

NORTH DAKOTA ADMINISTRATIVE CODE

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**Prepared by the Legislative Council staff
for the
Administrative Rules Committee**

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TITLE 4
MANAGEMENT AND BUDGET, OFFICE OF

JULY 2026

ARTICLE 4-07 ORGANIZATION OF HUMAN RESOURCE MANAGEMENT SERVICES

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CHAPTER 4-07-02

4-07-02-01. Definitions.

The terms used throughout this title have the same meaning as in North Dakota Century Code chapter 54-44.3, and sections 54-06-30 and 54-06-31, except:

1. "Appointing authority" has the same meaning as provided in North Dakota Century Code section 54-44.3-02.
2. "Class" or "classification" means a group of positions, regardless of location, which are enough alike in duties and responsibilities to be called by the same descriptive title, to be given the same pay range under similar conditions, and to require substantially the same qualifications.
3. "Classification plan" means the listing of all the classes that have been established, the description for those classes, and the process and procedures developed to maintain the plan.
4. "Equity increase" means a salary increase provided to a classified employee to mitigate either a serious internal agency inequity or a documented external market condition.
5. "General salary increase" means a salary increase provided to classified employees by specific legislative appropriation.
6. "Hiring rate" means the salary level assigned to an employee upon initial employment with an agency.
7. ~~"Job evaluation committee" is the committee responsible to evaluate, maintain, and ensure the consistency of job evaluations of the North Dakota classification system. The job evaluation committee shall be made up of professional human resource staff from human resource management services and state agencies designated by the director of human resource management services.~~
- ~~8.~~ "Pay grade" means the number assigned to a classification which corresponds with one specific range of pay rates.
- ~~9.~~8. "Performance increase" means a salary increase provided to a classified employee in recognition of documented performance which is consistently superior or which consistently exceeds documented performance standards.
- ~~10.~~9. "Probationary increase" means a salary increase provided to a classified employee upon the successful completion of their applicable probationary period.
- ~~11.~~10. "Promotional increase" means a salary increase provided to a classified employee when the employee is assigned to a regular, classified position in a different class which has a higher pay grade or which reflects a substantially higher level of responsibility than the employee's previous position, ~~and the assignment is not a result of a reclassification of the employee's position.~~
- ~~12.~~11. "Reclassification adjustment" means a salary change adjustment applied to a classified employee when to ensure salary alignment if the employee's position is reallocated to a different classification that has a different pay grade.

~~13.~~12. "Responsibility level or workload increase" means a salary increase provided to a classified employee ~~when~~if either of the following conditions are met:

- a. The level of duties and responsibilities assigned to the employee is permanently changed, is documented, and is independent of any change in classification.
- b. A substantial, documented, increase in workload is assigned to a position.

~~14.~~13. "Salary range" means the range of pay rates, from minimum to maximum that are assigned to a pay grade, ~~and which are often divided into quartiles for reference.~~

~~15.~~14. "Targeted market equity increase" means a salary increase to be granted only if the legislature has defined and approved implementation of an equity program to address talent attraction, retention challenges, or strategic market alignment.

15. "Temporary increase" means a salary increase provided to a classified employee when the employee is assigned temporarily to perform a higher level of responsibilities or increased workload on an acting or interim basis.

History: Effective March 1, 1991; amended effective July 1, 2004; July 1, 2014; July 1, 2022; July 1, 2026.

General Authority: NDCC 54-44.3-12(1)

Law Implemented: NDCC 54-44.3-01, 54-44.3-12(1), 54-44.3-12(7)

4-07-02-15. Equity increase.

1. An appointing authority may grant an equity increase if all of the following requirements are met:

- ~~4.~~a. The increase does not exceed twenty percent per biennium for an employee.
- ~~2.~~b. At the time the increase is granted, documentation must be submitted to human resource management services that includes all of the following:
 - ~~a.~~(1) A definition of the inequity.
 - ~~b.~~(2) An explanation of what created the inequity.
 - ~~c.~~(3) A statement that an additional inequity will not result.
 - ~~d.~~(4) The relevant available market data in cases of external equity.
- ~~3.~~c. The agency ~~must~~shall consider the overall relationship of state employees' salaries to market salaries and avoid creating internal inequities.

2. Targeted market equity increases are distinct from other equity increases in that they are only authorized if the legislature has defined and approved the implementation of an equity program to proactively address talent attraction, retention challenges, or strategic market alignment for one or more categories of state employees. Specific guidelines for administering any targeted market equity increase program must be determined by human resource management services.

History: Effective March 1, 1991; amended effective July 1, 2004; July 1, 2026.

General Authority: NDCC 54-44.3-12(1)

Law Implemented: NDCC 54-44.3-01, 54-44.3-12(7)

4-07-02-18. Bonuses.

A recruitment, retention, or performance bonus may be provided according to North Dakota Century Code [chapterssections](#) 54-06-30 and 54-06-31.

History: Effective July 1, 2004; [amended effective July 1, 2026.](#)

General Authority: NDCC 54-44.3-12(1)

Law Implemented: NDCC 54-06-31, 54-44.3-12(1)

CHAPTER 4-07-05

4-07-05-01.1. Definitions.

The terms used throughout this chapter have the same meaning as those in North Dakota Century Code chapter 54-44.3, except:

1. "Closing date" means a date by which applications must be received as specified.
2. "External recruiting" means ~~that~~ applications for filling a vacant position under an appointing authority ~~shall~~ must be accepted from current employees of the appointing authority and persons not employed by the appointing authority.
3. "Internal recruiting" means ~~that~~ applications for filling a vacant position under an appointing authority ~~shall~~ only must be accepted from current employees of the appointing authority and employees eligible for reinstatement by the appointing authority.
4. "Promotion" means a personnel action that results in the advancement of an employee to a position in a different class that has a higher pay grade than the employee's previous position or which reflects a substantially higher level of responsibility.
5. "Regular employee" means a person who has completed the probationary period and who is or was in a position classified by human resource management services at the time the personnel action occurs.
6. "Reinstatement" means a personnel action that involves the ~~reemployment~~ re-employment of a previous employee of the appointing authority, who resigned or was separated while in good standing in a classified position.
7. "Transfer" means a personnel action that results in the reassignment of an employee from one position to a different position that has the same pay grade as the employee's previous position and that does not result in a break in service.
8. "Vacancy announcement" means an announcement that a particular position is vacant and that the appointing authority intends to recruit to fill it.

History: Effective July 1, 1995; amended effective November 1, 1996; July 1, 2004; April 1, 2020; July 1, 2022; July 1, 2026.

General Authority: NDCC 54-44.3-12

Law Implemented: NDCC 54-44.3-12(1)

4-07-05-04. Notifying human resource management services.

An appointing authority shall notify human resource management services of each vacant classified, nontemporary position ~~that~~ the appointing authority intends to fill through external recruitment. The notification must be submitted ~~prior to beginning the recruiting effort~~ in the form of a completed vacancy announcement transmitted electronically in the statewide-approved applicant tracking system. The appointing authority also ~~must~~ shall list vacancies for external recruitment with job service North Dakota.

History: Effective September 1, 1992; amended effective November 1, 1996; July 1, 2004; July 1, 2022; July 1, 2026.

General Authority: NDCC 54-44.3-12

Law Implemented: NDCC 54-44.3-12(1)

4-07-05-05.2. Temporary employees and interns.

An appointing authority may consider a current temporary employee or individual who has completed an approved internship with the agency as an internal applicant provided the applicant ~~meets the following requirements:~~

- ~~1. A temporary employee must have been~~was selected on an open and competitive basis at the time of employment to the current temporary or approved intern position with the agency.
- ~~2. An intern must have completed a documented internship with the agency within a two-year period immediately prior to the employment date.~~

History: Effective November 1, 1996; amended effective July 1, 2004; July 1, 2026.

General Authority: NDCC 54-44.3-12

Law Implemented: NDCC 54-44.3-12

4-07-05-07. Veterans' preference.

Veterans' preference must be applied in the external recruitment and selection of employees in accordance with North Dakota Century Code chapter 37-19.1.

History: Effective November 1, 1996; amended January 1, 2012; July 1, 2026.

General Authority: NDCC ~~54-44.3~~54-44.3-12

Law Implemented: NDCC ~~37-19.1~~37-19.1-02, 54-44.3-23

4-07-05-08. Vacancy announcement contents.

Each vacancy announcement must include the following information:

1. Class or working title, full-time or part-time status, regular or temporary status.
2. ~~Position number for internal use only.~~
- ~~3. Salary or projected hiring range.~~
- 4.3. Closing date.
- 5.4. Duty location of position (city) ~~and optional statement on the~~or feasibility of remote work.
- 6.5. Procedures for applying.
- 7.6. Summary of work.
- 8.7. Minimum and optional preferred qualifications ~~and special requirements.~~
- 9.8. ~~Whether recruitment is internal or external~~Equal employment opportunity and accessibility statements.
9. Background check or pre-employment requirements.
10. If a position is exempt from veterans' preference, the advertisement must state ~~that~~ veterans' preference does not apply to the position being advertised.

Additional preferred qualifications may be listed on the vacancy announcement at the discretion of the appointing authority; or a reference to the position description may be made.

History: Effective November 1, 1996; amended effective July 1, 2004; July 1, 2008; January 1, 2012; April 1, 2020; July 1, 2022; July 1, 2026.

General Authority: NDCC 54-44.3-12

Law Implemented: NDCC 37-19.1-02(4), 54-44.3-12

CHAPTER 4-07-12 ANNUAL AND NEW HIRE LEAVE

Section

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4-07-12-13	Assumption of Accrued Annual Leave <u>or an Enhanced Annual Leave Accrual</u>
<u>4-07-12-14</u>	<u>New Hire Leave</u>

4-07-12-01. Scope of chapter.

This chapter applies to all state and local government agencies, departments, institutions, and boards and commissions ~~that~~, except as indicated, which employ individuals in positions classified by human resource management services.

History: Effective September 1, 1992; amended effective November 1, 1996; July 1, 2004; July 1, 2026.

General Authority: NDCC 54-44.3-12

Law Implemented: NDCC 54-06-14, 54-44.3-12(1)

4-07-12-02. Definitions.

The terms used throughout this chapter have the same meaning as in North Dakota Century Code chapters 54-06 and 54-44.3 and section 54-52-01, except:

1. "Annual leave" means an approved absence from work with pay allowed under an authorized accrual schedule.
2. "Interagency transfer" means a personnel action that results in the reassignment of an employee from one position to a different position in another state agency and that does not result in a break in service.
3. "New hire leave" means a separate leave balance to use for an approved absence from work with pay within the first year of employment.
4. "Regular employee" means a person who has completed the probationary period and who is in a position classified by human resource management services.
5. "Reinstatement" means a personnel action that involves the re-employment of a previous employee in a classified position as defined by chapter 4-07-05.

History: Effective September 1, 1992; amended effective November 1, 1996; July 1, 2004; July 1, 2026.

General Authority: NDCC 54-44.3-12

Law Implemented: NDCC 54-06-14, 54-44.3-12(1)

4-07-12-03. Annual leave accrual.

Employees eligible for annual leave begin to accrue leave from the ~~day~~date of hire.

History: Effective September 1, 1992; amended effective November 1, 1996; July 1, 2026.

General Authority: NDCC 54-44.3-12

Law Implemented: NDCC 54-06-14, 54-44.3-12(1)

4-07-12-04. Annual leave accrual schedule.

1. State agencies are advised ~~that~~ the following annual leave accrual schedule is required, except as referenced in subsection 2, for use by each state agency subject to this chapter:

<u>Years of Service</u>	<u>Hours Earned Per Month</u>
Zero through three	Eight
Four through seven	Ten
Eight through twelve	Twelve
Thirteen through eighteen	Fourteen
Over eighteen	Sixteen

~~A local government agency subject to the North Dakota merit system adopting or using a different accrual schedule shall promptly file a copy of that schedule~~

2. Effective after April 30, 2026, a state agency may grant, at hire, annual leave within the parameters of eight to sixteen hours per month, which may exceed the amount based on tenure of employment, if all the following requirements are met:

a. The position being hired for was previously identified as a hard-to-fill occupation pursuant to the requirements set forth in North Dakota Century Code section 54-06-31.

b. Prior to granting an enhanced annual leave accrual schedule, the state agency has a written policy in place identifying eligible positions or occupations and provisions for providing and receiving enhanced annual leave accrual. The written policy must address the specific positions that qualify for enhanced annual leave accrual and why the positions have been identified as hard to fill.

c. The state agency has filed the written policy with human resource management services.

History: Effective September 1, 1992; amended effective July 1, 2004; July 1, 2008; July 1, 2026.

General Authority: NDCC 54-44.3-12

Law Implemented: NDCC 54-06-14, 54-44.3-12(1)

4-07-12-05. Accrual for ~~employment for a fraction of a month~~fractional months.

An employee accrues annual leave for ~~being employed~~employment for a fraction of a month. The number of annual leave hours earned by an employee for employment for a fraction of a month must be in proportion to the total number of straight time hours the employee actually worked compared to ~~the total number of normal~~ working hours in the month.

History: Effective September 1, 1992; amended effective July 1, 2026.

General Authority: NDCC 54-44.3-12

Law Implemented: NDCC 54-06-14, 54-44.3-12(1)

4-07-12-12. Annual leave and ~~reemployment~~re-employment.

An employee who leaves ~~the employee's~~ employment and who is rehired within three years must be credited with the employee's previous years of continuous service for the purpose of determining the employee's annual leave accrual rate.

History: Effective September 1, 1992; amended effective July 1, 2008; July 1, 2026.

General Authority: NDCC 54-44.3-12

Law Implemented: NDCC 54-06-14, 54-44.3-12(1)

4-07-12-13. Assumption of accrued annual leave or an enhanced annual leave accrual.

1. A state agency appointing authority employing an individual from another state agency shall accept all or only a part of the employee's accrued annual leave hours the employee requests to transfer. If the individual granted an interagency transfer from another state agency previously was granted an enhanced annual leave accrual rate, the hiring agency may continue the enhanced rate only if the individual is hired into a designated hard-to-fill position, as defined in section 4-07-12-04. If the individual is not hired into a designated hard-to-fill position, the individual's annual leave accrual rate must revert to the standard rate based on total years of qualifying service, as defined in section 4-07-12-04. State agencies ~~covered by the North Dakota merit system~~ shall accept all or a part of accrued annual leave hours thea human service zone employee requests to transfer ~~of a human service zone employee in, if the employee occupies~~ a position classified by human resource management services.
2. A human service zone board ~~may~~shall accept all or a part of accrued annual leave hours an employee requests to transfer from another human service zone board or a state agency, if the employee occupies a position classified by human resource management services.

History: Effective November 1, 1996; amended effective July 1, 2004; July 1, 2008; October 1, 2023; July 1, 2026.

General Authority: NDCC 54-44.3-12

Law Implemented: NDCC 54-06-14, 54-44.3-12(1)

4-07-12-14. New hire leave.

1. New hire leave is applicable to state agencies only.
2. A state agency that employs an employee eligible for new hire leave shall grant, upon hire, the individual forty hours of new hire leave. Employees that start employment with a state agency after April 30, 2026, are eligible for new hire leave.
3. Employees who were previously employed with a state agency and are eligible for reinstatement or who are granted an interagency transfer are not eligible for new hire leave.
4. New hire leave must be used within the first year of employment.
5. Any new hire leave remaining after completion of the first year of employment is eliminated.
6. New hire leave is not earned paid time off and is not paid out upon separation of employment.
7. New hire leave is not accrued leave.

History: Effective July 1, 2026.

General Authority: NDCC 54-44.3-12

Law Implemented: NDCC 54-06-14

CHAPTER 4-07-13 SICK LEAVE

Section

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4-07-13-09	Sick Leave and Pregnancy [Repealed]
4-07-13-10	Temporary Employment
4-07-13-11	Sick Leave and Reemployment <u>Re-employment</u>
4-07-13-12	Assumption of Accrued Sick Leave

4-07-13-03. Sick leave accrual.

Employees eligible for sick leave begin to accrue leave from the daydate of hire.

History: Effective September 1, 1992; amended effective November 1, 1996; July 1, 2026.

General Authority: NDCC 54-44.3-12

Law Implemented: NDCC 54-44.3-12(1)

4-07-13-04. Sick leave accrual rate.

State agencies are advised ~~that the following sick leave~~ an accrual schedule providing eight hours of sick leave per month is required for use by each state agency subject to this chapter.

<u>Years of Service</u>	<u>Hours Earned Per Month</u>
<u>Zero to all</u>	<u>Eight</u>

~~A local government agency subject to the North Dakota merit system adopting or using a different accrual schedule shall promptly file a copy of that schedule with human resource management services.~~

History: Effective September 1, 1992; amended effective July 1, 2004; July 1, 2008; July 1, 2026.

General Authority: NDCC 54-44.3-12

Law Implemented: NDCC 54-06-14, 54-44.3-12(1)

4-07-13-05. Accrual for fractional months.

An employee accrues sick leave for employment for a fraction of a month. The number of sick leave hours earned by an employee for employment for a fraction of a month must be in proportion to the total number of straight time hours the employee actually worked compared to the total number of working hours in a month.

History: Effective September 1, 1992.

General Authority: NDCC 54-44.3-12

Law Implemented: NDCC 54-06-14, 54-44.3-12(1)

4-07-13-07. Uses of sick leave.

Sick leave may be used by an employee whenif:

1. The employee is ill or injured and is unable to work.
2. The employee has an appointment for the diagnosis or treatment of a medically related condition.
3. The employee wishes to attend to the needs of the employee's eligible family members who are ill or to assist them in obtaining other services related to their health or well-being.
 - a. Sick leave used for these purposes may not exceed eighty hours per calendar year.
 - b. The employee may, ~~per calendar year~~, take up to an additional four hundred eighty hours of the employee's accrued sick leave per calendar year to care for the employee's child, spouse, or parent with a serious health condition. The employer may require the employee to provide written verification of the serious health condition by a health care provider.
4. The employee has a newborn child or newly placed child, as follows. During the first six months following the birth or placement of a child, an employee may use up to ~~six weeks~~two hundred forty hours of the employee's accrued sick leave for the employee's newborn child or to care for a child placed with the employee for adoption or placed with the employee as a precondition to adoption. This does not prevent an employee from using sick leave for the employee's illness, medical needs, or health needs following the birth of a child or from using leave under North Dakota Century Code section 54-52.4-03.
5. The employee is seeking services or assisting the employee's spouse, parent, child, or sibling in obtaining services, relating to domestic violence, a sex offense, stalking, or terrorizing. At the discretion of the employee's supervisor, the sick leave hours used for this purpose may be limited to forty hours per calendar year.
6. The employee requests leave to bereave the death of a child. Sick leave for this purpose is limited to one hundred sixty hours and must be taken within six months following the death of the child.
7. It is appropriate as a participant in and per the recommendations from an employee assistance program.

History: Effective September 1, 1992; amended effective January 1, 2012; January 1, 2017; April 1, 2020; July 1, 2026.

General Authority: NDCC 54-44.3-12

Law Implemented: NDCC 54-44.3-12(1), 54-52.4-02, 54-52.4-03

4-07-13-11. Sick leave and ~~reemployment~~re-employment.

An employee who leaves ~~his or her~~ employment and who is rehired within one year must be credited with the amount of sick leave hours the employee had accumulated at the time of departure, less any amount for which the employee had subsequently been paid. An employee affected by a reduction in force and rehired within two years must be credited with the amount of sick leave hours the employee had accumulated at the time of departure, less any amount for which the employee had subsequently been paid.

History: Effective September 1, 1992; amended effective July 1, 2026.

General Authority: NDCC 54-44.3-12

Law Implemented: NDCC 54-06-14, 54-44.3-12(1)

4-07-13-12. Assumption of accrued sick leave.

1. A state agency appointing authority employing an individual from another state agency shall accept all of the employee's accrued sick leave hours. State agencies ~~covered by the North Dakota merit system~~ shall accept all accrued sick leave hours of a ~~county social service~~ human service zone employee in a position classified by human resource management services.
2. A ~~county social service~~ human service zone board ~~may~~ shall accept all ~~of~~ accrued sick leave hours an employee requests to transfer from another ~~county social service~~ human service zone board or a state agency, if the employee occupies a position classified by human resource management services.

History: Effective November 1, 1996; amended effective July 1, 2004; July 1, 2008; July 1, 2026.

General Authority: NDCC 54-44.3-12

Law Implemented: NDCC 54-06-14, 54-44.3-12(1)

CHAPTER 4-07-14

4-07-14-02. Definitions.

The terms used throughout this chapter have the same meaning as in North Dakota Century Code chapter 54-44.3 and section 54-06-36, except:

1. "Family" means ~~husband, wife, son, daughter, father, mother, stepparents, brother, sister, brother-in-law, sister-in-law, grandparents, grandchildren, stepchildren, foster parents, foster children, daughter-in-law, and son-in-law~~an employee's spouse; natural, adoptive, or foster parent, parent-in-law, and stepparent; natural, adoptive, or foster child, and stepchild; spouse of child; natural, adoptive, or foster sibling, sibling-in-law, and stepsibling; natural, adoptive, or foster grandparent, and stepgrandparent; and natural, adoptive, or foster grandchild, and stepgrandchild.
2. "Funeral leave" means an approved absence from work, with pay, of up to twenty-four working hours, provided to an employee to attend or make arrangements for a funeral, memorial, or burial service, including travel to and from the funeral or other service, or to address financial or legal matters that arise as a result of a death in the employee's family, ~~or in the family of an employee's spouse.~~
3. "Honor guard" means an individual with an essential ceremonial role in the funeral service of a veteran.
4. "Honor guard leave" means the approved absence from work, with pay, for up to twenty-four working hours per calendar year for an employee to participate in an honor guard for a funeral service of a veteran.
5. "Individual with an essential ceremonial role" performing as part of the official funeral service of a veteran is a member of the flagbearers, a member of the flag-folding team, a member of the firing party, the bugler, or the honor guard captain.

History: Effective September 1, 1992; amended effective January 1, 2012; July 1, 2026.

General Authority: NDCC 54-44.3-12

Law Implemented: NDCC 54-06-36, 54-44.3-12(1)

CHAPTER 4-07-18 SERVICE AWARD PROGRAMS

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4-07-18-07	Cash <u>Payment Type</u>

4-07-18-07. ~~Cash~~ Payment type.

An agency may not provide physical cash as a form of payment. Payment to an employee as part of a service or retirement award program. ~~An agency may, however, provide a gift certificate must be issued through one of the following approved methods: payroll adjustment, gift certificate, general-use prepaid gift card, or another office of management and budget-approved cash-equivalent payment method.~~

History: Effective September 1, 1992; amended effective July 1, 2004; July 1, 2026.

General Authority: NDCC 54-44.3-12

Law Implemented: NDCC 54-06-32, 54-44.3-12(1)

CHAPTER 4-07-20.1

4-07-20.1-02. Definitions.

The terms used throughout this chapter have the same meaning as in North Dakota Century Code chapter 54-44.3, except:

1. "Date of service" means the date the notice was mailed or transmitted by electronic means.
2. "Employer action" means an action taken by an appointing authority that affects a regular employee through a demotion, dismissal, suspension without pay, forced relocation, reduction-in-force, or reprisal.
3. "Forced relocation" means the involuntary transfer or reassignment of a regular employee from one work location in the state to another work location in the state that requires the employee to move to a different place of residence. Telecommuting and other alternative work location agreements are not considered forced relocations.
4. "Reduction-in-force" means the loss of employment by a regular employee as a result of a reduction in funding, lack of work, curtailment of work, or reorganization.
5. "Regular employee" means a person who has completed the probationary period and who is or was in a position classified by human resource management services at the time the employer action occurred.
6. "Reprisal" means an unfavorable employment-related action taken against an applicant or employee by an appointing authority for ~~appealing to human resource management services or the state personnel board; for exercising:~~
 - a. In good faith filing a complaint, or testifying, assisting, appealing, or participating in an investigation, proceeding, hearing, or litigation;
 - b. Opposing any unlawful discriminatory practice; or
 - c. Exercising the employee's rights under ~~the Public Employees Relations Act of 1985,~~ North Dakota Century Code chapter 34-11.1; ~~for testifying before a legislative committee; or for employees who request timely assistance under the employee assistance program or section 34-01-20.~~
7. "Waiver" means a written agreement between a regular employee and the appointing authority not to proceed with the agency grievance procedure and to permit an appeal to be made directly to human resource management services.
8. "Working days" means Monday through Friday exclusive of holidays.

History: Effective November 1, 1996; amended effective July 1, 2004; July 1, 2010; January 1, 2024; July 1, 2026.

General Authority: NDCC 54-44.3-12(1)

Law Implemented: NDCC 34-11.1-04(5), 54-44.3-12.2

CHAPTER 4-07-20.2

4-07-20.2-02. Definitions.

The terms used throughout this chapter have the same meaning as in North Dakota Century Code chapter 54-44.3, except:

1. "Applicant" means a person who has applied for a position classified by human resource management services and who has complied with the application procedures required by the employing agency.
2. "Date of service" means the date the notice was mailed or the date transmitted by electronic means, or absent proof of the date of mailing or delivery of electronic means, the date of actual delivery.
3. "Regular employee" means a person who has completed the probationary period and who is or was in a position classified by human resource management services at the time the alleged action occurred.
4. "Reprisal" means an unfavorable employment-related action taken against an applicant or employee by an appointing authority for:
 - a. In good faith filing a complaint, or testifying, assisting, appealing, or participating in an investigation, proceeding, hearing, or litigation;
 - b. Opposing any unlawful discriminatory practice; or
 - c. Exercising the employee's rights under North Dakota Century Code chapter 34-11.1 or section 34-01-20.
5. "Working days" means Monday through Friday exclusive of holidays.

History: Effective November 1, 1996; amended effective July 1, 2004; July 1, 2010; July 1, 2026.

General Authority: NDCC 54-44.3-12(1)

Law Implemented: NDCC 54-44.3-12.2

CHAPTER 4-07-37

4-07-37-01. Scope of chapter.

This chapter applies to all ~~permanent~~regular and probationary state employees. Independent programs consistent with the human resource management services division program may be administered for state judiciary, legislative, and North Dakota university system employees.

History: Effective July 1, 2022; July 1, 2026.

General Authority: NDCC 54-44.3-12

Law Implemented: NDCC 54-06-14.7

4-07-37-02. Definitions.

The terms used throughout this chapter have the same meaning as in North Dakota Century Code chapters 54-06, 54-44.3, and 54-52.4, except:

~~1. "Eligible employee" means a permanent state employee. It does not include employees on temporary or other limited term appointments.~~

~~2.~~ "Annual leave" means an approved absence from work with pay, as defined in section 4-07-12-02.

2. "Eligible employee" means a regular or probationary state employee. It does not include employees on temporary or other limited term appointments.

3. "Eligible family member" means the employee's spouse, parent (natural, adoptive, foster, and stepparent), child (natural, adoptive, foster, and stepchild), or any other family or household member who is financially or legally dependent upon the employee or who resides with the employee for the purpose of the employee providing care to the family member.

~~3-4.~~ "Sick leave" means an approved absence from work with pay, for use in accordance with section 4-07-13-07.

~~4. "Eligible family member" means the employee's spouse, parent (natural, adoptive, foster, and stepparent), child (natural, adoptive, foster, and stepchild), or any other family or household member who is financially or legally dependent upon the employee or who resides with the employee for the purpose of the employee providing care to the family member.~~

~~5. "Serious" or "extraordinary" means severe, extreme, or life threatening. These terms do not include conditions associated with normal pregnancy.~~

History: Effective July 1, 2022; amended effective July 1, 2024; July 1, 2026.

General Authority: NDCC 54-44.3-12

Law Implemented: NDCC 54-06-14.7

4-07-37-03. Administration of statewide leave sharing program.

1. The human resource management services division of the office of management and budget shall administer a state leave sharing program for ~~permanent~~regular and probationary state employees. The program provides a mechanism for eligible employees to donate accrued annual and sick leave to an eligible employee who does not have available leave who is suffering from a ~~serious or extraordinary~~severe, extreme, or life-threatening illness, injury, impairment, or physical or mental condition. State employees also may donate accrued annual leave to another eligible employee who does not have available leave and who is caring for an eligible family member who is suffering from a ~~serious or extraordinary~~severe, extreme, or life-threatening illness, injury, impairment, or physical or mental condition.

2. The human resource management services division shall approve or disapprove each request for donated leave after consultation with the requesting eligible employee's agency administrator. The division shall track the amount of leave taken by eligible employees under the program.
3. All forms of leave available for use by the recipient must be used before using shared leave. Donated leave must be credited to the eligible employee in increments that may not exceed one month. An eligible employee may not use more than four months donated leave in any twelve-month period, and an eligible employee may not retain leave beyond the occurrence necessitating the leave. Leave that has been donated but remains unused beyond the qualifying occurrence must be returned to the donating employee.
4. All donated leave must be given voluntarily. An eligible employee may not donate more than five percent of the eligible employee's accrued sick leave hours per month. An eligible employee's donation of annual leave may not reduce ~~their~~the employee's annual leave balance to less than forty hours. ~~All leave must be donated in full-hour increments.~~
5. An eligible employee may request and use donated annual leave or sick leave for the purpose of donating an organ or bone marrow.
6. An employee who has received a documented verbal or written warning for inappropriate use of annual or sick leave ~~will~~is not ~~be~~ eligible to receive donated leave without specific approval from the director of the human resource management services division.

History: Effective July 1, 2022; amended effective July 1, 2026.

General Authority: NDCC 54-44.3-12

Law Implemented: NDCC 54-06-14.7

4-07-37-04. Policy on qualifying medical conditions.

1. The human resource management services division shall maintain and ~~consistently administer~~publish criteria ~~for qualifying serious or extraordinary conditions based on best practices~~to utilize in assessing whether a condition qualifies as a serious, extreme, or life-threatening condition under North Dakota Century Code section 54-06-14.7.
2. For each shared leave request, the division shall require medical certification from a physician, physician assistant, psychologist, or advanced practice nurse practitioner verifying ~~the severe or extraordinary nature of~~ the medical condition and the expected duration of the condition.
3. Requests for donated leave may not be considered without this specific documentation.
4. Conditions associated with normal pregnancy do not generally qualify as serious, extreme, or life-threatening conditions.

History: Effective July 1, 2022; amended effective July 1, 2026.

General Authority: NDCC 54-44.3-12

Law Implemented: NDCC 54-06-14.7

TITLE 10
ATTORNEY GENERAL

JULY 2026

CHAPTER 10-16-01

10-16-01-01. Definitions.

As used in this article:

1. "Achievement reward program" means a marketing strategy that recognizes and incentivizes rewards program members for reaching specific goals within a given time frame.
2. "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 an individual who regularly is onsite and primarily responsible and accountable for managing and controlling the day-to-day operation of the business.
3. "Cash voucher" means a voucher generated by the lottery's ~~player-activated~~ player self-service terminal that can be validated for cash at the retailer's lottery terminal.
4. "Central gaming system" means a computer system designed to control, monitor, communicate with a terminal, and record play transactions and accounting data.
5. "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.
6. "Game" means an online game authorized by the lottery.
7. "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.
8. "Grand prize" means the top prize that can be won in a game.
9. "Group play" means two or more individuals sharing a purchase made.
10. "iLottery play" means the purchase of a draw game play via the internet or mobile application.
11. "Lottery" means the North Dakota lottery.
12. "Mobile payment service" means the use of mobile technology to facilitate transactions for purchasing lottery tickets.
13. "Multi-state lottery" means a lottery game that spans the individual borders of a state, jurisdiction, province, district, commonwealth, territory, or country.

14. "MUSL" means the multi-state lottery association.
15. "North Dakota Lottery Players Club®" means a program that players can join to earn exclusive benefits and rewards.
16. "Pick & Click" means the name of the application used to purchase iLottery plays.
17. "Play" means the numbers, letters, or symbols that are on a ticket or properly and validly registered online play to be played by a player in a draw, excluding a lottery promotion.
18. "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 play area contains a certain number of numbers, letters, or symbols that correspond to the game.
19. "Play slip" means a physical or electronic means by which a player communicates the player's intended play selection to a retailer or at a player self-service terminal as defined and approved by the lottery.
20. "Player self-service terminal" means a device authorized by the lottery and operated by a player to function in an online, interactive mode with the lottery's central gaming 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.
21. "Points for Drawings®" means a program to which players can enter second chance drawings by using points accumulated during registration or from the entry of valid tickets.
22. "Points for Prizes®" means a rewards program from which players can earn points by becoming registered members of the North Dakota Lottery Players Club and entering valid tickets to purchase items from the store.
23. "Quick pick" means the selection of numbers, letters, or symbols by a certified random number generator, which are printed on a ticket or properly and validly registered via iLottery play and played by a player for a draw in a game.
24. "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.
25. "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~~ must be equal to the prize amount established by the MUSL or the game group or both for the prize level of the game.
26. "Terminal" means a device authorized by the lottery and operated by a retailer or the lottery to function in an online, interactive mode with the lottery's central gaming 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.
27. "Ticket holder" means an individual who has signed a ticket or possesses an unsigned ticket.
28. "Top prize" means the highest tier prize that can be won in a game.

29. "Validation" means the process of determining whether a ticket presented for a prize is a winning ticket.
30. "Wager account" means the account to which funds are deposited and from which iLottery play purchases are made.
31. "WebCash voucher" means a digital funding option for iLottery.
32. "Winning account" means the account to which iLottery play winnings are deposited and from which player withdrawals are made.
33. "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 via iLottery 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; May 14, 2018; July 1, 2019; July 29, 2025; September 28, 2025; January 1, 2026; [July 1, 2026](#).

General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-13

CHAPTER 10-16-02

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; and
 - b. A sales bonus for selling a ticket with a winning play, for a game as stated below. However, the retailer must be licensed currently when a draw is conducted which results in the winning play of a ticket. If the winning play for POWERBALL® has the Power Play® option, or the winning play for LOTTO AMERICA® has the All Star Bonus® option, the retailer's account also must be credited for an additional bonus as stated below:

<u>Prize</u>	<u>Bonus</u>	<u>Additional Bonus</u>
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®		
Base Prize (before multiplier)		
Grand prize	\$100,000	
\$1,000,000	\$10,000	
\$10,000	\$1,000	
MILLIONAIRE FOR LIFE™		
\$1,000,000/year for life	\$50,000	
\$100,000/year for life	\$10,000	
\$7,500	\$500	
2BY2®		
Grand prize		
\$22,000	\$500	
\$44,000*	\$1,000	
*Tuesday draw double grand prize winning play on a qualifying multi-draw ticket.		
LOTTO AMERICA		
Grand prize	\$5,000	Additional \$5,000 with All Star Bonus
\$20,000	\$500	Additional \$500 with All Star Bonus

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 and All Star Bonus, which 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; February 25, 2016; October 29, 2017; May 14, 2018; July 1, 2019; April 5, 2025; July 29, 2025; September 28, 2025; January 1, 2026; February 22, 2026; [July 1, 2026](#).

General Authority: NDCC 53-12.1-13

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

CHAPTER 10-16-13

10-16-13-04. Prize liability limits. (Effective through August 31, 2026)

There are nine prize levels in the game.

1. Except as provided in these rules, the top prize must be paid as an annuity or lump sum cash and based on a top prize liability that will be split equally among the number of winning game plays. A top prize winner may request the cash option. Notice of the amount of and changes to the cash option must be posted on the game's website. Under certain circumstances, as detailed below, the top prize is required to be paid in a single lump sum cash payment and no annuitized payment option is available.
 - a. ~~One top prize winner.~~ If there is one top prize winner, the annuitized prize value is one million dollars a year for life. As an alternative to the annuitized payment option, the top prize winner may request the top prize cash option of eighteen million dollars.
 - b. ~~Two to twenty top prize winners.~~ If there are between two and twenty top prize winners, the annuitized prize option, based on an annuitized prize value of one million dollars a year for life, must be divided by the total number of top prize winners. Any of these two to twenty-one top prize winners may choose the cash option as an alternative to the annuitized payment option. The amount of the cash option for this category is the amount of the top prize cash option divided by the total number of top prize winners.
 - c. ~~Twenty-one or more top prize winners.~~ If there are twenty-one or more top prize winners, the top prize liability must be split equally among all top winners and paid in a single lump sum cash payment without an annuitized payment option.
 - d. The winner or winners of the top prize who do not request the cash option must be paid their appropriate top prize share on an annual basis for a minimum period of twenty years. The first top prize payment must be made when the prize is claimed at the lottery's office.
 - e. ~~Measuring life.~~ For a single wager, the measuring life of a top prize winner used to determine the duration over which the top prize is paid, must be the natural life of the individual determined by the lottery to be the top prize winner. If the top prize under a single wager is being claimed by more than one individual or by a trust, the measuring life for that top prize winner must be twenty years.
 - f. If paid in a single lump sum cash payment, top prize amounts must be rounded to the nearest whole dollar.
2. Except as provided in these rules, the second prize must be paid as an annuity or lump sum cash and based on a second prize liability that will be split equally among the number of winning game plays. A second prize winner may request the cash option. Notice of the amount of and changes to the cash option must be posted on the game's website. Under certain circumstances, as detailed below, the second prize is required to be paid in a single lump sum cash payment and no annuitized payment option is available.
 - a. ~~One to twenty second prize winners.~~ If there are between one and twenty second prize winners, the annuitized prize value is one hundred thousand dollars per year for life. Any of these one to twenty second prize winners may choose the second prize cash option as an alternative to the annuitized payment option. The amount of the cash option is two million two hundred thousand dollars.
 - b. ~~Twenty-one or more second prize winners.~~ If there are twenty-one or more second prize winners, the second prize liability is capped at an amount determined by the selling

lotteries and may be split equally among all second prize winners, and paid in a single lump sum cash payment without an annuitized payment option. The minimum prize value for this category may not be less than the lowest tier prize paid in that respective drawing.

- c. The winner or winners of the second prize who do not request the cash option must be paid their appropriate second prize share on an annual basis for a minimum period of twenty years. The initial second prize payment must be made when the prize is claimed at the lottery's office; subsequent second prize payments must be made annually thereafter.
 - d. ~~Measuring life.~~ For a single wager, the measuring life of a second prize winner used to determine the duration over which the second prize is paid, must be the natural life of the individual determined by the lottery to be the second prize winner. If the second prize under a single wager is being claimed by more than one individual or by a trust, the measuring life for that second prize winner is twenty years.
 - e. If paid in a single lump sum cash payment, second prize amounts must be rounded to the nearest whole dollar.
3. Except as provided in these rules, the third through ninth prize winner must be paid as a set prize. Third through ninth prizes must be rounded to the nearest whole dollar and paid in a single lump sum cash payment in accordance with the information below.
- a. Third prize - \$7,500
 - b. Fourth prize - \$500
 - c. Fifth prize - \$250
 - d. Sixth prize - \$50
 - e. Seventh prize - \$25
 - f. Eighth prize - \$8
 - g. Ninth prize - \$8

Prize liability limits. (Effective after August 31, 2026)

There are nine prize levels in the game.

1. Except as provided in these rules, the top prize must be paid as an annuity or lump sum cash and based on a top prize liability that will be split equally among the number of winning game plays. A top prize winner may request the cash option. Notice of the amount of and changes to the cash option must be posted on the game's website. Under certain circumstances, as detailed below, the top prize is required to be paid in a single lump sum cash payment and no annuitized payment option is available.
 - a. ~~One top prize winner.~~ If there is one top prize winner, the annuitized prize value is one million dollars a year for life. As an alternative to the annuitized payment option, the top prize winner may request the top prize cash option of eighteen million dollars.
 - b. ~~Two to twenty top prize winners.~~ If there are between two and twenty top prize winners, the annuitized prize option, based on an annuitized prize value of one million dollars a year for life, must be divided by the total number of top prize winners. Any of these two to twenty-one top prize winners may choose the cash option as an alternative to the

annuitized payment option. The amount of the cash option for this category is the amount of the top prize cash option divided by the total number of top prize winners.

- c. Twenty-one or more top prize winners. If there are twenty-one or more top prize winners, the top prize liability must be split equally among all top winners and paid in a single lump sum cash payment without an annuitized payment option.
 - d. The winner or winners of the top prize who do not request the cash option must be paid their appropriate top prize share on an annual basis for a minimum period of twenty years. The first top prize payment must be made when the prize is claimed at the lottery's office.
 - e. Measuring life. For a single wager, the measuring life of a top prize winner used to determine the duration over which the top prize is paid, must be the natural life of the individual determined by the lottery to be the top prize winner. If the top prize under a single wager is being claimed by more than one individual or by a trust, the measuring life for that top prize winner must be twenty years.
 - f. If paid in a single lump sum cash payment, top prize amounts must be rounded to the nearest whole dollar.
2. Except as provided in these rules, the second prize must be paid as an annuity or lump sum cash and based on a second prize liability that will be split equally among the number of winning game plays. A second prize winner may request the cash option. Notice of the amount of and changes to the cash option must be posted on the game's website. Under certain circumstances, as detailed below, the second prize is required to be paid in a single lump sum cash payment and no annuitized payment option is available.
- a. ~~One to twenty second prize winners.~~ If there are between one and ~~twenty~~~~second~~~~seventh~~ ~~second~~ prize winners, the annuitized prize value is one hundred thousand dollars per year for life. Any of these one to ~~twenty~~~~second~~~~seventh~~ ~~prize~~ winners may choose the second prize cash option as an alternative to the annuitized payment option. The amount of the cash option is two million two hundred thousand dollars.
 - b. ~~Twenty-one or more second prize winners.~~ If there are ~~twenty-one~~~~eight~~ or more second prize winners, the second prize liability is capped at ~~an amount determined by the selling~~ ~~lotteries~~~~fifteen~~ ~~million~~ ~~dollars~~ and may be split equally among all second prize winners, and paid in a single lump sum cash payment without an annuitized payment option. The minimum prize value for this category may not be less than the lowest tier prize paid in that respective drawing.
 - c. The winner or winners of the second prize who do not request the cash option must be paid their appropriate second prize share on an annual basis for a minimum period of twenty years. The initial second prize payment must be made when the prize is claimed at the lottery's office; subsequent second prize payments must be made annually thereafter.
 - d. ~~Measuring life.~~ For a single wager, the measuring life of a second prize winner used to determine the duration over which the second prize is paid, must be the natural life of the individual determined by the lottery to be the second prize winner. If the second prize under a single wager is being claimed by more than one individual or by a trust, the measuring life for that second prize winner is twenty years.
 - e. If paid in a single lump sum cash payment, second prize amounts must be rounded to the nearest whole dollar.

3. Except as provided in these rules, the third through ninth prize winner must be paid as a set prize. Third through ninth prizes must be rounded to the nearest whole dollar and paid in a single lump sum cash payment in accordance with the information below.
 - a. Third prize - \$7,500
 - b. Fourth prize - \$500
 - c. Fifth prize - \$250
 - d. Sixth prize - \$50
 - e. Seventh prize - \$25
 - f. Eighth prize - \$8
 - g. Ninth prize - \$8

History: Effective February 22, 2026; [amended effective July 1, 2026](#).

General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-13

TITLE 11

AUDIOLOGY AND SPEECH-LANGUAGE PATHOLOGY, BOARD OF EXAMINERS ON

JULY 2026

CHAPTER 11-01-01

11-01-01-01. Organization of board of examiners on audiology and speech-language pathology.

1. **History and function.** The 1975 legislative assembly passed legislation to license audiologists and speech-language pathologists, codified as North Dakota Century Code chapter 43-37. In 1983 chapter 43-37 was revised. This chapter requires the governor to appoint a state board of examiners on audiology and speech-language pathology. It is the responsibility of the board to license audiologists ~~and~~, speech-language pathologists, and speech-language pathology licensed assistants.
2. **Board membership.** The board consists of eight members appointed by the governor. Two members are audiologists, four members are speech-language pathologists, one member is an otolaryngologist, and one is a consumer. Each board member serves a term of three years. ~~No~~A member may not serve on the board more than two successive terms.
3. **Officers.** Officers are elected annually. The board may hire an executive secretary as necessary.
4. **Inquiries.** Inquiries regarding the board may be addressed to:

Board of Examiners on Audiology and Speech-Language Pathology
Executive Secretary
402 East Main Street
Bismarck, North Dakota 58501

Phone: 701-755-7165
Email: ndsbe.executivesecretary@gmail.com
Website: ndsbe.com

History: Amended effective May 1, 1984; June 1, 1990; March 1, 1993; April 1, 1993; April 1, 1994; April 1, 2016; April 1, 2018; July 1, 2026.

General Authority: NDCC 28-32-02.1

Law Implemented: NDCC 43-34-37, 43-37-06

CHAPTER 11-02-01

11-02-01-01. Licensure application.

An application for a license to practice audiology or speech-language pathology ~~shall~~and speech-language pathology licensed assistants must be made to the state board of examiners of audiology and speech-language pathology on forms provided by the board upon request. The application ~~shall~~must contain ~~such~~the information ~~as~~ the board reasonably may ~~reasonably~~ require.

1. Each application for a license shall be accompanied by:
 - a. A prescribed fee.
 - b. An official transcript issued by the educational institution from which the degree was received verifying completion of undergraduate and graduate degrees.
 - c. An official or authenticated copy of a passing score, as established by the American speech-language-hearing association, on the Praxis II specialty examination in the area of audiology or speech-language pathology, or another examination approved by the board.
2. All applications ~~shall~~must be signed by the applicant ~~and notarized~~.
3. The board may request ~~such~~ additional information or clarification of information provided in the application as it deems reasonably necessary.
4. If the board so directs, an applicant shall personally appear before the board concerning the application.
5. The board may grant licensure to an applicant who holds a current license in good standing to practice as an audiologist, speech-language pathologist, or speech-language pathology licensed assistant in another state or jurisdiction if that other state or jurisdiction imposes at least substantially the same standards that are imposed under this chapter.

6. Temporary licensure may be granted to an applicant:

- a. Who holds a current license in good standing to practice as an audiologist, speech-language pathologist, or speech-language pathology licensed assistant in another state or jurisdiction.
- b. Who has held a license in good standing to practice as an audiologist, speech-language pathologist, or speech-language pathology licensed assistant in another state or jurisdiction within the past five years.

Temporary licensure may be granted for a maximum of six months, at which time documentation necessary for full licensure is required or licensure is suspended.

Full licensure must be granted if all documentation is provided that meets the demands for initial or relicensure.

History: Amended effective May 1, 1984; June 1, 1990; April 1, 2016; April 1, 2018; July 1, 2026.

General Authority: NDCC 43-37-06

Law Implemented: NDCC 43-37-04, 43-37-06, 43-37-09

11-02-01-04. Renewal of licensure and relicensure.

1. Applications for the renewal of license are due by the first date of each year.

2. At least two months before the first date of each year, the board shall notify the licensee of the requirement for renewal. The notice must be made to the email address or address last provided to the board by the licensee and must encourage applicants to submit applications for renewal upon receiving that notice.
3. A license must be renewed by the board if, on or before the thirty-first day of January of each year, the licensee meets all of the following requirements:
 - a. The licensee filed a complete application for renewal form provided by the board.
 - b. The licensee paid the renewal fee.
 - c. The licensee provided proof of completion of the continuing education required by section 11-02-01-06.
 - d. Grounds for denial of the application under North Dakota Century Code section 43-37-13 do not exist.
 - e. Supervision requirements completed in accordance with section 11-02-01-08.
4. If the completed application for renewal, renewal fee, and proof of completion of continuing education are not filed before the first day of each year, the ~~licensee shall pay the late fee associated with the~~ license must expire, the individual may not practice, and the renewal application must be completed by January thirty-first. If the completed application for renewal, renewal fee, and proof of completion of continuing education are not filed before the last day of January, the licensee is subject to relicensure.
5. ~~If the completed application for renewal, renewal fee, proof of completion of continuing education, and late fee is not filed before the last day of January, the license expires and the individual may not practice until the board renews the license or grants relicensure.~~
- ~~6.~~ The board may extend the expiration date and the deadlines for filing the application for renewal, renewal fee, and proof of completion of continuing education, ~~and late fee~~ upon proof of medical or other hardship preventing the individual from meeting the deadlines.
- ~~7.6.~~ If an individual is unlicensed for a period less than five calendar years, the individual must be granted relicensure upon the filing of a completed application for license, the licensing fee, a two hundred fifty dollar relicensure fee, and proof of completion of ten clock hours of continuing education for each ~~calendar~~ year for which the individual was unlicensed to be considered for relicensure.
- ~~8.7.~~ If an individual is unlicensed for a period of five or more calendar years, the individual may be required by the board to retake and pass the Praxis II specialty examination or another examination approved by the board, and shall be required to file a completed application for a license, the licensing fee, a two hundred fifty dollar relicensure fee, and proof of completion of ten clock hours of continuing education for each calendar year for which the individual was unlicensed ~~in order~~ to be considered for relicensure.
- ~~9.~~ ~~An individual may be granted a relicensure only once in a five-year period.~~

History: Amended effective May 1, 1984; October 1, 1989; June 1, 1990; April 1, 2016; April 1, 2018; July 1, 2026.

General Authority: NDCC 43-37-04, 43-37-06

Law Implemented: NDCC 43-37-04, 43-37-06

11-02-01-05. Fees.

The following fees ~~shall~~**must** be paid in connection with audiologist, speech-language pathologist, and speech-language pathology licensed assistant applications, examinations, renewals, and penalties:

1. Application fee for an audiologist license, speech-language pathologist license, and speech-language pathology licensed assistant license: one hundred dollars.
2. Renewal fee for an audiologist license, speech-language pathologist license, and speech-language pathology license assistant: seventy-five dollars.
3. Relicensure fee: two hundred fifty dollars.

History: Amended effective May 1, 1984; June 1, 1990; February 1, 2001; April 1, 2016; April 1, 2018; July 1, 2026.

General Authority: NDCC 43-37-06

Law Implemented: NDCC 43-37-04, 43-37-06

11-02-01-06. Continuing education.

1. Continuing education is defined as courses or workshops that contribute to professional development and lead to acquiring and enhancing skills and knowledge required for professional practice that are either approved by the board or certified by the American speech-language-hearing association, the American academy of audiology, or the international hearing association or another organization approved by the board.
2. Licensees are required to complete ten clock hours of continuing education during each calendar year.
3. Continued practice in violation of the continuing education requirements as outlined in this section subjects a licensee to disciplinary action as outlined in North Dakota Century Code section 43-37-13.

History: Amended effective May 1, 1984; August 1, 1986; June 1, 1990; April 1, 2016; July 1, 2026.

General Authority: NDCC 43-37-06

Law Implemented: NDCC 43-37-04, 43-37-06

11-02-01-07. Passing score.

The successful completion of a Praxis II specialty examination in audiology or speech-language pathology or another examination approved by the board means: obtaining a score equal to or greater than the passing score established by the American speech-language-hearing association or another organization approved by the board, and in effect at the time of administration of the test.

History: Effective May 1, 1984; amended effective June 1, 1990; April 1, 2016; July 1, 2026.

General Authority: NDCC 43-37-09

Law Implemented: NDCC 43-37-04, 43-37-06

11-02-01-08. Speech-language pathology licensed assistants.

1. ~~Definitions.~~

~~_____~~ a. "Direct clinical experience" means treatment, screenings, or assisting with assessments.

~~_____~~ b. "Direct supervision" means face-to-face contact that occurs either in-person or through video conferencing. Activities that occur during direct supervision include ~~observation, modeling, cotreatment, discussions, and teaching~~ speech-language pathology observation of the practicing speech-language pathology licensed assistant, speech-

language pathology modeling for the speech-language pathology licensed assistant, and cotreatment between the speech-language pathology licensed assistant and supervising speech-language pathologist on a single client.

c. "Indirect clinical experience" means paperwork, observation, or treatment preparation.

b.d. "Indirect supervision" means other than face-to-face contact. Activities that occur during indirect supervision include telephone conversations, written correspondence, review of documents, electronic exchanges, review of recorded sessions, or other methods using secure telecommunication technology.

2. ~~Minimum qualifications for a speech-language pathology licensed assistant. A bachelor's degree in speech-language pathology or communication disorders as approved by the board that includes a minimum of six semester credit hours in disordered communication, a minimum of three semester credit hours in clinical techniques, and successful completion of an internship requiring a minimum of one hundred hours of clinical experience overseen by a supervising speech-language pathologist~~An applicant for a speech-language pathology licensed assistant shall possess one hundred hours of direct clinical experience overseen by a licensed supervising speech-language pathologist with a minimum of twenty-five percent direct clinical supervision or equivalent work experience as approved at the discretion of the board and at least a bachelor's degree in speech-language pathology or communication disorders or a two-year degree in a speech-language pathology assistant's program or a bachelor's degree in another field, with course work in the following areas:

a. Introduction to communication sciences and disorders;

b. Clinical phonetics;

c. Speech sound disorders;

d. Language development;

e. Language disorders; and

f. Anatomy and physiology of speech and hearing mechanisms.

3. ~~Scope of practice.~~A speech-language pathology licensed assistant may:

a. Provide speech-language pathology services only in settings in which direct and indirect supervision are provided on a regular and systematic basis by a supervising speech-language pathologist.

b. Self identify as a speech-language pathology licensed assistant to ~~consumers~~the public.

c. Perform only those tasks prescribed by the supervising speech-language pathologist:

~~Tasks that a supervising speech pathologist may delegate to a speech-language pathology assistant, which~~ are limited to the following:

(1) Assist with speech, and language, and hearing screenings without clinical interpretation as developed and directed by the supervising speech-language pathologist.

(2) Assist during assessment as developed and directed by the supervising speech-language pathologist. ~~In carrying out assessments, a speech-language pathology licensed assistant may not provide a clinical interpretation~~The speech-language pathology licensed assistant may not administer or score diagnostic assessments or provide clinical interpretation of assessments.

- (3) Deliver services set forth in treatment plans or protocols developed and directed by supervising speech-language pathologist.
- (4) Document ~~consumer~~client, patient, or student performance and report this information to the supervising speech-language pathologist.
- (5) Program and provide instruction in the use of augmentative and alternative communication devices as developed and directed by the supervising speech-language pathologist.
- (6) Demonstrate to and share information with ~~consumers~~clients, patients, or students regarding feeding and swallowing strategies developed and directed by the supervising speech-language pathologist.
- (7) Participate in formal parent or guardian conferences, case conferences, or an interdisciplinary team with the presence of the supervising speech-language pathologist.

4. ~~Supervision:~~

- a. A speech-language pathology licensed assistant must be supervised by a licensed speech-language pathologist who has been actively practicing for ~~a minimum of three of the last five years~~eighteen months post initial licensure.
- b. A supervising speech-language pathologist is responsible for the extent, kind, and quality of the service provided by the speech-language pathology licensed assistant, consistent with the standards and requirements approved by the board.
- c. A speech-language pathologist may be the supervisor of record for no more than ~~two~~three speech-language pathology licensed assistants at the same time.
- d. The supervising speech-language pathologist is responsible for the professional services provided by the speech-language pathology licensed assistant.
- e. A supervising speech-language pathologist ~~must~~shall provide direct and indirect supervision as determined by the supervising speech-language pathologist's assessment of the competence of the speech-language pathology licensed assistant and within the scope of the rules adopted by the board. In determining the methods, frequency, and content of supervision, a supervising speech-language pathologist shall consider:
 - (1) The complexity of clients' needs;
 - (2) The number and diversity of clients;
 - (3) The knowledge, competence, and skills of the speech-language pathology licensed assistant;
 - (4) The type of practice setting;
 - (5) Any requirements particular to the practice setting; and
 - (6) Other regulatory requirements.
- f. A supervising speech-language pathologist and a supervised speech-language pathology licensed assistant shall make a written supervision plan that must be in effect for the duration of the supervision, that may be requested by the board at any time, and that includes the following:

- (1) Periodic evaluation and documentation reflecting the speech-language pathology licensed assistant's competence to perform the services prescribed.
 - (2) Periodic documentation of the frequency, methods, and content of the supervision.
- g. A supervising speech-language pathologist shall provide direct and indirect supervision that meets the following guidelines:

(1) ~~During the first ninety days, a supervising speech-language pathologist shall provide direct supervision for at least twenty percent of the client contact hours worked each week by the speech-language pathology licensed assistant, and indirect supervision for at least ten percent of the client contact hours worked by the speech-language pathology licensed assistant.~~

~~(2) After the initial ninety workdays are complete, the~~The supervising speech-language pathologist shall provide direct supervision for at least ten percent of the client contact hours worked each week by the speech-language pathology licensed assistant and indirect supervision for at least ten percent of the client contact hours worked by the speech-language pathology licensed assistant. Direct supervision must be provided by the speech-language pathologist for each client, patient, or student at least once every sixty days. The supervising speech-language pathologist shall provide direct supervision at an increased rate for medically fragile or high-risk patients an appropriate amount in relationship to their condition. The board may request supervision records at any time.

~~(3)~~(2) The board may request supervision records at any time.

~~h. If the supervising speech-language pathologist becomes unlicensed for any reason, the speech-language pathology licensed assistant also shall cease practice until the supervising speech-language pathologist becomes relicensed or immediately shall identify a new supervising speech-language pathologist until the previous supervising speech-language pathologist is relicensed.~~

History: Effective April 1, 2018; amended effective July 1, 2026.

General Authority: NDCC 43-37-06

Law Implemented: NDCC 43-06-04.2, 43-37-04

CHAPTER 11-02-02

11-02-02-02. Code of ethics.

The board subscribes to the 2016 code of ethics of the American speech-language-hearing association. This code is incorporated in the rules by reference except that a certificate of clinical competence is not required to practice speech-language pathology and audiology in North Dakota.

History: Effective May 1, 1984; amended effective October 1, 1989; April 1, 2016; April 1, 2018; [July 1, 2026](#).

General Authority: NDCC 43-37-06

Law Implemented: NDCC [43-37-04](#), 43-37-06

11-02-02-03. Unacceptable professional conduct.

The following constitute unacceptable professional conduct by a licensed audiologist~~—or,~~ speech-language pathologist, [or speech-language pathology licensed assistant](#) and subject such licensee or potential licensee to sanction:

1. Taking financial advantage of a client, or using one's position within an agency to enhance one's private practice or the private practice of others for personal gain.
2. Entering into any illegal acts with a client.
3. Participating in, condoning, or being an accessory to dishonesty, fraud, deceit, or misrepresentation in the practice of audiology or speech-language pathology.
4. Not providing clients with accurate and complete information regarding the extent and nature of the services available to them.
5. Convicted of a criminal act which affects the practice of the profession. (North Dakota Century Code section 12.1-33-02.1)
6. Violating any federal or state confidentiality client care regulation statutes.
7. Violating any federal or state discrimination statutes or regulations.
8. Exploiting relationships with clients such as participating in or soliciting sexual relationships during the time of services and for twelve months following the termination of services.
9. Refusal to seek adequate and appropriate treatment for any illness or disorder which interferes with professional functioning or ability to perform the basic expected functions, or both, of an audiologist~~—or,~~ speech-language pathologist, [or speech-language pathology licensed assistant](#).
10. Using misrepresentation in the procurement of licensing as an audiologist~~—or,~~ speech-language pathologist, [or speech-language pathology licensed assistant](#) or knowingly assisting another in the procurement of licensing through misrepresentation. ~~—Misrepresentation, including misrepresentation~~ of professional qualifications, certifications, accreditations, affiliation, and employment experiences.
11. Failure to report through the proper channels the incompetent, unethical, or illegal practice of any licensed audiologist~~—or,~~ speech-language pathologist, [or speech-language pathology licensed assistant](#) who is providing such services.
12. Participating in activities that constitute a conflict of professional interest and adversely affect the licensee's ability to provide audiology or speech-language pathology services.

13. Violating any of the principles of ethics as listed in the ~~2010~~[most recent](#) code of ethics of the American speech-language-hearing association.
14. Providing any inaccurate, misleading, or false information to the board in regard to a licensure action.

History: Effective October 1, 1989; amended effective April 1, 2016; [July 1, 2026](#).

General Authority: NDCC 43-37-06

Law Implemented: NDCC [43-37-04](#), 43-37-06, 43-37-13

TITLE 24.1
STATE ELECTRICAL BOARD

JULY 2026

CHAPTER 24.1-01-01

24.1-01-01-02. Board membership.

The board consists of ~~five~~six members appointed by the governor for terms of five years. ~~Terms are arranged so that one term expires each year.~~ To provide equal representation on the board, one member is selected from the master electricians, one from the journeymen electricians, ~~another~~one from the investor-owned utilities, ~~the fourth shall be~~one a consumer member of a rural electric cooperative, one an elevator mechanic, and ~~the fifth~~one a member ~~represents~~representing the public ~~and cannot~~who may not be associated directly ~~associated~~ with the electrical industry.

History: Effective April 1, 2017; amended effective July 1, 2026.

General Authority: NDCC ~~28-32-02.143-09-02~~

Law Implemented: NDCC ~~28-32-02.143-09-02~~

24.1-01-01-05. Inspection districts.

The state is divided into districts. Each ~~electrical~~ inspector is assigned to a district. A map showing the districts is available on the board's website at www.ndseb.com and by this reference is ~~herein~~ incorporated in these rules.

History: Effective April 1, 2017; amended effective July 1, 2026.

General Authority: NDCC ~~28-32-02.143-09-05~~

Law Implemented: NDCC ~~28-32-02.143-09-05, 43-09-27~~

CHAPTER 24.1-02-01 GENERAL PROVISIONS

Section

- 24.1-02-01-01 Definitions - [Electrical](#)
- 24.1-02-01-02 General Statement of Policy and Interpretative Rules
- 24.1-02-01-03 Administrative Powers and Duties

24.1-02-01-01. Definitions - [Electrical](#).

The terms used throughout this title have the same meaning as in the National Electrical Code except:

1. "Correction order", also marked as FS, indicates a correction is necessary before installation will be considered approved by the board. It means a notice, written by an electrical inspector to the person responsible for the electrical installation, stating violations and noncompliance of rules and regulations as listed shall be corrected within a designated time.
2. "E-cert" is an electronic version of a wiring certificate.
3. "Kitchen" means an area where food is prepared that includes a sink and one or more permanent cooking appliances.
4. "Service" means the conductors and equipment for delivering electric energy from the serving utility to the wiring system of the premises served.
5. "Service point" means the point of demarcation between the serving utility and the premises wiring. The service point is the point on the wiring system where the serving utility ends and the premises wiring begins. The serving utility generally specifies the location of the service point.
6. "Wiring certificate" means a document consisting of one or more copies that certifies electrical wiring and equipment was installed on premises and was done in strict compliance with all the provisions of North Dakota Century Code chapter 43-09 and all the requirements of the board.

History: Effective April 1, 2017; amended effective July 1, 2024; [July 1, 2026](#).

General Authority: NDCC 43-09-05

Law Implemented: NDCC 43-09-21, 43-09-22

24.1-02-01-02. General statement of policy and interpretative rules.

1. Purpose and scope. The purpose of these standards is the practical safeguarding of persons and of buildings and building contents from electrical hazards arising from the use or control of electricity for light, heat, power, and control thereof, fire detection systems, and power limited systems. It covers the electrical and power limited installations and associated equipment necessary for its safe operation.
2. These standards, based on the National Electrical Code, are the result of years of experience and research to meet the demand for uniform standards to govern electrical and power limited systems wiring in North Dakota, and provide basic rules for intelligent and uniform installation and inspection.
3. All requirements contained herein must be given careful consideration to ensure greatest permanence, convenience, and safety. These standards do not constitute a design specification for any particular installation, or an instruction manual for untrained individuals. Skill and experience are necessary factors for a safe and adequate wiring installation. Whenever these requirements differ or are in conflict with the requirements of the NFPA 70

~~2023~~~~2026~~ edition, National Electrical Code (~~1st~~~~first~~ version, printed in ~~2022~~~~2025~~) and NFPA 101 ~~2021~~~~2024~~ edition Life Safety Code®, and applicable articles in locally adopted codes or North Dakota State Building Code pertaining to fire detection, fire alarms, fire communications, and smoke detectors, the more restrictive requirements are the minimum.

4. Severability. If any section, sentence or clause, or provision of this chapter or the applicability thereof to any person or circumstances is held invalid, the remainder of this chapter and the application of such provision to other persons or circumstances are not affected thereby.

History: Effective April 1, 2017; amended effective October 1, 2020; July 1, 2024; July 1, 2026.

General Authority: NDCC 43-09-05

Law Implemented: NDCC 43-09-05, 43-09-21, 43-09-22

24.1-02-01-03. Administrative powers and duties.

1. The executive director, under the direction of the board, shall administer laws, rules, and wiring standards of this state, the electrical requirements of the NFPA 70 ~~2023~~~~2026~~ edition, National Electrical Code (first version, printed in ~~2022~~~~2025~~) and NFPA 72, 101, 110 ~~2021~~~~2024~~ edition Life Safety Code®, and applicable articles in locally adopted codes or North Dakota State Building Code pertaining to fire detection, fire alarms, fire communications, and smoke detectors. Whenever any action is taken by the executive director to enforce the provisions of any sections contained in these electrical regulations, the NFPA 70 ~~2023~~~~2026~~ edition, National Electrical Code (first version, printed in ~~2022~~~~2025~~) and NFPA 101 ~~2021~~~~2024~~ edition Life Safety Code®, such acts must be done in the name of and on behalf of the state.
2. The electrical regulations of these standards, the NFPA 70 ~~2023~~~~2026~~ edition, National Electrical Code (first version, printed in ~~2022~~~~2025~~) and NFPA 101 ~~2021~~~~2024~~ edition Life Safety Code®, may be modified or waived by special permission in particular cases when such modification or waiver is specifically permitted or in particular cases when an advancement in the technology of electricity makes such modification or waiver advisable in the best interest of the people of North Dakota. Such "special permission", in all cases, must be obtained from the executive director in writing before the commencement of the work.
3. Whenever the board is authorized or mandated by law to inspect an electrical installation, the inspector may enter upon land for the purpose of conducting the inspection. Except in emergency circumstances, the inspector shall request permission from the property owner or agent before entering a dwelling, other building, or other place so enclosed as manifestly to exclude intruders. If the landowner refuses to give permission, the board may request the district court of the district containing the property for an order authorizing the inspector to enter the property to conduct the inspection. Emergency circumstances include situations presenting imminent danger to health, safety, or property.

History: Effective April 1, 2017; amended effective October 1, 2020; July 1, 2024; July 1, 2026.

General Authority: NDCC 43-09-05

Law Implemented: NDCC 43-09-21, 43-09-22

ARTICLE 24.1-04
ELECTRICIAN EDUCATION

Chapter
24.1-04-01 Education Requirements

CHAPTER 24.1-04-01

24.1-04-01-01. Education requirements for licensure and renewal.

No master, journeyman, power limited, or class B electrician license will be renewed unless proof of eight continuing education hours have been submitted, of which a minimum of fifty percent of the hours shall be based on the NFPA 70 ~~2023~~2026 edition, National Electrical Code (first version, printed in ~~2022~~2025). The remaining credits shall be subjects related to the electrical industry. Approval of the education curriculum is required by the board.

History: Effective April 1, 2017; amended effective October 1, 2020; July 1, 2024; July 1, 2026.

General Authority: NDCC 43-09-05

Law Implemented: NDCC 43-09-21, 43-09-22

CHAPTER 24.1-05-01

24.1-05-01-01. Electrical certificates.

1. All electrical installations, including power limited system installations defined by the National Electrical Code Special Occupancies, articles 500 through 517, with a value of five hundred dollars or more, ~~must~~shall have an electrical wiring certificate submitted by the master, class B, or power limited electrician supervising the installation on a form prescribed by the board. A project with multiple address locations requires an electrical wiring certificate for each location.
2. Before work commences on any electrical installation when a new service is installed, an existing service is altered or repaired, a building is moved, when a mobile home service or feeder is installed, or when the cost of the repair work or additional installation exceeds five hundred dollars, the master, class B, or power limited electrician supervising such installation shall submit an electrical wiring certificate and distribute as follows:
 - a. A startup copy of the certificate must be submitted to the board and a copy to the power company before work is commenced and before an electrical installation may be energized.
 - b. Within fifteen days of completion, use, or occupancy, whichever is first, the final paperwork must be submitted to the board, along with the proper fee. The wiring certificate must be completed with the location and a proper description of work completed.
 - c. A copy must be retained by the master, class B, or power limited electrician.
 - d. A copy must be left in or on the panel or given to the owner.
3. Certificates with job cost of twenty thousand dollars or less are valid twelve months from the original filing date. A new wiring certificate must be filed on all unfinished work.
4. E-certs are available upon request and submission of an application from any master, class B, or power limited electrician holding a proper current license from the board. The master, class B, or power limited electrician is responsible for all certificates issued to and by that person. A charge of twenty-five dollars to cover board costs must be assessed on each lost electrical paper wiring certificate issued to any master, class B, or power limited electrician, unless returned to the board.
5. Whenever an electrical installation made by or under the supervision of a master, class B, or power limited electrician is commenced or in use without submitting an electrical wiring certificate, as directed in subsection 2, the certificate may be considered late and the normal inspection fee, as required under this section, is increased in the amount of fifty dollars. In addition when time and travel are expended by employees of the board to obtain a late certificate, an investigative fee may be charged to cover the costs incurred. Costs ~~are to~~must be calculated at a rate of fifty dollars per hour and mileage rates currently allowed by North Dakota Century Code section 54-06-09 per mile of travel.
6. Property owners who are self-wiring or doing their own electrical work shall comply with the following before any electrical work commences:
 - a. ~~Notify the board office of intent to self-wire~~Submit an application to the board.
 - b. Must own and occupy the residential property or farmstead where the electrical work will be done.
 - c. Review plans or drawings depicting wiring to be done with the local electrical inspector.

- d. Inspection fees ~~will~~must be calculated as stated in this section with a minimum of fifty dollars.
- e. Certification and inspection are required as stated in this section.

History: Effective April 1, 2017; amended effective January 1, 2018; October 1, 2020; July 1, 2024; July 1, 2026.

General Authority: NDCC 43-09-05

Law Implemented: NDCC 43-09-21, 43-09-22

24.1-05-01-02. Fees.

1. The electrical and power limited systems inspection fee ~~shall~~must be based on the total amount of the contract or total cost to the owner, including extras. This includes power limited systems in National Electrical Code chapter 5 special occupancies, articles 500 through 517. The following items need not be included in the cost:
 - a. Appliances, including dishwashers, heat pumps, air-conditioners, disposals, and similar equipment.
 - b. Heating, ventilating, and air-conditioning (HVAC) units.
 - c. Electric motors, PLC, generators; and
 - d. Industrial machines.
2. The contractor is responsible to collect the proper inspection fee on each installation. When the owner furnishes the material and the contractor furnishes the labor, the owner shall provide the contractor with the total amount expended for materials used in connection with the installation, and the contractor shall then calculate and collect the necessary inspection fee from the owner. Whenever materials are donated or removed from an existing installation and placed at another location or labor is donated to an installation, the contractor shall estimate the cost of these materials and labor and include the amount in the job cost for the purpose of calculating the proper inspection fee. The contractor shall maintain all job-related records for a minimum of four years and shall permit the board to examine and copy all such records as requested.
3. It ~~shall be~~is grounds for discipline of a master, class B, or power limited electrician's license if it is discovered that they charged or collected from the customer an electrical inspection fee greater than the fee actually in effect.
4. Effective October 1, 2020, inspection fees shall be as follows:

Job Cost:	Inspection Fee:
Up to \$500.00	\$50.00 (minimum fee)
\$500.00 to \$20,000.00	\$50.00 for the first \$500.00 plus 1.25% on balance up to \$20,000.00
Over \$20,000.00	\$293.75 for the first \$20,000.00 plus 1/10 of 1% on balance over \$20,000.00

Effective July 1, 2024, inspection fees shall be as follows:

Job Cost:	Inspection Fee:
Up to \$500.00	\$50.00 (minimum fee)

\$500.00 to \$20,000.00

\$50.00 for the first \$500.00 plus 2% on balance up to \$20,000.00

Over \$20,000.00

\$440.00 for the first \$20,000.00 plus 1/10 of 1% on balance over \$20,000.00

5. Companies having supervision of ~~elevators, dumbwaiters~~, electrically driven irrigation machine or out-of-state structures or skids installed in North Dakota shall submit ~~reports~~an application to the board. The ~~report shall~~application must be completed, signed by owner or manager, and forwarded to the board with the inspection fee. The inspection fee ~~shall~~must be as follows:

a. ~~Elevators and dumbwaiters having horsepower rating up to 5 horsepower - \$25.00~~

~~b. Elevators and dumbwaiters having horsepower rating 5 horsepower through 15 horsepower - \$40.00~~

~~c. Elevators and dumbwaiters having horsepower rating over 15 horsepower - \$60.00~~

~~d. Electrically driven irrigation machines - \$50.00~~

~~e.~~b. Out-of-state structures or skids - Based on inspection fee schedule.

6. Whenever a correction order is written and corrections are not completed within the allotted time, there ~~shall~~must be an administration charge of fifty dollars, which ~~shall~~must be paid to the board by the master, class B, or power limited electrician.

7. All reinspections ~~shall~~must be paid for by the contractors at a minimum charge of one hundred dollars. In addition, an investigative fee may be charged to cover the costs incurred to be calculated at a rate of fifty dollars per hour and mileage rates currently allowed by North Dakota Century Code section 54-06-09 per mile of travel.

8. For inspections not covered in this section or special services, the fee ~~shall~~must be fifty dollars per hour, including travel time, plus mileage rates currently allowed by North Dakota Century Code section 54-06-09 per mile traveled.

History: Effective April 1, 2017; amended effective January 1, 2018; October 1, 2020; July 1, 2026.

General Authority: NDCC 43-09-05

Law Implemented: NDCC 43-09-21, 43-09-22

24.1-05-01-03. Carnivals, circuses, fairs, and similar events.

1. All carnivals, circuses, fairs, and similar events shall comply with article 525, ~~2023~~2026 edition, National Electrical Code (first version, printed in ~~2022~~2025).

2. All installations shall be approved by the electrical inspector before usage.

3. Each carnival, circus, fair, or similar event operating or intending to operate in North Dakota shall notify the North Dakota State Electrical Board, P.O. Box 7335, Bismarck, North Dakota 58507-7335, each year of its itinerary and make application for the initial inspection thirty days before the first engagement in the state. Failure to notify the board may result in expenses incurred for excess time and travel to inspect these installations.

4. The fee shall be paid to the inspector at the first engagement or inspection as follows:

a. \$15.00 each ride or concession;

- b. \$15.00 reinspection fee on each unit, if required; and
 - c. \$50.00 each transformer or generator truck.
5. Each ride or concession wired properly will be issued a certification of compliance, serving for an entire season, subject to subsequent inspections.
 6. Minor code violations will be issued a correction order with instructions to correct each violation before the next engagement. A reinspection will be required.
 7. The electrical inspector is empowered to write a correction order for immediate compliance should the inspector find a condition dangerous to life and property.

History: Effective April 1, 2017; amended effective October 1, 2020; July 1, 2024; [July 1, 2026](#).

General Authority: NDCC 43-09-05

Law Implemented: NDCC 43-09-21, 43-09-22

CHAPTER 24.1-06-01

24.1-06-01-10. Requirement for electrical installations.

Electrical installations shall be planned to provide adequate capacity for the load.

1. Wiring systems shall have conductors of sufficient capacity to furnish each outlet without excessive line loss or voltage drop. The voltage drop shall not exceed five percent at the farthest outlet of power, heating and lighting loads, or combinations of such loads. (See appendix for example.)
2. All wiring materials and equipment shall be listed by nationally recognized testing laboratories to safeguard life and property. It is the duty of the electrical installer to secure permission from the executive director to use materials, devices, and methods of installation not specifically covered by these standards. Equipment not approved under a testing laboratory category shall be evaluated by a registered professional engineer and recorded on evaluation forms accepted by the board.

Exception: Manufacturing firms that install industrial machinery for use by the firm itself and employ professional engineers may evaluate the industrial machinery according to NFPA 79 or UL 508 Standards. This evaluation shall be maintained with the equipment at all times and a copy submitted to the board.

3. When wiring public school buildings, approval shall be received from the department of public instruction and the board.
4. Overhead conductors shall not cross over water wells or known sites where water wells may be drilled. A minimum distance of twenty feet [6.10 meters] in all directions shall be maintained for overhead conductors.
5. In the wiring of nursing homes and hospitals, reference shall be made to the state department of health for special requirements pertaining to operating rooms, delivery rooms, and emergency lighting.
6. Aluminum or copper-clad aluminum conductors in sizes smaller than no. 6 must be used only for class II and class III circuits.
7. All new construction shall follow the energy-efficient related requirements for design and construction of buildings in accordance with the locally adopted codes or the State Building Code.
8. In any room of an existing building where the sheetrock or wall covering has been removed from all walls, the electrical wiring requirements must comply with the ~~2023~~2026 edition, National Electrical Code (first version, printed in ~~2022~~2025).
9. If the occupancy of an existing building or part of an existing building is changed, the electrical wiring and equipment of the building or portion thereof that contains the proposed occupancy must comply with the ~~2023~~2026 edition, National Electrical Code (first version, printed in ~~2022~~2025).

History: Effective April 1, 2017; amended effective July 1, 2024; July 1, 2026.

General Authority: NDCC 43-09-05

Law Implemented: NDCC 43-09-21, 43-09-22

24.1-06-01-20. Water damaged electrical equipment.

Water damaged electrical equipment wiring and equipment exposed to water damage must comply with the following:

1. All breaker panel boards, breakers, fuses, disconnect switches, controllers, receptacles, switches, light fixtures, and electric heaters that have been submerged or exposed to water damage must be replaced or all electrical equipment, switchgear, motor control centers, boilers and boiler controls, electric motors, transformers, and other similar equipment, such as appliances, water heaters, dishwashers, ovens, and ranges that have been submerged must be reconditioned by the original manufacturer or by its approved representative or replaced.
2. Electrical wiring may require replacement depending on the type of wire or cable and what application it was listed for.
3. Splices and terminations must be checked to ensure compliance with article 110.14, ~~2023~~2026 edition, National Electrical Code (~~4st~~first version, printed in ~~2022~~2025).
4. Energized electrical panels that have been submerged must be de-energized to prevent loss of life and property.

Other recommendations can be found in "Guidelines for Handling Water Damaged Electrical Equipment" published by the national electrical manufacturers association (NEMA).

History: Effective April 1, 2017; amended effective October 1, 2020; July 1, 2024; July 1, 2026.

General Authority: NDCC 43-09-05

Law Implemented: NDCC 43-09-21, 43-09-22

24.1-06-01-40. Smoke alarms, heat alarms, fire alarm systems, and carbon monoxide alarm requirements for evacuation and life safety.

Alarm systems stated in this section ~~shall~~must be installed in accordance with the locally adopted codes or the State Building Code and state fire code under the supervision of a master or class B electrician. In new construction, all alarm systems ~~shall~~must receive their primary power from the building wiring and when primary power is interrupted, shall receive power from a battery. Wiring ~~shall~~must be permanent and without a disconnecting switch other than those required for overcurrent protection.

1. Dwelling units, congregate residences, and hotel or lodging house guest rooms that are used for sleeping purposes shall be provided with smoke alarms. Alarms ~~shall~~must be installed in accordance with the approved manufacturer's instructions.
 - a. When more than one smoke alarm is required to be installed within an individual dwelling unit the alarm devices ~~shall~~must be interconnected in such a manner that the actuation of one alarm will activate all of the alarms in the individual unit. Smoke alarms ~~shall~~must be installed in the following locations:
 - (1) In each sleeping room.
 - (2) Outside each separate sleeping area in the immediate vicinity of the sleeping rooms.
 - (3) On each additional story of the dwelling, including basements and habitable attics but not including crawl spaces and uninhabitable attics. In dwellings or dwelling units with split levels and without an intervening door between the adjacent levels, a smoke alarm installed on the upper level shall suffice for the adjacent lower level provided that the lower level is less than one full story below the upper level.

- (4) In dwelling units where the ceiling height of a room open to the hallway serving the bedrooms exceeds that of the hallway by twenty-four inches [60.96 centimeters] or more, smoke alarms shall be installed in the hallway and in the adjacent room.
- b. ~~Heat alarms.~~ For new construction, an approved heat alarm shallmust be installed in the attached single tenant garage of a residence and interconnected with the smoke alarms within the residence.
 - c. Household fire alarm systems installed in accordance with NFPA 72 that include smoke alarms, or a combination of smoke detectors and audible notification device installed as required by this section for smoke alarms, shallmust be permitted. The household fire alarm system shallmust provide the same level of smoke detection and alarm as required by this section for smoke alarms. Where a household fire warning system is installed using a combination of smoke detector and audible notification device, it shallmust become a permanent fixture of the occupancy and owned by the homeowner. The system shallmust be monitored by an approved supervising station and be maintained in accordance with NFPA 72 upper level.
2. Apartment houses, hotels, and congregate residences shallmust be provided with a manual and automatic fire alarm system in accordance with the requirements of locally adopted codes or the State Building Code and state fire codes. For two-family dwellings, a notification device connected to a smoke alarm system in the other dwelling unit must be provided in each dwelling unit.
3. An approved carbon monoxide alarm shallmust be installed in dwelling units within which fuel-fired appliances are installed and in dwelling units that have attached garages in the following locations:
- a. Outside each sleeping area in the immediate vicinity of the bedrooms.
 - b. On every habitable level.
 - c. In each bedroom or its attached bathroom within which a fuel-fired appliance is located.
- If more than one carbon monoxide alarm must be installed within an individual dwelling unit, the alarm devices must be interconnected to activate all alarms in the individual dwelling unit if one alarm is activated.
4. Rooms and areas within dwelling units, basements and attached garages in which an energy storage system is installed must be protected by smoke alarms. The smoke alarm must receive power from the premise wiring and be interconnected to any existing smoke alarm system. A heat detector listed and interconnected must be installed if a smoke alarm cannot based on its listing.

A condensed guide is included in the appendix, and for further information consult the locally adopted codes or the State Building Code and state fire codes.

History: Effective April 1, 2017; amended effective October 1, 2020; July 1, 2024; July 1, 2026.

General Authority: NDCC 43-09-05

Law Implemented: NDCC 43-09-21, 43-09-22

CHAPTER 24.1-06-02

24.1-06-02-10. (NEC 210) Branch circuits.

Branch circuits ~~shall~~must comply with article 210, ~~2023~~2026 edition, National Electrical Code (first version, printed in ~~2022~~2025).

1. The total connected load ~~shall~~must be divided as evenly as practicable, between the two ungrounded conductors of a three-wire system and three conductors of a four-wire wye system.
2. In a dwelling unit, a separate circuit with disconnect ~~shall~~must be provided for the purpose of operating or controlling electrical equipment for primary source heating units. Wiring requirements for fixed electrical space heating equipment is provided under article 424, ~~2023~~2026 edition, National Electrical Code, (first version, printed in ~~2022~~2025).
3. A minimum of six 20-amp small appliance branch circuits ~~shall~~must be installed for counter receptacles in kitchens that are used to serve public gatherings at schools, churches, lodges, and similar buildings. Any island counter in these locations ~~shall~~must have at least one receptacle.
4. In dwelling occupancies. A minimum of three 20-amp small appliance branch circuits ~~shall~~must be installed to supply receptacle outlets in kitchen, pantry, dining room, and breakfast room. These circuits ~~shall~~may not supply other outlets and shall have conductors not smaller than no. 12. Two of these circuits ~~shall~~must supply receptacle outlets on or near work counter area and so arranged that adjacent receptacles are not on the same circuit.
5. In dwelling occupancies, one 20-amp bathroom circuit for receptacles ~~shall~~may not feed more than two bathrooms.
6. ~~Fifteen~~In a dwelling unit, fifteen and twenty ampere receptacles supplying sewer pumps and sump pumps ~~shall~~do not need arc fault circuit protection, but ~~shall~~must be ground-fault protected or a single receptacle on ~~a-dedicated~~an individual branch circuit.
7. Fifteen and twenty ampere receptacles supplying power for garage door openers located in attached or detached garages associated with dwelling units ~~shall~~must be ground-fault protected or a single receptacle installed. The single receptacle must be labeled for intended use and that it is non-GFCI protected.
8. Portable cleaning equipment receptacle outlets ~~shall~~must be installed in corridors and located so that no point in the corridor along the floor line, measured horizontally, is more than twenty-five feet [7.62 meters] from an outlet.
9. Exception: ~~2023~~2026 edition, National Electrical Code (first version, printed in ~~2022~~2025), article 210.11(C)(4): Requirements ~~shall~~may not include buildings two hundred fifty square feet [23.23 square meters] or smaller.
10. Exception: ~~2023~~2026 edition, National Electrical Code (first version, printed in ~~2022~~2025), article 210.12(B): AFCI protection is not required for the following:
 - a. Refrigeration appliances if a single receptacle on ~~a-dedicated~~an individual branch circuit is installed and labeled "Refrigeration Equipment Only"; and
 - b. Furnaces used for main heating source.
11. Exception: ~~2023~~2026 edition, National Electrical Code (first version, printed in ~~2022~~2025), article 210.8(A): GFCI protection ~~shall not be~~is not required for refrigeration appliances in

dwelling units, unless refrigeration is located within six inches [15.24 centimeters] of sink or in garage, if a single receptacle on an individual branch circuit is installed and labeled "Refrigeration Equipment Only".

12. Exception: ~~2023~~2026 edition, National Electrical Code (first version, printed in ~~2022~~2025), article ~~210.52(C)(2)~~210.52(C)(3) and 210.52(C)(4), countertop, island and peninsular countertops and work surfaces: receptacle outlets shall be permitted to be located not more than twelve inches [30.48 centimeters] below the countertop or work surface. Receptacles installed below a countertop or work surface shall not be located where the countertop or work surface extends more than six inches [15.24 centimeters] beyond its support base.

History: Effective April 1, 2017; amended effective October 1, 2020; July 1, 2024; July 1, 2026.

General Authority: NDCC 43-09-05

Law Implemented: NDCC 43-09-21, 43-09-22

24.1-06-02-30. (NEC 230) Services.

Electrical services ~~shall~~**must** comply with article 230, ~~2023~~2026 edition, National Electrical Code (first version, printed in ~~2022~~2025).

1. Perpendicular mast used for support of a service may not be less than two-inch [5.08-centimeter] galvanized rigid steel conduit or intermediate metal conduit, fitted with storm collar flashing.
2. ~~Outside switch location. The equipment~~Equipment for an outside switch location may not be mounted lower than two feet [.6061 meter] above grade level unless listed for such purpose.
3. All services in single-family dwellings must be located in a single accessible location.

Exception: Special permission ~~shall~~**must** be granted by the electrical inspector for a second service location to be added where there is no available space for the service equipment. The second service location must be installed in accordance with article 230.2, ~~2023~~2026 edition, National Electrical Code (first version, printed in ~~2022~~2025).

4. ~~Rating of service switch.~~ Any new or old single-family dwelling where the main house panel or service is altered or repaired, the dwelling is moved, or where the dwelling is rewired, a minimum one hundred ampere service-rated panel must be installed. Replacement of service mast or meter enclosure is an alteration of the service.

~~a. A one hundred ampere main house panel must be installed using ungrounded conductors sized for the proper ampacity. The panel must contain provisions for a minimum of twenty full-sized branch circuit spaces.~~

~~b. A greater than one hundred ampere but less than two hundred ampere main house panel must be installed using ungrounded conductors sized for the proper ampacity. The panel or panels must contain provisions for a minimum of thirty full-sized branch circuit spaces.~~

~~c. A two hundred ampere or larger main house panel must be installed using ungrounded conductors sized for the proper ampacity. The panel or panels must contain provisions for a minimum of forty full-sized branch circuit spaces.~~

~~d. Service and feeder calculation for electric heating loads must be sized to one hundred twenty-five percent of the full load rating.~~

5. For the purpose of separating services within one building, each portion of a building separated by one or more fire walls must be considered a separate building as defined by the locally adopted codes or the State Building Code and state fire codes.

History: Effective April 1, 2017 amended effective October 1, 2020; July 1, 2024; [July 1, 2026](#).

General Authority: NDCC 43-09-05

Law Implemented: NDCC 43-09-21, 43-09-22

24.1-06-02-40. (NEC 240) Overcurrent protection.

Overcurrent protection must comply with article 240, [20232026](#) edition, National Electrical Code (first version, printed in [20222025](#)).

1. Exterior overcurrent devices must be located at a height of no less than two feet [.61 meter] above grade level to the bottom of the enclosure.

Exception: If raising the switch would exceed the height requirements of NEC 240.24(A).

2. Switchboards and panel boards may not be located in bathrooms, clothes closets, stairways, or crawl spaces spaces, except in bathrooms where only a sink and toilet or similar plumbing fixture is installed. Switchboards and panel boards may not be installed within six feet [1.83 meters] of the edge of these plumbing fixtures.

History: Effective April 1, 2017; amended effective October 1, 2020; July 1, 2024; [July 1, 2026](#).

General Authority: NDCC 43-09-05

Law Implemented: NDCC 43-09-21, 43-09-22

24.1-06-02-50. (NEC 250) Grounding and bonding.

Grounding and bonding must conform to article 250, [20232026](#) edition, National Electrical Code (first version, printed in [20222025](#)).

1. At motor connections, a bonding jumper sized in accordance with table 250.122, [20232026](#) edition, National Electrical Code (first version, printed in [20222025](#)), must be provided around all flexible conduit. The bonding jumper is not required if a separate grounding conductor is included.

~~2. Grounding of metal outdoor lighting standards.~~

- ~~a.~~ Definition of lighting standard is a pole exceeding twelve feet [3.66 meters] in height measured from the bottom of the base or from the intended grade level of poles.

- ~~b.~~ The metal lighting standard must be connected to a one-half inch [12.70-millimeter] by ten-foot [3.05-meter] copperweld ground rod, or twenty feet [6.10 meters] of one or more bare or zinc galvanized or other electrically conductive coated steel reinforcing bars or rods (rebar) of not less than one-half inch [1.27 centimeters] in diameter, by the means of a bonding jumper. The ten-foot [3.05-meter] ground rod must be driven in the center of the metal standard base and project slightly above the base. Both ground rod and equipment grounding conductor must be connected to the metal standards. The bonding jumper must be in accordance with [20232026](#) edition, National Electrical Code (first version, printed in [20222025](#)), and in no case smaller than no. 8 copper or no. 6 aluminum.

3. The grounding electrode conductor must be connected to the grounded service conductor in the enclosure for the service disconnect.

- ~~4. Exception: In addition to same raceway, auxiliary gutter, or cable tray, if multiconductor cables are paralleled, a single equipment grounding conductor that is sized in accordance with 250.122(F)(2)(c) is also permitted in a trench.~~

History: Effective April 1, 2017; amended effective October 1, 2020; July 1, 2024; [July 1, 2026](#).

General Authority: NDCC 43-09-05

Law Implemented: NDCC 43-09-21, 43-09-22

CHAPTER 24.1-06-03

24.1-06-03-01. (NEC 300) Wiring methods.

1. ~~Agricultural buildings.~~—This section covers all buildings housing livestock, poultry, and other areas of similar or like nature. All electrical panel boards, wiring devices, and equipment ~~shall~~must be installed in accordance with the provisions of article 547, ~~2023~~2026 edition, National Electrical Code (first version, printed in ~~2022~~2025).

A site-isolating device ~~shall~~must be permitted to be installed at the distribution point where two or more agricultural building structures are supplied from the distribution point.

2. Electric metallic tubing ~~shall~~may not be used in concrete below grade, in concrete slab or masonry in direct contact with earth. A vapor barrier, if used, ~~will have~~has no effect on the requirements of the section. Electric metallic tubing ~~shall~~may not be embedded in earth or fill.
3. Aluminum conduit ~~shall~~may not be installed in contact with earth or embedded in concrete.
4. The installation of rigid nonmetallic conduit shall comply with the provision of article 352, ~~2023~~2026 edition, National Electrical Code (first version, printed in ~~2022~~2025). Expansion fittings for rigid nonmetallic conduit shall be provided to compensate for thermal expansion and contraction in accordance with article 352.44, ~~2023~~2026 edition, National Electrical Code (first version, printed in ~~2022~~2025). When installed outdoors and above grade, one hundred forty degrees Fahrenheit [60 degrees Celsius] ~~shall be~~is considered the minimum change in degrees.
5. Fertilizer rooms, meatpacking plants, salt processing plants, and similar locations are judged to be occupancies where severe corrosive conditions are likely to be present. It is recommended that nonmetallic conduit with nonmetallic boxes and fittings be used as the wiring method for such occupancies. Ferrous and nonferrous metal raceways ~~shall~~must be used providing the raceway, boxes, and fittings are properly protected against corrosion.
6. Metal raceways or metal clad cable (type MC) rated for the environment ~~shall~~must be installed in the following occupancies:
 - a. Hospitals;
 - b. Nursing homes;
 - c. Related patient care areas; and
 - d. Places of assembly.

Metal raceways or metal clad cable (type MC) ~~shall~~must be used in fixed wiring methods including fire alarms along with metal boxes or nonmetallic raceways encased in not less than two inches of concrete.

Exception 1: As provided in article 640, ~~2023~~2026 edition, National Electrical Code (first version, printed in ~~2022~~2025), sound reproduction and similar equipment; in article 800, ~~2023~~2026 edition, National Electrical Code (first version, printed in ~~2022~~2025), communication circuits; and in article 725, ~~2023~~2026 edition, National Electrical Code (first version, printed in ~~2022~~2025), for class 2 and class 3 remote control and signaling circuits.

Exception 2: Listed two-hour fire-rated cables as permitted in article ~~695-6~~695, and article 760, ~~2023~~2026 edition, National Electrical Code (first version, printed in ~~2022~~2025).

Adjacent areas separated by an approved fire barrier may be wired in any approved wiring method in chapter 3 of the ~~2023~~2026 edition, National Electrical Code (first version, printed in

~~2022~~2025). For the purpose of this section, a fire barrier is defined as a continuous assembly, vertical or horizontal, in accordance with locally adopted codes or the State Building Code.

History: Effective April 1, 2017; amended effective October 1, 2020; July 1, 2024; July 1, 2026.

General Authority: NDCC 43-09-05

Law Implemented: NDCC 43-09-21, 43-09-22

24.1-06-03-14. (NEC 314) Boxes and fittings.

1. Not more than one extension ring may be used on outlet boxes unless special permission has been obtained from the electrical inspector having jurisdiction.
2. Boxes or conduit bodies ~~shall~~must be installed at each opening, splice, or connection, except as provided in article 604, ~~2023~~2026 edition, National Electrical Code (first version, printed in ~~2022~~2025).

History: Effective April 1, 2017; amended effective October 1, 2020; July 1, 2024; July 1, 2026.

General Authority: NDCC 43-09-05

Law Implemented: NDCC 43-09-21, 43-09-22

CHAPTER 24.1-06-05

24.1-06-05-01. (NEC 500) Hazardous locations.

1. Classification of hazardous locations is required to be completed by owner, representative, or engineer that has the qualifications and shall provide documentation as required by the provisions of article 500.4, ~~2023~~2026 edition, National Electrical Code (~~1st~~first version, printed in ~~2022~~2025), including the reference standards as listed in article 500.4, ~~2023~~2026 edition, National Electrical Code (~~1st~~first version, printed in ~~2022~~2025).
2. For classifications of oilfield installations refer to API RP 500, Classification of Locations for Electrical Installations at Petroleum Facilities, ~~third edition, December 2012~~fourth edition, June 8, 2023.
3. Surge arrestors ~~shall~~must be provided for all services in grain elevators.
4. Hot bearing or other similar detection systems ~~shall~~must be installed in accordance with articles 500-516, ~~2023~~2026 edition, National Electrical Code (~~1st~~first version, printed in ~~2022~~2025).

History: Effective April 1, 2017; amended effective October 1, 2020; July 1, 2024; July 1, 2026.

General Authority: NDCC 43-09-05

Law Implemented: NDCC 43-09-21, 43-09-22

24.1-06-05-50. (NEC 550) Mobile home parks.

Service equipment may be installed on manufactured homes as required in article ~~550.32(b)~~550.51 if the following requirements are met:

1. The mobile home is located on property owned by the homeowner and not in mobile home park.
2. The mobile home is secured to a permanent foundation that complies with locally adopted codes or the State Building Code.

History: Effective April 1, 2017; amended effective October 1, 2020; July 1, 2026.

General Authority: NDCC 43-09-05

Law Implemented: NDCC 43-09-21, 43-09-22

CHAPTER 24.1-06-06 SPECIAL EQUIPMENT

Section

24.1-06-06-01	[Reserved]
24.1-06-06-02	[Reserved]
24.1-06-06-03	[Reserved]
24.1-06-06-04	[Reserved]
24.1-06-06-05	[Reserved]
24.1-06-06-06	[Reserved]
24.1-06-06-07	[Reserved]
24.1-06-06-08	[Reserved]
24.1-06-06-09	[Reserved]
24.1-06-06-10	[Reserved]
24.1-06-06-11	[Reserved]
24.1-06-06-12	[Reserved]
24.1-06-06-13	[Reserved]
24.1-06-06-14	[Reserved]
24.1-06-06-15	[Reserved]
24.1-06-06-16	[Reserved]
24.1-06-06-17	[Reserved]
24.1-06-06-18	[Reserved]
24.1-06-06-19	[Reserved]
24.1-06-06-20	[Reserved]
24.1-06-06-21	[Reserved]
24.1-06-06-22	[Reserved]
24.1-06-06-23	[Reserved]
24.1-06-06-24	[Reserved]
24.1-06-06-25	(NEC 625) Electric Vehicle Charging System [Repealed]

24.1-06-06-25. (NEC 625) Electric vehicle charging system.

[Repealed effective July 1, 2026.](#)

~~—625.41 Overcurrent protection. Overcurrent protection for feeders and branch circuits supplying vehicle charging equipment must be sized for continuous duty and must have a rating of not less than one hundred twenty-five percent of the maximum load of the equipment. For these installations, "maximum load of equipment" means the setting the electrician adjusted the device to. The adjustment may not be readily accessible or cannot easily be adjusted by the consumer. The electrician shall label the device if set to a value less than the maximum nameplate rating. The contractor shall assure the size of the service feeding these devices is adequate.~~

History: Effective October 1, 2020.

General Authority: NDCC 43-09-05

Law Implemented: NDCC 43-09-21, 43-09-22

ARTICLE 24.1-07
[Reserved]

ARTICLE 24.1-08

[Reserved]

ARTICLE 24.1-09
[Reserved]

ARTICLE 24.1-10
[Reserved]

ARTICLE 24.1-11
[Reserved]

ARTICLE 24.1-12
[Reserved]

ARTICLE 24.1-13
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ARTICLE 24.1-14
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ARTICLE 24.1-15
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ARTICLE 24.1-16
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ARTICLE 24.1-47
[Reserved]

ARTICLE 24.1-48

[Reserved]

ARTICLE 24.1-49
[Reserved]

ARTICLE 24.1-50
CONVEYANCE DEFINITIONS, GENERAL STATEMENT OF POLICY, AND
INTERPRETATIVE RULES

Chapter
24.1-50-01 General Provisions

CHAPTER 24.1-50-01
GENERAL PROVISIONS

Section
24.1-50-01-01 Definitions - Conveyance
24.1-50-01-02 General Statement of Policy and Interpretative Rules
24.1-50-01-03 Administrative Powers and Duties

24.1-50-01-01. Definitions - Conveyance.

As used throughout this title:

1. "Alteration" means any change to equipment, elevators, or other conveyances, including its parts, components, or subsystems thereof, other than maintenance, repair, or replacement in accordance with ASME A17.1-2019/CSA B44, including the altering, rebuilding, upgrading, or modernizing of elevators or other conveyances.
2. "ASME" means the American society of mechanical engineers.
3. "Board" means the North Dakota state electrical board established under this chapter.
4. "Conveyance" means any elevator, escalator, stairway chairlift, platform lift, stage lift, orchestra lift, hoist, dumbwaiter, moving walk, automated people mover, automated-type parking structure, wind turbine elevators, or other device used for moving people, materials, equipment, or other objects from one landing or location to another. Such devices include those covered by ASME A17.1-2019/CSA B44; ASME A18.1; ASME B20.1; Automated People Mover Standards; NFPA 88A; ANSI/ASSE 10.4; and ANSI/ASSE 10.5. The meaning of the terms for elevators, escalators, and other conveyance devices referenced includes the definitions provided in the referenced code sections, as applicable.
5. "Conveyance operation certificate" means a document consisting of one or more copies that certifies conveyance equipment was installed on premises or annually inspected by an elevator contractor and was done in strict compliance with all the provisions of North Dakota Century Code chapter 43-09 and all the requirements of the board.
6. "Correction order", also marked as FS, indicates a correction is necessary before installation may be considered approved by the board. It means a notice written by an inspector to the person responsible for the installation or annual inspection, stating violations and noncompliance of rules and regulations as listed shall be corrected within a designated time.

History: Effective July 1, 2026.

General Authority: NDCC 43-09-27

Law Implemented: NDCC 43-09-27, 43-09-28, 43-09-29, 43-09-30, 43-09-31, 43-09-32, 43-09-33, 43-09-34

24.1-50-01-02. General statement of policy and interpretative rules.

1. The purpose of these standards is the practical safeguarding of persons, buildings, and building contents from hazards arising from the use or control of conveyance equipment. It covers the mechanical and electrical installations and associated equipment necessary for safe operation of conveyance equipment. The inspection of elevators and other conveyances subject to this chapter, must comply with the requirements of this chapter and applicable industry codes and standards as incorporated herein.
2. These standards, based on the ASME codes, are the result of years of experience and research to meet the demand for uniform standards to govern conveyance equipment in North Dakota, and provide basic rules for intelligent and uniform installation and inspection. Elevators and other conveyances subject to this chapter are further defined and regulated by applicable industry codes and standards including:
 - a. ASME A17.1-2019/CSA B44:19 Safety Code for Elevators and Escalators.
 - b. ANSI/ASSP A10.4-2016 Safety Requirements for Personnel Hoists and Employee Elevators on Construction and Demolition Sites.
 - c. ANSI/ASSP A10.5-2020 Safety Requirements for Material Hoists.
 - d. ASME A18.1-2023 Safety Standard for Platform Lifts and Stairway Chairlifts.
 - e. ASME B20.1-2024 Safety Standard for Conveyors and Related Equipment.
 - f. ASCE/ANSI 21-21-2021 Automated People Mover Standards.

The specific versions of industry codes and standards that apply to this chapter must be determined by the board and incorporated into administrative code.

3. All requirements contained herein must be given careful consideration to ensure greatest permanence, convenience, and safety. These standards do not constitute a design specification for any particular installation, or an instruction manual for untrained individuals. Skill and experience are necessary factors for a safe and adequate wiring installation. Whenever these requirements differ or are in conflict with the requirements of the board-adopted ASME edition and applicable articles in locally adopted codes or State Building Code pertaining to conveyance equipment, the more restrictive requirements are the minimum.
4. If any section, sentence or clause, or provision of this chapter or its applicability to any person or circumstances is held invalid, the remainder of this chapter and the application of such provision to other persons or circumstances is not affected by it.

History: Effective July 1, 2026.

General Authority: NDCC 43-09-27

Law Implemented: NDCC 43-09-27, 43-09-28, 43-09-29, 43-09-30, 43-09-31, 43-09-32, 43-09-33, 43-09-34

24.1-50-01-03. Administrative powers and duties.

1. The executive director, under the direction of the board, shall administer conveyance laws, rules, and standards of this state adopted by the board. The conveyance requirements of the ASME codes, and applicable articles in locally adopted codes or State Building Code pertaining to conveyance equipment. Whenever any action is taken by the executive director to enforce the provisions of any sections contained in these regulations, the act must be done in the name of and on behalf of the state.

2. The board-adopted conveyance regulations may be modified or waived by special permission in particular cases when such modification or waiver is specifically permitted or in particular cases when an advancement in the technology makes such modification or waiver advisable in the best interest of the people of North Dakota. Such "special permission", in all cases, must be obtained from the executive director in writing before the commencement of the work.
3. Whenever the board is authorized or mandated by law to inspect a conveyance installation, the inspector may enter upon land for the purpose of conducting the inspection. Except in emergency circumstances, the inspector shall request permission from the property owner or agent before entering a dwelling, other building, or other place so enclosed as manifestly to exclude intruders. If the landowner refuses to give permission, the board may request the district court of the district containing the property for an order authorizing the inspector to enter the property to conduct the inspection. Emergency circumstances include situations presenting imminent danger to health, safety, or property.
4. The board shall establish fee schedules for permits, certificates, inspections, and tests required under this chapter. The fees must reflect the actual costs and expenses to operate this department and to conduct the duties as described in this chapter.
5. The board shall create testing and inspection forms that must be based on current and existing national and state elevator industry safety regulations.

History: Effective July 1, 2026.

General Authority: NDCC 43-09-27

Law Implemented: NDCC 43-09-27, 43-09-28, 43-09-29, 43-09-30, 43-09-31, 43-09-32, 43-09-33, 43-09-34

ARTICLE 24.1-51
LICENSURE AND REGISTRATION OF ELEVATOR INSTALLERS

Chapter
24.1-51-01 Licensing and Registration Requirements

CHAPTER 24.1-51-01
LICENSING AND REGISTRATION REQUIREMENTS

Section
24.1-51-01-01 Application and Annual License Registration Fees
24.1-51-01-02 Elevator Mechanic
24.1-51-01-03 Elevator Contractor
24.1-51-01-04 Elevator Apprentice
24.1-51-01-05 Supervision and Responsibilities

24.1-51-01-01. Application and annual license registration fees.

1. Upon receiving an application packet for an elevator's license from a contractor or an individual applicant, the board shall process and review the application for applicant's employment verification of conveyance construction experience or other licensure as outlined under this section. Upon final approval of the completed application by the board, the applicant must be notified of an approval or denial of licensure. Upon receiving the notification of approval, the applicant shall contact the board and inform the board of receipt and the license and registration fees must be paid separately.

2. An applicant shall have the necessary qualifications, training, and technical knowledge to install, inspect, and repair conveyance apparatus and equipment in accordance with the standard rules and regulations of the ASME code.

3. The board issues an identification card to currently licensed and registered conveyance personnel. This identification card, along with a government-issued picture identification card, shall be in the possession of the mechanic when doing conveyance work. If the identification card is misplaced or destroyed, a replacement charge to cover board costs must be imposed.

4. The application fees are as follows:

- a. Elevator inspector (mechanic) \$50.00
- b. Elevator contractor \$250.00

5. The license and registration or annual renewal fees are as follows:

- a. Elevator inspector (mechanic) \$50.00 Expires March thirty-first
- b. Elevator contractor \$250.00 Expires April thirtieth

Expired licenses and registrations require a reinstatement fee equal to the annual fee.

History: Effective July 1, 2026.

General Authority: NDCC 43-09-27

Law Implemented: NDCC 43-09-27, 43-09-28, 43-09-29, 43-09-30, 43-09-31, 43-09-32, 43-09-33, 43-09-34

24.1-51-01-02. Elevator mechanic.

An elevator inspector (mechanic) is an individual having at least eight thousand hours of experience working as a licensed elevator mechanic under the supervision of an elevator contractor or similar contractor of record and other qualifications as required by the board. An elevator mechanic is an individual responsible to adhere to all the adopted laws and rules of the North Dakota conveyance standards. Conveyance work must be done under the supervision of an elevator contractor or elevator contractor of record.

History: Effective July 1, 2026.

General Authority: NDCC 43-09-27

Law Implemented: NDCC 43-09-27, 43-09-28, 43-09-29, 43-09-30, 43-09-31, 43-09-32, 43-09-33, 43-09-34

24.1-51-01-03. Elevator contractor.

1. An elevator contractor is an individual responsible to adhere to all laws and rules of the North Dakota conveyance standards and has shown proof of liability insurance and provide proof of five years of practical elevator installations and other qualifications as required by the board; or
2. An elevator contractor of record is an individual responsible to adhere to all laws and rules of the North Dakota conveyance standards for the partnership, company, corporation, limited liability company, or association and has shown proof of liability insurance that the elevator contractor of record is covered by the organization and provide proof of five years of practical elevator installations and other qualifications as required by the board. The elevator contractor of record is not allowed to work on other property other than property owned or leased by the organization.

History: Effective July 1, 2026.

General Authority: NDCC 43-09-27

Law Implemented: NDCC 43-09-27, 43-09-28, 43-09-29, 43-09-30, 43-09-31, 43-09-32, 43-09-33, 43-09-34

24.1-51-01-04. Elevator apprentice.

An elevator apprentice is an individual who works directly under the supervision of a licensed elevator mechanic or elevator contractor. An applicant who has prior experience outside of the state of North Dakota may verify the practical experience obtained in order to apply credit toward the verification of hours toward a North Dakota elevator mechanic's license.

History: Effective July 1, 2026.

General Authority: NDCC 43-09-27

Law Implemented: NDCC 43-09-27, 43-09-28, 43-09-29, 43-09-30, 43-09-31, 43-09-32, 43-09-33, 43-09-34

24.1-51-01-05. Supervision and responsibilities.

1. A licensed elevator contractor shall supervise the individuals installing conveyance equipment which may work as an apprentice under a licensed elevator mechanic may not allow an apprentice to work on any installation without direct constant supervision by a North Dakota licensed elevator mechanic or elevator contractor working directly with the apprentice at the worksite.
2. If an apprentice is found to be doing conveyance equipment work not under the direct supervision of a licensed elevator mechanic or elevator contractor, an investigative fee may be charged to cover the costs incurred by the board. Costs must be calculated at a rate of fifty

dollars per hour and mileage rates currently allowed by North Dakota Century Code section 54-06-09 per mile of travel.

3. Elevator contractors shall maintain records of all individuals who are or will be performing conveyance work for the contractor and shall permit the electrical board to examine and copy all such records as required by this section. It is the responsibility of the elevator contractor to ensure all individuals who are or will be performing conveyance work are licensed or registered apprentices with the board.
4. Any elevator contractor who fails or refuses to comply with this section or who fails or refuses to comply or demonstrate compliance with this section at the request of the board or its representative shall subject the individual's license to nonrenewal, suspension, or revocation by the board.
5. An elevator contractor may exercise its privileges as a licensed contractor for no more than one shop or business and shall comply with provisions as required for contracting with the secretary of state's office as stated in North Dakota Century Code chapter 43-07. An elevator contractor must be actively engaged in the supervision of every project certified under that contractor's license. An elevator contractor shall notify the board office immediately upon changing their status for the business they represent.

History: Effective July 1, 2026.

General Authority: NDCC 43-09-27

Law Implemented: NDCC 43-09-27, 43-09-28, 43-09-29, 43-09-30, 43-09-31, 43-09-32, 43-09-33, 43-09-34

ARTICLE 24.1-52
CONVEYANCE CERTIFICATES

Chapter
24.1-52-01 Certificates and Inspections

CHAPTER 24.1-52-01
CERTIFICATES AND INSPECTIONS

Section
24.1-52-01-01 Registration of Conveyances
24.1-52-01-02 Elevator Permits
24.1-52-01-03 Certificate of Operation
24.1-52-01-04 Inspection and Testing of Conveyances
24.1-52-01-05 Fees

24.1-52-01-01. Registration of conveyances.

1. On or before January 1, 2026, the owner of every existing elevator or other conveyance subject to this chapter shall register with the board each such conveyance, unless it is a new conveyance.
2. The owner of a new elevator or other conveyance shall register with the board within thirty days of passing acceptance testing and inspection.
3. Whenever registering a conveyance, the owner shall give the type, rated load, number of landings and speed, name of manufacturer, its location, the purpose for which it is used and such additional information as the board may require.
4. Whenever a conveyance subject to this chapter is decommissioned or otherwise taken out of service, the owner responsible for the equipment shall notify the board within six months to request the conveyance be removed from the state's registration list.

History: Effective July 1, 2026.

General Authority: NDCC 43-09-27

Law Implemented: NDCC 43-09-27, 43-09-28, 43-09-29, 43-09-30, 43-09-31, 43-09-32, 43-09-33, 43-09-34

24.1-52-01-02. Elevator permits.

1. A permit, issued in accordance with the requirements of this section, is required for any work involving constructing, installing, altering, replacing, dismantling, demolishing, or removing from service elevators or other conveyances covered by this chapter.
2. a. Permits required under this section must be obtained before the work is commenced and must be issued to an elevator contractor licensed pursuant to this chapter.
b. The elevator contractor obtaining the permit is responsible for the complete scope of work covered by the permit until the board has issued the operating permit. A copy of such a permit must be kept at the site at all times while the work is in progress.
c. Any permit issued specifically must require that any work subject to the permit must be performed only by persons licensed under this chapter and must be performed in accordance with all requirements of this chapter, including applicable industry codes and standards incorporated herein.

d. On each application for a permit, the board may require copies of specifications and accurately scaled and fully dimensioned plans showing the location of the installation in relation to the plans and elevation of the building; the location of the machinery space, machine room, control space, or control room and the equipment to be installed, relocated, or altered; and all structural supporting members, including foundations, and all materials to be employed and all loads to be supported or conveyed. The plans and specifications must be complete sufficiently to illustrate all details of construction and design, including electrical drawings. In addition, each submittal must include a copy of the written maintenance control program as required by ASME A17.1/CSA B44.

e. The applicable fees must accompany each permit application.

3. Permits may be revoked or suspended for the following reasons:

a. Making a false statement, omission, or misrepresentation as to a material fact in the application, plans, or specifications on which the permit was based.

b. If the work detailed under the permit is not being performed in accordance with the provisions of the application, plans or specifications, or with the code or conditions of the permit.

c. If the elevator contractor to whom the permit was issued fails or refuses to comply with a stop work order from the board.

d. If the board determines revocation is necessary to ensure the proper enforcement of this chapter or to protect public or worker safety, the board may order the elevator contractor or elevator inspector to disable the conveyance equipment from operation.

4. A permit is deemed expired in the event that:

a. The work authorized by such permit is not commenced within six months after the date on which the permit is issued or within a shorter period as specified on the permit.

b. The work is suspended or abandoned for a period of sixty days, or such shorter period of time as the board may specify at the time the permit is issued, after the work has been started. For good cause, the board may allow an extension of the foregoing period at its discretion.

History: Effective July 1, 2026.

General Authority: NDCC 43-09-27

Law Implemented: NDCC 43-09-27, 43-09-28, 43-09-29, 43-09-30, 43-09-31, 43-09-32, 43-09-33, 43-09-34

24.1-52-01-03. Certificate of operation.

1. Subsequent to installation, the elevator contractor responsible for the work shall certify compliance with the applicable sections of this chapter and applicable industry codes and standards, as adopted by the board.

2. Prior to any conveyance covered under this chapter being used, the owner of the elevator or other conveyance shall obtain a certificate of operation from the board.

3. Certificates of operation must be valid for one year and renewed annually. A fee, as determined by the board, must be paid for initial and subsequent certificates of operation.

4. Certificates of operation must be clearly displayed on or in each conveyance or in the machine room for the benefit of code enforcement staff.

5. In the event that an incident occurs involving an elevator or other conveyance subject to this chapter that results in death or bodily injury to any person requiring hospitalization or other treatment by a physician, the building owner or operator shall submit a report to the board within forty-eight hours which includes the date, time, and place of the incident on a form prescribed by the board.

History: Effective July 1, 2026.

General Authority: NDCC 43-09-27

Law Implemented: NDCC 43-09-27, 43-09-28, 43-09-29, 43-09-30, 43-09-31, 43-09-32, 43-09-33, 43-09-34

24.1-52-01-04. Inspection and testing of conveyances.

1. It is the responsibility of the owner of all elevators and other conveyances to ensure that all equipment subject to this chapter conforms to the following inspection and testing requirements:
 - a. New or altered conveyances shall be inspected and tested in accordance with ASME A17.1/CSA B-44 section 8.10.
 - b. Existing conveyances shall be inspected and tested in accordance with ASME A17.1/CSA B-44 section 8.11.
2. Inspections and tests of conveyances required under this section must be conducted to ensure the conveyances are operated and maintained in accordance with applicable code requirements for such conveyances as adopted or determined by the board.
3. It is the responsibility of the owner of all conveyances to ensure that the inspections and tests required pursuant to this section are performed in compliance with the applicable code requirements for such conveyances as adopted or determined by the board.
4. All work required for inspections and the associated tests of elevators and other conveyances shall be performed by an elevator mechanic or contractor and shall be reviewed on forms prescribed by the board or witnessed by a board inspector if required by the code to ensure compliance with applicable code requirements for such conveyances as adopted or determined by the board.
5. If any tests on elevators or other conveyances are performed pursuant to this section such tests are required to be reviewed by an elevator inspector in accordance with this section or applicable industry codes or standards incorporated herein. This means that the inspector shall verify the tests or witness such tests to ensure they are administered and verify test results.
6. Subsequent to inspection, the elevator mechanic or contractor shall supply the board with a written inspection report verifying code compliance or describing any code violations found.
7. The requirements of this chapter must be phased in as follows:
 - a. After August 1, 2026, each newly installed or altered conveyance must pass an acceptance test approved by an elevator inspector.
 - b. After August 1, 2026, each traction elevator must pass an annual acceptance test approved by an elevator inspector.
 - c. After August 1, 2027, each hydraulic elevator, escalator, and moving walk must pass an annual acceptance test approved by an elevator inspector.

- d. After August 1, 2028, the board shall implement a schedule to meet the five-year full load safety testing requirement.
- e. After August 1, 2032, each conveyance must pass a five-year full load safety test approved by an elevator inspector.

History: Effective July 1, 2026.

General Authority: NDCC 43-09-27

Law Implemented: NDCC 43-09-27, 43-09-28, 43-09-29, 43-09-30, 43-09-31, 43-09-32, 43-09-33, 43-09-34

24.1-52-01-05. Fees.

- 1. The conveyance inspection fee must be based on the total amount of the contract or total cost to the owner, including extras.
- 2. The elevator contractor is responsible to collect the proper inspection fee on each installation, repair, update or annual inspection of conveyance equipment. If the owner furnishes the material and the contractor furnishes the labor, the owner shall provide the contractor with the total amount expended for materials used in connection with the installation, and the contractor shall then calculate and collect the necessary inspection fee from the owner. Whenever materials are donated or removed from an existing installation and placed at another location or labor is donated to an installation, the contractor shall estimate the cost of these materials and labor and include the amount in the job cost for the purpose of calculating the proper inspection fee. The contractor shall maintain all job-related records for a minimum of four years and shall permit the board to examine and copy all such records as requested.
- 3. It is grounds for discipline of an elevator contractor's license if it is discovered that they charged or collected from the customer an inspection fee greater than the fee actually in effect.

4. Permit fees:

<u>Job Cost</u>	<u>Inspection Fee</u>
<u>Up to \$1,000.00</u>	<u>\$150.00 (minimum fee)</u>
<u>\$1,000.00 to \$5,000.00</u>	<u>\$150.00 for the first \$1,000.00 plus 2.5% on balance up to \$5,000.00</u>
<u>Over \$5,000.00</u>	<u>\$250.00 for the first \$5,000.00 plus 1.25% on balance over \$5,000.00</u>

- 5. Certificate of operation fees must be determined by the board.
- 6. Whenever a correction order is written and corrections are not completed within the allotted time, there must be an administration charge of fifty dollars, which must be paid to the board by the elevator contractor.
- 7. All reinspections must be paid for by the contractors at a minimum charge of one hundred dollars. In addition, an investigative fee may be charged to cover the costs incurred to be calculated at a rate of fifty dollars per hour and mileage rates currently allowed by North Dakota Century Code section 54-06-09 per mile of travel.
- 8. For inspections not covered in this section or special services, the fee is fifty dollars per hour, including travel time, plus mileage rates currently allowed by North Dakota Century Code section 54-06-09 per mile traveled.

History: Effective July 1, 2026.

General Authority: NDCC 43-09-27

Law Implemented: NDCC 43-09-27, 43-09-28, 43-09-29, 43-09-30, 43-09-31, 43-09-32, 43-09-33,
43-09-34

TITLE 43
INDUSTRIAL COMMISSION

JULY 2026

**ARTICLE 43-02
MINERAL EXPLORATION AND DEVELOPMENT**

Chapter

43-02-01	Coal Exploration
43-02-02	Subsurface Mineral Exploration and Development
43-02-02.1	Underground Injection Control Program
43-02-02.2	In Situ Leach Mineral Mining Rules
43-02-02.3	Surface Mining (Noncoal)
43-02-02.4	Solution Mining
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43-02-03	Oil and Gas Conservation
43-02-04	Natural Gas Well Status Determinations [Repealed]
43-02-05	Underground Injection Control
43-02-06	Royalty Statements
43-02-07	Geothermal Energy Production
43-02-07.1	Deep Geothermal Energy Production
43-02-08	Stripper Well and Stripper Well Property Determination
43-02-09	Workover Projects [Repealed]
43-02-10	Certification of Secondary and Tertiary Recovery Projects - Determination of Incremental Production
43-02-11	Certification of Shallow Gas Wells
43-02-12	Geophysical Exploration Requirements
43-02-13	High-Level Radioactive Waste
43-02-14	Geological Storage of Oil or Gas
43-02-15	Certification of Restimulation Wells

CHAPTER 43-02-02.5
EXPLORATION AND PRODUCTION OF CRITICAL MINERALS IN COAL-BEARING FORMATIONS

Section

<u>43-02-02.5-01</u>	<u>Definitions</u>
<u>43-02-02.5-02</u>	<u>Scope of Chapter</u>
<u>43-02-02.5-03</u>	<u>Enforcement of Laws, Rules, and Regulations</u>
<u>43-02-02.5-04</u>	<u>United States Government Leases</u>
<u>43-02-02.5-05</u>	<u>Forms Upon Request</u>
<u>43-02-02.5-06</u>	<u>Authority to Cooperate with Other Agencies</u>
<u>43-02-02.5-07</u>	<u>Organization Reports</u>
<u>43-02-02.5-08</u>	<u>Record of Permits</u>

<u>43-02-02.5-09</u>	<u>Exploration Permit</u>
<u>43-02-02.5-10</u>	<u>Exploration Bond</u>
<u>43-02-02.5-11</u>	<u>Processing Facility Permit</u>
<u>43-02-02.5-12</u>	<u>Processing Facility Bond</u>
<u>43-02-02.5-13</u>	<u>Mining Permit</u>
<u>43-02-02.5-14</u>	<u>Public Availability of Permit Application Information</u>
<u>43-02-02.5-15</u>	<u>Confining of Waters to Their Original Strata</u>
<u>43-02-02.5-16</u>	<u>Method of Plugging</u>
<u>43-02-02.5-17</u>	<u>Testholes to Be Used for Fresh Water</u>
<u>43-02-02.5-18</u>	<u>Inspections</u>
<u>43-02-02.5-19</u>	<u>Basic Data</u>
<u>43-02-02.5-20</u>	<u>Exploration Reports</u>
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<u>43-02-02.5-23</u>	<u>Investigative Powers</u>
<u>43-02-02.5-24</u>	<u>Additional Information May Be Required</u>
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<u>43-02-02.5-26</u>	<u>Application for Hearing</u>
<u>43-02-02.5-27</u>	<u>Hearings - Proceedings</u>
<u>43-02-02.5-28</u>	<u>Investigatory Hearings</u>
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<u>43-02-02.5-30</u>	<u>Petitions and Oral Arguments Prohibited</u>
<u>43-02-02.5-31</u>	<u>Notice of Order</u>
<u>43-02-02.5-32</u>	<u>Service and Filing</u>
<u>43-02-02.5-33</u>	<u>Designation of Examiners</u>
<u>43-02-02.5-34</u>	<u>Powers and Duties of Examiner</u>
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<u>43-02-02.5-36</u>	<u>Commission Order from Examiner Hearing</u>
<u>43-02-02.5-37</u>	<u>Prehearing Motion Practice</u>

43-02-02.5-01. Definitions.

The terms used throughout this chapter have the same meaning as in North Dakota Century Code chapter 38-12, except:

1. "Certified mail" means a form of service by the United States postal service, federal express, Pitney Bowes, or other commercial nationwide delivery service that provides the mailer with a document showing the date of delivery or refusal to accept delivery.
2. "Commission" means the industrial commission.
3. "Director" means the director of the department of mineral resources of the industrial commission.
4. "Log or well log" means a systematic, detailed, and accurate record of one or more properties as a function of depth in an open or cased well bore. The term includes geophysical, petrophysical, image, or engineered or composite logs, or other well bore measurements acquired while drilling or by wireline operations recorded in paper or digital format.
5. "Mined area" means the area where coal has been mined for its critical mineral content from within the boundaries of a public service commission-approved mine permit within one calendar year.
6. "Processing facility" means a facility that extracts critical minerals from coal-bearing formations.

7. "Testhole" means a hole drilled for the purpose of gathering information on subsurface minerals.

8. "Waste" means:

a. Physical waste;

b. Operations that cause or tend to cause unnecessary or excessive surface loss; or

c. Operations that do not recover all the mineral being mined that is technically and economically possible.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-02

Law Implemented: NDCC 38-12-02

43-02-02.5-02. Scope of chapter.

This chapter contains general rules of statewide application which have been adopted by the commission to conserve the natural resources of North Dakota, prevent waste, and provide for operation in a manner as to protect correlative rights of all owners of subsurface minerals. Special rules, regulations, and orders may be issued as required and must prevail against general rules, regulations, and orders if there is a conflict. If this chapter does not conflict with special rules, this chapter applies. The commission may grant exceptions to this chapter, after due notice and hearing, if exceptions result in the prevention of waste and operation in a manner to protect correlative rights.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-02

Law Implemented: NDCC 38-12-02

43-02-02.5-03. Enforcement of laws, rules, and regulations.

The commission and its agents, representatives, and employees shall enforce all rules and statutes of North Dakota relating to the exploration, development, and production of critical minerals. However, it is the responsibility of all owners or operators to obtain information pertaining to the regulation of subsurface minerals before operations begin.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-02

Law Implemented: NDCC 38-12-02

43-02-02.5-04. United States government leases.

The commission recognizes all persons exploring for, producing, or processing critical minerals on United States government land or for United States government minerals shall comply with federal regulations and applicable state rules and regulations.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-02

Law Implemented: NDCC 38-12-02

43-02-02.5-05. Forms upon request.

Forms for written notices, requests, and reports required by the commission must be furnished upon request. The forms must be of the nature prescribed by the commission covering proposed work, work in progress, and the results of completed work.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-02

Law Implemented: NDCC 38-12-02

43-02-02.5-06. Authority to cooperate with other agencies.

The commission may enter arrangements with state and federal government agencies, industry committees, and individuals with respect to special projects, services, and studies relating to critical minerals.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-02

Law Implemented: NDCC 38-12-02

43-02-02.5-07. Organization reports.

A person acting as principal or agent for another or independently engaged in the drilling for, or in the production, storage, transportation, refining, reclaiming, treating, marketing, or processing of the critical minerals in North Dakota immediately shall file with the state geologist the name under which business is being conducted and operated; the name and post-office address of the person; the business or businesses in which the person is engaged; the plan of organization, and in case of a corporation, the law under which it is chartered; and the names and post-office addresses of any persons acting as trustees, together with the names and post-office addresses of any officials on an organization report. If the business is conducted under an assumed name, the organization report shall show the names and post-office addresses of all owners in addition to the other information required. A new organization report must be filed when and if there is a change in any of the information contained in the report.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-02

Law Implemented: NDCC 38-12-02

43-02-02.5-08. Record of permits.

The state geologist shall maintain an official permit list, including:

1. The name of the permitholder;
2. The permit number;
3. The date the permit was issued; and
4. The location (county) of the permit.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-02

Law Implemented: NDCC 38-12-02

43-02-02.5-09. Exploration permit.

1. A permit is required before commencement of operations for the exploration and evaluation of critical minerals. A permit must be granted for one year upon receipt of a permit application on a form provided by the commission, the furnishing of a bond as set out in this chapter, and the payment of a fee of one hundred dollars per permit. A permit is valid for one permit area only.
2. A critical minerals exploration permit is not required within a coal mine permit boundary, but a permit from the public service commission is required. However, ownership and all exploratory data used to determine critical mineral concentrations must be provided to the commission.

3. Coal may not be extracted for commercial sale during a critical mineral exploration operation. Coal may not be extracted except for cores and samples necessary for testing and analysis. The removal of more than two hundred fifty tons [226.80 metric tons] of coal from an area is considered a surface coal mining operation and is subject to the requirements of North Dakota Century Code chapter 38-14.1 and the regulations of the public service commission promulgated under North Dakota Century Code chapter 38-14.1.

4. The permit application must include:

- a. The name, address, and telephone number of the person seeking to explore.
- b. The name, address, and telephone number of the representative who will be present at and responsible for conducting the exploration activities.
- c. A precise description of the exploration area.
- d. A statement of the period of intended exploration.
- e. A description of the practices proposed to be followed to protect the environment from adverse impacts as a result of the exploration activities.
- f. Any other information required by the commission.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-03

Law Implemented: NDCC 38-12-03

43-02-02.5-10. Exploration bond.

1. A person engaged in critical mineral exploration and evaluation, or who proposes to do so, shall submit to the commission and obtain its approval of a surety bond or cash bond. An alternate form of security may be approved by the commission after notice and hearing, as provided by law. A bond is required for each permit area. The bond must be in the amount of one hundred dollars for each testhole drilled in the permit area. Each surety bond must be executed by a responsible surety company authorized to transact business in the state of North Dakota. A blanket bond in the amount of ten thousand dollars, conditioned as above provided, may be submitted to cover any number of testholes drilled in one or more permit areas. The blanket bond shall cover all permits issued in one year commencing on the date the first permit covered by the bond is issued.

2. A person providing a blanket bond in lieu of several individual bonds is required to comply with the rules, regulations, and orders of the commission in the same manner as if the person had provided several individual bonds. Violation shall result in forfeiture of the blanket bond in its entirety, if the violation would have resulted in forfeiture had the action in question been covered by an individual bond.

3. For the purposes of the commission the bond required is a performance bond and a plugging bond and is to endure up to and including receipt by the state geologist of all basic exploration data required by law and approved plugging of all holes drilled.

4. The commission shall advise in writing the principal and sureties on a surety bond as to whether the provisions of statutes and rules have been satisfied and liability under the bond may be formally terminated.

5. The state geologist may act for the commission as to all matters within this section.

6. A state or federal agency engaged in critical mineral exploration or evaluation is exempt from providing the bond.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-02

Law Implemented: NDCC 38-12-02

43-02-02.5-11. Processing facility permit.

1. A processing facility permit application is required before commencement of operations to create or construct a processing facility. The application for a processing facility permit must be filed with the director, together with a permit fee. The amount of the permit fee is determined by the state geologist based upon the cost for the commission to review, investigate, and process the application. Activity may not commence until the application is approved and a permit is issued by the director. Upon successful review of the application, the amount of the facility bond is determined. The permit application may not be approved until the facility bond is in effect.

2. Permit applications for a processing facility shall address the following:

a. Identification of interests, including:

- (1) The name and address of the operator responsible for the processing facility operations and reclamation of the site.
- (2) The names and addresses of the surface landowners of all land within the permit boundary of the processing facility.

b. Project location description and maps plotted at a scale to accurately identify locational landmarks and operational details, including:

- (1) A legal description of the proposed processing facility permit area.
- (2) The general location as shown on a topographic map that gives the location of the following: perennial, intermittent, and ephemeral streams; springs and seeps; wetlands, riparian areas, lakes and other water bodies; residences, businesses, and other structures; existing and proposed roads; other access routes; support facilities; cemeteries; burial grounds; cultural resources listed on the national register of historic places; electrical transmission and communication lines; pipelines; and oil, gas, and water wells on and within one-half mile [.80 kilometer] of the permit area.

(3) An operations map that identifies:

- (a) All buildings, structures, tanks, pits, vats, pipelines, access roads, and other types of infrastructure; a surface facilities map that identifies the locations of buildings; processing equipment; roads; underground utilities; power lines; proposed drainage control structures; the location of topsoil and subsoil storage areas, if warranted; tailings or processed waste facilities; and solid and liquid wastes and wastewater discharge treatment and containment facilities.
- (b) Any dikes, berms, or other structures that are meant to contain processing fluids onsite.

c. A brief narrative description of the proposed processing facility plan of operation, including:

- (1) A general description and list of the critical minerals sought and the methods of extraction. Any chemicals to be used onsite must be identified, where and how they will be stored, and where and how they will be disposed. Any forms of disposal shall comply with the rules and regulations of the North Dakota department of environmental quality.
- (2) A geological cross-section across the permit application area to a depth of one hundred feet [30.48 meters].
- (3) An estimate of depth to ground water and general water chemistry.
- (4) Estimated width and length of any new roads to be constructed.
- (5) An estimate of the total number of surface acres to be disturbed by the processing facility.
- (6) A description of the plans for any structures to be used for managing runoff from the site, if warranted.
- (7) A contingency plan to mitigate impacts to wildlife if there is an emergency or accidental discharge of toxic substances that may impact wildlife.
- (8) A description of measures to be undertaken to control sedimentation from the permit area and a plan for the monitoring of nonpoint source sediment pollution from the disturbed area.

d. The operator shall provide a general narrative description identifying potential surface and subsurface impacts. At a minimum, this description shall include:

- (1) Projected impacts to surface and ground water systems;
- (2) Actions proposed to mitigate any impacts; and
- (3) A plan for the management of waste streams in accordance with chapters 33.1-16-01, 33.1-20-01.1, 33.1-20-09, and 33.1-25-01, as applicable.

e. A person controlling or operating any processing facility shall notify verbally the director within twenty-four hours after discovery of any fire, leak, spill, or release of fluid. If the incident occurs or travels offsite of a facility, the person responsible for proper notification shall notify the surface owners upon whose land the incident occurred or traveled within twenty-four hours after the discovery of the incident.

f. An application must include a reclamation plan, including maps or drawings as necessary, consisting of a narrative description of the proposed reclamation, including:

- (1) A detailed description of any surface facilities that are proposed to be left at closure, including buildings, utilities, roads, pads, ponds, pits, and surface equipment.
- (2) A description of the treatment, location, and disposition of any toxic-forming or acid-forming materials generated and left onsite, including a map showing the location of the materials upon the completion of reclamation.

g. The reclamation plan must be updated as necessary and submitted for approval prior to the commencement of final reclamation activities.

h. Unless otherwise approved in the reclamation plan, all buildings and infrastructure must be removed. All disturbed lands must be reclaimed to a condition consistent with prior land use and productive capacity.

3. The commission shall review the facility permit at least once every five years to determine whether it should be amended, modified, or revoked.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-03

Law Implemented: NDCC 38-12-03

43-02-02.5-12. Processing facility bond.

1. Before any person receives a permit to conduct processing facility operations for critical minerals, the person shall submit to the commission and obtain its approval of a surety bond executed by a responsible surety company authorized to transact business in North Dakota or a cash bond. An alternate form of security may be approved by the commission after notice and hearing, as provided by law. The operator of a processing facility must be the principal on the bond covering the activity. The amount of the bond must be specified by the commission and based upon the estimated reclamation costs.
2. Bonds must be conditioned upon full compliance with North Dakota Century Code chapter 38-12, and all administrative rules and orders of the commission, and continues until any of the following occurs:
 - a. The lands disturbed by any method of processing of critical minerals have been restored and approved by the director.
 - b. The liability on the bond has been transferred to another bond and such transfer has been approved by the commission.
3. Transfer of property does not release the bond. In case of transfer of property or other interest in a processing facility and the principal desires to be released from the bond covering the facility:
 - a. The principal shall notify the director in writing of all proposed transfers of property at least thirty days before the closing date of the transfer. The director may waive this requirement for good cause.
 - b. The principal shall submit to the commission on a transfer form reciting that a certain property or properties, describing each by quarter-quarter, section, township, and range, is to be transferred to a certain transferee, naming the transferee, for the purpose of ownership or operation. The date of assignment or transfer must be stated and the form signed by a party duly authorized to sign on behalf of the principal.
 - c. On the transfer form the transferee shall recite the following: "The transferee has read the foregoing statement and accepts such transfer and the responsibility of such property under the transferee's processing facility bond." Such acceptance must be signed by a party authorized to sign on behalf of the transferee and the transferee's surety.
 - d. If the commission approves the transfer and acceptance and accepts it under the transferee's bond, the transferor is released from the responsibility of site reclamation.
 - e. The transferee (new operator) of any processing facility is responsible for the site reclamation of any such property. For that purpose, the transferee shall submit a new bond or, in the case of a surety bond, produce the written consent of the surety of the original or prior bond that the surety's responsibility shall continue. The original or prior bond may not be released as to the reclamation responsibility of any such transferor until the transferee submits to the commission an acceptable bond to cover the facility. All liability on bonds shall continue until all structures are removed and the reclamation of the property is completed and approved.

4. The director periodically shall review the amount of bond and, with the commission's approval, may require adjustments to the amount of bond to reflect inflationary increases or increases in the anticipated costs of reclamation. An operator may request a hearing to dispute an adjustment.
5. The commission shall advise, in writing, the principal and any sureties on any bond as to whether the reclamation is approved. If approved, liability under the bond may be formally terminated upon receipt of a written request by the principal. The request must be signed by an officer of the principal or a person authorized to sign for the principal.
6. The director may act for the commission as to all matters within this section, except requests for alternative forms of security, which may only be approved by the commission.
7. The commission may refuse to accept a bond if the operator or surety company has failed in the past to comply with statutes, rules, or orders; if a civil or administrative action brought by the commission is pending against the operator or surety company; or for other good cause.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-02

Law Implemented: NDCC 38-12-02

43-02-02.5-13. Mining permit.

Mining of noncoal rock for its critical mineral content shall follow chapter 43-02-02.2, 43-02-02.3, or 43-02-02.4, as applicable.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-02

Law Implemented: NDCC 38-12-02

43-02-02.5-14. Public availability of permit application information.

1. Except as provided in subdivisions a, b, and c, all information submitted to the commission with a permit application for critical mineral exploration is available for public inspection and copying at the office of the state geologist.
 - a. The state geologist may not make information submitted with a critical mineral exploration permit application available for public inspection if the person submitting it requests in writing, at the time of permit application submission, that it not be disclosed and the state geologist determines that the information is confidential. However, the information shall remain confidential only for the time period specified in North Dakota Century Code section 38-12-02.
 - b. The state geologist shall determine permit application information is confidential if it concerns trade secrets or is privileged commercial or financial information that relates to the competitive rights of the person intending to conduct critical mineral exploration.
 - c. Information requested to be held as confidential under this subsection may not be made publicly available until after proper notice and hearing before the commission.
2. The director may withhold specific information in a processing facility application if releasing the information would reveal trade secrets or in other ways cause the applicant financial harm.
3. The permitholder may waive the holder's right to confidentiality by providing written notice of the waiver to the state geologist.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-02

Law Implemented: NDCC 38-12-02

43-02-02.5-15. Confining of waters to their original strata.

During the drilling of any testhole, all fresh waters and waters of present or probable value for domestic, commercial, or stock purposes encountered must be confined to their respective strata and must be adequately protected by methods approved by the state geologist. Special precautions must be taken in drilling and abandoning of testholes to guard against any loss of artesian water from the strata in which it occurs, and to prevent contamination of artesian water by objectionable water.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-02

Law Implemented: NDCC 38-12-02

43-02-02.5-16. Method of plugging.

1. Before any testhole is abandoned, all of the cuttings possible must be returned to the testhole, and it must be plugged in a manner to prevent the intrusion of any foreign material. Cuttings not returned to the hole must be spread at the surface, if approved by the landowner, or properly disposed of off the testhole site, if approved by the owner of the disposal site. The plugging must be accomplished immediately when all desired information has been obtained.
2. If a testhole penetrates water-bearing sands, it must be plugged with cement or some other method approved by the state geologist, in a manner to permanently confine the water to its original stratum.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-02

Law Implemented: NDCC 38-12-02

43-02-02.5-17. Testholes to be used for fresh water.

1. If a testhole to be plugged may be used safely as a freshwater well and such utilization is desired by the landowner, the testhole need not be filled above a sealing plug set below the freshwater aquifer provided written authority and assumption of liability for the use and plugging is secured from the landowner and filed with the state geologist. The person conducting the critical mineral exploration must be relieved of that person's responsibility under this chapter.
2. The landowner assuming ownership and liability for the testhole shall comply with the rules for water well construction and water well pump installation pursuant to North Dakota Century Code chapter 43-35.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-02

Law Implemented: NDCC 38-12-02

43-02-02.5-18. Inspections.

1. The state geologist or the state geologist's representative shall have access to all drilling or exploration sites, mines, and processing facilities regulated under this chapter for the purpose of inspection and sampling. The state geologist may require the aid of the permitholder if the state geologist finds such aid necessary and requests such aid.
2. If samples are to be collected by the state geologist, details relating to the starting date of the collection of such samples and the drill site locations must be worked out between the state

geologist or the state geologist's agents and the permit holder or the permit holder's agents before the starting date of collection.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-02

Law Implemented: NDCC 38-12-02

43-02-02.5-19. Basic data.

1. Basic data developed by or for the person conducting critical mineral exploration or evaluation, consisting of testhole locations; testhole elevations; total depths; driller's logs; radioactivity, resistivity, or other types of electrical or mechanical logs; laboratory analyses; or any other pertinent data collected during the project must be delivered free of charge to the state geologist.
2. If requested by the operator, the data submitted must be confidential for a period of one year commencing on the expiration date of the permit. The period may be extended further upon approval of the commission. As long as the operator is exploring, developing, or producing critical minerals, the basic data may remain confidential. The commission and the state geologist shall have access to all confidential data. The director may release confidential completion and production data to health care professionals; emergency responders; and state, federal, or tribal environmental and public health regulators, if the state geologist deems it necessary to protect the public's health, safety, and welfare.
3. Sample cuts, portions of cores not required for analysis, and core analyses developed by or for the person conducting the critical mineral exploration or evaluation also must be submitted free of cost to the state geologist, if requested.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-02

Law Implemented: NDCC 38-12-02

43-02-02.5-20. Exploration reports.

1. Quarterly progress reports listing locations of testholes completed and plugged must be filed by the twenty-fifth day of January, April, July, and October by all permit holders. If no drilling occurred during the quarter, a report so stating must be filed.
2. Completion reports also must be filed upon completion of the exploration or evaluation, or upon the expiration of the permit, whichever occurs first, by all permit holders. The completion reports shall include all progress on exploration and evaluation and any other information requested by the state geologist.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-02

Law Implemented: NDCC 38-12-02

43-02-02.5-21. Report of production.

1. On or before the first day of the second month succeeding the month in which production occurs, the operator of a processing facility shall file with the state geologist a report containing the following information:
 - a. The volume of coal that is processed;
 - b. The volume and chemical makeup of the critical mineral concentrate;

c. The volume of the concentrate shipped; and

d. The shipping destination.

2. The report must be signed by the person responsible for the report and the person witnessing the signature. The printed name and title of both the person signing the report and the person witnessing the signature must be included.

3. Production data submitted to the state geologist must be kept confidential for a period of one year if so requested by the operator. The period may be extended further upon approval by the commission. The commission may share production data with other state agencies, upon request, for purposes of administering statutory duties related to mineral ownership, royalty oversight or trust administration. The other state agencies shall not share the data with any other entity and shall protect the confidentiality of any such production data subject to the requirements of North Dakota Century Code chapter 44-04.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-02

Law Implemented: NDCC 38-12-02

43-02-02.5-22. Commingled production.

If two or more separately owned tracts are embraced within a mined area, or if there are separately owned interests in all or a part of the mined area, the critical minerals must be commingled by the operator for the purpose of allocating production and payment of royalties. Each mined area shall afford to the owner of each tract or interest within the mined area the opportunity to recover or receive, without unnecessary expense, the owner's equitable share based on the volume of mined coal.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-06

Law Implemented: NDCC 38-12-06

43-02-02.5-23. Investigative powers.

Upon receipt of a written complaint from a surface owner or lessee; royalty owner; mineral owner; or local, state, or federal official alleging a violation of the subsurface mineral conservation statutes or a rule, regulation, or order of the commission, the director shall reply within reasonable time in writing to the person who submitted the complaint stating an investigation of the complaint will be made or the reason such investigation may not be made. The person who submitted the complaint may appeal the decision of the director to the commission. The director also may conduct investigations on the director's own initiative or at the direction of the commission. If, after such investigation, the director affirms cause for complaint exists, the director shall report the results of the investigation to the person who submitted the complaint, if any, to the person who was the subject of the complaint, and to the commission. The commission shall institute legal proceedings, in its discretion, it believes necessary to enjoin further violations.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-02

Law Implemented: NDCC 38-12-02

43-02-02.5-24. Additional information may be required.

This chapter may not be taken or construed to limit or restrict the authority of the commission to require the furnishing of additional reports, data, or other information relative to exploration, production, or processing as may appear to be necessary or desirable, generally or specifically, for the prevention of waste, protection of correlative rights, and the conservation of natural resources.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-02

Law Implemented: NDCC 38-12-02

43-02-02.5-25. Books and records to be kept to substantiate reports.

All producers within North Dakota shall make and keep appropriate books and records for a period not less than six years covering their operations in North Dakota from which they may be able to make and substantiate the reports required by this chapter.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-02

Law Implemented: NDCC 38-12-02

43-02-02.5-26. Application for hearing.

In any proceeding instituted upon application, the application must be signed by the applicant or by the applicant's attorney. An application shall state:

1. The name and general description of the common source or sources of supply affected by the order, rule, or regulation sought, if any, unless the entire state is affected, in which event the application shall so state, and the statement shall constitute sufficient description; and
2. Briefly the general nature of the order, rule, or regulation sought in the proceedings.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-04

Law Implemented: NDCC 38-12-04

43-02-02.5-27. Hearings - Proceedings.

1. Except as more specifically provided in North Dakota Century Code section 38-12-04, the rules of procedure established in subsection 1 of North Dakota Century Code section 28-32-21 apply to proceedings involving a complaint and a specific-named respondent.
2. For proceedings that do not involve a complaint and a specific-named respondent, the commission shall give at least fifteen days' notice, except in an emergency, of the time and place of hearing by one publication of notice in a newspaper of general circulation in Bismarck, North Dakota, and in a newspaper of general circulation in the county where the land or some part affected is situated, unless in some particular proceeding a longer period of time or a different method of publication is required by law, it shall prevail. The notice shall issue in the name of the commission and shall conform to the other requirements provided by law.
3. If an emergency is found by the commission to exist, which in its judgment requires the making of a rule or order without first having a hearing, the emergency rule or order shall have the same validity as if a hearing with respect to the same had been held after notice. The emergency rule or order permitted by this section shall remain in force no longer than fifteen days from its effective date, and in any event, it shall expire when the rule or order made after due notice and hearing with respect to the subject matter of the emergency rule or order becomes effective.
4. A person moving for a continuance of a hearing, and who is granted a continuance, shall submit a twenty-five dollar fee to the commission, or if the cost of republication exceeds fifty dollars, the commission may bill the applicant to pay the cost of republication of notice of the hearing.

History: Effective July 1, 2026.
General Authority: NDCC 38-12-04
Law Implemented: NDCC 38-12-04

43-02-02.5-28. Investigatory hearings.

The commission may hold investigatory hearings upon the institution of a proceeding by application or by a motion of the commission. Notice of the hearing must be served upon all parties personally or by certified mail at least five days before the hearing.

History: Effective July 1, 2026.
General Authority: NDCC 38-12-04
Law Implemented: NDCC 38-12-04

43-02-02.5-29. Official record.

The evidence in each case heard by the commission, unless specifically excluded by the hearing examiner, includes all subsurface mineral basic data and production records on file with the commission.

Any interested party may submit written comments on or objections to the application before the hearing date. Submissions must be received no later than five p.m. on the last business day before the hearing date and may be part of the record in the case if allowed by the hearing examiner. Settlement negotiations between parties to a contested case are only admissible as governed by North Dakota Century Code section 28-32-24, although the hearing examiner may strike such testimony from the record for good cause.

History: Effective July 1, 2026.
General Authority: NDCC 28-32-06
Law Implemented: NDCC 28-32-06

43-02-02.5-30. Petitions and oral arguments prohibited.

Petitions for review of a recommended order and oral arguments following issuance of a recommended order and pending issuance of a final order are not allowed.

History: Effective July 1, 2026.
General Authority: NDCC 28-32-13
Law Implemented: NDCC 28-32-13

43-02-02.5-31. Notice of order.

The commission may give notice of an order and findings and conclusions upon which it is based to all parties if it files an affidavit of service indicating upon whom the order was served.

History: Effective July 1, 2026.
General Authority: NDCC 28-32-13
Law Implemented: NDCC 28-32-13

43-02-02.5-32. Service and filing.

All pleadings, notices, written motions, requests, petitions, briefs, and correspondence to the commission or commission employees from a party, or vice versa, relating to a proceeding after its commencement must be filed with the director and entered into the commission's official record of the procedure provided the record is open at the time of receipt. All parties shall receive copies upon request of any evidence in the record of the proceedings. The commission may charge for the actual

cost of providing copies of evidence in the record. Unless otherwise provided by law, filing is complete when the material is entered into the record of the proceeding.

History: Effective July 1, 2026.

General Authority: NDCC 28-32-13

Law Implemented: NDCC 28-32-13

43-02-02.5-33. Designation of examiners.

The commission by motion may designate and appoint qualified individuals to serve as examiners. The commission may refer any matter or proceeding to any legally designated and appointed examiner.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-04

Law Implemented: NDCC 38-12-04

43-02-02.5-34. Powers and duties of examiner.

The commission by motion may limit the powers and duties of an examiner in a particular case to the issues or performance of acts the commission deems expedient. However, subject only to a limitation ordered by the commission, the examiner to whom a matter or proceeding is referred under this chapter may hold hearings on the matter or proceeding in accordance with and pursuant to this chapter. The examiner shall have the power to regulate proceedings before the examiner and to perform acts and take measures necessary or proper for the efficient and orderly conduct of the hearing, including ruling on prehearing motions, the swearing of witnesses, and receiving of testimony and exhibits offered in evidence, subject to any objections imposed, and shall cause a complete record of the proceedings to be made and retained.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-04

Law Implemented: NDCC 38-12-04

43-02-02.5-35. Report of examiner.

Upon the conclusion of a hearing before an examiner, the examiner promptly shall consider the proceedings in the hearing, and based upon the record of the hearing, the examiner shall prepare a report and recommendations for the disposition of the matter or proceeding by the commission. The report and recommendations must be accompanied by a proposed order or be in the form of a proposed order, and be submitted to the commission.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-04

Law Implemented: NDCC 38-12-04

43-02-02.5-36. Commission order from examiner hearing.

After receipt of the report and recommendation of the examiner, the commission shall enter its order disposing of the matter or proceeding.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-04

Law Implemented: NDCC 38-12-04

43-02-02.5-37. Prehearing motion practice.

In a matter pending before the commission, all prehearing motions must be served by the moving party upon all parties affected by the motion. Service must be upon a party unless a party is

represented by an attorney, in which case service must be upon the attorney. Service must be made by delivering a copy of the motion and supporting papers in conformance with one of the means of service provided for in rule 5(b) of the North Dakota Rules of Civil Procedure. Proof of service must be made as provided in rule 4 of the North Dakota Rules of Civil Procedure or by certificate of an attorney showing service has been made. Proof of service shall accompany the filing of a motion. Any motion filed without proof of service is not properly before the commission.

History: Effective July 1, 2026.

General Authority: NDCC 38-12-04

Law Implemented: NDCC 38-12-04

TITLE 71
RETIREMENT BOARD

JULY 2026

CHAPTER 71-02-01

71-02-01-01. Definitions.

As used in North Dakota Century Code chapter 54-52 and this article:

1. "Accumulated contributions" means the total of all of the following:
 - a. The employee account fund balance accumulated under the prior plan as of June 30, 1977.
 - b. The vested portion of the employee's "vesting fund" accumulated under the prior plan as of June 30, 1977.
 - c. The member's mandatory contributions made after July 1, 1977.
 - d. The member's vested employer contributions made after January 1, 2000, pursuant to North Dakota Century Code section 54-52-11.1.
 - e. The interest on the sums determined under subdivisions a, b, c, and d, compounded annually at the rate of five percent from July 1, 1977, to June 30, 1981, six percent from July 1, 1981, through June 30, 1986, and one-half of one percent less than the actuarial interest assumption from July 1, 1986, to the member's withdrawal from the plan or retirement.
 - f. The sum of any employee purchase or repurchase payments.
2. "Actuarial equivalent" means a benefit calculated to be of equal value to the benefit otherwise payable when computed on the basis of assumptions and methods adopted for this purpose by the board in a way that precludes employer discretion pursuant to Internal Revenue Code section 401(a)(25). ~~Such~~The assumptions and methods adopted by the board, and any table of adjustment factors established in accordance with the assumptions and methods, ~~shall be~~are incorporated ~~herein~~-by reference.
3. "Alternative retirement system" means the teachers' fund for retirement, the highway patrolmen's retirement system, and the teachers' insurance and annuity association of America.
4. "Beneficiary" means any person in receipt of a benefit provided by this plan or any person designated by a participating member to receive benefits.
5. "Board" means the board of trustees for the public employees retirement system.

6. "Bonus" means cash compensation for services performed in addition to base salary excluding commission and shift differentials. Bonus does not include lump sum payments of sick leave provided under North Dakota Century Code section 54-06-14 or lump sum payments of annual leave or vacation pay.
7. "Claim" means the right to receive a monthly retirement allowance, the receiving of a retirement allowance, or the receiving of a disability benefit.
8. "Continuously employed" means any period of employment uninterrupted by voluntary or involuntary termination or discharge. A member who has taken a leave of absence approved by the member's employer, not to exceed a year unless approved by the executive director, and returns to employment shall be regarded as continuously employed for the period.
9. "Contribution" means the payment into the fund as a percentage of the salary of a member.
10. ~~"Correctional officer" means a person who has completed a correctional officer course approved or certified by the North Dakota department of corrections and rehabilitation and is employed by a correctional facility as defined in North Dakota Century Code chapter 12-44.1.~~
- ~~11.~~ "County judge" means a judge who was elected pursuant to North Dakota Century Code section 27-07.1-01 or an individual holding the position of county judge, county justice, or judge of county court prior to the general election in 1982, who meets all the eligibility requirements established under North Dakota Century Code chapter 54-52.
- ~~12.~~ 11. "Interruption of employment" is when an individual is inducted (enlists or is ordered or called to active duty into the armed forces of the United States) and leaves an employment position with a state agency or political subdivision, other than a temporary position. The individual must have left employment to enter active duty and ~~must~~shall make application in accordance with the Uniformed Services Employment and Reemployment Rights Act.
- ~~13.~~ 12. "Leave of absence" means the period of time up to one year for which an individual may be absent from covered employment without being terminated. At the executive director's discretion, the leave of absence may be extended not to exceed two years, or indefinitely if the leave of absence is due to interruption of employment.
- ~~14.~~ 13. "Medical consultant" means a person or committee appointed by the board of the North Dakota public employees retirement system to evaluate medical information submitted in relation to disability applications, recertifications, and rehabilitation programs or other such duties as assigned by the board.
- ~~15.~~ 14. "Normal retirement age", except for members of the national guard plan, the bureau of criminal investigation plan, and law enforcementthe public safety plan, means age sixty-five unless otherwise provided. For members of the national guard plan, the bureau of criminal investigation plan, and law enforcementthe public safety plan, normal retirement age means age fifty-five, unless otherwise provided.
- ~~16.~~ 15. "Office" means the administrative office of the public employees retirement system.
- ~~17.~~ 16. "Overtime" as used in ~~subsection 23 of~~ North Dakota Century Code section 54-52-01 means, for employees other than firefighters and peace officers, any hours worked over the regularly scheduled work week and not to exceed forty hours in a week which are paid either at the regular hourly rate or time and one-half. For firefighters and peace officers, overtime means hours worked over the regularly scheduled work period which are paid either at the regular hourly rate or time and one-half.
- ~~18.~~ 17. "Participating employer" means an employer who contributes to the North Dakota public employees retirement system. For confidentiality purposes, "participating employer" means

the person or group of persons with the ultimate authority over personnel decisions within the agency or political subdivision with which the member is employed or the person's or group's official designee.

- ~~19.18.~~ "Pay status" means a member is receiving a retirement allowance from the fund.
- ~~20.19.~~ "Permanent and total disability" for members of the main retirement system ~~and~~, the national ~~guard/law enforcement retirement~~ guard plan, the bureau of criminal investigation plan, and the public safety plan means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than twelve months. For members of the ~~judge's retirement~~ judges' plan, "permanent and total disability" is determined pursuant to ~~subdivision e of~~ subsection 3 of North Dakota Century Code section 54-52-17 ~~of the North Dakota Century Code~~.
- ~~21.20.~~ "Plan administrator" means the executive director of the North Dakota public employees retirement system or ~~such~~ other person or committee as may be appointed by the board of the North Dakota public employees retirement system from time to time.
- ~~22.21.~~ "Plan year" means the twelve consecutive months commencing July first of the calendar year and ending June thirtieth of the subsequent calendar year.
- ~~23.22.~~ "Prior plan" means the state employees' retirement system which existed from July 1, 1966, to June 30, 1977.
- ~~24.23.~~ "Regularly funded" means a legislatively authorized full-time equivalent (FTE) position for state agencies. For all governmental units other than state agencies, regularly funded means a similar designation by the unit's governing board which is created through the regular budgeting process and receives traditional employee benefits such as sick leave and annual leave.
- ~~25.24.~~ "Retiree" means an individual receiving a monthly retirement allowance pursuant to chapter 54-52.
- ~~26.25.~~ "Retirement allowance" means a reoccurring, periodic benefit from an eligible employer-sponsored retirement plan as approved by the board.
- ~~27.26.~~ "Service credit" means increments of time to be used in the calculation of retirement benefits. Service credit may be earned as stated in section 71-02-03-01 or may be purchased or repurchased according to section 71-02-03-02.1.
- ~~28.27.~~ "Substantial gainful activity" ~~is to~~ must be based upon the totality of the circumstances including consideration of an individual's training, education, and experience; an individual's potential for earning at least seventy percent of the individual's predisability earnings; and other items deemed significant on a case-by-case basis. Eligibility is based on an individual's employability and not actual employment status.
- ~~29.28.~~ "Termination of employment" for the purposes of determination for eligibility for benefit payments means a severance of employment by not being on the payroll of a covered employer for a minimum of one month. Approved leave of absence or if reemployed by any covered employer prior to receiving a lump sum distribution of the member's account balance does not constitute termination of employment.
- ~~30.29.~~ "Termination of participation" means termination of eligibility to participate in the retirement plan.

History: Amended effective September 1, 1982; November 1, 1990; September 1, 1991; January 1, 1992; September 1, 1992; June 1, 1993; July 1, 1994; June 1, 1996; July 1, 2000; April 1, 2002; May 1, 2004; July 1, 2006; July 1, 2010; April 1, 2014; April 1, 2016; July 1, 2018; April 1, 2020; [July 1, 2026](#).

General Authority: NDCC 54-52-04

Law Implemented: NDCC 54-52

CHAPTER 71-02-03

71-02-03-02.2. Payment.

The total dollar amount for the purchase or repurchase may be paid in a lump sum or on a monthly, quarterly, semiannual, or annual basis. Payments may be subject to contribution limitations established under 26 U.S.C. 415. Payments must begin within ninety days of the date the written cost confirmation is prepared. If the installment method is used, the following conditions apply:

1. Simple interest at the actuarial rate of return must accrue monthly on the unpaid balance. Interest is calculated from the fifteenth of each month.
2. The installment schedule may extend while the employee is employed by a participating employer but for no longer than a fifteen-year time period.
3. Installment payments may be made by a payroll deduction where available. However, it is the responsibility of the member to initiate and terminate the payroll deduction.
4. Payments ~~may~~ only may be received until the fifteenth of the month following the month of the member's termination date of employment or the month of member's termination of participation in an eligible plan with a participating employer.
5. Payments are due by the fifteenth of the month to be credited for the month.
6. Payments must be greater or equal to fifty dollars per month, large enough to pay the current interest plus a portion of principal, and an amount necessary to complete the payment contract within the fifteen-year time period.

History: Effective November 1, 1990; amended effective July 1, 1994; June 1, 1996; May 1, 2004; July 1, 2006; July 1, 2010; July 1, 2026.

General Authority: NDCC 54-52-02.6, 54-52-04, 54-52-17, 54-52-17.2, 54-52-17.4

Law Implemented: NDCC 54-52-02.6, 54-52-17, 54-52-17.2, 54-52-17.4

71-02-03-06. Conversion of sick leave.

To convert unused sick leave to service credit, the member ~~must~~shall submit an application to the office, no later than the end of the month in which the member is no longer eligible to accrue the sick leave hours, unless otherwise approved by the executive director. The member's employer ~~must~~shall confirm the member's unused balance of accumulated sick leave as of the date the member is no longer eligible to accrue sick leave hours. For a member transferring from one participating employer to another participating employer without terminating eligible employment, the public employees retirement system shall record unused sick leave of a participating member if the new employer certifies ~~that~~ it will not transfer that leave. The certification must include documentation from the previous employer detailing the number of hours of sick leave. The public employees retirement system ~~must~~shall receive the certification within sixty days after the member leaves employment with the former employer. One month of service credit must be awarded for each one hundred seventy-three and three-tenths hours of unused accumulated sick leave. The employer and employee contributions rates used to calculate the cost must be the rate of the retirement program of the member at termination.

1. Aftertax payments may be accepted from the member as early as six months prior to when the member is no longer eligible to accrue sick leave hours, if the following requirements are met:
 - a. A notice of employment change has been provided to the public employees retirement system.

- b. A written certification by the member's employer, as to the member's unused balance of accumulated sick leave as of the date the member wishes to begin payment, is on file with the public employees retirement system.
- c. The sick leave conversion payment must be ~~recalculated~~calculated using the member's unused balance of accumulated sick leave confirmed by the member's employer, and the member's final average salary as of the date of calculation. If there is a difference between the sick leave conversion payment amount and the amount the member has paid, any overpayment must be refunded to the member and any underpayment must be collected from the member by the fifteenth of the month following the month the member is no longer eligible to accrue sick leave hours.

~~2. The member's record must be updated with the additional service credit once payment is made in full.~~

~~3.~~ Pretax rollover or transfer payments may be accepted from the member as early as sixty days prior to when the member is no longer eligible to accrue sick leave hours, if the following requirements are met:

- a. A notice of employment change has been provided to the public employees retirement system.
- b. A written certification by the member's employer, as to the member's projected unused balance of accumulated sick leave no sooner than sixty days prior to the date the member is no longer eligible to accrue sick leave hours, is on file with the public employees retirement system. This certification ~~must~~also must include a certification by the employer of the projected salaries to be reported to the public employees retirement system during the final months of employment.
- c. The sick leave conversion payment must be recalculated using the member's unused balance of accumulated sick leave confirmed by the member's employer and the member's final average salary as of the date of calculation. If there is a difference between the sick leave balance or conversion payment amount and the amount the member has paid, then only the amount of sick leave available as of the date the member is no longer eligible to accrue sick leave hours must be added to the member's record. The member account balance must be credited with the full amount of funds from the rollover or transfer.
- d. If an underpayment has occurred, then the remaining amount must be collected from the member by the fifteenth of the month following the month the member is no longer eligible to accrue sick leave hours.
- e. The retiree health credit portion must be paid as a personal aftertax payment.

~~4.3.~~ The member's record must be updated with the additional service credit once payment is made in full.

History: Effective June 1, 1996; amended effective April 1, 2002; May 1, 2004; July 1, 2006; April 1, 2008; July 1, 2018; January 1, 2025; July 1, 2026.

General Authority: NDCC 54-52-04

Law Implemented: NDCC 54-52-27

CHAPTER 71-02-04

71-02-04-07. Amount of early retirement benefit.

~~1. Except for a national guard security officer or firefighter or a peace officer or correctional officer employed by the bureau of criminal investigation or by a political subdivision, the~~

The early retirement benefit for members of the main plan first enrolled prior to December 31, 2015, shall January 1, 2016, and members of the national guard plan, the bureau of criminal investigation plan, the public safety plan, and the judges' plan must be an amount actuarially reduced from the single life retirement benefit by one-half of one percent for each month (six percent per year) that the member is younger than the age at which the member would be at the member's normal retirement date on the date of the member's early retirement benefit effective date to account for benefit payments beginning before the normal retirement date.

~~2. For a national guard security officer or firefighter or a peace officer or correctional officer employed by the bureau of criminal investigation or by a political subdivision, the early retirement benefit must be an amount actuarially reduced from the single life retirement benefit by one-half of one percent for each month (six percent per year) that the member is younger than age fifty-five on the date of the member's early retirement benefit effective date.~~

History: Amended effective September 1, 1982; June 1, 1996; April 1, 2002; May 1, 2004; July 1, 2006; July 1, 2010; April 1, 2016; July 1, 2026.

General Authority: NDCC 54-52-04, 54-52-17

Law Implemented: NDCC 54-52-17

71-02-04-09.1. Dual membership limitations.

The following limitations apply when a member elects an option under subsection 1 of section 71-02-04-09.

1. Eligible service credit may be used for vesting purposes and determining when the dual member may begin drawing normal retirement benefits. A member may begin drawing retirement benefits from one fund and use the same years, and any additional years, for reaching retirement from the alternate fund if the service credit is earned at different times.
2. If a dual member elects to receive retirement benefits as provided in subsection 1 of section 71-02-04-09, the final average salary, service credit, and member's age used to calculate the benefit that is applicable at the time retirement benefits begin may not be adjusted after the benefit effective date.
3. The salary used in calculating the retirement benefit must be provided in writing by the alternate retirement system. Months not employed are excluded for the purpose of computing the final average salary. If a dual member works less than thirty-six months at retirement, the final average salary is the average salary for total months of employment.

4. Any defined contribution plan membership under North Dakota Century Code chapter 54-52.6 is not eligible for dual membership service and vesting rights in the defined benefit plan under North Dakota Century Code chapter 54-52.

History: Effective June 1, 1996; amended effective May 1, 2004; April 1, 2012; April 1, 2016; July 1, 2026.

General Authority: NDCC 54-52-04, 54-52-17, 54-52-17.2

Law Implemented: NDCC 54-52-17, 54-52-17.2

CHAPTER 71-02-05 DISABILITY

Section

71-02-05-01	Eligibility [Repealed]
71-02-05-02	Commencement of Benefit [Repealed]
71-02-05-03	Cancellation of Disability Benefit
71-02-05-04	Calculation of Disability Benefit [Repealed]
71-02-05-05	Conditions for Changing to a Disability Retirement Benefit From an Early Reduced Retirement Benefit
71-02-05-06	Determination of Disability - Procedures
71-02-05-07	Optional Benefits
71-02-05-07.1	Judges' Retirement Plan Optional Benefits
71-02-05-08	Transitional Period
71-02-05-09	Interest Accrual on Accumulated Contributions for Disabled Annuitants

71-02-05-06. Determination of disability - Procedures.

1. ~~Application.~~

- a. If the member is unable or unwilling to file a public employees retirement system application for disability retirement, the member's legal representative may file the member's disability application.
- b. For ~~the main system and the national guard and law enforcement system~~ all members except members of the judges' plan, the application must explain the cause of the disability, the limitations caused by the disability, the treatment being followed, and the effect of the disability on the individual's member's ability to be engaged in any gainful occupation for which the person member is, or could become, reasonably fitted by education, training, or experience. For the judges' ~~retirement~~ plan, the application must explain the cause of the disability, the limitations caused by the disability, the treatment being followed, and the effect of the disability on the individual's member's ability to mentally or physically fulfill the duties and responsibilities of being a judge. A judge who is determined to be disabled pursuant to subdivision a of subsection 3 of North Dakota Century Code section 27-23-03 shall file an application documenting this determination and the effective date of the disability.
- c. The application must be filed with the public employees retirement system and may not be filed earlier than one hundred twenty days before the expected termination date.

2. ~~Medical consultant.~~

- a. The board may retain a medical consultant to evaluate and make recommendations on disability retirement applications.
- b. The medical consultant shall review all medical information provided by the applicant.
- c. The medical consultant is responsible to determine eligibility for disability benefits for applicants not approved for social security disability benefits or for judges not approved pursuant to subsection 3 of North Dakota Century Code section 27-23-03 and shall advise the executive director of the decision in writing. Applicants who become eligible for disability benefits under the Social Security Act and who meet the requirements of subdivision h of subsection 3 of North Dakota Century Code section 54-52-17 are eligible for benefits under ~~subdivision e of~~ subsection 4 of North Dakota Century Code section 54-52-17 without submitting further medical information to the medical ~~adviser~~ consultant, but are subject to recertification requirements specified in this chapter. The social security

disability award must provide proof that the member's disability was determined during the member's period of eligible employment. In determining eligibility for judges not approved pursuant to the above, the medical ~~director~~consultant shall work with a review committee composed of one supreme court judge and a district court judge to review the ~~proposed~~ application. In order for the application to be approved, it must have the concurrence of the medical ~~director~~consultant and at least one judge. The executive director shall appoint two judges to serve on the review committee.

3. ~~Medical examination.~~

- a. The applicant for disability retirement shall provide the medical examination reports as requested by the medical consultant.
- b. The member is liable for any costs incurred by the member in undergoing medical examinations and completing and submitting the necessary medical examination reports, medical reports, and hospital reports necessary for initial determination of eligibility for benefits.
- c. If determined to be eligible for disability benefits, the member must be reimbursed for the cost of medical examinations specifically requested by the medical ~~adviser~~consultant and the executive director.

4. ~~Appeal.~~

- a. If the applicant has terminated employment, the public employees retirement system shall notify the applicant in writing of the decision. If the applicant is determined not to be eligible for disability benefits, the public employees retirement system shall advise the applicant of the appeal procedure. If the applicant is determined eligible for disability benefits, benefits must be paid pursuant to subsection 5.
- b. If the applicant has not terminated employment, the applicant must be provided with a preliminary notification of the decision in writing. The preliminary notification remains in effect for a period not to exceed two hundred seventy days. If an applicant does not terminate employment within two hundred seventy days of the date of termination provided on the disability application, the application must be considered to be vacated but the applicant may reapply as provided in subsection 1.
- c. The applicant may appeal an adverse determination to the board by providing a written notice of appeal within thirty days of the date that the public employees retirement system mailed the decision.
- d. The board shall consider all appeals at regularly scheduled board meetings. The applicant must be notified of the time and date of the meeting and may attend and be represented by legal counsel. The executive director shall provide to the board for its consideration a case history brief that includes membership history, medical examination summary, and the plan administrator's conclusions and recommendations. The board shall make the determination for eligibility at the meeting unless additional evidence or information is needed. The discussion concerning disability applications must be confidential and closed to the general public.
- e. If the initial board decision is adverse to the applicant after exhausting the administrative procedure under subdivisions ~~a~~c and ~~b~~d, the applicant may file a request for a formal hearing to be conducted under North Dakota Century Code chapter 28-32. The request for a formal hearing must be filed within thirty days after notice of the initial decision has been mailed ~~or delivered~~. If an appeal is not filed within the thirty-day period, the initial decision of the board is final. If a request for a formal hearing is timely filed, notice of the

hearing must be served at least thirty days prior to the date set for the hearing. The board shall request appointment of an administrative law judge from the office of administrative hearings to conduct the hearing and make recommended findings of fact, conclusions of law, and order. The board shall either accept the administrative law judge's recommended findings of fact, conclusions of law, and order or adopt its own findings of fact, conclusions of law, and order. The applicant may under North Dakota Century Code section ~~28-32-15~~28-32-42 appeal the final decision resulting from this procedure to the district court.

5. **Payment of annuity.** If awarded, the disability annuity is payable on, or retroactive to, the first day of the month following the member's termination from covered employment minus any early retirement benefits that have been paid.

6. **Redetermination and recertification.**

- a. A disabled annuitant's eligibility must be recertified eighteen months after the date the first check is issued and thereafter as specified by the medical consultant unless proof of receipt of ongoing social security disability benefits is received. The executive director may waive the necessity for a recertification, based on the recommendation of the medical consultant or upon proof of receipt of ongoing social security disability benefits.
- b. The public employees retirement system ~~will~~shall send a recertification application and request for a statement of annual earnings by certified mail with return receipt to the disabled annuitant to be completed and sent back to the office. If a completed recertification application has not been received by the recertification date set in the recertification request, benefits ~~will~~must be suspended effective the first of the month following that date. If ~~the~~a completed recertification application is not received within six months of the recertification date set in the recertification request unless an alternative date has been approved by the executive director, the member ~~will~~is no longer ~~be~~ eligible to receive disability benefits. Benefits suspended within six months of the recertification date set in the recertification request will be reinstated the first of the month following recertification by the medical consultant, or upon proof of receipt of ongoing social security disability benefits, unless an alternative date has been approved by the executive director. The regular accrued disability benefits ~~will~~must commence with a lump sum equal to the amount of missed payments, without interest, retroactive to the first day of the month benefits were suspended, unless otherwise approved by the board.
- c. The medical consultant may require the disabled annuitant to be reexamined by a doctor. The submission of medical reports by the disabled annuitant, and the review of those reports by the ~~board's~~ medical consultant, may satisfy the reexamination requirement. Upon recertification, the disabled annuitant must be reimbursed for the cost of the required reexamination if deemed necessary by the medical consultant and the executive director.
- d. ~~When~~If the ~~member~~disabled annuitant has not provided proof of receipt of ongoing social security disability benefits, the medical consultant ~~will~~shall make the recertification decision. The executive director may require additional recertifications, if the facts warrant this action. The decision may be appealed to the board within ninety days of receiving the written recertification decision.
- e. Benefit payments must be suspended immediately upon notice received from the medical consultant that the disabled annuitant does not meet recertification requirements. The executive director shall notify the disabled annuitant of the suspension of benefits by certified mail and shall reinstate benefits back to date of suspension if the annuitant is subsequently found to meet recertification requirements.

- f. If it is determined ~~that~~ the ~~disability~~disabled annuitant was not eligible for benefits during any time period when benefits were provided, the executive director may do all things necessary to recover the erroneously paid benefits.

History: Effective January 1, 1992; amended effective July 1, 1994; June 1, 1996; April 1, 2002; May 1, 2004; July 1, 2006; April 1, 2016; July 1, 2018; July 1, 2026.

General Authority: NDCC 54-52-04, 54-52-17

Law Implemented: NDCC 54-52-17, 54-52-26

71-02-05-07. Optional benefits.

For the main system ~~and, the~~ national ~~guard/law enforcement retirement plans~~guard plan, the bureau of criminal investigation plan, and the public safety plan, an individual ~~a member~~ deemed eligible for a disability benefit may elect, ~~as provided in this section,~~ to receive one of the following optional benefits in lieu of the regular disability benefit, as provided in this section.

1. ~~One hundred percent joint and survivor benefit.~~ A member shall receive an actuarially reduced disability retirement benefit as long as the member remains eligible for benefits under ~~subdivision e of subsection 3 of~~ North Dakota Century Code section 54-52-17 and after the member's death the same amount ~~will~~must be continued to the member's surviving spouse during the spouse's lifetime. The designated beneficiary is limited to the member's spouse. Payments of benefits to a member's surviving spouse must be made on the first day of each month commencing on the first day of the month following the member's death, provided the beneficiary is still living and has supplied a marriage certificate and the member's death certificate. Benefits terminate in the month in which the death of the beneficiary occurs. In the event the designated beneficiary predeceases the member or, in the event of divorce, the option must be canceled and the member's benefit must be returned to the single life amount. Payment of the single life amount must commence on the first day of the month following the spouse's death providing written notification of death and a death certificate has been submitted or, in the event of divorce, a photocopy of the divorce decree.
2. ~~Fifty percent joint and survivor benefit.~~ A member shall receive an actuarially reduced disability retirement benefit as long as the member remains eligible for benefits under ~~subdivision e of subsection 3 of~~ North Dakota Century Code section 54-52-17 and after the member's death one-half the rate of the reduced benefit ~~will~~must be continued to the member's surviving spouse during the spouse's lifetime. The designated beneficiary is limited to the member's spouse. Payments of benefits to a member's surviving spouse must be made on the first day of each month commencing on the first day of the month following the member's death, providing the beneficiary has supplied a marriage certificate and death certificate and is still living. Benefits terminate in the month in which the death of the beneficiary occurs. In the event the designated beneficiary predeceases the member or, in the event of divorce, the option must be canceled and the member's benefit must be returned to the single life amount. Payment of the single life amount must commence on the first day of the month following the spouse's death providing written notification of death and a death certificate has been submitted or, in the event of divorce, a photocopy of the divorce decree.
3. ~~Twenty-year or ten-year certain option.~~ A member may elect an option which is the actuarial equivalent of the member's normal, early, or deferred vested retirement pension payable for life with a twenty-year or ten-year certain feature, as designated by the member.

History: Effective January 1, 1992; amended effective July 1, 1994; May 1, 2004; July 1, 2006; April 1, 2008; April 1, 2012; April 1, 2016; July 1, 2026.

General Authority: NDCC 54-52-04

Law Implemented: NDCC 54-52-06.4, 54-52-17

71-02-05-07.1. Judges' ~~retirement~~ plan optional benefits.

For the judges' ~~retirement~~ plan, ~~an individual~~ a member deemed eligible for a disability benefit may elect, ~~as provided in this section~~, to receive one of the following optional benefits in lieu of the regular disability benefit, as provided in this section.

1. ~~One hundred percent joint survivor benefit~~. A member shall receive an actuarially reduced disability retirement benefit as long as the member remains eligible for benefits under ~~subdivision e of subsection 3 of~~ North Dakota Century Code section 54-52-17 and after the member's death the same amount ~~will~~ must be continued to the member's surviving spouse during the spouse's lifetime. The designated beneficiary is limited to the member's spouse. Payments of benefits to a member's surviving spouse must be made on the first day of each month commencing on the first day of the month following the member's death, provided the beneficiary is still living and has supplied a marriage certificate and the member's death certificate. Benefits terminate in the month in which the death of the beneficiary occurs. In the event the designated beneficiary predeceases the member or, in the event of divorce, the option must be canceled and the member's benefit must be returned to the normal retirement amount. Payment of the normal retirement amount must commence on the first day of the month following the spouse's death providing written notification of death and a death certificate has been submitted or, in the event of divorce, a photocopy of the divorce decree.
2. ~~Twenty-year or ten-year certain option~~. A member may elect an option which is the actuarial equivalent of the member's normal, early, or deferred vested retirement pension payable for life with a twenty-year or ten-year certain feature, as designated by the member.

History: Effective May 1, 2004; amended effective July 1, 2006; April 1, 2008; July 1, 2010; April 1, 2012; July 1, 2026.

General Authority: NDCC 54-52-04

Law Implemented: NDCC 54-52-17

CHAPTER 71-02-06

71-02-06-01. Conditions for return.

~~—The accumulated contributions of a member who terminates permanent employment:~~

1. ~~Before accumulating three years of service credit and whose account balance is less than one thousand dollars shall~~For members eligible for an automatic refund, the accumulated contributions of a member who has a termination of employment prior to retirement must be ~~automatically~~ refunded automatically as follows unless the member elects to remain in an inactive status within thirty days after the termination date:
 - a. For all members except members of the bureau of criminal investigation plan addressed under subdivision b and members of the judges' plan addressed under subdivision c, if the member has less than three years of service credit and an account balance less than one thousand dollars:
 - b. For members of the bureau of criminal investigation plan hired after July 31, 2023, if the member has less than ten years of service credit and an account balance less than one thousand dollars; and
 - c. For members of the judges' plan, if the member has less than five years of service credit and an account balance less than one thousand dollars.
2. ~~After accumulating three years of service credit shall~~For members not eligible for an automatic refund, the accumulated contributions of a member who has a termination of employment prior to retirement must be refunded upon application filed with the executive director.
3. The termination date for purposes of processing an application for refund or rollover must be the last date for which a member receives salary except for a member who is on an approved leave of absence. For members who are paid salary in any month following actual separation from employment if the salary is received after the normal processing date, the termination date for purposes of processing the application must be the same date as the date that the last paycheck was issued as salary.

History: Amended effective November 1, 1990; June 1, 1996; July 1, 1998; July 1, 2000; May 1, 2004; July 1, 2010; July 1, 2018; July 1, 2026.

General Authority: NDCC 54-52-04

Law Implemented: NDCC 54-52-06, 54-52-17

71-02-06-06. Employer payment of employee contributions.

1. A written election submitted under subsection 3 of North Dakota Century Code section 54-52-05 ~~shall~~must be reported to the board a minimum of thirty-one days prior to the effective date.
2. An employer electing to pay employee monthly salary contributions under North Dakota Century Code section 54-52-05 or 54-52.6-09 may not discriminate in its contributions to eligible participating employees within the same ~~plan under North Dakota Century Code section 54-52-05~~class of employees for plan enrollment.

History: Effective July 1, 1994; amended effective May 1, 2004; April 1, 2022; July 1, 2026.

General Authority: NDCC 54-52-04

Law Implemented: NDCC 54-52-05

CHAPTER 71-02-08

71-02-08-02. Withdrawal.

Any political subdivision may discontinue participation in the fund if the following requirements are met:

1. The political subdivision ~~must~~shall provide the board with a copy of a resolution adopted by the governing authority authorizing the termination of participation in the fund.
2. Upon receiving a copy of the written resolution, an actuarial study must be done by the plan's actuary to determine the accrued benefit of all ~~vested~~ employees minus allocated assets from the date of participation. The interest assumption used must be two hundred basis points less than the plan's interest assumption used for funding purposes. The withdrawal liability must include an administrative expense assessment of five percent.
3. Any costs incurred by the fund, resulting from a political subdivision ceasing participation, including the actuarial fee study and the withdrawal liability, must be assessed against the political subdivision and paid in full before a political subdivision terminates its participation.
4. All employees of a political subdivision that has terminated participation in the fund must not be eligible for future benefit accruals or improvements granted to employees or former employees of participating governmental units after the date the employer's participation ceases.
5. ~~An employee who is not vested at the time an employer ceases participation has~~As of the date the employer's participation ceases, all participating members, including participating members who are not otherwise vested in accordance with subsection 5 of North Dakota Century Code section 54-52-17, must be fully vested in benefits accrued up to the date the employer's participation ceases to the extent funded.
6. Notwithstanding the vesting requirements of North Dakota Century Code sections 54 52-11.1 and 54-52-17, all participating members have the option of taking a refund or rollover of the ~~employee's contribution~~ participating member's accumulated contributions, including vested employer contributions, plus interest or deferred retirement.

History: Effective September 1, 1982; amended effective June 1, 1996; April 1, 2019; July 1, 2026.

General Authority: NDCC 54-52-04

Law Implemented: NDCC 54-52-02.1

71-02-08-05. Merger of eligible employer groups.

If a merger between two or more eligible employer groups occurs, the following requirements apply:

1. Written notification must be provided to the office no later than sixty days before the merger is final.
2. ~~When~~Whenever two or more employer groups merge into one, and all do not presently participate in the public employees retirement system, the units merging ~~must~~shall decide upon one of the following:
 - a. The participating employer or employers may elect to cease participation as of the date of the merger, subject to payment of any actuarial liabilities accrued. An actuarial study must be conducted at the cost of the exiting employer upon providing the public employees retirement system with written notice of the employer's election to cease participation.

- b. Subject to executing a revised participation agreement, eligible employees who have not previously ~~participated shall~~ been eligible for participation in any retirement plan of the employer must be given the ~~opportunity~~ option to participate based upon provisions of North Dakota Century Code section 54-52-02.15 or waive participation effective the date of the merger. Any person hired in an eligible position after the consolidation date ~~must~~ shall participate or any other employee mandated by the employer shall participate.

History: Effective June 1, 1996; amended effective July 1, 2026.

General Authority: NDCC 54-52-04

Law Implemented: NDCC 15-10-17, 54-52-02.1

CHAPTER 71-03-03

71-03-03-05. Special enrollment for certain qualifying events.

An eligible employee, retiree, or surviving spouse who ~~elects to take~~has accepted a periodic distribution from the defined contribution retirement plan or a monthly retirement benefit from the North Dakota public employees retirement system, North Dakota highway ~~patrolmen's patrol's~~ retirement system, the retirement system established by job service North Dakota, the judges' retirement system, the teachers' fund for retirement, or teachers' insurance and annuity association of America - college retirement equities fund, or retirees who have accepted a retirement allowance from a participating political subdivision's retirement plan and provide verification of distribution are eligible for coverage with the health, dental, vision, or prescription drug insurance program.

1. The eligible employee, retiree, or surviving spouse ~~must~~shall submit application for coverage within thirty-one days from one of the following qualifying events:
 - a. ~~The month in which~~If the eligible ~~employee or~~ retiree turns age sixty-five or becomes eligible for Medicare.
 - b. ~~The month in which~~If the eligible ~~employee's or~~ retiree's spouse turns age sixty-five or becomes eligible for Medicare.
 - c. ~~The month in which~~If the eligible employee terminates employment.
 - d. ~~The month in which~~If the eligible retiree or surviving spouse receives the first monthly retirement benefit from one of the eligible retirement systems outlined above.
 - e. ~~The month in which~~If an eligible employee or retiree who is covered through ~~a spouse's~~another employer-sponsored plan becomes ineligible for the ~~spouse's~~other employer-sponsored plan due to divorce, death, loss of employment, reduction in hours or other events which may cause loss of coverage as determined by the board.
 - f. ~~The month in which~~If the eligible employee or retiree is no longer eligible for employer-sponsored group insurance, including continuation coverage provided under the Consolidated Omnibus Budget Reconciliation Act of 1985.
 - g. If the eligible employee, retiree, or surviving spouse gets married (in which case, an employee, retiree, or surviving spouse who previously waived coverage shall enroll for coverage at the time the employee's, retiree's, or surviving spouse's spouse is enrolled).
 - h. If the eligible employee, retiree, or surviving spouse obtains a new dependent as a result of receiving legal guardianship or receiving a court order to provide health coverage (in which case, an employee, retiree, or surviving spouse who previously waived coverage shall enroll for coverage at the same time that the employee, retiree, or surviving spouse's eligible dependent is enrolled).
 - i. If the eligible employee, retiree, or surviving spouse obtains a new dependent as a result of birth, adoption, or placement for adoption (in which case, an employee, retiree, or surviving spouse who previously waived coverage shall enroll for coverage at the same time that the employee, retiree, or surviving spouse's eligible dependent is enrolled).
2. Coverage ~~will become~~becomes effective on the first day of the month following the month in which the qualifying event occurred ~~or~~except under subdivision a or b of subsection 1 coverage may become effective the month in which eligibility for Medicare occurs and under subdivision i of subsection 1 coverage becomes effective on the first of the month in which the event occurred. If an application is not submitted within thirty-one days of a qualifying event, the eligible ~~individual~~employee, retiree, or surviving spouse must be considered to have

waived coverage and may not be enrolled unless the [individual eligible employee, retiree, or surviving spouse](#) meets the criteria of another qualifying event. Upon a showing of good cause, the executive director may waive the thirty-one day application requirement.

3. Other individuals eligible for the health, dental, vision, or prescription drug insurance plan include a surviving spouse who is not receiving a qualified monthly retirement benefit from one of the eligible retirement systems outlined above, but who was a covered dependent on the eligible retiree's health, dental, vision, or prescription drug insurance plan at the time of the eligible retiree's death, if there is no lapse in coverage.
4. Individuals not eligible for the health, dental, vision, or prescription drug insurance plan include:
 - a. A former employee who received a refund of the employee's retirement account, including individuals in the defined contribution plan who take a cash withdrawal of the employee's account, roll their account into another qualified plan, or use the moneys in their account to purchase an annuity.
 - b. A nonspouse beneficiary (eligible for [continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985](#)).
 - c. A deferred retiree or surviving spouse between the time in which the retiree or surviving spouse's eligibility for [continuation coverage under the Consolidated Omnibus Budget Reconciliation Act \(of 1985, if eligible\)](#), ends and the month in which the eligible retiree or surviving spouse receives the first monthly retirement benefit from one of the eligible retirement systems.
 - d. A formerly deferred retiree who received a refund of the retiree's retirement account.
 - e. A surviving spouse of a nonvested employee eligible [continuation coverage under](#) for the Consolidated Omnibus Budget Reconciliation Act [of 1985](#).
 - f. A surviving spouse of a former employee who received a refund of the employee's retirement account.
 - g. A former participating member of the defined contribution retirement program who would not qualify for one of the retirement dates set forth in subsection 3 of North Dakota Century Code section 54-52-17 if that employee was a member of the defined benefit retirement plan, unless eligible [for continuation coverage](#) under the Consolidated Omnibus Budget Reconciliation Act [of 1985](#), and then only for the required duration of eligibility under the Act.
 - h. For the purposes of the medical and prescription drug plan, employees who first retire after July 1, 2015, and are not eligible for Medicare upon their retirement and completion of any period of eligibility [for continuation coverage](#) under the Consolidated Omnibus Budget Reconciliation Act [of 1985](#), until such time as they or their spouse become eligible for Medicare.

History: Effective October 1, 1986; amended effective November 1, 1990; July 1, 1994; June 1, 1996; July 1, 1998; July 1, 2000; May 1, 2004; April 1, 2012; April 1, 2016; July 1, 2018; [July 1, 2026](#).

General Authority: NDCC 54-52.1-08

Law Implemented: NDCC 54-52.1-02, 54-52.1-03, 54-52.1-03.1; Pub. L. 99-272; 100 Stat. 222; 26 USC 162 et seq.

CHAPTER 71-03-04

71-03-04-01. Employer contribution.

—Each

1. An agency shall pay to the board the full amount of the employer contribution by the fifteenth of each month. The agency ~~will~~shall verify the number of eligible employees and the level of coverage for each. An employee is eligible for an employer contribution for the month following the month of employment. If an eligible employee terminates employment prior to the effective date of coverage, ~~no~~ employer contribution is not required. The employer contribution ends the month following the month of termination of employment. ~~When~~If an employee transfers from a permanent employee position to a temporary employee position without a termination of employment, the employer contribution ends the month in which the permanent employment ends. If an employee transfers from one state agency to another, the new agency is responsible for the payment of the premium for the first of the month following employment.
2. As used in this section, "termination of employment" means a severance of employment by not being on the payroll of a participating employer for a minimum of one month. Approved leave of absence does not constitute termination of employment.

History: Effective October 1, 1986; amended effective November 1, 1990; July 1, 2010; July 1, 2026.

General Authority: NDCC 54-52.1-08

Law Implemented: NDCC 54-52.1-06

CHAPTER 71-03-05

71-03-05-10. Determining amount of premium overpayments and underpayments.

1. The amount of the health premium overpayment or underpayment ~~will~~must be determined by calculating the difference between the premium that was paid and the premium that should have been paid, retroactively to the month the change in premium should have occurred, or July of the earliest contract period still open, whichever is more recent.
2. The amount of the life premium overpayment or underpayment ~~will~~must be determined by calculating the difference between the premium that was paid and the premium that should have been paid, retroactively to the month the change in premium should have occurred, or the first day of the first month of the earliest contract period still open, whichever is more recent.
3. The amount of the dental premium overpayment or underpayment ~~will~~must be determined by calculating the difference between the premium that was paid and the premium that should have been paid, retroactively to the month the change in premium should have occurred, or the first day of the first month of the earliest contract period still open, whichever is more recent.
4. The amount of the vision premium overpayment or underpayment ~~will~~must be determined by calculating the difference between the premium that was paid and the premium that should have been paid, retroactively to the month the change in premium should have occurred, or the first day of the first month of the earliest contract period still open, whichever is more recent.
5. The amount of the employee assistance premium overpayment or underpayment must be determined by calculating the difference between the premium that was paid and the premium that should have been paid, retroactively to the month the change in premium should have occurred, or the first day of the first month of the earliest contract period still open, whichever is more recent.

History: Effective April 1, 2002; amended effective April 1, 2008; April 1, 2014; July 1, 2026.

General Authority: NDCC 54-52.1-08

Law Implemented: NDCC 54-52.1-08

CHAPTER 71-03-07

71-03-07-01. Employer contribution.

—Each

1. An employer shall pay to the board the full monthly premium amount for each eligible employee enrolled in the group insurance plan by the fifteenth of each month. The employer ~~must~~shall verify the number of eligible employees and the level of coverage for each. An employee is eligible for an employer contribution for the month following the month of employment. If an eligible employee terminates employment prior to the effective date of coverage, no employer contribution is required. The employer contribution ends the month following the month of termination of employment. ~~When~~If an employee transfers from a permanent employee position to a temporary employee position without a termination of employment, the employer contribution ends the month in which the permanent employment ends. If an employee transfers from one participating employer to another, the new employer is responsible for the payment of the premium for the first of the month following employment.
2. As used in this section, "termination of employment" means a severance of employment by not being on the payroll of a participating employer for a minimum of one month. Approved leave of absence does not constitute termination of employment.

History: Effective June 1, 1996; amended effective July 1, 2010; April 1, 2022; July 1, 2026.

General Authority: NDCC ~~54-52-04, 54-52.1-03.1~~54-52.1-08

Law Implemented: NDCC 54-52.1-03.1

CHAPTER 71-04-05

71-04-05-02. Payroll deductions.

The employer shall authorize employee payroll deductions only after receiving notification from the office. The participant agreement must indicate the date the payroll deduction is to start, the provider, and the contribution amount. ~~Payroll~~Unless otherwise agreed to by the retirement office, payroll deductions must be remitted to the office within ten days after each payroll period. Along with each payment, the employer ~~must~~shall provide the office with a listing of deferred compensation deductions for all employees participating in the deferred compensation plan using the deferred compensation transmittal of deduction form or the approved electronic format.

History: Effective April 1, 1989; amended effective July 1, 2006; April 1, 2014; April 1, 2016; July 1, 2026.

General Authority: NDCC 28-32-02, 54-52-03.2

Law Implemented: NDCC 54-52.2-02

CHAPTER 71-05-01

71-05-01-01. Definitions.

As used in North Dakota Century Code chapter 39-03.1 and this article:

1. "Actuarial equivalent" means a benefit calculated to be of equal value to the benefit otherwise payable when computed on the basis of assumptions and methods adopted for this purpose by the board in a way that precludes employer discretion pursuant to Internal Revenue Code section 401(a)(25). ~~Such~~The assumptions and methods adopted by the board, and any table of adjustment factors established in accordance with the assumptions and methods, shall be incorporated ~~herein~~ by reference.
2. "Covered employment" means employment with the North Dakota highway patrol.
3. "Medical examination" means an examination conducted by a doctor licensed to practice in North Dakota that includes a diagnosis of the disability, the treatment being provided for the disability, the prognosis and classification of the disability, and a statement indicating how the disability prevents the individual from performing the duties of a highway patrolman.
4. "Normal retirement age" means age fifty-five except as otherwise provided.
5. "Office" means the administrative office of the public employees retirement system.
6. "Overtime" as used in ~~subsection 23 of~~ North Dakota Century Code section 39-03.1-01 means any hours worked over an employee's regularly scheduled work period. Whether paid at the regular hourly rate or one and one-half times the regular rate, overtime ~~is to~~must be excluded as reportable retirement contributions.
7. "Permanent and total disability" means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than twelve months.
8. "Plan administrator" means the executive director of the North Dakota public employees retirement system or other person or committee as may be appointed by the board of the North Dakota public employees retirement system from time to time.
9. "Substantial gainful activity" ~~is to~~must be based upon the totality of the circumstances, including consideration of an individual's training, education, and experience; an individual's potential for earning at least seventy percent of the individual's predisability earnings; and other items deemed significant on a case-by-case basis. Eligibility is based on an individual's employability and not actual employment status.

History: Effective November 1, 1990; amended effective October 1, 1991; June 1, 1992; July 1, 2006; April 1, 2016; April 1, 2020; July 1, 2026.

General Authority: NDCC 39-03.1-06

Law Implemented: NDCC 39-03.1

CHAPTER 71-05-02

71-05-02-02. Determination of disability - Procedures.

1. ~~Application.~~

- a. Application for disability benefits must be made within one year from the last date of covered employment on the form provided by the plan administrator.
- b. If the member is unable or unwilling to file an application, the member's employer or legal representative may file the member's disability application.
- c. The application must explain the cause of the disability, the limitations caused by the disability, the treatment being followed, and the effect of the disability on the individual's ability to be engaged in any gainful occupation for which the person is, or could become, reasonably fitted by education, training, or experience.

2. ~~Medical examination.~~

- a. The applicant for disability retirement must provide the plan administrator with medical examination reports.
- b. An initial medical examination ~~should~~must be completed by the member's attending or family physician on the medical examination form provided by the plan administrator. If deemed necessary by the board's medical consultant, an additional examination must be completed by a specialist in the disability involved. Available medical or hospital reports may be accepted in lieu of a medical examination report if deemed acceptable by the medical consultant.
- c. The member is liable for any costs incurred by the member in undergoing medical examinations and completing and submitting the necessary medical examination reports, medical reports, and hospital reports.

3. ~~Medical consultant.~~

- a. The board ~~will~~shall retain a medical doctor to act as its consultant on disability retirement applications.
- b. The medical consultant shall review all medical information provided by the applicant.
- c. The medical consultant ~~will be~~is responsible to advise the plan administrator of the medical diagnosis and whether the condition is a permanent and total disability.

4. ~~Decision and appeal.~~

- a. The plan administrator shall consider applications for disability benefits and shall make a written decision whether an applicant is entitled to benefits. The decision must be mailed to the applicant's address of record.
- b. The applicant may appeal an adverse determination to the board by providing a written notice of appeal within thirty days of the date that the plan administrator mailed the decision.
- c. The board shall consider all appeals at regularly scheduled board meetings. The applicant must be notified of the time and date of the meeting and may attend and be represented by legal counsel. The executive director shall provide to the board for its consideration a case history brief that includes membership history, medical examination summary, and the plan administrator's conclusions and recommendations. The board

shall make the determination for eligibility at the meeting unless additional evidence or information is needed. The discussion concerning disability applications must be confidential and closed to the general public.

- d. If the applicant has terminated employment, the plan administrator shall notify the applicant in writing of the decision. If the applicant is determined not to be eligible for disability benefits, the plan administrator shall advise the applicant of the appeal procedure. If the applicant is determined eligible for disability benefits, benefits must be paid pursuant to subsection 5.
 - e. If the applicant has not terminated employment, the applicant must be provided with a preliminary notification of the decision in writing. The preliminary notification remains in effect for a period not to exceed two hundred seventy days. If an applicant does not terminate employment within two hundred seventy days of the date of termination provided on the disability application, the application must be considered to be vacated but the applicant may reapply as provided in subsection 1.
 - f. If the initial board decision is adverse to the applicant, after exhausting the administrative procedure under subdivisions b and c, the applicant may file a request for a formal hearing to be conducted under North Dakota Century Code chapter 28-32. The request for a formal hearing must be filed within thirty days after notice of the initial decision has been mailed ~~or delivered~~. If an appeal is not filed within the thirty-day period the initial decision of the board is final. If a request for a formal hearing is timely filed, notice of the hearing must be served at least thirty days prior to the date set for the hearing. The board shall request appointment of an administrative law judge from the office of administrative hearings to conduct the hearing and make recommended findings of fact, conclusions of law, and order or adopt its own findings of fact, conclusions of law and order. The applicant ~~may~~, under North Dakota Century Code section ~~28-32-15~~28-32-42, may appeal the final decision resulting from this procedure to the district court.
5. **Payment of annuity.**—If awarded, the disability annuity is payable on, or retroactive to, the first day of the month following the member's termination from covered employment, minus any early retirement benefits that have been paid.
6. **Redetermination and recertification.**—
- a. A disabled annuitant's eligibility must be recertified eighteen months after the date the first check is issued and thereafter as specified by the medical consultant. The plan administrator may waive the necessity for a recertification based on the recommendation of the medical consultant.
 - b. The plan administrator ~~will~~shall send a recertification form and request for a statement of annual earnings by certified mail with return receipt to the disabled annuitant to be completed and sent back to the office. If completed recertification has not been received by the recertification date set in the recertification request, benefits ~~will~~must be suspended effective the first of the month following that date. Benefits ~~will~~must be reinstated the first of the month following recertification by the medical consultant. The regular accrued disability benefits ~~will~~must commence with a lump sum equal to the amount of missed payments, without interest, retroactive to the first of the month that benefits were suspended, unless otherwise approved by the North Dakota public employees retirement system board.
 - c. The medical consultant may require the disabled annuitant to be reexamined by a doctor. The submission of medical reports by the annuitant, and the review of those reports by the board's medical consultant, may satisfy the reexamination requirement. Upon recertification, the disabled annuitant must be reimbursed up to four hundred dollars for

the cost of the required reexamination if deemed necessary by the medical consultant and the plan administrator.

- d. The medical consultant ~~will~~shall make the recertification decision. The executive director may require additional recertifications. The decision may be appealed to the board within ninety days of receiving the written recertification decision.
- e. Benefit payments must be suspended immediately upon notice received from the medical consultant that the annuitant does not meet recertification requirements. The plan administrator shall notify the annuitant of the suspension of benefits by certified mail and shall reinstate benefits back to the date of suspension if the annuitant is subsequently found to meet recertification requirements.
- f. If it is determined that the disability annuitant was not eligible for benefits during any time period when benefits were provided, the executive director may do all things necessary to recover the erroneously paid benefits.

History: Effective November 1, 1990; amended effective June 1, 1992; June 1, 1996; May 1, 2004; July 1, 2026.

General Authority: NDCC 39-03.1-06, 39-03.1-11

Law Implemented: NDCC 39-03.1-11

CHAPTER 71-05-04

71-05-04-03. Repurchase of service credit and purchase of additional service credit.

To purchase additional credit or repurchase past service, a contributor ~~must~~shall notify the public employees retirement system, in writing, of the service for which the person wishes to receive credit. In addition to the written request, the following information must be submitted, if applicable:

1. Documentation of military service by submitting a DD214 or NGB22.
2. Certification of approval by the member's employer of any leave of absence and length of that leave.
3. Verification by the former employer of previous North Dakota or out-of-state public service, or service with the federal government.
4. Statement from employee or former employer that service credit being applied for does not qualify for retirement benefits under another retirement system.

History: Effective October 1, 1991; amended effective June 1, 1996; April 1, 2002; May 1, 2004; July 1, 2026.

General Authority: NDCC 39-03.1-06, 39-03.1-10.1, 39-03.1-14.1

Law Implemented: NDCC ~~39-03.1-08.1~~39-03.1-08.2, 39-03.1-10.1, 39-03.1-14.1

71-05-04-04.1. Costs.

1. The cost to ~~repurchase~~purchase service credit must be calculated by applying actuarial factors to the amount of the retirement and retiree health insurance credit being purchased by the contributor or member of an alternative retirement system. The contributor's current age, average salary ~~as calculated under subsection 2 of North Dakota Century Code section 39-03.1-11~~, and current credited service on record with the North Dakota public employees retirement system in the month in which the contributor's written request is ~~received~~processed by the office must be used in the cost calculation. A member's written request must be processed by the office within sixty days of receipt. The amount of retirement and retiree health insurance credit benefits being purchased must be calculated using the benefit formulas in place at the time the written request ~~is received~~from the contributor is processed by the office. ~~When~~Whenever calculating the cost, enhancements to the benefit formula must be considered to be in place at the time the law is signed by the governor.
2. The member's average salary shall be calculated as follows:
 - a. For members working full time with more than twelve months of service credit, by using the calculation found in subsection 2 of North Dakota Century Code section 39-03.1-11.
 - b. For members working full time with less than twelve months of service credit, by using the calculation found in subsection 2 of North Dakota Century Code section 39-03.1-11, but disregarding any month in which the member was paid less than a full-month salary. A full-month salary is the compensation the member and the member's employer agreed the member would be paid for working a full month.
 - c. For members who have not yet received a full-month salary, the member's average salary shall equal the member's full-month salary, as defined in subsection 2.
 - d. For members working part time, by using the applicable calculations found in subsections 1 and 2, but using a monthly salary equal to the equivalent of the salary the member would have received if the member was working full time.

3. The ~~retirement~~ board must adopt actuarial assumptions necessary to determine the actuarial factors for the cost calculation. The assumptions must be reviewed concurrently with the assumptions for the retirement program.
4. Upon receipt of the written request from the contributor, a written cost confirmation must be prepared and mailed to the individual. The cost stated in the confirmation letter is valid for a period of ninety days from the date of the letter unless the contributor terminates employment with the employer. If the contributor terminates employment, then the cost stated in the confirmation letter is valid only until the earlier of the end of the ninety-day period or the fifteenth day of the month following the month of termination.

History: Effective June 1, 1996; amended effective May 1, 2004; July 1, 2006; July 1, 2026.

General Authority: NDCC 39-03.1-06, 39-03.1-10.1, 39-03.1-14.1

Law Implemented: NDCC ~~39-03.1-08.1~~39-03.1-08.2, 39-03.1-10.1, 39-03.1-14.1

71-05-04-06. Crediting purchased or repurchased service.

1. For each month the system receives a payment toward a purchase contract, the member will earn a proportion of service credit.
2. Member acceptance of a service purchase contract extinguishes all pending service purchase cost estimates, excluding purchase of unused sick leave.
3. Service purchase contracts set up on a payment plan and only partially paid must have the remaining unpaid portion of service credit included whenever preparing a new service purchase cost calculation.

History: Effective October 1, 1991; amended effective June 1, 1996; May 1, 2004; July 1, 2010; July 1, 2026.

General Authority: NDCC 39-03.1-06, 39-03.1-10.1, 39-03.1-14.1

Law Implemented: NDCC ~~39-03.1-08.1~~39-03.1-08.2, 39-03.1-10.1, 39-03.1-14.1

71-05-04-08. Conversion of sick leave.

1. To convert unused sick leave to service credit, the member shall submit an application to the office of the amount of unused sick leave to be converted, ~~and the~~ no later than the end of the month in which the member terminates employment, unless otherwise approved by the executive director. The member's employer ~~must~~shall confirm the member's unused balance of accumulated sick leave as of the date the member terminates employment. For a member transferring from one participating employer to another participating employer without terminating eligible employment, the public employees retirement system shall record unused sick leave of a participating member if the new employer certifies ~~that it will~~may not transfer that leave. The certification must include documentation from the previous employer detailing the number of hours of sick leave. The public employees retirement system ~~must~~shall receive the certification within sixty days after the member leaves employment with the former employer.
2. One month of service credit must be awarded for each one hundred seventy-three and three-tenths hours of unused accumulated sick leave. ~~The cost to convert unused sick leave into service credit must be paid with after tax employee contributions~~The employer and employee contribution rates used to calculate the cost must be the rate of the retirement program of the member at termination.
3. ~~4.3.~~ Aftertax payments may be accepted from the member as early as six months prior to termination if the following requirements are met:

- a. A notice of termination or application for monthly benefits form is on file with the public employees retirement system.
- b. A written certification by the member's employer, as to the member's unused balance of accumulated sick leave as of the date the member wishes to begin payment, is on file with the public employees retirement system.
- c. At termination, the sick leave conversion payment must be recalculated using the member's unused balance of accumulated sick leave, confirmed by the member's employer, and the member's final average salary as of the date of calculation.
- d. If there is a difference between the sick leave conversion payment amount and the amount the member has paid, any overpayment must be refunded to the member and any underpayment must be collected from the member by the fifteenth of the month following the month of the member's date of termination.
- e. The member's record must be updated with the additional service credit once payment is made in full and the member has terminated employment.

~~2.4.~~ Pretax rollover or transfer payments may be accepted from the member as early as sixty days prior to termination if the following requirements are met:

- a. A notice of termination or application for monthly benefits form is on file with the public employees retirement system.
- b. A written certification by the member's employer, as to the member's projected unused balance of accumulated sick leave no sooner than sixty days prior to the date of termination, is on file with the public employees retirement system. This certification must also include a certification by the employer of the projected salaries to be reported to the public employees retirement system during the final months of employment.
- c. At termination, the sick leave conversion payment must be recalculated using the member's unused balance of accumulated sick leave confirmed by the member's employer, and the member's final average salary as of the date of calculation. If there is a difference between the sick leave balance or conversion payment amount and the amount the member has paid, then only the amount of sick leave available as of the termination date will be added to the member's record. The member account balance will be credited with the full amount of funds from the rollover or transfer.
- d. If an underpayment has occurred, then the remaining amount must be collected from the member by the fifteenth of the month following the month of the member's date of termination.
- e. The retiree health credit portion must be paid as a personal aftertax payment.

~~3.~~ f. The member's record must be updated with the additional service credit once payment is made and the member in full has terminated employment.

History: Effective June 1, 1996; amended effective April 1, 2002; May 1, 2004; July 1, 2006; April 1, 2008; January 1, 2025; July 1, 2026.

General Authority: NDCC 39-03.1-06

Law Implemented: NDCC 39-03.1-30

CHAPTER 71-05-05

71-05-05-08. Retirement - Dual membership.

1. If a member elects to begin drawing monthly benefits while continuing to participate in the public employees retirement system, teachers' fund for retirement, or the teachers' insurance and annuity association college retirement equities fund, the provisions of section 71-02-04-09 must apply.
2. A defined contribution plan membership under North Dakota Century Code chapter 54-52.6 is not eligible for dual membership service and vesting rights in the highway patrol retirement plan under North Dakota Century Code chapter 39-03.1.

History: Effective October 1, 1991; amended effective June 1, 1996; May 1, 2004; July 1, 2026.

General Authority: NDCC 39-03.1-14.1(1)(c)

Law Implemented: NDCC 39-03.1-14.1

**CHAPTER 71-06-01
RETIREE HEALTH INSURANCE CREDIT**

Section

71-06-01-01	Eligibility for Retiree Health Insurance Credit Applied to Premiums for Annuitants and Surviving Spouses Under the North Dakota Public Employees Retirement System, the North Dakota Highway Patrolmen's Retirement System, the Retired Judges Under North Dakota Century Code Chapter 27-17, Annuitants of the Job Service Retirement Program, and Former Participating Members of the Defined Contribution Retirement Plan Receiving Periodic Distributions [Repealed]
71-06-01-02	Calculation of Retiree Health Insurance Credit
71-06-01-03	For Retirees Receiving More Than One Benefit Entitled to Retiree Health Insurance Credit
71-06-01-04	Employer Paid Health Premiums [Repealed]
71-06-01-05	Member Contributions
71-06-01-06	Erroneous Crediting of the Retiree Health Insurance Credit [Repealed]
71-06-01-06.1	Retroactive Payment of the Retiree Health Insurance Credit [Repealed]
71-06-01-07	Optional Benefits
71-06-01-08	Vesting in Retiree Health Credit for Members of the Defined Contribution Retirement Plan
71-06-01-09	Payment - Retiree Health Insurance Credit Benefits
71-06-01-10	Withdrawal
71-06-01-11	<u>Erroneous Payment of Benefits - Overpayments, Underpayments, and Appeals</u>

71-06-01-11. Erroneous payment of benefits - Overpayments, underpayments, and appeals.

1. Section 71-02-04-10 applies to overpayments of the retiree health insurance credit.
2. Section 71-02-04-11 applies to underpayments of the retiree health insurance credit.
3. A person who has received written notice pursuant to section 71-02-04-10 that the person received an overpayment of the retiree health insurance credit and is not satisfied with repayment arrangements related to the retiree health insurance credit may appeal as provided in section 71-02-04-12.

History: Effective July 1, 2026.

General Authority: NDCC 54-52-04

Law Implemented: NDCC 54-52.1-03.3

**ARTICLE 71-08
DEFINED CONTRIBUTION RETIREMENT PLAN**

Chapter	
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71-08-02	Membership in Defined Contribution Retirement Plan
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**CHAPTER 71-08-02
MEMBERSHIP IN DEFINED CONTRIBUTION RETIREMENT PLAN**

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71-08-02-01	Membership of Individuals Who Become Employees Covered Under the Judges' Retirement Plan, <u>the National Guard Plan, the Bureau of Criminal Investigation Plan, the Public Safety Plan,</u> the Highway Patrol Retirement Plan, the Teachers' Fund for Retirement Plan, or the Alternate Retirement Plan of the State Board of Higher Education
71-08-02-02	Continuation of Membership
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71-08-02-01. Membership of individuals who become employees covered under the judges' ~~retirement~~ plan, the national guard plan, the bureau of criminal investigation plan, the public safety plan, the highway patrol retirement plan, the teachers' fund for retirement plan, or the alternate retirement plan of the state board of higher education.

1. If a member of the defined contribution retirement plan begins employment in a position covered under the judges' ~~retirement~~ plan, the national guard plan, the bureau of criminal investigation plan, the public safety plan, the highway patrol retirement plan, the teachers' fund for retirement plan, or the alternate retirement plan of the state board of higher education, the member's status as a member of the defined contribution retirement plan is suspended and the member becomes a new member of the retirement plan for which that member's new position is eligible. The member's account balance remains in the defined contribution retirement plan, but ~~no~~ new contributions may not be made to that account. The member's service credit and salary history that were forfeited as a result of the member's transfer to the defined contribution retirement plan remain forfeited, and service credit accumulation in the new retirement plan begins from the first day of employment in the new position. If the member later returns to employment that is eligible for the defined contribution plan, the member's suspension is terminated, the member again becomes a member of the defined contribution plan, and the member's account shall resume accepting contributions. The contributions to the alternate retirement plan ~~shall~~must remain with that plan unless at the member's option, the member elects to transfer any available balance as determined by the provisions of the alternate retirement plan into the member's account in the defined contribution retirement plan.

2. Any membership service and vesting obtained the judges' plan, the main plan, the national guard plan, the bureau of criminal investigation plan, the public safety plan, the highway patrol

retirement plan, the teachers' fund for retirement plan, or the alternate retirement plan of the state board of higher education, may not be used toward credited service and vesting in the defined contribution plan under North Dakota Century Code chapter 54-52.6.

History: Effective July 1, 2000; amended effective April 1, 2002; July 1, 2006; April 1, 2020; July 1, 2026.

General Authority: NDCC 28-32-02(1)

Law Implemented: NDCC 54-52.6-01(3)

CHAPTER 71-08-03

71-08-03-01. Disability distribution.

The board ~~will~~shall allow distribution of the participating member's vested account balance if the board determines the participating member has become totally and permanently disabled using the procedure provided in section 71-02-05-06. If approved, the disabled member has the same distribution options as provided in ~~subdivisions a and e~~paragraphs 1 and 3 of subdivision a of subsection 3 of North Dakota Century Code section 54-52.6-13. However, if the member chooses the periodic distribution option, the member ~~will~~only must be allowed to receive distributions for as long as the disability continues and the member submits the necessary documentation and undergoes medical testing required by the board, or for as long as the member participates in a rehabilitation program required by the board, or both. The board shall use the redetermination and recertification procedures provided in section 71-02-05-06 to determine whether the member remains disabled. If the board determines that a member no longer meets the eligibility definition, the board shall discontinue the disability retirement benefit.

History: Effective July 1, 2000; amended effective July 1, 2026.

General Authority: NDCC 28-32-02(1)

Law Implemented: NDCC 54-52.6-14

CHAPTER 71-08-10

71-08-10-01. Permanent employee participation.

1. Under this chapter "eligible employee" means a permanent employee who:
 - a. Meets all the eligibility requirements set by North Dakota Century Code chapter 54-52;
 - b. Is at least eighteen years of age;
 - c. Becomes a participating member after December 31, 2024; and
 - d. Is not eligible to participate in the [national guard plan, bureau of criminal investigation plan](#), public safety plan, judges' plan, highway patrol plan, teachers' fund for retirement plan, or alternative retirement program established under subsection 6 of North Dakota Century Code chapter 15-10-17 for employees of the board of higher education or state institutions under the jurisdiction of the board of higher education.
2. Effective January 1, 2025, the public employees retirement system defined benefit main plan maintained for employees is closed to new eligible employees. However, an employee who first becomes a participating or deferred member under North Dakota Century Code chapter 54-52 before January 1, 2025, remains in the defined benefit retirement plan under North Dakota Century Code chapter 54-52, regardless of being rehired after December 31, 2024.
3. Except as otherwise provided under this section and section 71-08-02-03, effective January 1, 2025, an eligible employee who begins employment with an employer as defined under subsection 6 of North Dakota Century Code chapter 54-52-01 shall participate in the defined contribution retirement plan under North Dakota Century Code chapter 54-52.6 as provided under North Dakota Century Code chapter 54-52.6-02.1.
4. This section does not impact an employee to the extent the employee is a participating member in one or more of the following enumerated plans: [national guard plan, bureau of criminal investigation plan](#), public safety plan, judges' plan, highway patrol plan, teachers' fund for retirement plan, or alternative retirement program established under subsection 6 of North Dakota Century Code chapter 15-10-17 for employees of the board of higher education or state institutions under the jurisdiction of the board of higher education.
 - a. A participating or deferred member in the defined contribution retirement plan under North Dakota Century Code chapter 54-52.6 who becomes eligible to participate in a plan enumerated under subsection 4 shall cease participation in the defined contribution retirement plan under North Dakota Century Code chapter 54-52.6 and commence participation in the retirement plan enumerated under subsection 4.
 - b. Unless subsection 2 applies, a participating member of a retirement plan enumerated under subsection 4 who ceases participation in that plan and becomes an eligible employee under the defined contribution retirement plan under North Dakota Century Code chapter 54-52.6 shall participate in the defined contribution retirement plan under North Dakota Century Code chapter 54-52.6.
5. An eligible employee must be enrolled in the plan within the first thirty days of employment.

History: Effective January 1, 2025; amended effective July 31, 2025; January 1, 2026; [July 1, 2026](#).

General Authority: NDCC 54-52-02.15, 54-52-04

Law Implemented: NDCC 54-52-02.15, 54-52.6-02, 54-52.6-09

CHAPTER 71-08-11 CONTRIBUTIONS

Section

71-08-11-01	Adjustment for Bonuses, Profit Sharing, and Contributions Paid in a Month Other than Month Earned
71-08-11-02	Basis for Calculation Contributions - Salary Reduction - Salary Deferral Arrangements
71-08-11-03	Employer Payment of Employee Contributions
71-08-11-04	Retirement Contributions for Individuals Working Less than a Forty-Hour Workweek
71-08-11-05	Individual Employee Incentive Payments
71-08-11-06	Contributions Transferred from Defined Benefit Retirement Plan
71-08-11-07	Employer-Paid Additional Contribution for a Transferee
<u>71-08-11-08</u>	<u>Forfeiture of Rights upon Distribution</u>

71-08-11-03. Employer payment of employee contributions.

1. A written election submitted under subsection 3 of North Dakota Century Code section 54-52.6-09 must be reported to the board a minimum of thirty-one days prior to the effective date.
2. An employer electing to pay employee monthly salary contributions under North Dakota Century Code section 54-52-05 or 54-52.6-09 may not discriminate in its contributions to eligible employees within the same ~~plan under North Dakota Century Code section 54-52.6-09~~class of employees for plan enrollment.

History: Effective January 1, 2025; amended effective July 1, 2026.

General Authority: NDCC 54-52-04

Law Implemented: NDCC 54-52.6-09

71-08-11-08. Forfeiture of rights upon distribution.

Distribution of accumulated account balance must cancel all vesting service credit accumulated prior to the distribution and must extinguish the right to any retiree benefits provided by North Dakota Century Code chapter 54-52.6.

History: Effective July 1, 2026.

General Authority: NDCC 54-52-04

Law Implemented: NDCC 54-52.6-13

CHAPTER 71-08-12

PARTICIPATION BY POLITICAL SUBDIVISIONS

Section

71-08-12-01 Participation

71-08-12-02 Withdrawal

71-08-12-03 Merger of Eligible Employer Groups

71-08-12-01. Participation.

A political subdivision may choose to extend the benefits of the defined contribution plan to its employees by agreeing to abide by the terms of the defined contribution plan and rules developed by the board, executing a participation agreement, and submitting a copy of a signed resolution adopted by the governing authority electing to appoint the retirement board to administer its defined contribution retirement plan.

History: Effective July 1, 2026.

General Authority: NDCC 54-52-04

Law Implemented: NDCC 54-52-02.1

71-08-12-02. Withdrawal.

1. A political subdivision may discontinue participation in the defined contribution retirement plan by providing the board a written resolution adopted by the governing authority authorizing the termination of participation in the defined contribution retirement plan. The resolution must be provided to the board at least sixty days prior to the effective date of discontinuation and discontinuation must always take effect on the first working day of a month.
2. The employees in the defined contribution retirement plan must be considered to have terminated from the plan as of the date the employer terminates participation in the plan. Employee deferrals and employer contributions must stop, and benefits must be made payable. All employees shall be one hundred percent vested in the employee and employer contributions as of the effective date of discontinuation.

History: Effective July 1, 2026.

General Authority: NDCC 54-52-04

Law Implemented: NDCC 54-52-02.1, 54-52-02.15

71-08-12-03. Merger of eligible employer groups.

If a merger between two or more eligible employer groups occurs, the following requirements apply:

1. Written notification must be provided to the office no later than sixty days before the merger is final.
2. If two or more employer groups merge into one, and all do not presently participate in the public employees retirement system, the units merging shall decide upon one of the following:
 - a. The participating employer or employers may elect to cease participation in the defined contribution plan as of the date of the merger.
 - b. Subject to executing a revised participation agreement, eligible employees who have not previously been eligible for participation in any retirement plan of the employer must be given the choice to participate or waive participation effective the date of the merger. Any person hired in an eligible position after the consolidation date shall participate or any other employee mandated by the employer shall participate.

History: Effective July 1, 2026.

General Authority: NDCC 54-52-04

Law Implemented: NDCC 54-52-02.1

TITLE 75
DEPARTMENT OF HUMAN SERVICES

JULY 2026

**CHAPTER 75-09.1-11
SUBSTANCE USE DISORDER TREATMENT VOUCHER SYSTEM**

Section

75-09.1-11-01	Definitions
75-09.1-11-02	Application for Program Participation in the Substance Use Disorder Treatment Voucher System
75-09.1-11-03	Program Denials and Revocations
75-09.1-11-04	Program Review
75-09.1-11-05	Agreement Required
75-09.1-11-06	Services Qualifying for and Reimbursed by the Substance Use Disorder Treatment Voucher System
75-09.1-11-07	Individual Eligibility for a Substance Use Disorder Treatment Voucher
75-09.1-11-08	Approval of an Individual's Application and Voucher
75-09.1-11-09	Denial of Substance Use Disorder Treatment Voucher
75-09.1-11-10	Appeals of Denials of Eligibility for Substance Use Disorder Treatment Voucher
75-09.1-11-11	Exceptions to Eligibility Rules Considered
75-09.1-11-12	Process Measures and Outcomes Measures Reports Required
75-09.1-11-13	Reimbursement Process
75-09.1-11-14	Training and Technical Assistance
<u>75-09.1-11-15</u>	<u>Medical Expenses Reimbursement</u>

75-09.1-11-01. Definitions.

As used in this chapter, unless the context or subject matter otherwise requires:

1. "ASAM criteria" means the current edition of the criteria of the American society of addiction medicine.
2. "Certified peer support specialist" means a human being meeting the requirements of certified peer support specialist I or certified peer support specialist II in compliance with chapter 75-03-43.
3. "Comprehensive biopsychosocial clinical assessment" means an assessment that integrates information regarding the biological, psychological, and social factors of an individual's life in determining the nature of the individual's substance use disorder and criteria for treatment.
4. "Department" means the North Dakota department of health and human services.
5. "Individual" means an individual who meets the identified eligibility criteria for services under the substance use disorder treatment voucher system.

6. "Institution for mental diseases" means a hospital, nursing facility, or other institution of more than sixteen beds that is primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases, including medical attention, nursing care, and related services.
7. "Medical expenses" means approved and incurred direct costs of a program associated with the management of a medical condition to an individual whose medical assistance coverage is suspended while the individual is in an institution for mental diseases.
8. "Outcomes measures" means the events or conditions that indicate the effectiveness of the substance use disorder treatment services.
- ~~7~~.9. "Process measures" means the steps and actions taken to implement the substance use disorder treatment services.
- ~~8~~.10. "Program" means an individual, partnership, association, corporation, or limited liability company that establishes, conducts, or maintains a substance abuse treatment program license in compliance with chapter 75-09.1-01 or similar license from a bordering state for the care of individuals with a substance use disorder. "Program" does not include a DUI seminar, which is governed by chapter 75-09.1-09 or a substance abuse treatment program operated by a state agency.
- ~~9~~.11. "Voucher" means funding issued by the department to a licensed substance abuse treatment program, excluding ~~human service centers~~state-operated behavioral health clinics and the state hospital, for the purpose of providing eligible individuals substance use disorder treatment and recovery services.

History: Effective July 1, 2016; amended effective April 1, 2020; July 1, 2022; April 1, 2024; July 1, 2026.

General Authority: NDCC 50-06-16

Law Implemented: NDCC 50-06-42

75-09.1-11-04. Program review.

1. A program whose application to participate in or payment through the substance use disorder treatment voucher system or request for reimbursement of medical expenses is denied or revoked may request a review of the decision by filing, within thirty days of the date of the department's notice of denial or revocation, a written notice with the department which includes a statement of each disputed item and the reason for the dispute.
2. A provider may not request review under this section if the denial or revocation is of a result of an exhaustion of appropriated funds for the substance use disorder treatment voucher system or reimbursement of medical expenses, provider no longer being licensed under article 75-09.1, submission of an invalid voucher or request for reimbursement of medical expenses, or the provider's application being considered withdrawn.
3. Within thirty days after requesting a review, a provider shall provide to the department all documents, written statements, exhibits, and other written information that supports the request for review.
4. The department shall assign a provider's request for review to someone other than an individual who was involved in the denial or revocation. A provider who has requested review may contact the department for an informal conference regarding the review any time before the department has issued its final decision.
5. The department shall make and issue its final decision within seventy-five days of receipt of the notice of request for review. The department's final decision must conform to the requirements of North Dakota Century Code section 28-32-39. A provider may appeal the final

decision of the department to the district court in the manner provided in North Dakota Century Code section 28-32-42, and the district court shall review the department's final decision in the manner provided in North Dakota Century Code section 28-32-46. The judgment of the district court in an appeal from a request for review may be reviewed in the supreme court on appeal by any party in the same manner as provided in North Dakota Century Code section 28-32-49.

6. Upon receipt of notice that the provider has appealed its final decision to the district court, the department shall make a record of all documents, written statements, exhibits, and other written information submitted by the provider, affiliate, or the department in connection with the request for review and the department's final decision on review, which constitutes the entire record. Within thirty days after an appeal has been taken to district court as provided in this section, the department shall prepare and file in the office of the clerk of the district court in which the appeal is pending the original or a certified copy of the entire record, and that record must be treated as the record on appeal for purposes of North Dakota Century Code section 28-32-44.

History: Effective July 1, 2016; amended effective July 1, 2026.

General Authority: NDCC 50-06-16

Law Implemented: NDCC 50-06-42

75-09.1-11-08. Approval of an individual's application and voucher.

1. ~~A~~An individual or a program shall submit the individual's voucher application and proper documentation to the department requesting a substance use disorder treatment voucher for screening, assessment, treatment, or recovery support services. A licensed professional operating within their scope of practice or a certified peer support specialist acting consistent with training and certification who is employed by a program approved to participate in the substance use disorder treatment voucher system ~~can~~may provide services under the voucher system. Documentation submitted by the program must be in the form and manner prescribed by the department and must be in compliance with established requirements for each voucher request.
2. An approved substance use disorder voucher must be activated for ninety days. If the service is not initiated within ninety days the voucher will no longer be valid and a new voucher will ~~need to~~must be requested. Vouchers ~~will~~must allow payment at the rate established by the department for the specific ASAM service indicated. A new voucher ~~will have to~~must be activated for each service identified under section 75-09.1-11-06.
3. Within five working days of receiving a request for a voucher, the department shall notify the program submitting the request and the individual completing the application of the application approval. The department shall notify the individual of the programs that provide the specific service covered by the voucher.

History: Effective July 1, 2016; amended effective July 1, 2022; July 1, 2026.

General Authority: NDCC 50-06-16

Law Implemented: NDCC 50-06-42

75-09.1-11-09. Denial of substance use disorder treatment voucher.

1. The department shall notify the program or individual submitting the voucher application and the individual requesting the voucher within five working days of receipt of a request for voucher that the voucher application is denied. The department shall notify the program or individual that submitted the voucher within five working days of a voucher revocation. The department shall deny the individual's voucher application if:

- a. The individual is not eligible pursuant to section 75-09.1-11-07; or
 - b. The program or individual submits a voucher application for a service that is not identified as a service provided under section 75-09.1-11-06.
2. The department shall inform the individual requesting the voucher of the reason for the denial and that the individual may appeal the denial if appealable.

History: Effective July 1, 2016; amended effective July 1, 2026.

General Authority: NDCC 50-06-16

Law Implemented: NDCC 50-06-42

75-09.1-11-14. Training and technical assistance.

The department shall provide training and technical assistance to all programs that apply to participate in the substance use disorder voucher system. All approved programs shall participate in the following training:

1. The implementation of the substance use disorder voucher system;
2. Determining individual eligibility;
3. The process and documentation required to submit requests for substance use disorder voucher approval;
4. The process and documentation required to submit billing for services that may be paid through the substance use disorder voucher system;
5. The process and documentation required to submit a request for reimbursement of medical expenses that may be paid by the department if the provider is also an institution for mental diseases;
6. Department-approved standards regarding best practices; and
- ~~6.~~7. Reporting requirements.

History: Effective July 1, 2016; amended effective July 1, 2026.

General Authority: NDCC 50-06-16

Law Implemented: NDCC 50-06-42

75-09.1-11-15. Medical expenses reimbursement.

1. A program that is also an institution for mental diseases may submit a request for reimbursement of medical expenses if:
 - a. The individual is deemed eligible for the substance use disorder treatment voucher in accordance with subsection 5 of section 75-09.1-11-07;
 - b. The individual's suspension of medical assistance is due to the individual being in an institution for mental diseases;
 - c. The program properly documents and submits a request for medical expenses reimbursement in the form and manner prescribed by the department;
 - d. The program allows the department access to necessary records to determine if the reimbursement of medical expenses is appropriate;
 - e. The program submits a new request for reimbursement of medical expenses for each request;

f. The approved payment being made by the department is to reimburse the program's actual cost; and

g. The department's approved payment does not exceed the total amount appropriated for medical expenses reimbursement.

2. Payment on a request for reimbursement of medical expenses may be denied if:

a. A revocation of the program's participation in the voucher system has occurred prior to the date the medical expenses were incurred by the program;

b. The program fails to comply with the terms and conditions of the signed agreement between the program and the department;

c. The program fails to comply with or enforce the program's policies submitted as required by subsection 3 of section 75-09.1-11-02;

d. The program does not have a valid substance abuse treatment program license on the date the medical expenses were incurred by the program;

e. The program fails to properly document and submit a request for reimbursement of medical expenses in accordance with this section;

f. The program submits a request for reimbursement of a medical expense that is not an approved expense;

g. Appropriated funds for the reimbursement of medical expenses have been exhausted;

h. The program is not an institution for mental diseases; or

i. The program fails to comply with this section.

3. The department shall issue a payment for reimbursement of medical expenses if the request and payment is in accordance with this section and within the limits of appropriated funds for the reimbursement of medical expenses.

History: Effective July 1, 2026.

General Authority: NDCC 50-06-16

Law Implemented: NDCC 50-06-42

TITLE 99
STATE GAMING COMMISSION

JULY 2026

CHAPTER 99-01.3-01

99-01.3-01-02. Site authorization.

1. An eligible organization shall obtain an approved site authorization for a site within a city or county from the governing body of the appropriate jurisdiction. The attorney general shall have final approval of a site authorization. A separate site authorization is required for each site. A site authorization may be issued for a location on public or private property and may be restricted or conditional, including types of games, days of the week, and designation where games will be conducted. An organization shall comply with a restriction of a site authorization unless an amended site authorization is approved. A site authorization must describe the gaming area designated by an organization that restricts where games may be conducted and played. ~~No~~A restroom may not be part of the gaming area. A governing body may revoke or suspend a site authorization based on good cause.
2. A governing body may issue a site authorization to two or more organizations to conduct games at the same site if the site authorizations restrict the organizations to different days of the week. However, more than one organization may be issued a site authorization for a fairground or similar open space of land. Electronic pull tabs may not be conducted in temporary sites such as fairgrounds, special event sites, or any site that is not open for forty calendar days of one quarter.
3. For an initial application for a site authorization for an organization that desires to be recognized as an eligible organization, a governing body of a city or county may determine whether the organization qualifies by examining documents outlined in subsection 1 of section 99-01.3-01-03.
4. An organization may temporarily use more twenty-one tables at a site than a site authorization allows for up to fourteen days per special event provided ~~that~~ the event is recognized by a local governing body, no more than two events are held per quarter, written approval is granted by a local governing body, and the monthly rent amount does not increase. A special event is an infrequent, significant, and identifiable activity in the community. The site authorization does not need to be amended, regardless of where the tables are placed.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; October 1, 2006; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-03

99-01.3-01-03. License.

1. An organization may not conduct games at a site unless the attorney general first approves a site authorization and license for that city or county. A separate license is required for each city or county. For ~~an~~the initial ~~application~~and ~~renewal applications~~ for a license for an organization that desires to be recognized as an eligible organization, the attorney general shall determine whether the organization qualifies by examining a copy of an organization's articles of incorporation, charter, bylaws, board of directors' minutes for the previous two years, ~~or~~and any other documents or records considered necessary to determine its primary purpose and date of origin. If the attorney general determines at any time that an organization's actual primary purpose does not qualify it as an eligible organization, the attorney general shall deny the license application or revoke the license.
2. A license is effective for one year beginning July first and ending June thirtieth and may be issued at any time during the fiscal year. ~~However, the~~The annual license fee is not prorated. If an organization plans to conduct a raffle on or after July first, a license may be issued up to twelve months prior to the beginning of the licensing period. If an organization received a restricted event permit during the fiscal year, it may not receive a ~~state~~ license.
3. When an organization first applies for a license to conduct games of chance, the license may not be issued to the organization until after its gaming manager and individuals responsible for recordkeeping and independent audit functions have satisfactorily demonstrated to the attorney general ~~that~~ the organization is capable of properly managing and controlling the games ~~that~~ it intends to conduct and has provided a copy of the organization's internal control and policy manuals. Any subsequent gaming manager or independent auditor shall demonstrate the same capability to the attorney general. If the attorney general determines with good cause a required individual is not able to properly manage and conduct games, maintain complete and accurate recordkeeping forms and applications, and ensure required gaming laws and rules are adhered to as prescribed, the individual may be prohibited from being involved in gaming as a gaming employee or volunteer and the organization's license may be denied, suspended, or revoked.
4. If an organization only conducts a raffle or calcutta in two or more cities or counties, the organization may apply for a consolidated license prescribed by the attorney general and remit a one hundred fifty dollar license fee for each city or county in which a site is located.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; July 1, 2012; April 1, 2016; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-03

99-01.3-01-04. Reporting a change in information.

If the following information on a site authorization or license application ~~becomes inaccurate or outdated in a material way, including a change in an organization's primary purpose~~changes, the organization shall provide the attorney general, in writing through the gaming licensing system, ~~items of change~~updated information within fourteen days following the change:

1. An organization's primary purpose;
2. Type of gaming offered;
3. Days of the week gaming is offered;
4. Designated area where gaming is conducted;
5. Gaming manager; or

6. Independent auditor.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-01-05. Permits.

1. A permit is issued by a city or county governing body and may be for a site located on public or private property. It may be restricted, including types of games, days of the week, and designation of an area at a site where games ~~will~~may be conducted. A governing body may revoke or suspend a permit based on good cause.
2. A permit is required for each site at which games have been authorized. The primary prize under a permit may not exceed ~~eight~~fifteen thousand dollars and total prizes of all games may not exceed ~~forty~~fifty thousand dollars per year. A donated merchandise prize is valued at its retail price.
3. When a governing body issues a permit, it shall assign a permit number, specify the day or period for which it is effective, identify the game types authorized, and send a copy to the attorney general within fourteen days from when it was issued. An organization that has a license may not ~~at the same time~~ have a permit at the same time.
4. An organization may receive one or more local permits to conduct a raffle, bingo, or sports pool from a city or county governing body during a year and may be issued two or more local permits at the same time. For a calendar raffle, a local permit may be issued for a calendar year. If an organization plans to conduct a raffle, a permit may not be issued more than twelve months prior to the first raffle drawing date unless authorized by the attorney general.
5. An organization deemed as a state political party or legislative district party committee only may conduct raffles under a local permit and may use the net income for a political purpose.
6. An organization may receive one restricted event permit to conduct a raffle, bingo, sports pool, paddlewheels, twenty-one, or poker from a city or county governing board during a year. If the organization has received a local permit or license during the fiscal year, it may not receive a restricted event permit. If the organization received a restricted event permit during the fiscal year, it may not receive a local permit. For a restricted event permit an organization shall ~~within thirty days of the event~~ file a report on a prescribed form with the attorney general and governing body within thirty days of the event.
7. For all game types conducted, an organization shall comply with section 99-01.3-02-08. For bingo, an organization shall comply with sections 99-01.3-04-01 and 99-01.3-04-02 and the applicable subsections of section 99-01.3-04-03. For a raffle, an organization shall comply with sections 99-01.3-05-01 through 99-01.3-05-04 and subsections 1 through 3 of section 99-01.3-05-05. For a sports pool, an organization shall comply with section 99-01.3-07-01. For twenty-one, an organization shall comply with sections 99-01.3-08-01, 99-01.3-08-02, 99-01.3-08-08, 99-01.3-08-09, 99-01.3-08-10, 99-01.3-08-11, 99-01.3-08-12, and 99-01.3-08-13. For poker, an organization shall comply with sections 99-01.3-09-01 through 99-01.3-09-06. For paddlewheels, an organization shall comply with subsection 1 of section 99-01.3-11-01 and the applicable subsections of section 99-01.3-11-02 if conducted with tickets, or subsection 2 of section 99-01.3-11-01 and the applicable subsections of sections 99-01.3-11-03 and 99-01.3-11-04, and sections 99-01.3-11-05 and 99-01.3-11-06 if conducted as a table game.

8. Any advertising of a gaming event must include the name of the organization and include the purpose for which the net proceeds ~~will~~must be used. Advertising must cease once the local permit or restricted event permit has expired.

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; July 1, 2018; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-03, 53-06.1-06

CHAPTER 99-01.3-02 GENERAL RULES

Section

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99-01.3-02-01. Definitions.

As used in this article:

1. "Alcoholic beverage establishment" means an establishment licensed under North Dakota Century Code section 5-01-21 or chapter 5-02 where alcoholic beverages are sold, dispensed, and consumed by guests on the premises. The term does not include a liquor store, gas station, grocery store, or convenience store.
2. "Alcoholic beverage establishment employee" is a person, employed by an alcoholic beverage establishment that is not operated by an organization, who redeems winning pull tabs or prize boards or both involving a dispensing device, redeems credit ticket vouchers involving an electronic pull-tab device, or sells raffle tickets or sports pool chances on a board for an organization.
3. "Application software" means those computer programs that direct an electronic game system to perform those specific information-processing activities that permit the operation of the electronic game, permit the collection and recording of game information, and permit the reporting of that information to the attorney general. The application software overlays the operating system software and is unable to function without the operating system software.
- ~~2.4.~~ "Attorney general" includes an agent of the attorney general.
- ~~3.~~ "Bar" means retail alcoholic beverage establishment where alcoholic beverages are dispensed and consumed. This does not include off-sale liquor stores or gas stations, grocery, or convenience stores. A bar must be licensed under North Dakota Century Code chapter 5-02 and is devoted to the serving of alcoholic beverages for consumption by guests on the premises. The term includes a bar located within a hotel, bowling center, or restaurant.
- ~~4.~~ "Bar employee" is a person, employed by a bar that is not operated by an organization, who redeems winning pull tabs or prize boards, or both, involving a dispensing device, redeems credit ticket vouchers involving an electronic pull-tab device, or who sells raffle tickets or sports pool chances on a board for an organization.
5. "Bingo session" means a program of predetermined number of bingo games that are successively played. Intermissions may be included in the program. A session may not extend beyond a business day. However, any session in progress which continues past midnight must be considered played on the day the session began.

6. "Business day" relates to the typical hours in a day when normal business operations take place. For games of chance, this includes a site's start of business until the close of business for a day, which may continue past midnight.
7. "Cash on hand" means coin, currency, and checks, plus an IOU due from another source of cash or nongaming funds, less an IOU owed to another source of cash or nongaming funds.
8. "Cash prize" means coin, currency, marketable security, and a similar item that can be readily redeemed or converted into legal tender. Cash prize does not include precious metal bullion, a coin of precious metal or antique coin that has a market value greater than its face value, or a merchandise gift certificate. The value of a marketable security is its cost.
9. "Cash profit" means:
 - a. For bingo and electronic quick shot bingo, total ending cash on hand, less starting cash on hand and prizes paid by check, for a bingo session.
 - b. For a raffle, total receipts less prizes paid by cash and check.
 - c. For a commingled game of pull tabs, total ending cash on hand, less starting cash on hand and cash prizes paid by check, for a day's activity.
 - d. For a commingled game of pull tabs involving a dispensing device, total currency withdrawn from a dispensing device, less credit paid on a credit redemption register, cash long or short from an employee bank, and prizes paid, for an interim period.
 - e. For each manufacturer's system of commingled electronic pull-tab games at a site, total currency and total dollar value of credit ticket vouchers in the devices, less total dollar value of credit ticket vouchers in devices and paid by ~~a baran alcoholic beverage establishment~~ or organization employee, actual credit ticket vouchers redeemed by a kiosk less reissued credit ticket vouchers, credits paid on a credit redemption register, and cash long or short from an employee bank or kiosk, for an interim period.
 - f. For a club special, tip board, seal board, and punchboard, the total daily difference between ending cash on hand and starting cash on hand and less prizes paid by check, for the game.
 - g. For a prize board, the total daily difference between ending cash on hand and starting cash on hand, less prizes paid by check and cost of coins, for the game.
 - h. For a prize board involving a dispensing device, total currency withdrawn from a dispensing device, less total cash prizes paid, prizes paid by check, cost of coins, credit paid on a credit redemption register, and cash long or short from an employee bank, for the game.
 - i. For a sports pool, the total daily difference between ending cash on hand and starting cash on hand, less prizes paid by check.
 - j. For twenty-one, and paddlewheels described by subsection 2 of section 99-01.3-11-01, total ending cash on hand, plus drop box cash, less total starting cash on hand, for a day's activity.
 - k. For poker, total ending cash on hand, less starting cash on hand, less prizes paid by check, for a day's activity.
 - l. For calcuttas, total ending cash on hand, less starting cash on hand, prizes paid by check, and refunds to players, for the event.

m. For paddlewheels described by subsection 1 of section 99-01.3-11-01, total ending cash on hand, less starting cash on hand and prizes paid by check, for a paddlewheel ticket card.

10. "Conduct of games" means the direct operation of a game on a site, including placing pull tabs in, withdrawing currency from, and buying back redeemed winning pull tabs dispensed from a dispensing device; and withdrawing currency from and buying back redeemed credit ticket vouchers dispensed from an electronic pull-tab device.

11. "Credit ticket voucher redemption kiosk" or "kiosk" means a device that only accepts a credit ticket voucher from a manufacturer's own electronic pull-tab device and only dispenses United States currency, coin, or a reissued credit ticket voucher for a credit balance remaining from a redeemed credit ticket voucher, and accepts a charity donation for any remaining balance not dispensed as currency, coin, or a reissued credit ticket voucher.

12. "Deal" in pull tabs, including electronic deals means each individual game or series of pull-tab packages which makes up a game with a specific form number and a unique serial number.

~~12.13.~~ "Electronic pull-tab game" means a game family with a common game name, theme, symbols, and ticket count which allows for a variety of price per play denominations and prize payouts under different form numbers.

~~13.14.~~ "Employee" includes a person employed by an organization, an employee of a temporary employment agency who provides gaming-related services to an organization, and a volunteer of an organization.

~~14.15.~~ "Flare" refers to a flare or master flare as follows:

a. ~~Flare.~~—A flare is a display with the state gaming stamp affixed which describes a punchboard, sports-pool board, calcutta board, deal of pull tabs, club special, tip board, prize board, seal board, and raffle board. The flare for a punchboard is its face sheet. A flare for a sports-pool board, calcutta board, prize board, club special, tip board, seal board, and raffle board is the game board.

b. ~~Master flare.~~—A master flare for a game of pull tabs is the same as a "flare" but it does not have a state gaming stamp affixed. A master flare for paddlewheels is described by subsection 1 of section 99-01.3-11-02.

~~15.16.~~ "Gaming equipment" means a game piece or device specifically designed for use in conducting games, including integral components of a dispensing device such as a currency validator, processing board, EPROM microchip or other data storage device, attached bar code credit devices, and card shuffling devices. This includes all electronic pull-tab operating systems and devices, credit ticket voucher redemption kiosks, electronic quick shot bingo operating systems and devices, electronic fifty-fifty raffle systems and devices, and their related hardware and software. The term excludes fill and credit slips, promotional paper bingo cards, bingo daubers, video surveillance equipment, jar bars, jar containers, poker tables, raffle drums, double admission tickets, table covers, dealing shoes, discard holders, plungers, shoe and card covers, chip spacers, and weight scales.

~~16.17.~~ "Inside information" is any information about the status of a game when that game is conducted that may give a person an advantage over another person who does not have that information, regardless if the person uses or does not use the information, when providing that information is prohibited by the gaming law or rules. It includes information provided through written, verbal, or nonverbal communications that implies or expresses the number of unsold chances; relationship of a game's cash on hand to its ideal adjusted gross proceeds; number

of unredeemed top tier or minor winning game pieces that is not posted, value of a hole card in twenty-one, number under the tape of a sports-pool board, or number under a seal.

~~47.18.~~ "License" or "gaming license" or "state gaming license" means an official authorization issued by the attorney general allowing an organization, distributor, or manufacturer to conduct activities specific to the license type.

~~19.~~ "Organization" means a group that meets the requirements to hold a license to conduct charitable gaming or in reference to a local permit includes a "group of people" working together for a public-spirited cause.

~~48.20.~~ "Player" is an individual who purchases a game piece or places a wager in a game of chance. An organization may not be a player in any games of chance the organization is conducting. A business that is not an organization with a gaming license or permit for the event, may purchase raffle tickets; however, an individual's name representing the business that bought the tickets must be recorded on the raffle ticket.

~~49.21.~~ "Political party" means any association, committee, or organization which nominates a candidate for election to any office which may be filled by a vote of the electors of this state or any of its political subdivisions and whose name appears on the election ballot as the candidate of such association, committee, or organization.

~~20.22.~~ "Primary game" is the principal game conducted on a site. Determining factors include frequency of conduct, square footage used, duration of time conducted, and volume of activity.

~~24.23.~~ "Retail price" means the purchase price paid by an organization, excluding sales tax.

~~22.24.~~ "Volunteer" means a person who conducts games for no compensation. A volunteer may receive a gift not exceeding a total retail price of thirty dollars for a consecutive twenty-four-hour period; which may not be cash or convertible into cash; cash tips; and reimbursement for documented business expenses. ~~No gift may be cash or convertible into cash.~~ See definition of employee.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; July 1, 2012; April 1, 2016; July 1, 2018; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

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

99-01.3-02-02. Record check.

1. An organization or distributor may not employ a person as a temporary or permanent ~~"employee"~~ until the organization or distributor has initiated a record check on the person, the person has independently requested a record check from the bureau of criminal investigation within one year before employment, or a person is not required to have a record check according to subsection 5. ~~However, an~~An organization or distributor temporarily may ~~temporarily~~ employ a person pending the results of a record check.
2. An organization or distributor shall initiate a record check of a person by submitting a "request for record check" form to the attorney general within twenty-one calendar days of the first day of employment. If special circumstances exist, including an applicant residing out of state, the organization shall follow procedures prescribed by the attorney general. An organization or distributor may only request a record check of a person who has a written promise of employment or who is temporarily employed pending the result of the record check. A person shall attest to the accuracy of the information on the form and authorize the attorney general to release information on any criminal record found, including a copy of the bureau of criminal investigation's criminal history record information, to an organization or distributor which requested the record check.

3. An organization shall initiate a record check on employees including volunteers at least every six years, commencing with the date of employment.
4. ~~For the purpose of this section, the definition of an "employee" is~~ The following employees, including volunteers, of an organization require a record check:
 - a. A person who directly operates games on a site;
 - b. A person who is a shift or gaming manager;
 - c. A person who places a deal of pull tabs in a dispensing device, removes currency from a device, adds currency and removes redeemed credit ticket vouchers from a kiosk, or reimburses ~~a bar~~ an alcoholic beverage establishment for redeemed pull tabs or credit ticket vouchers;
 - d. A person who is a member of a drop box cash count team; or
 - e. A person who directly sells or distributes gaming equipment for a distributor.
5. ~~These~~ The following employees, including volunteers, of an organization are not required to have a record check:
 - a. ~~A volunteer, except a gaming manager or person who is a member of a drop box cash count team;~~
 - ~~b. An employee~~ A person who is sixteen or seventeen years of age;
 - ~~c. b.~~ ~~An employee~~ A person who has had a record check done and, within one year of the record check, has become ~~reemployed~~ re-employed by or starts to volunteer for the same organization or employed by or volunteers for a different organization, distributor, or ~~bar~~ alcoholic beverage establishment than the person was employed by or volunteered for when the record check was done, and who provides the results of the record check and, if applicable, a copy of the bureau of criminal investigation's criminal history record information, to the new ~~employing~~ organization, distributor, or ~~bar~~ alcoholic beverage establishment; or
 - ~~d. c.~~ ~~An employee~~ A person, other than a gaming manager, who only conducts a calcutta, raffle, poker, or sports pool or is employed by or volunteers for an organization that conducts games on no more than fourteen days during a calendar year.
6. The attorney general may require fingerprints of a person. A local law enforcement agency may charge a fee for taking fingerprint impressions.
7. The fee for a record check is fifteen dollars and is not refundable. However, if a federal agency or local law enforcement agency has done a record check, the attorney general may waive the fee. The fee must be remitted by an organization, distributor, or person with the request form to the attorney general.
8. The attorney general shall conduct the record check and provide the results to an organization or distributor which requested the record check unless a federal or local law enforcement agency conducts a record check. This notice must indicate whether a criminal record was found or not found. If a criminal record is found, the attorney general shall also provide an organization or distributor with a copy of the bureau of criminal investigation's criminal history record information. An organization or distributor shall review this report to determine whether a person is eligible for employment as an employee according to subdivision a or b of subsection 5 of North Dakota Century Code section 53-06.1-06.

9. If a person is not eligible for employment but has been temporarily employed pending the results of a record check, an organization or distributor, within five days of receiving the copy of the record check, shall terminate the person's employment. This period ~~cannot~~may not be extended without consent of the office of attorney general.
10. An organization or distributor shall retain the results and criminal history record information from the federal or local law enforcement licensing document for the time period prescribed by federal law.
11. If a person, while employed by an organization or distributor, pleads guilty to or has been found guilty of a felony or misdemeanor offense referenced by subdivisions a and b of subsection 5 of North Dakota Century Code section 53-06.1-06, the person shall immediately notify the organization or distributor. Upon notification, an organization or distributor, within five days, shall terminate the person's employment unless the person received a deferred imposition of sentence and has fully complied with the terms of the deferral.

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; July 1, 2018; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

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

99-01.3-02-03. Restrictions and requirements.

1. An employee shall wear an identification tag while working in the gaming area of a site. The tag must display a person's name, which may be the employee's middle name or a shortened form of a proper name, and first initial of the last name or the person's identification number, and organization's name. The tag must be worn on the upper one-third of a person's body. An organization shall provide an identification tag to a gaming employee and is responsible for ensuring ~~that~~ the tag is properly displayed.
2. An organization shall have ~~the gaming law~~North Dakota Century Code chapter 53-06.1; chapter 99-01.3-02, general rules; chapter 99-01.3-03, accounting rules; and the rules chapter of each game type conducted at a site; and, for sites with electronic pull tabs, chapter 99-01.3-16, manufacturers, available in the gaming area for review by any person. The required laws and rules may be presented in physical form or by providing a quick response code with an active website link as prescribed by the attorney general.
3. An organization shall have a policy manual on its conduct and play of games in the gaming area at a site available for review by any person. The manual must include policies for resolving a question, dispute, or violation of the gaming law or rules. The manual ~~cannot~~may not include internal controls. The policy manual may be presented in physical form or by providing a quick response code with an active website link.
4. An organization's top official shall provide to the governing board and membership in writing, ~~or by electronic publication method,~~ each quarter information on an organization's adjusted gross proceeds; cash profit; cash long or short; net proceeds; excess expenses; reimbursement of excess expenses; and, for a fraternal, veterans, or civic and service organization, a list of eligible uses. If an administrative complaint is issued to an organization, the top official shall disclose the allegation, ~~in writing,~~ to the board within seven days from the date the complaint was received. If an allegation is substantiated, the top official shall disclose to the board, ~~in writing,~~ the allegation and sanction imposed within ninety days of the final disposition of the complaint. The organization shall disclose to the membership how they may obtain information on the quarterly gaming activity and any information regarding the final disposition of a complaint. This information and how it was provided to the governing board and membership must be included in an organization's records.

5. A person may not modify a state gaming stamp or flare, including a last sale prize. An organization may not, ~~independent of a distributor~~, add or delete independent of a distributor a last sale prize.
6. A person under the age of twenty-one may not conduct games and may not be a member of a drop box cash count team at an alcoholic beverage establishment. An employee under the age of eighteen may not count drop box cash. A person under the age of sixteen may not conduct bingo.
7. An organization may not pay any compensation, expense, or fee to an entity or person based on the number of participants for an event, or on a participatory or graduated rate of gross proceeds or adjusted gross proceeds for any game type conducted.
8. An employee or ~~a bar~~ an alcoholic beverage establishment employee may not use inside information or provide inside information to any person.
9. The attorney general may waive a rule when it is for the best interest of the gaming industry and public.
10. If an organization does not plan to reapply for a license for the next licensing period or relinquishes a license, it shall return its unplayed games, with state gaming stamps, to the attorney general or distributor. An organization may not destroy an unplayed or unreported game without permission of the attorney general.
11. When an organization disposes played deals of pull tabs, club specials, prize boards, tip boards, seal boards, punchboards, and casino chips, the disposal method must assure complete destruction. When disposing of a dispensing device, the organization shall ensure that the device is rendered completely inoperable, which includes removing all electronics from the device.
12. If an organization is forced to dispose of accounting records or game pieces damaged in a natural or extraordinary disaster, it shall document each item disposed and provide a copy of the documentation to the attorney general within fourteen days before the disposal.
13. Any incident interrupting the operation or affecting the security or integrity of an electronic fifty-fifty raffle system, site system with bingo card marking devices, electronic quick shot bingo site operating system with card marking devices, or electronic pull-tab operating system must be reported to the attorney general by the next business day from the date of occurrence.

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; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-02-04. Equipment acquisitions and use.

1. An organization shall procure gaming equipment only from a licensed distributor. However, an organization may:
 - a. Buy raffle tickets with a detachable stub from a printer, buy double roll tickets from any vendor, or construct a raffle board;
 - b. Buy, lease, or sell a used pull-tab dispensing device, including electronic pull-tab devices, from or to a distributor or another organization provided that a distributor records the transaction on a sales invoice;

- c. Buy, sell, rent, lend, exchange, or give its own used playing cards, jar bar, jar container, twenty-one or poker table, video surveillance equipment, raffle drum, bingo hard cards, bingo daubers, bingo machine, flashboard, table cover, dealing shoe, discard holder, plunger, shoe and card cover, poker chips, chip tray, chip spacers, paddwheel, paddwheel table, or weight scales from or to any organization. An organization may not sell or otherwise provide any of these particular items or any other item of gaming equipment, except playing cards, to any other person unless approval is obtained from the attorney general; or
 - d. Buy a twenty-one, paddwheel, or poker table, and jar bar which has been designed and constructed by ~~a carpenter~~ any individual provided that the table playing surface for twenty-one and paddwheel tables, drop box, and any related gaming equipment is purchased from a distributor.
2. An organization may not use or knowingly permit its gaming equipment to be used for an illegal purpose.
 3. An organization or an employee may not conduct or possess a deal of pull tabs, club special, tip board, seal board, raffle board, prize board, punchboard, sports-pool board, calcutta board, or series of paddwheel ticket cards unless its flare has a gaming stamp.
 4. If an organization or distributor suspects ~~that~~ a deal of pull tabs, club special, tip board, prize board, or punchboard may be defective, the organization or distributor shall comply with guidelines prescribed by the attorney general.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; October 1, 2006; July 1, 2010; April 1, 2016; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-06, 53-06.1-14

99-01.3-02-05. Lessor and organization - Restrictions.

1. A lessor's employee who is not the lessor's spouse, lessor's common household member, management, management's spouse, or lessor's employee or agent who approved the lease, may conduct games at ~~that~~ that site, including accessing a pull-tab dispensing device or electronic pull-tab device, as an organization employee:
 - a. On a day when the employee is not working for the ~~bar~~ alcoholic beverage establishment; or
 - b. On a day when the employee is working for the ~~bar~~ alcoholic beverage establishment but is working in an area ~~of the bar~~ where alcoholic beverages are not dispensed or consumed.
2. ~~No~~ A game may not be operated directly ~~operated~~ as part of a lessor's business. However, a lessor may donate a gift certificate or cash or merchandise prize to an organization.
3. A lessor, lessor's spouse, lessor's common household member, management, management's spouse, officer, board of directors member, or ~~;~~ lessor's employee or agent who approved the lease, may not:
 - a. Loan money or provide gaming equipment to an organization;
 - b. Interfere with or attempt to influence an organization's selection of games, determination of prizes, including a bingo jackpot prize, disbursement of net proceeds, or influence the selection of a distributor to purchase gaming equipment from. ~~However, a lessor may~~

~~recommend an eligible use. If the lessor violates this rule, the attorney general may suspend any or all games at the site for up to six months;~~

- c. Conduct games at any of the organization's sites and, except for officers and board of directors members who did not approve the lease, may not play any game at the lessor's site;
 - d. Require an organization's employee to assist, for or without compensation, in a lessor's business at the site. However, an organization's employee voluntarily may ~~voluntarily~~ order drinks for customers; or
 - e. Count drop box cash.
4. A lessor who is an officer or board member of an organization may not participate in the organization's decisionmaking that is a conflict of interest with gaming, including topics such as gaming sites and distribution of net proceeds.
 5. Only an organization or its employee that has received approval from the attorney general or follows guidelines prescribed by the attorney general may buy a gift certificate or merchandise as a gaming prize from a lessor, or buy merchandise, food, or alcoholic or nonalcoholic drinks from the lessor for the lessor's employees or patrons. An organization's employee may patronize a lessor in the normal course of a lessor's business.
 6. An organization, employee, or baralcoholic beverage establishment may not give a free or discounted game piece, chip, or play of a game except for discounts allowed for bingo and raffle activity, or free or discounted alcoholic drink to a person to play a game. A lessor may at its own expense advertise gaming on promotional drink tickets.
 7. Any advertising by the lessor, organization, or both, of lawful charitable gaming conducted by a licensed organization must include the gaming organization's name. An abbreviation of the organization's name may be used. The name of the site may be used but must be inconsequential in comparison to the licensed gaming organization.
 8. If the lessor violates this rule, the attorney general may suspend any or all games at the site for up to six months.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; July 1, 2010; April 1, 2016; July 1, 2018; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

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

99-01.3-02-06. Rental agreement.

1. A rental agreement must be signed and dated by a lessor and organization.
2. An agreement must contain:
 - a. Term of the agreement which must be on a fiscal year basis from July first to June thirtieth or, if a site authorization is for a shorter period, the term is for the shorter period. Except for a site where bingo is the primary game, an agreement may not exceed five years;
 - b. Monetary consideration;
 - c. The inclusion of this statement with proper selections made:

"The lessor agrees that the (lessor), (lessor's) spouse, (lessor's) common household members, (management), (management's) spouse, or an employee of the lessor who is

in a position to approve or deny a lease may not conduct games at any of the organization's sites and, except for officers and board of directors members who did not approve the lease, may not play games at that site. However, a baran alcoholic beverage establishment employee may redeem a winning pull tab, redeem a credit ticket voucher, pay a prize board cash prize, and award a prize board merchandise prize involving a dispensing device and sell raffle tickets or sports pool chances on a board on behalf of an organization";

- d. If an organization provides a lessor with a temporary loan of funds for redeeming winning pull tabs, credit ticket vouchers, or for paying prize board cash prizes involving a dispensing device, a statement that the lessor agrees to repay the entire loan immediately when the organization discontinues using a device at the site and absorb a loss related to a loss or theft of the temporary loan of funds; and
- e. Statements that:
 - (1) Bingo is or is not the primary game conducted;
 - (2) Twenty-one or paddlewheels, or both (involving a playing table), is or is not conducted and the number of tables on which the rent is based, including the number of tables on which a wager over five dollars is accepted;
 - (3) Pull tabs is or is not conducted with or without a dispensing device and number of electronic pull-tab devices for use;
 - (4) The rental agreement is automatically terminated, at a lessor's option, if an organization's license is suspended for more than fourteen days or revoked;
 - (5) An on call, temporary or permanent employee, except a baran alcoholic beverage establishment employee defined by subsection 3 of section 99-01.3-02-01 will not, directly or indirectly, conduct games at the site as an organization employee on the same day the employee is working in the area ~~of the bar~~ where alcoholic beverages are dispensed or consumed;
 - (6) The lessor agrees ~~no~~a game will may not be operated directly ~~operated~~ as part of the lessor's business;
 - (7) The lessor agrees not to interfere with or attempt to influence the lessee's selection of games, determination of prizes, including a bingo jackpot prize, or disbursement of net proceeds; and
 - (8) The lessor agrees not to loan money to, provide gaming equipment to, or count drop box cash for the lessee; ~~and~~
 - ~~(9) The lessor agrees any advertising by the lessor that includes charitable gaming must include the charitable gaming organization's name. An abbreviation of the organization's name may be used.~~

3. Rent must be a fixed dollar amount per month.

- a. A participatory or graduated rate arrangement based on gross proceeds or adjusted gross proceeds is prohibited.
- b. If bingo is the primary game or if a site is leased by an organization that has the alcoholic beverage license for that site, the monthly rent must be reasonable. Factors include time usage, floor space, local prevailing rates, and available sites and services. An

organization may pay seasonal expenses, such as snow removal, air-conditioning, and heating, to a vendor.

- c. If bingo is not the primary game, the maximum monthly rent must be according to subsection 5 of North Dakota Century Code section 53-06.1-11. Special considerations are:
 - (1) If two or more organizations conduct twenty-one or paddlewheels, or both, involving a table and pull tabs for less than a month at a temporary site which is a public or private premise, or if two or more organizations are issued site authorizations to conduct games at a site on different days of the week, the maximum monthly rent, in the aggregate, may not exceed the limit set by subsection 5 of North Dakota Century Code section 53-06.1-11; and
 - (2) If a raffle, calcutta, sports pool, or poker is conducted with twenty-one, paddlewheels, or pull tabs, ~~no~~ additional rent is not allowed.
 - d. Except for applying subsection 3 or 4 of section 99-01.3-03-04, and additional rent paid to a lessor for simulcast racing, an organization or employee may not pay any additional rent or expense, from any source, or for any other purpose, including office or storage space, snow removal, maintenance or cleaning fees, equipment, furnishings, entertainment, or utilities. Except for a leased site at which bingo is the primary game conducted, an organization may not pay for any capital or leasehold improvements or remodeling.
4. If there is a change in the monthly rent or any other material change to a rental agreement, the agreement must be amended and a copy received by the attorney general before its effective date.

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; July 1, 2018; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-06, 53-06.1-07.4

99-01.3-02-09. Persons restricted from playing games.

1. An employee who is a shift or gaming manager may not play any game at any of the organization's sites. An employee who services a pull tab or prize board dispensing device or electronic pull-tab device may not play the device at that site.
2. An employee may not play any game while on duty, except a volunteer may participate in a raffle. For the game of bingo, if an organization's total gross proceeds for the previous fiscal year, for which tax returns were filed, was twenty-five thousand dollars or less, a volunteer who is not a bingo caller, shift manager, or gaming manager, may also play bingo while on duty.
3. An employee may not play pull tabs or prize boards, including through a dispensing device, electronic pull-tab device, tip board, club special, or punchboard until after three hours of active play have occurred since the employee went off duty at that site. "Active" play means that a game has been available for play. A player may not provide and an employee may not accept an unopened pull tab as a tip.
4. An employee may play twenty-one while off duty at organization sites only on tables that have the activity recorded by video surveillance.
5. ~~A bar~~An alcoholic beverage establishment employee may not play pull tabs or prize boards, which involve a dispensing device, or electronic pull tabs while on duty. ~~A bar~~An alcoholic

beverage establishment employee may play pull tabs or prize boards, involving a dispensing device, or electronic pull tabs while off duty after three hours of active play have occurred since the ~~bar~~alcoholic beverage establishment employee went off duty at that site, unless otherwise prohibited by subdivision c of subsection 3 of section 99-01.3-02-05.

6. An employee or ~~bar~~alcoholic beverage establishment employee taking a temporary break is still considered on duty.
7. If an organization allows ~~an~~a gaming employee or an alcoholic beverage establishment employee to play games at its site, it shall post or make available to players the policy at that site.
8. A shift manager may not permit and an employee may not allow an employee's common household member, spouse, child, parent, brother, or sister, at a site, to:
 - a. Play pull tabs, except electronic pull tabs, of a game while the employee is on duty as a jar operator for that game, regardless ~~if~~of whether the employee takes a temporary break or rotates to conduct another game. This rule also applies to an employee who conducts pull tab or prize board dispensing device activity; or
 - b. Play twenty-one or paddlewheels at a table when the employee is dealing or is a wheel operator at that table.
9. An organization may prohibit a person from playing games at a site.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; July 1, 2010; April 1, 2016; July 1, 2018; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-02-10. ~~Acknowledgment~~Training requirements and acknowledgment of the gaming law and rules.

1. An employee shall read and acknowledge in writing, within sixty days of employment and the effective date of new gaming laws or rules, ~~that~~ the person has read and understands the provisions that relate to the person's job duties. The organization shall designate the provisions to be read. An acknowledgment must be dated, reference the provisions, and be part of the person's personnel file.
2. When an organization first applies for a license to conduct games of chance, the organization shall schedule and attend training with the attorney general for conducting of the applicable games and recordkeeping before a license may be issued.
3. A gaming manager and an individual who is principally responsible for auditing closed games, daily activity, or does bookkeeping shall request training from the attorney general within thirty days of employment if they have no previous gaming-related experience or there is a change of employment in these positions.

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; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-02-13. Denial, suspension, or revocation of a license.

1. The attorney general may deny, suspend, or revoke a license or a permit of an organization, distributor, or manufacturer:

- a. When the applicant or licensed organization, distributor, or manufacturer through its employees, officers, board of directors, or outside service providers has:
 - (1) Violated, failed, or refused to comply with any provision of the gaming law or rules or any other law of North Dakota or has knowingly allowed, caused, aided, abetted, or conspired with another person to cause the person to violate any provision of the gaming law or rules or any other law of North Dakota;
 - (2) Falsified information on a license application or obtained a license by fraud, misrepresentation, concealment, or mistake;
 - (3) Denied the attorney general access to a site or manufacturing facility, or failed to timely provide information requested or required by the attorney general, gaming law, or rules;
 - (4) Misrepresented, or failed to disclose, a material fact to the attorney general; or
 - (5) Engaged in any act or practice to defraud or cheat a person, or has used a device or scheme to defraud a person.

 - b. If the attorney general, for any reason, deems it to be in the public interest, ~~such~~ Such reasons include cases ~~wherein~~ in which the applicant or licensee, or any person with a "substantial interest" ~~therein~~ in the organization:
 - (1) Has previously conducted illegal gambling or gaming activity in any jurisdiction;
 - (2) Has demonstrated willful disregard for complying with ordinances, statutes, administrative rules, or court orders, whether at the local, state, or federal level in any jurisdiction;
 - (3) Possesses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities, as demonstrated by:
 - (a) Prior activities;
 - (b) Criminal record;
 - (c) Reputation;
 - (d) Habits;
 - (e) Associations; or
 - (f) Knowingly provides or has provided goods or services to an entity that illegally operates gambling activities.
2. Upon revocation of a license, an organization, distributor, or manufacturer shall return the license and, if applicable, site authorization to the attorney general.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2018; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-03, 53-06.1-14, 53-06.1-16

CHAPTER 99-01.3-03

99-01.3-03-02. Gaming account.

1. An organization shall maintain all gaming accounts at financial institutions located in North Dakota. These accounts must be used for depositing gaming funds and transferring net proceeds to a trust account, except as provided by subsection 3. All gaming prizes paid for by check, including cash and merchandise, must be paid from the gaming account. Transfers must be made by the last day of the quarter following the quarter in which the net proceeds were earned. The transfer date is the date the funds actually are received in the trust fund. The amount transferred must be for an amount equal to or greater than the adjusted gross proceeds, less gaming taxes, and less the greater of actual or allowable gaming expenses for the quarter. The gaming account may be used for payment of gaming expenses. An organization may transfer funds to its general account for payment of gaming expenses. If an organization is not required to maintain a trust account, a disbursement of net proceeds to an eligible use must be payable to the ultimate use or recipient. A payment may be made by electronic transfer.
2. Interest earned is other income and must be reported on a tax return as a positive adjustment to gaming activity. A service fee is an expense.
3. Organizations shall reimburse the gaming account as required by section 99-01.3-03-05 and may deposit raffle nongaming funds, bingo dauber receipts, fees from players who use bingo card marking devices, ~~and~~ prizes paid by an insurance company to an organization for payment to a player, and charity donations from a credit ticket voucher redemption kiosk. Any additional deposit of nongaming funds into a gaming account must be communicated to the attorney general within five business days of the deposit.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; July 1, 2012; April 1, 2016; July 1, 2018; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-11

99-01.3-03-03. Trust account.

1. An organization shall maintain all trust accounts at financial institutions located in North Dakota. If an organization only conducts a calcutta, raffle, sports pool, paddlewheel described by subsection 1 of section 99-01.3-11-01, or poker or a combination of these games, or is involved in conducting no more than two events during a fiscal year and each event lasts no more than fourteen calendar days, an organization is not required to maintain a separate trust account and may use the gaming account for the disbursement of eligible uses. Trust accounts are used only to disburse net proceeds to eligible uses and must receive only funds from a gaming account, except to reimburse the account as required by section 99-01.3-03-05 and as provided by subsections 5 and 13 of section 99-01.3-14-01. Interest earned and service fees, including fees for ordering checks, incurred by trust checking and savings accounts must be reported as adjustments to the trust account on a tax return. A transfer of net proceeds to another trust account or to a closely related organization is not a disbursement of net proceeds. Net proceeds cannot be pledged as collateral for any loan.
2. An organization shall disburse net proceeds within a reasonable time period.
3. An organization may not transfer funds from a trust account to any other bank account, except for transferring funds to another trust account or to reimburse its general account for compensation that qualifies as an eligible use. A reimbursement must be documented by a supporting schedule. If a disbursement of net proceeds is for an expense item that includes both nongaming (an eligible use) and gaming functions, only the nongaming eligible use

portion ~~can~~may be paid with ~~trust account money~~net proceeds. The organization shall maintain complete, accurate, and current documentation detailing the proration of the expense between nongaming and gaming. A disbursement must be payable directly to the ultimate use or recipient. However, an organization may make a payment directly to a credit card company for charges on a credit card provided that an organization can identify purchases that qualify as an eligible use from other purchases. A payment may be made by electronic transfer.

4. If an organization invests net proceeds in a certificate of deposit, bond, stock, mutual fund, or other marketable securities, all income earned, including interest, dividends, and capital gains, must be reported each quarter as a positive adjustment on a tax return and be disbursed to an eligible use. If the net effect of the investment in marketable securities results in an actual loss, the organization may not deduct the loss on a tax return. A service fee is an adjustment to the account's balance.
5. For reporting purposes, an organization may elect to report the gain in market value of the accounts outlined in subsection 4. Adjustments ~~can~~may be made for decreases in market value; however, ~~such~~ decreases cannot reduce the account's value below its adjusted basis. Electing to report securities at market value must be consistently applied each quarter.

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; July 1, 2018; January 1, 2023; [July 1, 2026](#).

General Authority: NDCC 53-06.1-01.1

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

99-01.3-03-04. Restrictions and requirements.

1. An organization is allowed an expense limit according to subsection 2 of North Dakota Century Code section 53-06.1-11. The allowable expense amount may be used for any purpose that does not violate the gaming law or rules.
2. An organization may not base an employee's compensation on a participatory percentage of gross proceeds, adjusted gross proceeds, or net proceeds. An organization may pay a fixed bonus through an incentive program.
3. An organization may not pay or reimburse, nor may a lessor accept a payment or reimbursement from an organization, for any media advertising done by the lessor or any other person that is related to games at a site unless the organization's share of this expense is prorated to the benefit the organization receives and the media advertising is voluntary by the organization.
4. An organization may not pay or reimburse a lessor or share in the cost, nor may a lessor accept a payment, reimbursement, or sharing of the cost from an organization, of any sign advertising related to games at a site unless the sign is not owned by the lessor. If a lessor rents an advertising sign from a vendor, the organization's share of this expense must be prorated to the benefit the organization receives and the sign advertising is voluntary to the organization.
5. A player's uncollectible check is an expense. If an organization establishes a policy to reduce a player's cash prize by the amount of the player's uncollectible check and award the player the difference, if any, the organization shall post or make available to players that policy.
6. If a door prize is awarded as a promotion of games, the cost of the door prize is an expense.
7. A net cash short is an expense and a net cash long is other income for a quarter.
8. Only an unopened pull tab, including unplayed electronic pull tabs, unopened set of stapled jar tickets, or set of banded jar tickets that has the band intact may be accounted for as unsold or

defective when a game is reported on a tax return. An organization shall account for any single unsold or defective jar ticket at a proportional selling price of a stapled set of jar tickets.

9. If foreign currency is exchanged into United States currency, any loss is an expense.
10. The attorney general shall determine whether a theft of an organization's gaming funds ~~can~~ may be deducted from gross proceeds and adjusted gross proceeds on its tax return and notify the organization. The attorney general shall consider whether the organization:
 - a. Immediately reported the theft to a local law enforcement agency and the attorney general;
 - b. Has documentation that substantiates the theft amount;
 - c. Had physical security of the funds;
 - d. Has an adequate system of internal control; and
 - e. Incurred an identifiable theft.

11. If an organization rents out gaming equipment, the income is nongaming income.

12. If an organization uses a recordkeeping system other than the system from the attorney general, the organization is responsible for ensuring compliance with the current requirements of the game type and the forms calculate correctly.

13. All accounting records must be completed and initialed or signed with permanent ink. All signatures and initials on accounting records attesting to the information recorded must be handwritten and may not be digital images or computer generated. The use of correction fluid or correction tape to make changes to accounting records is prohibited. Changes must be made with a single strikethrough of the original amount, writing the correct amount, and initialed by the individual making the change.

~~13.~~14. An organization shall maintain a register of all individuals who initial or sign a record or report, including outside service providers who provide auditing, accounting, and bookkeeping services. Any financial institution or ~~bar~~ alcoholic beverage establishment employee who provides drop box cash count services is not required to be included on the register; however, the financial institution or ~~bar~~ alcoholic beverage establishment employee shall legibly sign ~~their~~ the employee's full name on the daily report when providing drop box cash count services. The register must include each individual's name and the initials or signature as the individual normally writes them on a record or report. The initials or signature of an individual on a record or report attests that to the individual's best knowledge the information is true and correct.

~~14.~~15. The fees charged to players to enter a twenty-one tournament and the prizes awarded; must be reported as other income on a tax return.

~~15.~~16. For computing prizes on a tax return, a merchandise prize and a gift certificate are valued at an organization's actual cost, including sales tax, and a donated prize is valued at zero.

~~16.~~17. An organization shall own and possess, have a contract to acquire, or be able to obtain a prize being offered for a game. A winning player may not be required to first pay for or buy something to receive a prize. However, an organization does not need to register or title an automobile or similar item.

~~17.~~18. If a prize winner is ineligible to receive a merchandise prize, the organization may convert the prize to a cash prize or other merchandise prize of at least equal value, provided that the

conversion of a raffle prize does not exceed the limits outlined in North Dakota Century Code section 53-06.1-10.1.

19. If a winning player dies prior to claiming a prize, the prize must be transferred to the winning player's estate.

~~18.20.~~ If a gaming prize is not claimed by the winning player and has previously been reported on a tax return, an organization shall amend the applicable tax returns to account for the unredeemed prize.

~~19.21.~~ When a deal of pull tabs, club special, tip board, seal board, raffle board, prize board, sports-pool board, calcutta board, or a series of paddlewheel ticket cards is placed in play, an employee shall compare the game serial number on the pull tab, board, or card to the serial number on the state gaming stamp. If the two serial numbers are different, an employee shall immediately notify the distributor.

~~20.22.~~ If an organization pays a fee to an insurance company to insure a contingency cash or merchandise prize for bingo or a raffle, the fee is an expense. If the insurance company pays or provides a prize to a winning player, it is not reported as a prize on a tax return.

~~21.23.~~ If an organization temporarily releases its site authorization to allow another organization to conduct gaming at a site, the primary site holder shall provide the temporary organization with a signed statement of site release, include the duration which it is valid, and provide a copy to the attorney general's office at least fourteen days prior to the site release.

~~22.24.~~ If an organization does not intend to reapply for a license for the next fiscal year, its license is revoked or suspended for a period of more than six months, or its license application is denied, and it has net proceeds that are not disbursed, the organization shall file an action plan with the attorney general. The plan must be filed within thirty days of the expiration of the license or when the license is relinquished, revoked, suspended, or the license application is denied, and include a planned timetable for disbursing all the net proceeds and anticipated uses.

If the action plan is not filed timely-~~filed~~, net proceeds must be disbursed within ninety days of the expiration of the license or when the license is relinquished, revoked, suspended, or the license application is denied. The disbursement must be reported to the attorney general.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; July 1, 2010; July 1, 2012; April 1, 2016; July 1, 2018; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-06, 53-06.1-11

99-01.3-03-06. Gross proceeds, IOUs, documenting cash and chip banks.

1. Gross proceeds for a game must be separately maintained while the game is conducted. An organization shall use a separate cash bank for each game. However, for electronic pull-tab device activity, the organization shall use one cash bank for all electronic pull-tab games conducted at the site by the same manufacturer. The cash banks for twenty-one and paddlewheel activity described by subsection 2 of section 99-01.3-11-01, may be combined and the cash banks for pull-tab games at a site may be combined, if approved by the attorney general. If an employee needs to establish or replenish a cash bank by withdrawing funds from the gaming account, the employee shall execute a withdrawal by check or other withdrawal method and reference the site, specific game's name, other game type, name of the manufacturer for electronic pull tabs and credit ticket voucher redemption kiosk, or the combined cash bank. If a cash bank needs replenishment and another specific game or other

game type's cash bank, cash reserve bank, or other funds from nongaming sources are used, an IOU form must be used to record the loan and payback. An IOU form must include:

- a. The source and destination of the funds;
 - b. For a club special, prize board, tip board, seal board, raffle board, sports-pool board, series of paddlewheel ticket cards, and punchboard, the game's gaming stamp number;
 - c. Amount and date of loan and repayment; and
 - d. Initials of a cashier or an employee for each transaction.
2. An organization shall document each bingo session's and each game's daily starting and ending cash on hand, including a cash reserve bank. For sports pools, the starting and ending cash on hand must be documented through the date of the event or until the cash prizes are awarded. Unless there is only one employee on duty when a site opens or closes, two persons shall participate in the cash count in the presence of each other. After completing and documenting the cash count, both persons shall initial the record. For an electronic pull-tab runner cash reserve bank, an organization shall document the starting and ending cash on hand, including any cash issued out or paid back, for each interim period visit. After completing and documenting the cash count, the employee shall initial the record. For a kiosk cash bank, an organization shall document the starting and ending cash on hand for each interim visit. After completing and documenting the cash count, the employee shall initial the record.
3. An organization shall document the daily starting and ending chip banks for casino and betting chips, including on the date of a poker occasion, an organization's no-value poker chips. The chip banks for twenty-one, and paddlewheel activity described by subsection 2 of section 99-01.3-11-01, may be combined. Unless there is only one employee on duty when a site opens or closes, two persons shall participate in the count of the chips in the presence of each other and record the count by denomination of chip or total quantity of no-value chips. After completing and documenting the chip count, both persons shall initial the record.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2012; April 1, 2016; July 1, 2018; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-03-08. Record of win.

1. An employee shall prepare a record of win if a player wins a last sale prize, a seal prize, a cash prize greater than five hundred dollars, a merchandise prize that has a retail price exceeding five hundred dollars, or a donated merchandise prize with a fair market value exceeding five hundred dollars, or wins a cash prize but receives a partial payout of the prize in cash and the remainder by check. If a pull tab has two or more winning prize patterns, the requirement is based on the value of each prize pattern. A record of win must be completed for the total prize even if a player splits the prize with another person. The record may be a check drawn from the gaming account, a receipt, or the flare of a sports-pool board, calcutta board, club special, tip board, prize board, punchboard, seal board, raffle board, or winning bingo card. ~~A bar~~An alcoholic beverage establishment employee shall print this information on a receipt or an employee shall print this information on a check, receipt, flare, or card unless it is already provided:
 - a. Name of the site;
 - b. Game type and, by game type:

- (1) Bingo - Date of the session, game number, cash prize amount or description of a merchandise prize and retail price, and date of prize payout if different from the date of the session.
- (2) Raffles - Date of the drawing, winning ticket number, gaming stamp number (if applicable), cash prize amount or description of a merchandise prize and retail price, and date of prize payout if different from the date of the drawing.
- (3) Pull tabs and prize boards, including a dispensing device, punchboards, club special, tip board, and seal board - Name of the game, cash prize amount or description of a merchandise prize and retail price, date of activity, and gaming stamp number. For a game with a last sale prize or a seal prize, the gaming stamp number must correspond with the respective deal's flare.
- (4) Sports pools - Date of the event, cash prize amount, date of prize payout, and gaming stamp number.
- (5) Twenty-one or poker tournament - Date of the tournament, cash prize amount, or for twenty-one tournaments only, description of a merchandise prize and retail price.
- (6) Calcuttas - Date of the event, cash prize amount, date of prize payout, and gaming stamp number;

c. A player's full name and address:

- (1) If the player is present but not personally known by a ~~bar~~ an alcoholic beverage establishment employee or an employee, this information must be recorded from a pictured driver's license or tribal, government, or military identification;
- (2) If the player is present but does not have one of these pictured identifications, a ~~bar~~ an alcoholic beverage establishment employee or an employee shall record the player's full name from another form of identification or mail the prize to the player; or
- (3) If the player is not present, verification of this information is not required and the prize must be mailed; and

d. ~~Initial~~ Initials of a ~~bar~~ an alcoholic beverage establishment employee or an employee.

2. After a record of win is completed at a site, a player shall sign and date it. However, this rule does not apply to a prize mailed to a player.
3. Unless a prize is for a last sale prize feature, a ~~bar~~ an alcoholic beverage establishment employee or an employee shall print, in ink, the check or receipt number on a pull tab or punchboard punch.
4. A player who has actually won a prize shall claim the prize. A ~~bar~~ An alcoholic beverage establishment employee or employee may not falsify or permit a player to falsify a record of win or enable a player to conspire with another person to have the other person claim a prize. If a ~~bar~~ an alcoholic beverage establishment employee or employee determines that a player has falsified or attempted to falsify a record of win before the prize payout, the ~~bar~~ an alcoholic beverage establishment employee or employee shall deny the player the prize and notify the attorney general and local law enforcement agency.

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; July 1, 2018; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

99-01.3-03-10. Bank deposit and audit.

1. The cash profit, less a documented increase or plus the decrease in the starting cash on hand for the next gaming activity, plus cash and merchandise prizes paid by check and cost of coins for a prize board, must be deposited in the gaming account by the third banking day following the day of a bingo session or electronic quick shot bingo session; club special, prize board, tip board, seal board, or punchboard is removed from play; sports-pool game; calcutta event; raffle board event, poker occasion; day's or interim period's pull tab and prize board, and twenty-one or paddlewheel activity. However, the receipts for a raffle, calendar or master sports-pool board, or paddlewheel described by subsection 1 of section 99-01.3-11-01 must be deposited in the gaming account by the third banking day following receipt of the cash by the person responsible for the activity.
2. For a day's pull tab activity, bingo session, electronic quick shot bingo session, raffle drawing, poker occasion, twenty-one and paddlewheel activity, and interim period's pull-tab activity involving a dispensing device, a deposit slip must reference a site, name of the game, game type, name of manufacturer, date of activity, and deposit amount. For an interim period deposit for electronic pull-tab activity, the deposit slip must reference a site, game type, date of activity, and deposit amount. The deposit amount for twenty-one and paddlewheel activity described by subsection 2 of section 99-01.3-11-01, may be combined. For a club special, prize board, prize board involving a dispensing device, tip board, seal board, punchboard, and series of paddlewheel ticket cards, a deposit slip must reference a site, game type, date removed from play or date of activity, deposit amount, and gaming stamp number. For a sports-pool board, raffle board, or calcutta board, a deposit slip must reference a site, game type, date of the event or auction, deposit amount, and gaming stamp number. For all game types, an employee who prepares a deposit shall initial the bank deposit slip. If another employee makes the bank deposit and has access to the cash, the employee shall also initial the bank deposit slip.
3. If a deposit slip is prepared for more than one game or game type, the deposit slip or supporting schedule must include the information required by subsection 2 for each game or game type. A supporting schedule must reconcile to a validated bank deposit receipt.
4. For a bank deposit, a person shall record the amount to be deposited on the game's accounting record and retain a copy of the bank deposit slip and any supporting schedule. This person shall forward the accounting record, copy of the bank deposit slip, and any supporting schedule to a bookkeeper. A second person shall take custody of the bank deposit funds and the original of the bank deposit slip and take them to a financial institution or arrange for the funds to be deposited. If, before the bank deposit is made, the custody of bank deposit funds is transferred from a person to another person, face-to-face, and the cash is accessible to be counted, both persons shall participate in a count of the cash in the presence of each other and resolve any difference. After completing and documenting the cash count, both persons shall initial and date the original of the bank deposit slip. The person who makes the bank deposit shall forward the validated bank deposit receipt to a bookkeeper. A validated bank deposit receipt, copy of the bank deposit slip, and any supporting schedule must be included with the accounting records. An organization shall comply with this rule unless it uses another bank deposit procedure which has proper accounting control.
5. If an employee prepares or has custody of a bank deposit which is not scheduled to be immediately deposited, the employee shall safeguard the funds.
6. An employee who did not have access to the cash to be deposited shall, within a reasonable time, verify that the amount recorded on a daily or interim accounting record to be deposited was actually deposited according to a bank statement. The employee shall document the

verification by initialing the accounting record and dating it. If more than one deposit amount is recorded on an accounting record, the employee shall initial the record for each verified deposit amount and date the record.

7. A closed game or daily activity must be audited, within a reasonable time, by ~~a person~~an individual who did not conduct the game, have sole access to the games in play, and who did not have sole access to the total receipts or cash profit for the game's or day's activity. This ~~person~~individual may not have ~~sole~~ signatory authority of the gaming account or ~~sole~~ electronic access to the gaming account other than to view account information and may not make electronic deposits, withdrawals, or transfers into or out of the account. This ~~person~~individual may not audit a closed game or daily activity that was conducted by a common household member, spouse, child, parent, brother, or sister of the audit ~~person~~individual. A drop box cash count team member may not be the person responsible for auditing the twenty-one or paddlewheel with a table activity. ~~A person~~An individual who audits a closed game or daily activity shall verify the number and value of unsold chances, gross proceeds, number and value of prizes, adjusted gross proceeds, the number of and total value of all redeemed credit ticket vouchers, and cash profit. The individual shall document the verification of the audit by initialing the accounting record and dating it. If the audit reveals an irregularity, the ~~person~~individual shall notify the appropriate organization representative.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; July 1, 2012; April 1, 2016; July 1, 2018; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

CHAPTER 99-01.3-04

99-01.3-04-03. Conduct and play.

1. The following rules, information, and policies must be posted or made available to players in the area where bingo activity is conducted. If made available to players, the rules, information, and policies 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. A person may not separate a paper card when there are two or more faces on a sheet;
 - b. A person under eighteen years of age may not play bingo unless an individual, eighteen years of age or older, accompanies a minor when buying a bingo card or package and throughout the session. The adult may not be an employee on duty. This rule does not apply if a person under twenty-one years of age is not allowed on the site or an organization has a permit or prize structure that does not exceed the limit of a permit;
 - c. If an organization does not restrict duplicate paper cards from being in play for a game, it shall post or make available that information to all players before their purchase of cards or packages;
 - d. The actual letter and number on a ball drawn or freely awarded is official;
 - e. If a person knowingly uses a fraudulent scheme or technique to cheat or skim involving bingo, 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~~;
 - f. A bingo card is void if it is taken outside the gaming area;
 - g. If a player attempts to falsify or falsifies a record of win, the prize is forfeited;
 - h. If a player receives a partial bingo cash prize the day of the bingo session, the remaining bingo cash prize must be made available or postmarked to the winning player within seven calendar days;
 - i. A policy of when an organization may cancel a bingo session;
 - j. A policy that if a player has more than one bingo on one card or on two or more cards for a game, whether it is considered as one bingo or more than one bingo for splitting a prize with another winning player;
 - k. A policy that a bingo is called timely ~~called~~ by a player when, on the last number called, the player calls the word "bingo" or other required word before the bingo caller announces the whole letter and number of the next ball to be called, or other policy;
 - l. A policy on sharing a prize by two or more winning players on identically or differently priced cards. A policy must include the following except that an organization may award a minimum prize:
 - (1) If a prize is cash and all winning players bingo on identically priced cards, the cash prize must be divided equally. An organization may round fractional dollars.
 - (2) If a prize is cash and the winning players bingo on differently priced cards, an organization shall award each winning player:
 - (a) The designated prize;
 - (b) An equal share of the designated prize; or

- (c) A proportional part of the designated prize for that card or any other fair method. The proportional part is the ratio that each winning player is in relation to the total number of winning players. To illustrate, if three players bingo on differently priced cards, each player is to be awarded one-third of the designated prize for that player's card.
 - (3) If a prize is merchandise and it cannot be divided, an organization shall do one of these options which must be disclosed in the bingo program or promotional material or announced before the bingo session:
 - (a) Award each winning player a substitute merchandise prize, which must be of equal value, and the total value of all substitute merchandise prizes awarded must at least total the retail price of the original prize. A merchandise prize may be redeemable or convertible into cash at an organization's option;
 - (b) Award a certain cash split amount that totals the retail price of the original prize; or
 - (c) Conduct a continuous or separate playoff game between the winning players;
 - m. A policy that a player may or may not use a bingo card marking device and play additional paper bingo cards at the same time; and
 - n. A policy that a player may or may not share the player's bingo package with another player.
- 2. An organization shall make these announcements:
 - a. Before each session, the policies ~~on~~stating:
 - (1) When a bingo is timely called by a player;
 - (2) Whether the bingo caller, floorworker, or both must hear and acknowledge a player who calls the word "bingo" or other required word; and
 - (3) That a player is responsible for ensuring that the bingo caller, floorworker, or both hear and acknowledge the player; and
 - b. Before each game, the game's winning bingo pattern.
- 3. ~~An~~Unless otherwise required by state or federal law, an employee only may ~~only~~ assist a disabled player in playing a bingo card or assist a player in how to use a bingo card marking device. A legally blind or disabled player may use the player's personal braille or special card when an organization does not provide such a card. An organization may inspect and reject the card.
- 4. An employee may not sell or award a gift certificate as a prize unless:
 - a. A certificate is accounted for when it is sold or awarded. An employee shall issue a certificate to the purchaser or player and retain a copy or stub of the certificate with the daily records and record the certificate on a register to document the sale. An organization shall recognize a sale of a certificate as gross proceeds on the tax return for the quarter in which it was sold. A certificate awarded as a prize has no cash value. A certificate must be used to buy only a bingo card or package;
 - b. A register is maintained which accounts for all certificates sold or awarded at a site. A register must include, for each certificate, a consecutive control number, selling price (if

applicable), dates issued and redeemed, sites at which it is issued and redeemed, and initials of the employees who issue and redeem the certificate; and

- c. A redeemed certificate is signed by a player and retained by an organization with the daily accounting records. A player is issued a bingo card or package at the site when the certificate is redeemed.
5. If an organization changes a publicly announced bingo program for a session in which a potential prize or the number of games is reduced, an employee shall notify a player of the change before the player buys a card.
6. If an organization sells two or more differently priced cards or packages for a game, it shall use a different type, color, serial number, or a distinctive identifiable feature for each differently priced card or package. An organization may not use the same serial numbered paper bingo cards for more than one game or group of games during a bingo session, unless the face of a card is a different color or a paper card tracking number is used.
7. If an organization accepts a discount coupon, the redeemed coupon must contain the dollar value or percentage discount and be signed by a player. An employee shall write the value of the bingo card or package purchased on the face of the coupon unless the value is already stated, record the date on the coupon or on a group of coupons for a session, and retain the coupon with the daily records. The value of a player's one or more coupons must be less than the value of the card or package bought.
8. If an organization accepts a donated item in exchange for a discount, an employee shall account for the discount on a register as part of the daily records. A discount must be less than the value of the card or package bought. A register must contain:
 - a. Bingo session and date of the session;
 - b. Amount of the discount;
 - c. Value of the bingo card or package bought;
 - d. Signature of the player;
 - e. Total amount of bingo card or package discounts for the session; and
 - f. Date and initials of the cashier.
9. A card or package must be bought on a site immediately before the start of a game or during a session. However, an organization may presell a card or package for a special session that involves a bingo prize or prizes that equal or exceed ten thousand dollars for the special session provided the organization:
 - a. Uses a consecutively numbered two-part receipt to register a player who prepays. One part is issued to a player who shall redeem the receipt to receive the card or package. The second part is retained by the organization to account for the gross proceeds;
 - b. Separately accounts for the gross proceeds and reports it on a tax return for the quarter in which the game is conducted; and
 - c. Provides a card or package to the player before the start of the session that day.
10. ~~No~~A card may not be sold for a game which is in progress or ended except for a bonanza bingo or a game that has all of its numbers predrawn. If a paper bingo card is included in a package for a game in progress or ended, the card must be withdrawn and destroyed. An

employee may exchange a purchased package for another package if the employee accounts for all the cards of the first package and a session has not started.

11. An organization may allow a player to use a bingo card marking device provided by the organization that marks an electronic card image of a purchased card as follows:
 - a. A device cannot be reserved for a player unless ~~a~~the player is disabled. An organization shall provide each player an equal opportunity to use the available devices on a first-come, first-served basis. A device cannot be issued through a floorworker;
 - b. A device must be used only to play bingo cards at a site where the site system is located and the session is being conducted;
 - c. A device must be rented for a fixed amount, regardless of the price for a card or package or number of cards played through the device, or provided free to a player for the player's temporary use during the session. Rental fees charged to players for the use of devices is nongaming income;
 - d. ~~No~~A player ~~can~~may not use more than one device at a time during a session;
 - e. ~~No~~A player ~~can~~may not play more than seventy-two single-faced cards per game on a device and cannot choose or reject cards;
 - f. An organization shall use paper bingo cards in the session that are of a series different than the cards downloaded in or played on the devices;
 - g. If a card or package may be used in a device and in paper form, it must be sold for the same price. An organization may sell a special card or package to a player for use only in a device. The organization may require a player to buy a minimum-priced card or package to use a device;
 - h. If a player rents a device while a game for that session is in progress, the player may not play that game and a cashier shall record on the player's receipt that the specific game number is void;
 - i. An organization may print a facsimile of a winning card and post it for players to inspect;
 - j. A player may use an input function key on a device or an organization may use a radio frequency signal or Wi-Fi transmission to mark each number as it is called. When a player inputs a number or an organization sends a radio frequency signal or Wi-Fi transmission, a device automatically may ~~automatically~~ mark all the player's cards that contain that number;
 - k. If a player has a winning card, the player shall:
 - (1) ~~Timely call~~Call timely bingo according to subdivision j of subsection 1 and it must be by a method other than through a device; and
 - (2) Provide the device with the winning card displayed to a floorworker to verify according to subsection 18;
 - l. If a player's call of a bingo is disputed or if the attorney general makes a request, an organization shall print the winning card stored on the site system;
 - m. An organization shall have at least one spare device available should a device in use malfunction. If a player's device malfunctions, the player may replace the device with a spare device. An organization shall restore the player's same cards from the site system;

- n. For site systems in which electronic bingo card images are downloaded to a bingo card marking device, if a player exchanges a device for another device, the original transaction of the first device must be voided and the transaction involving the second device must be recorded as a sale;
 - o. An organization may perform routine maintenance on a site system and bingo card marking device; and
 - p. An organization shall back up all of a site system's accounting information for a session on a separate electronic media file prior to the start of the next business day and retain the backup file for three years from the end of the quarter in which the activity was reported on a tax return. The accounting information must comply with subsection 1 of section 99-01.3-16-09.1.
12. After the start of a session, an organization may not refund the purchase price of a card or package unless a site incurs an electrical power loss, there is inclement weather, an organization experiences an extraordinary incident, a session is canceled, or a player has an emergency.
 13. If an organization sells hard cards before each game, during the game an employee shall count the number of hard cards played by all the players to the number recorded as sold. If the comparison reveals an irregularity, the gaming manager shall take corrective action.
 14. An organization may not sell a bingo package that contains a variable number of cards based on each player's ability to play. Each separately priced package must contain a standard number of cards.
 15. If a game has an actual or potential prize valued at fifty dollars or greater or is a bonus game, an employee shall use an electronic bingo card verifier; record in writing the called numbers and the sequence in which they were drawn; or use an audio recording of the bingo caller calling the balls. When a player bingos, an employee shall retain the bingo card verifier record, the written record, or audio record, which includes the following and retain these records for six months:
 - a. Game number, winning pattern, color and type of card (number of faces on a sheet), type of package (regular, premium, super), winning series (card) number, and last number called; and
 - b. Cash register receipt number, if applicable.
 16. A caller shall display the letter and number on the ball to players except for speedball bingo or when a random number generator is used. An employee shall announce the letters and numbers on the balls or displayed by a random number generator in their exact sequence; however, numbers freely awarded do not need to be announced. The caller is ~~also~~ not required to announce all letters and numbers for a game in which the pattern does not require the use of the selected letters or numbers. If a player calls bingo and the bingo is invalid, the next ball called must be in sequence of the balls drawn.
 17. A player may bingo more than one time on the same card when an organization conducts continuation games of more than one pattern on the same card. An organization also may ~~also~~ conduct bonus games wherein which multiple winning patterns may be played on the same card. At least one pattern must be awarded a prize by an organization for each sequence of bingo balls called and played on a card.
 18. A winning card must be verified by an employee and one neutral player or person unless an electronic bingo card verifier is used and the display of an electronic bingo card verifier is shown to all players on a monitor. A floorworker may not access a verifier. For a winning card

on a bingo card marking device, an employee shall compare the serial number of the device to the receipt for the cards played on that device.

19. An organization may offer a variety of prizes to a winning player who may choose a prize by random selection or chance. A player may win an additional prize by choosing the prize by random selection, by an organization drawing from previous winning players, or playing a game of skill if the player is not required to give anything of value. An organization shall disclose the potential prizes in the bingo program and notify a player of these prizes before the player chooses a prize, has the opportunity to win a prize, or plays a game of skill.
20. An organization may award ~~as a prize~~, cash, merchandise, merchandise gift certificate, or gift certificate as a prize that ~~can~~may be redeemed for a bingo card or package.
21. An organization may conduct a qualifying game whereby a player wins an opportunity to play in a special game.
22. An organization may award a bonus prize that is based on a factor incidental to a bingo program if it is disclosed in a program, calendar, or flyer, and announced before a session, and is recorded on a prize register. Factors may include a player bingoing on a certain color of card, combination of colored cards, last number called, particular face of a multifaced card, or winning a game on the player's birthday.
23. If a player bingoes and an employee determines that the player is playing more bingo cards than were bought, the player's bingo is void.
24. Bonanza bingo and a game that has all of its numbers predrawn must be conducted as follows:
 - a. A caller shall initially call a certain quantity of balls. While a caller initially calls the bingo balls or before the caller calls the next continuous number, a player shall verify that the letter and number on the balls drawn are correctly displayed. A posted display must be used for the games, have restricted access, and reference that game;
 - b. A card must be sealed and ~~unpeekable~~entirely concealed when it is sold;
 - c. An organization may sell or exchange cards throughout a session until sales are closed. If an organization exchanges cards, an employee shall, before the next continuous number is called, fully account for the floorworkers' sales of cards according to section 99-01.3-04-07. A floorworker may not turn in any exchanged card after the accounting is begun;
 - d. If a player bingoes before the next continuous number is called, the player wins. Otherwise, an additional bingo ball is drawn until a player bingoes. This rule does not apply to a game that has all of its numbers predrawn;
 - e. A game may not extend beyond a session;
 - f. If an organization permits a player to exchange a partially played card for a new card and pay a discounted or exchange price, an employee shall:
 - (1) Validate the date of the session on the card with a mechanical device or rubber stamp. A card validated for a session, but not sold, must be voided. The organization shall use a different color of card for each game conducted at a site during a day;
 - (2) Retain the exchanged cards as part of the daily records for six months;

- (3) Record the validation date and card color used by session; ~~and~~
- (4) Reconcile the cards, accounting for:
 - (a) Number of cards taken from inventory which must be independently counted and verified by two employees who shall initial and date the verification;
 - (b) Number of cards sold;
 - (c) Number of cards exchanged, which must be separately maintained for each floorworker. The cards must be recounted by an employee who is not the floorworker. The employee who controls the floorworker sales report shall band each floorworker's exchanged cards separately, identify the banded group with the floorworker's name, session, and initial and date. A floorworker shall also initial the floorworker's banded group; and
 - (d) Number of cards returned to inventory and voided which must be independently counted and verified by two employees. Each person shall initial and date the verification; and

~~(e)~~(5) Document any discrepancy and corrective action taken; and

g. A voided card must be retained for six months.

25. If an employee determines, during or immediately after the play of a game and before a card is verified as a winning bingo, ~~that~~ a ball is missing, the employee shall void the game and offer the players a fair alternative.

26. An organization shall receipt gross proceeds, including an additional amount paid by a player for a chance to win an extra prize in a special game, by a cash register, tickets, paper card count, paper card tracking number, or floorworker sales report, unless written approval is obtained from the attorney general for use of another receipting method. The receipting method must reference the primary color and type of cards, serial number, number of cards or packages sold, discounts applied to each type of card or package sold, or reference other information approved by the attorney general.

27. If packages are sold which consist of a multiple of cards, records must be maintained that document the number of and primary color and type of cards that are included as part of each package.

~~28. For a progressive game that increases the number of bingo balls to be called or the prize amount, the organization shall maintain a written record that includes date of session, game number, number of bingo balls, prize amount increase, and accumulated prize amount.~~

~~29.~~ For a site where bingo is the primary game or a site that is leased by a licensed organization, the organization or any person may not pay bingo prizes in which the total bingo prizes exceed total bingo gross proceeds for two entire consecutive quarters. However, if bingo is the primary game at the site, a bingo prize that equals or exceeds ten thousand dollars is excluded from the calculation of total bingo prizes.

~~30.~~29. An organization shall have a written bingo program for each session. However, if the program does not change each day or session, an organization may retain one program and record the dates on which it applied. A program must contain:

- a. Name of a site and organization;
- b. Date or dates of the sessions;

- c. Game number, game description, color and type of card, and prize amount for each game;
- d. Selling prices of the cards or packages;
- e. Bonus games and potential prize amounts that may or may not be awarded, if applicable;
~~and~~
- f. For a progressive game that increases the number of bingo balls to be called for the prize amount, the date of session, game number, number of bingo balls, prize amount increase, and accumulated prize amount; and
- g. Rental fee charged for a bingo card marking device, if applicable.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; July 1, 2012; April 1, 2016; July 1, 2018; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-07.1

99-01.3-04-05. Tickets.

The ticket receipting method may be used to record gross proceeds of packages, hard cards, and paper cards, including floorworker sales, by issuing consecutively numbered tickets. These rules apply:

1. All tickets must have a preprinted consecutive number and must be issued consecutively from a roll.
2. The daily records must contain the ticket color, ticket selling price, ~~and~~ lowest and highest numbered tickets issued from each roll, and any voided tickets, for a session. A verification of the tickets used must be done by two persons, unless there is only one employee on duty at the time. Both persons shall participate in the verification in the presence of each other and resolve any differences. After completing and documenting the verification, both shall initial the records. Every ticket on a particular roll must be issued for the same price on that day. Tickets issued for each type of sale must be recorded separately. A ticket not issued during a session ~~that~~which bears a number below the highest numbered ticket issued, along with any tickets from the end of the roll which will not be issued in a future session, must be retained as part of the daily records as unsold.
3. A discount coupon and gift certificate must be recorded in the daily records.

History: Effective May 1, 1998; amended effective July 1, 2002; July 1, 2004; July 1, 2010; July 1, 2012; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-04-08. 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, and include:

1. For each session:
 - a. The gross proceeds for each type of sale or game. If a site system involving bingo card marking devices is used, records must include the summary report for the session according to subdivision c of subsection 1 of section 99-01.3-16-09.1;
 - b. The starting and ending cash on hand and IOU records according to section 99-01.3-03-06;

- c. Cash profit as defined in subdivision a of subsection 9 of section 99-01.3-02-01;
 - d. A summary of gross proceeds, prizes, adjusted gross proceeds, cash profit, cash long or short, and bank deposit. The summaries of all sessions for a quarter must reconcile to the tax return;
 - e. Prize register according to section 99-01.3-03-07 and record of win according to section 99-01.3-03-08;
 - f. Record of called bingo numbers according to subsection 15 of section 99-01.3-04-03;
 - g. Inventory records according to subsections 2 and 3 of section 99-01.3-03-09;
 - h. A copy of or reference to a bingo program according to subsection ~~30~~29 of section 99-01.3-04-03;
 - ~~i. For progressive games, a record according to subsection 28 of section 99-01.3-04-03;~~
 - ~~j.~~ All voided paper bingo cards, other voided sealed and unpeekable entirely concealed bingo cards, ~~and~~ exchanged bonanza bingo cards, and voided tickets, which must be retained for six months;
 - ~~k.~~j. Gift certificate register according to subdivision b of subsection 4 of section 99-01.3-04-03;
 - ~~h.~~k. Redeemed gift certificates and discount coupons; and
 - ~~m.~~l. Purchase invoice or receipt documenting the cost and description of a merchandise prize.
2. Ideal cash bank master records according to subsection 4 of section 99-01.3-03-09.
 3. 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.
 4. The count and reconciliation of paper bingo cards, rolls of tickets, and cash banks according to subsections 2, 3, 4, and 6 of section 99-01.3-03-09.

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; July 1, 2018; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

CHAPTER 99-01.3-04.1

99-01.3-04.1-03. Conduct and play.

1. Only one set of numbers may be drawn for a business day. The predrawn numbers for the current session must be posted at the site. The use of a flashboard is optional. Unless there is only one employee on duty, two persons shall verify and attest to the numbers drawn or selected, numbers posted, and numbers entered into the electronic quick shot bingo site operating system for the current session. When the bingo numbers have been drawn or selected, the numbers may not be changed. Players are not allowed to pick any numbers to match for an electronic quick shot bingo game or bonus feature. ~~No~~An electronic quick shot bingo session may not extend beyond the end of a business day. After a session has been closed, the called bingo numbers must be cleared before the start of the next business day.
2. Players are responsible for safeguarding their receipt with the designated account number to track all deposits on an electronic quick shot bingo card-marking device. A player's receipt must be presented when redeeming prizes or cashing out credits.
3. If a player has a winning prize pattern, all prize winnings must be awarded to players in a separate winnings account on an electronic quick shot bingo card-marking device. Automatic transfer by the player of any winnings balance to the credit (deposit) balance on the device is prohibited. All payouts of winnings must be transacted by an organization employee.
4. A player ~~shall~~may not be required to forfeit any winnings or make an additional wager in order to receive a bonus game or feature.
5. The following rules, information, and policies must be posted or made available to players in the area where electronic quick shot bingo activity is conducted. If made available to players, the rules, information, and policies 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. A person under eighteen years of age may not play electronic quick shot bingo;
 - b. The actual letters and numbers predrawn by the organization are official;
 - c. If a person knowingly uses a fraudulent scheme or technique to cheat or skim involving electronic quick shot bingo, 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;~~
 - d. An electronic quick shot bingo card-marking device may not be taken outside of the gaming area;
 - e. An employee may only assist a player in how to use an electronic quick shot bingo card-marking device;
 - f. ~~No~~A player ~~can~~may not use more than one electronic quick shot bingo card-marking device at a time during a session;
 - g. If a player attempts to falsify or falsifies a record of win, the prize is forfeited;
 - h. A player may not sell the remaining credits on a device to another player;
 - i. A player shall present the player's receipt when redeeming prizes or cashing out credits;
 - j. A policy that if a player has more than one winning bingo pattern on a card, whether the highest prize pattern ~~will~~must be awarded or all winning prize patterns ~~will~~must be awarded;

- k. A policy in the event that a player has lost the player's receipt;
 - l. A policy when an organization may cancel a session due to power outage, electronic quick shot bingo site operating system being down, or any transmission problems; and
 - m. If applicable, a policy regarding use of an electronic quick shot bingo card-marking device and additional paper bingo cards at the same time.
6. An employee or floorworker shall use a point-of-sale device when adding additional credits (deposits) and redeeming winnings for additional credits (deposits) involving an electronic quick shot bingo card-marking device provided that all transactions are accounted for according to the manufacturing specifications in section 99-01.3-16-09.4.
 7. An electronic quick shot bingo card-marking device ~~cannot~~may not be reserved for a player. An organization shall provide each player an equal opportunity to use the available devices on a first-come, first-served basis.
 8. An organization may pay a fixed rate per electronic quick shot bingo card-marking device or a fixed fee per bingo card sold. ~~No payment~~Payment for use of a device may not be based on a percentage of the gross proceeds, adjusted gross proceeds, or net income earned.
 9. A receipt must comply with subdivision i of subsection 12 of section 99-01.3-16-09.4.
 10. A receipt for a void, refund, or similar item must be initialed by a supervisor or another employee who did not conduct the transaction if a supervisor is not available and retained with the daily records.
 11. All prizes awarded must be cash.
 12. ~~No~~An electronic quick shot bingo ~~games~~game may not be played with a progressive prize unless authorized by the attorney general.
 13. A separate cash bank must be used with electronic quick shot bingo at a site. All deposits must be separately identified from other game types, including other bingo games conducted at a site.
 14. Unredeemed credits on an electronic quick shot bingo card-marking device are considered to be gross proceeds. Unclaimed prizes on the device are subtracted from total prizes won in calculating the adjusted gross proceeds.
 15. An organization shall deactivate an employee password within forty-eight hours of that employee leaving employment. Passwords for employees of a site must be changed every six months.
 16. ~~No~~A discount, gift ~~certificates~~certificate, or ~~promotions are~~promotion is not allowed unless authorized by the attorney general.
 17. An organization shall back up all of an electronic quick shot bingo site operating system's accounting information for a session on a separate electronic media file prior to the start of the next business day and retain the backup file for three years from the end of the quarter in which the activity was reported on a tax return. The accounting information must comply with subsection 12 of section 99-01.3-16-09.4.

History: Effective July 1, 2012; amended effective April 1, 2016; July 1, 2018; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

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

CHAPTER 99-01.3-05

99-01.3-05-01. Raffle.

1. A raffle is a game in which a prize is won by a player who bought a raffle ticket or square on a raffle board. A winning player is determined by drawing a ticket stub or number of a square on a raffle board from a receptacle or by an alternate fair method approved by the attorney general. The conduct of a raffle is the drawing or alternate fair method of selection approved by the attorney general.
2. A calendar raffle is a raffle in which a player's ticket stub is entered in two or more drawings held on predetermined days over an extended period of time for predetermined prizes. ~~For a raffle board, the~~
3. The numbered squares on ~~the~~ a raffle board must be sold for the same price at a site on the day of the drawing. A licensed organization or organization with a permit shall ~~complete~~ identify on the board the cost per square, prizes, and date of the raffle and, for a licensed organization, ensure a raffle board includes a state gaming stamp affixed by a distributor. For each square sold, an employee shall legibly write the player's full name in the square purchased by the player. Duplicate numbers corresponding to the numbered squares on a board must be placed into a receptacle for drawing. ~~The conduct of a raffle is the drawing or alternate fair method of selection approved by the attorney general.~~
4. Only a licensed gaming organization may sell raffle tickets online over the internet and may accept an electronic payment, including payment by a debit or credit card, for the purchase of a raffle ticket. A licensed organization must use a licensed raffle system provider who must utilize a geolocation system that is certified by an approved independent testing laboratory. For online raffles, all tickets must be sold and purchased online. All electronic payments of raffle tickets must be completed through an organization's website and all receipts from debit and credit card transactions must be deposited directly in the gaming account. An organization with a local permit or restricted event permit may not sell raffle tickets online or accept credit card payments.

History: Effective May 1, 1998; amended effective July 1, 2002; July 1, 2004; April 1, 2016; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-05-02. Tickets - Limitations and requirements.

1. Each raffle ticket is a separate and equal chance to win with all other tickets sold. A person may not be required to buy more than one ticket, or to pay for anything other than the ticket, to enter a raffle. An organization may sell several tickets or sell tickets in advance of a special event to a person at a discount. A discounted ticket must be specifically designated as a discounted ticket on the ticket and its stub. The number of discounted tickets must be predetermined and separately issued and accounted for when issued to a ticket seller.
2. An organization may not allow a raffle ticket seller to retain a ticket for free or retain any portion of the price of a ticket as compensation, and may not compensate the seller a certain amount or provide a gift for selling a winning ticket. An organization may provide a raffle ticket seller a fixed amount for selling the most or a certain number of tickets. ~~No~~ A raffle ticket ~~can~~ may not be resold. An organization may not require raffle tickets to be sold in exchange for a discount or payment for youth athletic programs.
3. A raffle ticket must have a detachable stub that is consecutively numbered. A raffle ticket stub must have a duplicate number corresponding to the number on the ticket and contain the

player's name, address, and telephone number, or email address, except when double roll tickets are used. Only one player's name may be on a raffle ticket stub. A ticket must be issued, as a receipt, to a player. For a raffle conducted by a licensed organization, the ticket numbers must be mechanically or electronically imprinted. For a raffle conducted by an organization that has a permit, the ticket may be manually imprinted.

4. An employee may not sell a ticket on a site where another organization is licensed or has a permit unless the employee is granted permission by the lessor and other organization. An employee of a lessor may sell raffle tickets at the site for the organization authorized to conduct games at that site, except for online raffles according to section 99-01.3-05-01.1.
5. A ticket seller shall return the stubs of all tickets sold. The stubs must be intermixed in a receptacle.
6. An organization shall return the price of a ticket to a player if the stub of the player's ticket was not placed in the receptacle for the drawing.
7. For a calendar raffle, the stub of each ticket sold must be entered in all the drawings conducted since the ticket was sold. A licensed organization may not conduct a calendar raffle for other than a fiscal year beginning July first and ending June thirtieth.
8. An organization may not conduct a drawing unless two employees are present. A drawing must occur at an authorized public or private site.
9. In conducting a drawing, an employee shall draw a stub for the highest valued prize first. If there is more than one prize, an employee shall continue drawing for the prizes in the order of descending value. A prize is valued at its cash value or retail price. An organization may defer announcing the names of the winning players and respective prizes until after all the drawings have occurred and may make the announcement in any sequence. This rule does not apply when an organization adopts a written policy to place a winning player's stub immediately back into a receptacle to potentially be drawn for another prize or multiple drawings with a winner's choice of prizes.
10. An organization may not print any word or phrase on promotional material or advertising which implies or expresses that a purchase of the ticket is a charitable donation.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; July 1, 2010; April 1, 2016; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

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

99-01.3-05-04. Information on a ticket.

Each raffle ticket must contain this preprinted information, except for double roll tickets:

1. Name of organization;
2. Ticket number;
3. Price of the ticket, including any discounted price;
4. Prize, description of an optional prize selectable by a winning player, or option to convert a merchandise prize to a cash prize that is limited to the lesser of the value of the merchandise prize or twenty-five thousand dollars for a licensed organization or eightfifteen thousand dollars for an organization with a permit. However, if there is insufficient space on a ticket to list each minor prize that has a retail price not exceeding twenty-five dollars, an organization may state the total number of minor prizes and their total retail price;

5. For a licensed organization, print "office of attorney general" and license number. For an organization that has a permit, print the authorizing city or county and permit number;
6. A statement that a person is or is not required to be present at a drawing to win;
7. Date and time of the drawing or drawings and, if the winning player is to be announced later, date and time of that announcement. For a calendar raffle, if the drawings are on the same day of the week or month, print the day and time of the drawing;
8. Location and street address of the drawing;
9. If a merchandise prize requires a title transfer involving the department of transportation, a statement that a winning player is or is not liable for sales or use tax;
10. If a purchase of a ticket or winning a prize is restricted to a person of a minimum age, a statement that a person must be at least " _____ " years of age to buy a ticket or win a prize;
11. A statement that a purchase of the ticket is not a charitable donation;
12. If a secondary prize is an unguaranteed cash or merchandise prize, a statement that the prize is not guaranteed to be won and odds of winning the prize based on numbers of chances; and
13. If a prize is live beef or dairy cattle, horse, bison, sheep, or pig, a statement that the winning player may convert the prize to a cash prize that is limited to the lesser of the market value of the animal or twenty-five thousand dollars for a licensed organization or ~~eight~~fifteen thousand dollars for an organization with a permit.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; July 1, 2010; April 1, 2016; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-05-05. Double roll tickets.

An organization may use double roll tickets provided:

1. Two single tickets must be printed side by side on a roll with a consecutive number. Both tickets must have the same number;
2. A list of the prizes must be disclosed or made available to players or the prize must be present at the site. If there is more than one prize, an organization may use a different receptacle for each prize to enable an employee or player to place one of the tickets in the receptacle related to a certain prize, or one receptacle in which the winning player can select from a variety of prizes. All tickets must be sold consecutively or in consecutive sets if the tickets are tracked by each ticket seller at an authorized site on the day of the raffle. All the tickets of each separately colored roll must be sold for the same price on that day. An organization may use a separate colored roll to sell several tickets to a person at a discount. The organization and player each retains one ticket, unless the player is allowed to temporarily retain the entire ticket until the player places one ticket into a receptacle;
3. A winning player need not be present when a drawing is held but shall claim the prize within a reasonable redemption period. A redemption period must be set by the organization ~~on the same day of~~before the raffle drawing. Otherwise, an organization shall conduct one or more additional prize drawings until the prize is claimed. A statement of the time of the drawing and redemption period must be on all promotional material and be posted at a site. If the prize is not claimed due to time limitations, the organization shall contact the attorney general the next business day; and

4. The organization's daily records must contain the ticket color, ticket selling price, lowest-numbered and highest-numbered tickets sold, any voided tickets, and total tickets sold from each roll. A verification of the tickets used must be done by two persons, unless there is only one employee on duty at the time. Both persons shall participate in the verification in the presence of each other and resolve any differences. After completing and documenting the verification, both shall initial the record. Any tickets left on a roll which will not be sold in any other raffle must be retained as part of the daily records for one year from the end of the quarter in which the activity was reported on a gaming tax return. This subsection does not apply to a local permit.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; July 1, 2012; April 1, 2016; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-05-07. 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, and must include:

1. For each raffle that uses tickets with detachable stubs:
 - a. Purchase invoice documenting the purchase of tickets and range of ticket numbers printed;
 - b. Ticket distribution log containing a ticket seller's name, quantity issued, range of single and discounted ticket numbers issued to the seller, and quantity sold;
 - c. Reconciliation of the cash received from each ticket seller based on the number of tickets sold, including discounted tickets, date cash is received, and a schedule of bank deposits;
 - d. A sample of a ticket;
 - e. The stubs of all sold raffle tickets and all unsold raffle tickets which must be retained for one year from the end of the quarter in which the activity was reported on a tax return; and
 - f. Documentation of the cost of nongaming activity according to subdivision b of subsection 1 of section 99-01.3-05-06.
2. For each online raffle:
 - a. The single event raffle accounting and operating records according to subsection 2 of section 99-01.3-16-09.5;
 - b. A reconciliation of the cash and credit card receipts received to the dollar value of draw numbers sold, date cash or electronic payment is received, and schedule of bank deposits;
 - c. A reconciliation of all sold, voided, and unsold draw numbers to the total number of draw numbers that were available for sale;
 - d. The actual winning draw number bearer tickets and stubs of all sold raffle tickets which must be retained for one year from the end of the quarter in which the activity was reported on the tax return; and
 - e. List of the electronic mail addresses of each purchaser.

3. For each raffle that uses double roll tickets:
 - a. Purchase invoice or receipt documenting the purchase of the double roll tickets and total number of tickets on each roll;
 - ~~b.~~ The daily starting and ending cash on hand and IOU records according to section 99-01.3-03-06;
 - ~~b.c.~~ Daily records according to subsection 4 of section 99-01.3-05-05;
 - ~~e.d.~~ The stubs of all sold tickets and any unsold raffle tickets left on a roll which will not be sold in any other raffle which must be retained for one year from the end of the quarter in which the activity was reported on a tax return;
 - ~~e.~~ All voided double roll tickets, which must be retained for six months;
 - ~~f.~~ Inventory records according to subsection 4 of section 99-01.3-03-09; and
 - ~~d.g.~~ The count and reconciliation of rolls of tickets and cash banks according to subsections 3, 4, and 6 of section 99-01.3-03-09.
4. For each raffle board:
 - a. The sold raffle board with the state gaming stamp affixed which must indicate the winning number and player;
 - b. The daily starting and ending cash on hand and IOU records according to section 99-01.3-03-06;
 - c. Inventory records according to subsection 1 of section 99-01.3-03-09; and
 - d. The count and reconciliation of raffle boards and cash banks according to subsections 1, 4, and 6 of section 99-01.3-03-09.
5. For all raffles:
 - a. Prize register according to section 99-01.3-03-07 and record of win according to section 99-01.3-03-08;
 - b. Cash profit as defined in subdivision b of subsection 9 of section 99-01.3-02-01;
 - c. A summary of gross proceeds, prizes, adjusted gross proceeds, cash profit, cash long or short, and bank deposit. The summaries of all raffles for a quarter must reconcile to the tax return; and
 - d. Purchase invoice or receipt documenting the cost and description of a merchandise prize.
6. Ideal cash bank master records according to subsection 4 of section 99-01.3-03-09.
7. 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.

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; July 1, 2018; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

CHAPTER 99-01.3-06

99-01.3-06-02. Conduct and play.

1. Deals of pull tabs must be commingled for a game as follows:
 - a. Two or more deals must be placed in a receptacle and be thoroughly intermixed. When an organization's predetermined number or range of numbers of winning pull tabs remain in a game as unredeemed, an additional deal is added. An employee shall add a deal to a game when there are about two hundred fifty pull tabs remaining and the game ~~cannot~~ may not be or is not being closed. The new pull tabs must be intermixed with the pull tabs in the receptacle before any pull tab is sold;
 - b. The deals must be identical except for the game serial number, and a minor difference in printing that is approved by the attorney general. Each deal must have at least two top tier winning pull tabs. If deals of a game involve folded or banded jar tickets, the color of the tickets' band must be the same; however, multiple-colored bands on a single ticket may be used. When a deal is added to a game, an employee shall compare the color of a deal's pull tabs to the color of the game's pull tabs. If the two colors are not the same, the deal cannot be used;
 - c. A master flare or flare for at least one deal of a game must be displayed with the game and be visible to and not easily removed by a player. An organization shall retain all original flares at a site while a game is in play. If a deal has a last sale prize feature, the deal's flare must also be displayed. Only the flare of one deal of a game may have a last sale prize feature;
 - d. If an indicator for adding a deal to a game has been reached 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;
 - e. If a site's total gross proceeds of pull tabs averages twelve thousand five hundred dollars or less per quarter, a game may be closed anytime if all top tier winning pull tabs have been redeemed;
 - f. Except as provided by subdivision g, 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; and
 - g. An organization shall close a game by the end of a quarter. If all top tier winning pull tabs have been redeemed, 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.
2. An employee may not place a deal of pull tabs, club special, or prize board in play which has a manufacturer's or distributor's seal broken on the game's container when the game was received from a distributor. A person may not take off a deal's manufacturer's cellophane shrink wrap or break the manufacturer's or distributor's security seal on the deal's container until the deal is to be placed in a receptacle. If a distributor's or manufacturer's security seal is

broken before the deal is used, an organization shall return the deal to the distributor. If a deal is packaged in two or more containers, the full deal must be placed in play at the same time.

3. The following rules, information, and policies must be posted or made available to players in the area where pull-tab activity is conducted. If made available to players, the rules, information, and policies 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 the play of a game to one player or a group of players is prohibited;
 - b. A winning pull tab must be redeemed within a fifteen-minute time limit;
 - c. If a person knowingly solicits, provides, receives, or knowingly uses any inside information, from or to 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~~;
 - d. A pull tab ~~cannot~~may not be redeemed if it has been taken from the gaming area;
 - e. To the best of the organization's knowledge, a prize remaining on a board relates to a winning pull tab that has not been redeemed. This rule is not required to be posted or made available to players if an organization does not conduct a prize board;
 - f. A deal may be added to a game at any time;
 - g. If a player attempts to falsify or falsifies a record of win, the prize is forfeited. This rule is not required to be posted or made available to players if an organization does not pay a prize that requires a record of win;
 - h. For any last sale prize, the method of determining which player is entitled to buy the last pull tab or punch for a last sale prize when two or more players desire to buy the last pull tab or punch;
 - i. The information, if any, authorized by subdivision a or b, or both, of subsection 5;
 - j. Any limit on the number of pull tabs or punches that a player may buy at a time; and
 - k. When a game is being closed, an employee shall:
 - (1) Post a notice that the game is being sold out; and
 - (2) Any limit on the number of pull tabs or punches that two or more players may buy at a time.
4. A player may not redeem and an employee may not knowingly pay a prize for a pull tab after fifteen minutes have elapsed since the pull tab was bought. If a player attempts to redeem a pull tab after the time limit, an employee shall, if possible, retain and void the pull tab.
5. A person may post the information referenced by subdivision a or b, or both, for a commingled game provided that the posting contains 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. A posting must be visible to players in the area where jar bars are located and where the game type is conducted. 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 as 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 of 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.
6. An organization may limit the number of pull tabs a player may buy regardless if the player is redeeming a winning pull tab.
 7. An employee may not selectively pick a pull tab from a receptacle based on its game serial number or other factor. An employee shall take a handful of pull tabs from a receptacle and count off the number bought. An employee may not permit a player to physically handpick a pull tab or honor a player's request to select a specific pull tab. However, an employee may honor a player's suggestion to select a pull tab from a general area of a receptacle. In applying subsection 2 of North Dakota Century Code section 53-06.1-16, the phrase "fraudulent scheme or technique" includes an employee selecting, by any method, only certain pull tabs in a game or an employee not thoroughly intermixing pull tabs of the initial or added deals.
 8. An employee may only assist a person with a disability in opening a pull tab.
 9. An employee shall deface a winning number or symbol of a pull tab, including pull tabs used with a prize board, and punchboard punch when it is redeemed. If a pull tab has two or more winning prize patterns, a winning number or symbol of at least one pattern must be defaced. An employee may not knowingly pay a prize to a player who is redeeming a pull tab that has been defaced, tampered with, counterfeited, has a game serial number or secondary winner verification different from the serial numbers or secondary winner verification of the deals in the game, or is defective.
 10. If a player buys a set of banded jar tickets and before opening or breaking the band of any jar ticket, determines that the set contains less than the standard number of tickets, an employee may issue the player only the number of tickets actually missing or may issue the player a new set in exchange for the defective set.
 11. When a game is being closed, an organization may continue to conduct the game although all of its top tier and minor winning pull tabs have been redeemed. An employee may not permit a player to buy out a game except when a game is being closed. If an organization closes a game that has pull tabs unsold, it may not open or place the pull tabs back into play.
 12. Unless an organization conducts a commingled game according to subdivision e of subsection 1 or closes a commingled game at least monthly, an employee who did not conduct the game, or have sole access to the games in play, cash banks, and receipts or cash profit for the games, shall do a monthly interim audit of the game. If the percent-of-accuracy of all the games of a site for the previous quarter was less than ninety-eight and one-half percent, and had a cash shortage of more than one hundred dollars, an employee who did not conduct the game, have sole access to the games in play, cash banks, and receipts or cash profit for the games, shall do a weekly interim audit of the games for that 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. Percent-of-accuracy is computed as cash profit divided by adjusted gross proceeds.

13. An employee shall award the last sale cash or merchandise prize to the player who actually buys the last pull tab or punch.
14. An organization may transfer a commingled game, club special, tip board, seal board, prize board, and punchboard from a site to another site, or rotate games among sites. If an organization discontinues gaming at a site, it may close a game. If a game is in the process of being conducted through a jar bar, the game cannot be transferred to a dispensing device. A game must be reported for the site at which it was closed and on a tax return for the quarter in which it was closed.
15. An employee may not pay, from any source of funds, 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. This rule does not apply to a last sale prize.
16. Before leaving a jar bar unattended, an employee shall safeguard the games, cash, and records.
17. An organization may not publicly display a redeemed pull tab.
18. An organization or employee may not 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 5, unless the attorney general approves.
19. If an organization suspects or determines ~~that~~ a game may be defective, the organization shall temporarily suspend the game, notify the attorney general, and follow the attorney general's instructions.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; July 1, 2010; July 1, 2012; April 1, 2016; July 1, 2018; January 1, 2023; [July 1, 2026](#).

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-08

99-01.3-06-03. 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, [and include](#):

1. All redeemed and unsold pull tabs or punches for a game, [which](#) must 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. For a commingled game, an accounting of each deal's, shift's, or day's redeemed pull tabs, including the number by prize value, total prizes, and number of redeemed top tier pull tabs by game serial number. This accounting must be consistent and be done each time a deal is added to a game, a shift ends, or at the end of each day. If the accounting is done each time a deal is added to a game, the redeemed winning pull tabs for the period must be grouped separately and retained with all other groups of pull tabs of that game. If the accounting is done at the end of each shift or day, the redeemed winning pull tabs for each shift or day must be banded and each banded group must be dated with the date of activity and be retained in a storage container with all other banded groups of that game. For each game, there must be a daily accounting of deals added to a game, by gaming stamp and game serial numbers, and of the cash profit and bank deposit.

3. For a club special, tip board, seal board, prize board, and punchboard, an accounting of prizes, by state gaming stamp number.
4. A daily accounting of starting and ending cash on hand and IOU records according to section 99-01.3-03-06.
5. For ~~each~~ deal of pull tabs or ~~a~~ prize board, club special, tip board, punchboard, and seal board, the game information sheet, and flare with the state gaming stamp affixed, ~~and one master flare; and for a club special, tip board, punchboard, and seal board, the flare, with the state gaming stamp affixed.~~
6. A summary of ideal gross proceeds, value of unsold pull tabs or punches, gross proceeds, prizes, adjusted gross proceeds, cash profit, cash long or short, and bank deposit. The summaries for a quarter must reconcile to the activity reported on the tax return.
7. Record of win according to section 99-01.3-03-08.
8. Inventory records according to subsection 1 of section 99-01.3-03-09.
9. Ideal cash bank master records according to subsection 4 of section 99-01.3-03-09.
10. ~~An~~For an organization approved by the attorney general to use a combined cash bank for pull tab games at a site ~~shall document, documentation of~~ the allocation of cash profit to each game based on the ratio of a game's adjusted gross proceeds to the total adjusted gross proceeds of all the games.
11. For a commingled game, club special, tip board, seal board, prize board, and punchboard the cash profit as defined in subdivisions c, f, and g of subsection 9 of section 99-01.3-02-01.
12. Interim audit records according to subsection 12 of section 99-01.3-06-02.
13. 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.
14. Purchase invoice or receipt documenting the cost and description of a merchandise prize.
15. The count and reconciliation of deals, games, and cash banks according to subsections 1, 4, and 6 of section 99-01.3-03-09.

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; July 1, 2018; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

CHAPTER 99-01.3-06.1 ELECTRONIC PULL-TAB DEVICES

Section

99-01.3-06.1-01 Electronic Pull-Tab Devices

99-01.3-06.1-02 Use and Requirements of an Organization

99-01.3-06.1-03 Requirements of ~~a Bar~~an Alcoholic Beverage Establishment

99-01.3-06.1-04 Requirements of ~~a Bar~~an Alcoholic Beverage Establishment and an Organization

99-01.3-06.1-05 Recordkeeping

99-01.3-06.1-01. Electronic pull-tab devices.

"Electronic pull-tab device" means a device, approved by the attorney general, which electronically displays pull tabs. The device is part of an electronic pull-tab device operating system used in the conduct of electronic pull tabs. After the insertion of cash or the manufacturer's credit ticket voucher into the electronic pull-tab device's currency validator, the player has access to a credit account allowing for the purchase and play of an electronic pull tab. Following the play of an electronic pull tab on an electronic pull-tab device, the result must be shown clearly ~~shown~~ on the video display along with any prizes that may have been awarded. If a winning combination of numbers, letters, or symbols is displayed after opening the electronic pull tab, a the player's winning prize amount must be dispensed in the form of a credit ticket voucher or added to the credit meter. Credits that are displayed on the credit meter can be used to purchase more electronic pull tabs or cashed out to a voucher which may be redeemed for cash or inserted for credits in the manufacturer's electronic pull-tab device. A manufacturer's credit ticket voucher redemption kiosk may be used to redeem credit ticket vouchers from the manufacturer's electronic pull-tab device for cash. A credit ticket voucher redemption kiosk may only dispense cash or coin, or reissued credit ticket vouchers for any remaining credit balance.

History: Effective July 1, 2018; amended effective January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-06.1-02. Use and requirements of an organization.

1. An organization may not install more than ten electronic pull-tab devices in a site. A site must be a permanent location and may not be a temporary location, such as a fairground ~~or~~ special event site, or any site that is not open for forty calendar days in one quarter. Electronic pull-tab devices must be conducted in a designated area where patrons must be twenty-one years of age or older to enter. A device must be clearly labeled so as to inform the public that no one under twenty-one years of age is allowed to play.
 - a. An electronic pull-tab device must be a stand-alone cabinet style device. ~~No~~A device may not be a hand-held portable device or affixed to a bar, counter, or table top.
 - b. An electronic pull-tab device must be used only to play electronic pull tabs. ~~No~~Any other game type may not be played on the device and ~~no~~ level of player skill may not be involved in the determination of any pull-tab prize. A device may not be part of a progressive system or employ any other features, such as bonus plays or promotions. An extended play feature may be used in which a player may play without additional consideration. An extended play feature ~~must~~may not interfere with or in any way affect the outcome of any finite game being played. If an extended play feature is used a notification must be provided to the player explaining that an extended play feature is used on the game and that "Extended play features prolong the play of an electronic pull-tab ticket but do not award a prize in addition to the predetermined prize for that ticket."
 - c. Insertion of United States paper currency or the manufacturer's credit ticket voucher must be accepted through the electronic pull-tab device's currency validator to initiate play.

- d. An electronic pull-tab device may not directly dispense coins, cash, tokens, or anything else of value other than a credit ticket voucher.
2. An organization may not have more than twelve electronic pull-tab game titles selectable for play on an electronic pull-tab device operating system at a site. Only one of the games ~~can~~ may be selected for play on an electronic pull-tab device at any given time. A winning line or pattern on an electronic pull tab may be made up of a combination of numbers, letters, or symbols. A winning electronic pull tab may have more than one winning line or pattern. Each winning line or pattern on a winning pull tab constitutes an individual win. Game themes must not contain offensive or obscene graphics, animations, or references.
3. An organization only may conduct electronic pull-tab device activity during the hours when alcoholic beverages may be dispensed according to applicable regulations of the state, county, or city. A device must be programmed to not allow play during hours when alcoholic beverages may not be dispensed.
4. The following rules must be posted on or near an electronic pull-tab device and must be visible to the player:
 - a. A player may play only one electronic pull-tab device at a time;
 - b. An electronic pull-tab device may not be reserved. However, a device may be held for an active player for no more than fifteen minutes;
 - c. A credit ticket voucher is only valid and must be redeemed on the same business day as it was printed;
 - d. If a credit ticket voucher leaves the site it is void. The device system must void any outstanding vouchers at the end of the business day; and
 - e. 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 electronic 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.~~
5. The following rules must be posted on or near a credit ticket voucher redemption kiosk and must be visible to the player:
 - a. A credit ticket voucher or a reissued credit ticket voucher is only valid and must be redeemed on the same business day it was printed.
 - b. If a credit ticket voucher or reissued credit ticket voucher leaves the site it is void. The device system must void any outstanding vouchers at the end of the business day.
 - c. 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 electronic pull tabs, regardless of the amount gained, the offense is a class C felony.
6. An organization shall maintain custody of all keys to an electronic pull-tab device or credit ticket voucher redemption kiosk. ~~A bar~~ An alcoholic beverage establishment employee may not have access to a device. The keys for each lock on a device or kiosk must be keyed differently, including the lock for a device's or kiosk's outer door and the inner compartments that must separately house the computer logic area and currency validator stacker area. Access to the site server must be restricted to only authorized individuals of the organization. An organization may not provide an independent service technician keys to access an

electronic pull-tab device ~~or~~, site server, or kiosk, regardless ~~if of whether~~ the electronic pull-tab device operating system is leased.

~~6.7.~~ An organization or employee may not modify the assembly or operational functions of an electronic pull tab device.

~~7.8.~~ An organization may not post ~~nor may~~ and an electronic pull-tab device may not be capable of displaying any game information relating to electronic pull-tab device activity, including the number of unsold pull tabs or the number and value of prizes remaining in a game.

~~8. An organization shall use the attorney general's current recordkeeping system for electronic pull-tab activity unless approval is obtained from the attorney general for use of another system.~~

9. For each manufacturer's electronic pull-tab device operating system and credit ticket voucher redemption kiosk used to conduct electronic pull tabs at a site, an organization shall:

a. Withdraw currency and credit ticket vouchers redeemed for credit from each electronic pull-tab device and kiosk within a seven-calendar-day interim period at a site. An electronic pull-tab device operating system must be made nonoperational and electronic pull-tab and kiosk activity at a site must be suspended during the period of time when currency is being withdrawn from a device and credit ticket vouchers are bought back, kiosk cash is being counted, all redeemed credit ticket vouchers are removed, and cash to reimburse the kiosk has been added.

b. Generate and print an interim period electronic pull-tab device activity report for a site according to subdivision a of subsection 22 of section 99-01.3-16-09.6. The information from this report must be recorded on an interim period site summary by the organization employee responsible for completing the interim visit. The system-generated interim period electronic pull-tab device activity report must be attached and retained with the completed interim period site summary.

c. From the interim period site summary, post to a "summary report - all games," total game activity information, including gross proceeds, prizes, adjusted gross proceeds, cash profit ~~(loss)~~ or loss, and cash long ~~(short)~~ or short for all games conducted at a site. The "summary report - all games" must include cumulative totals for gross proceeds, prizes, adjusted gross proceeds, cash profit ~~(loss)~~ or loss, and cash long ~~(short)~~ or short.

d. Report the total electronic pull-tab activity for all manufacturers each quarter, for all games conducted at a site, on the ~~gaming~~ tax return. Except for cash profit, all game information is taken from the system-generated electronic pull-tab closed game summary report, according to subdivision d of subsection 22 of section 99-01.3-16-09.6. Total cash profit for all games is taken from the "summary report - all games".

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

11. An organization shall maintain an access log prescribed by the attorney general for each electronic ~~pull-tab~~ pull-tab device and kiosk. A person who accesses a device or kiosk shall record the reason for access and date and initial the log. An organization shall retain ~~the~~ each log in ~~the~~ each device or kiosk during the quarter of activity.

12. Credit ticket vouchers redeemed for cash, may be paid by an organization employee when on duty, by ~~a bar~~ an alcoholic beverage establishment employee, or by ~~both~~ a kiosk.

13. For the redemption of credit ticket vouchers by organization employees at a site, an organization shall maintain one cash bank for each manufacturer's electronic pull-tab device operating system.

14. An organization may provide ~~a bar~~an alcoholic beverage establishment with a temporary loan to enable ~~a bar~~an alcoholic beverage establishment employee to redeem a credit ticket voucher. A loan and any increase in the loan must be made by check payable to the ~~bar~~alcoholic beverage establishment 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 the organization discontinues conducting electronic pull tabs at the site. When the ~~bar~~alcoholic beverage establishment 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~~an alcoholic beverage establishment must equal the dollar value of redeemed credit ticket vouchers which the ~~bar~~alcoholic beverage establishment provides to an organization. An organization employee may not use ~~a bar's~~an alcoholic beverage establishment's loan for redeeming a credit ticket voucher.
15. If a theft of currency occurs from an electronic pull-tab device or a credit ticket voucher redemption kiosk at a site, an organization immediately shall discontinue electronic pull-tab activity at the site associated with that manufacturer's devices and kiosk, contact their distributor, and generate an interim period electronic pull-tab device activity report according to subdivision a of subsection 22 of section 99-01.3-16-09.6. The organization shall provide a copy of all of this information to a local law enforcement agency and the attorney general.
16. A game must be conducted and played through an electronic pull-tab device as follows:
 - a. Each electronic pull-tab deal must contain a fixed number of tickets. The maximum number of pull tab tickets per electronic deal may not exceed fifteen thousand and the minimum may not be less than two thousand.
 - (1) All electronic pull tabs in a particular deal must be of the same purchase price and may not exceed the maximum two dollars sale price per pull tab as set forth by North Dakota Century Code section 53-06.1-08;
 - (2) The maximum prize amount awarded for a winning combination of numbers, letters, or symbols on each electronic pull tab may not exceed five hundred dollars as set forth by North Dakota Century Code section 53-06.1-08;
 - (3) A deal must have at least two top tier winning pull tabs;
 - (4) Each deal may not pay out more than ninety percent of gross proceeds;
 - (5) Each deal must be assigned a unique serial number; and
 - (6) Each deal must be assigned a unique state gaming stamp number by the distributor prior to delivery to the organization site server.
 - b. For the start of each electronic pull-tab game, at least two, and no more than two electronic pull-tab deals must be commingled on the site server for each game. The game deals must be identical, which includes game identification, deal version, manufacturer, game name, total number of electronic pull tabs, purchase price per electronic pull-tab ticket, and prize structure.
 - c. For each electronic pull-tab game, when the unsold tickets of the original starting identical two deals reach two thousand pull-tab tickets remaining, at least one full deal but no more than one additional identical deal of the same game must be automatically downloaded onto the site server and commingled with the remaining two thousand tickets of that game. Each time the two thousand ticket threshold is reached, an additional deal must automatically be downloaded and commingled with the remaining electronic pull-tab tickets in the game continuously throughout the entire quarter.

- d. ~~No~~An electronic pull-tab game may not be closed during a quarter unless approved by the attorney general and all games of the same manufacturer at a site must be closed at the same time within fourteen calendar days from the end of the quarter or by the end of the quarter. An organization may start new games for the next quarter within fourteen days before the next quarter begins; however, it may not start new games and end the games within this fourteen-calendar-day period. Once closed, a game and its deals cannot be reopened.
 - e. For each interim visit or when the electronic pull-tab games are closed an employee shall buy back all credit ticket vouchers from the organization employee cash bank ~~and from a bar~~an alcoholic beverage establishment and all credit ticket vouchers must be removed from a kiosk and the kiosk cash bank reimbursed. The game must be reported on a gaming tax return for the site at which it was closed.
 - f. At the end of each month, within a reasonable time, an independent ~~audit person~~auditor of the organization shall reconcile the summary report - all games to the monthly interim audit report according to subdivision c of subsection 22 of section 99-01.3-16-09.6. At the end of the quarter, after all games have been closed, the independent ~~audit person~~auditor shall reconcile the summary report - all games to the electronic pull-tab closed game summary report according to subdivision d of subsection 22 of section 99-01.3-16-09.6. The electronic pull-tab closed game summary report may not be generated or printed prior to all electronic pull-tab games being closed. Doing so will cause immediate and automatic termination of all games. All reconciliations must be dated and ~~signed~~initialed by the independent ~~audit person~~auditor.
17. If a site closes or if an organization discontinues gaming at a site, it must generate an interim period electronic pull-tab device activity report according to subdivision a of subsection 22 of section 99-01.3-16-09.6, close all electronic pull-tab games, and generate an electronic pull-tab closed game summary report according to subdivision d of subsection 22 of section 99-01.3-16-09.6.
18. The organization immediately shall shut down an electronic pull-tab device operating system and notify the attorney general if it detects or discovers any defect, malfunction, or problem with an electronic pull-tab operating system, electronic pull-tab device, kiosk, or electronic pull-tab game that affects the security or the integrity of the game. The organization shall also immediately notify their distributor of the defect, malfunction, or problem.

History: Effective July 1, 2018; amended effective January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-06.1-03. Requirements of ~~a bar~~an alcoholic beverage establishment.

- 1. ~~A bar~~An alcoholic beverage establishment shall:
 - a. Place an electronic pull-tab device or kiosk in a location where alcoholic beverages are dispensed and consumed and where ~~a bar~~an alcoholic beverage establishment employee will regularly observe the device. A device or kiosk may not be placed outside or in a patio area;
 - b. Prohibit a person from tampering or interfering with the operation or play of an electronic pull-tab device or kiosk;
 - c. Ensure that an electronic pull-tab device or kiosk is disabled from play unless alcoholic beverages may be dispensed, ~~a bar~~an alcoholic beverage establishment employee or

- kiosk is available to redeem a credit ticket voucher, and a-baran alcoholic beverage establishment or kiosk has cash on hand to redeem a credit ticket voucher;
- d. Absorb a loss related to a counterfeit or lost credit ticket voucher, redeemed credit ticket voucher that was not issued at the site on that day, 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 electronic pull tabs at a site;
 - f. If a malfunction of an electronic pull-tab device or kiosk is known by the baralcoholic beverage establishment or its employee, disable play of the device or kiosk and promptly notify the organization. Otherwise, the baralcoholic beverage establishment or its employee is responsible for any cash shortage; and
 - g. Use an organization's loan of money only to redeem a credit ticket voucher. A check from an alcoholic beverage establishment may not be issued to a player redeeming a credit ticket voucher. If the baralcoholic beverage establishment violates ~~this rule~~these rules, the attorney general may suspend any or all games at the site for up to six months.
2. A-barAn alcoholic beverage establishment employee may not access, attempt to access, or permit a person, other than an employee of an organization, to access the interior of an electronic pull-tab device for any reason.
 3. If a-baran alcoholic beverage establishment employee believes there is a problem with an electronic pull-tab device, kiosk, or with a redeemed credit ticket voucher, the baralcoholic beverage establishment employee shall contact the charitable gaming organization and may disable the device or kiosk.
 4. A-barAn alcoholic beverage establishment may accept or not accept a gaming-related check from a player. A player's check must be payable to a-baran alcoholic beverage establishment. A-barAn alcoholic beverage establishment is responsible for a player's check returned by a financial institution as uncollectible. A-barAn alcoholic beverage establishment 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 the redemption of a credit ticket voucher.
 5. Only a-baran alcoholic beverage establishment employee who is authorized by a-baran alcoholic beverage establishment may redeem a credit ticket voucher.
 6. A-barAn alcoholic beverage establishment employee may not summarize or audit an electronic pull-tab game for an organization.

History: Effective July 1, 2018; amended effective January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-06.1-04. Requirements of a-baran alcoholic beverage establishment and an organization.

1. A-barAn alcoholic beverage establishment employee or an organization employee shall ensure that a credit ticket voucher presented for redemption is valid. This includes ensuring the voucher was issued by an electronic pull-tab device at the site and on the date it is presented for redemption. A valid credit ticket voucher must be paid with cash and must have the date and initials of the person who redeemed the credit ticket voucher printed on it. A credit ticket voucher redeemed for credit through an electronic pull-tab device or credit ticket voucher redemption kiosk must have the bar code defaced by an employee of the organization at the time of the interim period site visit.

2. ~~A bar~~An alcoholic beverage establishment employee or an organization employee may not:
 - a. Knowingly redeem a credit ticket voucher that has been defaced, tampered with, or counterfeited. If a player attempts to redeem a voucher that has been defaced, tampered with, or counterfeited, ~~a bar~~a alcoholic beverage establishment employee or an organization employee, if possible, shall retain and void the credit ticket voucher;
 - b. Knowingly redeem a credit ticket voucher that was issued at another site or a voucher that was issued prior to the business day presented for redemption. If a player attempts to redeem a voucher that was issued prior to the business day presented for redemption, ~~a bar~~a alcoholic beverage establishment employee or an organization employee, if possible, shall retain and void the credit ticket voucher; and
 - c. Pay, from gaming funds or any other source, moneys to a player unless the player redeems an actual valid credit ticket voucher issued by an electronic pull-tab device at the site and on the business day it is presented for redemption.
3. If an electronic pull-tab device malfunctions, is inoperable, and a player has credit on the device, ~~a bar~~a alcoholic beverage establishment employee or an organization employee shall pay the player for the player's unplayed credits and record the refund on a credit redemption register. ~~A bar~~If a player has valid credits and does not receive a printed credit ticket voucher from a device, and a duplicate voucher is not able to be printed, the reimbursement must be recorded on a credit redemption register. An alcoholic beverage establishment 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~~a alcoholic beverage establishment 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.
4. ~~A bar~~An alcoholic beverage establishment employee and an organization employee shall document and attest to the number of and total dollar value of redeemed credit ticket vouchers that are exchanged for cash or check. These credit ticket vouchers must be grouped, banded, dated, and retained separate from other credit ticket vouchers redeemed for credit through an electronic pull-tab device, redeemed through a credit ticket voucher redemption kiosk, and that an organization employee redeemed, by interim period and by the manufacturer.
5. An organization shall provide ~~a bar~~a alcoholic beverage establishment employee, and ~~a bar~~a alcoholic beverage establishment 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, 99-01.3-06.1-03, and 99-01.3-06.1-04 regarding the ~~bar~~alcoholic beverage establishment employee's and ~~bar's~~alcoholic beverage establishment's duties and restrictions.

History: Effective July 1, 2018; amended effective January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-06.1-05. 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, and include:

1. An interim period electronic pull-tab device activity report according to subdivision a of subsection 22 of section 99-01.3-16-09.6. The report must be generated and printed for a site each interim period.
2. Interim period site summary form. The information from the interim period electronic pull-tab device activity report must be recorded on this form each interim period and must include

totals for all electronic pull-tab games conducted at the site, including gross proceeds, prizes, and adjusted gross proceeds. It also must include total cash and credit ticket vouchers redeemed for credit in each electronic pull-tab device and in total, total credit ticket vouchers redeemed, including bar~~alcoholic beverage establishment~~ redeemed, organization employee redeemed if applicable, credit ticket voucher redemption kiosk redeemed if applicable, credit ticket vouchers reissued per the interim period electronic pull-tab device activity report, total credits paid if applicable, employee or kiosk cash long(~~short~~) or short if applicable, cash profit(~~loss~~) or loss, cash long(~~short~~) or short, and bank deposit.

- a. The system-generated interim period electronic pull-tab device activity report must be attached and retained with the interim period site summary.
 - b. All redeemed credit ticket vouchers credited through an electronic pull-tab device, and exchanged for cash, ~~bar~~ and alcoholic beverage establishment, organization, and credit ticket voucher redemption kiosk redeemed, must be retained with the interim period site summary.
3. Summary report - all games. The total game activity information from each interim period site summary, including gross proceeds, prizes, adjusted gross proceeds, cash profit(~~loss~~) or loss, and cash long(~~short~~) or short for all games conducted at a site must be posted to a summary report - all games. The summary report - all games must include cumulative totals for gross proceeds, prizes, adjusted gross proceeds, cash profit(~~loss~~) or loss, and cash long(~~short~~) or short. Cumulative cash profit must reconcile to the amount reported on the gaming tax return.
 4. If an organization employee redeems credit ticket vouchers 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 the number of and total dollar amount of credit ticket vouchers redeemed, credits paid, and cash long or short.
 5. If an organization has established a kiosk cash bank, for each interim period visit, an accounting of the starting and ending cash on hand, cash dispensed out, total dollar amount of credit ticket vouchers redeemed and reissued, charity donations, cash long or short, and amount reimbursed to kiosk.
 6. If an organization has established a runner cash reserve bank for the buyback of credit ticket vouchers, for each interim period visit, an accounting of the starting and ending cash on hand according to subsection 2 of section 99-01.3-03-06 must be completed.
 - ~~6-7.~~ Credit redemption register, including the organization and site name, name of manufacturer, quarter, date, device or kiosk identification or serial number, amount, if credits were still on the electronic pull-tab device or kiosk, player's name and signature, signature or initials of person who paid the player, bar~~alcoholic beverage establishment~~ reimbursement information if applicable, and date paid.
 - ~~7-8.~~ Cash profit as defined in subdivision e of subsection 9 of section 99-01.3-02-01.
 - ~~8-9.~~ An electronic pull-tab closed game summary report according to subdivision d of subsection 22 of section 99-01.3-16-09.6. This report must be generated for each manufacturer ~~and.~~ Each game's closed game summary report and the total activity of all games must be printed after all electronic pull-tab games are closed at a site and retained with the records. ~~Printing the report prior to all electronic pull-tab games being closed will cause immediate and automatic termination of the games.~~ The electronic pull-tab game summary reports for all electronic pull-tab games conducted during a quarter must reconcile to the amounts reported on the gaming tax return.

- | ~~9.10.~~ Access log for each electronic ~~pull-tab~~pull-tab device or credit ticket voucher redemption kiosk, which includes the organization and site name, name of manufacturer, device identification or serial number, quarter, date, time, reason for entry, and initials of the employee who accessed the device.
 - | ~~10.11.~~ Deals in play report according to subdivision b of subsection 22 of section 99-01.3-16-09.6, if requested by the attorney general.
 - | ~~11.12.~~ Monthly and quarterly audit and reconciliation records according to subdivision f of subsection 16 of section 99-01.3-06.1-02.
 - | ~~12.13.~~ Ideal cash bank master records according to subsection 4 of section 99-01.3-03-09.
 - | ~~13.14.~~ Verification of the amount deposited according to a bank statement and an audit of each electronic pull-tab game's activity according to subsections 6 and 7 of section 99-01.3-03-10.
 - | ~~14.15.~~ The count and reconciliation of cash banks according to subsections 4 and 6 of section 99-01.3-03-09.
- | **History:** Effective July 1, 2018; amended effective January 1, 2023; [July 1, 2026](#).
General Authority: NDCC 53-06.1-01.1
Law Implemented: NDCC 53-06.1-01.1

CHAPTER 99-01.3-07

99-01.3-07-01. Sports pool.

A "sports pool" is comprised of wagers paid by players for a line or square that will determine which player wins. The maximum cost per line or square is twenty-five dollars. A sports pool must be for a professional sport only. The conduct of a sports pool is the selling of chances on the board and awarding of a prize. Only cash prizes ~~can~~may be awarded. ~~No~~A sports-pool board with the state gaming stamp affixed may not be conducted off of a site. A licensed organization and organization with a permit must obtain sports pool boards from a licensed distributor.

1. A sports-pool board must be a multiple line or multiple square board based on the professional sporting event, provide for an equal chance for each player to win, and be acquired from a distributor.
2. An organization shall complete the cost per play, date of sports event, ideal prizes, and method of prize payout on a board. An employee of a lessor may sell chances on a board, but not award prizes, at the site for the organization authorized to conduct games at the site. The method of prize payout may be at periodic intervals or the end of an event. The total payout ~~cannot~~may not exceed ninety percent of the gross proceeds.
3. An organization shall designate one opponent along the vertical columns of numbers and the other opponent along the horizontal rows of numbers. However, if the opponents are unknown when the board is being sold, an organization shall designate identifiable conferences, divisions, or events. A player who buys a square or line or an employee shall write the player's full name in that square or on that line. Only one player may buy a specific square or line. Except for a calendar sports pool, ~~no~~ tapes may not be removed until all the squares or lines are sold and the opponents are designated. All the squares or lines must be sold before the sports event begins. If all the squares or lines are not sold, an organization may advance the board to another event or refund the players' money. If opponents were designated but the board is advanced to another event, an organization may keep the same opponents or designate new opponents. ~~When~~If an unsold board is advanced to another event, an organization shall post a notice on a site disclosing its policy of advancing the board. Gross proceeds must be maintained separately ~~maintained~~ for each board.
4. An organization may conduct a calendar or master sports pool for two or more events of the same sport. An organization shall use one board for each event and buy the necessary number of boards before selling any square. For example, if a sports pool involves sixteen events, an organization shall buy sixteen boards. A player buys the same square on each board for all the events. Each board is reported separately on a tax return for the quarter in which the event was held.
5. A calendar sports pool must be conducted as follows:
 - a. The tapes covering the numbers assigned the horizontal rows and vertical columns of the boards must be removed to reveal the numbers. One opponent must be designated along the vertical columns of numbers and the other opponent designated along the horizontal rows of numbers. The board must state the event and its date;
 - b. Each square of each board must be assigned a consecutive number starting with number one. The numbering must be in sequence, left to right;
 - c. Each board must be printed and may be reduced in size. The quantity printed is based on the type of board. For example, for a one hundred square board, each board must be printed one hundred times. A printed board for each event and a receipt comprise a book;

- d. A receipt must contain:
 - (1) A consecutive receipt number starting with one. ~~A~~ and a statement that the receipt number is the player's assigned square for all the boards in the book;
 - (2) Name and address of organization and name of site;
 - (3) For a licensed organization, ~~print~~ "office of the attorney general" and site license number. For an organization that has a permit, ~~print~~ the name of the city or county and permit number;
 - (4) Price of the book, method of prize payout and prize; and
 - (5) A detachable section containing a player's full name, address, telephone number, and matching receipt number which is retained by an organization;
 - e. An employee may not sell a book on a site where another organization is licensed or has a permit unless the employee is granted permission by the lessor and other organization;
 - f. A player may not choose a particular book to buy. When a book is sold, a receipt's detachable section is completed. After a player buys a book, the player may see the numbers assigned that player's square on the boards;
 - g. For a licensed organization, a board must be posted at the site on the day that the related event is held; and
 - h. If all the books of a calendar sports pool are not sold before the first event, an organization shall refund the players' money and void all the boards. The voided boards must be reported on the tax return as "no activity".
6. A master sports pool must be conducted as follows:
- a. An organization shall post a multiple square master board at a site. Each square must be assigned a consecutive number starting with number one. The numbering must be in sequence, left to right. A master board must include:
 - (1) Name of organization;
 - (2) The events;
 - (3) Price of participating, number of events, method of prize payout and prize; and
 - (4) A statement that the scores assigned to the players' squares for each event will be posted at the site five days before the event.
 - b. A player shall buy a square and write the player's full name and telephone number in it.
 - c. A sports-pool board with the state gaming stamp affixed must be posted at a site five days before the event related to that board is held.
 - d. If all the squares of a master sports pool are not sold before the first event, an organization shall refund the players' money and void all the boards. The voided boards must be reported on the tax return as "no activity".
7. The winner of a board is determined, at periodic intervals or at the end of the event:
- a. For a multiple line board, by determining the line that is assigned the winning number (one's position) or the combined score of both opponents.

- b. For a multiple square board, by determining the square at the juncture of the horizontal row and vertical column which relate to the numbers (one's position) of each opponent's score.
8. Upon completion of the event, an organization immediately 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.
9. An employee shall record a prize on a board or a register according to section 99-01.3-03-07. If a prize is recorded on a board, the board must contain the information required by section 99-01.3-03-07. This subsection does not apply to a permit.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; April 1, 2016; January 1, 2023; [July 1, 2026](#).

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-09

CHAPTER 99-01.3-08

99-01.3-08-04. Video surveillance system.

1. If a site had twenty-one gross proceeds averaging ten thousand dollars or more per quarter for two entire consecutive quarters, this level of activity is expected to continue, and wagers exceed two dollars, an organization shall have a video surveillance system operational at the site within forty-five days from the end of the second quarter. However, for a site with seasonal activity, this level of activity is based on the average gross proceeds of the active quarters within the fiscal year July first through June thirtieth. A level of activity is based on a site's recent historical experience, but not earlier than the previous fiscal year, regardless of which organization conducted twenty-one at the site. If an organization conducts twenty-one at a newly acquired site that has a level of activity requiring a video surveillance system, it shall have the system for a table operational within forty-five days of conducting twenty-one or limit wagers to two dollars until the system is operational. A system must be operational for each twenty-one table that is regularly located on a site, regardless of how infrequent a table is used or the value of wagers accepted at the table. A temporary table that is brought onto a site for fourteen or fewer consecutive days for a special event according to subsection 4 of section 99-01.3-01-02, but for not more than two events per quarter, does not need a system. An organization shall:
 4. ~~a.~~ Install a system that meets these requirements:
 - a. ~~(1)~~ A recording unit must record in real time. A video system must be approved by the attorney general and no time lapse or multiplex video recorders may be used as the primary mode of operation. A recording unit must be secured in a locked vented cabinet or area, plugged into an outlet that cannot be switched off, and be programmable with a minimum seven-day memory backup. A recording unit must have a built-in or separate time and date generator that displays the time and date on the recorded video without significantly obstructing a recorded picture. A playback unit used to review a recorded video must have forward and reverse frame-by-frame and high-speed scanning capability;
 - b. ~~(2)~~ A high-resolution color camera must be positioned above the center of a table and record gaming activity from the dealer's perspective. A camera must be plugged into a surge protector and use an outlet that cannot be switched off. A camera must be protected by a slotted or clear dome;
 - e. ~~(3)~~ A camera lens must have a clear field of view to record the currency and chip value, face of a dealing shoe, all betting spaces, discard holder, chip tray, currency plunger, ~~and~~ table number, and a clear image of the wheel for paddlewheel with a table;
 - d. ~~(4)~~ A color video monitor onsite; and
 - e. ~~(5)~~ A system must be capable of allowing organizations to download, burn, or copy files onto a storage device.
 2. ~~b.~~ If an organization conducts twenty-one or paddlewheels at more than one site, have a table ~~must have with~~ a site identification. A site identification and any table number must be visible on a recorded video.
 3. ~~c.~~ Maintain a clean dome and a proper field of view on the playing surface.
 4. ~~d.~~ Authorize only a gaming or shift manager or an independent person to:
 - a. ~~(1)~~ Access a recording unit, camera, and stored recorded video;

- b. (2) Start and stop a recording unit for a table when chips are first made available for use on the table and continue recording until the table is permanently closed for the day; and
- e. (3) Change a recorded video in a recording unit for a table at the beginning, during, or at the end of a day's activity, regardless if the authorized person is a dealer or wheel operator at the site. An organization may use two real time recorders in sequence to record a table's activity that exceeds the recording capability of one tape. If two recorders are used for one table, their separate recordings for a day's activity must overlap by ten minutes.

~~5.~~ e. Retain a recorded video in a safe storage place for thirty days.

~~6.~~ 2. On a daily basis an employee shall review and document that a surveillance camera at each twenty-one and paddlewheel table at a site is recording an unobstructed view and clear picture of the table activity. If a recording unit or camera for a table is not properly operating or not producing an unobstructed view and clear picture of the cards, currency, or chips and is not repaired or remedied within forty-eight hours of activity on the table or four calendar days, the organization shall close the table or limit wagers to two dollars on the table until the equipment is repaired.

~~7.~~ 3. ~~The attorney general's current recordkeeping system must be used unless approval is obtained from the attorney general for use of another recordkeeping system.~~ An organization shall track a dealer's and wheel operator's percent-of-hold performance. Records tracking percent-of-hold must be maintained by the dealer and wheel operator and must include all entries from each site worked by the dealer and wheel operator.

~~8.~~ 4. For a site that requires video surveillance, if percent-of-hold at that site is less than ten percent for twenty-one or less than fifteen percent for paddlewheel for a quarter, a minimum of one hour per week of video surveillance for each active table at that site must be reviewed and documented during the period immediately after the percent-of-hold for the quarter has been determined. The review of video surveillance must be continued for six continuous weeks or until the organization has determined and documented the reason the percent-of-hold is less than ten percent for twenty-one or less than fifteen percent for paddlewheel at that site. The review must be completed by an individual who did not conduct twenty-one or paddlewheel at the site on the shift selected for review.

~~9.~~ 5. An organization may purchase or lease a camera, lens, cable, camera dome, digital recording device, time and date generator, and installation services, including moving a camera to another site, from a vendor approved by the attorney general, or any other business entity. If purchasing or leasing the equipment from an approved vendor, an organization shall defer remitting at least fifty percent of the cost or lease price of this equipment to the vendor until the attorney general approves the clarity of the recorded video for a table.

~~10.~~ 6. An organization shall provide the attorney general with a sample recording to evaluate. If an organization acquires video surveillance equipment at a new site from another organization, moves a camera or table to another location at the site, or changes video surveillance equipment at a site, the organization shall, within fourteen days, provide the attorney general with a sample recorded video to evaluate. If the quality of the sample recording is not satisfactory, an organization and vendor shall resolve the deficiency and resubmit a sample recording for approval. An organization may buy or lease a qualifying item from another organization.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; July 1, 2012; April 1, 2016; July 1, 2018; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-10, 53-06.1-11

99-01.3-08-13. Disclosure.

The following rules and notice must be posted or made available to players in the area where twenty-one activity is conducted. If made available to players, the rules and notice 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:

1. House rules:
 - a. Minimum and maximum betting limit; and
 - b. Use Hole-Card-No-Peek method of dealing or use Hole-Card-with-Card-Reading-Device method of dealing or use No-Hole-Card method of dealing.
2. Player rules:
 - a. Must compute the card count of the player's hand;
 - b. Must be twenty-one years of age or older;
 - c. Hand signals must be used;
 - d. No touching of cards;
 - e. Two betting spaces maximum;
 - f. No side bets;
 - g. No payoff on tie counts;
 - h. Splitting on any pair and two 10-count value cards and limited to a maximum of four hands per betting space;
 - i. Doubling-down on the first two cards dealt or the first two cards of any split hand, except on split aces;
 - j. Double-down bet must equal the original wager or double-down bet may be equal to or less than the original wager;
 - k. Insurance not permitted or insurance permitted - pays two to one;
 - l. Tip betting permitted or tip betting not permitted; and
 - m. Doubling-down on tip bets permitted - must equal the original tip bet or doubling-down on tip bets permitted - may be equal to or less than the original tip bet or doubling-down on tip bets not permitted.
3. Notice: If a person knowingly uses a fraudulent scheme or technique to cheat or skim involving twenty-one, 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.~~

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2012; April 1, 2016; July 1, 2018; January 1, 2023; [July 1, 2026](#).

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-10

99-01.3-08-14. Drop box cash count.

1. A drop box that has been used must be removed from a table by the end of the day's activity. If a drop box is removed from a table and the cash is not counted immediately, the drop box must be transported by the shift manager and, if there is more than one employee on duty, escorted by an employee to a safe storage place. The cash must be removed from the drop box before the drop box can be used for another day's activity. An empty drop box may be stored on a table or in a safe storage place.
2. A drop box must be opened by a two-person count team. The persons~~individuals~~ shall be independent of each other. A count team may be an independent person and a gaming employee; two representatives of a financial institution, accounting firm, security agency, or security company; two nongaming employees; or two gaming employees provided that one of the gaming employees ~~did~~does not conduct games at the ~~same site on the day of the gaming activity and day of the count~~. A count team may not be two persons~~individuals~~ who have a direct supervisor and subordinate relationship and may not be a common household member, spouse, child, parent, brother, or sister of the other count team member, except when using an independent contractor. A count team member may not be the person~~individual~~ responsible for auditing the twenty-one activity.
3. The key to the lock securing the contents of a drop box must be controlled by one count team member who may not access the drop box unless both count team members are present. If there are two separate locks that secure the contents of a drop box, the key to the second lock must be controlled by the other count team member.
4. Each person~~individual~~ independently shall ~~independently~~ count the drop box cash in the presence of the other person~~individual~~ and resolve any difference between the two counts. Documentation of the count must be initialed and dated by both count team members.

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; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-08-16. 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, and include:

1. For each day's activity:
 - a. The starting and ending cash and chip banks and IOU records according to section 99-01.3-03-06;
 - b. Drop box cash and values of fill and credit slips of each table;
 - c. Cash profit as defined in subdivision j of subsection 9 of section 99-01.3-02-01;
 - d. Daily surveillance review log;
 - e. For tournament play, the fees; rebuys; add-ons collected; name and address of each player, signature or initials, and date of the employee who collected the fee;
 - f. For tournament play, prize register according to section 99-01.3-03-07 and record of win according to section 99-01.3-03-08;

- g. A summary of gross proceeds, prizes, adjusted gross proceeds, cash profit, cash long or short, and bank deposit. The summaries of all twenty-one activity for a quarter must reconcile to the tax return; and
 - h. For a video surveillance system, dealer percent-of-hold information and video review documentation must be retained for one year from the end of the quarter of the activity.
2. Inventory records according to subsection 5 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. An organization using a combined cash bank for twenty-one and paddlewheel at a site shall allocate the cash long or short of the combined cash bank to twenty-one.
 5. 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.
 6. The count and reconciliation of cash banks and casino and betting chips according to subsections 4, 5, and 6 of section 99-01.3-03-09.

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; July 1, 2018; January 1, 2023; [July 1, 2026](#).

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

CHAPTER 99-01.3-09

99-01.3-09-01. Poker.

1. An organization with a restricted event permit may conduct poker during one event per year. Poker may only be conducted by a licensed organization on two occasions per fiscal year, July first through June thirtieth. Each of the two poker occasions are limited to a seventy-two-hour period. Poker is a card game dealt by one dealer. For a tournament, an organization shall charge each player an entry fee. For each tournament conducted, the total fees may not exceed ~~three~~one thousand five hundred dollars per player, which includes the buy-in or entry fee, plus any rebuys, add-ons, and bounties. The total fees collected are considered gross proceeds. Each tournament also may have qualifying satellite tournaments at a site conducted in conjunction with the main tournament. Total fees of up to three hundred dollars per player also may be charged for qualifying satellite tournaments. This fee also is considered gross proceeds for the tournament. Total prizes awarded for any one tournament, including satellite tournaments, may not exceed ninety percent of the gross proceeds for that tournament. The organization must complete the poker recordkeeping as required by section 99-01.3-09-07 for each tournament conducted during a poker occasion. The recordkeeping may not be combined for multiple tournaments conducted during the seventy-two-hour poker occasion. A nontournament occasion and a side game are restricted to a twenty-four hour-period during the poker occasion. For nontournament activity, an organization shall charge each player a fee not to exceed two dollars per one-half hour of playing time, collected in advance. The maximum single bet is one dollar and not more than three raises, of not more than one dollar each, may be made among all the players in a betting round. An organization employee shall be present to manage and control all poker activity.
2. After players receive their starting (hole) cards and after each round of new cards, there is a betting round. A player bets on the cards (hand) the player holds. All wagers are placed in the center of the table and referred to as the pot. Each betting round, a player decides whether to continue by calling or raising the bet. After all the dealing of cards and betting has occurred and there are two or more players still in contention for the pot, there is a showdown to determine which player has the best hand. The object is for the player to win the pot by making a bet no other player is willing to match or for the player to have the most valuable hand. A winner is determined by the ranks and combinations of players' cards.

History: Effective May 1, 1998; amended effective July 1, 2002; July 1, 2010; July 1, 2012; April 1, 2016; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-09-05. Tournaments.

Except as provided by this section, an organization shall conduct a poker tournament according to this chapter.

1. An organization shall post tournament rules and a written schedule for each tournament and satellite tournament. A schedule must contain:

 - a. Name of the site and organization;
 - b. Date or dates of the poker tournament;
 - c. Structure of the tournament prize payouts, once determined; and
 - d. Buy-in, fees, add-ons, rebuy, and bounty options. Optional dealer tip fees may not be part of the fees on the schedule.

2. Each table will set a maximum of eleven players. Players ~~will~~must be distributed as evenly as possible between all tables.
3. A seat assignment is determined at the time of the buy-in by the player randomly drawing a card from a specially marked deck or custom cards.
4. Tournament chips will be distributed directly to the player.
5. Texas hold'em must be played according to the following rules:
 - a. The dealer shall deal two (hole) cards to each player, face downward, and one at a time. The first player to receive a card is the player to the left of the player who has the button. The last player to receive cards is the player assigned the button. After each player has received two cards, there is a betting round and the players may bet an amount not more than the posted table limit;
 - b. The dealer shall discard the top card of the deck and place it in the discard card pile (burn a card) and deal three community cards from the deck face upward, in the center of the table. After the flop, another betting round occurs; and
 - c. The dealer burns another card and then deals a fourth community card face upward in the center of the table. Another betting round takes place. The dealer burns another card before dealing the fifth community card face upward in the center of the table for the final betting round. A player shall make the best five card hand using any combination of hole and community cards. If there are two or more players remaining in the game after all bets are made, there is a showdown. The highest hand wins the pot.
6. Omaha poker must be played according to the following rules:
 - a. The dealer shall deal four (hole) cards to each player, face downward, and one at a time. The first player to receive a card is the player to the left of the player who has the button. The last player to receive a card is the player assigned the button. After each player has received four cards, there is a betting round;
 - b. The dealer shall discard the top card of the deck and place it in the discard card pile (burn a card) and deal three community cards from the deck face upward, in the center of the table. After the flop, another betting round occurs;
 - c. The dealer burns another card and then deals a fourth community card face upward in the center of the table. Another betting round takes place. The dealer burns another card before dealing the fifth community card face upward in the center of the table for the final betting round. A player shall use two hole cards and three of the community cards to make their best hand. If there are two or more players remaining in the game after all bets are made, there is a showdown. In Omaha high, the highest hand wins the pot. In Omaha high-low split, the highest hand and the lowest hand split the pot. A player who wins in one direction (high or low) and ties a player for the other direction, receives three-quarters of the pot. A player who wins in both directions without a tie receives all of the pot. Aces may be used for either high or low.
7. A player confronted by a bet larger than the player's stack of chips may call "all in" and place the chips into the pot as a call. The excess part of the bet is either returned to the bettor or used to form a side pot with another player or players by matching the amount called. There is no limit on the number of side pots. Play must continue and the remaining players shall place their bets into the side pot or pots. At the showdown, if the player who is "all in" has the high hand, the player wins the pot. The player with the second highest hand wins the side pot. If the player who is "all in" does not have the highest hand, the player with the highest hand wins both pots. In a high-low game, a similar procedure must be used to award the pots to the

highest and lowest hand. A player who is "all in" and loses must leave the table or rebuy, if applicable.

8. A player may call "all in" at any time during a betting round provided that the bet does not exceed the tournament limit.
9. Chips may not be transferred or purchased from another player.
10. All chips must remain visible on the table throughout the event.
11. If a player is absent from the seat at the start of the initial deal of the hand, any ante or blind bet will be posted by the dealer on the player's behalf. A player ~~shall~~must be at the table by the time all other ~~player's~~players receive their hole cards in order to have a live hand for that deal.

History: Effective April 1, 2016; amended effective July 1, 2018; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

CHAPTER 99-01.3-11

99-01.3-11-06. Disclosure.

1. The following rules and notice must be posted or made available to players in the area where paddlewheel activity is conducted. If made available to players, the rules and notice 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. A player may not bet chips that exceed a value of twenty dollars for one spin.
 - b. A player shall bet by placing a betting chip properly on the betting layout.
 - c. A player may not touch a betting chip after the wheel operator announces "bets closed" or obstruct the view of the playing surface until after a wheel operator pays off all winning wagers.
 - d. A paddlewheel must make at least four revolutions.
 - e. If a pointer stops on top of a peg, the number preceding the peg is the winning number.
 - f. A winning odd or even bet is determined by a winning number of only the designated colored circle. However, a player loses all odd and even bets if the pointer stops on a designated house number. This must be posted or made available to players if an odd or even bet is accepted.
 - g. If a player stops playing and has an unused betting chip, the player shall exchange the betting chip for a casino chip through the wheel operator before the player leaves the table.
2. Prize information must be posted, made available to players, or stated on a table playing surface. The information must reference each differently colored number or symbol, including an optional odd or even bet, and state each prize payoff. The payoff is the relationship of the prize to a winning betting chip. The payoff must be stated as "_____ to _____" or "_____ for _____". For example, for a red-colored number or symbol ~~which~~that pays forty dollars for a winning betting chip, the information must reference the red-colored number or symbol and state the payoff as "EXACT NUMBER RED 40 to 1".
3. A notice must be posted that if a person knowingly uses a fraudulent scheme or technique to cheat or skim involving paddlewheels, 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~~.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; October 1, 2006; April 1, 2016; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-07.4, 53-06.1-16

99-01.3-11-07. 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, and include:

1. For paddlewheel activity described by subsection 1 of section 99-01.3-11-01:
 - a. For each day's activity, the starting and ending cash banks and IOU records according to section 99-01.3-03-06;
 - b. For each ticket card of each series of paddlewheel ticket cards:

- (1) Date conducted, card number, cash prize amount or cost and description of a merchandise prize;
 - (2) All winning tickets and unsold ticket cards which must be retained for one year from the end of the quarter in which the activity was reported on a tax return; and
 - (3) The flare with the state gaming stamp affixed;
- c. Inventory records according to subsection 1 of section 99-01.3-03-09;
 - d. The count and reconciliation of each series of paddlewheel ticket cards according to subsections 1 and 6 of section 99-01.3-03-09;
 - e. Prize register according to section 99-01.3-03-07; and
 - f. Purchase invoice or receipt documenting the cost and description of a merchandise prize which identifies the state gaming stamp number each prize was awarded with by cost.
2. For paddlewheel activity described by subsection 2 of section 99-01.3-11-01:
 - a. The starting and ending cash and chip banks and IOU records according to section 99-01.3-03-06;
 - b. Drop box cash and values of fill and credit slips;
 - c. Daily surveillance review log;
 - d. Wheel operator percent-of-hold information and video review documentation must be retained for one year from the end of the quarter of the activity;
 - e. Inventory records according to subsection 5 of section 99-01.3-03-09;
 - f. An organization using a combined cash bank for twenty-one and paddlewheel at a site, shall allocate the cash long or short of the combined cash bank to twenty-one; and
 - g. The count and reconciliation of casino and betting chips according to subsections 5 and 6 of section 99-01.3-03-09.
 3. For all paddlewheel activity:
 - a. Cash profit as defined in subdivisions j and m of subsection 9 of section 99-01.3-02-01; and
 - b. A summary of gross proceeds, prizes, adjusted gross proceeds, cash profit, cash long or short, and bank deposit. For paddlewheel activity described by subsection 1 of section 99-01.3-11-01, a summary must be completed for each series of paddlewheel ticket cards. The summaries of all paddlewheel activity for a quarter must reconcile to the tax return.
 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. Ideal cash bank master records according to subsection 4 of section 99-01.3-03-09.
 6. The count and reconciliation of cash banks according to subsections 4 and 6 of section 99-01.3-03-09.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; July 1, 2012; April 1, 2016; July 1, 2018; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

CHAPTER 99-01.3-12 PULL-TAB DISPENSING DEVICES

Section

99-01.3-12-01	Use [Repealed]
99-01.3-12-02	Use and Requirements of an Organization
99-01.3-12-03	Requirements of <u>a-Baran Alcoholic Beverage Establishment</u>
99-01.3-12-04	Requirements of <u>a-Baran Alcoholic Beverage Establishment</u> and an Organization
99-01.3-12-05	Recordkeeping

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

1. A licensed organization may operate a pull-tab dispensing device **whenif** the organization's employee is on duty and may have a-baran alcoholic beverage establishment employee redeem a winning pull tab **whenif** 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 in the area where pull-tab dispensing device activity is conducted, 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~~may not be redeemed if it has been taken from the gaming area; and
 - 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.~~
4. An organization shall maintain custody of all keys to a device.
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.
- 8.7. 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.
- 9.8. An organization may provide a-baran alcoholic beverage establishment with a temporary loan to enable a-baran alcoholic beverage establishment employee to redeem a winning pull tab. A loan and any increase in the loan must be made by check payable to the baralcoholic beverage establishment 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 baralcoholic beverage

establishment 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~~ alcoholic beverage establishment must equal the value of redeemed winning pull tabs which the ~~bar~~ alcoholic beverage establishment provides an organization. An organization employee may not use ~~a bar's~~ an alcoholic beverage establishment's cash on hand for redeeming a winning pull tab.

~~10.9.~~ An organization may not provide an independent service technician a key to access a device regardless ~~if~~ of whether the device is leased.

~~11.10.~~ 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.

~~12.11.~~ 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~~ alcoholic beverage establishment; and
- c. If the game has unsold pull tabs, these ~~cannot~~ may not be put back into play.

~~13.12.~~ 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~~ alcoholic beverage establishment or distributor; or
- d. Intentionally test vend currency or pull tabs to synchronize nonresettable accounting meters.

~~14.13.~~ 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~~ do 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, have sole access to the games in play, cash banks, and receipts or cash profit for the games, 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~~an alcoholic beverage establishment 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.

45.14. 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~~alcoholic beverage establishment 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; July 1, 2018; January 1, 2023; July 1, 2026.

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~~an alcoholic beverage establishment.

- 1. ~~A bar~~An alcoholic beverage establishment shall:

- a. Place a device in a location where alcoholic beverages are dispensed and consumed and where ~~a bar~~ an alcoholic beverage establishment employee ~~will~~ regularly shall 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~~ an alcoholic beverage establishment employee or an employee is available to redeem a winning pull tab, and ~~a bar~~ an alcoholic beverage establishment has cash on hand to redeem a winning pull tab;
 - d. Absorb a loss related to a counterfeit 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~~ an alcoholic beverage establishment or its employee, turn the device off and promptly notify the organization. Otherwise, the ~~bar~~ an alcoholic beverage establishment 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~~ an alcoholic beverage establishment violates this rule, the attorney general may suspend any or all games at the site for up to six months.
2. ~~A bar~~ An alcoholic beverage establishment 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.
 3. If ~~a bar~~ an alcoholic beverage establishment employee believes that a deal is defective or there is a problem with a redeemed pull tab, the ~~bar~~ an alcoholic beverage establishment employee shall contact an organization and may turn a device off.
 4. ~~A bar~~ An alcoholic beverage establishment may accept or not accept a gaming-related check from a player. A player's check must be payable to ~~a bar~~ an alcoholic beverage establishment. ~~A bar~~ An alcoholic beverage establishment is responsible for a player's check returned by a financial institution as uncollectible. ~~A bar~~ An alcoholic beverage establishment 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~~ an alcoholic beverage establishment employee who is authorized by ~~a bar~~ an alcoholic beverage establishment may redeem a winning pull tab.
 6. ~~A bar~~ An alcoholic beverage establishment 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; July 1, 2018; July 1, 2026.

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~~ an alcoholic beverage establishment and an organization.

1. ~~A bar~~ An alcoholic beverage establishment employee or an employee shall deface a winning number or symbol of a pull tab when it is redeemed. Tickets redeemed for credit through a

dispensing device must be defaced by an employee of the organization at the time of the interim period site visit. All winning pull tab tickets with a bar code also must have the bar code defaced. 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~~An alcoholic beverage establishment 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~~an alcoholic beverage establishment 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~~an alcoholic beverage establishment 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~~An alcoholic beverage establishment 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~~an alcoholic beverage establishment 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~~An alcoholic beverage establishment 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~~an alcoholic beverage establishment employee and ~~a bar~~an alcoholic beverage establishment 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, 99-01.3-12-03, and 99-01.3-12-04 regarding the ~~bar~~alcoholic beverage establishment employee's and ~~bar's~~alcoholic beverage establishment's duties and restrictions.
7. ~~A bar~~An alcoholic beverage establishment 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.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; July 1, 2010; April 1, 2016; July 1, 2018; January 1, 2023; [July 1, 2026](#).

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, [and include](#):

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, ~~and one master flare~~.
3. A record of game serial numbers for each game.
4. Credit redemption register, including the [organization and site name, quarter](#), date, amount, if credits were still on the device, player's name and signature, signature or initials of person who paid the player, [baralcoholic beverage establishment](#) reimbursement information if applicable, and date paid.
5. 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.
6. Cash profit as defined in subdivision d of subsection 9 of section 99-01.3-02-01.
7. 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 baran alcoholic beverage establishment~~, total prizes including [baralcoholic beverage establishment](#) and employee redeemed if applicable, total prizes credited through the device if applicable, total

credits paid, employee cash long or short if applicable, cash profit or loss, bank deposit, and information on top tier winners redeemed by game serial number.

8. 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)~~ or 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)~~ or short. The summaries of all games for a quarter must reconcile to the tax return.
9. Access log, including which includes the organization and site name, quarter, date, time, nonresettable currency meter reading, reason for entry, and initials of the employee who accessed the device.
10. Inventory records according to subsection 1 of section 99-01.3-03-09.
11. Interim audit records according to subdivision i of subsection 14 of section 99-01.3-12-02.
12. Ideal cash bank master records according to subsection 4 of section 99-01.3-03-09.
13. 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.
14. The count and reconciliation of deals and cash banks according to subsections 1, 4, and 6 of section 99-01.3-03-09.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; July 1, 2012; April 1, 2016; July 1, 2018; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

CHAPTER 99-01.3-12.1 PRIZE BOARD DISPENSING DEVICES

Section

99-01.3-12.1-01 Definition

99-01.3-12.1-02 Use and Requirements of an Organization

99-01.3-12.1-03 Requirements of ~~a Bar~~an Alcoholic Beverage Establishment

99-01.3-12.1-04 Requirements of ~~a Bar~~an Alcoholic Beverage Establishment and an Organization

99-01.3-12.1-05 Recordkeeping

99-01.3-12.1-02. Use and requirements of an organization.

1. An organization may operate a prize board dispensing device ~~when~~if the organization's employee is on duty and may have an authorized ~~bar~~alcoholic beverage establishment employee redeem a winning pull tab and pay a cash or merchandise prize ~~when~~if 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 in the area where prize board dispensing device activity is conducted. 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~~may not 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~~;
 - e. To the best of the organization's knowledge, a prize remaining on a board relates to a winning pull tab that has not been redeemed; and
 - f. 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.
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.~~7. 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.

~~9-8.~~ An organization may provide ~~a bar~~an alcoholic beverage establishment with a temporary loan to enable ~~a bar~~an alcoholic beverage establishment employee to redeem winning pull tabs and pay prize board cash prizes. The loan and any increase must be made by check payable to the ~~bar~~alcoholic beverage establishment 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 prize boards at a site through a device. As an option an organization may supply the ~~bar~~alcoholic beverage establishment with a cash loan amount equal to the total amount of cash prizes on a prize board. If this option is used, all remaining cash from unredeemed winning pull tabs and the redeemed winning pull tabs must be returned to the organization following final distribution of the seal prize. When the ~~bar~~alcoholic beverage establishment 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~~an alcoholic beverage establishment must equal the value of redeemed winning pull tabs which the ~~bar~~alcoholic beverage establishment provides an organization. An organization employee may not use ~~a bar's~~an alcoholic beverage establishment's cash on hand for redeeming a winning pull tab.

~~10-9.~~ An organization may not provide an independent service technician a key to access a device regardless ~~if~~of where the device is leased.

~~11-10.~~ 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.

~~12-11.~~ When a prize board is closed:

- a. The prize board 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~~an alcoholic beverage establishment;
- c. If the game has unsold pull tabs, these ~~cannot~~may not be put back into play; or
- d. If a coin is not awarded, an organization shall determine the prizes to report on a tax return by prorating the total cost of the coins, according to their face value, of the coins that were awarded to the total face value of all the coins. An organization may use an unawarded prize in another game, sell the prize, or deposit the coin in the gaming account.

~~13-12.~~ 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~~an alcoholic beverage establishment or distributor; or
- d. Intentionally test vend currency or pull tabs to synchronize nonresettable accounting meters.

~~14-13.~~ A prize board dispensing device must be conducted and played as follows:

- a. An employee shall place all pull tabs from a deal evenly among the columns used.

- b. If used, column sold out indicators must be designated on the last pull tab of each column when the deal is placed into the device. Each column sold out indicator for a deal must be of equal value.
- c. 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 prize board or transfer the prize board to a device at another site. If a prize board is in the process of being conducted through a device, an organization may not transfer the prize board to a jar bar.

History: Effective July 1, 2010; amended effective April 1, 2016; July 1, 2018; January 1, 2023; [July 1, 2026](#).

General Authority: NDCC 53-06.1-01.1

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

99-01.3-12.1-03. Requirements of ~~a-bar~~An alcoholic beverage establishment.

1. ~~A-bar~~An alcoholic beverage establishment shall:
 - a. Place a device in a location where alcoholic beverages are dispensed and consumed and where ~~a-bar~~a alcoholic beverage establishment employee ~~will~~shall 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~~a alcoholic beverage establishment employee or an employee is available to redeem a winning pull tab, and ~~a-bar~~a alcoholic beverage establishment has cash on hand to redeem a winning pull tab or cash seal prize;
 - d. Absorb a loss related to a counterfeit 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 prize boards through a device at a site;
 - f. If a malfunction of a device is known by the ~~bar~~alcoholic beverage establishment or its employee, turn the device off and promptly notify the organization. Otherwise, the ~~bar~~alcoholic beverage establishment 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 or cash seal prize. If the ~~bar~~alcoholic beverage establishment violates this rule, the attorney general may suspend any or all games at the site for up to six months.
2. ~~A-bar~~An alcoholic beverage establishment 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.
3. If ~~a-bar~~a alcoholic beverage establishment employee believes that a deal is defective or there is a problem with a redeemed pull tab, the ~~bar~~alcoholic beverage establishment employee shall contact an organization and may turn a device off.
4. ~~A-bar~~An alcoholic beverage establishment may accept or not accept a gaming-related check from a player. A player's check must be payable to ~~a-bar~~a alcoholic beverage establishment. ~~A-bar~~A alcoholic beverage establishment is responsible for a player's check returned by a financial institution as uncollectible. ~~A-bar~~A alcoholic beverage establishment 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~~An alcoholic beverage establishment employee who is authorized by ~~a-bar~~An alcoholic beverage establishment may redeem a winning pull tab or pay a cash or merchandise prize.
6. ~~A-bar~~An alcoholic beverage establishment employee may not summarize or audit a prize board for an organization.

History: Effective July 1, 2010; amended effective July 1, 2012; July 1, 2018; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

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

99-01.3-12.1-04. Requirements of ~~a-bar~~An alcoholic beverage establishment and an organization.

1. ~~A-bar~~An alcoholic beverage establishment or organization employee may pay a winning player a cash or merchandise prize won on a prize board.
2. ~~A-bar~~An alcoholic beverage establishment employee or an employee shall deface a winning number or symbol of a pull tab when it is redeemed.
3. ~~A-bar~~An alcoholic beverage establishment or organization employee shall display the prize board while the board is in play.
4. ~~A-bar~~An alcoholic beverage establishment 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 number of the deal in play;
 - 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~~An alcoholic beverage establishment 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, unless the attorney general approves.
5. If a device malfunctions, is inoperable, and a player has a credit, ~~a-bar~~An alcoholic beverage establishment 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~~An alcoholic beverage establishment 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~~An alcoholic beverage establishment 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.

6. ~~A bar~~An alcoholic beverage establishment employee and an employee shall document and attest to the total cash prizes of redeemed winning pull tabs that are exchanged for cash or check. These pull tabs must be grouped, banded, and retained separate from other pull tabs that an organization employee may have redeemed and separately from any other dispensing device pull tabs redeemed at the site.
7. An organization shall provide ~~a bar~~an alcoholic beverage establishment employee, and ~~a bar~~an alcoholic beverage establishment shall maintain, a current copy of subsection 8 of section 99-01.3-02-03, sections 99-01.3-02-05, 99-01.3-02-09, 99-01.3-03-08, and 99-01.3-12.1-03, and this section regarding the ~~bar~~alcoholic beverage establishment employee's and ~~bar's~~alcoholic beverage establishment's duties and restrictions.
8. A player having a pull tab with a number matching a predesignated number on a board for a seal prize signs the player's full name on the numbered line or supplemental sheet. Only one player's name may be signed on a specific line. When all tickets from a prize board have been sold, ~~a bar~~an alcoholic beverage establishment employee or an employee may remove the seal revealing the winning prize number, obtain the winner's information for a record of win form, and award the prize to the winning player. If the ~~bar~~alcoholic beverage establishment employee cannot locate the winning player, the employee shall contact the organization.

History: Effective July 1, 2010; amended effective April 1, 2016; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

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

99-01.3-12.1-05. 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, and include:

1. All redeemed and unsold pull tabs for a game, including column sold out indicators, must 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, flare with the state gaming stamp affixed, and supplemental signup sheet if applicable.
3. Purchase invoice or receipt documenting the cost and description of merchandise prizes.
4. Record of win according to section 99-01.3-03-08.
5. Credit redemption register, including the organization and site name, quarter, gaming stamp number, date, amount, if credits were still on the device, player's name and signature, signature or initials of person who paid the player, baralcoholic beverage establishment 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, change in cash bank, total cash prizes, credits paid, and cash long or short.
7. Cash profit as defined in subdivision h of subsection 9 of section 99-01.3-02-01.
8. Interim period site summary, including gaming stamp number and game serial number, date placed and date removed, meter readings, test vends, currency withdrawn, total cash prizes

redeemed by bar/alcoholic beverage establishment and organization employees, credit redemption register refunds, cash receipts, and bank deposit.

9. A summary that includes the following:
 - a. Cumulative cash receipts, 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, total cash prizes, total prizes paid by check, cost of coins, total prizes, adjusted gross proceeds, cash profit, and cash long or short. The summaries of all prize boards for a quarter must reconcile to the tax return.
10. Access log, includingwhich includes the organization and site name, quarter, gaming stamp number, 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. Ideal cash bank master records according to subsection 4 of section 99-01.3-03-09.
13. 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.
14. The count and reconciliation of deals and cash banks according to subsections 1, 4, and 6 of section 99-01.3-03-09.

History: Effective July 1, 2010; amended effective April 1, 2016; July 1, 2018; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

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

CHAPTER 99-01.3-14

99-01.3-14-02. Eligible uses.

1. A use of net proceeds for erecting, acquiring, improving, maintaining, or repairing real property as authorized in subsection 3 of North Dakota Century Code section 53-06.1-11.1 or personal qualifying property owned by an organization is an eligible use provided the organization agrees that, upon abandoning the exclusive use of the property for an eligible use, it ~~will~~shall transfer the property to a governmental unit or to an organization that ~~will~~shall use it for an eligible use. However, if an organization sells the property, the portion of net receipts from the sale related to the original net proceeds must be deposited in the trust account and disbursed to an eligible use, or reinvested in property used for a similar purpose.
2. In applying subdivision a of subsection 2 of North Dakota Century Code section 53-06.1-11.1, net proceeds must be disbursed to or by a recognized nonprofit city or county job development authority or certified or noncertified local development corporation.
3. In applying subdivision b of subsection 2 of North Dakota Century Code section 53-06.1-11.1, net proceeds must be used to attract in-state and out-of-state visitors by publicizing attractions, promoting, planning, conducting, and sponsoring market research, trade shows, meetings, conventions, seminars, sporting events, and festivals, and by developing and promoting the state's attractions, recreational opportunities, shopping malls, and other tourism-related activities. Uses may not directly benefit a for-profit business.
4. In applying subdivision c of subsection 2 of North Dakota Century Code section 53-06.1-11.1, eligible uses include:
 - a. A scholarship for a student. A scholarship may be based on criteria, including community service, patriotism, leadership, education, talent, athletic ability, course of study, or special disability. ~~No~~A scholarship award may not be decided by a donor organization, unless the organization administers an education program for special students or students inflicted with disease. Net proceeds may be disbursed to a scholarship board or to an educational institution. A majority of the members of a scholarship board may not be members of a donor organization. A disbursement must be payable to an educational institution and a recipient, scholarship board and a recipient, or to an educational institution or scholarship board. A student receiving a scholarship may apply it at a nonprofit public, or for-profit or nonprofit private, educational institution, including a trade or business school, registered with or accredited by any state board. A scholarship may be for housing, books, tuition, and meals that relate to a student's educational need. A scholarship may be awarded through a pageant, contest, or tournament; however, associated administrative and operating expenses do not qualify. ~~No~~A scholarship may not be based on criteria that includes a person's physical appearance;
 - b. Supplemental assistance to a primary, secondary, or postsecondary nonprofit educational institution, including affiliated alumni associations, booster clubs, parent-teacher councils, and college sororities and fraternities. Net proceeds may be used for youth activities, educational equipment, musical instruments, playground equipment, extracurricular activities, sporting events, field trips, cultural exchanges, maintenance of buildings, remodeling, fixed assets, administrative and operating expenses, and supplies;
 - c. Assistance to a library for maintenance of buildings, remodeling, fixed assets, administrative and operating expenses, supplies, program services, special events, promotions, educational material, books, computer systems, information services, exhibits, story hours, film showings, and discussion groups. A disbursement to a museum may be for maintaining buildings, remodeling, fixed assets, administrative and operating

- expenses, and assembly of exhibits for preservation, collection, education, and interpretation;
- d. Assistance to a nonprofit performing arts and humanities organization for studio and auditorium rental, speaker fees, equipment, travel, administrative and operating expenses, and uniforms. Functions may include children's theater, summer camps, and developing art parks;
 - e. Preservation of cultural heritage, including restoring, reconstructing, improving, or preserving public buildings in North Dakota which are listed in the state historic sites registry or the national registry of historic places. Net proceeds may be used for programs of nonprofit organizations that provide historical information or tell a story about a local region, North Dakota, or the nation and which primarily educate and inspire the public, elderly, disabled, schoolchildren, teachers, and foreign visitors. Qualifying programs include the lifestyles and human experiences of homesteaders, immigrants, Indian culture, frontier army, and fur trade. Net proceeds may be used for interpretive programming, including exhibits, publications, simulations of life, classroom outreach services, audiovisual presentations, special events, and tours. Special events such as chautauquas and community celebrations of Norskfest, threshing bees, and Octoberfest qualify for expenses of parades, displays, equipment, educational materials, and awards. School reunion expenses do not qualify;
 - f. Youth community and athletic activities open to all youth, ~~less than eighteen years of age.~~ Disbursement must be made to a youth group, school, or booster club, not to an individual participant. An organization shall disburse, to the extent possible, equal amounts to activities for each gender. Net proceeds may be used for uniforms, equipment, tournament fees, private and public ground transportation, coaches' salaries and mileage, judges, field trips, speaker fees, father-son and mother-daughter banquets provided ~~that~~ the meals for these banquets are provided free, meals, and lodging. Meals and mileage may not exceed the state per diem rate and lodging expenses must be documented with a receipt;
 - g. Adult amateur athletic activities within North Dakota. Net proceeds may be used for sponsorship and league fees for entire teams, uniforms, umpire fees, ~~construction~~, use and maintenance of a sports complex, and team equipment. Uniforms and equipment must be owned by the team or league association and the uniforms must include the name of the sponsoring charitable organization. A charitable organization may only sponsor and provide uniforms and equipment to one team per sport per gender or one coed team per quarter. Tournament ~~fees, expenses, team and~~ individual player fees, food and drink, lodging, trophies, prizes, yearbook, advertising, and private or public transportation expenses do not qualify, except transportation expenses for a disabled player. Unless specifically allowed in this section, net proceeds may not be used for adult hobby and recreational activities that personally benefit adult individuals. Rodeos, car, or horse racing, car or gun shows, shooting events, fishing derbies, tractor or pickup pulls, and similar activities do not qualify;
 - h. Maintenance of religious buildings, remodeling, fixed assets, administrative and operating expenses, gospel outreach programs, youth church activities, uniforms for a choir, furnishings, and supplies for church groups and services; and
 - i. Scientific research for a cure to relieve human beings of disease and suffering.
5. In applying subdivision d of subsection 2 of North Dakota Century Code section 53-06.1-11.1, eligible uses include:

- a. Food, temporary housing, clothing, utilities, medical services, and fuel for private and public transportation for an individual or family suffering from poverty or homelessness, or financial distress due to a natural disaster or medical problem, which includes relief of the sick, diseased, and terminally ill, and their physical well-being;
- (1) Payments for items in this category for pending or upcoming expenses are eligible if made to the provider of the services and not the individual. Examples include rent and utilities paid to the landlord or utility company on behalf of the individual; payment to a business for gift cards for fuel, groceries, or clothing; and medical payments paid directly to a medical facility for an individual.
- (2) Payments made for reimbursements of past expenses may be made to an individual. The donating organization shall obtain and maintain documentation to support the payment was made by the individual for an eligible use.
- b. Purchase and maintenance of a ground transportation vehicle for the elderly;.
- c. Services for abused persons, including to:
- (1) Provide emotional support, guidance, and counseling to victims of crimes of rape and sexual assault and encourage prosecution of perpetrators;
- (2) Establish educational programs about rape, sexual assault and incest, the dramatic effects it has on victims and their families, and the cost to society;
- (3) Establish and direct services for abused spouses and their children in the community, including advocacy, emergency shelter and food, information services, referrals, and peer support; and
- (4) Develop and coordinate programs to encourage and assist development of a strong volunteer advocate network;.
- d. ~~Support for youth centers and halfway houses;~~Services for addiction to alcohol, gambling, or drugs.
- e. ~~Recognize~~Recognition of an individual or group of people who volunteer their time to community services, nursing homes, or hospitals, if a gift, prize, or other gratuity does not exceed one hundred dollars per person per calendar year;.
- f. ~~Net proceeds may be used for public~~Public or private nonprofit nursing homes, day care centers, and medical facilities for maintaining buildings, remodeling, fixed assets, administrative and operating services, supplies, reading programs, and craft activities for patients;.
- g. ~~Complying~~Compliance with the Americans with Disabilities Act of 1990 by remodeling a publicly owned facility;~~and.~~
- h. To remodel or improve a veterans' organization's owned facility to make it accessible or usable to youth, senior citizens, people with disabilities, and nonmembers of the organization, for community programs, services, or functions. The community shall use a building for free or a reasonable fee. To make a building accessible, net proceeds may be used to widen doorways and hallways, remodel bathroom fixtures and facilities, install chair lifts, wheelchair ramps, elevators, handrails, and automatic door openers. To make a building usable, net proceeds may be used to repair a building to meet a building code or make it structurally fit for use, to enlarge a facility, replace a furnace, water heater, and air-conditioner, and to make it safe. Net proceeds may not be used to remodel or improve an area of a facility where alcoholic beverages are prepared.

6. In applying subdivision e of subsection 2 of North Dakota Century Code section 53-06.1-11.1, eligible uses include burial expenses and flowers provided an organization does not discriminate between members and nonmembers.
7. In applying subdivision f of subsection 2 of North Dakota Century Code section 53-06.1-11.1, eligible uses include promotion and celebration of civil rights, nondiscrimination, patriotism, and freedom. Net proceeds may not be used for social or recreational activities or for events, activities, programs, or expenses that are of a direct benefit to the organization and are primarily beneficial to organization members and their families. This includes state and national convention expenses; recognition nights that may include a banquet, program, and dance for past commanders or past members; and ceremonial and ritual activities.
8. In applying subdivision g of subsection 2 of North Dakota Century Code section 53-06.1-11.1, eligible uses include maintaining parks and perpetual trust funds for public cemeteries.
9. In applying subdivision j of subsection 2 of North Dakota Century Code section 53-06.1-11.1, net proceeds may be used for subsistence for a family member traveling with an ill family member to an out-of-town medical facility. Rules for payment of this subsection are the same as subdivision a of subsection 5.
10. In applying subdivision l of subsection 2 of North Dakota Century Code section 53-06.1-11.1, eligible uses include:
 - a. Adult and city bands, choirs, drum and bugle corps, and color and honor guards; parade floats; director fees; rent of storage; postage; insurance; laundry; utilities; uniforms; gun safe; firearm; sheet music; audio system and instruments owned by a band, choir, or organization; transportation vehicle owned by the organization; in-state lodging, and private and public ground transportation for performances at community concerts, homecomings, open houses, parades, festivals, funerals, nursing homes, hospitals, and special events. For only a color or honor guard, net proceeds may be used to pay a member a maximum per diem not to exceed the daily funeral service rate paid to members of the armed forces ready reserve;
 - b. Community celebrations that recognize or honor the military service of individuals in the armed services;
 - c. Educational agricultural trade shows and conventions held in North Dakota. Meals and entertainment do not qualify;
 - d. Nonprofit organizations that protect animals. Uses include:
 - (1) Hatcheries and wildlife preserves, wetlands, and sanctuaries;
 - (2) Teaching and promoting ecology, game and wildlife management, and outdoor interests involving animals, fish, and birds; and
 - (3) Spay and neuter programs, pet placement, lost and found pet services, educational programs, investigations of animal abuse, and information services;
 - e. Preserving and cleaning up the environment, including air quality, water quality, waste and recycling programs, and conservation of natural resources; and
 - f. Outreach public medical care.
11. In applying subdivision m of subsection 2 of North Dakota Century Code section 53-06.1-11.1, a special trust fund:

- a. Must be managed and controlled by trustees, who may be board members, appointed by an organization. However, if an organization dissolves, it must establish a nonprofit corporation limited to the primary purpose stated in its declaration of trust. A trust may be revocable or irrevocable; and
- b. Must be comprised only of net proceeds which can be disbursed to the trust periodically or in a lump sum. Net proceeds must be invested only in marketable securities. A trust's principal, interest, dividends, and gains on sales of investments must be applied toward the trust's primary purpose. ~~No~~A trust's principal ~~can~~may not be disbursed until a donor organization has permanently discontinued conducting games or dissolved.

12. In applying subdivision o of subsection 2 of North Dakota Century Code section 53-06.1-11.1, net proceeds may be used for the administrative and program management expenses of a statewide veterans' organization to include payroll, supplies, and administration of a statewide veterans' program.

13. In applying subsection 3 of North Dakota Century Code section 53-06.1-11.1 for licensed organizations, net proceeds may be used for the erection, acquisition, property taxes, special assessments, improvement, maintenance, or repair of any real property, as defined in North Dakota Century Code chapter 47-01, used exclusively for an eligible use when owned or leased by an organization.

14. In applying subsection 3 of North Dakota Century Code section 53-06.1-11.1 for licensed fraternal or veterans' organizations, net proceeds may be used for the erection, acquisition, property taxes, special assessments, improvement, maintenance, or repair of real property. For veterans' and fraternal licensed organizations eligible uses do not include the erection, acquisition, improvement, maintenance, or repair of any portion of a facility that includes a gaming or alcoholic beverage establishment area. For purposes of this section, the gaming or alcoholic beverage establishment area may be defined differently than as identified on a site authorization or floor plan for an alcoholic beverage establishment. Real property does not include personal property or items that are not affixed to the land as defined in North Dakota Century Code section 47-01-05.

15. In applying subsection 5 of North Dakota Century Code section 53-06.1-11.1, veterans' organizations may use up to twenty percent of the organization's net proceeds for costs of food and beverages. A veterans' organization may use up to twenty percent of net proceeds per quarter for the costs of food and beverages, including alcoholic beverages, incurred operating the veterans' organization's club. A veterans' organization may only apply this subsection to one club site where an alcoholic beverage establishment, restaurant, or both, are operated by the veterans' organization. The allowable amount must be calculated using the prior quarter's net proceeds for the veterans' organization's club only. The calculated net proceeds must be used by the end of the following quarter, in which the calculated amount was generated. These net proceeds must be disbursed directly to the food and beverage vendors and invoices must be retained which reconcile to the amount claimed on the gaming tax return as being disbursed.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; April 1, 2016; July 1, 2018; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01, 53-06.1-01.1, 53-06.1-11.1

CHAPTER 99-01.3-15

99-01.3-15-02. Restrictions and requirements.

1. A licensed organization, organization that has a permit, or licensed manufacturer may not be a distributor. A person who is an officer, manager, gaming manager, or member of a governing board of a licensed organization or organization that has a permit may not be an officer, director, shareholder, proprietor, independent contractor, consultant, or employee of a distributor, nor have a financial interest in that distributor. A person having a financial interest in a distributor may not be a lessor of a site to an organization that is an active customer of that distributor. A change in ownership of a distributor must be immediately reported to the attorney general.
2. A distributor shall have an office in North Dakota where records must be kept.
3. A distributor may not offer or provide anything of value to any licensed organization or gaming location site, lessor, agent, or representative as an incentive or inducement to locate, keep, or maintain any gaming equipment, which includes electronic gaming systems or devices, at the gaming site.
4. A distributor may not include any discount or incentive to any licensed organization or gaming location site, lessor, agent, or representative for any nongaming item, such as amusement devices, electronics, advertisements or recognitions, or have any influence in the lessors' charitable gaming organization.
5. An officer, director, shareholder, agent, or employee of a distributor may not:
 - a. Play a game of pull tabs, including electronic pull tabs, club special, tip board, prize board, seal board, sports-pool board, punchboard, or electronic quick shot bingo at any site;
 - b. Conduct games of pull tabs, prize boards, pull tab and prize board dispensing devices, electronic pull tabs, club specials, seal boards, raffle boards, tip boards, sports-pool boards, or punchboards at an organization's site;
 - c. Interfere with or attempt to influence a lessor's relationship with an organization involving a lease agreement, interfere with or attempt to influence an organization's management, employment practices, policy, gaming operation, disbursement of net proceeds, or procure a site for an organization. A distributor may notify an organization of an available site; or
 - d. Provide bookkeeping services, including summarizing or auditing games for an organization.
6. A distributor may not have an expressed or implied agreement with another distributor to restrict the sales of either of them to a specific geographic area or organization.
7. A distributor may not sell or provide a drop box unless it is a double-locking removable metal container and has:
 - a. One lock that secures a drop box to the underside of a table, and one or two separate locks that secure the contents placed into the drop box. The key to each of the locks must be different; and
 - b. A slot opening through which currency and forms can be inserted into a drop box. The slot of a drop box may not exceed three and one-half inches in length and one-half inch

in width. Inside a drop box there must be a spring-loaded mechanism that automatically closes and locks the slot opening when the drop box is removed from a table.

8. For a twenty-one table, a distributor only may ~~only~~ sell or provide a playing surface that is green and does not contain imprinted graphics, excluding the tip betting spaces, unless authorized by the attorney general. A table playing surface must display no more than seven separate betting spaces and the following or equivalent statements:

BLACKJACK PAYS 3 TO 2
and
DEALER MUST STAND ON 17 AND MUST DRAW TO 16
or

If a site allows the dealer to take a hit card when the dealer has a soft seventeen:

BLACKJACK PAYS 3 TO 2
and
DEALER MUST HIT SOFT 17

9. A distributor may not sell or provide twenty-one and paddlewheel (betting and casino) chips to an organization if those chips are identical in physical characteristic to chips previously sold or provided by that distributor to a different organization.
10. A distributor may not give a gift, trip, prize, or other gratuity valued singly or in the aggregate in excess of one hundred dollars per employee per calendar year related to a licensed organization or organization that has a permit. A distributor may not loan money (excluding credit) to a licensed organization or organization that has a permit, or to an employee of such an organization.
11. An employee shall read and acknowledge in writing, within thirty days of employment and the effective date of new gaming laws or rules, that the person has read and understands the provisions of the gaming law and rules which relate to the person's job duties. The distributor shall designate the provisions to be read. The acknowledgment must be dated, reference the provisions, and be part of the person's personnel file.
12. If information on a license application becomes inaccurate or outdated in any material way, including changes to the employee listing, the distributor shall provide the attorney general, in writing, items of change within fourteen days following the change.
13. A distributor may not share an office or warehouse facility with an organization.
14. A distributor shall ~~file a copy of each sales invoice and record of~~ report the sale of stamped games, bingo paper, and voided gaming stamps with the attorney general by the fifth business day following the month of the transaction.
15. A distributor may not buy or be provided gaming equipment from an affiliated company unless the company is a wholly owned subsidiary of the distributor. An affiliated company shall have originally bought the equipment directly from a licensed manufacturer.
16. A distributor may not buy or be provided gaming equipment from an out-of-state distributor unless the out-of-state distributor has the manufacturer ship the equipment directly to the licensed distributor and the manufacturer is licensed.
17. A distributor may not knowingly possess, display, sell, or provide an organization a deal of pull tabs, club special, tip board, prize board, or punchboard that:
 - a. Does not conform to the quality standards of sections 99-01.3-16-04 and 99-01.3-16-05;

- b. Has a manufacturer's or distributor's seal broken on the manufacturer's container or has been prohibited by the attorney general from sale or play within North Dakota; or
 - c. Contains pull tabs or punches that have winner protection features although they are not winning pull tabs or punches.
18. A distributor may not temporarily store any game that has a state gaming stamp affixed to its flare which has been sold. A sale occurs when a distributor issues a sales invoice. If a distributor sells or provides gaming equipment to another distributor, the distributor shall ship the equipment directly to the other distributor's address.
19. A distributor shall direct a manufacturer to ship gaming equipment directly to the distributor and the distributor shall have it unloaded at its warehouse. However, if a distributor buys equipment from a manufacturer for sale to another distributor or buys a flashboard, blower, jar bar, paddlewheel, or twenty-one, poker, or paddlewheel table for sale to an organization, the distributor may direct the manufacturer to ship the equipment directly to the other distributor or organization, including the organization's site.
20. A distributor may not separate a paper bingo card when there are two or more faces on a sheet.
21. A distributor may not:
- a. Sell or provide a dispensing device, fifty-fifty raffle system, site system with bingo card-marking devices, electronic quick shot bingo site operating system with card-marking devices, electronic pull tab device with operating system, and related equipment to an organization unless a model of the device or system has first been approved by the attorney general;
 - b. Modify an approved dispensing device model, electronic currency validator, fifty-fifty raffle system, site system with bingo card-marking devices, electronic quick shot bingo site operating system with card-marking devices, or an electronic pull tab device with operating system unless authorized by the attorney general; or
 - c. Rent a dispensing device to an organization unless the rent is for a fixed dollar rate per month or other duration. For a site system with bingo card-marking devices, a distributor may rent a site system with devices to an organization for a fixed dollar rate per month or other duration, or for a percentage or fixed dollar amount of rental income derived from players who use the devices. For an electronic quick shot bingo site operating system with card-marking devices, a distributor may rent a site operating system with devices to an organization for a fixed dollar rate per month or other duration, or a fixed rate per bingo card sold. For a fifty-fifty raffle system, a distributor may rent a system to an organization for a fixed dollar rate per month or other duration, or a fixed rate per ticket sold. For electronic pull tab devices with operating system, a distributor may rent devices with operating system to an organization for a fixed dollar rate per month or other duration, or a fixed rate per electronic pull tab ticket sold. Rent may not be based on gross proceeds, adjusted gross proceeds, or net income earned from bingo, raffles, or pull tabs. If a distributor rents a site system with bingo card-marking devices, electronic quick shot bingo site operating system with card-marking devices, fifty-fifty raffle system, or electronic pull tab devices with operating system to an organization, the distributor may have a manufacturer, on behalf of the distributor, issue an invoice to an organization; however, the organization shall remit all rent payments directly to the distributor.
22. A distributor may arrange for an organization to acquire a dispensing device through a financing lease purchase agreement with a finance or lease company. Although an

organization is deemed to own a device, a finance or lease company may have a security interest or ownership right in the device until the organization satisfies the lease.

23. If a distributor is an agent for another distributor in marketing a dispensing device, the agent is not required to complete a sales invoice. A distributor is an agent if it receives a commission and does not finance or take temporary possession or title to the device.
24. A distributor that sells or provides a new or used dispensing device to an organization or distributor, other than as an agent, or merely transacts a transfer of a device, for or without a fee, between two organizations, shall do the following unless that distributor contracts with another distributor to comply with this rule on its behalf:
 - a. Maintain an adequate inventory of electronic and mechanical parts in North Dakota, provide maintenance service, and provide technical assistance and training in the service and repair of a device;
 - b. Make available, upon request, electrical and mechanical parts to all other licensed distributors at the usual price for such parts; and
 - c. Notify the attorney general of any recurring electronic or mechanical malfunction of a device model.
25. A distributor that resells, transacts a transfer, rents, or provides a used dispensing device to an organization shall change or arrange to have changed all the keyed locks on the device.
26. A distributor shall initially set up a dispensing device, fifty-fifty raffle system, site system with bingo card-marking devices, electronic quick shot bingo site operating system with card-marking devices, electronic pull-tab devices with operating system, and related equipment at a site and before activation of the device or system, conduct and document one training session on the operation and service of each for employees of an organization that acquires a device or system for the first time. The training must be documented, which includes detailing what was covered in the training and a listing of the individuals of the organization who participated in the training. The documentation must be dated and attested to by each organization employee, the distributor representative, and for electronic pull-tab devices with operating system, by the manufacturer representative according to subsection 5 of section 99-01.3-16-09.6. A copy of this documentation must be retained by the organization and distributor. A distributor shall provide an operations manual to an organization operating a dispensing device, electronic pull-tab devices with operating system, fifty-fifty raffle system, site system with bingo card-marking devices, electronic quick shot bingo site operating system with card-marking devices, and related equipment.
27. If a modification or software upgrade is required for gaming equipment, a distributor must modify, upgrade, or replace the software or gaming equipment within the time frame established by the attorney general. Gaming equipment provided by a distributor that remains in operation without the required modification, upgrade, or replacement is considered unapproved by the attorney general.
28. A service technician may not access a dispensing device or electronic pull-tab device unless accompanied by an organization employee.
29. A distributor may not possess, in inventory, a processing chip encoded with proprietary software that was duplicated by the distributor for a dispensing device or electronic pull tab device usable in North Dakota.
30. A distributor may not sell or provide new video surveillance equipment or install video surveillance equipment for an organization unless the distributor is an approved vendor of the equipment or is approved by the attorney general.

31. If a distributor receives an administrative or criminal complaint or a citation from another state, it shall notify the attorney general in writing within thirty days of the date of the complaint or citation.
32. An electronic quick shot bingo site operating system with card-marking devices, fifty-fifty raffle system, site system with bingo card-marking devices, electronic pull-tab devices with operating system, and related equipment may only be sold or provided to an organization with a state gaming license.
33. A distributor shall report a malfunction of a fifty-fifty raffle system, site system with bingo card-marking devices, electronic quick shot bingo site operating system with card-marking devices, or electronic pull-tab devices with operating system, which affects the security or integrity of the system or the outcome of a game to the attorney general within the next business day of the date of occurrence.
34. Within five business days after installation, upgrading, converting, transfer, or removal of an electronic pull-tab device and operating system, a distributor shall submit an electronic pull-tab certification notice on a prescribed form to the attorney general.
35. All electronic pull-tab devices must be keyed in the following manner:
 - a. The logic compartment must be keyed with a lock that is different from all other locks. The logic compartment key is to be in the possession of the distributor. The organization may not have possession of this key. This key may not open any other area of any device. The logic compartment key can be universal for a manufacturer.
 - b. Each stacker drop box must have a separate key per site and be keyed differently than any other area of the device. This key is to only be in the possession of the organization. The distributor may not have access to this key.
 - c. The belly key or keys must be keyed separately from the logic compartment area and stacker drop box. This key may be universal to the organization. Only the organization may possess this key. A distributor may not have access to this key.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; July 1, 2012; April 1, 2016; July 1, 2018; January 1, 2023; [July 1, 2026](#).

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-14

99-01.3-15-09. State gaming stamp and return of gaming equipment.

1. A distributor shall maintain gaming stamps at its North Dakota office. A distributor may not provide a stamp to another distributor. If a distributor voids or does not use a stamp, it shall return the stamp to, or for electronic gaming stamps, notify the attorney general. There is no credit for a voided or unused stamp. If a distributor discontinues business, it shall return all voided and unused stamps to the attorney general within fourteen days after discontinuance of business.
2. If an organization returns an unplayed deal, game, or series containing a state gaming stamp, a distributor shall void the stamp and complete a form prescribed by the attorney general. A distributor may not take back an unplayed deal or game containing a stamp from an organization unless the distributor originally sold it or is authorized by the attorney general. If a distributor resells or reissues a deal, game, or series, the distributor shall affix a new stamp on the flare.
3. Distributors shall maintain records accounting for all state gaming stamps [and electronic state gaming stamps](#). A distributor shall complete an annual reconciliation of state gaming stamps

and electronic state gaming stamps. Any unaccounted for state gaming stamps and electronic state gaming stamps must be reported to the attorney general.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2018; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-14

99-01.3-15-10. Recordkeeping.

A distributor shall maintain complete, accurate, and legible accounting records in North Dakota. The records must be retained for three years and include, by month:

1. Purchase invoices for gaming equipment.
2. Sales of gaming and nongaming equipment, supplies, and services sold or provided on a distributor's invoice. A sales invoice must be prepared on a form approved by the attorney general and include:
 - a. License number of the distributor;
 - b. Business name and address of the buyer and business name and address where the gaming equipment or supplies were shipped to or where the service was performed;
 - c. License or permit number of the buyer, if applicable;
 - d. Invoice number and date;
 - e. Date shipped or date of service;
 - f. Indication for a credit memo;
 - g. Quantity, price, and description of each item of gaming equipment, supplies, and services. This includes the name of game and indication of the item as a deal of pull tabs, electronic deal of pull tabs, club special, prize board, tip board, seal board, raffle board, punchboard, sports-pool board, calcutta board, or series of paddlewheel ticket cards. For a deal of pull tabs (excluding jar tickets), it must include a manufacturer's form number. For an electronic deal of pull tabs, it must include the date the deal was downloaded for active play. For a series of paddlewheel ticket cards, it must include the number of paddlewheel ticket cards and number of tickets on each card. For a prize board, it must include separate costs, including sales tax, for a merchandise prize (if any), coins, and board and pull tabs. For paper bingo cards, it must include the primary color of single cards or primary color of the top card of collated booklets, type (number of faces on a sheet) of collated booklets or single cards, number of cards in a collated booklet, and serial number and size of series. For dispensing devices, it must include name of the device and its model and serial number. For a site system with bingo card-marking devices and electronic quick shot bingo site operating system with card-marking devices, it must include the quantity of devices and name, model and serial number, and version of the system and devices. For a fifty-fifty raffle system, it must include name of the system and its model and serial number. For electronic pull-tab devices with operating system, it must include the quantity, name, model, and serial numbers of the devices and version of the operating system. For service work performed, it must include the nature of the work and identify the system or device the work was performed on;
 - h. Gaming stamp number;
 - i. Ideal gross proceeds, ideal adjusted gross proceeds, price of a merchandise prize, and value of a last sale prize;

- j. An indication that a deal was resealed and the reason, if applicable; and
 - k. For electronic pull-tab devices with operating systems for which a fixed rate per electronic pull-tab ticket sold is charged, the sales invoice ~~must include~~, including a separate line item amount for each site and specific set of games that the fixed rates are being billed for. Charges for each specific set of games for a site must be easily identifiable on the sales invoice and must include the site name, manufacturer, and the date range for which the charges apply.
3. A sales invoice must be:
 - a. ~~Prenumbered~~Numbered consecutively with ~~a preprinted number of~~ at least four characters;
 - b. Prepared ~~in three parts~~ and issued as follows:
 - (1) ~~One part~~A copy to the customer;
 - (2) ~~One part~~A copy retained ~~in an invoice on~~ file by ~~customer name~~the distributor; and
 - (3) ~~One part to the attorney general~~. Every invoice, including voids, must be numerically accounted for; and
 - c. A credit memo for a returned item must be prepared and issued like a sales invoice. A credit memo must represent only a returned item.
 4. A sales journal must include the invoice date, number, total amount, and name of customer.
 5. A cash receipts journal must include cash sales, cash received from all sources, name of customer, date a payment is received, and amount.
 6. A cash payments journal must include checks issued, cash payments, date of check or payment, check number, name of payee, and type of expense.
 7. Record of voided gaming stamps on a form prescribed by the attorney general.
 8. Inventory records and reconciliation of inventories.
 9. A repair report for each service call on a dispensing device.
 10. Documentation of a training session conducted according to subsection 24 of section 99-01.3-15-02.
 11. A manufacturer's invoice that references a rental fee charged an organization for a site system with bingo card-marking devices, an electronic quick shot bingo site operating system with card-marking devices, fifty-fifty raffle system, and electronic pull-tab devices with operating system.
 12. A monthly report detailing, for each different variation of electronic pull-tab game, the total number of times a deal for the game was downloaded to an organization site server for play. The report must include for each deal, manufacturer, game name, state gaming stamp number, game serial number, number of pull tabs, cost per play, ideal gross proceeds, ideal prizes, and pay out percentage.
 13. Perpetual inventory records of bingo card-marking devices used with site systems and of card-marking devices used with electronic quick shot bingo site operating systems, which must include the organization name, site, model of device, serial number of device, and dates issued to and returned from a site.

14. Perpetual inventory records of fifty-fifty raffle systems which must include the organization name, site, control programs installed, and number of sales units.
15. Perpetual inventory records of electronic pull-tab devices with operating systems, which must include the organization name, site, control programs installed, and number of electronic pull-tab devices at the site. For each electronic pull-tab device, the inventory records must include manufacturer, unique serial number, model number, and date of manufacture. This information must be retained for three years.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; July 1, 2010; July 1, 2012; April 1, 2016; July 1, 2018; January 1, 2023; [July 1, 2026](#).

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CHAPTER 99-01.3-16 MANUFACTURERS

Section

99-01.3-16-01	License
99-01.3-16-02	Background Investigation and Notification of Complaint in Another State
99-01.3-16-03	Restrictions and Requirements
99-01.3-16-04	Quality Standards for Pull Tabs
99-01.3-16-05	Quality Standards for Punchboards
99-01.3-16-06	Quality Standards for Bingo Cards Used in a Dispensing Device [Repealed]
99-01.3-16-07	Ban or Recall of Defective Pull Tabs or Punchboards
99-01.3-16-08	Manufacturing Specifications - Dispensing Device
99-01.3-16-09	Standards for a Currency Validator - Dispensing Device
99-01.3-16-09.1	Manufacturing Specifications - Site Operating Systems with Bingo Card-Marking Devices
99-01.3-16-09.2	Manufacturing Specifications - Bar Code Credit Device
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99-01.3-16-09.5	Manufacturing Specifications - Electronic Raffle Systems
99-01.3-16-09.6	Manufacturing Specifications - Electronic Pull-Tab Device With Operating System
99-01.3-16-09.7	Manufacturing Specifications - Credit Ticket Voucher Redemption Kiosk
99-01.3-16-10	Testing, Approval, and Recall
99-01.3-16-11	Sales Invoice

99-01.3-16-09.6. Manufacturing specifications - Electronic pull-tab device with operating system.

An electronic pull-tab device is part of an electronic pull-tab device operating system approved by the attorney general. An electronic pull-tab device operating system must be dedicated primarily to electronic accounting, reporting, and the presentation, randomization, and transmission of electronic pull tabs to the electronic pull-tab device. It also must be capable of generating the data necessary to provide the reports required within this section or otherwise specified by the attorney general. A manufacturer of an electronic pull-tab device with operating system must have the device and system tested by an approved independent testing laboratory as required in section 99-01.3-16-10. All game themes, sounds, and music also must be approved by the attorney general prior to being available for play on an electronic pull-tab device in North Dakota. An electronic pull-tab device and operating system and related equipment used in the conduct of electronic pull tabs according to chapter 99-01.3-06.1 must meet these specifications:

1. All equipment used to facilitate the distribution, play, or redemption of electronic pull tabs must be physically located within the boundaries of the state of North Dakota. Electronic pull-tab device operating systems and all secondary components must be located on the licensed premises.
2. At least seven calendar days before an electronic pull-tab device and operating system enter the state of North Dakota, a manufacturer shall report the following information to the attorney general in writing:
 - a. Serial number of the electronic pull-tab device;
 - b. How the electronic pull-tab device will be transported into the state and name and address of the common carrier or person that will be transporting the electronic pull-tab device;
 - c. Gaming distributor and site where the pull-tab device will be placed;

- d. Identification number of software components;
 - e. Certification; and
 - f. Date of delivery.
3. At least seven calendar days before removal of an electronic pull-tab device and operating system from the state of North Dakota, the manufacturer shall report the following information to the attorney general in writing:
 - a. Serial number of the electronic pull-tab device;
 - b. Date on which it was removed;
 - c. Destination of the electronic pull-tab device; and
 - d. Name of the person to whom the electronic pull-tab device is to be transferred to, including the person's street address, business and home telephone numbers, how the electronic pull-tab device is to be transported, and name and address of the common carrier or person transporting the electronic pull-tab device.
 4. A manufacturer's central computer system must include a central server located in North Dakota which is accessible to the attorney general. The attorney general shall have the ability to remotely verify the operation, compliance, and internal accounting systems of the electronic pull-tab operating system at any time. The attorney general shall have real time and complete access to all data and reports for all systems and devices.
 5. Manufacturers shall provide technical assistance and training in the service and repair of its electronic pull-tab devices and operating systems and associated equipment to distributors and organizations to ensure the continued, approved operation, and play of its devices and systems placed in the state. Manufacturers shall assist distributors according to subsection 26 of section 99-01.3-15-02 and a manufacturer representative shall sign and attest to the training provided on the required training document.
 6. An electronic pull-tab device site operating system must have a dedicated system site server. All electronic pull-tab games and game information must be stored on the site server. The site server must back up all game and accounting information automatically to the manufacturer's central server, at a minimum, immediately after the close of electronic pull-tab activity at a site each business day. All electronic pull-tab deals are considered in play when starting an electronic pull-tab game or when an electronic pull-tab deal is added to a game and all deals are considered in play until the game is closed.
 7. An electronic pull-tab device is only used as a means to communicate with a system site server and play electronic pull tabs. A device may not communicate game information directly to a manufacturer's central server. No electronic pull-tab game information may be stored on a device. All games and game information must be stored on the dedicated system site server. An electronic pull-tab device must allow a player to purchase an opportunity to play an electronic pull tab by insertion of United States paper currency or by insertion of the manufacturer's credit ticket voucher. A player wins if the player's electronic pull tab contains a combination of numbers, letters, or symbols that were designated in advance of the game as a winning combination. Each winning line or pattern on a winning pull tab constitutes an individual win. There may be multiple winning lines or patterns on each pull tab. Electronic pull-tab devices must only allow players to purchase and play electronic pull tabs. No other game may be played or represented that is a currently authorized North Dakota gaming activity. Authorized games for electronic pull-tab devices must conform to the following standards:

- a. The available games, master flare for each game, and rules of play must be displayed on the electronic pull-tab device's video screen. Rules of play must include all winning combinations. The display clearly must indicate prizes in United States currency amounts.
- b. All prize structure information for a deal must be accessible by a player, prior to purchase of an electronic pull-tab ticket.
- c. The electronic pull-tab device must have one or more buttons, electromechanical or touchscreen, to facilitate the following functions:
 - (1) Viewing of the game "help" screens;
 - (2) Viewing of the game rules, including the flare and prize structure information for a deal of a game, which includes the number of winners for each prize denomination;
 - (3) Initiating game play;
 - (4) Cash out; and
 - (5) One or more buttons designated to reveal the pull tab windows.
- d. Each electronic pull tab initially must be displayed so that the numbers, letters, or symbols on the pull tab are concealed. Each electronic pull-tab game must require the player to press a "play", "purchase", "open", or equivalent button to initiate the play of an electronic pull tab. A player may have the option of opening each individual line, row, or column of each electronic pull tab or may choose to "open all".
- e. An electronic pull-tab game may not have any bonus features or have or be part of a progressive system. No level of player skill may be involved. An extended play feature may be used in which a player may play without additional consideration. The extended play feature must not interfere with or in any way affect the outcome of any finite game being played.
- f. No more than twelve electronic pull-tab game titles may be selectable for play on any given electronic pull-tab device operating system. Only one of the game titles can be played on an electronic pull-tab device at any given time.
- g. Game themes may not contain offensive or obscene graphics, animations, or references. The attorney general shall determine what constitutes obscene or offensive graphics, animations, or references.
- h. An electronic pull-tab device may not be capable of displaying any enticing animation while in an idle state. A device not in play may not display flashing lights or illuminations, bells, whistles, or other sounds, solely intended to entice players to play. Only game information or licensed gaming organization promotion, or both, may be displayed while not in play. An electronic pull-tab device may use simple display elements or screen savers that promote the licensed charitable organization to prevent monitor damage.
- i. Following play on an electronic pull-tab device, the result must be clearly shown on the video display along with any prizes that may have been awarded. Prizes must be dispensed in the form of a credit ticket voucher or added to the credit balance meter.
- j. The results of the electronic pull tab must be shown to the player using a video display. No rolling, flashing, or spinning animations are permitted. No rotating reels marked into horizontal segments by varying symbols are permitted.

- k. The default electronic pull-tab device display, upon entering game play mode, may not be the top prize.
8. An available balance may be collected from the electronic pull-tab device by the player by pressing the "cash out" button and receiving a credit ticket voucher at any time other than during:
 - a. A game being played;
 - b. While in an audit mode;
 - c. Any door open;
 - d. Test mode;
 - e. A credit meter or win meter incrementation, unless the entire amount is placed on the meters when the "cash out" button is pressed; or
 - f. An error condition.
9. An electronic pull-tab device may not have hardware or software that determines the outcome of any electronic pull tab, produces its own outcome, or affects the order of electronic pull tabs as dispensed from the electronic pull-tab operating system. The game outcome must be determined by the electronic pull-tab operating system as outlined within these rules.
10. An electronic pull-tab device may not be capable of displaying the number of electronic pull tabs that remain in the game or the number of winners or losers that have been awarded or still remain in the game while the game is still being played.
11. Each electronic pull-tab deal must meet the following minimum requirements:
 - a. Each deal must be made up of a fixed number of electronic pull tabs not to exceed a maximum of fifteen thousand and no less than two thousand electronic pull tabs;
 - b. All electronic pull tabs in a particular deal must be of the same purchase price and may not exceed the maximum two dollar sales price per pull tab set forth by North Dakota Century Code section 53-06.1-08;
 - c. The maximum prize amount awarded for a winning combination of numbers, letters, or symbols on each electronic pull tab may not exceed five hundred dollars as set forth for pull tabs by North Dakota Century Code section 53-06.1-08;
 - d. A deal must have at least two top tier winning pull tabs;
 - e. Each deal may not payout more than ninety percent of gross proceeds;
 - f. Each deal must be assigned a unique serial number; and
 - g. Each deal must be assigned a unique state gaming stamp number by the distributor prior to delivery to the organization site server.
12. The following electronic pull-tab deal information must be available prior to the opening of a deal for distribution and must be maintained and be viewable both electronically and, if requested, by printed report:
 - a. Game identification;
 - b. Deal version;

- c. Manufacturer;
- d. Game name;
- e. Prize structure identification;
- f. ~~The state gaming stamp number assigned by the distributor for each deal;~~
- ~~g.~~ A unique serial number identifying each deal;
- ~~h.~~g. The total number of electronic pull tabs in the deal;
- ~~i.~~h. The purchase price per electronic pull tab assigned to the deal;
- ~~j.~~l. Prize structure, including each prize value included in the deal and the number of each; and
- ~~k.~~j. The payout percentage of the deal.

13. At the beginning of a quarter, at least two, and no more than two electronic pull-tab deals must be downloaded and commingled on the site server for each game. The games deal must be identical, which includes game identification, deal version, manufacturer, game name, total number of electronic pull tabs, purchase price per electronic pull-tab ticket, and prize structure.
14. For each game, when the unsold tickets of the original starting identical two deals reach two thousand pull-tab tickets remaining, at least one full deal, but no more than one additional identical deal of the same game, must be automatically downloaded onto the site server and commingled with the remaining two thousand tickets of that game. Each time the two thousand ticket threshold is reached, an additional deal must automatically be downloaded and commingled with the remaining electronic pull-tab tickets in the game continuously throughout the entire quarter.
15. All games must be played by drawing from commingled finite deals. The site server must dispense, upon request from an electronic pull-tab device, an electronic pull tab. All finite games must be played without replacement. Once dispensed, a pull tab cannot be reused.
16. ~~No~~A game may not be closed during a quarter unless approved by the attorney general and all games must be closed at the same time within fourteen calendar days from the end of a quarter. Once closed, a game and its deals for a manufacturer cannot be reopened. Quarter beginning and end dates are:
 - a. January first through March thirty-first;
 - b. April first through June thirtieth;
 - c. July first through September thirtieth; and
 - d. October first through December thirty-first.
17. Electronic pull-tab games or deals must be closed and archived at the end of each quarter. No closed electronic pull-tab game or ticket can be sold after the electronic pull-tab game is closed.
18. One or more electronic accounting systems must be required to perform reporting and other functions in support of the electronic pull-tab operating system activities described in this section. These systems may communicate with the other computers described elsewhere in

this document, utilizing the protocol standards agreed upon by the participating suppliers. The electronic accounting system must not interfere with the outcome of any gaming functions.

19. An organization **mustshall** have the capability to access an electronic pull-tab device operating system to generate and print all required system reports, close a set of electronic pull-tab games, and download a set of electronic pull-tab games without assistance from a manufacturer or distributor.
20. An organization **mustshall** have the capability to access an electronic pull-tab device operating system to select the individual games and cost per play they want to download and play each quarter without assistance from a manufacturer or distributor. A manufacturer or distributor may not require that a certain game and cost per play, or group of games and cost per play, or particular set of games and cost per play be required to be downloaded and played.
21. If an electronic pull-tab device operating system is taken down and made nonoperational during an active session, the system must send a notification to all pull-tab devices and display the notification on the display screen. In addition, if credits remain on any device when a system is taken down and made nonoperational, the system must immediately have the devices issue credit ticket vouchers to the players that have credits remaining on a device's credit meter.
22. An electronic pull-tab device operating system site server along with the manufacturer's central computer system's central server must account for and provide accounting information on all electronic pull-tab activity for three years from the end of the quarter in which the activity occurred. An electronic pull-tab device operating system site server along with the manufacturer's central computer system's central server must have the capabilities that allow an organization to generate and print the following records and reports:
 - a. Interim period electronic pull-tab device activity report - accounts for electronic pull-tab activity for an interim period by device and total. An interim period is the accounting period for electronic pull-tab activity since the last time activity was accounted for. If a manufacturer's credit ticket voucher redemption kiosk is used in conjunction with a manufacturer's electronic pull-tab device operating system, the interim period electronic pull-tab device activity report must also include the information according to subdivision a of subsection 7 of section 99-01.3-16-09.7.
 - (1) The following information is required on the report:
 - (a) Organization name;
 - (b) Site name;
 - (c) Name of manufacturer;
 - (d) Beginning and ending date and time of the interim period;
 - (e) Date and time the report is generated by the organization. This must be the same as the ending date and time of the interim period. If included on the report, the print date and time may be different;
 - (f) For each device, a separate section on the report that includes:
 - [1] Device identification or serial number;
 - [2] Total cash in;
 - [3] Total dollar value of credit ticket vouchers in;

- [4] Total dollar value of cash in plus total dollar value of credit ticket vouchers in;
 - [5] Total dollar value of credit ticket vouchers issued out; and
 - [6] For each game and cost per play;
 - [a] Total dollar value of gross proceeds (plays);
 - [b] Total dollar value of prizes awarded; and
 - [c] Total dollar value of adjusted gross proceeds (gross proceeds less prizes awarded); and
- (g) A summary section, which includes:
- [1] Total cash in for all devices for the interim period;
 - [2] Total dollar value of credit ticket vouchers in for all devices for the interim period;
 - [3] Total dollar value of cash in plus total dollar value of credit ticket vouchers in for all devices for the interim period;
 - [4] Total dollar value of credit ticket vouchers issued out by all devices for the interim period;
 - [5] For each game and cost per play:
 - [a] Total dollar value of gross proceeds (plays) for all devices;
 - [b] Total dollar value of prizes awarded for all devices; and
 - [c] Total dollar value of adjusted gross proceeds (gross proceeds less prizes awarded) for all devices; and
 - [6] Totals for all games and cost per play:
 - [a] Total dollar value of gross proceeds (plays) for all games and cost per play;
 - [b] Total dollar value of prizes awarded for all games and cost per play; and
 - [c] Total dollar value of adjusted gross proceeds (gross proceeds less prizes awarded) for all games and cost per play.
- (2) All devices must be accounted for on the interim period electronic pull-tab device activity report even if there was no activity or play on a device.
- (3) A manufacturer's electronic pull-tab device site operating system must be capable of identifying the beginning date and time of an interim period, which must be the ending date and time of the previous interim period electronic pull-tab device activity report that was generated for the site electronic pull-tab activity.
- (4) The site operating system may not allow for the overlap of reporting between two or more interim periods nor may the site operating system allow for unaccounted activity between interim periods. An interim period electronic pull-tab device activity

report may not include electronic pull-tab activity from electronic pull-tab games that have been closed.

- (5) The site operating system must ensure that the game information, total gross proceeds (total dollar value of plays), total dollar value of prizes awarded, and total adjusted gross proceeds, for each game and cost per play, from all interim period electronic pull-tab device activity reports generated for a quarter of electronic pull-tab activity at a site, equals the game information for each game and cost per play accounted for on the electronic pull-tab closed game summary report, generated when all electronic pull-tab games are closed at a site at the end of each quarter.
- b. Deals in play report - accounts for all electronic deals of pull tabs currently in play for each game and cost per play at a site.
- (1) The following information is required on the report:
 - (a) Organization name;
 - (b) Site name;
 - (c) Name of manufacturer;
 - (d) Date and time the report is generated by the organization; and
 - (e) For each game and cost per play, a separate section on the report that includes:
 - [1] Game name;
 - [2] Cost per pull tab;
 - [3] Number of pull tabs per deal;
 - [4] Ideal gross proceeds per deal;
 - [5] Ideal prizes per deal;
 - [6] Payout percentage per deal;
 - [7] Total number of deals put into play for the game; and
 - [8] For each deal put into play for the game:
 - [a] State gaming stamp number of each deal;
 - [b] Serial number of each deal; and
 - [c] Date and time each deal was put into play.
 - (2) A manufacturer's electronic pull-tab device site operating system must allow an organization to generate and print this report whenever the organization deems necessary during a quarter.
 - (3) This report when generated must account for all electronic deals of pull tabs for a game and cost per play at a site from the time the game was first put into play through the date and time the report is generated by the organization. This includes deals that may have had all of its tickets sold before the report generation date and

time. All electronic deals that have been downloaded onto the system for play for each game and cost per play must be accounted for on this report.

- (4) This report may not include any information as it relates to the number of pull tabs sold, number of unsold pull tabs, or prizes awarded for each deal or game.
- c. Monthly interim audit report - accounts for electronic pull-tab game information for each game and cost per play conducted at a site from the date and time the electronic pull-tab games were first put into play through the date and time that the report is generated.
- (1) The following information is required on the report:
 - (a) Organization name;
 - (b) Site name;
 - (c) Name of manufacturer;
 - (d) Beginning and ending date and time of the interim audit period;
 - (e) Date and time the report is generated by the organization;
 - (f) Game name and cost per play;
 - (g) For each game and cost per play:
 - [1] Total dollar value of gross proceeds (plays);
 - [2] Total dollar value of prizes awarded; and
 - [3] Total dollar value of adjusted gross proceeds (gross proceeds less prizes awarded); and
 - (h) Totals for all games and cost per play for gross proceeds, prizes, and adjusted gross proceeds.
 - (2) A manufacturer **mustshall** ensure that each time a monthly interim audit report is generated that its electronic pull-tab device site operating system is accounting for gross proceeds (the total dollar value of plays), prizes awarded, and adjusted gross proceeds for each electronic pull-tab game and cost per play on a site system from the time the games were first put into play at a site through the date and time the organization generates the report.
 - (3) An organization is required to generate and print this report at the end of the first and second months of a quarter and retain the reports with all other accounting records and reports for the electronic pull-tab activity conducted at a site each quarter. ~~An independent audit person of the organization is required to reconcile the totals for all games and cost per play information from the monthly interim audit report to the game summary report for all games conducted at the site at the end of the first and second months of a quarter.~~ However, a manufacturer's electronic pull-tab device site operating system must allow an organization to generate and print this report whenever the organization deems necessary during a quarter.
 - (4) The manufacturer's electronic pull-tab device site operating system must ensure that a monthly interim audit report only may be generated after an organization has completed an interim period visit to a site and has generated the interim period electronic pull-tab device activity report.

- (5) This report may not include any information as it relates to the number of unsold pull tabs remaining in the game or a breakdown of prizes awarded, including prize values and quantity of each.
- d. Electronic pull tab closed game summary report - accounts for the activity of each electronic pull-tab game and cost per play conducted on an electronic pull-tab device site operating system at the end of each quarter.
- (1) The following information is required on the report:
 - (a) Organization name;
 - (b) Site name;
 - (c) Name of manufacturer;
 - (d) Date and time the report is generated by the organization;
 - (e) For each game and cost per play, a separate section on the report that includes:
 - [1] Game name;
 - [2] Cost per pull tab;
 - [3] Number of pull tabs per deal;
 - [4] Ideal gross proceeds per deal;
 - [5] Ideal prizes per deal;
 - [6] Ideal payout percentage per deal;
 - [7] Total number of deals played in the game;
 - [8] For each deal played in the game:
 - [a] State gaming stamp number of each deal;
 - [b] Serial number of each deal; and
 - [c] Date and time each deal was put into play;
 - [9] Ideal gross proceeds for game;
 - [10] Total number of unsold pull tabs;
 - [11] Dollar value of unsold pull tabs;
 - [12] Total dollar value of gross proceeds (plays) for the game;
 - [13] Total dollar value of prizes awarded for the game, including a breakdown of prizes by individual prize value and quantity of each awarded. For electronic pull tabs with multiple winners, each winning line or pattern must be accounted for separately by individual prize denomination;
 - [14] Total dollar value of adjusted gross proceeds (gross proceeds less prizes awarded) for the game;
 - [15] Final payout percentage for the game; and

[16] Date and time the game was closed; and

(f) Summary section, ~~totals for all games for each game name~~ and cost per play, and in total, that includes:

[1] Total dollar value of gross proceeds (plays) ~~for all games and cost per play~~;

[2] Total dollar value of prizes awarded ~~for all games and cost per play~~;

[3] Total dollar value of adjusted gross proceeds (gross proceeds less prizes awarded) ~~for all games and cost per play; and~~;

[4] Totals for gross proceeds, prizes, and adjusted gross proceeds; and

[5] Total number of deals played including a list of all gaming stamp numbers.

(2) A manufacturer's electronic pull-tab device site operating system must ensure that the final interim period electronic pull-tab device activity report is generated for the site immediately before the site operating system allows the organization to close all electronic pull-tab games at the site and generate the electronic pull-tab closed game summary report.

(3) The site operating system must ensure that the game information, total gross proceeds (total dollar value of plays), total dollar value of prizes awarded, and total adjusted gross proceeds, for each game and cost per play, from all interim period electronic pull-tab device activity reports generated for a quarter of electronic pull-tab activity at a site, equals the game information for each game and cost per play accounted for on the electronic pull-tab closed game summary report, generated when all electronic pull-tab games are closed at a site at the end of each quarter.

(4) The electronic pull-tab device site operating system may not allow this report to be generated before all electronic pull-tab games have been closed at a site. Only upon the close of the games at the end of the quarter can the finite details of the games be made available. Generating this report before the games being closed must cause immediate and automatic termination of all games.

23. All four electronic pull-tab system reports required by subdivisions a through d of subsection 22 of section 99-01.3-16-09.6 must be formatted as prescribed by the attorney general and approved by the office.

24. A manufacturer ~~must~~ shall ensure that exact copies of all electronic pull-tab system reports required by North Dakota Administrative Code, which are generated by the organization, are readily and easily accessible for viewing and printing by the attorney general. The game information terminology (e.g. gross proceeds, prizes, adjusted gross proceeds) used on the required system generated reports for electronic pull-tab games must be identical to the terminology used by North Dakota Administrative Code for the game type. The reports must be retained by report type and include the date and time the report was generated and listed by the organization's name and then by site name. The report viewing must have the capability to search by the organization's license number and the site names where the manufacturer's electronic pull-tab activity is conducted must be listed as a drop-down option which can be selected to obtain the reports according to subsection 22. The reports must be retained for three years from the end of the quarter in which the electronic pull-tab activity occurred. In addition, the attorney general shall have the ability to generate and print, at any time, the deals in play report and monthly interim audit report for electronic pull-tab activity conducted at any site in the state of North Dakota.

25. The only reports that an organization shall have access to and generate as it relates to the actual accounting and specific details of electronic pull-tab activity conducted at a site using an electronic pull-tab device operating system are the four reports prescribed by subdivision a through d of subsection 22 of section 99-01.3-16-09.6. ~~No other~~Other additional reports that a manufacturer may have developed, which detail the actual accounting information and specific details relating to electronic pull-tab activity conducted at a site using an electronic pull-tab device operating system, may not be accessible to an organization while the electronic pull-tab games are actively in play.
26. An organization is responsible for generating all required electronic pull-tab system reports and the closing of all electronic pull-tab games at a site. The manufacturer may not complete these functions for the organization.
27. A manufacturer, at the request of an organization, distributor, or for any reason, may not change data on an electronic pull-tab device site operating system that affects the reporting and accounting of electronic pull-tab activity. A manufacturer ~~must~~ immediately shall notify the attorney general if the manufacturer identifies a problem with an electronic pull-tab device site operating system that relates to the collection, storing, or reporting of electronic pull-tab activity at a site.
28. A manufacturer ~~must~~shall ensure that the attorney general has access to an electronic pull-tab activity report that includes game and accounting information for all sites that conduct electronic pull-tab activity in the state of North Dakota. The attorney general must have the capabilities to generate and print the report for any date range, for any organization and site, and for all sites in total. The following information is required to be included on the report:
 - a. Total cash in;
 - b. Total gross proceeds (plays);
 - c. Total prizes awarded;
 - d. Total adjusted gross proceeds;
 - e. Payout percentage; and
 - f. Total dollar value of credit ticket vouchers issued.
29. An organization's electronic pull-tab device operating system must be programmed for hours of operation based on when alcoholic beverages may be dispensed according to applicable regulations of the state, county, or city.
30. Electronic pull-tab devices must be a stand-alone cabinet style device. ~~No~~A device may not be a hand-held portable device or affixed to a bar, counter, or table top. Electronic pull-tab devices must conform to the following minimum standards:
 - a. An electronic pull-tab device must be labeled clearly so as to inform the public that no one under twenty-one years of age is allowed to play;
 - b. No more than ten devices may be installed at a site;
 - c. An electronic pull-tab device must be used only ~~be used~~ to play electronic pull tabs. ~~No other~~Another game type may not be played or be simulated on the device and no level of skill must be involved;
 - d. An electronic pull-tab device may not be part of a progressive system or employ any other features, such as bonus plays, promotions, or other gaming management or

marketing functions. An extended play feature may be used in which a player may play without additional consideration. An extended play feature must not interfere with or in any way affect the outcome of any finite game being played. If an extended play feature is used, a notification must be provided to the player explaining that an extended play feature is used on the game and that "Extended play features prolong the play of an electronic pull-tab ticket but do not award a prize in addition to the predetermined prize for that ticket";

- e. In addition to a video or touchscreen, each electronic pull-tab device must include a currency acceptor and validator, printer, and buttons for activating the game and providing player input, including a means for the player making selections and choices in games;
- f. Each electronic pull-tab device must have a nonvolatile backup memory or its equivalent, which must be maintained in a secure compartment on each electronic pull-tab device for the purpose of storing and preserving a redundant set of critical data which has been error-checked in accordance with the critical memory requirements of this regulation and which data must include, at a minimum, the following information:
 - (1) Electronic meters as required by subsection 45;
 - (2) Recall of all ticket purchases and electronic ticket numbers and serial numbers associated with the last ten plays; and
 - (3) Error conditions that may have occurred on the electronic pull-tab device which include:
 - (a) Nonvolatile memory error control program error;
 - (b) Low nonvolatile memory battery, for batteries external to the nonvolatile memory itself, or low power source;
 - (c) Program error or authentication mismatch; and
 - (d) Power reset;
- g. An on/off switch that controls the electrical current that supplies power to the electronic pull-tab device, which must be located in a secure place;
- h. An electronic pull-tab operating system must support a mechanism to manually disable play on electronic pull-tab devices. Additionally, a mechanism to disable or enable each electronic pull-tab device must be made available to appropriate individuals to disable play during nonbusiness hours or as otherwise required;
- i. An electronic pull-tab device may not have any spinning or mechanical reels, pull handle, sounds or music solely intended to enticing a player to play, flashing lights, tower light, coin tray, hopper, coin acceptor, enhanced animation, cabinet or pay glass artwork, or any other attribute identified by the attorney general; and
- j. All hardware switches and jumpers must be fully documented for evaluation by the test laboratory. Hardware switches, jumpers, and system configurations that may alter the jurisdictional-specific configuration settings, prize structure, game denomination, or payout percentages must meet configuration settings specified in subdivision e of subsection 12 and must be housed within a logic compartment of the electronic pull-tab device. This includes top prize changes, selectable settings, or any other option that would affect payout percentage.

31. An electronic pull-tab device must be robust enough to withstand forced entry that would leave behind physical evidence of the attempted entry, or such entry causes an error code that is displayed and transmitted to the central computer system, and which inhibits game play until cleared, and which does not affect the subsequent play or any other play, prize, or aspect of the game.
32. An electronic pull-tab device must be designed so that power and data cables into and out of the electronic pull-tab device can be routed so that they are not accessible to the general public. Security related wires and cables that are routed into a logic compartment must be securely fastened within the interior of the device.
33. Proof of UL or equivalent certification must be required for all submitted electronic pull-tab devices.
34. An electronic pull-tab device must have an identification tag affixed to the exterior of the device by the manufacturer, which is not removable without leaving evidence of tampering, and this tag must include the following information:
 - a. The manufacturer;
 - b. A unique serial number;
 - c. The electronic pull-tab device model number; and
 - d. The date manufactured.
35. An electronic pull-tab device may not be adversely affected, other than resets, by surges or dips of greater than twenty percent of the supply voltage.
36. An electronic pull-tab device must have a locked external front door in which the interior of the terminal must not be readily accessible when such door is in the closed, locked position. The following rules apply:
 - a. Doors must be manufactured of materials that are suitable for allowing only legitimate access to the inside of the cabinet and must leave evidence of tampering if such an entry is made;
 - b. All external doors must be locked and monitored by door access sensors, which must detect and report all external door openings to the electronic pull-tab device and trigger an audible alarm and on-screen display;
 - c. The electronic pull-tab device must cease play when any external door is opened;
 - d. It must not be possible to insert a device into the electronic pull-tab device which will disable a door open sensor when the electronic pull-tab device's door is closed, without leaving evidence of tampering;
 - e. The sensor system must register a door as being open when the door is moved from its fully closed and locked position, provided power is supplied to the terminal; and
 - f. Door open conditions must be recorded in an electronic log that includes a date and time stamp.
37. Electronic pull-tab devices that contain control programs located within an accessible area must have a separate internal locked logic compartment which must be keyed differently than the front door access lock. The logic compartment must be a locked cabinet area with its own locked door, which houses critical electronic components that have the potential to significantly influence the operation of the electronic pull-tab device. There may be more than

one such logic area in an electronic pull-tab device. The logic door must be monitored. Electronic components that are required to be housed in one or more logic areas are:

- a. Central processing units and any program storage device that contains software that may affect the integrity of gaming, including the game accounting, system communication, and peripheral firmware devices involved in, or which significantly influence, the operation and calculation of game play, game display, game result determination, or game accounting, revenue, or security;
 - b. The nonvolatile memory backup device, if applicable, must be kept within a locked logic area; and
 - c. Logic compartment door open conditions must be recorded in a log that includes a date and time stamp.
38. All electronic pull-tab devices must accept United States paper currency or a credit ticket voucher only through a currency validator. All currency validators must be able to detect the entry of valid currency or credit ticket vouchers and provide a method to enable the electronic pull-tab device software to interpret and act appropriately upon a valid or invalid input. The currency validator must be electronically based and be configured to ensure that they only accept valid currencies of legal tender or valid credit ticket vouchers and must reject all other items. Rejected currencies or rejected credit ticket vouchers should be returned to the player. The currency validator must be constructed in a manner that protects against vandalism, abuse, or fraudulent activity. In addition a currency validator must meet the following rules:
- a. Each valid currency or valid credit ticket voucher must register the actual monetary value received for the denomination or credit ticket voucher being used on the player's credit meter;
 - b. Credits must only be registered when:
 - (1) The currency or valid credit ticket voucher has passed the point where it is accepted and stacked; and
 - (2) The validator has sent the "irrevocably stacked" message to the electronic pull-tab device;
 - c. Each currency validator must be designed to prevent the use of cheating methods, such as stringing, the insertion of foreign objects, and any other manipulation that may be deemed as a cheating technique. A method for detection of counterfeit currencies must be implemented;
 - d. Acceptance of any currencies or valid credit ticket voucher for crediting to the credit meter must only be possible when the electronic pull-tab device is enabled for play. Other states, such as error conditions, including door opens, audit mode, and game play, must cause the disabling of the currency validator system;
 - e. Each electronic pull-tab device and currency validator must have the capability of detecting and displaying the following error conditions, and must cause the electronic pull-tab device and currency validator to lock up and require authorized intervention to clear:
 - (1) Stacker full;
 - (2) Currency or credit ticket voucher jams;
 - (3) Stacker door open;

- (4) Stacker removed; and
 - (5) Any currency validator malfunction not specified above;
 - f. All currency validators must communicate to the electronic pull-tab device using a bidirectional protocol;
 - g. If a currency validator for an electronic pull-tab device is designed to be factory set only, it must not be possible to access or conduct maintenance or adjustments to those currency validators in the field, other than:
 - (1) The selection of currencies;
 - (2) Changing of certified control program media or downloading of certified software;
 - (3) Adjustment of the currency validator for the tolerance level for accepting currencies of varying quality should not be allowed externally to the electronic pull-tab device;
 - (4) Maintenance, adjustment, and repair per approved factory procedures; or
 - (5) Options that set the direction or orientation of currency acceptance.
 - h. The electronic pull-tab device must maintain sufficient electronic metering to be able to display the following:
 - (1) Total monetary value of all currencies accepted;
 - (2) Total number of all currencies accepted; and
 - (3) A breakdown of the currencies accepted and the number of currencies accepted for each currency denomination;
 - i. The information in subdivision h must be retained in the electronic pull-tab device memory and display the above required information of the last five currencies accepted by the currency validator. The currency validator recall log may be combined or maintained separately by currency type. If combined, the type of currency accepted must be recorded with the respective time and date stamp;
 - j. Each currency validator must have a secure stacker and all accepted currencies must be deposited into the secure stacker. The secure stacker and its receptacle are to be attached to the electronic pull-tab device in such a manner so that they cannot be easily removed by physical force and must meet the following rules:
 - (1) The currency validator device must have the ability to detect a stacker full condition; and
 - (2) There must be a separate keyed lock to access the stacker area. This keyed lock must be separate from the main door; and
 - k. A currency validator must be located in a locked area of the terminal but not in the logic area. Only the currency insertion area will be accessible by the player.
39. All electronic pull-tab devices must have a printer to issue the player a printed credit ticket voucher for any unused game plays and winnings or both. The printer must print on a voucher or other ticket stock meeting the criteria outlined in this section. The electronic pull-tab device must support the transmission of voucher out data to the electronic pull-tab system that records the following information regarding each credit ticket voucher printed:

- a. Value of cash out which may include remaining credits, unused game plays, or winnings, or any combination, in United States currency amounts in numerical form;
- b. Time of day the voucher was printed in twenty-four hour format showing hours and minutes;
- c. Date the voucher was printed, including the day, month, and year;
- d. The name of the organization and site name;
- e. Serial number of the electronic pull-tab device which printed the voucher;
- f. Validation number which can be used to uniquely identify each voucher issued;
- g. Barcode;
- h. At a minimum, an offline authentication identifier must be printed on the immediate next line following the leading edge validation number that in no way overwrites, or otherwise compromises, the printing of the validation number on the ticket. The offline authentication identifier must be derived by a hash, or other secure encryption method of at least one hundred twenty-eight bits, which uniquely identifies the voucher, verifies the redeeming system was also the issuing system, and validates the amount of the voucher;
- i. The phrase that the credit ticket voucher must be redeemed on the same business day; and
- h.j. If the electronic pull-tab device is capable of printing a duplicate voucher, the duplicate voucher must clearly state the word "DUPLICATE" or similar approved language on its face.

- 40. To further meet the requirements of subdivisions a through h_j of subsection 2739, the electronic pull-tab device must have the ability to retain a log of the last twenty-five voucher-out events. The voucher-out log must contain sufficient information to reconstruct the voucher-out event in order to resolve potential player disputes.
- 41. A printer must be located in a locked area of the electronic pull-tab device but may not be housed within the logic area. The printer may be locked in the currency validator area provided the validator has a secure, separately keyed lock securing the access to its stacker.
- 42. A printer must have mechanisms to allow control program software to interpret and place the electronic pull-tab device inoperable upon the following conditions:
 - a. Out of paper;
 - b. Printer jam, failure; and
 - c. Printer disconnected.
- 43. The printer must use printer paper containing security features, such as a watermark as approved by the attorney general.
- 44. Video monitors and or touchscreens must meet the following rules:
 - a. Touchscreens must be accurate once calibrated and must maintain that accuracy for at least the manufacturer's recommended maintenance period;
 - b. A touchscreen should be able to be recalibrated without access to the electronic pull-tab device cabinet other than opening the main door; and

- c. There may not be any hidden or undocumented buttons or touch points anywhere on the touchscreen which affect game play or which impact the outcome of the game.
45. The credit meter must be maintained in cash value and must at all times indicate all cash available for the player to purchase tickets or cash out with the exception of when the player is viewing an informational screen, such as a menu or help screen item. This should be displayed to the player unless a tilt condition or malfunction exists.
- a. The dollar value of every prize at the end of a play must be added to the player's credit meter, unless a winning prize amount is immediately dispensed in the form of a credit ticket voucher to the player.
 - b. There must be a collect meter, which shows the amount of cash collected by the player upon a cash out. This ~~should~~ **must** be displayed to the player unless a tilt condition or malfunction exists. The amount of cash collected must be subtracted from the player's credit meter and added to the collect meter.
 - c. The software meter information must **be** only ~~be~~ accessible by an authorized person and must have the ability to be displayed on demand using a secure means.
 - d. Electronic accounting meters must be at least ten digits in length. These meters must be maintained in credit units equal to the dollars and cents. Eight digits must be used for the dollar amount and two digits used for the cents amount. The meter must roll over to zero upon the next occurrence, and any time the meter exceeds ten digits and after 9,999,999,999 has been reached or any other value that is logical. Occurrence meters must be at least eight digits in length; however, are not required to automatically roll over. Meters must be labeled so they can be clearly understood in accordance with their function. All electronic pull-tab devices must be equipped with a device, mechanism, or method for retaining the value of all meter information specified in these rules which must be preserved in the event of power loss to the device. The required electronic meters are as follows:
 - (1) Total cash in;
 - (2) Total credit ticket vouchers in;
 - (3) Total cash played;
 - (4) Total cash, prizes won;
 - (5) Total cash removed from the electronic pull-tab device;
 - (6) Total count of electronic pull tabs played; and
 - (7) Total count of electronic pull tabs won.
 - e. In addition to the one set of master electronic accounting meters required above, each individual game available for play must have the prize structure meters "credits played" and "prizes won" in dollars and cents.
46. An electronic pull-tab device may not have software that determines the outcome of any electronic pull-tab game. All application software must be owned or licensed by the manufacturer. All game outcomes are determined at the time of deal creation by the electronic pull-tab operating system software as outlined within this section of the administrative rules.

- a. Electronic pull-tab game software must be developed by the manufacturer if the manufacturer designs the electronic pull-tab system, database, user interface, the program architecture, and associated software.
 - b. Any application software to be used by the manufacturer must be owned wholly or properly licensed from an application software provider and evidence of the license must be provided to the attorney general.
 - c. The electronic pull-tab system manufacturer ~~must~~shall provide documentation establishing ownership of the intellectual property rights to the entire game application software and system to the attorney general.
47. The electronic pull-tab operating system must be dedicated primarily to functions related to the creation of electronic pull tabs and their creation, randomization, storage, and transmittal to the electronic pull-tab devices. It also must be capable of generating the data necessary to provide the reports required within this section. The operating system must be operationally independent from the electronic pull-tab device. The electronic pull-tab operating system, logic components, and site server must be in a locked, secure enclosure with key controls in place.
48. The electronic pull-tab operating system must provide a secure physical and electronic means, for securing the electronic deals against alteration, tampering, or unauthorized access. The electronic pull-tab operating system must provide a means for terminating the electronic pull-tab game if unopened pull-tab information has been accessed or at the discretion of the attorney general.
49. Progressives, cashless gaming, bonus plays, promotions, or other gaming management or marketing functions are not allowed. An extended play feature may be used if there is no additional consideration required from the player and the features do not alter the predetermined prize to be awarded for the pull-tab ticket. No player skill may be required with the extended play feature.
50. As used in this section, unless the context requires a different meaning:
- a. "Card position" means the first electronic pull tab dealt, second electronic pull tab dealt in sequential order.
 - b. "Number position" means the first number drawn in sequential order.
51. Any random number generation used in connection with the central computer system must be by use of a microprocessor and random number generation program that meets the following random selection tests:
- a. Chi-square analysis. Each card, symbol, number, or position which is wholly or partially determinative of the outcome of the game satisfies the ninety-nine percent confidence limit using the standard chi-square analysis.
 - b. Runs test. Each card, symbol, number, or position does not, as a significant statistic, produce predictable patterns of game elements or occurrences. Each card symbol, number, or position ~~will be~~is considered random if it meets the ninety-nine percent confidence level with regard to the "runs test" or any generally accepted pattern testing statistic.
 - c. Correlation analysis. Each card, symbol, number, or position is independently chosen without regard to any other card, symbol, number, or position drawn within that game play. Each card, symbol, number, or position is considered random if it meets the ninety-nine percent confidence level using standard correlation analysis.

- d. Serial correlation analysis. Each card, symbol, number, or position is independently chosen without reference to the same card, number, or position in the previous game. Each card, number, or position is considered random if it meets the ninety-nine percent confidence level using standard serial correlation analysis.
52. The central computer system may not permit the alteration of any accounting or significant event log information that was properly communicated from the electronic pull-tab operating system site server without supervised access controls. If financial data is changed, an automated audit log must be capable of being produced to document:
- a. Data element altered;
 - b. Data element value prior to alteration;
 - c. Data element value after alteration;
 - d. Time and date of alteration; and
 - e. Personnel that performed alteration (user login).
53. The electronic pull-tab operating system must have a medium for securely storing electronic pull-tab deals on the site server which must be mirrored in real time by a backup medium. The manufacturer's central computer system server also must provide a means for storing duplicates of the electronic deals, already transmitted to the electronic pull-tab operating system site server, so as to reflect, on an ongoing basis, changes in the transmitted electronic deals as they occur.
54. All storage must be through an error checking, nonvolatile physical medium, or an equivalent architectural implementation, so if the primary storage medium fails, the functions of the central computer system and the process of auditing those functions can continue with no critical data loss.
55. The database must be stored on redundant media so that no single failure of any portion of the system would cause the loss or corruption of data.
56. In the event of a catastrophic failure when the central computer system cannot be restarted in any other way, it must be possible to reload the central computer system from the last viable backup point and fully recover the contents of that backup, recommended to consist of at least the following information:
- a. Significant events;
 - b. Accounting information;
 - c. Auditing information; and
 - d. Specific site information, such as employee files with access levels.
57. Connections between all components of the central computer system only must be through the use of secure communication protocols that are designed to prevent unauthorized access or tampering, employing advanced encryption standards or equivalent encryption with changeable seeds or algorithms. More specifically, secure connections and encryption must be utilized between the interface component and the system.
58. All data communication must incorporate an error detection and correction scheme to ensure the data is transmitted and received accurately.

59. The system must be capable of detection and displaying certain conditions. These conditions must be recorded on an error log that may be displayed or printed on demand and must archive the conditions for a minimum of ninety days. The conditions include:
 - a. Power reset or failure of an electronic pull-tab device or any component of the online data system; and
 - b. Communication loss between an electronic pull-tab device and any component of the online data system.
60. A firewall or equivalent hardware device configured to block all inbound and outbound traffic that has not been expressly permitted and is not required for continued use of the electronic pull-tab operating system must exist between the electronic pull-tab operating system and any external point of access.
61. The minimum width for encryption keys is one hundred twelve bits for symmetric algorithms and one thousand twenty-four bits for public keys.
 - a. There must be a secure method implemented for changing the current encryption key set. It is not acceptable to only use the current key set to "encrypt" the next set.
 - b. There must be a secure method in place for the storage of any encryption keys. Encryption keys must not be stored without being encrypted themselves.
62. The following significant events, if applicable, must be collected from the electronic pull-tab device and communicated to the central computer system for storage and a report of the occurrence of the significant event must be made available upon request:
 - a. Power resets or power failure;
 - b. Communication loss between an electronic pull-tab device and any component of the electronic pull-tab site operating system;
 - c. Door openings;
 - d. Currency validator errors;
 - (1) Stacker full; and
 - (2) Currency jam;
 - e. Printer errors;
 - (1) Printer empty or paper low; and
 - (2) Printer disconnect or failure;
 - f. Corruption of the electronic pull-tab device RAM or program storage device; and
 - g. Any other significant events as defined by the protocol employed by the electronic pull-tab site operating system.
63. The electronic pull-tab device operating system ~~must~~may not permit the alteration of any accounting or event log information that was properly communicated from the electronic pull-tab device to the dedicated site server unless documented, secure access controls are provided.

64. The operating system of the electronic pull-tab system must provide comprehensive password security or other secure means of ensuring data integrity and enforcing user permissions for all system components through the following means:
 - a. All programs and data files must be accessible only via the entry of a password that will be known only to authorized personnel;
 - b. The electronic pull-tab operating system must have multiple security access levels to control and restrict different classes;
 - c. The electronic pull-tab operating system access accounts must be unique when assigned to the authorized personnel and shared accounts amongst authorized personnel must not be allowed;
 - d. The storage of passwords and personal identification numbers must be in an encrypted, nonreversible form; and
 - e. A program or report must be available which lists all registered users on the electronic pull-tab operating system, including their privilege level. This report must include all user accounts that have access to system configurations, data, or other sensitive areas.
65. All components of an electronic pull-tab operating system that allows access to users, other than end-users for game play, must have a password signon with two-level codes comprising the personal identification code and a personal password:
 - a. The personal identification code must have a length of at least six ASCII characters; and
 - b. The personal password must have a minimum length of six alphanumeric characters, which should include at least one nonalphabetic character.
66. An electronic pull-tab operating system must have the capability to control potential data corruption that can be created by multiple simultaneous log on by system management personnel.
 - a. An electronic pull-tab operating system must specify which of the access levels allow for multiple simultaneous sign on by different users and which of the access levels do not allow for multiple sign on, and if multiple sign on are possible, what restrictions, if any, exist; or
 - b. If an electronic pull-tab operating system does not provide adequate control, a comprehensive procedural control document must be drafted for the attorney general's review and approval.
67. Where the site operating system or components are linked with one another in a local network for function sharing or other purposes, communication protocols must be used which ensure erroneous data or signals will not adversely affect the operations of any such system or components.
68. Dedicated and protected network connections prohibiting unauthorized access, may allow two or more central computer systems to share information. Deal details and other information prohibited from being viewed, as outlined in other sections of these rules, must not be available or transmitted between the connected systems or facilities.
69. The central computer system may be used to record the data used to verify game play and to configure and perform security checks on electronic pull-tab devices provided such functions do not affect the security, integrity, or outcome of such games.

70. Central computer system software components and modules must be verifiable by a secure means at the system level denoting program identification and version. The central computer system must have the ability to allow for an independent integrity check of the components and modules from an outside source and is required for all control programs that may affect the integrity of the central computer system. This must be accomplished by being authenticated by a third-party device, which may be embedded within the central computer system software or having an interface port for a third-party device to authenticate the media. This integrity check will provide a means for field verification of the central computer system components/modules to identify and validate the programs and files. The test laboratory, prior to system approval, **mustshall** approve the integrity check method.
71. Following the initiation of **ana** nonvolatile memory reset procedure, the game program must execute a routine, which initializes all bits in critical nonvolatile memory to the default state. All memory locations intended to be cleared as per the nonvolatile memory clear process must be fully reset in all cases. For electronic pull-tab devices that allow for partial nonvolatile memory clears, the methodology in doing so must be accurate.
72. The default game display immediately after a nonvolatile memory reset **mustmay** not be the advertised top prize on any selectable line. The default game display, upon entering game play mode, **must** also **may** not be the advertised top prize.
73. ~~It must not be possible to change a~~**A** configuration setting that causes an obstruction to the electronic accounting meters **may not be possible to change** without a nonvolatile memory clear. Notwithstanding, a change to the denomination must be performed by a secure means, which includes access to the locked logic compartment or other secure method provided that the method can be controlled by the attorney general.
74. Critical memory is used to store all data that is considered vital to the continued operation of the electronic pull-tab device. This includes:
- All electronic meters required in subsection 45, including last currency data and power up and door open metering;
 - Current credits;
 - Electronic pull-tab device game configuration data;
 - Information pertaining to the last ten plays with the play outcome;
 - Software state;
 - Any prize structure configuration information residing in memory; and
 - A log of the last one hundred significant events.
75. Critical memory storage must be maintained by a methodology that enables errors to be identified. This methodology may involve signatures, checksums, partial checksums, multiple copies, timestamps, or effective use of validity codes, or any combination.
76. Comprehensive checks of critical memory must be made following game initiation but prior to display of game outcome to the player. Critical memory must be continuously monitored for corruption. The methodology must detect failures with an extremely high level of accuracy.
77. An unrecoverable corruption of critical memory must result in an error. The memory error **shouldmay** not be cleared automatically and **shouldmust** result in a tilt condition, which facilitates the identification of the error and causes the electronic pull-tab device to cease further function. The critical memory error should also cause any communication external to

the electronic pull-tab device to immediately cease. An unrecoverable critical memory error must require a full nonvolatile memory clear performed by a licensed distributor.

78. Nonvolatile memory space that is not critical to the security of the electronic pull-tab device is not required to be validated.
79. Program storage device means the media or an electronic device that contains the critical control program components. Device types include EPROMs, compact flash cards, optical disks, hard drives, solid state drives, USB drives, etc. All program storage devices ~~must~~:
 - a. ~~Be~~Must be housed within a fully enclosed and locked logic compartment;
 - b. ~~Be~~Must be clearly marked with sufficient information to identify the software and revision level of the information stored in the device. In the case of media types on which multiple programs may reside it is acceptable to display this information via the attendant menu;
 - c. ~~Validate~~Must validate themselves during each processor reset;
 - d. ~~Validate~~Must validate themselves the first time they are used; and
 - e. For CD-ROM, DVD, and other optical disk-based program storage ~~must~~:
 - (1) ~~Not~~The device may not be a rewritable disk; and
 - (2) The "session" must be closed to prevent any further writing.
80. Electronic pull-tab devices that have control programs residing in one or more PROMs must employ a mechanism to verify control programs and data. The mechanism must use a cyclic redundancy check of at least sixteen bits.
81. Non-EPROM program storage must meet the following rules:
 - a. The software must provide a mechanism for the detection of unauthorized and corrupt software elements, upon any access, and subsequently prevent the execution or usage of those elements by the electronic pull-tab device. The mechanism must employ a hashing algorithm which produces a message digest output of at least one hundred twenty-eight bits;
 - b. In the event of a failed authentication, after the electronic pull-tab device has been powered up, the terminal immediately ~~should~~must enter an error condition and display an appropriate error. This error must require operator intervention to clear and must not clear until the data authenticates properly, following the operator intervention or the media is replaced or corrected, and the electronic pull-tab device's memory is cleared.
82. Alterable media must meet the following and additional rules:
 - a. Employ a mechanism that tests unused or unallocated areas of the alterable media or unintended programs or data and tests the structure of the media for integrity. The mechanism must prevent further play of the electronic pull-tab device if unexpected data or structural inconsistencies are found;
 - b. Employ a mechanism for keeping a record any time a control program component is added, removed, or altered on any alterable media. The record must contain a minimum of the last ten modifications to the media and each record must contain that date and time of the action, identification of the component that affected the reason for the modification, and any pertinent validation information.

83. Program storage devices that do not have the ability to be modified while installed in the electronic pull-tab device during normal operation must be marked clearly with sufficient information to identify the software and revision level of the information stored in the devices.

History: Effective July 1, 2018; amended effective January 1, 2023; [July 1, 2026](#).

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-16-09.7. Manufacturing specifications - Credit ticket voucher redemption kiosk.

1. A credit ticket voucher redemption kiosk must be used in conjunction with a manufacturer's electronic pull-tab device operating system and must be approved by the attorney general. A manufacturer of a kiosk must have the kiosk and electronic pull-tab operating system tested by an approved independent testing laboratory as required in section 99-01.3-16-10. All electrical and mechanical parts and design principles of the redemption kiosk may not subject a player to any physical hazards and proof of underwriters laboratories or equivalent certification is required. A credit ticket voucher redemption kiosk must accept only a credit ticket voucher from a manufacturer's own electronic pull-tab device. It may not accept any coin, currency, token, or any item other than a credit ticket voucher. A credit ticket voucher redemption kiosk may only dispense United States currency or a credit ticket voucher. A credit ticket voucher redemption kiosk must:

- a. Reject a credit ticket voucher that is not from the kiosk manufacturer's device at the site;
- b. Reject a credit ticket voucher that is not redeemed on the same business day as printed;
- c. Reject any reproduction of a credit ticket voucher;
- d. When a credit ticket voucher is inserted into the manufacturer's kiosk, immediately dispense the currency for the dollar value on the credit ticket voucher. For any balance remaining after the currency is dispensed, the kiosk must reissue a credit ticket voucher to the player which may be inserted into the manufacturer's electronic pull-tab device for credit or cashed in by the player and must have the option to be a charitable donation to the organization. The kiosk must display the donation request to the player with the option to confirm or deny. For any donation to the organization selected by the player, the kiosk may not require a minimum amount and must accept any amount of the balance remaining from the credit ticket voucher redemption. For a reissued credit ticket voucher, the voucher must clearly state the words "Redemption Kiosk" or similar approved language on its face. The printed words must be a minimum font size of twenty point;
- e. Have the option for part of the balance of a redeemed credit ticket voucher to be a charitable donation to the organization, and the kiosk must display the request to the player with the option to confirm or deny;
- f. Reject an invalid credit ticket voucher and provide a message regarding "invalid credit ticket voucher" or a similar phrase visible to a player; and
- g. Account for and provide accounting information for three years from the end of the quarter in which the activity occurred. In addition to the information required by subdivision a of subsection 22 of section 99-01.3-16-09.6, each manufacturer's kiosk activity must be included on the interim period electronic pull-tab activity report. An interim period is the accounting period for electronic pull-tab and kiosk activity since the last time activity was accounted for.

In addition to the required information on an interim period electronic pull-tab activity report under subsection 22 of section 99-01.3-16-09.6, the report must separately account for each kiosk at the site and include:

(1) Device identification or serial number;

(2) Site name;

(3) Name of manufacturer;

(4) Beginning and ending date and time of the interim period;

(5) Date and time the report is generated by the organization. This must be the same as the ending date and time of the interim period;

(6) Total number of credit ticket vouchers in;

(7) Total dollar value of redeemed credit ticket vouchers in kiosk;

(8) Total number of credit ticket vouchers reissued from kiosk;

(9) Total dollar value of charity donations, if applicable; and

(10) Total dollar value of currency dispensed from kiosk.

2. A kiosk system must be capable of identifying the beginning date and time of an interim period, which must be the ending date and time of the previous interim period credit ticket voucher report that was generated for the kiosk.

3. A kiosk system may not allow for the overlap of reporting between two or more interim periods.

4. A redemption kiosk must have an identification tag affixed to the exterior of the kiosk by the manufacturer, which is not removable without leaving evidence of tampering, and this tag must include the following information:

a. The manufacturer;

b. A unique serial number; and

c. The model number.

5. An on/off switch that controls the electrical current supplied to the redemption kiosk shall be located in a secured area of the redemption kiosk. The on/off positions of the switch shall be clearly labeled.

6. Touch screen displays must be accurate, and if required by their design, must support a calibration method to maintain that accuracy; alternatively, the display hardware may support automatic self-calibration.

7. Each printed circuit board must be clearly identifiable by an alphanumeric identification and, when applicable, a revision number. If track cuts, patch wires, or other circuit alterations are introduced to the printed circuit board, then a new revision number must be assigned.

8. The credit ticket voucher redemption kiosk must be constructed of metal and be robust enough to resist forced entry into any secured doors, areas, or compartments. In the event that extreme force is applied to the cabinet materials causing a potential breach in kiosk security, evidence of tampering must be conspicuous. Secured areas or secured compartments shall include, as applicable, the external doors such as the main door, currency compartment doors such as a drop box door or stacker door, and other sensitive access areas of the credit ticket voucher redemption kiosk. The following apply to all credit ticket voucher redemption kiosk compartments and doors:

- a. External doors must be manufactured of materials that are suitable for allowing only legitimate access to the inside of a credit ticket voucher redemption kiosk. The key must be keyed separately from any other manufacturer's credit ticket voucher redemption kiosk.
- b. External doors and their associated hinges must be capable of withstanding determined and unauthorized efforts to gain access to the interior of the credit ticket voucher redemption kiosk and must leave conspicuous evidence of tampering if such an attempt is made;
- c. The seal between the credit ticket voucher redemption kiosk and the external door must be designed to resist the entry of objects. It must be impossible to insert an object into the credit ticket voucher redemption kiosk that disables a door open sensor when the credit ticket voucher redemption kiosk door is fully closed, without leaving conspicuous evidence of tampering; and
- d. All external doors must be secure and support the installation of locks.

9. Any doors that provide access to secure areas of the credit ticket voucher redemption kiosk shall be monitored by door access detection software. The detection software must register a door as being open when the door is moved from its fully closed and locked position, provided power is supplied to the credit ticket voucher redemption kiosk and when any door that provides access to a secured area or secured compartment registers as open, the credit ticket voucher redemption kiosk must cease operation and display an appropriate error message. This error condition must be communicated to the back-office platform when such functionality is supported.

10. The credit ticket redemption kiosk software shall contain sufficient information to identify the software revision level. The credit ticket voucher redemption kiosk or electronic pull-tab central system must have the ability to authenticate that all regulated critical components contained in any credit ticket voucher redemption kiosk software are valid each time the software is loaded for use and, where supported by the system, on demand. Critical components may include elements that control credit ticket voucher redemption kiosk communications, peripheral device firmware, or other components that affect regulated operations of the credit ticket voucher redemption kiosk.

a. The authentication must employ a hash algorithm which produces a message digest of at least one hundred twenty-eight bits. Other test methodologies shall be reviewed on a case-by-case basis.

b. In the event of a failed authentication, the credit ticket voucher redemption kiosk must cease operation and display an appropriate error message.

11. It must be possible to perform an independent integrity check of the credit ticket voucher redemption kiosk software from an outside source. This verification is required for all control programs that affect the integrity of the credit ticket voucher redemption kiosk. The verification must be accomplished by being authenticated by a third-party application run from the credit ticket voucher redemption kiosk by allowing a third-party device to authenticate the media.

12. Critical nonvolatile memory must be used to store all data elements that are considered vital to the continued operation of the credit ticket voucher redemption kiosk software. Critical nonvolatile memory may be maintained by the credit ticket voucher redemption kiosk.

13. If operation relies on locally stored critical nonvolatile memory, the credit ticket voucher redemption kiosk must have a backup or archive capability, which allows the recovery of critical nonvolatile memory should a failure occur.

14. Critical nonvolatile memory storage must be maintained by a methodology that enables errors to be identified. This methodology may involve signatures, checksums, redundant copies, database error checks, and other methods.
15. Comprehensive checks of critical nonvolatile memory data elements must be made upon power up and program resumption.
16. An unrecoverable corruption of critical nonvolatile memory must result in an error. Upon detection, the credit ticket voucher redemption kiosk software shall cease operation and display an appropriate error message. Additionally, the critical nonvolatile memory error shall cause any communication external to the kiosk to cease.
17. A credit ticket voucher redemption kiosk player interface must:
 - a. Clearly indicate the functions of all buttons, touch, or click points within the area of the button, touch point, or click point, and within the help menu. There may not be functionality available through any buttons, touch points, or click points on the player interface that are hidden or undocumented.
 - b. Map any resizing or overlay of the player interface accurately to reflect the revised display, touch points, or click points.
 - c. Clearly communicate player interface instructions, as well as information on the functions and services provided by the credit ticket voucher redemption kiosk, to the player and not be misleading or inaccurate.
 - d. Adapt the display of this information to the player interface.
18. The credit ticket voucher redemption kiosk software may not be adversely affected by the simultaneous or sequential activation of the various inputs and outputs which might, whether intentionally or not, cause malfunctions or invalid results.
19. Changes to any configuration settings for the regulated operations of the kiosk may be only performed by a secure means.
20. If the credit ticket voucher redemption kiosk is unable to redeem the full amount of the original credit ticket voucher, the voucher must be returned or the kiosk must reissue a credit ticket voucher in the amount of the remaining balance.
21. When a credit ticket voucher redemption kiosk is being accessed to test or audit, the following rules apply:
 - a. Entry to test or audit mode must be possible only using a secure means.
 - b. If the kiosk is in a test or audit mode:
 - (1) The redemption kiosk must indicate clearly that it is in this mode; and
 - (2) Any test or audit that incorporates funds entering or leaving the kiosk must be completed prior to the resumption of normal kiosk operation.
 - c. The test or audit mode may not affect live transaction data or meter values.
22. The credit ticket voucher redemption kiosk software must be designed or programmed such that it may only communicate with authorized electronic pull-tab system components through secure communications. After a program interruption, any communications to an external device must not begin until the program resumption routine, including any self-test, is completed successfully. If communication between the redemption kiosk and the electronic

pull-tab system is lost, the redemption kiosk software must cease operations related to that communication and display an appropriate error message. It is permissible for the redemption kiosk software to detect this error when the redemption kiosk tries to communicate with the electronic pull-tab system.

23. Any credit ticket voucher redemption kiosk which is capable of bidirectional communication with internal or external associated equipment, or other equipment, must utilize a communication protocol which ensures that erroneous data or signals do not adversely affect the integrity or operation of the redemption kiosk.

24. A credit ticket voucher redemption kiosk must maintain an internal clock that is able to accurately reflect the current time and date and synchronize its clock to that of the central system.

25. Electronic accounting meters must be at least ten digits in length. Eight digits must be used for the dollar amount and two digits used for the cents amount. The meter must automatically roll over to zero once its maximum logical value has been reached. Meters must be labeled so they can be clearly understood in accordance with their function. The required electronic accounting meters are as follows:

a. Handpay. The credit ticket voucher redemption kiosk software must have a meter that accumulates the total value of payments made by an attendant when the kiosk is incapable of making the proper payment.

b. Voucher in. The kiosk software must have a meter that accumulates the total value of all credit ticket vouchers accepted by the redemption kiosk.

c. Voucher out. The kiosk software must have a meter that accumulates the total value of all credit ticket vouchers issued by the redemption kiosk.

26. Occurrence meters must be at least eight digits in length; however, they are not required to automatically roll over. Meters must be labeled so they can be clearly understood in accordance with their function. The required electronic occurrence meters are as follows:

a. External doors. The credit ticket voucher redemption kiosk software must have meters that accumulate the number of times any external door has been opened since the last nonvolatile memory clear, provided power is supplied to the kiosk.

b. Stacker door. The redemption kiosk software must have a meter that accumulates the number of times the stacker door has been opened since the last nonvolatile memory clear, provided power is supplied to the kiosk.

c. Credit ticket vouchers in.

d. Credit ticket vouchers out.

27. There must be the capacity to display a complete transaction log for the previous thirty-five transactions that incremented any of the meters related to currency issued, credit ticket vouchers received, and credit ticket vouchers out. The following information must be displayed:

a. The transaction value in local monetary units in numerical form;

b. The time of day of the transaction, in twenty-four-hour format showing hours and minutes;

c. The date of the transaction, in any recognized format, indicating the day, month, and year; and

d. For credit ticket voucher transactions, only the last four digits may be displayed.

28. The last one hundred significant events for credit ticket voucher redemption kiosks must be stored with an appropriate timestamp in one or more secure logs that are not accessible to the player and which at minimum include the following events, as applicable:

a. Software verification errors or critical nonvolatile memory errors, if technically possible to log these events based on the nature and severity of the error;

b. Changes made to redemption kiosk configurations;

c. Redemption kiosk communication failures, if supported;

d. Power resets;

e. Handpay conditions;

f. Access to secured areas or secured compartments; and

g. Peripheral errors, if supported.

History: Effective July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

TITLE 115
NORTH DAKOTA ETHICS COMMISSION

JULY 2026

ARTICLE 115-06
TRAVEL DISCLOSURE RULES

Chapter
115-06-01 Travel Disclosure Rules

CHAPTER 115-06-01
TRAVEL DISCLOSURE RULES

Section
115-06-01-01 Definitions
115-06-01-02 Travel Disclosure Statement
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115-06-01-01. Definitions.

1. "Commission" means the North Dakota ethics commission established by article XIV of the Constitution of North Dakota.
2. "Expenses" means money spent on transportation, lodging, and, while traveling, meals.
3. "Immediate family" means a parent; sibling; child by blood, adoption, or marriage; spouse; grandparent; or grandchild.
4. "Policy-monitored travel" means travel for which expenses are reported within the state's enterprise resource planning system or on the legislative assembly's report on out-of-state meeting form.
5. "Public official" means an elected or appointed official of the state's executive or legislative branch, including members of the commission, members of the governor's cabinet, and employees of the legislative branch.
6. "Third-party-funded travel" means travel, whether within or outside the state, undertaken by a public official, or the public official's immediate family, in relation to the public official's status as a public official, including travel paid with federal, state, tribal, or local public funds. It does not include:

- a. Travel paid with a public official's personal or campaign finances;
- b. Policy-monitored travel;
- c. Travel, the details of which are confidential under state law as defined in North Dakota Century Code section 44-04-17.1; or
- d. Travel actively to support or oppose a candidate or political party.

History: Effective July 1, 2026.

115-06-01-02. Travel disclosure statement.

A public official shall file a travel disclosure statement for third-party-funded travel with the commission within fifteen days following the conclusion of third-party-funded travel. The travel disclosure statement required to be filed under this section must include:

- 1. The purpose of the travel;
- 2. The destinations visited;
- 3. The dates of travel;
- 4. The sources of funds used to finance all travel-related expenses;
- 5. An estimate of the amount expended or, if known, the actual amount expended;
- 6. Whether the expenses were for air transportation, ground transportation, lodging, meals, entertainment, or other activities; and
- 7. The number of accompanying immediate family members, if any.

History: Effective July 1, 2026.

115-06-01-03. Filing and format.

- 1. The commission shall establish a standardized form for filing a travel disclosure statement.
- 2. The public official shall file the travel disclosure statement in electronic format through the commission's official website using the standardized form.
- 3. The public official shall certify in writing the travel disclosure statement is true, complete, accurate, and of the public official's own personal knowledge.

History: Effective July 1, 2026.

115-06-01-04. Public access and retention.

The travel disclosure statement must be made publicly accessible through the commission's website. The commission shall maintain all travel disclosure statements for a complete calendar year for a period of three years.

History: Effective July 1, 2026.

115-06-01-05. Sanctions.

- 1. If, after notice and a reasonable opportunity to respond, the commission determines a rule under this chapter has been violated, the commission may sanction a public official who violated the rule or is responsible for the violation. A sanction imposed under this rule must be

limited to what suffices to deter repetition of the conduct or comparable conduct by others similarly situated. The sanction may include nonmonetary directives or an order to pay a penalty.

2. The commission may collect a monetary sanction arising out of this section through processes that provide the public official with notice of the monetary sanction and a reasonable opportunity to respond. These processes include chapter 115-02-01, civil action, or assignment to a collection agency, with any costs of collection added to the amount owed and to be paid by the public official. Before assigning a payment obligation to a collection agency, the commission shall provide the public official a thirty-day written notice and an opportunity to respond to the transfer of debt.

3. Monetary sanctions for violations of these rules may not exceed the following amounts.

a. If the travel disclosure statement is not filed within the prescribed time or is voluntarily amended after the prescribed time, the commission may collect a monetary sanction from the public official as follows:

(1) Within six days after the prescribed time, twenty-five dollars;

(2) Within eleven days after the prescribed time, fifty dollars; and

(3) After eleven days, one hundred dollars.

b. The commission may require an amendment to be filed for any travel disclosure statement that is incorrect or incomplete. The amendment must be filed with the commission within ten business days after the amendment has been requested in writing. If an amendment is not filed within the prescribed time, the commission may collect a monetary sanction from the public official as follows:

(1) Within six days after the date the amendment was due, fifty dollars;

(2) Within eleven days after the date the amendment was due, one hundred dollars; and

(3) After eleven days, two hundred dollars.

c. If a public official knowingly fails to file a travel disclosure statement or knowingly falsifies information on the travel disclosure statement, the commission may collect up to a five hundred dollar monetary sanction from the public official. For a second and subsequent violation of this subdivision, the commission may collect up to a one thousand dollar monetary sanction from the public official. If warranted for effective deterrence, the commission also may collect from the public official all expenses it incurred in investigating a knowing violation under this subdivision.

4. A monetary sanction collected by the commission must be paid to the state treasurer and placed to the credit of the general fund.

History: Effective July 1, 2026.