

## ARTICLE 10-09

### AMUSEMENT GAMES OR DEVICES

Chapter  
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#### CHAPTER 10-09-01 GENERAL PROVISIONS

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##### **10-09-01-01. Definitions.**

1. "Business office" means the office or location where the licensee can be contacted and where the financial transactions, bookkeeping, etc., for the business are carried on.
2. "Machines primarily designed for gambling" mean games or devices, other than games or devices designed, marketed, and intended for noncommercial in-home use, which may or may not operate by insertion of coins, tokens, currency, or similar objects in which success of play involves the application of the element of chance with inability of a player to extend play by application of skill rather than chance and which may have one or more of the following features:
  - a. Retention of a set percentage of credits played or scores earned, such set percentage also known as a "retention ratio" or "house percentage".
  - b. Knockoff switch or switches or a computerized programmed feature to erase credits, scores, or plays which would otherwise permit replay of the game or device, with such erasure being activated by mechanical, electrical, remote control, or other means.
  - c. Knockoff or coin-out meter or meters or a computerized programmed feature which maintains a record of the number of coins, tokens, currency, or similar objects inserted, number of plays, credits, or scores and the number of credits, scores, or plays "knocked off" or erased.

3. "Person" means person as defined by North Dakota Century Code section 1-01-28.

**History:** Effective March 1, 1984; amended effective June 1, 1991.

**General Authority:** NDCC 53-04-05

**Law Implemented:** NDCC 53-04-02, 53-04-05

**10-09-01-02. Prohibited machines.** The following games or devices are illegal and therefore prohibited in this state:

1. Games or devices which pay cash or give credits, tokens, or other items redeemable for cash.
2. Games or devices operated or displayed to the public in violation of this article.
3. Machines primarily designed for gambling.
4. Games or devices used or intended for use in violation of North Dakota Century Code chapter 12.1-28.

**History:** Effective March 1, 1984; amended effective June 1, 1991.

**General Authority:** NDCC 53-04-05

**Law Implemented:** NDCC 53-04-05

**10-09-01-03. Application for license.**

1. An application for an annual operator or location amusement game or device license must be submitted on a form or forms as prescribed by the attorney general. The applicant shall provide such information as may be required by the attorney general and is under a continuing duty to disclose to the attorney general any material change in the information provided in the application.
2. The application must include verification by the applicant that the amusement games or devices owned or possessed, or thereafter acquired or possessed by the applicant, are not, and will not, be used or designed for use for gambling purposes or to violate North Dakota Century Code chapter 12.1-28.
3. All licenses issued are effective for the period of July first through June thirtieth of the next year.

**History:** Effective June 1, 1991.

**General Authority:** NDCC 53-04-05

**Law Implemented:** NDCC 53-04-02, 53-04-05

**10-09-01-04. Revocation, suspension, or denial of application for license.**

1. The attorney general may revoke, suspend, or refuse to issue a license to an applicant if the applicant or licensee, or an agent or employee of the applicant or licensee:
  - a. Has committed an offense determined by the attorney general to have a direct bearing on the applicant's or licensee's fitness to be involved in the operation, leasing, or distribution of an amusement game or device, unless the attorney general determines that the offender is sufficiently rehabilitated under North Dakota Century Code section 12.1-33-02.1.
  - b. Has violated the provisions of North Dakota Century Code chapter 53-04 or the rules adopted thereunder.
  - c. Has made or caused to be made any false entry or written statement of fact in an application for license, reports, or other information submitted to the attorney general.
  - d. Has refused or failed to provide information as required by law, these rules, or the attorney general.
  - e. Has violated the provisions of North Dakota Century Code chapter 12.1-28 or 53-06.1.
2. A revocation, suspension, or refusal to issue a license may be ordered by the attorney general after a hearing conducted pursuant to the provisions of North Dakota Century Code chapter 28-32.
3. An appeal of the decision of the attorney general revoking, suspending, or refusing to issue a license shall be conducted in the manner and subject to the time periods set forth, as prescribed by North Dakota Century Code chapter 28-32.

**History:** Effective June 1, 1991.

**General Authority:** NDCC 53-04-05

**Law Implemented:** NDCC 53-04-02, 53-04-05

**10-09-01-05. Merchandise prizes.**

1. An amusement game or device may reward the player with only merchandise limited to prizes, toys, or novelties.
2. The merchandise prize, toy, or novelty may not be repurchased for cash or for credits redeemable for cash.
3. Subject to subsection 3 of section 10-09-01-06, the merchandise prize, toy, or novelty may not have a wholesale value or cost exceeding sixteen times the cost of play and if any prize consists of more than one item,

unit, or part, the aggregate wholesale value or cost of all items, units, or parts may not exceed sixteen times the cost of play.

4. Merchandise prizes may not consist of gift certificates, discount coupons or certificates, or other like items which may be equivalent to a cash prize or which may be redeemed or otherwise used to obtain merchandise, products, or services at either no cost or at a reduced cost. However, prizes or complimentary or promotional discount certificates may be given to a player when receipt of such items is not dependent upon the success of the player in the play of the game or device.
5. Any merchandise prizes, toys, or novelties awarded to a player as a result of operation of the amusement game or device must be contained with the amusement game or device or located on the premises and within the immediate proximity of the amusement game or device and may be awarded only by the owner, operator, possessor, or lessee of the game or device.

**History:** Effective June 1, 1991.

**General Authority:** NDCC 53-04-05

**Law Implemented:** NDCC 53-04-05

**10-09-01-06. General rules for operation of amusement game or device.**

In addition to other requirements of law or this article, all amusement games or devices are subject to the following rules of play:

1. The cost to play the game or device does not exceed the sum of two dollars if a merchandise prize, toy, or novelty is awarded for play of the game or device.
2. A prize may not be displayed which cannot be won.
3. The game or device is not operated on a buildup or pyramid basis except that a trade-up of a merchandise prize, toy, or novelty is allowed with the trade-up item having a wholesale value or cost not to exceed one hundred fifty dollars.
4. The game or device does not contain features which would prevent it from being operated in a fair and honest manner.
5. The game or device contains no features which could permit the owner, possessor, or lessee of the game or device to permit manipulation of the game during play, to prevent a player from winning, or to predetermine who the winner will be.
6. The game or device may reward a player with the right to replay the device or game at no additional cost if the game or device is not allowed to accumulate more than fifteen replays at one time.

7. Such other rules of play as required by the attorney general by written directive or order.

**History:** Effective June 1, 1991.

**General Authority:** NDCC 53-04-05

**Law Implemented:** NDCC 53-04-05