

DRAFT  
Version 1-11-10

NORTH DAKOTA LOTTERY

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

CHAPTER 10-16-01  
GENERAL RULES

**10-16-01-03. Debt setoff of prize.** In applying subsection 7 of North Dakota Century Code section 53-12.1-12, if two or more persons or state agencies make a ~~claim~~ adverse claims to part or all of a player's prize amount and one of the claims is for child support, the lottery shall transfer the amount claimed for child support directly to the state disbursement unit of the department of human services, may transfer any remaining prize amount up to the amount of the other ~~claim~~ claims to Burleigh County district court, and then make a payment of any remaining prize amount to the player. However, if none of the claims is for child support, the lottery ~~shall~~ may transfer the total amount of the claims to Burleigh County district court and make a payment of any remaining prize amount to the player. The lottery shall notify each of the affected state agencies or persons of the amount transferred to district court. The lottery shall notify the player in writing of the proposed debt setoff and the player's recourse. If the player disputes the child support claim, the player shall pursue remedial action according to subsection 2 of North Dakota Century Code section 50-09-14. If the player disputes a claim unrelated to child support, the player may pursue remedial action through district court.

History: Effective February 1, 2004; amended effective April 1, 2006; April 1, 2008; July 1, 2010.  
General Authority: NDCC 53-12.1-13 Law Implemented: NDCC 53-12.1-12, 53-12.1-13

CHAPTER 10-16-02  
RETAILER

**10-16-02-07. Sales commission and bonus.**

1. The lottery shall credit a retailer's account for:
  - a. A sales commission of five percent of the retail price of a ticket sold or otherwise issued by the retailer;
  - b. A sales commission of five percent of the amount of an initial or renewal subscription sale that is transacted through the lottery on a subscription application form that is issued by the retailer's terminal or procured from the retailer with the retailer's license number on it.

The retailer must be currently licensed when the subscription application form is processed by the lottery. There is no sales commission on the value of a prize on a winning subscription play that automatically extends a subscription period according to subdivision a of subsection 10 of section 10-16-03-08.1; and

- c. A sales bonus for selling a ticket with a winning play, or for an initial or renewal subscription sale described by subdivision b, including an extended subscription period, that has a winning play, for a game as stated below. However, the retailer must be currently licensed when a draw is conducted that results in the winning play of a ticket or when the winning subscription play is validated by the lottery. If the winning play for POWERBALL® has the power play option, or the winning play for MEGA MILLIONS® has the Megaplier® option, or the winning play for HOT LOTTO® has the triple sizzler option, the retailer's account must also be credited for an additional bonus as stated below:

<u>Prize</u>	<u>Bonus</u>	<u>Additional Bonus</u>
<b>Powerball®</b>		
Grand prize	\$50,000	Additional \$50,000 with power play
\$200,000	\$2,500	Additional \$2,500 with power play
\$10,000	\$500	Additional \$500 with power play
<b>Mega Millions®</b>		
Grand prize	\$50,000	Additional \$50,000 with Megaplier®
\$250,000	\$2,500	Additional \$2,500 with Megaplier®
\$10,000	\$500	Additional \$500 with Megaplier®
<b>Hot Lotto®</b>		
Grand prize	\$5,000	Additional \$5,000 with triple sizzler
\$10,000	\$500	Additional \$500 with triple sizzler
<b>Wild Card 2®</b>		
Grand prize	\$2,000	
\$5,000	\$250	
<b>2By2®</b>		
Grand prize		
\$22,000	\$500	
\$44,000*	\$1,000	

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

2. The lottery may credit a retailer's account for a fixed or graduated sales commission or bonus for a special promotion, including power play,

Megaplier®, and triple sizzler, that the lottery conducts for a certain period of time based on parameters set by the lottery.

History: Effective February 1, 2004; amended effective January 1, 2006; January 3, 2008; January 31, 2010.

General Authority: NDCC 53-12.1-13

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

## CHAPTER 10-16-03 CONDUCT AND PLAY

**10-16-03-01. Games authorized.** The lottery may conduct online games of POWERBALL®, MEGA MILLIONS®, HOT LOTTO®, WILD CARD 2®, and 2BY2®.

History: Effective February 1, 2004; amended effective November 8, 2005; July 1, 2008; January 31, 2010.

General Authority: NDCC 53-12.1-13

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

**10-16-03-08. Claim of a prize.** A prize for a validated winning ticket must be claimed as follows:

1. No prize may be awarded nor is the lottery liable for a ticket not submitted for validation or for an announcement or dissemination by the lottery or any other person of an incorrect number, letter, or symbol drawn.
2. A ticket bought or used to claim a prize in violation of federal or state law, or bought in violation of the lottery law or rules, is void and may not be used to claim a prize.
3. A ticket for a prize must be actually received or, if mailed, postmarked, within one hundred eighty days after the date of a draw for the game for which the ticket was issued. If the final day of the claim period is a Saturday, Sunday, or state holiday, the claim period is extended to the next business day. An unclaimed prize is forfeited and retained by the lottery. However, if the grand prize for the game of POWERBALL®, MEGA MILLIONS®, HOT LOTTO®, or WILD CARD 2® is unclaimed, the MUSL shall administer the grand prize money.
4. A person who owns or redeems a winning ticket:
  - a. Agrees to be bound by the lottery law, rules, procedure, policy, validation requirements, dispute resolution, and game group game rules related to the game for which the ticket was issued; and
  - b. Agrees that the state, lottery, the MUSL, game group, and their officers, employees, agents, representatives, and contractor are discharged from any liability upon payment of a prize on a ticket.
5. The owner of a winning ticket may win only one prize per play for the winning numbers, letters, or symbols drawn and is entitled only to the prize won by those numbers in the highest matching prize category.

6. A retailer may redeem a ticket only at the business address listed on the license. The retailer may pay a prize in cash or by business check, certified or cashier's check, money order, or combination of methods.
7. A person may redeem a winning ticket for a prize only during the normal business hours of a retailer provided that the lottery's online computer system is operating and a ticket may be validated. If the retailer is normally open for business before or after the hours when the lottery's online computer system operates, the retailer shall post the hours at the site when a person may redeem a ticket.
8. To claim a prize for an apparent winning ticket of less than six hundred dollars, a player may:
  - a. Present the ticket to a retailer, regardless of which retailer sold the ticket; or
  - b. Complete the back side of the ticket by entering the person's full name and address and signing the ticket, and present or mail the ticket to the lottery's office.
9. If a ticket has a prize value of less than six hundred dollars, is owned by one person, and is presented to a retailer, the retailer may redeem the ticket and pay the prize to the person who physically possesses an unsigned ticket or to the person whose signature is shown on the ticket. If a person desires to redeem a winning ticket that is signed, the retailer shall request evidential proof of identity from the player before the retailer may validate or pay the prize. If the player does not provide proof of identity, the retailer may not validate the ticket or pay the player a prize and shall return the ticket to the player. For an unsigned ticket or a signed ticket in which the ticket holder is the identified owner, the retailer shall validate the ticket and, for a winning ticket, pay the prize to the player. If the retailer is unable to validate a ticket, the retailer shall provide the ticket holder with a prize claim form and instruct the ticket holder how to file a claim with the lottery.
10. If an apparent winning ticket has a total prize value of all plays of six hundred dollars or more and one person signed or claims ownership of the ticket, a retailer may not redeem the ticket and shall provide the ticket holder with a prize claim form and instruct the ticket holder how to file a claim with the lottery. The ticket holder shall complete and sign the form and back side of the ticket and present or mail the form and ticket to the lottery. For a validated winning ticket, the lottery shall present or mail a check to the player for the amount of the prize, less withholding of income tax required by federal or state law and any debt setoff according to section 10-16-01-03, unless the payment is delayed according to section 10-16-03-12. The lottery shall pay the prize to the person whose name is

on the ticket, notwithstanding the name on the claim form. For a nonwinning ticket, the lottery shall deny the claim, notify the claimant, and return the ticket.

11. If more than one person signed or claims ownership of an apparent winning ticket, the retailer shall provide the claimant with a prize claim form and instruct the claimant how to file a claim with the lottery, as follows:
  - a. Each person who claims part ownership of the ticket must complete and sign the prize claim form and designate the person's percentage of ownership and, if subdivision d applies, the one authorized payee;
  - b. At least one of the people who claim ownership must sign the ticket and that signature must be on the prize claim form;
  - c. The prize claim form and ticket must be presented or mailed to the lottery;
  - d. For a validated ticket, if the amount of the prize allocated to each claimant is six hundred dollars or more, the lottery shall present or mail a separate prize check to each claimant. The lottery shall present or mail a check to each claimant for the amount of each player's prize, less withholding of income tax required by federal or state law and any debt setoff according to section 10-16-01-03, unless the payment is delayed according to section 10-16-03-12. If the prize allocated to each claimant is less than six hundred dollars, the lottery shall issue a single prize check to the person designated and authorized on the prize claim form to receive payment of the prize on behalf of all the claimants; and
  - e. Notwithstanding subdivision d, if the claimants desire to designate one person in whose name the entire claim may be made and list the persons to whom the winnings are taxable, the claimants may file, along with a claim prize form, internal revenue service form 5754 (statement by person(s) receiving gambling winnings) with the lottery.
12. The lottery shall pay a prize to a player within a reasonable time after the player's winning ticket is validated by the lottery.
13. Except as provided by rule, if two or more plays win the grand prize, the prize money must be divided equally among the players whose tickets won. Except as provided by rule, for a set prize, each player wins the set amount of a prize regardless of whether two or more players have winning tickets for the prize.

14. The lottery is not liable for a ticket not delivered to the correct address of the lottery or a delay in delivery of a ticket or damage to a ticket while being delivered to the lottery.
15. A player who redeems a winning ticket is solely responsible for any federal or state income tax liability related to the prize.
16. A person's right to a prize is assignable and payment of a prize may be made to a person pursuant to an appropriate judicial order.
17. A prize may not be payable to a trust until after the lottery conducts a debt setoff on the beneficiaries of the trust.
18. If a player redeems an original multi-draw ticket before the ticket's last draw and a retailer returns the original ticket, rather than an issued exchange ticket, to the player, the lottery may not pay another prize on the original ticket until after the exchange ticket expires and has not been redeemed.

History: Effective February 1, 2004; amended effective April 1, 2006; April 1, 2008; January 31, 2010.

General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-02, 53-12.1-03, 53-12.1-08, 53-12.1-09, 53-12.1-13

#### **10-16-03-08.1 Subscription.**

1. A player may procure a subscription application form from a retailer, lottery's office, or lottery's web site.
2. 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, 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;
  - c. Name of game. For the game of POWERBALL®, indication of whether the play has the power play option. For the game of MEGA MILLIONS®, indication of whether the play has the Megaplier® option. For the game of HOT LOTTO®, 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:
  - a. 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; July 1, 2010.

General Authority: NDCC 53-12.1-13

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

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

### Section

10-16-08-01 Game Description

10-16-08-02 Expected Prize Pool Percentages and Odds

10-16-08-03 Prize Pool and Payment

10-16-08-04 Megaplier® Option

**10-16-08-01. Game description.** To play MEGA MILLIONS®, a player selects five different white numbers, between one and fifty-six, and one additional gold number (Mega Ball®) between one and forty-six. 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 fifty thousand dollars or less) is paid on a single-payment cash basis. Draws are held every Tuesday and Friday.

History: Effective January 31, 2010.

General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-13

**10-16-08-02. Expected prize pool percentages and odds.** The minimum grand prize is twelve million dollars and is paid on a pari-mutuel basis. Except as provided by rule, a set prize must be paid according to these matches per play and prize amounts with these expected prize payout percentages:



<u>Matches Per Play</u>	<u>Prize</u>	<u>Prize Pool Percentage Allocated to Prize</u>	<u>Odds***</u>
<u>5 white + 1 gold</u>	<u>Grand prize*</u>	<u>63.60%</u>	<u>1:175,711,536</u>
<u>5 white + 0 gold</u>	<u>\$250,000**</u>	<u>12.80%</u>	<u>1:3,904,701</u>
<u>4 white + 1 gold</u>	<u>\$10,000**</u>	<u>2.90%</u>	<u>1:689,065</u>
<u>4 white + 0 gold</u>	<u>\$150**</u>	<u>1.96%</u>	<u>1:15,313</u>
<u>3 white + 1 gold</u>	<u>\$150**</u>	<u>2.18%</u>	<u>1:13,781</u>
<u>2 white + 1 gold</u>	<u>\$10</u>	<u>2.38%</u>	<u>1:844</u>
<u>3 white + 0 gold</u>	<u>\$7</u>	<u>4.58%</u>	<u>1:306</u>
<u>1 white + 1 gold</u>	<u>\$3</u>	<u>4.26%</u>	<u>1:141</u>
<u>0 white + 1 gold</u>	<u>\$2</u>	<u>5.34%</u>	<u>1:75</u>

Overall odds of winning a prize on a one dollar play are 1:39.89.

\*The grand prize is pari-mutuel and will be divided equally by the number of jackpot prize winners. \*\* For any drawing, if prize liability exceeds the lesser of 300% of Mega Millions sales or 50% of draw sales plus \$50 million, then these prizes become pari-mutuel.

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

History: Effective January 31, 2010,  
General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-13

### **10-16-08-03. Prize pool and payment.**

1. The prize pool for all prize categories must consist of fifty percent of each draw period's sales after the prize reserve account is funded.
2. The prize money allocated to the grand prize pool must be divided equally by the number of plays that win the grand prize. If the grand prize is not won in a draw, subject to any restrictions by the game group, the prize money allocated for the grand prize must roll over and be added to the grand prize pool for the next draw.
3. If there are multiple grand prize winning plays during a draw, each player selecting the annuitized option prize, then a winning play's share of the annuitized grand prize must be determined by dividing the annuitized grand prize by the number of winning plays.
4. A grand prize must be paid, at the election of the winning player made within sixty days after the player becomes entitled to the prize, with either a per winning player annuity or cash payment. If the payment election is not made by the player within sixty days after the player becomes entitled to the prize, then the prize must be paid as an annuity prize. An election for an annuity payment made by a player may be changed to a cash payment at the election of the player until the expiration of sixty days after

the player becomes entitled to the prize. Otherwise, the payment election is final. Shares of the grand prize must be determined by dividing the cash available in the grand prize pool equally among all winning plays of the grand prize. A player who elects a cash payment must be paid the share in a single cash payment. A player who elects an annuitized prize must be paid annually in twenty-six payments with the initial payment being made in cash, followed by twenty-five payments by the best available rate obtained through a competitive bid of qualified bidders. Annual payments after the initial payment must be made by the lottery within seven days of the anniversary date which the bonds were purchased to fund the annuity.

5. The lottery may not pay a grand or set cash prize until after it receives authorization from the MUSL. The lottery may pay the prize before it receives the funds from the MUSL.
6. The prize pool percentage allocated to set prizes must be carried forward to a subsequent draw if all or a portion of it is not needed to pay the set prizes awarded in the current draw.

History: Effective January 31, 2010.  
General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-13

#### **10-16-08-04. Megaplier® option.**

1. The Megaplier® option is a limited extension of the MEGA MILLIONS® game and is conducted according to the game group's game rules. The option offers the owner of a qualifying play a chance to multiply the amount of a set prize.
2. A qualifying play is a single MEGA MILLIONS® play for which the player pays an extra one dollar for the Megaplier® option. Megaplier® does not apply to the grand prize.
3. A qualifying play which wins one of the eight set prizes will be multiplied by the number selected, two through four, in a separate random Megaplier® drawing.
4. A single number from a series of twenty-one numbers is selected according to the following frequency: two number 2's, seven number 3's, and twelve number 4's. The game group may change one or more of the multiplier numbers for a special promotion.
5. A prize awarded must be paid as a lump sum set prize. Instead of the normal set prize amount, a qualifying Megaplier® will pay the amounts shown below when matched with the Megaplier® number drawn:

MEGA MILLIONS® Pays Instead

Matches per Play	Prize Amount	Megaplier		
		4X	3X	2X
5 white + 0 gold	\$250,000	\$1,000,000	\$750,000	\$500,000
4 white + 1 gold	\$10,000	\$40,000	\$30,000	\$20,000
4 white + 0 gold	\$150	\$600	\$450	\$300
3 white + 1 gold	\$150	\$600	\$450	\$300
2 white + 1 gold	\$10	\$40	\$30	\$20
3 white + 0 gold	\$7	\$28	\$21	\$14
1 white + 1 gold	\$3	\$12	\$9	\$6
0 white + 1 gold	\$2	\$8	\$6	\$4

Rarely, a set prize amount may be less than the amount shown. In that case, a Megaplier® prize will be a multiple of the new set prize amount. For example, if the match 5 set prize amount of two hundred fifty thousand dollars becomes one hundred fifty thousand dollars under the game group's rules, a Megaplier® player winning that prize amount when a "4" has been drawn would win six hundred thousand dollars (\$150,000 x 4).

6. The following table reflects the probability of the Megaplier® numbers being drawn:

Megaplier®	Probability of Prize Increase
4X - Prize won times 4	12 in 21
3X - Prize won times 3	7 in 21
2X - Prize won times 2	2 in 21

History: Effective January 31, 2010.  
General Authority: NDCC 53-12.1-13

Law Implemented: NDCC 53-12.1-13