

## **CHAPTER 99-01.3-06.1 ELECTRONIC PULL TAB DEVICES**

### **Section**

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#### **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 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. If a winning combination of numbers, letters, or symbols is displayed after opening the electronic pull tab, a player wins credits that are displayed on the credit meter and can be used to purchase more electronic pull tabs or cashed out to a voucher which can be redeemed for cash.

**History:** Effective July 1, 2018.

**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 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 device may 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 other game type may be played on the device and no level of player skill may 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 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 only 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 six 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 be selected for play on an electronic pull tab device at any given time. A winning electronic pull tab may be made up of a combination of numbers, letters, or symbols. 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 programed to not allow play during hours when alcoholic beverages may not be dispensed.
4. The following rules must be posted:
  - 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; 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 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. An organization shall maintain custody of all keys to an electronic pull tab device. A bar employee may not have access to a device. The keys for each lock on a device must be keyed differently, including the lock for a device's outer door and the inner compartments that must separately house the computer logic and server area and currency validator stacker area. An organization may not provide an independent service technician keys to access an electronic pull tab device regardless if the device is leased.
6. An organization or employee may not modify the assembly or operational functions of an electronic pull tab device.
7. An organization may not post nor may an electronic pull tab device 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. An organization shall:
  - a. Withdraw currency from an electronic pull tab device within a seven-calendar-day interim period. Electronic pull tab 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.
  - b. Generate and print an interim period electronic pull tab device activity report for each device at a site according to subdivision a of subsection 16 of section 99-01.3-16-09.6. The information from this report must be recorded on an interim period site summary. After completion of the interim period site summary, all system generated interim period electronic pull tab device activity reports must be attached and retained with the interim period site summary.
  - c. From the interim period site summary, game activity information, including gross proceeds, prizes, adjusted gross proceeds, cash profit, and cash long or short for each game conducted at a site must be posted to a game summary report maintained for each game. The game summary report must include cumulative totals for each. Total cash

profit for the interim period at a site is allocated to each game based on the ratio of a game's adjusted gross proceeds to the total adjusted gross proceeds of all the 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 device. A person who accesses a device shall record the reason for access and date and initial the log. An organization shall retain the log in the device during the quarter of activity.
12. Credit ticket vouchers may be redeemed by an organization employee when on duty, by a bar employee, or by both.
13. For the redemption of credit ticket vouchers by organization employees at a site, an organization shall maintain one cash bank for each different manufacturer's devices.
14. An organization may provide a bar with a temporary loan to enable a bar employee to redeem a credit ticket voucher. A loan and any increase in the loan must be made by check payable to the bar 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 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 must equal the dollar value of redeemed credit ticket vouchers which the bar provides to an organization. An organization employee may not use a bar's loan for redeeming a credit ticket voucher.
15. If a theft of currency occurs from an electronic pull tab device, an organization immediately shall discontinue and close all electronic pull tab games at the site associated with that manufacturer's devices, contact their distributor and generate an interim period electronic pull tab device activity report and electronic pull tab closed game summary report according to subdivisions a and d of subsection 16 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. All games of electronic pull tabs of the same manufacturer at a site must be put into play and started at the same time. For the start of each 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 game of the same manufacturer, 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 game may 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. Once closed, a game and its deals cannot be reopened.
  - e. When the games are closed an employee shall buy back all remaining credit ticket vouchers from the organization employee cash bank and from a bar. 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, an independent audit person of the organization shall reconcile the game summary report to the monthly interim audit report according to subdivision c of subsection 16 of section 99-01.3-16-09.6. At the end of the quarter, after a game has been closed, the independent audit person shall reconcile the game summary report to the electronic pull tab closed game summary report according to subdivision d of subsection 16 of section 99-01.3-16-09.6. The electronic pull tab closed game summary report may not be generated or printed prior to an electronic pull tab game being closed. Doing so will cause immediate and automatic termination of a game. All reconciliations must be dated and signed by the independent audit person.
17. 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, 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.

**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.**

- 1. A bar shall:
  - a. Place an electronic pull tab device in a location where alcoholic beverages are dispensed and consumed and where a bar employee will regularly observe the device;
  - b. Prohibit a person from tampering or interfering with the operation or play of an electronic pull tab device;
  - c. Ensure that an electronic pull tab device is disabled from play unless alcoholic beverages may be dispensed, a bar employee is available to redeem a credit ticket voucher, and a bar 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 is known by the bar or its employee, disable play of the device and promptly notify the organization. Otherwise, the bar 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. If the bar violates this rule, the attorney general may suspend any or all games at the site for up to six months.
- 2. A bar 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 bar employee believes there is a problem with an electronic pull tab device or there is a problem with a redeemed credit ticket voucher, the bar employee shall contact the charitable gaming organization and may disable the device from play.
  - 4. A bar may accept or not accept a gaming-related check from a player. A player's check must be payable to a bar. A bar is responsible for a player's check returned by a financial institution as uncollectible. A bar 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 bar employee who is authorized by a bar may redeem a credit ticket voucher.
  - 6. A bar employee may not summarize or audit an electronic pull tab game for an organization.

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**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 bar and an organization.**

- 1. A bar 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.
- 2. A bar 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 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 day presented for redemption. If a player attempts to redeem a voucher that was issued prior to the day presented for redemption, a bar 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 date 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 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 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 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 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 that an organization employee may have redeemed, by interim period.
5. An organization shall provide a bar employee and a bar 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 employee's and bar's duties and restrictions.

**History:** Effective July 1, 2018.

**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:

1. An interim period electronic pull tab device activity report according to subdivision a of subsection 16 of section 99-01.3-16-09.6. The report must be generated and printed for each device at a site each interim period.
2. Interim period site summary form. The information from each interim period electronic pull tab device activity report must be recorded on this form each interim period and must include for each electronic pull tab game conducted at the site, gross proceeds, prizes, and adjusted gross proceeds and totals for all games. It also must include total cash in each electronic pull tab device and in total, total credit ticket vouchers redeemed, including bar and organization employee redeemed if applicable, total credits paid if applicable, employee cash long or short if applicable, cash profit or loss, and bank deposit.
  - a. All system-generated interim period electronic pull tab device activity reports must be attached and retained with the interim period site summary.
  - b. All redeemed credit ticket vouchers exchanged for cash, bar and organization redeemed, must be retained with the interim period site summary.
3. Game summary report for each game. The game activity information from each interim period site summary, including gross proceeds, prizes, adjusted gross proceeds, cash profit, and cash long or short for each game conducted at a site must be posted to a game summary report. The game summary report must include cumulative totals. Total cash profit for the interim period at a site is allocated to each game based on the ratio of a game's adjusted gross proceeds to the total adjusted gross proceeds of all the games.

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. Credit redemption register, including the date, amount, if credits were still on the electronic pull tab device, player's name and signature, signature or initials of person who paid the player, bar reimbursement information if applicable, and date paid.
6. Cash profit as defined in subdivision e of subsection 8 of section 99-01.3-02-01.
7. An electronic pull tab closed game report according to subdivision d of subsection 16 of section 99-01.3-16-09.6. This report must be generated and printed after each electronic pull tab game is closed at a site. Printing the report prior to an electronic pull tab game being closed will cause immediate and automatic termination of a game. The summaries of all electronic pull tab games for a quarter must reconcile to the amounts reported on the gaming tax return.
8. Access log for each electronic pull tab device, which includes the date, time, reason for entry, and initials of the employee who accessed the device.
9. Deals in play report according to subdivision b of subsection 16 of section 99-01.3-16-09.6. The report must be generated and printed for each game at a site at the end of each month and retained with the records for the game.
10. Monthly and quarterly audit and reconciliation records according to subdivision f of subsection 16 of section 99-01.3-06.1-02.
11. Ideal cash bank master records according to subsection 5 of section 99-01.3-03-09.
12. 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.
13. The count and reconciliation of cash banks according to subsections 5 and 7 of section 99-01.3-03-09.

**History:** Effective July 1, 2018.

**General Authority:** NDCC 53-06.1-01.1

**Law Implemented:** NDCC 53-06.1-01.1