

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 an Alcoholic Beverage Establishment
- 99-01.3-06.1-04 Requirements of 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 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, 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.

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General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-06.1-02. 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, 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. 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. Any other game type may not be played on the device and 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 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 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.
 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. 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, site server, or kiosk, regardless of whether the electronic pull-tab device operating system is leased.

7. An organization or employee may not modify the assembly or operational functions of an electronic pull tab device.
8. An organization may not post 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.
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 or loss, and cash long 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 or loss, and cash long or short.
 - d. Report the total electronic pull-tab activity for all manufacturers each quarter, for all games conducted at a site, on the 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 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 a log in 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 an alcoholic beverage establishment employee, or by 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 an alcoholic beverage establishment with a temporary loan to enable 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 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 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 an alcoholic beverage establishment must equal the dollar value of redeemed credit ticket vouchers which the alcoholic beverage establishment provides to an organization. An organization employee may not use 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. 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 from 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 tax return for the site at which it was closed.
 - f. At the end of each month, within a reasonable time, an independent 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 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 initialed by the independent 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.

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General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-06.1-03. Requirements of an alcoholic beverage establishment.

1. 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 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, an alcoholic beverage establishment employee or kiosk is available to redeem a credit ticket voucher, and an 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 alcoholic beverage establishment or its employee, disable play of the device or kiosk and promptly notify the organization. Otherwise, the 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 credit ticket voucher. A check from an alcoholic beverage establishment may not be issued to a player redeeming a credit ticket voucher. If the alcoholic beverage establishment violates these rules, the attorney general may suspend any or all games at the site for up to six months.
2. 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 an electronic pull-tab device for any reason.
 3. If an alcoholic beverage establishment employee believes there is a problem with an electronic pull-tab device, kiosk, or with a redeemed credit ticket voucher, the alcoholic beverage establishment employee shall contact the charitable gaming organization and may disable the device or kiosk.
 4. An alcoholic beverage establishment may accept or not accept a gaming-related check from a player. A player's check must be payable to an alcoholic beverage establishment. An alcoholic beverage establishment is responsible for a player's check returned by a financial institution as uncollectible. 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 the redemption of a credit ticket voucher.
 5. Only an alcoholic beverage establishment employee who is authorized by an alcoholic beverage establishment may redeem a credit ticket voucher.
 6. An alcoholic beverage establishment 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 an alcoholic beverage establishment and an organization.

1. An 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. 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, an 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, an 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, an 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. 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, 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.
 - 4. 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 an alcoholic beverage establishment employee, and 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, 99-01.3-06.1-03, and 99-01.3-06.1-04 regarding the alcoholic beverage establishment employee's and alcoholic beverage establishment's duties and restrictions.

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99-01.3-06.1-05. Recordkeeping.

Records must 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 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 or short if applicable, cash profit or loss, cash long 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 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 or loss, and cash long 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 or loss, and cash long 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.
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, alcoholic beverage establishment reimbursement information if applicable, and date paid.
8. Cash profit as defined in subdivision e of subsection 9 of section 99-01.3-02-01.
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. 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. 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.
10. Access log for each electronic 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.
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.
12. Monthly and quarterly audit and reconciliation records according to subdivision f of subsection 16 of section 99-01.3-06.1-02.

13. Ideal cash bank master records according to subsection 4 of section 99-01.3-03-09.
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.
15. The count and reconciliation of cash banks according to subsections 4 and 6 of section 99-01.3-03-09.

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