

## **CHAPTER 99-01.3-11 PADDLEWHEELS**

### **Section**

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### **99-01.3-11-01. Paddlewheels.**

Paddlewheels must be conducted and played according to these two methods:

1. Paddlewheels may be a game in which a prize cannot be a variable multiple of the amount bet. The ticket must contain one or more numbers or symbols corresponding to a paddlewheel. The number or symbol on a ticket may not be duplicated on any other ticket of the same card. No chips may be used. Cash or merchandise prizes may be awarded. Sections 99-01.3-11-02 and 99-01.3-11-07 also apply to this method.
2. Paddlewheels may be a table game in which a prize is a predetermined variable multiple of the amount bet. No merchandise prize may be awarded. Sections 99-01.3-11-03 through 99-01.3-11-07 also apply to this method.

**History:** Effective May 1, 1998.

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

**Law Implemented:** NDCC 53-06.1-01.1, 53-06.1-07.4

### **99-01.3-11-02. Paddlewheels - Excluding the use of a table.**

This section applies to the method of paddlewheels described by subsection 1 of section 99-01.3-11-01.

1. All paddlewheel tickets of a card must be preprinted and contain one or more numbers or symbols corresponding to a paddlewheel. A number or symbol cannot be repeated on any of the tickets of a card number. A ticket must have a game serial number corresponding to the number printed on the ticket card's stub. A master flare for a series of paddlewheel ticket cards must state the type of paddlewheel tickets, cost per ticket, range of card numbers, have a state gaming stamp affixed to it bearing the card number of the lowest-numbered ticket card, and be posted.
2. The maximum price per ticket is two dollars. All the tickets of a series of paddlewheel ticket cards must be sold for the same price and the tickets cannot be discounted. A person may not be required to buy more than one ticket. All tickets must be sold on a site the day the game is conducted. All the tickets of a card must be sold before a spin. Otherwise, an employee shall refund the gross proceeds in exchange for the players' unplayed tickets.
3. A winner must be determined by spinning a paddlewheel. An organization may spin a paddlewheel multiple times to award multiple prizes for one paddlewheel ticket card. A paddlewheel must make at least four revolutions. Otherwise, the spin is void and the paddlewheel must be spun again.
4. No cash prize may be a variable multiple of the price of a ticket. No cash prize or the retail price of a merchandise prize for one winning ticket may exceed one hundred dollars. After a

prize payoff, an employee shall record the date, card number, and cash prize amount or cost and description of a merchandise prize and retain the winning ticket.

5. All paddlewheel ticket cards of a series related to the same master flare must be reported on the tax return in the quarter in which the series was first played. An organization may not carry over a partial series of paddlewheel ticket cards to another quarter. Any cards of a series which remain unsold during a quarter when other cards of that series were sold must be retained as part of the accounting records and cannot be used or disposed.
6. The following rules and policy must be posted or made available to players in the area where paddlewheel activity is conducted. If made available to players, the rules and policy must be in the form of a handout that is easily visible to the players and may not be a copy of the gaming law and rules:
  - a. A player may not bet tickets that exceed a value of twenty dollars for one spin;
  - b. A paddlewheel must make at least four revolutions;
  - c. Whether a player is or is not required to be present when the paddlewheel is spun to win;
  - d. If a player is not required to be present, the time limit for the winning player to claim the prize; however, the limit cannot exceed one hour from the time of the spin; and
  - e. If a prize is not claimed, an organization shall conduct one or more additional spins until the prize is claimed.

**History:** Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2012; April 1, 2016; January 1, 2023.

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

**Law Implemented:** NDCC 53-06.1-01.1, 53-06.1-07.4

**99-01.3-11-03. Paddlewheel, table, chips, and video surveillance system.**

1. A paddlewheel is a round mechanical vertical wheel, at least thirty inches in diameter, and may be divided into a maximum of five concentric circles. The outer circle must contain at least forty numbers or symbols. A paddlewheel may have house numbers or symbols for an optional odd or even bet. Each inner circle may contain up to one-half of the number of numbers or symbols as that circle's adjacent outer circle. The numbers and symbols may repeat on a circle. Each circle must be divided into equally spaced sections, be a different primary color, and correspond to the colored numbers or symbols of a table playing surface. The colored numbers or symbols of all concentric circles must be at least five-eighths of one inch in height.
2. A peg must protrude, on the circumference of a paddlewheel, between each section of the outside circle. A pointer must be positioned above a paddlewheel. It is used to stop a spin of a paddlewheel and determine the winning colored number or symbol.
3. A table must have:
  - a. A chip tray and a rail for holding a player's chips;
  - b. A playing surface which must be permanently imprinted with colored numbers or symbols of at least one and one-half inches in height relating to each circle of a paddlewheel. A table may have spaces for various wagers, including sets of numbers, colored numbers, symbols, and "ODD" and "EVEN" bets;

- c. Either a mirror to reflect or a color video camera and monitor to display the winning colored number or symbol on the paddlewheel; and
  - d. A table must have a "drop box" that meets the specification of subsection 5 of section 99-01.3-15-02. A "drop box" must have a money plunger which must remain in the slot unless the plunger is used.
4. An organization shall issue solid color-coded sets of chips for betting purposes. No betting chip can be the primary color of mustard yellow. The number of different sets and number of chips within each set is based on an organization's discretion. Each chip must be permanently impressed, engraved, or imprinted on one side with an organization's name and the other side may have a stated value of one dollar. The name may be represented by a unique identification that differentiates an organization's chips from other organizations' chips. Each chip is valued at one dollar. An organization may issue casino chips in values of one dollar, two dollars, five dollars, twenty-five dollars, and one hundred dollars for paying a winning bet or exchanging a betting chip. A casino chip must meet the specification of subsection 3 of section 99-01.3-08-03.
  5. An organization shall have a picture-in-picture or simultaneous recording video surveillance system on a table and paddlewheel. The system must meet the requirements prescribed by section 99-01.3-08-04.

**History:** Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; July 1, 2012; 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, 53-06.1-07.4

**99-01.3-11-04. Opening and closing a table, number of employees, chip bank services, procedure for accepting currency and chips, and drop box.**

1. To open a paddlewheel table, an employee shall inspect each peg and the pointer of a paddlewheel for uneven wear, immediately replace any worn peg or pointer, and evaluate the balance of a paddlewheel.
2. An organization may not conduct paddlewheels unless two employees are on duty at the site.
3. A fill and credit slip must be prepared and used according to section 99-01.3-08-05. An organization shall perform chip bank services according to section 99-01.3-08-06. An organization may account for the games of paddlewheels and twenty-one separately and, if the activity is separately recorded, shall use casino chips prescribed by the attorney general.
4. A wheel operator, upon receiving currency from a player at a table, shall spread each bill of currency facedown and flat, in sequence of denomination, in the inner table area, perpendicular to a chip tray, and momentarily move the wheel operator's hands away from the currency so it is within a camera's view. A wheel operator, upon receiving a casino chip from a player at a table to be exchanged for a betting chip, shall place the chip in the inner table area at the wheel operator's left and sort, stack, and fan the chips. However, a wheel operator may use a rack to account for one or more sets of twenty chips of the same value. A wheel operator shall then take betting chips from the chip tray, equal in value to the currency or casino chip, fan the betting chips, and momentarily move the wheel operator's hands away from the betting chips so they are within a camera's view. A wheel operator shall then restack the betting chips, push the betting chips to the player, and place the currency in a drop box or place the casino chip in the chip tray, or both.
5. After a day's activity, an employee shall transport a drop box from a table, store it, and count drop box cash according to section 99-01.3-08-14.

**History:** Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2010; April 1, 2016; January 1, 2023.

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

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

**99-01.3-11-05. Conduct and play.**

1. An organization may limit the number of players and may require a minimum number of players to open a table.
2. A player shall buy a betting chip with currency or may exchange a casino chip for a betting chip. Only a betting chip can be used to place a bet.
3. The maximum betting limit of a player for each spin is twenty dollars. Each chip is a separate chance to win. Unless an organization has a restrictive policy, a player may bet more than one chip on the same colored number or symbol for a spin. To bet, a player shall place a chip on the betting layout of a table. If a player's total bet exceeds a value of twenty dollars or exceeds an organization's maximum wager on a spin, the bet is void and the organization shall return the player's chips to the player. A player may not place a tip bet for a wheel operator.
4. After all the players have bought a betting chip and before a paddlewheel is spun, a wheel operator shall announce that the players' bets for the next spin must now be placed. A wheel operator may place a chip for a player if the wheel operator first states, in a voice loud enough to be heard by all the players at a table, that the player is being assisted. When a wheel operator has determined that no other person desires to bet, the wheel operator shall announce bets closed. Thereafter, a player may not bet or touch any placed betting chip or obstruct the view of the playing surface until after a wheel operator pays off all winning wagers. A wheel operator shall double spin a paddlewheel by pulling it in a downward or upward direction and releasing it. While the paddlewheel is in motion, a wheel operator shall again pull it in a consistent downward or upward direction. A paddlewheel must rotate at least four full unrestricted revolutions. Otherwise, the spin is void and a paddlewheel must be spun again.
5. When a paddlewheel stops, a wheel operator shall announce the winning colored number or symbol in a tone of voice loud enough to be heard by all the players at a table. The announcement must be in sequence of the outermost circle first to the innermost circle last. A wheel operator shall first remove all losing betting chips from the table and place them in the chip tray. Then, a wheel operator shall pay off the winning betting chips in the sequence of the bets that are most accessible to the players first and to the bets that are least accessible to the players last.
6. To pay off a winning bet, a wheel operator shall fan all of a player's betting chips toward the wheel operator or side. A wheel operator shall take betting chips of the same color as the winning chip or casino chips, equal to the prize amount of the winning bet, from the chip tray, place the betting or casino chips in a stacked manner beside the wagered fanned betting chips, fan the payoff chips toward the wheel operator or side, and momentarily move the wheel operator's hands away from the chips so they are within a camera's view. However, if the prize payout equals or exceeds twenty betting or casino chips of the same value, the wheel operator may use a rack to account for one or more sets of twenty chips and fan the remaining payoff chips.
7. A tip for a wheel operator must be made with a betting or casino chip. If a tip is made with a betting chip, a wheel operator shall immediately exchange the betting chip for a casino chip in the inner table area, momentarily move the wheel operator's hands away from the chip so it is within a camera's view, place the betting chip in the chip tray and casino chip in the tip

receptacle. When the wheel operator's shift ends, the wheel operator shall take the tip receptacle and leave the table.

8. If a player desires to redeem a betting chip, an organization shall exchange the betting chip for a casino chip at the paddlewheel table. A player may redeem a casino chip with the cashier or use it in the game of twenty-one.

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

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

**Law Implemented:** NDCC 53-06.1-01.1, 53-06.1-07.4

#### **99-01.3-11-06. Disclosure.**

1. The following rules and notice must be posted or made available to players in the area where paddlewheel activity is conducted. If made available to players, the rules and notice must be in the form of a handout that is easily visible to the players and may not be a copy of the gaming law and rules:
  - a. A player may not bet chips that exceed a value of twenty dollars for one spin.
  - b. A player shall bet by placing a betting chip properly on the betting layout.
  - c. A player may not touch a betting chip after the wheel operator announces "bets closed" or obstruct the view of the playing surface until after a wheel operator pays off all winning wagers.
  - d. A paddlewheel must make at least four revolutions.
  - e. If a pointer stops on top of a peg, the number preceding the peg is the winning number.
  - f. A winning odd or even bet is determined by a winning number of only the designated colored circle. However, a player loses all odd and even bets if the pointer stops on a designated house number. This must be posted or made available to players if an odd or even bet is accepted.
  - g. If a player stops playing and has an unused betting chip, the player shall exchange the betting chip for a casino chip through the wheel operator before the player leaves the table.
2. Prize information must be posted, made available to players, or stated on a table playing surface. The information must reference each differently colored number or symbol, including an optional odd or even bet, and state each prize payoff. The payoff is the relationship of the prize to a winning betting chip. The payoff must be stated as "\_\_\_\_\_ to \_\_\_\_\_" or "\_\_\_\_\_ for \_\_\_\_\_". For example, for a red-colored number or symbol that pays forty dollars for a winning betting chip, the information must reference the red-colored number or symbol and state the payoff as "EXACT NUMBER RED 40 to 1".
3. A notice must be posted that if a person knowingly uses a fraudulent scheme or technique to cheat or skim involving paddlewheels, regardless of the amount gained, the offense is a class C felony.

**History:** Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; 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, 53-06.1-07.4, 53-06.1-16

### **99-01.3-11-07. 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. For paddlewheel activity described by subsection 1 of section 99-01.3-11-01:
  - a. For each day's activity, the starting and ending cash banks and IOU records according to section 99-01.3-03-06;
  - b. For each ticket card of each series of paddlewheel ticket cards:
    - (1) Date conducted, card number, cash prize amount or cost and description of a merchandise prize;
    - (2) All winning tickets and unsold ticket cards which must be retained for one year from the end of the quarter in which the activity was reported on a tax return; and
    - (3) The flare with the state gaming stamp affixed;
  - c. Inventory records according to subsection 1 of section 99-01.3-03-09;
  - d. The count and reconciliation of each series of paddlewheel ticket cards according to subsections 1 and 6 of section 99-01.3-03-09;
  - e. Prize register according to section 99-01.3-03-07; and
  - f. Purchase invoice or receipt documenting the cost and description of a merchandise prize which identifies the state gaming stamp number each prize was awarded with by cost.
2. For paddlewheel activity described by subsection 2 of section 99-01.3-11-01:
  - a. The starting and ending cash and chip banks and IOU records according to section 99-01.3-03-06;
  - b. Drop box cash and values of fill and credit slips;
  - c. Daily surveillance review log;
  - d. Wheel operator percent-of-hold information and video review documentation must be retained for one year from the end of the quarter of the activity;
  - e. Inventory records according to subsection 5 of section 99-01.3-03-09;
  - f. An organization using a combined cash bank for twenty-one and paddlewheel at a site, shall allocate the cash long or short of the combined cash bank to twenty-one; and
  - g. The count and reconciliation of casino and betting chips according to subsections 5 and 6 of section 99-01.3-03-09.
3. For all paddlewheel activity:
  - a. Cash profit as defined in subdivisions j and m of subsection 9 of section 99-01.3-02-01; and
  - b. A summary of gross proceeds, prizes, adjusted gross proceeds, cash profit, cash long or short, and bank deposit. For paddlewheel activity described by subsection 1 of section 99-01.3-11-01, a summary must be completed for each series of paddlewheel ticket

cards. The summaries of all paddlewheel activity for a quarter must reconcile to the tax return.

4. 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.
5. Ideal cash bank master records according to subsection 4 of section 99-01.3-03-09.
6. The count and reconciliation of cash banks according to subsections 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; July 1, 2012; April 1, 2016; July 1, 2018; January 1, 2023; July 1, 2026.

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

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