

CHAPTER 99-01.3-07 SPORTS POOLS

Section

99-01.3-07-01 Sports Pool

99-01.3-07-02 Recordkeeping

99-01.3-07-01. Sports pool.

A sports pool is comprised of wagers paid by players for a line or square that will determine which player wins. The maximum cost per line or square is twenty-five dollars. A sports pool must be for a professional sport only. The conduct of a sports pool is the selling of chances on the board and awarding of a prize. Only cash prizes may be awarded. A sports-pool board with the state gaming stamp affixed may not be conducted off of a site. A licensed organization and organization with a permit must obtain sports pool boards from a licensed distributor.

1. A sports-pool board must be a multiple line or multiple square board based on the professional sporting event, provide for an equal chance for each player to win, and be acquired from a distributor.
2. An organization shall complete the cost per play, date of sports event, ideal prizes, and method of prize payout on a board. An employee of a lessor may sell chances on a board, but not award prizes, at the site for the organization authorized to conduct games at the site. The method of prize payout may be at periodic intervals or the end of an event. The total payout may not exceed ninety percent of the gross proceeds.
3. An organization shall designate one opponent along the vertical columns of numbers and the other opponent along the horizontal rows of numbers. However, if the opponents are unknown when the board is being sold, an organization shall designate identifiable conferences, divisions, or events. A player who buys a square or line or an employee shall write the player's full name in that square or on that line. Only one player may buy a specific square or line. Except for a calendar sports pool, tapes may not be removed until all the squares or lines are sold and the opponents are designated. All the squares or lines must be sold before the sports event begins. If all the squares or lines are not sold, an organization may advance the board to another event or refund the players' money. If opponents were designated but the board is advanced to another event, an organization may keep the same opponents or designate new opponents. If an unsold board is advanced to another event, an organization shall post a notice on a site disclosing its policy of advancing the board. Gross proceeds must be maintained separately for each board.
4. An organization may conduct a calendar or master sports pool for two or more events of the same sport. An organization shall use one board for each event and buy the necessary number of boards before selling any square. For example, if a sports pool involves sixteen events, an organization shall buy sixteen boards. A player buys the same square on each board for all the events. Each board is reported separately on a tax return for the quarter in which the event was held.
5. A calendar sports pool must be conducted as follows:
 - a. The tapes covering the numbers assigned the horizontal rows and vertical columns of the boards must be removed to reveal the numbers. One opponent must be designated along the vertical columns of numbers and the other opponent designated along the horizontal rows of numbers. The board must state the event and its date;
 - b. Each square of each board must be assigned a consecutive number starting with number one. The numbering must be in sequence, left to right;

- c. Each board must be printed and may be reduced in size. The quantity printed is based on the type of board. For example, for a one hundred square board, each board must be printed one hundred times. A printed board for each event and a receipt comprise a book;
 - d. A receipt must contain:
 - (1) A consecutive receipt number starting with one and a statement that the receipt number is the player's assigned square for all the boards in the book;
 - (2) Name and address of organization and name of site;
 - (3) For a licensed organization, "office of the attorney general" and site license number. For an organization that has a permit, the name of the city or county and permit number;
 - (4) Price of the book, method of prize payout and prize; and
 - (5) A detachable section containing a player's full name, address, telephone number, and matching receipt number which is retained by an organization;
 - e. An employee may not sell a book on a site where another organization is licensed or has a permit unless the employee is granted permission by the lessor and other organization;
 - f. A player may not choose a particular book to buy. When a book is sold, a receipt's detachable section is completed. After a player buys a book, the player may see the numbers assigned that player's square on the boards;
 - g. For a licensed organization, a board must be posted at the site on the day that the related event is held; and
 - h. If all the books of a calendar sports pool are not sold before the first event, an organization shall refund the players' money and void all the boards. The voided boards must be reported on the tax return as "no activity".
6. A master sports pool must be conducted as follows:
- a. An organization shall post a multiple square master board at a site. Each square must be assigned a consecutive number starting with number one. The numbering must be in sequence, left to right. A master board must include:
 - (1) Name of organization;
 - (2) The events;
 - (3) Price of participating, number of events, method of prize payout and prize; and
 - (4) A statement that the scores assigned to the players' squares for each event will be posted at the site five days before the event.
 - b. A player shall buy a square and write the player's full name and telephone number in it.
 - c. A sports-pool board with the state gaming stamp affixed must be posted at a site five days before the event related to that board is held.
 - d. If all the squares of a master sports pool are not sold before the first event, an organization shall refund the players' money and void all the boards. The voided boards must be reported on the tax return as "no activity".
7. The winner of a board is determined, at periodic intervals or at the end of the event:

- a. For a multiple line board, by determining the line that is assigned the winning number (one's position) or the combined score of both opponents.
 - b. For a multiple square board, by determining the square at the juncture of the horizontal row and vertical column which relate to the numbers (one's position) of each opponent's score.
8. Upon completion of the event, an organization immediately shall make a good-faith effort to contact a winning player to award a prize. If a prize is unclaimed for thirty days following the notification or a player attempts to falsify or falsifies a record of win, the prize is forfeited.
 9. An employee shall record a prize on a board or a register according to section 99-01.3-03-07. If a prize is recorded on a board, the board must contain the information required by section 99-01.3-03-07. This subsection does not apply to a permit.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; April 1, 2016; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-09

99-01.3-07-02. Recordkeeping.

Records must include and be retained for three years from the end of the quarter in which the activity was reported:

1. For each sports-pool board:
 - a. The sold board with the state gaming stamp affixed which must indicate the winning square or line;
 - b. The daily starting and ending cash on hand and IOU records according to section 99-01.3-03-06;
 - c. Cash profit as defined in subdivision i of subsection 9 of section 99-01.3-02-01;
 - d. The type of professional sport and amount of each prize;
 - e. A summary of gross proceeds, prizes, adjusted gross proceeds, cash profit, cash long or short, and bank deposit. The summaries of all sports-pool boards conducted during a quarter must reconcile to the activity reported on a tax return;
 - f. Prize register according to section 99-01.3-03-07 and record of win according to section 99-01.3-03-08; and
 - g. Inventory records according to subsection 1 of section 99-01.3-03-09.
2. Ideal cash bank master records according to subsection 4 of section 99-01.3-03-09.
3. Verification of the amount deposited according to a bank statement, and an audit of the event's activity according to subsections 6 and 7 of section 99-01.3-03-10.
4. The count and reconciliation of sports-pool boards and cash banks according to subsections 1, 4, and 6 of section 99-01.3-03-09.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; April 1, 2016; July 1, 2018; January 1, 2023.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1