Minutes of the Lottery Advisory Commission
January 30, 2025, Special Meeting

A special meeting of the Lottery Advisory Commission (Commission) was held from 12:17 p.m. to 12:59 p.m. on January 30, 2025, at the North Dakota Lottery Office.

Chairman Mike Rud attended in person. Representative Karla Rose Hanson, Senator Jeff Barta, and Representative Emily O'Brien participated remotely. Mr. Russ Hanson was absent.

Representing the North Dakota Lottery (Lottery) were Mr. Randy Miller, interim director; Mr. Ryan Koppy, sales and marketing manager, and Ms. Jessica Seibel, administrative assistant II. Mr. Mark Rauhauser, customer service specialist, and Mr. Scott Tarno, customer service specialist, participated remotely.

Dan Moran, general manager of North Dakota for Scientific Games Inc. attended in person. Zach Monat, sr. director-lottery systems for Scientific Games Inc. participated remotely.

Mr. Miller presented the proposed administrative rule changes. The Commission recommended changes to subdivision c of subsection 1 of section 10-16-02-07 to adjust the retailer bonus amounts for Mega Millions® prizes. The changes amend the proposed rules to increase the retailer bonus amount for the $1,000,000 base prize from $7,500 to $10,000 and increase the retailer bonus amount for the $10,000 base prize from $750 to $1,000. Commissioner K. Hanson made a motion to approve the proposed administrative rule changes as presented with the recommendation to the changes to subdivision c of subsection 1 of section 10-16-02-07 as described above. Commissioner Barta seconded the motion. The motion passed 4-0. The recommendation will be presented to Attorney General Wrigley for approval prior to moving forward with the rule adoption process.

(Proposed Amendments Attached.)

Mr. Miller also asked for a recommendation from the Commission for a transaction limit amount on debit and credit card purchases of lottery tickets at retailers; $200, $500, or no limit. Commissioner O'Brien made a motion for a recommendation of no transaction limit amount on debit and credit card purchases of lottery tickets at retailers. Commissioner K. Hanson seconded the motion. The motion passed 4-0. The recommendation will be presented to Attorney General Wrigley for approval prior to moving forward. If approved by Attorney General Wrigley, the Commission requested the opportunity to periodically review the no transaction limit amount to determine if a specific amount limit should be implemented at a later date.

Commissioner K. Hanson made a motion to adjourn the meeting. Commissioner Rud seconded the motion. The motion passed unanimously. The meeting adjourned at 12:59 p.m.

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NORTH DAKOTA LOTTERY

Underlining represents proposed additions to the present rules.
~~Strikethrough~~ represents proposed deletions to the present rules.

CHAPTER 10-16-02
RETAILER

Section

10-16-02-01 License Application and Fee
10-16-02-02 Criteria for Selecting an Applicant
10-16-02-03 Record and Credit Checks
10-16-02-04 Change in Business Location, Ownership, or Name
10-16-02-05 Training
10-16-02-06 Duties
10-16-02-07 Sales Commission and Bonus
10-16-02-08 Bank Account and Electronic Funds Transfer
10-16-02-09 Recordkeeping [Repealed]
10-16-02-10 Denial, Suspension, or Revocation of a License
10-16-02-11 Monetary Fine

10-16-02-06. Duties.

A retailer shall:

1. Comply with the lottery law, rules, promotional rules, and terms of a license agreement prescribed by the lottery;

2. Display a lottery license in an area visible, but not accessible, to the public where a ticket is sold and redeemed. A retailer shall prominently display signage and promotional and point-of-sale items provided by the lottery. A retailer may advertise and use, display, or make available other appropriate promotional and point-of-sale items. On request of the lottery, a retailer shall discontinue an advertisement or promotion that the lottery determines is in noncompliance with subsections 2 and 3 of section 10-16-01-02;

3. Display a problem gambling helpline telephone number;

4. Provide a secure operating space for a terminal at a location approved by the lottery or its online gaming system vendor. A retailer may not move the terminal to a different location at a site without written authorization from the lottery. If the retailer desires to have the terminal relocated at the site, only a qualified representative of the lottery's online gaming system vendor may relocate the terminal;

5. Provide dedicated alternating current to a duplex electrical receptacle for lottery equipment, including a terminal. Only lottery equipment may be on the circuit. A retailer shall pay the installation cost of the receptacle and monthly costs of electricity to operate the lottery equipment. The lottery shall provide the retailer with a schematic of the required amperage, voltage, and wiring of the receptacle;

6. As requested by the lottery, have an employee attend a training session sponsored by the lottery, review training material, complete a terminal-based tutorial, or notify the lottery if a new employee needs training on operating a terminal;

7. Exercise care in operating a terminal and immediately notify the lottery's online gaming system vendor of a terminal malfunction, including the issuance of an invalid ticket, inability to sell or redeem a ticket, and nonissuance of a ticket. Except to clear a paper jam, the retailer may not perform mechanical or electrical maintenance on the terminal. Unless approved by the lottery, a retailer may not attach or adhere any stickers, decals, or advertisements on a terminal;

8. Replace ticket stock and clear a paper jam as necessary in a terminal;

9. Monitor the supply of game brochures, point-of-sale items, ticket stock, and play slips and notify the lottery or its online gaming system vendor when an item is in short supply;

10. Actively promote and sell a ticket and redeem a winning ticket during the retailer's core business hours on the days that the retailer is open and when a terminal is operating. If the retailer's core business hours are earlier or later, or both, than the hours that the terminal is operating, the retailer shall post the hours during which an individual may redeem a winning ticket;

11. Prohibit an individual under age eighteen from buying a ticket or redeeming a winning ticket;

12. Not extend credit to a player ~~or accept a credit card from a player~~ for the purchase of a ticket or accept a food stamp or food coupon as consideration for a ticket. A player shall pay for a ticket when the ticket is bought from a retailer. If a retailer delivers a ticket to a player's residence, the player shall prepay or pay for the ticket upon delivery. A retailer may not loan money to or accept a postdated check from a player;

~~12.~~13. Accept credit cards and debit cards through either the lottery system or the retailer's point of sale system. If a retailer chooses to use its point of sale system, the retailer will be responsible for related processing fees.

~~13.~~14. Maintain a level of ticket sales set by the lottery based on a minimum sales program;

~~14.~~15. Be financially responsible and personally liable to the lottery for money derived from the sale of a ticket, less money related to a sales commission and money paid on a redeemed winning ticket. The retailer shall allow money from the sale of a ticket that is deposited by the retailer in a bank account to be transferred to the lottery by electronic funds transfer on a weekly basis or other period prescribed by the lottery;

~~15.~~16. Store ticket stock, supplies, terminal, and related equipment in a safe place to prevent loss, theft, or damage;

~~16.~~17. Prominently post the winning numbers for a draw and estimated grand prize of the next draw of a game where a ticket is sold as soon as reasonably possible after the draw for the game;

~~17.~~18. Redeem a winning ticket and may pay a prize of up to five hundred ninety-nine dollars in cash or by business check, regardless of which retailer sold the ticket. The retailer may not charge a fee for redeeming a ticket and may not refuse to redeem a winning ticket sold by another retailer;

~~18.~~19. File a claim for credit for a printed defective ticket as prescribed by the lottery;

~~19.~~20. Permit an employee or agent of the lottery who has first shown proper identification to the retailer to review the retailer's accounting records and inspect, maintain, replace, or remove lottery equipment, supplies, ticket stock, or a record or recorded video from the site without prior notice during the retailer's normal hours of operation;

~~20.~~21. Notify the lottery in writing thirty days before there is a change of the bank account maintained for electronic funds transfer;

~~21.~~22. Make it convenient for the public to buy and redeem a ticket. A retailer may sell a ticket through a drive-up window;

~~22.~~23. Have a copy of the lottery law and rules at the site available near the terminal for review by any individual;

~~23.~~24. Incur the loss from theft of a ticket ~~or gift certificate~~;

~~24.~~25. Defend, indemnify, and hold harmless the lottery and state of North Dakota from any claim of any nature, including all costs, expenses, and attorney's fees, that may result from or arise out of an agreement with the lottery, except for a claim that results from or arises out of the state's sole negligence;

~~25.~~26. Upon revocation, relinquishment, or nonrenewal of a license, immediately return all lottery-related equipment and supplies, including unused ticket stock. The retailer is liable for money still owed the lottery; and

~~26.~~27. Maintain complete and accurate records and retain them for one year related to the sale and redemption of a lottery ticket. Records must include weekly terminal-issued reports of electronic funds transfers transactions.

History: Effective February 1, 2004; amended effective April 1, 2006; April 1, 2008; July 6, 2014; July 1, 2019; September 28, 2025.
General Authority: NDCC 53-12.1-13
Law Implemented: NDCC 53-12.1-02, 53-12.1-03, 53-12.1-08, 53-12.1-13

10-16-02-07. Sales commission and bonus.

1. The lottery shall credit a retailer's account for:

   a. A sales commission of five percent of the retail price of a ticket sold or otherwise issued by the retailer;

   b. A sales commission of five percent of the amount of an online play sale that is transacted through the North Dakota Lottery Players Club® when a player chooses a specific retailer. The retailer must be currently licensed when the online play is purchased; and

   c. A sales bonus for selling a ticket with a winning play, for a game as stated below. However, the retailer must be currently licensed when a draw is conducted that results in the winning play of a ticket. If the winning play for POWERBALL® has the power play option, ~~or the winning play for MEGA MILLIONS® has the~~

~~Megaplier® option,~~ or the winning play for LOTTO AMERICA® has the All Star Bonus® option, the retailer's account must also be credited for an additional bonus as stated below:

Prize	Bonus	Additional Bonus
POWERBALL®		
Grand prize	$50,000	Additional $50,000 with power play
$1,000,000	$5,000	Additional $5,000 with power play
$50,000	$1,000	Additional $1,000 with power play
MEGA MILLIONS®		
Base Prize (before multiplier)		
Grand prize	~~$50,000~~$100,000	~~Additional $50,000 with Megaplier®~~
$1,000,000	~~$5,000~~$7,500	~~Additional $5,000 with Megaplier®~~
$10,000	~~$500~~$750	~~Additional $500 with Megaplier®~~
LUCKY FOR LIFE®		
$7,000/week for life	$25,000	
$25,000/year for life	$2,500	
$5,000	$250	
2BY2®		
Grand prize		
$22,000	$500	
$44,000*	$1,000	
*Tuesday draw double grand prize winning play on a qualifying multi-draw ticket. LOTTO AMERICA®		
Grand prize	$5,000	Additional $5,000 with All Star Bonus®
$20,000	$500	Additional $500 with All Star Bonus®

2. The lottery may credit a retailer's account for a fixed or graduated sales commission or bonus for a special promotion, including power play~~, Megaplier®,~~ and All Star Bonus®, that the lottery conducts for a certain period of time based on parameters set by the lottery.

History: Effective February 1, 2004; amended effective January 1, 2006; January 3, 2008; January 31,2010; January 15, 2012; October 19, 2013; July 6, 2014; October 4, 2015; February 25, 2016; October 29, 2017; May 14, 2018; July 1, 2019; April 5, 2025.
General Authority: NDCC 53-12.1-13
Law Implemented: NDCC 53-12.1-02, 53-12.1-03, 53-12.1-13

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CHAPTER 10-16-03
CONDUCT AND PLAY

Section
10-16-03-01 Games Authorized
10-16-03-02 Ineligible Player
10-16-03-03 Play Slip
10-16-03-04 Multiple Draw
10-16-03-05 Sale or Gift of a Ticket
10-16-03-06 Ownership of a Ticket
10-16-03-07 Validation of a Ticket or Cash Voucher
10-16-03-08 Claim of a Prize
10-16-03-08.1 Pick & Click Online Play
10-16-03-09 Payment of a Prize to an Individual's Estate
10-16-03-10 Counterfeit or Theft of a Ticket or Gift Certificate
10-16-03-11 Remedy for a Defective Ticket and Dispute Resolution
10-16-03-12 Delay of Paying a Prize

10-16-03-05. Sale or gift of a ticket.

1. Only a retailer may sell a ticket and only at the site listed on a license. The sales price of a ticket is exempt from sales tax. Except as authorized by the lottery or for a lottery promotion, or delivery of a ticket by a retailer, a complete sales transaction between the retailer and a player must occur at a terminal or a player-activated terminal, including the exchange of money, exchange of a play slip if the player uses it, and exchange of the ticket. The retailer shall accept cash, ~~and a lottery gift certificate and may, at its option, accept a check or~~ debit card, or credit card, and may accept a check from a player. The retailer may not extend credit to a player or accept a food stamp or food coupon as consideration for a ticket. A player shall pay for a ticket when the ticket is bought from a retailer. A retailer may not loan money to a player or accept a postdated check from the player. A retailer is responsible for a check that is not collectible for any reason. This subsection does not prevent an individual who may lawfully buy a ticket from giving a gift of the ticket to another individual, or prevent a business or organization from purchasing a ticket and providing it as a gift or prize to an individual, except to an individual under age eighteen or an ineligible player according to section 10-16-03-02.

2. An individual may buy a ticket on behalf of another individual or group of individuals, provided that the individual provides the ticket without charging a procurement fee and the other individual is not, or the group of individuals does not include, an individual under age eighteen or an ineligible player according to section 10-16-03-02.

3. Except for a ~~A~~ subscription, a player shall place a play through a retailer who acts as an agent for the player in entering the play. The player shall place a play by using and hand-marking a play slip provided by the retailer or requesting the retailer to place a quick pick. The retailer may assist and train a player how to complete a play slip. It is the sole responsibility of the player to verify the accuracy of a game play and other data printed on a ticket. The retailer may not use a

copy of a play slip or other material in a terminal's play slip reader or permit any device to be connected to a terminal to enter a play.

4. A retailer shall use a terminal to issue a ticket containing the selected sets of numbers, letters, or symbols each set of which is a play. A retailer's sale of a ticket is final. A player may not void or cancel a ticket by returning the ticket to the retailer and the retailer may not buy back a ticket from a player. If data printed on a ticket is incorrect, a ticket is printed in error, an employee, volunteer, or agent of a retailer steals a ticket from the retailer, or if any other issued ticket can be used to claim a prize, the retailer cannot void or cancel the ticket or return the ticket to the lottery for credit. If the retailer cannot sell the ticket, the retailer owns the ticket and may redeem a winning ticket. However, the lottery may credit a retailer's account for a ticket that is illegible, mutilated, or otherwise defective as it was printed and that because of its physical condition cannot be sold. A retailer shall comply with a policy of the lottery related to criteria for sending a claim for credit of a defective ticket to the lottery. The retailer may not send a defective ticket to the lottery until after the draw for the game for which the ticket was issued.

5. A retailer shall sell a ticket only for the standard price of the ticket. However, a retailer may do a promotion for a period not to exceed ninety consecutive days in any six-month period in which a retailer offers a ticket for sale through a discount provided that the retailer accounts for the standard price of the ticket to the lottery. A discount includes, for example, selling six tickets for the price of five tickets, selling two tickets for the price of one ticket, and selling a ticket for one-half price. A retailer may buy a ticket for the standard price of the ticket and offer it, at no charge, to an individual. A recipient of a ticket in a promotion may not be under age eighteen or an ineligible player according to section 10-16-03-02. A retailer may conduct other promotions, including:

   a. Second chance drawings of winning or nonwinning tickets or other entry forms provided that an individual may not be required to purchase anything to participate in the drawing;

   b. Giving away a ticket with the purchase of a product or service;

   c. Giving away or discounting a product or service with the sale of a ticket or return of a number of nonwinning tickets; and

   d. With the purchase of a ticket, an individual may spin a wheel, for example, to select a free prize, product, or service.

6. An individual who buys or accepts a ticket, attempts to redeem a ticket for a prize, or otherwise participates in a draw agrees to comply with and abide by the lottery law, rules, procedures, policy, MUSL or game group rule or game rule, and decision of the lottery.

7. An individual who buys or accepts a ticket, attempts to redeem a ticket for a prize, or otherwise participates in a draw agrees to accept the decision of the lottery regarding the validity of the ticket, and any prize payment determinations relating to that ticket, and to release the state, lottery, MUSL, game group, and their officers, employees, agents, representatives, and contractors from any liability regarding that ticket or payment of that prize and are not responsible or liable for:

   a. A lost or stolen ticket or incorrectly read play slip; or

   b. Paying a prize related to a damaged, destroyed, erroneous, illegible, or mutilated ticket.

History: Effective February 1, 2004; amended effective November 8, 2005; July 1, 2008; July 6, 2014; July 1, 2019; September 28, 2025.
General Authority: NDCC 53-12.1-13
Law Implemented: NDCC 53-12.1-02, 53-12.1-03, 53-12.1-07, 53-12.1-08, 53-12.1-13, 57-39.2-04

10-16-03-07. Validation of a ticket or cash voucher.

1. A retailer shall use a terminal to validate a ticket or cash voucher before the retailer may pay a prize on the ticket or cash voucher. A retailer that pays a player a prize without first validating the ticket or cash voucher assumes the financial risk that the ticket is not an actual winning ticket, the ticket was previously redeemed, or that the cash voucher was previously redeemed. The lottery may not reimburse a retailer for a prize paid in error by the retailer. A ticket that does not pass validation is invalid and ineligible for a prize. A cash voucher that does not pass validation is invalid for cashing. Except as provided by subsection 18 of section 10-16-03-08, an original ticket is the only proof of a game play and submitting a winning ticket to the retailer or lottery is the only method of claiming a prize. A play slip, a copy or photo of a winning ticket, or a copy or photo of a cash voucher ~~has~~ do not have ~~no~~ monetary or prize value and ~~is~~ are not evidence of a ticket bought or of numbers selected for a draw. A ticket must have been bought from a North Dakota retailer and meet ~~all of these~~ the following validation requirements:

   a. A retailer must have issued the ticket in an authorized manner;

   b. The play, including the combination of numbers, letters, or symbols selected by a player or quick picked, evidenced by the ticket, must reach and be accepted and recorded by the lottery's online gaming system before the cutoff time for a draw. The draw for a game is held on the days determined by the game group. Even if a player intends for a retailer to enter the player's play before the cutoff time for the present draw, the play is only eligible for the draw that is printed on the ticket;

   c. The ticket or cash voucher must not have been previously paid or voided by the lottery;

   d. The ticket or cash voucher must not have been stolen, or be counterfeit, altered, mutilated, reconstructed, unreadable, illegible, irregular, partly blank, incomplete, defective, or an exact duplicate of another winning ticket. The game group, MUSL, and lottery are not responsible for a ticket that is altered in any manner;

   e. A ticket or cash voucher is void unless the ticket is printed on a paper stock roll that was validly issued to and used by the retailer that sold the ticket;

   f. The ticket or cash voucher validation number must be legible, intact, presented in its entirety, and correspond, based on the lottery's computer validation file, exactly to the date and selected numbers printed on the apparent winning ticket that was sold at a specific site;

   g. The ticket or cash voucher may not be marked in any way, except by a player to place a signature on the back side of the ticket to claim a prize or by a retailer to deface or void the ticket after it was redeemed, with the intent to commit fraud;

   h. If the total prize value of all plays of a winning ticket is five thousand dollars or more, the ticket must pass a confidential security check by the lottery;

   i. Upon request by the lottery, a claimant of an apparent winning ticket shall disclose to the lottery the name of the retailer from whom the claimant bought

the ticket, date of purchase, and approximate time; and

j. A validation requirement adopted by the MUSL or game group.

2. After a retailer validates a winning ticket or cash voucher, the retailer shall, if sufficient funds are available, pay the player the prize value. However, a retailer shall redeem a winning ticket or cash voucher that has a prize value of fifty dollars or less. A retailer shall return the winning ticket or cash voucher and the player copy of the terminal receipt to the player and retain the retailer copy of the terminal receipt for recordkeeping purposes. After a retailer validates a nonwinning ticket, the retailer shall return the nonwinning ticket and player copy of the terminal receipt to the player. The player may discard a redeemed winning or nonwinning ticket and player copy of the terminal receipt.

3. The lottery shall credit a retailer's account for a prize actually paid by the retailer on a validated redeemed winning ticket or cash voucher.

4. The lottery's determination on a contested validation is final.

History: Effective February 1, 2004; amended effective April 1, 2006; April 1, 2008; July 6, 2014; July 1, 2025.
General Authority: NDCC 53-12.1-13
Law Implemented: NDCC 53-12.1-02, 53-12.1-03, 53-12.1-08, 53-12.1-09, 53-12.1-13

10-16-03-08. Claim of a prize.

A prize for a validated winning ticket must be claimed as follows:

1. No prize may be awarded nor is the lottery liable for a ticket not submitted for validation or for an announcement or dissemination by the lottery or any other individual of an incorrect number, letter, or symbol drawn.

2. A ticket bought or used to claim a prize in violation of federal or state law, or bought in violation of the lottery law or rules, is void and may not be used to claim a prize.

3. A ticket for a prize must be ~~actually~~ received or presented at the Lottery office ~~or, if mailed, postmarked,~~ within one hundred eighty days after the date of a draw for the game for which the ticket was issued. If the final day of the claim period is a Saturday, Sunday, or state holiday, the claim period is extended to the next business day. An unclaimed prize is forfeited and retained by the lottery. However, if the grand prize for the game of POWERBALL®, MEGA MILLIONS®, or LOTTO AMERICA® is unclaimed, then MUSL shall administer the grand prize money. If the top prize or second prize for LUCKY FOR LIFE® is unclaimed, the lottery's liability for that prize expires and no settlement of funds will be scheduled. If a lower tier prize for LUCKY FOR LIFE® is unclaimed, the lottery's liability for that prize expires and is allocated back to the lottery in relation to the sale's percent for the specific drawing.

4. An individual who owns or redeems a winning ticket:
   a. Agrees to be bound by the lottery law, rules, procedure, policy, validation requirements, dispute resolution, and game group game rules related to the game for which the ticket was issued; and

   b. Agrees that the state, lottery, the MUSL, game group, and their officers,

employees, agents, representatives, and contractor are discharged from any liability upon payment of a prize on a ticket.

5. The owner of a winning ticket may win only one prize per play for the winning numbers, letters, or symbols drawn and is entitled only to the prize won by those numbers in the highest matching prize category.

6. A retailer may redeem a ticket only at the business address listed on the license. The retailer may pay a prize in cash or by business check, certified or cashier's check, money order, or combination of methods.

7. An individual may redeem a winning ticket for a prize only during the normal business hours of a retailer provided that the lottery's online computer system is operating and a ticket may be validated. If the retailer is normally open for business before or after the hours when the lottery's on-line computer system operates, the retailer shall post the hours at the site when an individual may redeem a ticket.

8. To claim a prize for an apparent winning ticket of less than six hundred dollars, a player may:

   a. Present the ticket to a retailer, regardless of which retailer sold the ticket; or

   b. Complete the back side of the ticket by entering the individual's full name and address and signing the ticket, and present or mail the ticket to the lottery's office.

9. If a ticket has a prize value of less than six hundred dollars, is owned by one individual, and is presented to a retailer, the retailer may redeem the ticket and pay the prize to the individual who physically possesses an unsigned ticket or to the individual whose signature is shown on the ticket. If an individual desires to redeem a winning ticket that is signed, the retailer shall request evidential proof of identity from the player before the retailer may validate or pay the prize. If the player does not provide proof of identity, the retailer may not validate the ticket or pay the player a prize and shall return the ticket to the player. For an unsigned ticket or a signed ticket in which the ticket holder is the identified owner, the retailer shall validate the ticket and, for a winning ticket, pay the prize to the player. If the retailer is unable to validate a ticket, the retailer shall provide the ticket holder with a prize claim form and instruct the ticket holder how to file a claim with the lottery.

10. If an apparent winning ticket has a total prize value of all plays of six hundred dollars or more and one individual signed or claims ownership of the ticket, a retailer may not redeem the ticket and shall provide the ticket holder with a prize claim form and instruct the ticket holder how to file a claim with the lottery. The ticket holder shall complete and sign the form and back side of the ticket and present or mail the form and ticket to the lottery. For a validated winning ticket, the lottery shall present or mail a check to the player for the amount of the prize, less withholding of income tax required by federal or state law and any debt setoff according to section 10-16-01-03, unless the payment is delayed according to section 10-16-03-12. The lottery shall pay the prize to the individual whose name is on the ticket, notwithstanding the name on the claim form. For a nonwinning ticket, the lottery shall deny the claim, notify the claimant, and return the ticket.

11. If more than one individual signed or claims ownership of an apparent winning ticket, the retailer shall provide the claimant with a prize claim form and instruct the claimant

how to file a claim with the lottery, as follows:

a. Each individual who claims part ownership of the ticket must complete and sign the prize claim form and designate the individual's percentage of ownership and, if subdivision d applies, the one authorized payee;

b. At least one of the individuals who claim ownership must sign the ticket and that signature must be on the prize claim form;

c. The prize claim form and ticket must be presented or mailed to the lottery;

d. For a validated ticket, if the amount of the prize allocated to each claimant is six hundred dollars or more, the lottery shall present or mail a separate prize check to each claimant. The lottery shall present or mail a check to each claimant for the amount of each player's prize, less withholding of income tax required by federal or state law and any debt setoff according to section 10-16-01-03, unless the payment is delayed according to section 10-16-03-12. If the prize allocated to each claimant is less than six hundred dollars, at the claimant's request, the lottery shall issue a single prize check to the individual designated and authorized on the prize claim form to receive payment of the prize on behalf of all the claimants or present or mail a check to each claimant for the amount of each player's prize; and

e. Notwithstanding subdivision d, if the claimants desire to designate one individual in whose name the entire claim may be made and list the individuals to whom the winnings are taxable, the claimants may file, along with a claim prize form, internal revenue service form 5754 (statement by person(s) receiving gambling winnings) with the lottery.

12. The lottery shall pay a prize to a player within a reasonable time after the player's winning ticket is validated by the lottery.

13. Except as provided by rule, if two or more plays win the grand prize, the prize money must be divided equally among the players whose tickets won. Except as provided by rule, for a set prize, each player wins the set amount of a prize regardless of whether two or more players have winning tickets for the prize.

14. The lottery is not liable for a ticket not delivered to the correct address of the lottery or a delay in delivery of a ticket or damage to a ticket while being delivered to the lottery.

15. A player who redeems a winning ticket is solely responsible for any federal or state income tax liability related to the prize.

16. An individual's right to a prize is assignable and payment of a prize may be made to an individual pursuant to an appropriate judicial order.

17. A prize may not be payable to a trust until after the lottery conducts a debt setoff on the beneficiaries of the trust.

18. If a player redeems an original multi-draw ticket before the ticket's last draw and a retailer returns the original ticket, rather than an issued exchange ticket, to the player, the lottery may not pay another prize on the original ticket until after the exchange ticket expires and has not been redeemed.

19. A winning ticket with a total prize value of all plays of six hundred dollars or more may not be paid to an individual who is identified as being in the United States illegally.

History: Effective February 1, 2004; amended effective April 1, 2006; April 1, 2008; January 31, 2010; January 1, 2011; October 19, 2013; January 31, 2016; February 25, 2016; October 29, 2017; July 1, 2019; July 1, 2025.
General Authority: NDCC 53-12.1-13
Law Implemented: NDCC 53-12.1-02, 53-12.1-03, 53-12.1-08, 53-12.1-09, 53-12.1-13

10-16-03-08.1. Pick & Click online play.

1. A player shall purchase an online play only from, and the financial transaction for that online play must be only with, the lottery through the North Dakota Lottery Players Club® website and payment processor. A player may use automated clearinghouse, debit card, or authorized credit card to pay for an online play.

2. An individual must be at least eighteen years of age.

3. An individual must provide the following information when registering as a player, or a member of a group, for the lottery online play service:

   a. Name;

   b. Address;

   c. Date of birth;

   d. Telephone number;

   e. Valid email address; and

   f. Last four digits of their social security number.

4. An individual, whether individually or as a member of a group, ~~must have a North Dakota mailing address,~~ must be physically located within the borders of North Dakota, and must pass all verification processes used by the lottery during the player's registration process.

5. A player may purchase one or more online plays for one or more games. Each online play is limited to one play for a draw for one game. A player may purchase an online play for up to fifty-two weeks. An online play is not refundable or cancelable by a player unless the game group makes a matrix change to the game at which time, the online play would be canceled by the lottery and funds used to purchase the online play would be refunded to the player's deposit account through the lottery's online play service, based on the number of draws actually held under the former game matrix in relation to the total number of draws purchased.

6. To be valid, an online play must be properly and validly registered with the lottery on its player data base at its central computer site which meets the requirements established by the product group and MUSL security and integrity committee. All data on a player is confidential.

7. The owner of an online play is the individual whose name is validly and properly registered with the lottery. However, the lottery may split a prize among two or more

individuals who are registered members of a group play.

8. After the lottery properly and validly registers an online play, the lottery shall send a confirmation email to the player. The confirmation email is the player's evidence of an actual play in a draw and there is no actual ticket. The confirmation email must include:

   a. Name of game. For the game of POWERBALL®, indication of whether the play has the power play option. ~~For the game of MEGA MILLIONS®, indication of whether the play has the Megaplier® option.~~ For the game of LOTTO AMERICA®, indication whether the play has the All Star Bonus® option;

   b. Number of and starting and ending dates of the draws;

   c. Numbers, letters, or symbols of the play;

   d. The player is responsible for ensuring that all player information and game play numbers, letters, or symbols are correct; and

   e. Explanation of how a prize will be awarded.

9. Except as provided by subsection 10, an online play is valid for only the date range of draws specified in the confirmation email. The effective date of a new online play will be valid for the present draw in the game, if it is purchased by 8:30 p.m. central time for LUCKY FOR LIFE® or by 8:58 p.m. central time for POWERBALL®, LOTTO AMERICA®, MEGA MILLIONS®, and 2BY2®.

10. If the value of a prize on a winning POWERBALL®, LOTTO AMERICA®, MEGA MILLIONS®, LUCKY FOR LIFE®, or 2BY2® online play for a draw is:

    a. Less than six hundred dollars, the lottery shall automatically deposit the funds into the player's winning account.

    b. Equal to or more than six hundred dollars, the lottery shall contact the player by email and phone to arrange payment of the prize, less withholding of income tax required by federal or state law and any debt setoff according to North Dakota Century Code section 53-12.1-12.

11. If the prize winner of an online play game with a value of $600 or greater does not complete a prize claim form, the unclaimed prize will be retained by the lottery until such time the player submits a prize claim form.

~~11.~~12. If the owner of an online play changes the owner's name, the owner shall provide the lottery with a notarized letter of the change. If the owner of an online play dies, the lawful representative of the owner's estate shall provide the lottery with a notarized statement of the death and the lottery shall change the ownership of the online play to "The Estate of" the owner.

History: Effective November 8, 2005; amended effective January 3, 2008; November 1, 2008; July 1,2010; October 19, 2013; July 6, 2014; January 31, 2016; February 1, 2016; October 29, 2017; May 14,2018; July 1, 2019; July 1, 2025.
General Authority: NDCC 53-12.1-13
Law Implemented: NDCC 53-12.1-01, 53-12.1-02, 53-12.1-03, 53-12.1-08, 53-12.1-13

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Version 1-30-25

NORTH DAKOTA LOTTERY

Underlining represents proposed additions to the present rules.
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CHAPTER 10-16-08
MEGA MILLIONS GAME

Section
10-16-08-01 Game Description
10-16-08-02 Expected Prize Pool Percentages and Odds
10-16-08-03 Prize Pool and Payment
10-16-08-04 Megaplier Option [Repealed]
10-16-08-05 Random Multiplier, Frequency and Odds

10-16-08-01. Game description.

To play MEGA MILLIONS®, a player selects five different white numbers, between one and seventy, and one additional gold number (Mega Ball®) between one and ~~twenty-five~~ twenty-four. The additional number may be the same as one of the first five numbers selected. The price of a play is ~~two~~ five dollars. With a purchase, each play will be randomly assigned a multiplier that will be used to increase potential winnings of non-grand prize wins by two (2), three (3), four (4), five (5), or ten (10) times over the base prize amount. Multipliers do not apply to the grand prize. A grand prize is paid, at the election of a winning player or by a default election made according to these rules, either on an annuitized pari-mutuel basis or as a cash lump sum payment of the total cash held for the prize pool on a pari-mutuel basis. A set prize (cash prize of ~~one~~ ten million dollars or less) is paid on a single-payment cash basis. Draws are held every Tuesday and Friday.

History: Effective January 31, 2010; amended effective October 19, 2013; October 28, 2017; April 5, 2025.
General Authority: NDCC 53-12.1-13
Law Implemented: NDCC 53-12.1-13

10-16-08-02. Expected prize pool percentages and odds.

The grand prize will be determined and announced by the game group. The grand prize is paid on a pari-mutuel basis. Except as provided by rule, a set prize must be paid according to these matches per play and prize amounts with these expected prize payout percentages:

Matches Per Play	Base Prize	Range of Prize Win**	Prize Pool Percentage Allocated to Prizes	Game Odds***
5 white + 1 gold	Grand prize*	Grand prize*	~~75.30%~~ 55.26%	~~1:302,575,350~~ 1:290,472,336
5 white + 0 gold	$1,000,000	$2,000,000 to $10,000,000	~~7.93%~~ 9.50%	~~1:12,607,306~~ 1:12,629,232
4 white + 1 gold	$10,000	$20,000 to $100,000	~~1.07%~~ 1.34%	~~1:931,001~~ 1:893,761
4 white + 0 gold	$500	$1,000 to $5,000	~~1.29%~~ 1.54%	~~1:38,792~~ 1:38,859
3 white + 1 gold	$200	$400 to $2,000	~~1.37%~~ 1.72%	~~1:14,547~~ 1:13,965
3 white + 0 gold	$10	$20 to $100	~~1.65%~~ 1.98%	~~1:606~~ 1:607

2 white + 1 gold	$10	$20 to $100	~~1.44%~~ 1.80%	~~1:693~~ 1:665
1 white + 1 gold	~~$4~~ $7	$14 to $70	~~4.48%~~ 9.79%	~~1:89~~ 1:86
0 white + 1 gold	~~$2~~ $5	$10 to $50	~~5.46%~~ 17.06%	~~1:37~~ 1:35

Overall odds of winning a prize on a ~~two~~ five dollar play are ~~1:24~~ 1:23.07.

* The grand prize is pari-mutuel and will be divided equally by the number of plays winning the grand prize.

** The range of prize wins is determined by the randomly assigned multiplier applied to each play.

*** Reflects the odds of winning and probable distribution of winning tickets in and among each prize tier, based on the total number of possible combinations.

History: Effective January 31, 2010; amended effective October 19, 2013; October 28, 2017; April 8, 2020; April 5, 2025.

General Authority: NDCC 53-12.1-13
Law Implemented: NDCC 53-12.1-13

10-16-08-04. Megaplier option.

[Repealed effective April 5, 2025]

~~1. The Megaplier® option is a limited extension of the MEGA MILLIONS® game and is conducted according to the game group's game rules. The option offers the owner of a qualifying play a chance to multiply or increase the amount of a set prize.~~

~~2. A qualifying play is a single MEGA MILLIONS® play for which the player pays an extra one dollar for the Megaplier® option. Megaplier® does not apply to the grand prize.~~

~~3. A qualifying play which wins one of the set prizes will be multiplied by the number selected, two through five, in a separate random Megaplier® drawing.~~

~~4. A single number from a series of fifteen numbers is selected according to the following frequency: five number 2s, six number 3s, three number 4s, and one number 5. The game group may change one or more of the multiplier numbers for a special promotion.~~

~~5. A prize awarded must be paid as a lump sum set prize. Instead of the normal set prize amount, a qualifying Megaplier® will pay the amounts shown below when matched with the Megaplier® number drawn:~~

		~~MEGA MILLIONS® Pays Instead~~			
		~~Prize Amounts With Megaplier® Purchase and Multiplier~~			
~~Matches Per Play~~	~~Set Prize Amount~~	~~5X~~	~~4X~~	~~3X~~	~~2X~~
~~5 white + 0 gold~~	~~$1,000,000~~	~~$5,000,000~~	~~$4,000,000~~	~~$3,000,000~~	~~$2,000,000~~

~~4 white + 1 gold~~	~~$10,000~~	~~$50,000~~	~~$40,000~~	~~$30,000~~	~~$20,000~~
~~4 white + 0 gold~~	~~$500~~	~~$2,500~~	~~$2,000~~	~~$1,500~~	~~$1,000~~
~~3 white + 1 gold~~	~~$200~~	~~$1,000~~	~~$800~~	~~$600~~	~~$400~~
~~3 white + 0 gold~~	~~$10~~	~~$50~~	~~$40~~	~~$30~~	~~$20~~
~~2 white + 1 gold~~	~~$10~~	~~$50~~	~~$40~~	~~$30~~	~~$20~~
~~1 white + 1 gold~~	~~$4~~	~~$20~~	~~$16~~	~~$12~~	~~$8~~
~~0 white + 1 gold~~	~~$2~~	~~$10~~	~~$8~~	~~$6~~	~~$4~~

~~Multiplier numbers do not apply to the grand prize.~~

~~Rarely, under the game group's limitation of liability rules, a set prize amount may be less than the amount shown. In that case, a Megaplier® prize will be a multiple of two through five for the new set prize amount. For example, if the match 4+1 set prize amount of ten thousand dollars becomes two thousand dollars under the game group's rules, a Megaplier® player winning that prize amount when a "4" has been drawn would win eight thousand dollars ($2,000 x 4).~~

~~6. The following table reflects the probability of the Megaplier® numbers being drawn:~~

~~Megaplier®~~	~~Probability of~~
~~Prize Increase~~ ~~5X - Prize won times 5~~	~~1 in 15~~
~~4X - Prize won times 4~~	~~3 in 15~~
~~3X - Prize won times 3~~	~~6 in 15~~
~~2X - Prize won times 2~~	~~5 in 15~~

History: Effective January 31, 2010; amended effective September 14, 2010; December 1, 2010; October 19, 2013; October 28, 2017; repealed April 5, 2025.
General Authority: NDCC 53-12.1-13
Law Implemented: NDCC 53-12.1-13

10-16-08-05. Random Multiplier, Frequency and Odds

1. A randomly determined multiplier shall apply to all prize levels except the grand prize.

2. The multiplier shall print directly on a ticket or be applied on each Pick & Click online play. Multipliers may repeat due to frequency and limited multiplier levels.

   a. Multi-draw tickets will receive the same multiplier for a play for the duration of the draws purchased.

   b. A series of plays in a Pick & Click online play will receive a new multiplier with each play as each play is entered individually prior to the draw.

3. The multiplier frequency and odds are as follows:

Multiplier	Frequency	Odds
10X	1	32.00
5X	2	16.00
4X	4	8.00
3X	10	3.20
2X	15	2.13
Field of:	32*	3.00**

*Total of frequencies

**Average multiplier value

History: Effective April 5, 2025.

General Authority: NDCC 53-12.1-13
Law Implemented: NDCC 53-12.1-13

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NORTH DAKOTA LOTTERY

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CHAPTER 10-16-09
NORTH DAKOTA LOTTERY PLAYERS CLUB POINTS FOR PRIZES

Section
10-16-09-01 General
10-16-09-02 Eligibility for Points
10-16-09-03 Registration
10-16-09-04 Points for Prizes Points
10-16-09-05 Submitting Tickets
10-16-09-06 Points for Prizes Store
10-16-09-07 Item Selection
10-16-09-08 Additional Conditions

10-16-09-01. General.

1. The North Dakota Lottery and its designated agents Scientific Games International, Inc., and MDI Entertainment, LLC, a subsidiary of Scientific Games International, Inc., will operate the Points for Prizes® program.

2. Points for Prizes® program is a rewards program that is part of the North Dakota Lottery's North Dakota Lottery Players Club®. Players can earn points by becoming registered members of the program and submitting valid tickets at club.lottery.nd.gov. Players can redeem their points for items at the Points for Prizes® store ~~at~~ on ~~store.lottery.nd.gov~~ the North Dakota Lottery Players Club® website.

3. The Points for Prizes® program is void where prohibited by law.

4. The North Dakota Lottery reserves the right to change Points for Prizes® in any way and at any time or to terminate Points for Prizes® entirely upon reasonable and appropriate public notice.

5. By submitting a ticket to earn Points for Prizes® points, an entrant agrees to and is bound by the Points for Prizes® rules, the North Dakota Lottery Players Club® terms of service, all other applicable North Dakota Lottery rules and laws, and the laws of the state of North Dakota.

6. The North Dakota Lottery may use, without limitation, an entrant's name, hometown, likeness, and/or voice in any promotions, research, marketing, publications, or other advertising media including, but not limited to, North Dakota Lottery websites, without compensation or additional release.

7. An individual player's data, including point balance, point earnings, and use of points for Points for Prizes® merchandise, promotions, and drawings is confidential except for purposes outlined in the chapter, unless otherwise release by the player. Aggregated point data of multiple players may be disclosed. Player names and addresses are confidential except as authorized in this chapter.

~~7.~~ 8. The North Dakota Lottery reserves the right to use the names, addresses, and

telephone numbers of all entrants for research and marketing purposes.

History: Effective July 6, 2014; amended effective October 4, 2015; May 14, 2018; July 1, 2025.
General Authority: NDCC 53-12.1-13
Law Implemented: NDCC 53-12.1-13

10-16-09-06. Points for Prizes store.

1. Points may be redeemed for items listed at store.lottery.nd.gov in the Points for Prizes® store. Points may also be used to purchase Points for Drawings™ entries.

2. Points required for redemptions vary. The number of points required to be redeemed for a particular item shall be determined by the North Dakota Lottery and be posted ~~at~~ on ~~store.lottery.nd.gov~~ the North Dakota Lottery Players Club® website. The North Dakota Lottery may, in its sole discretion, change the points required for redemption of any item at any time.

3. The North Dakota Lottery may, in its sole discretion, discontinue offering an item at any time.

4. If an item is not readily available for any reason, the North Dakota Lottery reserves the right, in its sole discretion, to substitute another item of similar value, or credit a player's account at its sole discretion.

5. Prizes are nontransferable and nonrefundable unless otherwise authorized by the North Dakota Lottery.

6. The awarding of all prizes is subject to eligibility verification.

History: Effective July 6, 2014; July 1, 2025.
General Authority: NDCC 53-12.1-13
Law Implemented: NDCC 53-12.1-13

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CHAPTER 10-16-10
NORTH DAKOTA LOTTERY PLAYERS CLUB POINTS FOR DRAWINGS

Section
10-16-10-01 General
10-16-10-02 Eligibility
10-16-10-03 Submitting Entries into Points for Drawings
10-16-10-04 Additional Conditions

10-16-10-01. General.

1. The North Dakota Lottery and its designated agents Scientific Games International, Inc., and MDI Entertainment, LLC, a subsidiary of Scientific Games International, Inc., will operate the Points for Drawings™ program.

2. Points for Drawings™ is part of the Points for Prizes® program that is part of the North Dakota Lottery's North Dakota Lottery Players Club®. Players can enter drawings by using some or all points received from submission of eligible tickets or online play purchases at club.lottery.nd.gov.

3. Drawing entries may be submitted ~~at~~ on ~~store.lottery.nd.gov~~ the North Dakota Lottery Players Club® website.

4. The Points for Drawings™ program is void where prohibited by law.

5. The North Dakota Lottery reserves the right to change Points for Drawings™ in any way and at any time or to terminate Points for Drawings™ entirely upon reasonable and appropriate public notice.

6. By submitting an entry into Points for Drawings™, an entrant agrees to and is bound by the Points for Drawings™ rules, the Points for Prizes® rules, the North Dakota Lottery Players Club® terms of use, all other applicable North Dakota Lottery rules and laws, and the laws of the state of North Dakota.

7. North Dakota Lottery may use, without limitation, an entrant's name, hometown, likeness, and/or voice in any promotions, research, marketing, publications, or other advertising media including, but not limited to, North Dakota Lottery websites, without compensation or additional release.

8. An individual player's data, including point balance, point earnings, and use of points for Points for Drawings™ promotions, and drawings is confidential except for purposes outlined in the chapter, unless otherwise release by the player. Aggregated point data of multiple players may be disclosed. Player names and addresses are confidential except as authorized in this chapter.

~~8.~~9. The North Dakota Lottery reserves the right to use the names, addresses, and telephone numbers of all entrants for research and marketing purposes.

History: Effective July 6, 2014; amended effective October 4, 2016; May 14, 2018; July 1, 2025.
General Authority: NDCC 53-12.1-13
Law Implemented: NDCC 53-12.1-13

10-16-10-04. Additional conditions.

1. The North Dakota Lottery does not warrant or guarantee product quality or availability of products.

2. The North Dakota Lottery is not responsible for any prizes lost, damaged, or stolen during shipment, pickup, or use.

3. The North Dakota Lottery is not responsible for any damages, injury, or loss of life resulting from any item awarded.

4. The North Dakota Lottery is not responsible for the electronic misdelivery, late delivery, or failure to receive entry information entered electronically, risk of loss remains with the entrant regardless of the cause of the transmission failure.

5. If required, a player will receive a W-2G form for prizes, either cash or merchandise.

6. The prize winner is responsible for all applicable state and federal taxes.

7. Winners' cash prizes are subject to debt setoff of certain governmental debts. Unless otherwise noted on the North Dakota Lottery Players Club® website, if a winner fails to satisfy an outstanding debt within thirty days of notification of the debt, the North Dakota Lottery may, at its sole discretion, disqualify the winner, and the next alternate will become the winner.

8. Players are solely responsible for maintaining and keeping account information current and accurate. The North Dakota Lottery assumes no responsibility or liability whatsoever for technical or computer malfunctions or for the player's failure to keep account information current.

9. By accepting the prize, each winner, their heirs, legal representatives, and assignees agree to indemnify and hold harmless, defend, release, and discharge the North Dakota Lottery, Scientific Games International, Inc., MDI Entertainment LLC, the state of North Dakota, their employees, officers, and directors, from and against any loss, claim, damage, suit, or injury arising out of or relating to the acceptance of the prize.

10. The North Dakota Lottery is not responsible for any rules, regulations, or restrictions imposed by its promotional partners. The North Dakota Lottery is not responsible for and has no obligation regarding the condition, quality, defects, or other attributes of the prizes awarded during a promotion and expressly disclaims all warranties, expressed or implied, including, but not limited to, all implied warranties of merchantability and fitness for particular purpose.

11. The North Dakota Lottery reserves the right, in its sole discretion, to modify, suspend, postpone, or cancel, with or without notice, any portion of this promotion at any time and for any reason, including the award of any prize with the approval of the North Dakota Lottery's director or the director's designee.

12. In the event that interpretation of these rules is necessary, the decision of the North Dakota Lottery's director or designee, after legal consultation with the assistant attorney general, if necessary, will be final.

13. No one under eighteen years of age and no one otherwise prohibited by North Dakota Century Code section 53-12.1-08 from playing North Dakota Lottery games are eligible to participate in this promotion or win any prize.

14. A Points for Drawings™ winner's name, city, and state of residence will be released to the public. Subdivision d of subsection 1 of North Dakota Century Code section 53-12.1-11 (Confidentiality of Records) does not apply to cash, merchandise, an online play, gift certificate, or ticket that the North Dakota Lottery awards as a prize in a promotion.

History: Effective July 6, 2014; amended effective May 14, 2018; July 1, 2025.
General Authority: NDCC 53-12.1-13
Law Implemented: NDCC 53-12.1-13