CHAPTER 99-01.3-10
CALCUTTAS

Section
99-01.3-10-01 Calcutta
99-01.3-10-02 Recordkeeping

99-01.3-10-01. Calcutta.

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

1. A calcutta may only be conducted for a professional or amateur sporting event held in North Dakota, but not for an elementary, secondary, or postsecondary education sporting event. An organization may conduct more than one calcutta on the same sporting event. More than one organization may independently conduct a calcutta on the same event.

2. An organization shall acquire a calcutta board from a distributor and complete on it the sporting event, date of the sports event, and manner of distributing the auction pool as a prize. The requirements of the players must be posted or made available to the players on the site.

3. Each competitor in a sporting event shall be identified before the auction begins. A competitor may also be a player who may wager on oneself. A competitor may wager on another competitor.

4. Each competitor shall be eighteen years of age or older to be eligible to be listed on a calcutta board. Each eligible competitor shall be offered through an auction to prospective players. An organization may require that all eligible competitors be bid on and may set a minimum bid. A player who offers the highest bid for a competitor by a verbal, sealed, or open bid wagers on that competitor. A player may wager any amount and buy more than one competitor. A competitor may be auctioned off only to one player.

5. An open bid enables a potential player, during a certain time, to write the player's name and bid for a competitor on a register assigned that competitor. Each successive potential player interested in that competitor shall write the player's name and bid, of an amount higher than the previous bid, on the register. When the time period ends, the last player listed on the register wagers the amount bid on that competitor.

6. An organization shall conduct an auction at its site that may be where the sporting event is held. A player shall be present to bid.

7. Before an auction, an employee shall:

   a. Verbally announce the predetermined percentages of the auction pool that will be paid to a winning player and retained by an organization. The amount a player may win depends on the total amount of the auction pool and not on any odds; and

   b. Complete for each line on a board a sequential number starting with the number one and a name of a competitor.

8. The sequence of a verbal bid auction must be determined by a random drawing of the numbers assigned each line.

9. If a competitor is not bid on by a player, an organization may sell the competitor by:

   a. If there is more than one competitor not bid on, placing the competitors in one or more groups and auction a group as one competitor; or

   b. Allowing a competitor to purchase oneself for a predetermined minimum wager.

10. After an auction, an employee shall complete this information for each line on a board and total the amounts wagered:

    a. Full name and address of the player who bought the competitor; and

    b. Amount wagered by the player.

11. If a competitor was bought by a player and does not compete in the event, an organization shall refund the wagered amount to the player and adjust the prize payout.

12. After a sporting event, an employee shall complete on the board, for each winning player, the amount of the auction pool won. A winning player is the player who wagered on the competitor who won the event. An organization may award the prize to a winning player where the event is held. If an eligible competitor was not bought by a player and wins or places in the event, the organization shall retain the prize that would have been awarded on the competitor. If an ineligible competitor wins or places in the event, the organization shall award the prize that would have been awarded on the competitor to the next highest ranked eligible competitor.

13. An organization shall make a good-faith effort to contact a winning player to award a prize. If a prize is unclaimed for thirty days following the notification or a player attempts to falsify or falsifies a record of win, the prize is forfeited.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; July 1, 2010; April 1, 2016.
General Authority: NDCC 53-06.1-01.1
Law Implemented: NDCC 53-06.1-01.1, 53-06.1-07.3

99-01.3-10-02. Recordkeeping.

Records must include and be retained for three years from the end of the quarter in which the activity was reported:

1. For each calcutta:

   a. A calcutta board with the state gaming stamp affixed indicating the winning competitor and player;

   b. The starting and ending cash on hand and IOU records according to section 99-01.3-03-06;

   c. Prize register according to section 99-01.3-03-07 and record of win according to section 99-01.3-03-08;

   d. Cash profit as defined in subdivision k of subsection 7 of section 99-01.3-02-01; and

   e. A summary of gross proceeds, prizes, adjusted gross proceeds, cash profit, cash long or short, and bank deposit. The summaries of all calcuttas conducted for a quarter must reconcile to the tax return.

2. Inventory records according to subsection 1 of section 99-01.3-03-09.

3. Ideal cash bank master records according to subsection 4 of section 99-01.3-03-09.

4. Verification of the amount deposited according to a bank statement, and an audit of the game's activity according to subsections 6 and 7 of section 99-01.3-03-10.

5. The count and reconciliation of calcutta boards and cash banks according to subsections 1, 4, and 6 of section 99-01.3-03-09.

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