

CHAPTER 99-01.3-05.1 FIFTY-FIFTY RAFFLE SYSTEMS

Section

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99-01.3-05.1-01. Fifty-fifty raffle system.

A fifty-fifty raffle system means computer hardware, software, and related equipment used to sell fifty-fifty raffle tickets and account for sales. A fifty-fifty raffle system server must be located in a secure location at the site of the raffle event. A fifty-fifty raffle system must be operated by the organization conducting the raffle. A winning player is determined by either drawing a draw number from a receptacle or by using a random number generator. A draw number is a number that is provided to the player on a bearer ticket which may be selected as the winning number for the raffle. A bearer ticket is a paper ticket that contains one or more draw numbers purchased. The conduct of a raffle is the drawing. Fifty-fifty raffle systems may only be used for single event raffles. Single event raffles are raffles conducted on the same day at the same event.

History: Effective April 1, 2016; amended effective July 1, 2018.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-05.1-02. Tickets - Limitations and requirements.

1. Each draw number is a separate and equal chance to win with all other draw numbers sold. A person may not be required to buy more than one draw number or to pay for anything other than the draw number to enter a fifty-fifty raffle.
2. Tickets must be purchased from attendant-operated fifty-fifty raffle sales units. Player-operated fifty-fifty raffle sales units are not permitted. A raffle sales unit is a portable wireless device or standalone cashier station that is used as a point of sale for bearer tickets that include the draw numbers purchased by the player. A discounted ticket is a bearer ticket that contains a specific number of draw numbers at a discounted price.
3. Tickets must only be printed when sold to a player. Preprinting of tickets is prohibited.
4. An organization may not allow a fifty-fifty raffle ticket seller to retain a draw number 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 draw number. An organization may provide a raffle ticket seller a fixed amount for selling the most or a certain number of tickets. No ticket can be resold.
5. An organization may not conduct a drawing unless two employees are present. A drawing must occur at an authorized public or private site. All draw numbers in the receptacle must be intermixed before drawing a winning draw number.
6. 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.
7. Draw numbers purchased from a raffle sales unit must be issued and numbered consecutively. Upon completion of a sale, the player shall receive a bearer ticket with the draw numbers printed on it for a chance to win a raffle drawing.

8. No sales of fifty-fifty raffle tickets may occur after the raffle purchase period has been closed. A raffle drawing must only be conducted after all raffle sales units have completed their final sync to the system server to ensure all sold draw numbers have been printed into the receptacle.
9. The winning draw number must be verified with the system as a sold and valid draw number prior to payout. The player shall present the bearer ticket to the organization for validation with the winning draw number. Voided tickets and their draw numbers must not be qualified toward any prize.

History: Effective April 1, 2016.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-05.1-03. Prize restrictions and requirements.

1. Prizes must only be cash and must be fifty percent or more of gross proceeds for each single event raffle. However, a single cash prize may not exceed twenty-five thousand dollars and the total cash prizes may not exceed twenty-five thousand dollars during a day. Prize payouts must be based on ticket sales and not on cash retained by sellers. The maximum cash prize limits of this section do not apply to a public-spirited organization that supports amateur collegiate athletics. The public-spirited organization's primary purpose must include support of collegiate athletics.
2. A prize winner must be drawn on the date and at the location indicated on a bearer ticket.
3. The winning draw number must be selected from all sold draw numbers from the current single event raffle drawing.
4. The organization shall post or publish by a public means, the winning draw number and where the prize may be claimed. A winning player need not be present when a drawing is held but shall claim the prize within five business days. A statement of the time of the drawing and redemption period must be on all promotional material and be posted at a site. If a prize is not claimed due to time limitations, the organization shall contact the attorney general.
5. If there is a power failure or technical problem with the system and the system can no longer be used, the raffle drawing must not occur until the power or system has been restored and all purchased draw numbers have been printed into the receptacle. The attorney general is to be notified immediately if a raffle drawing occurs and the organization later determines that not all eligible draw numbers were placed into the draw container. The organization shall specify the total number and draw numbers of the affected tickets and provide an explanation for how the problem occurred.

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General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-05.1-04. Information on a bearer ticket.

1. Name of organization and phone number.
2. License number.
3. The purchase price of each bearer ticket.
4. Draw numbers.

5. Location, date, and time of the drawing.
6. The time limit for the ticket buyer to claim a prize.

History: Effective April 1, 2016.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-05.1-05. Recordkeeping.

For each fifty-fifty single event raffle, records must include and be retained for three years from the end of the quarter in which the activity was reported, unless otherwise provided by rule:

1. The single event raffle accounting and operating records according to subsection 2 of section 99-01.3-16-09.5.
2. The daily starting and ending cash on hand records according to section 99-01.3-03-06.
3. A record identifying the allocation of draw numbers to each raffle sales unit and the seller's names assigned to each unit.
4. A reconciliation of cash received to the dollar value of draw numbers sold for each raffle sales unit and its sellers and in total for the single event raffle.
5. A reconciliation of all sold, voided, and unsold draw numbers to the total number of draw numbers that were available for sale for each single event raffle.
6. The actual winning draw number, bearer ticket showing purchase of the winning draw number, and all sold and voided draw numbers if the winning player is determined by drawing a draw number from a receptacle, which must be retained for one year from the end of the quarter in which the activity was reported on a tax return.
7. Prize register according to section 99-01.3-03-07 and record of win according to section 99-01.3-03-08.
8. Cash profit as defined in subdivision b of section 8 of section 99-01.3-02-01.
9. 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.
10. Ideal cash bank master records according to subsection 5 of section 99-01.3-03-09.
11. 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.
12. The count and reconciliation of cash banks according to subsections 5 and 7 of section 99-01.3-03-09.

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