend any or all games at the site for up to six months.
2. A bar employee may not access, attempt to access, or permit a person, other than an employee of an organization, to access the interior of a device for any reason, except to withdraw currency or a drop box according to subsection 4 of section 99-01.3-12.1-02.

3. If a bar employee believes that a deal is defective or there is a problem with a redeemed pull tab, the bar employee shall contact an organization and may turn a device off.
4. A bar may accept or not accept a gaming-related check from a player. A player's check must be payable to a bar. A bar is responsible for a player's check returned by a financial institution as uncollectible. A bar may allow a player to buy back the player's check with cash and may return a player's check to the player as part of a prize payout.
5. Only a bar employee who is authorized by a bar may redeem a winning pull tab or pay a cash or merchandise prize.
6. A bar employee may not summarize or audit a prize board for an organization.

History: Effective July 1, 2010; July 1, 2012.
General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-06

99-01.3-12.1-04. Requirements of a bar and an organization.

1. A bar or organization employee may pay a winning player a cash or merchandise prize won on a prize board.
2. A bar employee or an employee shall deface a winning number or symbol of a pull tab when it is redeemed.
3. A bar or organization employee must display the prize board while the board is in play.
4. A bar employee or an employee may not:
 - a. Assist a player in opening a pull tab except to assist a disabled player;
 - b. Knowingly pay a prize to a player who is redeeming a pull tab that has been defaced, tampered with, counterfeited, or has a game serial number different from the serial number of the deal in play;
 - c. Knowingly pay a prize to a player who is redeeming a pull tab when the player with the pull tab has left the gaming area of a site;
 - d. Publicly display a redeemed pull tab;
 - e. Knowingly pay a prize for a pull tab after fifteen minutes has elapsed since it was bought. If a player attempts to redeem a pull tab after the allowed time limit, a bar employee or an employee shall, if possible, retain and void the pull tab;
 - f. Pay, from gaming funds or any other source, a prize to a player unless the player redeems an actual winning pull tab that has a game serial number from a game conducted at the site; or
 - g. Reimburse, from any source of funds, an amount to a player for play of a game that has a manufacturing defect, unless the attorney general approves.
5. If a device malfunctions, is inoperable, and a player has a credit, a bar employee or an employee shall pay the player for the player's unplayed credits and record the refund on a credit redemption register. A bar shall provide this form to an organization to claim a reimbursement. If a player's currency jams in a currency validator and a device does not show a credit, a bar employee may not reimburse a player, and shall record the jam on a credit redemption register and notify an organization. If an organization determines that a device is cash long, the organization shall reimburse a player by cash or check.
6. A bar employee and an employee shall document and attest to the total cash prizes of redeemed winning pull tabs that are exchanged for cash or check. These pull tabs must be grouped, banded, and retained separate from other pull tabs that an organization employee may have redeemed and separately from any other dispensing device pull tabs redeemed at the site.
7. An organization shall provide a bar employee, and a bar shall maintain, a current copy of subsection 7 of section 99-01.3-02-03, sections 99-01.3-02-05, 99-01.3-02-09, 99-01.3-03-08, and 99-01.3-12.1-03, and this section regarding the bar employee's and bar's duties and restrictions.

8. When applicable, a bar employee or an employee shall provide a prize board or a numbered line sheet to a player to sign on a winning number line. Only one player's name may be signed on a specific line. When all tickets from a prize board have been sold, a bar employee or an employee may remove the seal revealing the winning prize number, obtain the winner's information for a record of win form, and award the prize to the winning player. If the bar employee cannot locate the winning player, the employee shall contact the organization.

History: Effective July 1, 2010.
General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-06

99-01.3-12.1-05. Recordkeeping. Records must include and be retained for three years from the end of the quarter in which the activity was reported, unless otherwise provided by rule:

1. All redeemed and unsold pull tabs for a game, including column sold out indicators, and these must be retained as documentation for gross proceeds and prizes for one year from the end of the quarter in which the activity was reported on a tax return;
2. The deal's game information sheet, flare with the state gaming stamp affixed, and supplemental signup sheet if applicable;
3. Purchase invoice or receipt documenting the cost of merchandise prizes;
4. Record of win according to section 99-01.3-03-08;
5. Credit redemption register, including the date, amount, if credits were still on the device, player's name and signature, signature or initials of person who paid the player, bar reimbursement information if applicable, and date paid;
6. If an employee redeems winning pull tabs at a site, a daily employee report documenting the starting and ending cash on hand, IOU records according to section 99-01.3-03-06, change in cash bank, total cash prizes, credits paid, and cash long or short;
7. Interim period site summary, including gaming stamp number and game serial number, date placed and date removed, meter readings, test vends, currency withdrawn, total cash prizes redeemed by bar and organization employees, credit redemption register refunds, cash profit or loss, and bank deposit;
8. A summary that includes the following:
 - a. Cumulative cash profit, bank deposits, and prizes;
 - b. Reconciliation of nonresettable meters for currency and the number of pull tabs dispensed to the currency in the device and to the value of the pull tabs dispensed; and
 - c. Ideal gross proceeds, value of unsold pull tabs, gross proceeds, total cash prizes, total prizes paid by check, cost of coins, total prizes, adjusted gross proceeds, cash profit, and cash long or short. The summaries of all prize boards for a quarter must reconcile to the tax return;
9. Inventory records according to subsection 1 of section 99-01.3-03-09;
10. Ideal cash bank master records according to subsection 4 of section 99-01.3-03-09;
11. Access log, including the date, time, nonresettable currency meter reading, reason for entry, and initials of the employee;
12. The cash profit defined in subdivision g of subsection 6 of section 99-01.3-02-01, verification of the amount deposited according to a bank statement, and an audit of the game's activity according to section 99-01.3-03-10; and
13. The count and reconciliation of deals and cash banks according to subsection 6 of section 99-01.3-03-09.

History: Effective July 1, 2010.
General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-06

CHAPTER 99-01.3-14
ELIGIBLE USES

Section	
99-01.3-14-01	Restrictions and Requirements
99-01.3-14-02	Eligible Uses

99-01.3-14-01. Restrictions and requirements.

1. An organization may not accept, and a recipient or potential recipient of net proceeds may not give or offer to give, a payment, gift, service, loan, personal or real property, or other thing of material value, for disbursing or receiving net proceeds. However, a recipient or potential recipient of net proceeds that is an organization or group of people may initiate and transact a formal agreement with a donor organization to voluntarily provide a gaming or nongaming related service to the donor organization in exchange for receiving net proceeds; provided, the agreement is first approved by the attorney general or complies with guidelines prescribed by the attorney general. If the attorney general approves the service, the donor organization shall document the service by recording the location, names of volunteers, description of service, number of hours volunteered, and value of the service based on a reasonable hourly rate. The donor organization shall offset the value of these services against the amount of net proceeds disbursed to the recipient during a quarter by reporting the value of these services as an adjustment on a tax return.
2. A disbursement of net proceeds must be specific as to recipient and use. After an organization disburses net proceeds, it may not interfere with a recipient's control of the funds or attempt to own or influence the use or sale of personal or real property bought by or for a recipient of the funds.
3. Use of net proceeds for economic development or tourism programs may not directly benefit a member, employee, or board of directors' member of a donor or donee organization nor may this person have a financial interest in a funded economic development or tourism program.
4. No private athletic, social, hobby, trade, business, professional, or similar clubs or associations may receive net proceeds, unless the use of the funds complies with subsection 2 of North Dakota Century Code section 53-06.1-11.1 or section 99-01.3-14-02. An expense related directly or indirectly with gaming is not an eligible use.
5. Restrictions on fundraising activities are:
 - a. An organization or recipient may not use net proceeds for a fundraising activity that relates directly to the conduct of gaming, including purchase of equipment or consumable goods for a cafe for a site or for direct or indirect expenses and capital costs for a retail business involving material unrelated business income;
 - b. An organization may only use net proceeds for expenses related to fundraising activities for which the net income of the fundraising activity will be used for a specific recipient or purpose that qualifies as an eligible use of net proceeds;
 - c. If an organization conducts a qualifying fundraising event and deposits the event's gross receipts in or pays the expenses from other than its trust account, it may not disburse net proceeds to the recipient unless it transfers the net income from the event to its trust account and makes a proper adjustment on a tax return; and
 - d. If a civic and service, fraternal, or veterans' organization uses net proceeds to conduct a fundraising activity and the amount spent on expenses exceed the net income generated by the activity, it shall reimburse the trust account for the

difference between the expense amount and the net income amount with nongaming funds and make a proper adjustment on the tax return.

6. The attorney general may require a recipient of net proceeds to document the use of the funds and reimburse a donor organization if the funds were used for an ineligible use.
7. Unless an organization has first received approval from the attorney general, it may not sell a gift certificate or other thing of value to a recipient of its net proceeds.
8. If a check for a disbursement of net proceeds is not cashed by a recipient within six months of the date of the check, an organization shall contact the recipient to cancel or cash the check. If a check is voided, an organization shall make a proper adjustment on a tax return. If a recipient of net proceeds cashes a check related to a disbursement of net proceeds but has not applied the amount toward the intended eligible use within six months of the date of the check, the organization may request the recipient to return the net proceeds.
9. An organization may only disburse net proceeds to a recipient provided the recipient first requests a donation in writing, and provides a description of the intended use and amount requested and the request is signed and dated. Also, if the recipient is a charitable organization, professional fundraiser, or professional solicitor, the recipient shall provide the organization with evidence that it has or is exempt from a charitable solicitations license required by North Dakota Century Code chapter 50-22. This rule does not apply to an unsolicited donation of net proceeds or a disbursement of net proceeds by an organization to a program or service that qualifies as an eligible use and which is supported directly by the organization.
10. If an organization conducts or enables a nonprofit corporation, community or school club, or other similar entity to conduct a fundraising event at the organization's facility, the organization may not exchange the gross or net receipts of the fundraising event for net proceeds.
11. An organization may not disburse net proceeds to a recipient on the condition that the recipient hold a meal or banquet at the donor's facility.
12. No disbursement of net proceeds can be used partly for services or fees that do not qualify as an eligible use. No disbursement of net proceeds to a recipient can be designed to circumvent the allowable expense limit.
13. If an organization is involved in any of the following types of transactions, it shall deposit the net proceeds or income directly into its trust account or, if it is exempt from having a trust account, deposit the net proceeds or income in its gaming account, and make a proper adjustment on a tax return:
 - a. The organization receives net proceeds from another organization and the net proceeds have been designated for a specific eligible use which the recipient has paid for or will pay for with net proceeds, or the net proceeds have not been designated for a specific eligible use;
 - b. The organization loans net proceeds and receives interest or repayment of principal, or both;
 - c. A recipient returns net proceeds to or reimburses the organization; or
 - d. The organization disburses net proceeds, which qualify as an eligible use, and receives back funds that are directly associated with the disbursements or receives back income that is directly derived from the disbursement of the net proceeds.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2010.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-11

99-01.3-14-02. Eligible uses.

1. A use of net proceeds for erecting, acquiring, improving, maintaining, or repairing real or personal qualifying property owned by an organization is an eligible use provided the organization agrees that, upon abandoning the exclusive use of the property for an eligible use, it will transfer the property to a governmental unit or to an organization that will use it for an eligible use. However, if an organization sells the property, the portion of net receipts from the sale related to the original net proceeds must be deposited in the trust account and disbursed to an eligible use, or reinvested in property used for a similar purpose.
2. In applying subdivision a of subsection 2 of North Dakota Century Code section 53-06.1-11.1, net proceeds must be disbursed to or by a recognized nonprofit city or county job development authority or certified or noncertified local development corporation.
3. In applying subdivision b of subsection 2 of North Dakota Century Code section 53-06.1-11.1, net proceeds must be used to attract in-state and out-of-state visitors by publicizing attractions, promoting, planning, conducting, and sponsoring market research, trade shows, meetings, conventions, seminars, sporting events, and festivals, and by developing and promoting the state's attractions, recreational opportunities, shopping malls, and other tourism-related activities. Uses may not directly benefit a for-profit business.
4. In applying subdivision c of subsection 2 of North Dakota Century Code section 53-06.1-11.1, eligible uses include:
 - a. A scholarship for a student. A scholarship may be based on criteria, including community service, patriotism, leadership, education, talent, athletic ability, course of study, or special disability. No scholarship award may be decided by a donor organization, unless the organization administers an education program for special students or students inflicted with disease. Net proceeds may be disbursed to a scholarship board or to an educational institution. A majority of the members of a scholarship board may not be members of a donor organization. A disbursement must be payable to an educational institution and a recipient, scholarship board and a recipient, or to an educational institution or scholarship board. A student receiving a scholarship may apply it at a nonprofit public, or for-profit or nonprofit private, educational institution, including a trade or business school, registered with or accredited by any state board. A scholarship may be for housing, books, tuition, and meals that relate to a student's educational need. A scholarship may be awarded through a pageant, contest, or tournament; however, associated administrative and operating expenses do not qualify. No scholarship may be based on criteria that includes a person's physical appearance;
 - b. Supplemental assistance to a primary, secondary, or postsecondary nonprofit educational institution, including affiliated alumni associations, booster clubs, parent-teacher councils, and college sororities and fraternities. Net proceeds may be used for youth activities, educational equipment, musical instruments, playground equipment, extracurricular activities, sporting events, field trips, cultural exchanges, maintenance of buildings, remodeling, fixed assets, administrative and operating expenses, and supplies;
 - c. Assistance to a library for maintenance of buildings, remodeling, fixed assets, administrative and operating expenses, supplies, program services, special events, promotions, educational material, books, computer systems, information services, exhibits, story hours, film showings, and discussion groups. A disbursement to a museum may be for maintaining buildings, remodeling, fixed

- assets, administrative and operating expenses, and assembly of exhibits for preservation, collection, education, and interpretation;
- d. Assistance to a nonprofit performing arts and humanities organization for studio and auditorium rental, speaker fees, equipment, travel, administrative and operating expenses, and uniforms. Functions may include children's theater, summer camps, and developing art parks;
 - e. Preservation of cultural heritage, including restoring, reconstructing, improving, or preserving public buildings in North Dakota which are listed in the state historic sites registry or the national registry of historic places. Net proceeds may be used for programs of nonprofit organizations that provide historical information or tell a story about a local region, North Dakota, or the nation and which primarily educate and inspire the public, elderly, disabled, schoolchildren, teachers, and foreign visitors. Qualifying programs include the lifestyles and human experiences of homesteaders, immigrants, Indian culture, frontier army, and fur trade. Net proceeds may be used for interpretive programming, including exhibits, publications, simulations of life, classroom outreach services, audiovisual presentations, special events, and tours. Special events such as chautauquas and community celebrations of Norskfest, threshing bees, and Oktoberfest qualify for expenses of parades, displays, equipment, educational materials, and awards. School reunion expenses do not qualify;
 - f. Youth community and athletic activities open to all youth, less than eighteen years of age. An organization shall disburse, to the extent possible, equal amounts to activities for each gender. Net proceeds may be used for uniforms, equipment, tournament fees, private and public ground transportation, coaches' salaries and mileage, judges, field trips, speaker fees, father-son and mother-daughter banquets provided that the meals for these banquets are provided free, meals, and lodging. Meals and mileage may not exceed the state per diem rate and lodging expenses must be documented with a receipt;
 - g. Adult amateur athletic activities within North Dakota. Net proceeds may be used for sponsorship and league fees for entire teams, uniforms, umpire fees, construction, use and maintenance of a sports complex, and team equipment. Uniforms and equipment must be owned by the team or league association. Tournament fees, individual player fees, food and drink, lodging, trophies, prizes, yearbook, advertising, and private or public transportation expenses do not qualify, except transportation expenses for a disabled player. A race car, horse racing, and similar activity do not qualify;
 - h. Maintenance of religious buildings, remodeling, fixed assets, administrative and operating expenses, gospel outreach programs, youth church activities, uniforms for a choir, furnishings, and supplies for church groups and services; and
 - i. Scientific research for a cure to relieve human beings of disease and suffering.
5. In applying subdivision d of subsection 2 of North Dakota Century Code section 53-06.1-11.1, eligible uses include:
- a. Food, temporary housing, clothing, utilities, medical services, and fuel for private and public transportation for an individual or family suffering from poverty or homelessness, or financial distress due to a natural disaster or medical problem;
 - b. Purchase and maintenance of a ground transportation vehicle for the elderly;
 - c. Services for abused persons, including to:
 - (1) Provide emotional support, guidance, and counseling to victims of crimes of rape and sexual assault and encourage prosecution of perpetrators;

- (2) Establish educational programs about rape, sexual assault and incest, the dramatic effects it has on victims and their families, and the cost to society;
 - (3) Establish and direct services for abused spouses and their children in the community, including advocacy, emergency shelter and food, information services, referrals, and peer support; and
 - (4) Develop and coordinate programs to encourage and assist development of a strong volunteer advocate network.
- d. Support for youth centers and halfway houses;
 - e. Recognize an individual or group of people who volunteer their time to community services, nursing homes, or hospitals if a gift, prize, or other gratuity does not exceed one hundred dollars per person per calendar year;
 - f. Net proceeds may be used for public or private nonprofit nursing homes, day care centers, and medical facilities for maintaining buildings, remodeling, fixed assets, administrative and operating services, supplies, reading programs, and craft activities for patients;
 - g. Complying with the Americans with Disabilities Act of 1990 by remodeling a publicly owned facility; and
 - h. To remodel or improve a fraternal or veterans' organization's owned facility or a nonprofit community facility to make it accessible or usable to youth, senior citizens, people with disabilities, and nonmembers of the organization, for community programs, services, or functions. The community must use a building for free or a reasonable fee. To make a building accessible, net proceeds may be used to widen doorways and hallways, remodel bathroom fixtures and facilities, install chair lifts, wheelchair ramps, elevators, handrails, and automatic door openers. To make a building usable, net proceeds may be used to repair a building to meet a building code or make it structurally fit for use, to enlarge a facility, replace a furnace, water heater, and air-conditioner, and to make it safe. The cost must be prorated to the benefit the community receives in relation to the total usage of the facility as determined by the attorney general.
- 6. In applying subdivision e of subsection 2 of North Dakota Century Code section 53-06.1-11.1, eligible uses include burial expenses and flowers provided an organization does not discriminate between members and nonmembers.
 - 7. In applying subdivision f of subsection 2 of North Dakota Century Code section 53-06.1-11.1, eligible uses include promotion and celebration of civil rights, nondiscrimination, patriotism, and freedom. State and national convention expenses; recognition nights that may include a banquet, program, and dance for past commanders or past members; ceremonial and ritual activities; and purchase of a transportation vehicle do not qualify.
 - 8. In applying subdivision g of subsection 2 of North Dakota Century Code section 53-06.1-11.1, eligible uses include maintaining parks and perpetual trust funds for public cemeteries.
 - 9. In applying subdivision j of subsection 2 of North Dakota Century Code section 53-06.1-11.1, net proceeds may be used for subsistence for a family member traveling with an ill family member to an out-of-town medical facility.
 - 10. In applying subdivision l of subsection 2 of North Dakota Century Code section 53-06.1-11.1, eligible uses include:
 - a. Adult and city bands, choirs, drum and bugle corps, color and honor guards, parade floats, director fees, rent of storage, postage, insurance, laundry, utilities, uniforms, gun safe, firearm, sheet music, audio system, instruments, transportation vehicle, in-state lodging, and private and public ground

- transportation for performances at community concerts, homecomings, open houses, parades, festivals, funerals, nursing homes, hospitals, and special events. For only a color or honor guard, net proceeds may be used to pay a member a maximum per diem not to exceed the daily funeral service rate paid to members of the armed forces ready reserve. An audio system and instruments must be owned by a band, choir, or organization. A vehicle must be owned by an organization;
- b. Community celebrations that recognize or honor the military service of individuals in the armed services;
 - c. Educational agricultural trade shows and conventions held in North Dakota. Meals and entertainment do not qualify;
 - d. Nonprofit organizations that protect animals. Uses include:
 - (1) Hatcheries and wildlife preserves, wetlands, and sanctuaries;
 - (2) Teaching and promoting ecology, game and wildlife management, and outdoor interests involving animals, fish, and birds; and
 - (3) Spay and neuter programs, pet placement, lost and found pet services, educational programs, investigations of animal abuse, and information services;
 - e. Preserving and cleaning up the environment, including air quality, water quality, waste and recycling programs, and conservation of natural resources; and
 - f. Outreach public medical care.
11. In applying subdivision m of subsection 2 of North Dakota Century Code section 53-06.1-11.1, a special trust fund:
- a. Must be managed and controlled by trustees, who may be board members, appointed by an organization. However, if an organization dissolves, it must establish a nonprofit corporation limited to the primary purpose stated in its declaration of trust. A trust may be revocable or irrevocable; and
 - b. Must be comprised only of net proceeds which can be disbursed to the trust periodically or in a lump sum. Net proceeds must be invested only in marketable securities. A trust's principal, interest, dividends, and gains on sales of investments must be applied toward the trust's primary purpose. No trust's principal can be disbursed until a donor organization has permanently discontinued conducting games or dissolved.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01, 53-06.1-01.1

CHAPTER 99-01.3-15
DISTRIBUTORS

Section

99-01.3-15-01	License
99-01.3-15-02	Restrictions and Requirement
99-01.3-15-03	Inventory Records and Reconciliation
99-01.3-15-04	Purchase and Sales Restrictions [Repealed]
99-01.3-15-05	Restrictions and Requirements - Dispensing Devices [Repealed]
99-01.3-15-06	Distribution of Gaming Equipment
99-01.3-15-07	Sales to an Indian Tribe, United States Military, Out-of-State Purchaser, or Organization that Conducts Games on Tribal Land
99-01.3-15-08	Promotional and Sample Bingo Cards and Pull Tabs
99-01.3-15-09	State Gaming Stamp and Return of Gaming Equipment
99-01.3-15-10	Recordkeeping

99-01.3-15-01. License. A person may not sell, lease, solicit business, or provide gaming equipment to a licensed organization, distributor, or organization that has a permit without a license, except as provided by subsection 1 of section 99-01.3-02-04. A license is not transferable. The annual licensing period is April first through March thirty-first. An application must include information prescribed by the attorney general. A license must be displayed at the business office.

History: Effective May 1, 1998; amended effective July 1, 2002; July 1, 2010.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-14

99-01.3-15-02. Restrictions and requirements.

1. A licensed organization, organization that has a permit, or licensed manufacturer may not be a distributor. A person who is an officer, manager, gaming manager, or member of a governing board of a licensed organization or organization that has a permit may not be an officer, director, shareholder, proprietor, independent contractor, consultant, or employee of a distributor, nor have a financial interest in that distributor. A person having a financial interest in a distributor may not be a lessor of a site to an organization that is an active customer of that distributor. A change in ownership of a distributor must be immediately reported to the attorney general.
2. A distributor shall have an office in North Dakota where records must be kept.
3. An officer, director, shareholder, agent, or employee of a distributor may not:
 - a. Play a game of pull tabs, club special, tip board, prize board, seal board, sports-pool board, ~~or~~ punchboard, or quick shot bingo card marking device at any site, or provide bookkeeping services, including summarizing or auditing games, to an organization; ~~or~~
 - b. Conduct games at an organization's site unless the organization discloses to players that distributor employees are allowed to conduct at that site; or
 - c. Interfere with or attempt to influence a lessor's relationship with an organization involving a lease agreement, interfere with or attempt to influence an organization's management, employment practices, policy, gaming operation, disbursement of net proceeds, or procure a site for an organization. A distributor may notify an organization of an available site.
4. A distributor may not have an expressed or implied agreement with another distributor to restrict the sales of either of them to a specific geographic area or organization.
5. A distributor may not sell or provide a drop box unless it is a double-locking removable metal container and has:

- a. One lock that secures a drop box to the underside of a table, and one or two separate locks that secure the contents placed into the drop box. The key to each of the locks must be different; and
 - b. A slot opening through which currency and forms can be inserted into a drop box. The slot of a drop box may not exceed three and one-half inches [88.90 millimeters] in length and one-half inch [38.10 millimeters] in width. Inside a drop box there must be a spring-loaded mechanism that automatically closes and locks the slot opening when the drop box is removed from a table.
6. A distributor may not sell or provide twenty-one and paddlewheel (betting and casino) chips to an organization if those chips are identical in physical characteristic to chips previously sold or provided by that distributor to a different organization.
7. A distributor may not give a gift, trip, prize, or other gratuity valued singly or in the aggregate in excess of one hundred dollars per employee per calendar year related to a licensed organization or organization that has a permit. A distributor may not loan money (excluding credit) to a licensed organization or organization that has a permit, or to an employee of such an organization.
8. An employee of a distributor who is an owner or salesperson shall, within thirty days of starting business or employment, request training from the attorney general. The training must include the gaming law, rules, and recordkeeping. An employee shall read and acknowledge in writing, within thirty days of employment and the effective date of new gaming laws or rules, that the person has read and understands the provisions of the gaming law and rules which relate to the person's job duties. The attorney general shall designate the provisions to be read. The acknowledgment must be dated, reference the provisions, and be part of the person's personnel file.
9. A distributor may not share an office or warehouse facility with an organization.
10. A distributor shall file a copy of each sales invoice related to a licensed organization and record of voided gaming stamps with the attorney general by the fifth business day following the month of the transaction.
11. A distributor may not buy or be provided gaming equipment from an affiliated company unless the company is a wholly owned subsidiary of the distributor. An affiliated company must have originally bought the equipment directly from a licensed manufacturer.
12. A distributor may not buy or be provided gaming equipment from an out-of-state distributor unless the out-of-state distributor has the manufacturer ship the equipment directly to the licensed distributor and the manufacturer is licensed.
13. A distributor may not knowingly possess, display, sell, or provide an organization a deal of pull tabs, club special, tip board, prize board, or punchboard that:
 - a. Does not conform to the quality standards of sections 99-01.3-16-04 and 99-01.3-16-05;
 - b. Has a manufacturer's or distributor's seal broken on the manufacturer's container or has been prohibited by the attorney general from sale or play within North Dakota; or
 - c. Contains pull tabs or punches that have winner protection features although they are not winning pull tabs or punches.
14. A distributor may not temporarily store any game that has a state gaming stamp affixed to its flare which has been sold. A sale occurs when a distributor issues a sales invoice. If a distributor sells or provides gaming equipment to another distributor, the distributor shall ship the equipment directly to the other distributor's address.
15. A distributor shall direct a manufacturer to ship gaming equipment directly to the distributor and the distributor shall have it unloaded at its warehouse. However, if a

- distributor buys equipment from a manufacturer for sale to another distributor or buys a flashboard, blower, jar bar, paddlewheel, or twenty-one, poker, or paddlewheel table for sale to an organization, the distributor may direct the manufacturer to ship the equipment directly to the other distributor or organization, including the organization's site.
16. A distributor may not separate a paper bingo card when there are two or more faces on a sheet.
 17. A distributor may not:
 - a. Sell or provide a dispensing device ~~or~~, bingo card marking device, or quick shot bingo card marking device and related equipment to an organization unless a model of the device has first been approved by the attorney general;
 - b. Modify an approved dispensing device model or electronic currency validator unless authorized by the attorney general; or
 - c. Rent a dispensing device to an organization unless the rent is for a fixed dollar rate per month or other duration. For a bingo card marking device, a distributor may rent a ~~bingo card marking~~ device to an organization for a fixed dollar rate per month or other duration, or for a percentage or fixed dollar amount of rental income derived from a player who uses the device. For a quick shot bingo card marking device, a distributor may rent a device to an organization for a fixed dollar rate per month or other duration, or a fixed rate per bingo card sold. Rent may not be based on gross proceeds ~~of~~ or net revenue earned from bingo. If a distributor rents a bingo card marking device or quick shot bingo card marking device to an organization, the distributor may have a manufacturer, on behalf of the distributor, issue an invoice to an organization; however, the organization shall remit all rent payments directly to the distributor.
 - d. Modify a quick shot bingo card marking device and related equipment unless notification of approval by the attorney general has been received.
 18. A distributor may arrange for an organization to acquire a dispensing device through a financing lease purchase agreement with a finance or lease company. Although an organization is deemed to own a device, a finance or lease company may have a security interest or ownership right in the device until the organization satisfies the lease.
 19. If a distributor is an agent for another distributor in marketing a dispensing device, the agent is not required to complete a sales invoice. A distributor is an agent if it receives a commission and does not finance or take temporary possession or title to the device.
 20. A distributor that sells or provides a new or used dispensing device to an organization or distributor, other than as an agent, or merely transacts a transfer of a device, for or without a fee, between two organizations, shall do the following unless that distributor contracts with another distributor to comply with this rule on its behalf:
 - a. Maintain an adequate inventory of electronic and mechanical parts in North Dakota, provide maintenance service, and provide technical assistance and training in the service and repair of a device;
 - b. Make available, upon request, electrical and mechanical parts to all other licensed distributors at the usual price for such parts; and
 - c. Notify the attorney general of any recurring electronic or mechanical malfunction of a device model.
 21. A distributor that resells, transacts a transfer, rents, or provides a used dispensing device to an organization shall change or arrange to have changed all the keyed locks on the device.
 22. A distributor that sells or provides a dispensing device to an organization shall record this information on a sales invoice:

- a. Name, address, and license number of an organization and name and location, if known, of the site where the device will be placed; and
 - b. Name of device and its serial number.
23. A distributor shall initially set up a dispensing device or quick shot bingo card marking device and related equipment at a site and conduct and document one training session on the operation and service of ~~the~~ either device and related equipment for an employee of an organization that acquires a device for the first time. A distributor shall provide an operations manual to an organization operating a quick shot bingo card marking device and related equipment.
24. A service technician may not access a dispensing device unless accompanied by an organization employee.
25. A distributor may not possess, in inventory, a processing chip encoded with proprietary software that was duplicated by the distributor for a dispensing device usable in North Dakota.
26. A distributor may not sell or provide new video surveillance equipment or install video surveillance equipment for an organization unless the distributor is an approved vendor of the equipment or is approved by the attorney general.
27. If a distributor receives an administrative or criminal complaint or a citation from another state, it shall notify the attorney general in writing within thirty days of the date of the complaint or citation.
28. A quick shot bingo card marking device and related equipment may only be sold or provided to an organization with a state gaming license.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; July 1, 2012.
 General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-14

99-01.3-15-03. Inventory records and reconciliation.

1. A distributor shall maintain a quantity-based perpetual inventory system for deals of pull tabs ~~used in a dispensing device~~, club specials, tip boards, prize boards, and punchboards that are bought or received from any source. A system must account for the sale or disposition of each item. The system must separately account for the quantity of items acquired, sold, and remaining in inventory by:
 - a. Name of manufacturer or other source, and purchase invoice number and date;
 - b. Name of game and manufacturer's game form number, excluding deals of jar tickets; and
 - c. Distributor's sales invoice number and date.
2. A distributor shall maintain a quantity-based perpetual inventory system for paper bingo cards that are bought or received from any source. A system must account for the sale and disposition of each card. The system must separately account for the quantity of cards acquired, sold, and remaining in inventory by:
 - a. Name of manufacturer or source, and supplier's sales invoice number and date;
 - b. Type of card or booklet;
 - c. Primary color of card;
 - d. Size of the series;
 - e. Quantity received; and
 - f. Distributor's sales invoice number and date.
3. A distributor shall semiannually reconcile its inventory of deals of pull tabs ~~used in a dispensing device~~, paper bingo cards, club specials, prize boards, tip boards, and punchboards that are recorded as being in inventory to these items that are actually in inventory. A person shall count these items in inventory, compare this count to the inventory records, and resolve any difference. The count must be done by a person who

is not primarily responsible for safeguarding the physical inventory. A reconciliation must be documented, including the name and title of the person who does the reconciliation, date performed, result, corrective action taken, and initials of that person.

History: Effective May 1, 1998; amended effective July 1, 2002; October 1, 2006; July 1, 2010; July 1, 2012.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-15-04. Purchase and sales restrictions. Repealed effective July 1, 2000.

99-01.3-15-05. Restrictions and requirements - Dispensing devices. Repealed effective July 1, 2000.

99-01.3-15-06. Distribution of gaming equipment.

1. A manufacturer's game serial number must be on a paddlewheel ticket described by subsection 1 of section 99-01.3-11-01, pull tabs, prize board, club special, seal board, tip board, sports-pool board, and calcutta board. No game serial number may be special ordered. A game serial number must be preprinted on a paddlewheel ticket card. If a game serial number is not preprinted on a seal board, prize board, sports-pool board, or calcutta board, a distributor shall assign and electronically or mechanically imprint it on the board. No serial number may be repeated within three years.
2. For a deal of pull tabs and jar ticket game, a distributor may open a manufacturer's cellophane shrink wrap to access a flare. A distributor shall affix a state gaming stamp on the front of the original flare, or a legible copy of the flare, of a deal of pull tabs, club special, tip board, series of paddlewheel ticket cards, and on a punchboard, sports-pool board, seal board, prize board, and calcutta board that is sold or provided to a customer. A gaming stamp must be affixed in North Dakota. A distributor shall legibly write a manufacturer's game serial number in ink on the stamp. If the written number is incorrect, the number cannot be changed or erased and the stamp must be voided. For a series of paddlewheel ticket cards, the game serial number written must be the lowest numbered paddlewheel ticket card. Then, a distributor shall replace, if applicable, a flare inside the cellophane shrink wrap and seal the opening. This rule does not apply to gaming equipment provided directly to an ~~organization that has a permit~~, Indian tribe, United States military, out-of-state purchaser, or another licensed distributor.
3. If a manufacturer's security seal on a container is inadvertently broken but the integrity of a deal remains intact, a distributor may reseal the deal with an adhesive security seal identifying the distributor. The seal must be applied to all accessible sides of a container and ensure that a deal is secure. A distributor shall indicate on a sales invoice that the deal was resealed by the distributor and the reason.
4. A distributor shall provide a flare with a deal of pull tabs or jar tickets and series of paddlewheel ticket cards. The master flare for a game involving deals of jar tickets that contain winning tickets of the same prize value printed in differently colored numbers or symbols must have the flare's numbers and symbols printed in matching colors. A flare, including a master flare, must indicate the name of the game, manufacturer's form number, cost per play, and value and number of winning prizes. The front of a flare for a deal of jar tickets must indicate the number of jar tickets in the deal. The number of prizes may be designated by a number or by a quantity of symbols that represent the number of winning prizes and winning number or symbol. A symbol must be pictured on a flare, not described. A flare, including a master flare, may not display combinations of winning pull tabs, unless the phrase "prizes above are combinations of single prizes listed below" or a similar phrase is used and additional statements such as "multiple winners may not appear exactly as shown" or "may contain multiple winners", may be used in

- conjunction with this phrase. A last sale prize must be printed on a flare or be indicated by a permanently affixed sticker. The flare or sticker must contain the last sale feature, prize value, and distributor's name or license number. A distributor may not alter a flare except to add a last sale feature to a manufacturer's flare for a deal of pull tabs. A distributor may make a flare for a deal of jar tickets. This information must be mechanically or electronically printed on a flare.
5. A distributor may not sell or provide a multiple line or multiple square sports-pool board to a customer unless a special opaque tape covers the numbers on the board. If a tape is disturbed, any recovering of the numbers must be detectable. A tape must prevent the concealed numbers from being viewed from the outside when using a high-intensity lamp.
 6. For a deal of jar tickets, club special, tip board, and prize board, a distributor shall provide a game information sheet containing cost per play, ideal gross proceeds, ideal prizes, including any last sale prize, if known, ideal adjusted gross proceeds, and the quantity, face value, and total face value of coins on a prize board or, in place of a separate sheet, the information may be printed on the front or back of the deal's flare.
 7. A distributor shall print these phrases on a sports-pool board:
 - a. Professional sports pool;
 - b. Cost per play \$_____ (maximum cost per play is \$5.00);
 - c. Date of sports event _____;
 - d. Ideal prizes \$_____; and
 - e. Method of prize payout _____.
 8. A distributor shall indicate this information on the flare of a series of paddlewheel ticket cards:
 - a. Game serial numbers of the lowest and highest numbered paddlewheel ticket cards;
 - b. Quantity of cards; and
 - c. Type of paddlewheel ticket (for example, 40 x 3 x 120), if applicable.
 9. A distributor shall print the phrases "merchandise prize _____" and "retail price \$_____" on a flare and for each seal for a game that has a merchandise prize.
 10. A distributor shall sell a calcutta board that is cardboard or similar material on which is printed a matrix of horizontal lines and vertical columns sufficient to accommodate the information required by subsections 7, 10, and 12 of section 99-01.3-10-01. A distributor shall print "calcutta" at the top of a board and print the phrases "sporting event _____", "method of prize payout _____", and "date of sports event _____" on the board.
 11. A distributor shall print the phrases "cost per play \$_____", "merchandise prize _____" (if applicable), and "retail price \$_____" on a seal board.
 12. A distributor shall print "cost per play \$_____", "merchandise prize _____" (if applicable), and "retail price \$_____" on a prize board.
 13. If a distributor is notified by an organization that the game serial number of a deal of pull tabs, club special, tip board, seal board, punchboard, series of paddlewheel ticket cards, calcutta board, prize board, or sports-pool board is different from the number written on a state gaming stamp, the distributor shall follow procedures prescribed by the attorney general.
 14. If a distributor is notified by a manufacturer or attorney general of a ban or recall of defective pull tabs or punchboards, the distributor shall comply with subsection 2 of section 99-01.3-16-07.

99-01.3-15-07. Sales to an Indian tribe, United States military, out-of-state purchaser, or organization that conducts games on tribal land. A distributor may not sell gaming equipment to any individual. Gaming equipment sold or provided to an Indian tribe, United States military, out-of-state purchaser, organization that is not licensed that conducts games on tribal land, or a person authorized by the attorney general must be shipped directly to the buyer or the distributor shall verify that the buyer represents that customer. This verification must include:

1. If a person represents an Indian tribe, United States military, or has been authorized by the general, the person's name, address, and, if applicable, title or rank;
2. If a person represents an organization that conducts games on tribal land, the person's name and address; and
3. A driver's license number and state of registration recorded from a person's pictured driver's license or the person's full name and address recorded from two other forms of pictured identification.

History: Effective May 1, 1998; amended effective July 1, 2000.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-15-08. Promotional and sample bingo cards and pull tabs. A distributor may not sell or provide promotional paper bingo cards, jar tickets, or pull tabs to an organization or any person unless the face of each paper bingo card, the outside of a jar ticket, or the game information side of each pull tab or bingo card contains the phrase "promotional use only", "happy hour", "no purchase necessary", or similar phrase. A distributor may not sell or provide sample paper bingo cards, jar tickets, or pull tabs to an organization or any person unless the word "void" is on the face of each paper bingo card and jar ticket and on the game information side of each pull tab. A distributor may sell other nongaming promotional items to any person.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2004; July 1, 2010.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-15-09. State gaming stamp and return of gaming equipment.

1. A distributor shall maintain gaming stamps at its North Dakota office. A distributor may not provide a stamp to another distributor. If a distributor voids or does not use a stamp, it shall return the stamp to the attorney general. There is no credit for a voided or unused stamp. If a distributor discontinues business, it shall return all voided and unused stamps to the attorney general within fourteen days after discontinuance of business.
2. If an organization returns an unplayed deal, game, or series containing a state gaming stamp, a distributor shall void the stamp and complete a form prescribed by the attorney general. A distributor may not take back an unplayed deal or game containing a stamp from an organization unless the distributor originally sold it or is authorized by the attorney general. If a distributor resells or reissues a deal, game, or series, the distributor shall affix a new stamp on the flare.

History: Effective May 1, 1998; amended effective July 1, 2000.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-14

99-01.3-15-10. Recordkeeping. A distributor shall maintain complete, accurate, and legible accounting records in North Dakota. The records must be retained for three years and include, by month:

1. Purchase invoices for gaming equipment.
2. Sales of gaming and nongaming equipment, supplies, and services sold or provided on a distributor's invoice. A sales invoice must be prepared on a form approved by the attorney general and include:
 - a. License number of the distributor;

- b. Business name and address of the buyer and business name and address where the gaming equipment or supplies were shipped to or where the service was performed;
 - c. License or permit number of the buyer, if applicable;
 - d. Invoice number and date;
 - e. Date shipped;
 - f. Indication for a credit memo;
 - g. Quantity, price, and description of each item of gaming equipment, supplies, and services. This includes the name of game and indication of the item as a deal of pull tabs, club special, prize board, tip board, seal board, punchboard, sports-pool board, calcutta board, or series of paddlewheel ticket cards. For a deal of pull tabs (excluding jar tickets), it must include a manufacturer's form number. For a series of paddlewheel ticket cards, it must include the number of paddlewheel ticket cards and number of tickets on each card. For a prize board, it must include separate costs, including sales tax, for a merchandise prize (if any), coins, and board and pull tabs. For paper bingo cards, it must include the primary color of single cards or primary color of the top card of collated booklets, type (number of faces on a sheet) of collated booklets or single cards, number of cards in a collated booklet, and serial number and size of series. For a bingo card marking device and quick shot bingo card marking device, it must include the quantity;
 - h. Gaming stamp number;
 - i. Ideal gross proceeds, ideal adjusted gross proceeds, price of a merchandise prize, and value of a last sale prize; and
 - j. An indication that a deal was resealed and the reason, if applicable.
3. A sales invoice must be:
 - a. Prenumbered consecutively with a preprinted number of at least four characters;
 - b. Prepared in three parts and issued as follows:
 - (1) One part to the customer;
 - (2) One part retained in an invoice file by customer name; and
 - (3) One part to the attorney general according to subsection 10 of section 99-01.3-15-02; and
 - c. A credit memo for a returned item must be prepared and issued like a sales invoice. A credit memo must represent only a returned item.
 4. A sales journal must include the invoice date, number, total amount, and name of customer.
 5. A cash receipts journal must include cash sales, cash received from all sources, name of customer, date a payment is received, and amount.
 6. A cash payments journal must include checks issued, cash payments, date of check or payment, check number, name of payee, and type of expense.
 7. Record of voided gaming stamps on a form prescribed by the attorney general.
 8. Inventory records and reconciliation of inventories.
 9. A repair report for each service call on a dispensing device.
 10. Documentation of a training session conducted according to subsection 23 of section 99-01.3-15-02.
 11. A manufacturer's invoice that references a rental fee charged an organization for a bingo card marking device and a quick shot bingo card marking device.
 12. ~~A quantity-based perpetual~~ Perpetual inventory record of bingo card marking devices ~~provided to or withdrawn from a site,~~ and quick shot bingo card marking devices which must include the organization name and, site, model of device, serial number of device, and dates issued to and returned from a site.

CHAPTER 99-01.3-16
MANUFACTURERS OF PULL TABS, PAPER BINGO CARDS,
PULL TAB DISPENSING DEVICES,
BINGO CARD MARKING DEVICES, AND CARD SHUFFLING DEVICES, AND QUICK SHOT BINGO
CARD MARKING DEVICES

Section	
99-01.3-16-01	License
99-01.3-16-02	Background Investigation and Notification of Complaint in Another State
99-01.3-16-03	Restrictions and Requirements
99-01.3-16-04	Quality Standards for Pull Tabs
99-01.3-16-05	Quality Standards for Punchboards
99-01.3-16-06	Quality Standards for Bingo Cards Used in a Dispensing Device [Repealed]
99-01.3-16-07	Ban or Recall of Defective Pull Tabs
99-01.3-16-08	Manufacturing Specifications - Dispensing Device
99-01.3-16-09	Standards for a Currency Validator - Dispensing Device
99-01.3-16-09.1	Manufacturing Specifications - Bingo Card Marking Devices
99-01.3-16-09.2	Manufacturing Specifications - Bar Code Credit Device
99-01.3-16-09.3	Manufacturing Specifications – Card Shuffling Devices
<u>99-01.3-16-09.4</u>	<u>Manufacturing Specifications - Quick Shot Bingo Card Marking Devices</u>
99-01.3-16-10	Testing, Approval, and Recall
99-01.3-16-11	Sales Invoice

99-01.3-16-01. License. A manufacturer of deals of pull tabs, paper bingo cards, bingo card marking device, or a pull tab dispensing device, or any other person may not sell, lease, solicit business, or provide these items to a distributor without a license. If two or more manufacturers are affiliated, each manufacturer shall apply for a license. A license is not transferable. The annual licensing period is April first through March thirty-first. An application must include information prescribed by the attorney general. The license fee for a manufacturer of pull tabs, bingo cards, or bingo card marking devices is four thousand dollars. The license fee for a manufacturer of only pull tab dispensing devices is one thousand dollars. If a person manufactures pull tabs and paper bingo cards, or, pull tab dispensing devices and either pull tabs or paper bingo cards, or both, only one license fee is required.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; July 1, 2010.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-14

99-01.3-16-02. Background investigation and notification of complaint in another state.

1. The attorney general may conduct a background investigation of a manufacturer and request information on each partner of a partnership, and each stockholder owning ten percent or more of the outstanding voting common stock of a corporation, including the corporation's parent or subsidiary corporation, if any.
2. A manufacturer shall provide all documentation, assurances, consents, waivers, or other information requested by the attorney general.
3. If a manufacturer receives an administrative or criminal complaint or a citation from another state, it shall notify the attorney general in writing within thirty days of the date of the complaint or citation.

History: Effective May 1, 1998; amended effective October 1, 2006.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1, 53-06.1-06

99-01.3-16-03. Restrictions and requirements.

1. A manufacturer that sells, or provides, paper bingo cards to a distributor shall print its name or distinctive logo and the assigned serial number and series number (card number) on each card. A manufacturer shall have available for sale or provide to a distributor a master checkbook covering all card serial numbers. A manufacturer may not ship paper bingo cards directly to a licensed organization or organization that has a permit.
2. A manufacturer may only sell or provide gaming equipment to a licensed distributor. A manufacturer shall maintain accounting records of all sales of gaming equipment and retain them for three years. The records may be in electronic form.
3. A manufacturer may not modify the assembly or operational functions of an approved pull tab dispensing device model unless requested by the attorney general or a written request is approved by the attorney general. The attorney general may apply section 99-01.3-16-10 for approving a modification to a device model.
4. A manufacturer may not modify paytables, bonus features, games, or current methods of operation of an approved bingo card marking device, and quick shot bingo card marking device and related equipment unless requested or authorized by the attorney general. The attorney general may apply section 99-01.3-16-10 for approving a modification to a device.
5. A manufacturer may service a bingo card marking device or quick shot bingo card marking device and related equipment used by an organization.
- ~~5-6.~~ A manufacturer shall provide a master flare for a deal of jar tickets or pull tabs that contain:
 - a. Name of game;
 - b. Manufacturer's form number;
 - c. Cost per play;
 - d. Value and number of winning prizes; and
 - e. Number of pull tabs or jar tickets.

The number of prizes may be designated by a number or by a quantity of symbols that represent the number of winning prizes and the winning number or symbol. A symbol must be pictured on a flare, not described. A master flare for a game involving deals of jar tickets that contain winning tickets of the same prize value printed in differently colored numbers or symbols must have the flare's number and symbols printed in matching colors.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2010; July 1, 2012.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-16-04. Quality standards for pull tabs. A manufacturer shall manufacture pull tabs according to these standards:

1. Construction.
 - a. A deal must be designed, constructed, glued, and assembled to prevent the determination of a winning pull tab or numbers or symbols without first removing the tabs or other covering.
 - b. All the pull tabs of a deal must have the same game serial number which cannot be repeated on the same form number for three years.
 - c. When a tab or other covering is removed, the numbers or symbols must be fully visible in the window. The numbers or symbols can be displaced to the left or right in a window for increased security.

- d. The window slits on a pull tab must be perforated on three sides. A pull tab must be glued on all four edges and between each window. The glue must be of sufficient strength and type to prevent any separation.
2. Opacity. Concealed numbers, symbols, or winner protection features cannot be viewed or determined from the outside of a pull tab using a high-intensity lamp.
3. Color. It must not be possible to detect or pick out winning from losing pull tabs through a variation in printing graphics or colors.
4. Printed information. The minimum information printed on a pull tab must be as follows, except that subdivisions b, c, and d are not required for a folded or banded jar ticket or to a two-ply or three-ply card with only one perforated break-open tab which measures one and one-quarter inches [31.7 millimeters] by two and one-quarter inches [57.1 millimeters] or less in size, subdivisions a, c, d, and e are not required for pull tabs used with a tip board, and subdivisions b, c, and e are not required for a pull tab used with a prize board:
 - a. Name of manufacturer or its logo;
 - b. Name of game;
 - c. Cost per pull tab;
 - d. Manufacturer's form number;
 - e. Number of winning pull tabs and winning numbers or symbols, and prize amounts, or a flare must be included with the game providing that information; and
 - f. Unique minimum five-character game serial number, printed on the game information side of the pull tab.
5. Winner protection. A unique symbol or printed security device, such as a specific number keyed to a particular winning pull tab, or the name of the symbol or some of the symbol colors changed for a winning pull tab, or other similar protection must be placed in the winning windows of winning pull tabs. Also, a winning pull tab that has a prize greater than twenty dollars must have a secondary form of winner verification.
6. Randomization. The winning pull tabs must be intermixed among all other pull tabs in a deal to eliminate any pattern between deals, or portions of deals, from which the location or approximate location of any winning pull tab may be determined. A deal must be assembled so that no placement of winning or losing pull tabs exists that allows prize manipulation or pick out. Banded jar tickets packaged in a bag must be randomized.
7. Guillotine cutting. It must not be possible to isolate winning or potential winning pull tabs of a deal by variations in size or the appearance of a cut edge of the pull tabs.
8. Packaging.
 - a. A deal must contain a seal warning the purchaser that the deal may have been tampered with if the container was received with the seal broken. A seal must ensure that a deal's pull tabs are not accessible from outside the container when sealed. A manufacturer shall seal or tape every entry point into the container. The seal or tape must be tamper-resistant and designed so that should a container be opened or tampered with, it would be easily noticed. For jar tickets packaged in a bag, the glue used to seal the flap of the bag must be permanent adhesive glue. The required seal cannot be a manufacturer's cellophane shrink wrap.
 - b. A manufacturer shall print, in bold letters, "Pull tabs must be removed from this packaging container and thoroughly mixed before sale to the public" or similar language on the outside of a container.
 - c. A deal's game serial number must be legibly placed on or be able to be viewed from the outside of the deal's container.

- d. For a deal shipped to North Dakota, a flare for a pull tab or jar ticket deal must be located on the outside of the deal's sealed container so that the manufacturer's security seal will not be broken to access the flare.
9. Number of top tier winners. A deal must have at least two top tier winning pull tabs, except for a deal for a prize board and a last sale prize feature.
10. A manufacturer may not duplicate (print) a winning number, symbol, or set of symbols of any nonpromotional jar ticket or pull tab on any promotional jar ticket or pull tab.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-16-05. Quality standards for punchboards. A manufacturer of punchboards shall print a game serial number on and manufacture, assemble, and package a punchboard so that winning punches, or approximate location of winning punches, cannot be determined in advance of punching the punchboard, including any patterns in manufacture, assembly, packaging, or markings. Winning punches must be randomly mixed among all other punches in a punchboard and between all other punchboards.

History: Effective May 1, 1998.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-16-06. Quality standards for bingo cards used in a dispensing device. Repealed effective July 1, 2010.

99-01.3-16-07. Ban or recall of defective pull tabs or punchboards.

1. If the attorney general determines that deals of pull tabs or punchboards for sale in North Dakota do not meet the quality standards, the attorney general may order all defective deals and all similarly constructed or printed deals in North Dakota to be immediately recalled by the manufacturer or banned or prohibit a manufacturer from transacting business in North Dakota. If the attorney general orders a ban or recall, the manufacturer of the deal must first be notified of the reason, effective date, and specific requirements. Upon notification, a manufacturer shall cease sale of that deal and initiate compliance with a ban or recall. A manufacturer shall notify, in writing, all distributors within seventy-two hours of the notice, the effective date, and arrange for the prompt return of all the defective deals.
2. A distributor, when notified by a manufacturer or attorney general, shall immediately stop sales or delivery of the deals. Within seventy-two hours, a distributor shall notify the organizations that have bought the deal during the last ninety days, the effective date, and arrange for the prompt return of all the defective deals.
3. Before any reintroduction in North Dakota of a banned or recalled deal, a manufacturer shall submit the revised deal to the attorney general for approval. The attorney general shall notify the manufacturer of the approval or disapproval and the manufacturer shall send a copy of an approving letter to the distributor with the next shipment of the revised deal.
4. If a manufacturer initiates a recall of deals of pull tabs or punchboards in any state regarding products that were sold in North Dakota, it shall immediately notify the attorney general and comply with this section.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2010.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-16-08. Manufacturing specifications - Dispensing device. A pull tab dispensing device must meet these specifications:

1. If a device is designed to accommodate two or more different games of pull tabs, each compartment must independently meet the specifications of this section;
2. Electrical and mechanical components and design principles may not subject a person to any physical hazard or cause electrical interference. The power cord must be ten feet [3.05 meters] in length and have a three-prong ground. A surge protector or in-line power filter must be installed in-line on the main powerline to a device. A device must safely and operatively withstand a static test of twenty thousand volts of electricity and maintain proper voltage during a low electrical current (brownout);
3. A pull tab device must have at least four columns for stacking pull tabs and have capacity for two thousand four hundred pull tabs. A dispensing device for prize board tickets may have less than four columns for stacking pull tabs;
4. A stacking column must be adjustable for varying lengths of pull tabs. However, as an option, a device may use replaceable stacking columns that accommodate varying lengths of pull tabs. The device must accommodate a minimum pull tab size of one and seven-eighths inches [47.6 millimeters] in width by two and five-eighths inches [64.77 millimeters] in length, a maximum pull tab size of one and seven-eighths inches [47.6 millimeters] in width by four and one-fourth inches [107.95 millimeters] in length, or both sizes;
5. A device must be adjustable for varying thicknesses of pull tabs;
6. Glass must be placed in the front of the device enabling an employee to see whether a device is low on pull tabs;
7. A device must have a dispensing outlet or tray to catch a dispensed pull tab;
8. A device must have one currency validator. A coin acceptor is not allowed;
9. A pull tab device must accommodate pricing of twenty-five cents, fifty cents, one dollar, and two dollars per pull tab and dispense the correct number of pull tabs based on the amount of credit played. The standard price per pull tab must apply to all columns;
10. An exterior door must have at least one keyed lock. The key must be different from all other keys used on other devices manufactured by the manufacturer;
11. A pull tab device may have an optional "all" player button that activates the device to dispense pull tabs equal to the value of the unplayed credits and randomly selected by a random number generator or player button sequencing concept. Devices that dispense pull tabs involving a prize board are not required to select tickets by use of a random number generator;
12. A device must have an interior mode switch, interior dipswitch, or an exterior mode switch activated by a key which enables a person to:
 - a. Set the price per pull tab; and
 - b. Unless a device prints reports prescribed by subsection 15, access the accounting information required by subsection 13 and, if the device has nonresettable electronic accounting meters, subsection 14;
13. Unless a device prints reports prescribed by subsection 15, there must be at least two independent resettable electronic or mechanical accounting meters. The meters must maintain accounting information of at least four digits in length and be capable of maintaining the accounting information for six months after electrical power to a device is disconnected or the electrical current used to operate a device is switched off. The meters must record the:
 - a. Total value of currency validated; and
 - b. Total number of pull tabs dispensed;
14. Unless a device prints reports prescribed by subsection 15, there must be at least two independent nonresettable electronic or mechanical accounting meters. The meters must maintain accounting information of at least six digits in length and be capable of

- maintaining the accounting information for six months after electrical power to a device is disconnected or the electrical current used to operate a device is switched off. The meters must record the:
- a. Cumulative value of currency validated; and
 - b. Cumulative number of pull tabs dispensed;
15. Unless a device has resettable and nonresettable accounting meters prescribed by subsections 13 and 14, the device must print a cash pickup and a lifetime activity report.
- a. A cash pickup and a lifetime activity report must:
 - (1) Be printed and accessible only from the interior of a device;
 - (2) State the time and date of the present report and of the preceding report. The time must be expressed in numeric hours and minutes. The hour must be expressed as a.m. or p.m.;
 - (3) State the unique device number; and
 - (4) State a sequential report number, which must be at least three digits in length, starting with number one.
 - b. A cash pickup report, based on resettable electronic accounting meters, must include this information for activity since the preceding report:
 - (1) For a pull tab device, number and value of pull tabs dispensed from all columns; and
 - (2) Value of currency validated.
 - c. A lifetime activity report, based on nonresettable electronic accounting meters, must include this information for activity since a device was manufactured:
 - (1) For a pull tab device, cumulative number and value of pull tabs dispensed from all columns; and
 - (2) Cumulative value of currency validated;
16. To ensure a commingling of pull tabs, a random number generator or player button sequencing concept must be used to select a particular column from which a pull tab will be dispensed. A selection process is random if it does not produce a significant statistic of recurring patterns. A player button sequencing concept must field each button at least one hundred times a second. This subsection does not apply to a dispensing device used in the conduct of a prize board;
17. Instructions for player operation must be permanently affixed or placed under glass or other transparent material on the front of a device;
18. A pull tab device must have one or more player buttons located on the front to activate the dispensing of a pull tab. However, excluding an "all" player button, the number of player buttons may not exceed the number of columns. Regardless of which player button is pressed, the selection of a particular column from which a pull tab is dispensed must be done by a random number generator or player button sequencing concept. This subsection does not apply to a dispensing device used in the conduct of a prize board;
19. A device must have an LED or LCD display screen of at least four digits in length. However, if a device uses two independent nonresettable electronic accounting meters, the device must have an LED or LCD display screen of at least six digits in length. The digits must be one-quarter of one inch [6.35 millimeters] in height. The value of currency validated must be displayed on the LED or LCD screen as a monetary credit which is reduced as a device vends a pull tab, bingo card, or dauber. Unless a device prints reports prescribed by subsection 15, the LED or LCD display screen must also display the accounting information required by subsection 13 and pricing information required by subdivision a of subsection 12;

20. A device must record every vend, including a test vend, of a pull tab when the door of the dispensing device is closed and every currency validation on the accounting meters required by subsections 13 and 14 or subsection 15;
21. If a device malfunction occurs or electrical power is interrupted, the value of credits previously displayed on an LED or LCD display screen must be correctly redisplayed immediately after the malfunction is cleared or electrical power is restored. However, this rule does not apply if a device is totally inoperable;
22. In a pull tab device a column of pull tabs must automatically discontinue operation, triggered by a micro, optical, or software controlled switch, when the column has fewer than fifty pull tabs remaining. However, this rule does not apply when an organization is closing a game at which time a micro, optical, or software controlled switch may be circumvented;
23. A device must automatically stop operating when there is only one column of pull tabs functioning. However, if this occurs and there are unplayed credits on the device, the device may dispense pull tabs equal to the value of the unplayed credits from the remaining column before the device automatically stops operating. This subsection does not apply to a dispensing device used in the conduct of a prize board;
24. An identification plate must be affixed to an exterior side panel and contain the device's:
 - a. Manufacturer;
 - b. Serial and model numbers; and
 - c. Date of manufacture which may be part of the model number;
25. No device may have an auxiliary remote control unit for posting credits;
26. A device must automatically stop operating when a nonresettable meter is disconnected; and
27. A device must have a maintenance and operations manual.

History: Effective May 1, 1998; amended effective July 1, 2002; October 1, 2006; July 1, 2010.
 General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-16-09. Standards for a currency validator - Dispensing device. A currency validator must:

1. Validate only United States currency and only values up to fifty dollars;
2. Have an antipullback mechanism and other anticheat devices that prevent cheating of the bill acceptor by mechanical means;
3. Reject invalid and all known manipulations of United States currency;
4. Have a currency stacker box or drop box; and
5. If a malfunction occurs, automatically discontinue accepting or validating currency.

History: Effective May 1, 1998; amended effective July 1, 2002.
 General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-16-09.1. Manufacturing specifications – Bingo card marking devices. A site system, and bingo card marking device which displays a facsimile of a bingo card and allows a player to electronically mark the card in the conduct of bingo according to chapter 99-01.3-04, must meet these specifications:

1. A site system is computer hardware and software used at a site by an organization which generates and downloads electronic bingo card images to devices, accounts for gross proceeds, and provides accounting information on all activity for three years from the end of the quarter in which the activity occurred. It must:
 - a. Record a nonresettable electronic consecutive six-digit receipt number for each transaction;
 - b. Issue a receipt for each transaction containing:

- (1) Name of a site or organization;
 - (2) Date and time of the transaction;
 - (3) Number of electronic bingo card images downloaded;
 - (4) Selling price of a card or package, rental fee, gross proceeds, and receipt number; and
 - (5) Serial number of device issued to a player;
- c. Print a summary report for each session containing the date and time of the report, name of site, date of the session, sequential session number, number of transactions, number of voided transactions, number of electronic bingo card images downloaded, number of devices used, total gross proceeds, and, for each transaction, list:
- (1) Sequential transaction number starting with one, for each device;
 - (2) Device serial number;
 - (3) Type of transaction (sale or void);
 - (4) Time of transaction;
 - (5) Number of electronic bingo card images downloaded;
 - (6) Selling price of a card or package; and
 - (7) Receipt number;
- d. Must be remote-accessible by the manufacturer of the device and attorney general for monitoring the system operation and accounting information in real time; and
- e. Must be capable of printing an electronic card image of any downloaded card;
2. A device must be a portable hand-held unit and cannot be wired directly to a site system;
 3. A device must be programmed for use at only the site where the site system is located;
 4. A device must have a unique serial number permanently encoded in the software;
 5. No device can allow more than seventy-two single-faced cards per game;
 6. A device may require a player to manually enter each bingo number by using an input function key or may use a radio frequency or Wi-Fi transmission to automatically daub the bingo numbers called;
 7. A device can display a player's best card or a winning card and alert the player through an audio or video method, or both, that the player has a winning card;
 8. A device must automatically erase all stored cards at the end of the last game of a session or when the device is turned off; and
 9. A device must be downloaded with new cards at the time of the sales transaction.

History: Effective July 1, 2000; amended effective July 1, 2002; October 1, 2006; July 1, 2010; July 1, 2012.
 General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-16-09.2. Manufacturing specifications - Bar code credit device. A bar code credit device must:

1. Limit redemption of winning pull tabs for credit to only pull tabs that have a prize value equal to or less than ten dollars;
2. Reject a winning pull tab that is not coded with the same game serial number or other protective code related to the deal in the dispensing device, or a pull tab ticket not properly defaced that has been inserted into the device for credit;
3. Reject a photocopy and any other type of reproduction of an actual winning pull tab;
4. Reject a nonwinning pull tab and provide a message regarding "nonwinning pull tab", "invalid pull tab", or similar phrase visible to a player; and
5. Have resettable and nonresettable meters to separately account for:
 - a. Interim period and cumulative values of winning pull tabs validated for credit;
 - b. Interim period and cumulative values of currency validated for credit; and

- c. Interim period and cumulative values of the total of winning pull tabs and currency validated for credit.

History: Effective July 1, 2004.
General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-16-09.3. Manufacturing specifications – Card shuffling devices. A card shuffling device must:

1. Provide a completely random shuffle of the cards; and
2. Have been tested by an independent testing laboratory indicating that a prototype was tested with satisfactory random shuffling results.

History: Effective October 1, 2006.
General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-16-09.4. Manufacturing specifications – Quick shot bingo card marking devices. A quick shot bingo card marking device and related equipment used in the conduct of quick shot bingo according to chapter 99-01.3-04.1 must meet these specifications:

1. The device shall not display any other graphic representations other than the game of bingo, except for advertising. The device shall not accept cash, currency, or tokens for play. The device shall be rendered unplayable if communications from the quick shot bingo site operating system is lost.
2. The quick shot bingo card marking device shall display:
 - a. The player's credit balance;
 - b. The player's wins balance;
 - c. The current bet amount;
 - d. The denomination being played;
 - e. All possible winning patterns, or be made available as a menu item;
 - f. The amount won for the last completed game until the next game starts; and
 - g. The player options selected, including amount and number of cards purchased, for the last completed game until the next game starts or a new selection is made.
3. A device must be a portable hand-held unit and cannot be wired directly to a site system.
4. A device can only be used at the site where the quick shot bingo site operating system is located.
5. A device must have a unique identification number permanently encoded in the software.
6. No device can allow more than sixteen single-faced cards per game.
7. A device can display a player's best card or a winning card and alert the player through an audio or video method, or both, that the player has a winning card.
8. Electronic cards must contain a five by five grid of space and will contain a unique number which may not appear twice on the same card. The card must contain one square labeled "free" space.
9. When a number is covered, the covering must be indicated on the electronic card by a change in the color of the space or some other readily apparent visual means.
10. Each card will be assigned a series number which will have an unduplicated face.
11. A device must use a radio frequency or Wi-Fi transmission to automatically daub the bingo numbers called.
12. "Quick shot bingo site operating system" means a computer hardware, software, and peripheral equipment, that is located at the bingo premise, is operated by the organization conducting bingo, and interfaces with, connects with, controls or defines the operational parameters of the quick shot bingo card marking devices. Quick shot bingo site operating systems must include the following: central database server, point of sale,

- required printers, remote access capability, proprietary executable software, report generation software, and an accounting system and database.
13. A quick shot bingo site operating system must account for and provide accounting information on all activity for three years from the end of the quarter in which the activity occurred. It must:
- a. For each session, archive all electronic transactions of sales, redemptions, balls called, winning bingo patterns, prizes awarded, and winning cards;
 - b. Include a printer with a paper-sensing device that upon sensing a “paper low” condition will allow the system to finish printing the receipt and then prevent further receipt writing. Each system shall recognize a printer power loss occurrence and cease transactions until power has been restored to the printer and the system is capable of producing a valid receipt.
 - c. Be remote-accessible by the manufacturer of the system and attorney general for monitoring the system operation and accounting information in real time.
 - d. Not allow date, time, credit balance, or other source information to be changed.
 - e. Not allow automatic transfer, by a player or employee, of any winnings balance to the credit (deposit) balance on a quick shot bingo card marking device.
 - f. Account for each session with a nonresettable electronic consecutive session number;
 - g. Account for each transaction on the system with a nonresettable electronic consecutive receipt number at least six digits in length;
 - h. Be capable of printing an electronic card image of any card; and
 - i. The system must have the ability to:
 - (1) Issue a receipt for each transaction containing:
 - (a) Name of a site;
 - (b) Receipt number;
 - (c) Date and time of the transaction;
 - (d) Session number;
 - (e) Account number or control number; and
 - (f) Credit or deposit balance.
 - (2) Print a summary report for each session containing:
 - (a) Name of site;
 - (b) Date of the session;
 - (c) Session number;
 - (d) Date and time of the report;
 - (e) Total gross proceeds;
 - (f) Total unplayed credits cashed out;
 - (g) Total unredeemed credits;
 - (h) Total prizes;
 - (i) Total unclaimed prizes; and
 - (j) Adjusted gross proceeds.
 - (3) Print a transaction report for each session containing:
 - (a) Receipt number;
 - (b) Time of transaction;
 - (c) Type of transaction (sale or redemption);
 - (d) Unique device identification number;
 - (e) Consecutive transaction number starting with one, for each device;
 - (f) Account (control) number;
 - (g) Credit amount;
 - (h) Wins amount;

- (i) Bonus accrual amount, if applicable; and
 - (j) User ID of employee conducting transaction.
14. All communications between the device and the system shall be encrypted for security reasons. The wireless deployment shall employ a secure gateway to isolate the wireless environment from any other environment. The secure gateway shall be configured in a manner that prevents any wireless network component from gaining access to the internal network without first being scrutinized.
 15. Electrical and mechanical components and design principles of the system may not subject a person to any physical hazard or cause electrical interference.
 16. A surge protector that feeds all power to the equipment shall be installed to ensure the equipment shall not be adversely affected by surges or dips of $\pm 20\%$ of the supply voltage.
 17. A battery backup shall be installed on the quick shot bingo site operating system and must be capable of maintaining the accuracy of all information required by this section for 90 days after power is discontinued from the system.
 18. The operation of the quick shot bingo site operating system shall be impervious to influences from the outside of the system, including electro-magnetic interference, electro-static interference, and radio frequency interference.
 19. The quick shot bingo site operating system shall not have any switches, jumpers, wire posts, or other means of manipulation that could affect the operation or outcome of a game.
 20. Logical access to the quick shot bingo site operating system shall be restricted by user identifications and passwords.
 21. A manufacturer of a quick shot bingo site operating system shall employ sufficient security safeguards in designing and manufacturing the system such that it may be verified that all proprietary software components are authentic copies of the approved software components and all functioning components of the system are operating with identical copies of approved software programs. The device must also have sufficient security safeguards so that any approved proprietary software are protected from alteration by unauthorized personnel. Security measures that may be employed to comply with these provisions are the use of dongles, digital signature comparison hardware and software, secure boot loaders, encryption, and password systems.
 22. No quick shot bingo site operating system shall have a mechanism whereby an error will cause the game data to automatically clear. Game data shall be maintained at all times regardless of whether the system is being supplied with power. Game data shall be stored in such a way as to prevent loss of the data when replacing parts or modules during normal maintenance.
 23. The quick shot bingo site operating system must have a backup and archive utility to allow the operator to save critical data should a system failure occur. This backup shall automatically run after the end of each session or may be a manual process to be run at the operator's command after the end of each session.
 24. The use of a random number generator may be used in the selection of bingo balls. The selection shall be statistically independent, pass recognized statistical tests, and be unpredictable.

History: Effective July 1, 2012.
General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-16-10. Testing, approval, and recall.

1. A manufacturer of a pull tab dispensing device or bingo card marking device may, or quick shot bingo card marking device and related equipment shall not sell or provide a

- device to a distributor unless a model of the device has been approved by the attorney general.
2. A manufacturer of a dispensing device shall provide a device model, a copy of its construction blueprint, wiring schematics, circuit analysis, technical and operation manuals, random number generator or player button sequencing concept source and object code computer programs, proprietary operating software source and object code computer programs, and other information requested by the attorney general. A manufacturer of a bingo card marking device or quick shot bingo card marking device and related equipment shall provide a device model site system, quick shot bingo site operating system and marking device, technical and operations manual, proprietary operating software source and object code computer programs, random number generator, and other information requested by the attorney general. A manufacturer of a currency validator or credit redemption device for pull tab dispensing devices shall provide a copy of the source and object code computer programs and other information requested by the attorney general. A manufacturer ~~may~~ shall provide a copy of letters of approval and test reports of the dispensing device, bingo card marking device, quick shot bingo card marking device and related equipment, or currency validator from other states, federal jurisdictions, or independent testing laboratories.
 3. The attorney general may require a manufacturer of a dispensing device, bingo card marking device, quick shot bingo card marking device and related equipment, or currency validator to transport a working model, and the information required by subsection 2 to the attorney general or designee for analysis, testing, and evaluation. A manufacturer shall pay all the costs and provide special equipment for the testing. The attorney general may require a manufacturer to pay the estimated costs, in advance. After the analysis, testing, and evaluation is done, the designee shall provide the results to the attorney general. An overpayment of costs must be refunded to a manufacturer or the manufacturer shall pay any underpayment of costs. The attorney general shall provide the manufacturer with the results. Before approving a device's model, or quick shot bingo card marking device and related equipment, the attorney general may require a trial period.
 4. If a manufacturer of a dispensing device or quick shot bingo card marking device and related equipment, knows or determines that a model of device is defective or can be manipulated, the manufacturer shall immediately notify the attorney general and cease selling the device. The attorney general may require the manufacturer to recall or modify the device. Upon notification, a manufacturer shall initiate compliance with a recall or modification at the manufacturer's expense.
 5. A quick shot bingo card marking device and related equipment shall have the ability to allow for an independent integrity check of the device's software from an outside source and is required for all control programs that may affect the integrity of the game.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; July 1, 2010; July 1, 2012.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1

99-01.3-16-11. Sales invoice.

1. A manufacturer may not sell or provide to or accept from a distributor deals of pull tabs, paper bingo cards, bingo card marking devices, quick shot bingo card marking device and related equipment, or pull tab dispensing devices without recording the transaction on a sales or credit invoice. The invoice must include:
 1. a. License number, business name, and address of the distributor;
 2. b. Business name and address to which the gaming equipment is shipped;
 3. c. Invoice number and date;

4. d. Date shipped;
5. e. Indication for a credit invoice;
6. f. Quantity of deals of pull tabs and paper bingo cards;
7. g. Description of each deal of pull tabs and paper bingo cards sold, including the name of the game and game serial number which may be listed on an addendum to a sales invoice. For a deal of pull tabs involving two-ply or three-ply cards with perforated break-open tabs, the description must include the manufacturer's form number;
8. h. For paper bingo cards, quantity, primary color, type of collated booklet, serial number, size of series, and number of faces on a card; ~~and~~
9. i. Name, model, and serial number of a bingo card marking device or pull tab dispensing device;
j. Name, model, and control programs of a quick shot bingo site operating system;
k. Number of quick shot bingo card marking devices provided; and
l. For electronic bingo cards, quantity of bingo cards played.
2. A manufacturer shall file a copy of each sales invoice issued to an organization on behalf of a distributor for rent of a bingo card marking device, by the fifth business day following the month of the transaction.

History: Effective May 1, 1998; amended effective July 1, 2000; October 1, 2006; July 1, 2010; July 1, 2012.
General Authority: NDCC 53-06.1-01.1 Law Implemented: NDCC 53-06.1-01.1