North Dakota Lottery

General Information for Lottery Retailer License Applicants

April 2026

Eligible Businesses

Almost any retail business located in North Dakota can apply for a license to sell lottery tickets, including: a sole proprietor, partnership, corporation, a non-profit organization that has a retail business or conducts games of chance and a business engaged in "nongovernmental business on state property."

Information reported on the "Lottery Retailer License Application" is confidential, except the applicant's name and location of the business. Certain information on the application is verified with the North Dakota Tax Department.

A credit check is done on each applicant - sole proprietor, partnership, and corporation. If a partnership or corporation does not have a credit history with a national credit reporting company, the North Dakota Lottery may do a credit check on each partner of a partnership, require the partnership or corporation to provide audited financial statements, or require a security deposit.

A criminal history record check is done for each:

- sole proprietor;
- partner of a partnership, regardless of percentage of ownership;
- shareholder who owns 10% or more of the stock in a corporation; and
- corporate director and officer primarily responsible for financial affairs.

When an applicant is selected for licensure, a record check will be done on the general manager of the business. A general manager is a person, other than a sole proprietor or partner, who is employed by the business and is primarily responsible and accountable for managing and controlling the operation of the business.

Licenses will not be awarded to applicants if:

- The only product is lottery tickets;
- The business owes unpaid taxes, interest, or penalties to the state;
- The business has insufficient financial resources to support the activities required to sell lottery tickets.

The lottery rules disqualify a business from being licensed as a retailer if a sole proprietor, partner or, for a corporation, a shareholder who owns 5% or more of the stock, or a corporate director or officer who is primarily responsible for financial affairs:

- Has been convicted of a felony in North Dakota or any other jurisdiction, unless at least ten years have passed since the person satisfactorily completed the sentence or probation imposed by the court;
- Has been found to have violated any lottery law or rule;
- Has been found to have a background, including a criminal record, or prior activities that pose a threat to the public interests of the state or to the security and integrity of the lottery; create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gaming; or present questionable business practices and financial arrangements incidental to the conduct of lottery activities;
- Is an immediate family member of an employee of the North Dakota Lottery or of a member of the Lottery Advisory Commission; or
- Has knowingly made a false statement of material fact to the North Dakota Lottery.

Selection Criteria

The North Dakota Lottery will consider the following criteria for selecting applicants to license as retailers:

- Geographic or strategic location of a business in a town, city, or community, and its location in relation to population, highways, and traffic patterns;
- Accessibility of a business to the public and an unrestricted public access policy;
- Regular contact with a significant number of persons. Average number of customer sales transactions per day;
- Normal business hours and days of the week that the business is open;
- Number of years the business has been operating at its location;

- Historical gross sales of non-lottery products and or expected levels of gross sales of lottery tickets of a business;
- Physical security of a business, safety of the money derived from selling a ticket, and whether the business has a video surveillance or alarm system;
- Financial condition, financial responsibility, and creditworthiness of the business;
- Criminal history record, character, and reputation of a sole proprietor, partner of a partnership, in-charge manager of a sole proprietorship or partnership, and for a corporation, of an officer, director, and shareholder who owns ten percent or more of the corporation's outstanding common stock;
- Sufficiency of an existing retailer to serve the public convenience in an applicant's town, city, or community;
- Anticipated or proven capability of a business to best serve the public interest by actively promoting the sale of a ticket, including displaying and providing point-of-sale promotional items to the public;
- Initial or incremental cost of installing and maintaining a terminal and telecommunications equipment at a business or difficulty of using preferred telecommunications equipment;
- Type of business and type of product, service, or entertainment offered at a business and whether it is acceptable to the general public, not adversely impact the credibility, reputation, or image of the lottery, and not compete with the lottery's product. An applicant's primary retail business may not be to sell a ticket;
- Recommendations of the vendor of the lottery's system and services;
- The applicant's completed Compliance Checklist related to the American with Disabilities Act;
- Type of building housing the business; and
- Site inspection.

Lottery Record/Credit Check Form

A "Lottery Record/Credit Check" form must be completed for each necessary individual (see Criminal History Record Check, page 1) and submitted with the application.

An individual must list all the states of residence for the past 5 years, and complete a separate "Out of State Authorization and Release" form for each state (other than ND) for which a record check is required. The Office of Attorney General will request a criminal history record check from each state. Most other states charge a fee and require special types of documentation. The applicant must remit the additional fee(s) and documentation required (see "Schedule of Fees of Out-of-State Record Checks") with the application.

A ND record check will be conducted regardless of the individual's state of residence during the past five years.

The special authorization forms and special fingerprint cards required by some states can be obtained by calling the North Dakota Lottery at 701-328-1574. However, if a person has had a record check done within one year of the application, when the applicant applies for a license and provides, with the application, a copy of the "request for record check" form and, if applicable, a copy of the bureau of criminal investigation's criminal history record information, the person is not required to have another record check done now.

The Office of Attorney General may disseminate criminal history record check information on a person only according to North Dakota Century Code chapter 12-60.

License Fee

After the North Dakota Lottery has approved an applicant for licensure, the applicant must execute a "Licensing Agreement" with the Lottery, set up a bank account for Electronic Funds Transfers (EFT), and remit a non-prorated license fee of $500 for the first fiscal year. The Lottery's fiscal year is October 1 - September 30. Starting with the second year and for each year thereafter, the annual renewal license fee is $150.

Games

The state may conduct and participate only in joint lottery (multi-state) games with other government-authorized lotteries. The North Dakota Lottery may not conduct an in-state lotto game, instant (scratch) ticket games, pick-3/4 numbers games, or video gaming devices. The Multi-State Lottery Association has approved the North Dakota Lottery to participate in the games of POWERBALL®, MEGA MILLIONS®, LOTTO AMERICA®, MILLIONAIRE FOR LIFE™ and 2by2®. The Lottery may participate in other MUSL multi-state games in the future.

For the game of POWERBALL®, the starting jackpot is based on game sales and interest

rates, the odds of winning it are about 1 in 292.2 million, and the odds of winning any prize is about 1 in 24.87. For the MEGA MILLIONS®, the starting jackpot is based on game sales and interest rates, the odds of winning it are about 1 in 290.4 million, and the odds of winning any prize is about 1 in 23.07. For the game of LOTTO AMERICA®, the starting jackpot is based on game sales and interest rates, the odds of winning it are about 1 in 25.9 million, and the odds of winning any prize is about 1 in 9.63. For the MILLIONAIRE FOR LIFE™ game, the grand prize is a minimum of $1 million a year for life, the odds of winning it are about 1 in 22.9 million, and the odds of winning any prize is about 1 in 8.47. For 2by2®, the grand prize is $22,000, the odds of winning it are 1 in 105,625 and the odds of winning any prize is about 1 in 3.59.

Sales Commission

A retailer will receive a commission of 5% of gross sales (less the value of defective tickets for which the retailer has received credit) of lottery tickets. A retailer will not receive a commission on the value of redeemed winning tickets or for selling a large prize-winning ticket.

Items and Services Provided to the Retailer

The retailer will receive a lottery terminal, printer, lottery retailer and customer display signs, point-of-sale items (i.e. decals, banners, game brochures, jackpot awareness signs, winning number boards, and play slips). Also, the retailer will receive training, sales assistance, support, and the vendor Hotline telephone number at no charge.

Licensing Agreement

The "Licensing Agreement" will address these items:

- Compliance with the lottery law and rules
- Responsibilities of the retailer, including cooperation with the North Dakota Lottery, sales of tickets, payment of prizes, and services to players
- Responsibilities of the North Dakota Lottery to the retailer
- Use and control of the lottery terminal
- Recordkeeping
- Deposit of money and electronic funds transfers
- Liability and indemnification
- Suspension, revocation, and non-renewal of a license

EFT Bank Account

The North Dakota Lottery will provide the licensed retailer with information about setting up, maintaining, and using an Electronic Funds Transfer (EFT) bank account for lottery transactions. The retailer is responsible for any costs involved in setting up such an account. All transactions

with the Lottery will be done electronically. A chain of stores with two or more licensed retailers may use, or may be required to use, one account.

Security Deposit

Under certain circumstances, the North Dakota Lottery may require an applicant or retailer to provide a security deposit for a certain period of time - a minimum of one year. The amount required will depend on the results of the credit check. The Lottery will notify an applicant if a security deposit is necessary. If a retailer does not maintain an acceptable credit history, the Lottery may require the retailer to provide or increase a security deposit.

Installation of Lottery Terminal/equipment

The lottery terminal and the printer will be installed on the service counter and have an area easily accessible for the player self-service ticket checker. The operational noise is negligible. The backside of the lottery terminal may have a display that must be visible to customers.

Each retailer also will receive two interior signs, which will be placed in a highly visible space that include the Lottery in Motion monitor and LED Jackpot Alert sign.

The retailer is responsible for providing a dedicated circuit exclusively for the Lottery equipment, and any monthly electrical expenses relating to operating this equipment

Minimum Sales

Before the start of the second or third fiscal year of selling lottery tickets, a retailer may be required to maintain a minimum weekly sales average to continue to be a lottery retailer. Additional information will be provided to the retailer before any minimum sales program is introduced.

Questions

If you have a question, please call the North Dakota Lottery at 701-328-1574. You may also write the Lottery at: OFFICE OF ATTORNEY GENERAL, LOTTERY DIVISION, 1720 BURLINGTON DRIVE SUITE C, BISMARCK ND 58504-7736