

DRAFT

Version 6-30-17

NORTH DAKOTA LOTTERY

Underlined represents proposed additions to the present rules.

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

**ARTICLE 10-16
MULTI-STATE LOTTERY**

Chapter

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CHAPTER 10-16-01
GENERAL RULES

10-16-01-01. Definitions. As used in this article:

1. "Applicant's agent" means a general manager, sole proprietor, partner of a partnership, or, for a corporation, an officer or director who is primarily responsible for financial affairs or a shareholder who owns ten percent or more of the common stock, of a business that is applying for or renewing a license. A general manager is a person who regularly is onsite and primarily responsible and accountable for managing and controlling the day-to-day operation of the business.
2. "Cash Voucher" means a voucher generated by the lottery's player-activated terminal that can be validated for cash at the retailer's lottery terminal.
3. "Draw" means the formal process of randomly selecting winning numbers, letters, or symbols that determine the number of winning plays for each prize level of a game.
4. "Deposit account" means the account to which funds are deposited and from which subscription purchases are made.
5. "Game" means an on-line game authorized by the lottery.
6. "Game group" means a group of lotteries that have joined together to offer a game on a multi-state basis according to the terms of the MUSL or the game group's rules or both.
7. "Grand prize" means the top prize that can be won in a game.
8. "Group play" means two or more individuals sharing a purchase made.
9. "Lottery" means the North Dakota lottery.
10. "Multi-state lottery" means a lottery game that spans the individual borders of a state, jurisdiction, province, district, commonwealth,

territory, or country.

11. "MUSL" means the multi-state lottery association.
12. "North Dakota Lottery Players ClubSM" means a program that players can join to earn exclusive benefits and rewards.
13. "Online gaming system" means a computer system designed to control, monitor, communicate with a terminal, and record play transactions and accounting data.
14. "Play" means the numbers, letters, or symbols that are on a ticket or properly and validly registered subscription play to be played by a player in a draw, excluding a lottery promotion.
15. "Play area" means the area of a play slip that contains one or more sets of numbered squares to be marked by a player for a game. Each set contains a certain number of numbers, letters, or symbols that correspond to the game.
16. "Play slip" means ~~a card used in marking a player's selections of numbers, letters, or symbols and containing one or more play areas for a game~~physical or electronic means by which a player communicates their intended play selection to the retailer as defined and approved by the lottery.
17. "Player-activated terminal" means a device authorized by the lottery and operated by a player to function in an on-line, interactive mode with the lottery's computer system to receive and process lottery transactions, including the purchase and issuance of a ticket, the validation of a ticket, and the issuance of a cash voucher.
18. "Points for DrawingsTM" means a program where players can enter drawings by using points received from the submission of valid tickets.
19. "Points for Prizes[®]" means a rewards program where players can earn points by becoming registered members and submitting valid tickets.
20. "Quick pick" means a random selection of numbers, letters, or symbols by a computer system that are printed on a ticket or properly and validly registered subscription play and played by a player for a draw in a game.
21. "Retailer fraud" means an owner or employee of a licensed retailer who knowingly and intentionally:

- a. Fails to properly validate a player's winning ticket;
 - b. Fails to pay the player the proper prize amount on a winning ticket;
 - c. Fails to provide the player the proper exchange ticket on a winning multi-draw ticket; or
 - d. Performs any other act that causes financial harm to a player in violation of the lottery law or rules.
22. "Set prize" means all prizes, except the grand prize for a game that are to be paid by a single cash payment and, except as provided by rule, will be equal to the prize amount established by the MUSL and/or the game group for the prize level of the game.
23. "Subscription" means a purchase of a draw game play for drawings up to one year.
24. "Terminal" means a device authorized by the lottery and operated by a retailer or the lottery to function in an on-line, interactive mode with the lottery's computer system to issue a ticket and enter, receive, and process a lottery transaction, including a purchase, validation of a ticket, and issuance of a report.
25. "Ticket holder" means a person who has signed a ticket or possesses an unsigned ticket.
26. "Top Prize" means the first prize that can be won in a game.
27. "Validation" means the process of determining whether a ticket presented for a prize is a winning ticket.
28. "Winning Account" means the account to which subscription winnings are deposited and from which player withdrawals are made.
29. "Winning numbers" means the numbers, letters, or symbols randomly selected in a draw to determine a winning play contained on a ticket or properly and validly registered subscription play or randomly selected in a lottery promotion to determine a winning prize stated on a ticket or coupon.

History: Effective February 1, 2004; amended effective April 1, 2006; July 1, 2008; July 6, 2014; January 31, 2016; February 1, 2016; October 29, 2017.

General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-13

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**CHAPTER 10-16-02
RETAILER**

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 a subscription sale that is transacted through the North Dakota Lottery Players ClubSM when a player chooses a specific retailer. The retailer must be currently licensed when the subscription 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 ~~HOT LOTTO® has the triple sizzler~~LOTTO AMERICASM has the All Star BonusSM 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®		
Grand prize	\$50,000	Additional \$50,000 with Megaplier®
\$1,000,000	\$5,000	Additional \$5,000 with Megaplier®
\$5,000 <u>\$10,000</u>	\$250 <u>\$500</u>	Additional \$250 <u>\$500</u> with Megaplier®

HOT LOTTO®

Grand prize	\$5,000	Additional \$5,000 with Triple Sizzler
\$30,000	\$750	Additional \$750 with Triple Sizzler
\$3,000	\$150	Additional \$150 with Triple Sizzler

LUCKY FOR
LIFE™LIFE®

\$7,000/Week for Life	\$25,000
\$25,000/Year for Life	\$2,500
\$5,000	\$250

2BY2®

\$22,000	\$500
\$44,000*	\$1,000

*Tuesday draw double grand prize winning play on a qualifying multi-draw ticket.

LOTTO AMERICASM

<u>Grand prize</u>	<u>\$5,000</u>	<u>Additional \$5,000 with All Star BonusSM</u>
<u>\$20,000</u>	<u>\$500</u>	<u>Additional \$500 with All Star BonusSM</u>

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 ~~triple sizzler~~ All Star BonusSM, 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; October 29, 2017.

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

10-16-03-01. Games authorized. The lottery may conduct online games of POWERBALL®, MEGA MILLIONS®, ~~HOT LOTTO®~~LOTTO AMERICASM, 2BY2®, and LUCKY FOR LIFETMLIFE®.

History: Effective February 1, 2004; amended effective November 8, 2005; July 1, 2008; January 31, 2010, January 31, 2016; February 25, 2016; October 29, 2017.

General Authority: NDCC 53-12.1-13

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

10-16-03-08. 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®, or ~~HOT LOTTO®~~LOTTO AMERICASM is unclaimed, the MUSL shall administer the grand prize money. If the top prize or second prize for LUCKY FOR LIFETMLIFE® 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 LIFETMLIFE® 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. 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, at the claimant's request, 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 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 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 prize claim 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; October 19, 2013; January 31, 2016; February 25, 2016; October 29, 2017.

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 shall purchase a subscription only from, and the financial transaction for that subscription must be only with, the lottery through the North Dakota Lottery Players ClubSM website and payment processor. A player may use automated clearinghouse, debit card, or authorized credit card to pay for a subscription.
2. A person must be at least eighteen years of age.
3. A person must provide the following information when registering as a player, or a member of a group, for the lottery subscription 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. A person, whether individually or as a member of a group, must have a North Dakota mailing address and must pass all verification processes used by the lottery during the player's registration process.
5. 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 up to 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, the subscription would be canceled by the lottery and funds used to purchase the subscription would be refunded to the player's deposit account through the lottery's subscription 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, 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 split a prize among two or more persons who are registered members of a group play.
8. After the lottery properly and validly registers a subscription play, the lottery shall send a confirmation email to the subscriber. 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 ~~Hot Lotto~~®LOTTO AMERICA™, indication of whether the play has the ~~triple sizzler~~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 subscriber is responsible for ensuring that all subscriber 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, a subscription play is valid for only the date range of draws specified in the confirmation email. The effective date of a new subscription 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™LIFE® or by 8:58 p.m. central time for POWERBALL®, ~~HOT LOTTO~~®LOTTO AMERICA™, MEGA MILLIONS®, and 2by2®.
10. If the value of a prize on a winning POWERBALL®, ~~HOT LOTTO~~®LOTTO AMERICA™, MEGA MILLIONS®, 2BY2®, or LUCKY FOR LIFE™LIFE® subscription 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 owner of a subscription changes the owner's name, 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; October 19, 2013; July 6, 2014; January 31, 2016; February 25, 2016; October 29, 2017.

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

**CHAPTER 10-16-05
HOT LOTTO® GAME**

Section	
10-16-05-01	Game Description
10-16-05-02	Expected Prize Pool Percentages and Odds
10-16-05-03	Probability of Winning [Repealed]
10-16-05-04	Prize Pool and Payment
10-16-05-05	Prize Payment [Repealed]
10-16-05-06	Triple Sizzler Option

~~**10-16-05-01. Game description.** To play HOT LOTTO®, a player selects five different white numbers, between one and forty seven, and one additional orange number (hot ball) between one and nineteen. The additional number may be the same as one of the first five numbers selected. The price of a play is one dollar. A gross grand prize amount is paid as a cash lump sum payment on a pari-mutuel basis. A set prize (cash prize of thirty thousand dollars or less) is paid on a single-payment cash basis. Draws are held every Wednesday and Saturday.~~

~~**History:** Effective February 1, 2004; amended effective April 1, 2006; May 12, 2013.~~

~~**General Authority:** NDCC 53-12.1-13~~

~~**Law Implemented:** NDCC 53-12.1-13~~

~~**10-16-05-02. Expected prize pool percentages and odds.** The minimum gross grand prize is one million dollars and 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:~~

<u>Matches Per</u>	<u>Prize</u>	<u>Prize Pool</u> <u>Percentage</u>	<u>Odds*</u>
<u>Play</u>	<u>Allocated to Prize</u>		
5 white + 1 orange	Gross Grand prize**	52.12%	1:29,144,841
5 white + 0 orange	\$30,000	3.71%	1:1,619,158
4 white + 1 orange	\$3,000	4.32%	1:138,785
4 white + 0 orange	\$100	2.59%	1:7,710
3 white + 1 orange	\$50	2.95%	1:3,385
3 white + 0 orange	\$6	6.38%	1:188
2 white + 1 orange	\$6	4.73%	1:254
1 white + 1 orange	\$3	11.52%	1:52
0 white + 1 orange	\$2	11.68%	1:34

~~Overall odds of winning a prize on a one dollar play are 1:17.22.~~

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

~~**The gross grand prize amount will be reduced by federal and state withholding taxes which will be remitted by the lottery on behalf of the prize winner with the prize winner receiving the residual amount as the prize winner's grand prize payment (subject to any setoff requirements).~~

~~History: Effective February 1, 2004; amended effective April 1, 2006; May 12, 2013.~~

~~General Authority: NDCC 53-12.1-13~~

~~Law Implemented: NDCC 53-12.1-13~~

~~10-16-05-03. Probability of winning. Repealed effective April 1, 2006.~~

~~10-16-05-04. Prize pool and payment.~~

- ~~1. The prize pool for all prize categories must consist of fifty percent of each draw period's sales after the prize reserve account is funded.~~
- ~~2. The prize money allocated to the gross grand prize pool must be divided equally by the number of plays that win the grand prize. If the gross grand prize is not won in a draw, subject to any restrictions by the game group, the prize money allocated for the gross grand prize must roll over and be added to the gross grand prize pool for the next draw.~~
- ~~3. The prize pool percentage allocated to set prizes must be carried forward to a subsequent draw if all or a portion of it is not needed to pay the set prizes awarded in the current draw.~~
- ~~4. The lottery may not pay a grand or set cash prize until after it receives authorization from the MUSL. The lottery may pay the prize before it receives the funds from the MUSL.~~
- ~~5. A gross grand prize winner will receive a withholding taxes paid prize where the lottery pays the prize winner a net prize amount, which consists of the lottery reducing the gross grand prize amount by the required federal and state withholding taxes, and withholding and depositing on behalf of the prize winner the required federal and state withholding taxes on the gross grand prize amount and the lottery paying the prize winner the residual amount (subject to any setoff requirements). The withholding taxes paid prize may be higher or lower than the advertised grand prize amount.~~
- ~~6. The advertised grand prize amount will be publicly announced as the grand prize for the drawing. The advertised grand prize amount is not the gross grand prize amount. The advertised grand prize is the cash amount the prize winner receives, on a pari-mutuel basis, after the lottery reduces the gross grand prize amount by the required federal and state withholding taxes (subject to any setoff requirements). The calculation of federal and state withholding taxes for the advertised grand prize amount is based on a resident United States citizen with a valid social security number.~~

~~History: Effective February 1, 2004; amended effective April 1, 2006; April 1, 2008; May 12, 2013; October 19, 2013.~~

~~General Authority: NDCC 53-12.1-13~~

~~Law Implemented: NDCC 53-12.1-13~~

~~10-16-05-05. Prize payment. Repealed effective April 1, 2006.~~

~~10-16-05-06. Triple sizzler option.~~

- ~~1. The triple sizzler option is a limited extension of the HOT LOTTO® 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 the amount of a set prize.~~
- ~~2. A qualifying play is a single HOT LOTTO® play for which the player pays an extra one dollar for the triple sizzler option. The triple sizzler option does not apply to the gross grand prize. A qualifying play which wins one of the eight set prizes will be multiplied by three. The game group may change the multiplier number three for a special promotion.~~
- ~~3. A prize awarded must be paid as a lump sum set prize. Instead of the normal set prize amount, a qualifying triple sizzler play will pay the amounts shown below:~~

<u>Matches Per Play</u>	<u>Prize</u>	<u>3x</u>
5 white + 0 orange	\$30,000	\$90,000
4 white + 0 orange	\$100	\$300
3 white + 1 orange	\$50	\$150
3 white + 0 orange	\$6	\$18
2 white + 1 orange	\$6	\$18
1 white + 1 orange	\$3	\$9
0 white + 1 orange	\$2	\$6

~~Rarely, under the game group's limitation of liability rules, a set prize amount may be less than the amount shown. In that case, the triple sizzler prizes will be a multiple of the new set prize amounts. For example, if the match 5+0 set prize amount of thirty thousand dollars becomes twenty-seven thousand dollars under the game group's rules, a triple sizzler player winning that prize amount would win eighty-one thousand dollars (\$27,000 X 3).~~

~~History: Effective January 3, 2008; amended effective May 12, 2003; October 19, 2013.~~

~~General Authority: NDCC 53-12.1-13~~

~~Law Implemented: NDCC 53-12.1-13~~

~~Repealed effective October 29, 2017.~~

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**CHAPTER 10-16-08
MEGA MILLIONS® GAME**

10-16-08-01. Game description. To play MEGA MILLIONS®, a player selects five different white numbers, between one and ~~seventy-five~~seventy, and one additional gold number (Mega Ball®) between one and ~~fifteen~~twenty-five. The additional number may be the same as one of the first five numbers selected. The price of a play is ~~one~~two ~~dollar~~dollars. 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 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.

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 minimum grand prize is ~~fifteen~~forty million dollars and 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:

<u>Matches Per Play</u>	<u>Prize</u>	<u>Prize Pool</u>	
		<u>Percentage</u>	<u>Odds**</u>
		<u>Allocated to Prize</u>	
5 white + 1 gold	Grand prize*	65.15 <u>75.30</u> %	1:258,890,850 <u>1:302,575,350</u>
5 white + 0 gold	\$1,000,000	10.82 <u>7.93</u> %	1:18,492,204 <u>1:12,607,306</u>
4 white + 1 gold	\$5,000 <u>\$10,000</u>	1.35 <u>1.07</u> %	1:739,688 <u>1:931,001</u>
4 white + 0 gold	\$500	1.89 <u>1.29</u> %	1:52,835 <u>1:38,792</u>
3 white + 1 gold	\$50 <u>\$200</u>	.93 <u>1.37</u> %	1:10,720 <u>1:14,547</u>
3 white + 0 gold	\$5 <u>\$10</u>	1.31 <u>1.65</u> %	1:766 <u>1:606</u>
2 white + 1 gold	\$5 <u>\$10</u>	2.11 <u>1.44</u> %	1:473 <u>1:693</u>
1 white + 1 gold	\$2 <u>\$4</u>	7.08 <u>4.48</u> %	1:56 <u>1:89</u>
0 white + 1 gold	\$1 <u>\$2</u>	9.35 <u>5.46</u> %	1:21 <u>1:37</u>

Overall odds of winning a prize on a ~~one~~two dollar play are ~~1:14.74~~1:24.0.

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

** 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.

General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-13

10-16-08-04. Megaplier® option.

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: ~~two~~five number 2s, ~~four~~six number 3s, three number 4s, and ~~six~~one number 5s. 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	\$5,000 <u>\$10,000</u>	\$25,000 <u>\$50,000</u>	\$20,000 <u>\$40,000</u>	\$15,000 <u>\$30,000</u>	\$10,000 <u>\$20,000</u>
4 white + 0 gold	\$500	\$2,500	\$2,000	\$1,500	\$1,000
3 white + 1 gold	\$50 <u>\$200</u>	\$250 <u>\$1,000</u>	\$200 <u>\$800</u>	\$150 <u>\$600</u>	\$100 <u>\$400</u>
3 white + 0 gold	\$5 <u>\$10</u>	\$25 <u>\$50</u>	\$20 <u>\$40</u>	\$15 <u>\$30</u>	\$10 <u>\$20</u>
2 white + 1 gold	\$5 <u>\$10</u>	\$25 <u>\$50</u>	\$20 <u>\$40</u>	\$15 <u>\$30</u>	\$10 <u>\$20</u>
1 white + 1 gold	\$2 <u>\$4</u>	\$10 <u>\$20</u>	\$8 <u>\$16</u>	\$6 <u>\$12</u>	\$4 <u>\$8</u>
0 white + 1 gold	\$1 <u>\$2</u>	\$5 <u>\$10</u>	\$4 <u>\$8</u>	\$3 <u>\$6</u>	\$2 <u>\$4</u>

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 ~~five~~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:

<u>Megaplier®</u>	<u>Probability of Prize Increase</u>
5X - Prize won times 5	61 in 15
4X - Prize won times 4	3 in 15
3X - Prize won times 3	46 in 15
2X - Prize won times 2	25 in 15

History: Effective January 31, 2010; amended effective September 14, 2010; December 1, 2010; October 19, 2013; October 28, 2017.

General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-13

NORTH DAKOTA LOTTERY

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

CHAPTER 10-16-11
LUCKY FOR ~~LIFE~~TMLIFE[®] GAME

10-16-11-01. Game description. To play LUCKY FOR ~~LIFE~~TMLIFE[®], a player selects five different numbers, between one and forty-eight, and one additional number (Lucky Ball) between one and eighteen. The additional number may be the same as one of the first five numbers selected. The price of a play is two dollars. Draws are held every Monday and Thursday.

History: Effective January 31, 2016; amended effective October 29, 2017.

General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-13

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Version 6-30-17
NORTH DAKOTA LOTTERY

Underlining represents proposed additions to the present rules.

CHAPTER 10-16-12
LOTTO AMERICASM GAME

<u>Section</u>	
<u>10-16-12-01</u>	<u>Game Description</u>
<u>10-16-12-02</u>	<u>Expected Prize Pool Percentages and Odds</u>
<u>10-16-12-03</u>	<u>Prize Pool and Payment</u>
<u>10-16-12-04</u>	<u>All Star BonusSM Option</u>

10-16-12-01. Game description. To play LOTTO AMERICASM, a player selects five different (color to be determined) numbers, between one and fifty-two, and one additional (color to be determined) number (star ball) between one and ten. The additional number may be the same as one of the first five numbers selected. The price of a play is one dollar. 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 twenty thousand dollars or less) is paid on a single-payment cash basis. Draws are held every Wednesday and Saturday.

History: Effective November 12, 2017.

General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-13

10-16-12-02. Expected prize pool percentages and odds. The minimum grand prize is two million dollars and 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:

<u>Matches</u> <u>Per Play</u> <small>(Ball color TBD by MUSL)</small>	<u>Prize</u>	<u>Prize Pool Percentage</u> <u>Allocated to Prize</u>	<u>Odds*</u>
<u>5 + 1</u>	<u>Grand Prize</u>	<u>23.10%</u>	<u>1:25,989,600</u>
<u>5 + 0</u>	<u>\$20,000</u>	<u>0.69%</u>	<u>1:2,887,733</u>
<u>4 + 1</u>	<u>\$1,000</u>	<u>0.90%</u>	<u>1:110,594</u>
<u>4 + 0</u>	<u>\$100</u>	<u>0.81%</u>	<u>1:12,288</u>
<u>3 + 1</u>	<u>\$20</u>	<u>0.83%</u>	<u>1:2,404</u>
<u>3 + 0</u>	<u>\$5</u>	<u>1.87%</u>	<u>1:267</u>
<u>2 + 1</u>	<u>\$5</u>	<u>3.12%</u>	<u>1:160</u>
<u>1 + 1</u>	<u>\$2</u>	<u>6.86%</u>	<u>1:29</u>
<u>0 + 1</u>	<u>\$2</u>	<u>11.80%</u>	<u>1:17</u>

Overall odds of winning a prize on a one dollar play are 1:9.63.

*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 November 12, 2017.

General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-12

10-16-12-03. Prize pool and payment.

1. The prize pool for all prize categories must consist of fifty percent of each draw period's sales after the prize pool accounts and prize reserve accounts are funded.
2. The prize money allocated to the grand prize pool must be divided equally by the number of plays that win the grand prize. If the grand prize is not won in a draw, subject to any restrictions by the game group, the prize money allocated for the grand prize must roll over and be added to the grand prize pool for the next draw.
3. If there are multiple grand prize winning plays during a draw, each player selecting the annuitized option prize, then a winning play's share of the guaranteed annuitized grand prize must be determined by dividing the guaranteed annuitized grand prize by the number of winning plays.
4. A grand prize must be paid, at the election of the winning player made within sixty days after the player becomes entitled to the prize, with either a per winning player annuity or cash payment. If the payment election is not made by the player within sixty days after the player becomes entitled to the prize, then the prize must be paid as an annuity prize. An election for an annuity payment made by a player may be changed to a cash payment at the election of the player until the expiration of sixty days after the player becomes entitled to the prize. Otherwise, the payment election is final. Shares of the grand prize must be determined by dividing the cash available in the grand prize pool equally among all winning plays of the grand prize. A player who elects a cash payment must be paid the share in a single cash payment. A player who elects an annuitized prize must be paid annually in thirty graduated payments with the initial payment being made in cash, followed by twenty-nine payments (increasing each year) by a rate determined by the game group funded by the annuity. Annual payments after the initial payment must be made by the lottery on the anniversary date or if this date falls on a nonbusiness day, then the first business day following the anniversary date of the draw of the grand prize winning numbers.
5. The lottery may not pay a grand or set cash prize until after it receives authorization from the MUSL. The lottery may pay the prize before it receives the funds from the MUSL.
6. The prize pool percentage allocated to set prizes must be carried forward to a subsequent draw if all or a portion of it is not needed to pay the set prizes awarded in the current draw.

History: Effective November 12, 2017.

General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-13

10-16-12-04. All Star BonusSM option.

1. The All Star BonusSM option is a limited extension of the LOTTO AMERICASM 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 LOTTO AMERICASM play for which the player pays an extra one dollar for the All Star BonusSM option. All Star BonusSM does not apply to the grand prize.
3. A qualifying play which wins one of the eight lowest set prizes will be multiplied by the number selected, two through five, in a separate random All Star BonusSM drawing.
4. A prize awarded must be paid as a lump sum set prize. Instead of the normal set prize amount, a qualifying All Star BonusSM will pay the amounts shown below when matched with the All Star BonusSM number drawn:

LOTTO AMERICASM Pays Instead

<u>Matches Per Play (Ball color TBD by MUSL)</u>	<u>Set Prize Amount</u>	<u>Prize Amount with All Star BonusSM Purchase</u>			
		<u>5X</u>	<u>4X</u>	<u>3X</u>	<u>2X</u>
<u>5 + 0</u>	<u>\$20,000</u>	<u>\$100,000</u>	<u>\$80,000</u>	<u>\$60,000</u>	<u>\$40,000</u>
<u>4 + 1</u>	<u>\$1,000</u>	<u>\$5,000</u>	<u>\$4,000</u>	<u>\$3,000</u>	<u>\$2,000</u>
<u>4 + 0</u>	<u>\$100</u>	<u>\$500</u>	<u>\$400</u>	<u>\$300</u>	<u>\$200</u>
<u>3 + 1</u>	<u>\$20</u>	<u>\$100</u>	<u>\$80</u>	<u>\$60</u>	<u>\$40</u>
<u>3 + 0</u>	<u>\$5</u>	<u>\$25</u>	<u>\$20</u>	<u>\$15</u>	<u>\$10</u>
<u>2 + 1</u>	<u>\$5</u>	<u>\$25</u>	<u>\$20</u>	<u>\$15</u>	<u>\$10</u>
<u>1 + 1</u>	<u>\$2</u>	<u>\$10</u>	<u>\$8</u>	<u>\$6</u>	<u>\$4</u>
<u>0 + 1</u>	<u>\$2</u>	<u>\$10</u>	<u>\$8</u>	<u>\$6</u>	<u>\$4</u>

Rarely, under the game group's limitation of liability rules, a set prize amount may be less than the amount shown. In that case, the eight lowest All Star BonusSM prizes will be changed to an amount announced after the draw. For example, if the match 4+1 set prize amount of one thousand dollars becomes five hundred dollars under the game group's rules, an All Star BonusSM player winning that prize amount when a "5" has been drawn would win two thousand five hundred dollars (\$500 x 5).

5. The following table reflects the probability of the All Star BonusSM numbers being drawn:

<u>All Star BonusSM</u>	<u>Probability of Prize Increase</u>
<u>5X - Prize won times 5</u>	<u>3 in 32</u>
<u>4X - Prize won times 4</u>	<u>4 in 32</u>
<u>3X - Prize won times 3</u>	<u>10 in 32</u>
<u>2X - Prize won times 2</u>	<u>15 in 32</u>

All Star BonusSM does not apply to the grand prize. The game group may elect to run limited promotions that may modify the multiplier features.

History: Effective November 12, 2017.

General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-13