CHAPTER 99-01.3-12
PULL TAB DISPENSING DEVICES

Section
99-01.3-12-01 Use [Repealed]
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99-01.3-12-01. Use.

Repealed effective July 1, 2000.

99-01.3-12-02. Use and requirements of an organization.

1. A licensed organization may operate a pull tab dispensing device when the organization's employee is on duty and may have a bar employee redeem a winning pull tab when the organization's employee is or is not on duty.

2. If a distributor's or manufacturer's security seal is broken on a deal's container before the deal is used, an organization shall return the deal to the distributor.

3. The following rules must be posted or made available to players. If made available to players, the rules must be in the form of a handout that is easily visible to the players and may not be a copy of the gaming law and rules:

   a. Restricting access to or delaying using credits on a device is prohibited;

   b. A winning pull tab must be redeemed within fifteen minutes;

   c. A pull tab cannot be redeemed if it has been taken from the gaming area;

   d. If a person knowingly solicits, provides, or receives any inside information, by any person, by any means, or knowingly uses a fraudulent scheme or technique to cheat or skim involving pull tabs, regardless of the amount gained, the offense is a class C felony punishable by a five thousand dollar fine or five years in jail or both; and

   e. If a player attempts to falsify or falsifies a record of win, the prize is forfeited.

4. An organization shall maintain custody of all keys to a device. However, an organization may provide an authorized employee of a bar with a key to the cash compartment to withdraw currency or a drop box if:

   a. A device's cash compartment is separate from its pull tab and accounting meter compartments. However, if access to a device's accounting meters is controlled by a security code, the cash and accounting meters may be in the same compartment;

   b. The organization authorizes a specific employee of a bar to withdraw cash and complies with section 99-01.3-02-02 regarding a record check on the employee; and

   c. If a drop box is not used, an authorized employee of a bar shall count the cash, record the amount, sign and date the record, and secure the cash and record in a keyless locking bank bag. If a drop box is used, an organization may not provide the authorized employee of a bar the key to access the contents of the drop box.

5. An organization shall withdraw currency from a device within a seven-calendar-day interim period.

6. An organization shall use the current recordkeeping system unless approval is obtained from the attorney general for use of another system.

7. An organization shall have a rental agreement conforming to section 99-01.3-02-06.

8. An organization shall maintain an access log prescribed by the attorney general. A person who accesses a device for any reason shall record the access and initial the log. When a person does a test vend which affects the accounting meters or a test validation of currency, the person shall record the value of pull tabs and currency validated. An organization shall retain the log in a device during the quarter of activity.

9. An organization may provide a bar with a temporary loan to enable a bar employee to redeem a winning pull tab. A loan and any increase in the loan must be made by check payable to the bar and be interest free. An organization may not access, count, or take custody of the loaned money. The duration of the loan must be until an organization discontinues conducting pull tabs at a site through a device. When the bar repays the loan, the organization shall deposit the funds in its gaming account and the deposit slip must reference the site, source of funds, and amount. The amount reimbursed to a bar must equal the value of redeemed winning pull tabs which the bar provides an organization. An organization employee may not use a bar's cash on hand for redeeming a winning pull tab.

10. An organization may not provide an independent service technician a key to access a device regardless if the device is leased.

11. If a theft of currency occurs, an organization shall record the currency and pull tab accounting meters or print a cash withdrawal report and audit the game. The organization shall provide a copy of all of this information to a local law enforcement agency and the attorney general.

12. When a game is closed:

    a. The game must be reported on a tax return for the site at which it was closed;

    b. An employee shall buy back all remaining redeemed winning pull tabs from a bar; and

    c. If the game has unsold pull tabs, these cannot be put back into play.

13. An organization or employee may not:

    a. Modify the assembly or operational functions of a device;

    b. Use or continue to conduct a deal of pull tabs after being notified by a distributor of a ban or recall of the deal;

    c. Designate a pull tab to entitle a player who buys it with a prize provided by a bar or distributor; or

    d. Intentionally test vend currency or pull tabs to synchronize nonresettable accounting meters.

14. A game must be conducted and played through a device as follows:

    a. The deals must be identical, except for a game serial number and color of the pull tabs;

b. An employee shall securely attach a master flare to the interior or exterior of a device, or on an adjacent wall, so the flare's information is visible to players. When a deal is added, the deal's flare may be retained in a device or at an organization's office;

c. An employee shall place at least one complete and one-third to one-half of a second deal in a device at the same time at the start of a game. The remaining pull tabs of any partial deal must be stored onsite and added to the game before any additional deals may be added. If during the quarter a deal is added to a game and the complete deal's tickets will not fit in a device, any remaining pull tabs of the partial deal must be stored onsite and added to the game before any additional deals may be added;

d. At the start of a game the pull tabs must be randomly placed in all the stacking columns. To add pull tabs to a game, an employee shall first add any remaining pull tabs of a deal previously partially placed in the device or pull tabs of a new deal by randomly mixing these pull tabs with the pull tabs in the device;

e. If a deal is to be added to a game and an organization does not have a deal to add, the organization shall temporarily suspend the game until it procures a deal. However, if the organization is unable to procure a deal from the distributors and all the top tier winning pull tabs have been redeemed, it may close the game;

f. If a site's total gross proceeds of pull tabs averages twelve thousand five hundred dollars or less per quarter or if a site has not previously had gaming, a game may be closed anytime if all top tier winning pull tabs have been redeemed;

g. Except as provided by subdivision h, if a site's total gross proceeds of pull tabs averages more than twelve thousand five hundred dollars per quarter, no game may be closed unless an organization discontinues gaming at the site, or all the top tier winning pull tabs have been redeemed and a game has been in play for twenty-five consecutive calendar days;

h. An organization shall close a game by the end of a quarter. If all top tier winning pull tabs have been redeemed or low-level switches in all but two columns of a device have been triggered, an organization may close a game for the quarter within fourteen calendar days before the end of that quarter. An organization may start a new game for the next quarter within fourteen calendar days before the next quarter begins. However, an organization may not start a new game and end that game within this fourteen-calendar-day period. When a game is being closed, an employee shall post a sign stating that the game is being sold out;

i. If the percent-of-accuracy of all the games involving a device for a site for the previous quarter was less than ninety-eight and one-half percent, and a cash shortage of more than one hundred dollars, an employee who did not conduct the game shall do a weekly interim audit of the games at the site for up to twelve continuous weeks or until the organization determines, resolves, and documents the cause. One of the weekly interim audits may be the audit required by subsection 7 of section 99-01.3-03-10. An organization shall start the weekly audits no later than the date on which its tax return for the quarter was filed with the attorney general. However, if games involving a device are conducted without a bar employee redeeming a winning pull tab, pull tab games not involving a device are also conducted, and the combined percent-of-accuracy of all pull tab games at the site for the previous quarter was ninety-eight and one-half percent or greater, no weekly interim audit is required. Percent-of-accuracy is computed as cash profit divided by adjusted gross proceeds; and

j. An organization may transfer a device from a site to another site or rotate a device among sites. If an organization discontinues gaming at a site, it may close a game or

transfer the game to a device at another site. If a game is in the process of being conducted through a device, an organization may not transfer the game to a jar bar.

15. Two or more organizations may use devices at the same site on different days of the week provided the organizations use different names of games in the devices and the bar uses separate cash banks.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; April 1, 2016.
General Authority: NDCC 53-06.1-01.1
Law Implemented: NDCC 53-06.1-01.1, 53-06.1-06

99-01.3-12-03. Requirements of a bar.

1. A bar shall:

   a. Place a device in a location where alcoholic beverages are dispensed and consumed and where a bar employee will regularly observe the device;

   b. Prohibit a person from tampering or interfering with the operation or play of a device;

   c. Have the electrical current to a device turned off unless alcoholic beverages may be dispensed, a bar employee or an employee is available to redeem a winning pull tab and a bar has cash on hand to redeem a winning pull tab;

   d. Absorb a loss related to a counterfeited or lost pull tab, redeemed pull tab that was not bought at the site, and loss or theft of the temporary loan of funds;

   e. Repay an organization's temporary loan of funds immediately upon request from the organization that discontinues conducting pull tabs through a device at a site;

   f. If a malfunction of a device is known by the bar or its employee, turn the device off and promptly notify the organization. Otherwise, the bar or its employee is responsible for any cash shortage; and

   g. Use an organization's loan of money only to redeem a winning pull tab. If the bar violates this rule, the attorney general may suspend any or all games at the site for up to six months.

2. A bar employee may not access, attempt to access, or permit a person, other than an employee of an organization, to access the interior of a device for any reason, except to withdraw currency or a drop box according to subsection 4 of section 99-01.3-12-02.

3. If a bar employee believes that a deal is defective or there is a problem with a redeemed pull tab, the bar employee shall contact an organization and may turn a device off.

4. A bar may accept or not accept a gaming-related check from a player. A player's check must be payable to a bar. A bar is responsible for a player's check returned by a financial institution as uncollectible. A bar may allow a player to buy back the player's check with cash and may return a player's check to the player as part of a prize payout.

5. Only a bar employee who is authorized by a bar may redeem a winning pull tab.

6. A bar employee may not summarize or audit a game of pull tabs for an organization.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2010; July 1, 2012.
General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-06

99-01.3-12-04. Requirements of a bar and an organization.

1. A bar employee or an employee shall deface a winning number or symbol of a pull tab when it is redeemed. If a winning pull tab ticket can be redeemed for credit through a dispensing device, the bar code on the ticket must also be defaced. Tickets redeemed for credit must be defaced by an employee of the organization at the time of the interim period site visit. If a pull tab has two or more winning prize patterns, a winning number or symbol of at least one pattern must be defaced.

2. A bar employee or an employee may not:

   a. Assist a player in opening a pull tab except to assist a disabled player;

   b. Knowingly pay a prize to a player who is redeeming a pull tab that has been defaced, tampered with, counterfeited, or has a game serial number different from the serial numbers of the deals in the game;

   c. Knowingly pay a prize to a player who is redeeming a pull tab when the player with the pull tab has left the gaming area of a site;

   d. Publicly display a redeemed pull tab;

   e. Knowingly pay a prize for a pull tab after fifteen minutes has elapsed since it was bought. If a player attempts to redeem a pull tab after the allowed time limit, a bar employee or an employee shall, if possible, retain and void the pull tab;

   f. Pay, from gaming funds or any other source, a prize to a player unless the player redeems an actual winning pull tab that has a game serial number from a game conducted at the site; or

   g. Reimburse, from any source of funds, an amount to a player for play of a game that has a manufacturing defect or has an incorrect posting of information described by subsection 7, unless the attorney general approves.

3. A prize must be cash. There may be no last sale prize.

4. If a device malfunctions, is inoperable, and a player has a credit, a bar employee or an employee shall pay the player for the player's unplayed credits and record the refund on a credit redemption register. A bar shall provide this form to an organization to claim a reimbursement. If a player's currency jams in a currency validator and a device does not show a credit, a bar employee may not reimburse a player, and shall record the jam on a credit redemption register and notify an organization. If an organization determines that a device is cash long, the organization shall reimburse a player by cash or check.

5. A bar employee and an employee shall document and attest to the number and value of redeemed winning pull tabs, by value and in total, that are exchanged for cash or check. These pull tabs must be grouped, banded, dated, and retained separate from other pull tabs that an organization employee may have redeemed, and separate from those redeemed through a credit redemption device, by interim period.

6. An organization shall provide a bar employee and a bar shall maintain a current copy of subsection 8 of section 99-01.3-02-03 and sections 99-01.3-02-05, 99-01.3-02-09, 99-01.3-03-08, 99-01.3-12-03, and 99-01.3-12-04 regarding the bar employee's and bar's duties and restrictions.

7. A bar employee or an employee may post the information referenced by subdivision a or b, or both, provided that an organization does not have a partial deal that is to be added to a device. An organization shall post a statement that the information is correct to the best of the organization's knowledge and that the information is not guaranteed to be accurate. If an organization does not have a policy on when to stop posting this information when a game is being closed, it shall stop posting the information when there are less than six winning pull tabs, through a level of prize value determined by the organization, that remain unredeemed. Posted information may be the information described in subdivision a or b, or both:

   a. The minimum number of unredeemed winning pull tabs or a range of numbers of unredeemed winning pull tabs, through a level of prize value determined by an organization, that will always be in a game unless the game is being closed. This information may be for each prize value or the total of several prize values. The level of prize value must be posted. If a pull tab has two or more winning prize patterns, the information must be based on the value of each prize pattern.

   b. The number or unredeemed winning pull tabs, through a level of prize value determined by an organization, that remain in a game. This information may be for each prize value or the total of several prize values. The level of prize value must be posted. If a pull tab has two or more winning prize patterns, the information must be based on the value of each prize pattern. The information must be continually updated.

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General Authority: NDCC 53-06.1-01.1
Law Implemented: NDCC 53-06.1-01.1, 53-06.1-06

99-01.3-12-05. Recordkeeping.

Records must include and be retained for three years from the end of the quarter in which the activity was reported, unless otherwise provided by rule:

1. All redeemed and unsold pull tabs for a game and be retained as documentation for gross proceeds and prizes for one year from the end of the quarter in which the activity was reported on a tax return.

2. The deal's game information sheet and flare with the state gaming stamp affixed.

3. A record of game serial numbers for each game.

4. Record of win according to section 99-01.3-03-08.

5. Credit redemption register, including the date, amount, if credits were still on the device, player's name and signature, signature or initials of person who paid the player, bar reimbursement information if applicable, and date paid.

6. If an employee redeems winning pull tabs at a site, a daily employee report documenting the starting and ending cash on hand, IOU records according to section 99-01.3-03-06, and prizes redeemed by prize value, total prizes, credits paid, and cash long or short, and number of redeemed top tier pull tabs by game serial number.

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

8. Interim period site summary, including meter readings, test vends (if it affects the meter readings), gaming stamp number and game serial number of a deal added to a device, currency withdrawn, redeemed prizes by denomination obtained from a bar, total prizes, total

prizes credited through the device if applicable, information on top tier winners redeemed by game serial number, credit redemption register refunds, cash profit or loss, and bank deposit.

9. A summary that includes the following:

   a. Number of redeemed top tier pull tabs by gaming stamp and game serial number, cumulative cash profit (loss), bank deposits, and prizes;

   b. Reconciliation of nonresettable meters for currency and the number of pull tabs dispensed to the currency in the device and to the value of the pull tabs dispensed; and

   c. Ideal gross proceeds, value of unsold pull tabs, gross proceeds, prizes, adjusted gross proceeds, cash profit, and cash long (short). The summaries of all games for a quarter must reconcile to the tax return.

10. Access log, including the date, time, nonresettable currency meter reading, reason for entry, and initials of the employee.

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

12. Interim audit records according to subdivision i of subsection 14 of section 99-01.3-12-02.

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

14. 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.

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

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General Authority: NDCC 53-06.1-01.1
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