

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
10-16-03-08	Claim of a Prize
10-16-03-08.1	Subscription
10-16-03-09	Payment of a Prize to a Person'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

10-16-03-01. Games authorized. The lottery may conduct online games of POWERBALL®, MEGA MILLIONS®, HOT LOTTO®, WILD CARD 2®, and 2BY2®.

History: Effective February 1, 2004; amended effective November 8, 2005; July 1, 2008; January 31, 2010.

General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-02, 53-12.1-03, 53-12.1-13

10-16-03-02. Ineligible player. A ticket issued by a retailer or a subscription may not be bought by, or a prize won by that ticket or subscription play or lottery-related promotion may not be paid or issued to:

1. An employee, officer, or director of the lottery's online gaming system vendor or the MUSL;
2. A person who regularly resides in the same household of a person described in subsection 1; or
3. A minor.

History: Effective February 1, 2004; amended effective November 8, 2005; April 1, 2008; January 1, 2011.

General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-02, 53-12.1-08, 53-12.1-13

10-16-03-03. Play slip. A play slip for a game must contain information on:

1. How to play the game;
2. How to complete a play slip;

3. How to win, including the odds of winning a prize of each prize tier; and
4. General rules, including:
 - a. Name of a game;
 - b. Ticket price;
 - c. Prize structure; and
 - d. Drawing day.

History: Effective February 1, 2004; amended effective April 1, 2006.

General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-13

10-16-03-04. Multiple draw.

1. A player may buy a ticket for the next draw and for a number of subsequent draws as prescribed by the lottery. The player shall designate the number of multiple draws desired by marking that numbered multidraw box on a play slip. The additional draw for which the ticket is valid must be printed on the player's ticket.
2. Except as provided by subsection 5 of section 10-16-03-05, a player shall pay the standard price per play for each additional draw.
3. Unless one of the multidraw boxes on a play slip is marked and the additional amount paid, the play will only be eligible for the next draw.
4. A player shall play the same numbers selected on a play area for multiple draws.

History: Effective February 1, 2004; amended effective April 1, 2006.

General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-13

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, sale of a subscription, or delivery of a ticket by a retailer, a complete sales transaction between the retailer and a player must occur at a 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 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 a person who may lawfully buy a ticket from giving a gift of the ticket to another person, or prevent a business or organization from purchasing a ticket and providing it as a gift or prize to a person, except to a person under age eighteen or an ineligible player according to section 10-16-03-02.

2. A person may buy a ticket on behalf of another person or group of people, provided that the person provides the ticket without charging a procurement fee and the other person is not, or the group of people does not include, a person under age eighteen or an ineligible player according to section 10-16-03-02.
3. Except for 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 a person. 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 a person 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, a person may spin a wheel, for example, to select a free prize, product, or service.
6. A person 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. A person 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.

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

10-16-03-06. Ownership of a ticket.

1. Until a person, including a group of people, places a signature in the designated area on the back of a ticket, the person who is the ticket holder is the owner of the ticket. When a signature is placed in the designated area on the back of a ticket, the person whose signature is shown is the owner of the ticket and entitled to a prize, subject to validation, regardless of who redeems or attempts to redeem the ticket.

However, a player is not required to sign or complete the backside of the ticket to redeem it.

2. The lottery is not liable for nor has a responsibility to resolve a conflict between competing claimants or joint owners of a ticket or prize. The lottery may, at its discretion, address or resolve a conflict on a ticket.

History: Effective February 1, 2004; amended effective April 1, 2006.

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

10-16-03-07. Validation of a ticket.

1. A retailer shall use a terminal to validate a ticket before the retailer may pay a prize on the ticket. A retailer that pays a player a prize without first validating the ticket assumes the financial risk that the ticket is not an actual winning ticket or the ticket 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. 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 or copy of a winning ticket has no monetary or prize value and is 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 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 must not have been previously paid or voided by the lottery;
 - d. The ticket 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 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 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 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, the retailer shall, if sufficient funds are available, pay the player the prize value. However, a retailer shall redeem a winning ticket that has a prize value of fifty dollars or less. A retailer shall return the branded winning ticket and player copy of the terminal receipt to the player and retain the retailer copy of the terminal receipt for recordkeeping purposes. If a retailer manually validates a winning ticket, the retailer shall initial and write on the face of the ticket the prize amount and date redeemed. 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.
 - 4. The lottery's determination on a contested validation is final.

History: Effective February 1, 2004; amended effective April 1, 2006; April 1, 2008.

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 person 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, 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®, HOT LOTTO®, or WILD CARD 2® is unclaimed, the MUSL shall administer the grand prize money.
4. A person 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. A person 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 a person 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 person'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 person, and is presented to a retailer, the retailer may redeem the ticket and pay the prize to the person who physically possesses an unsigned ticket or to the person whose signature is shown on the ticket. If a person 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 person 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 person 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 person 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 person who claims part ownership of the ticket must complete and sign the prize claim form and designate the person's percentage of ownership and, if subdivision d applies, the one authorized payee;
 - b. At least one of the people 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, the lottery shall issue a single prize check to the person designated and authorized on the prize claim form to receive payment of the prize on behalf of all the claimants; and
 - e. Notwithstanding subdivision d, if the claimants desire to designate one person in whose name the entire claim may be made and list the persons 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. A person's right to a prize is assignable and payment of a prize may be made to a person 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 a person 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.

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. Subscription.

1. A player may procure a subscription application form from a retailer, lottery's office, or lottery's website.
2. A player may purchase one or more subscriptions for one or more games. Each subscription is limited to one play for a draw for one game. A player may purchase a subscription for thirteen, twenty-six, or fifty-two weeks. A subscription is not refundable or cancelable by a player unless the game group makes a matrix change to the game at which time, at the player's option, the cost of the subscription would be prorated based on the number of draws actually held under the former game matrix in relation to the total number of draws purchased plus the value of an extension.
3. A player shall purchase a subscription only from, and the financial transaction for that subscription must be only with, the lottery. A player may apply for a subscription on the lottery's website or by mail, by telephone, or in person. A player may use cash, check, automated clearinghouse, debit card, or authorized credit card to pay for a subscription.
4. A person must be at least eighteen years of age.
5. A person must have a mailing address within the state of North Dakota when the original or renewal subscription application form was submitted to the lottery.
6. To be valid, a subscription play must be properly and validly registered with the lottery on its subscriber 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 subscriber is confidential.
7. The owner of a subscription play is the person whose name is validly and properly registered with the lottery. However, the lottery may, based on the owner's request, split a prize among two or more persons provided that the share of each person's prize is equal to or more than six hundred dollars.

8. After the lottery properly and validly registers a subscription play, the lottery shall send a confirmation card to the subscriber. The confirmation card is the player's evidence of an actual play in a draw and there is no actual ticket. The confirmation card must include:
 - a. Name and address of the subscriber;
 - b. Assigned subscriber number;
 - c. 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 HOT LOTTO®, indication whether the play has the triple sizzler option;
 - d. Number of and starting and ending dates of the draws;
 - e. Numbers, letters, or symbols of the play;
 - f. Notice that the subscriber is responsible for ensuring that all subscriber information and game play numbers, letters, or symbols are correct; and
 - g. Explanation of how a prize will be awarded.
9. Except as provided by subsection 10, a subscription play is valid for only the date range of draws specified on the confirmation card. The effective date of a new subscription play cannot be sooner than fourteen days from the original date of subscription. The effective date of a renewal subscription play can begin with the next draw following the end of the current subscription.
10. If the value of a prize on a winning subscription play for a draw is:
 - a. Five dollars or less, the lottery shall automatically extend the subscription period by the number of draws equal to the value of the winning play;
 - b. Equal to or more than six dollars and less than six hundred dollars, the lottery shall send the player a check for the prize; or
 - c. Equal to or more than six hundred dollars, the lottery shall contact the player 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 owner of a subscription changes the owner's name or address, the owner shall provide the lottery with a notarized letter of the change. If

the owner of a subscription 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 subscription to "The Estate of" the owner.

History: Effective November 8, 2005; amended effective January 3, 2008; November 1, 2008; July 1, 2010.

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

10-16-03-09. Payment of a prize to a person's estate. If a winning player dies during the annuity payment period of a prize, the game group, upon the petition of the estate of the deceased player to the lottery may accelerate the payment of the remaining prize to the estate. The lottery may rely on a certified copy of a court's appointment of a personal representative or other evidence that a certain person is entitled to the payment of the remaining prize. If the game group approves the petition, then securities, cash, or both securities and cash held for the deceased player that represents the present value of that portion of a future lottery payment to be accelerated may be distributed to the estate. The identification of the security to fund the annuitized prize and responsibility for valuing the security and determining the present value of an accelerated lottery payment are at the discretion of the game group. Payment to the estate of the prize of the deceased owner releases the MUSL, game group, lottery, and state of any additional liability for the prize.

History: Effective February 1, 2004; amended effective April 1, 2006; April 1, 2008.

General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-08, 53-12.1-13

10-16-03-10. Counterfeit or theft of a ticket or gift certificate.

1. A person may not make, alter, pass, counterfeit, or present, with intent to defraud, a ticket or gift certificate to a retailer or lottery.
2. A person may not steal a ticket or gift certificate or knowingly possess, redeem, or attempt to redeem a stolen ticket or gift certificate.

History: Effective February 1, 2004; amended effective April 1, 2006.

General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-08, 53-12.1-13

10-16-03-11. Remedy for a defective ticket and dispute resolution.

1. If a claimant and the lottery disagree on whether a ticket is a winning ticket and the lottery determines that the ticket is not valid and does not pay the prize, the lottery may replace the disputed ticket with a ticket for the next draw of the same game or refund the cost of the ticket. If a person buys a ticket that is defective, the only responsibility or liability of a retailer, vendor, or lottery is to replace the defective ticket with a ticket

for the next draw of the same game or refund the cost of the ticket. This is the only remedy of the claimant.

2. The lottery shall resolve a dispute regarding the operation of the lottery, validity of a ticket, or payment of a prize, and the lottery's decision and judgment is final and binding on a participant in the lottery.

History: Effective February 1, 2004.

General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-08, 53-12.1-13

10-16-03-12. Delay of paying a prize. The lottery may delay paying a prize to a player to review a change in a circumstance related to the award of a prize, payee, claim, or other item that the lottery has become aware of, including if:

1. A dispute occurs or appears that a dispute may occur related to a prize;
2. The identity of a claimant is questionable;
3. The validity of a ticket presented as a claim is questionable; or
4. A claim for a prize is subject to a debt setoff according to section 10-16-01-03 or North Dakota Century Code section 53-12.1-12.

History: Effective February 1, 2004; amended effective April 1, 2006.

General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-08, 53-12.1-12, 53-12.1-13