DRAFT Version 10-8-08

NORTH DAKOTA LOTTERY

<u>Underlining</u> represents proposed additions to the present rules. Strikethrough represents proposed deletions to the present rules.

CHAPTER 10-16-03 CONDUCT AND PLAY

10-16-03-08.1 Subscription.

- 1. A player may procure a subscription application form from a retailer, lottery's office, or lottery's web site.
- A player may purchase one or more subscriptions for one or more games. Each subscription is limited to one play for a draw for one game. A player may purchase a subscription for thirteen, twenty-six, or fifty-two weeks. A subscription is not refundable or cancelable by a player unless the game group makes a matrix change to the game at which time, at the player's option, the cost of the subscription would be prorated based on the number of draws actually held under the former game matrix in relation to the total number of draws purchased plus the value of an extension.
- 3. A player shall purchase a subscription only from, and the financial transaction for that subscription must be only with, the lottery. A player may apply for a subscription on the lottery's web site or by mail, by telephone, or in person. A player may use cash, check, <u>automated clearing house (ACH)</u>, debit card, or authorized credit card to pay for a subscription.
- 4. A person must be at least eighteen years of age.
- 5. A person must have a mailing address within the state of North Dakota when the original or renewal subscription application form was submitted to the lottery.
- 6. To be valid, a subscription play must be properly and validly registered with the lottery on its subscriber data base at its central computer site which meets the requirements established by the game group and MUSL security and integrity committee. All data on a subscriber is confidential.

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

- c. Equal to or more than six hundred dollars, the lottery shall contact the player to arrange payment of the prize, less withholding of income tax required by federal or state law and any debt setoff according to North Dakota Century Code section 53-12.1-12.
- 11. If the owner of a subscription changes the owner's name or address, the owner shall provide the lottery with a notarized letter of the change. If the owner of a subscription dies, the lawful representative of the owner's estate shall provide the lottery with a notarized statement of the death and the lottery shall change the ownership of the subscription to "The Estate of" the owner.

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

General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-01, 53-12.1-02, 53-12.1-03, 53-12.1-08, 53-12.1-13

DRAFT Version 10-2-08

NORTH DAKOTA LOTTERY

<u>Underlining</u> represents proposed additions to the present rules. Strikethrough represents proposed deletions to the present rules.

CHAPTER 10-16-04 POWERBALL® GAME

10-16-04-01. Game description. To play POWERBALL®, a player selects five different white numbers, between one and fifty-five fifty-nine, and one additional red number (powerball) between one and forty-two thirty-nine. The additional number may be the same as one of the first five numbers selected. The price of a play is one dollar. A grand prize is paid, at the election of a winning player or by a default election made according to these rules, either on an annuitized pari-mutuel basis or as a cash lump sum payment of the total cash held for the prize pool on a pari-mutuel basis. A set prize (cash prize of two hundred thousand dollars or less) is paid on a single-payment cash basis. Draws are held every Wednesday and Saturday.

History: Effective February 1, 2004; amended effective November 8, 2005; <u>January 4, 2009</u>.

General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-13

10-16-04-02. Expected prize pool percentages and odds. The minimum grand prize is fifteen twenty million dollars and is paid on a pari-mutuel basis. Except as provided by rule, a set prize must be paid according to these matches per play and prize amounts with these expected prize payout percentages:

		Prize Pool Percentage	!
Matches Per Play	<u>Prize</u>	Allocated to Prize	Odds**
5 white + 1 red	Grand prize	60.58%* 65.06%*	1:146,107,962
			<u>1:195,249,054</u>
5 white + 0 red	\$200,000	11.22%	1:3,563,609
			<u>1:5,138,133</u>
4 white + 1 red	\$10,000	3.42% <u>2.77%</u>	1:584,432
			<u>1:723,145</u>
4 white + 0 red	\$100	1.40%	1:14,25 4
			<u>1:19,030</u>
3 white + 1 red	\$100	1.68% <u>1.46%</u>	1:11,927
			<u>1:13,644</u>
3 white + 0 red	\$7	4 .81% <u>3.90%</u>	1:291
			<u>1:359</u>
2 white + 1 red	\$7	1.88% <u>1.78%</u>	1:745
			<u>1:787</u>
1 white + 1 red	\$4	6.31% <u>6.48%</u>	1:127
			<u>1:123</u>
0 white + 1 red	\$3	8.70% <u>9.72%</u>	1:69
			<u>1:62</u>

Overall odds of winning a prize on a one dollar play are 1:36.6 1:35.11.

*When the grand prize reaches a new high level, the prize pool percentage allocated to the grand prize must be reduced to the percentage needed to fund the maximum grand prize increase as determined by the game group, with the remainder funding the match 5 bonus prize category.

History: Effective February 1, 2004; amended effective November 8, 2005; April 1, 2008; January 4, 2009. General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-13

10-16-04-06. Power play option.

- 1. The power play option is a limited extension of the POWERBALL® game and is conducted according to the game group's game rules. The option offers the owner of a qualifying play a chance to multiply the amount of a set prize. A match 5 bonus prize is awarded independent of the power play option and is not multiplied by the power play multiplier.
- 2. A qualifying play is a single POWERBALL® play for which the player pays an extra one dollar for the power play option. Power play does not apply to the grand prize or a match 5 bonus prize.

^{**}Reflects the odds of winning and probable distribution of winning tickets in and among each prize tier, based on the total number of possible combinations.

- 3. A qualifying play which wins one of the eight seven lowest set prizes (excluding the Match 5+0 prize) will be multiplied by the number selected, two through five, a single number (2, 3, 4, or 5) drawn in a separate random power play drawing. The announced Match 5+0 prize shall be multiplied by five (5) regardless of the number two through five drawn as the multiplier for the seven lowest set prizes. The game group may change one or more of the multiplier numbers for a special promotion.
- 5. A prize awarded must be paid as a lump sum set prize. Instead of the normal set prize amount, a qualifying power play will pay the amounts shown below when matched with the power play number drawn:

POWERBALL® Pays Instead							
	Prize Amo	•	<u>4X</u>	<u>3X</u>	<u>2X</u>		
Matches per Play							
5 white + 0 red	\$200,000	\$1,000,000	\$800,000	\$600,000	\$400,000		
5 white + 0 red	\$200,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000		
4 white + 1 red	\$10,000	\$50,000	\$40,000	\$30,000	\$20,000		
4 white + 0 red	\$100	\$500	\$400	\$300	\$200		
3 white + 1 red	\$100	\$500	\$400	\$300	\$200		
3 white + 0 red	\$7	\$35	\$28	\$21	\$14		
2 white + 1 red	\$7	\$35	\$28	\$21	\$14		
1 white + 1 red	\$4	\$20	\$16	\$12	\$8		
0 white + 1 red	\$3	\$15	\$12	\$9	\$6		

Rarely, a set prize amount may be less than the amount shown. In that case, a power play prize will be a multiple of two through five for the new set prize amount for the seven lowest set prizes. The power play prize for a Match 5 prize will be a multiple of five. For example, if the match 5 $\underline{4+1}$ set prize amount of two hundred ten thousand dollars becomes twenty five five thousand fifty dollars under the game group's rules, a power play player winning that prize amount when a "5" "4" has been drawn would win ene hundred twenty five thousand two hundred fifty dollars (\$25,050 x 5) twenty thousand two hundred dollars (\$5,050 x 4). If the match 5 set prize amount of two hundred thousand dollars becomes twenty-five thousand fifty dollars under the game group's rules, a power play player winning that prize amount would win one hundred twenty-five thousand two hundred fifty dollars (\$25,050 x 5).

65. The following table reflects the probability of the power play numbers being drawn:

<u>Power Play</u>	Probability of Prize Increase
5X - Prize won times 5	1 in 4
4X - Prize won times 4	1 in 4
3X - Prize won times 3	1 in 4
2X - Prize won times 2	1 in 4

History: Effective February 1, 2004; amended effective November 8, 2005; April 1, 2008; <u>January 4, 2009</u>. General Authority: NDCC 53-12.1-13 Law Implemented: NDCC 53-12.1-13