

Introduced by

Representative Maragos

Senators Sorvaag, Armstrong

1 A BILL for an Act to amend and reenact sections 53-06.2-01 and 53-06.2-11 of the North Dakota  
2 Century Code, relating to the establishment of the racetrack infrastructure fund and grant  
3 program; to provide a continuing appropriation; and to provide an expiration date.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Section 53-06.2-01 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **53-06.2-01. Definitions.**

8 As used in this chapter:

- 9 1. "Breeders' fund" means a fund, administered by the commission, established to  
10 financially reward breeders or owners of North Dakota-bred horses to be paid in  
11 accordance with rules as approved by the commission.
- 12 2. "Certificate system" means the system of betting described in section 53-06.2-10.
- 13 3. "Charitable organization" means a nonprofit organization operated for the relief of  
14 poverty, distress, or other conditions of public concern in this state and has been so  
15 engaged in this state for at least two years.
- 16 4. "Civic and service club" means a branch, lodge, or chapter of a nonprofit national or  
17 state organization that is authorized by its written constitution, charter, articles of  
18 incorporation, or bylaws to engage in a civic or service purpose in this state and has  
19 so existed in this state for at least two years. The term includes a similar local  
20 nonprofit organization, not affiliated with a state or national organization, which is so  
21 recognized by a resolution adopted by the governing body of the local jurisdiction in  
22 which the organization conducts its principal activities, and which has existed in this  
23 state for at least two years.
- 24 5. "Commission" means the North Dakota racing commission.

- 1           6. "Director" means the director of the commission.
- 2           7. "Fraternal organization" means a nonprofit organization in this state, which is a  
3           branch, lodge, or chapter of a national or state organization and exists for the common  
4           business, brotherhood, or other interests of its members, and has so existed in this  
5           state for two years. The term does not include a college or high school fraternity.
- 6           8. "Local jurisdiction" means, with respect to a site inside the city limits of a city, that city,  
7           and with respect to a site not inside the city limits of a city, the county in which the site  
8           is located.
- 9           9. "Other public-spirited organization" means a nonprofit organization recognized by the  
10          governing body of the appropriate local jurisdiction by resolution as public-spirited and  
11          eligible under this chapter.
- 12          10. "Purse fund" means a fund, administered by the commission, established to  
13          supplement and improve purses offered at racetracks within the state.
- 14          11. "Racing" means live or simulcast horse racing under the certificate system or  
15          simulcast dog racing under the certificate system.
- 16          12. "Racing infrastructure fund" means a fund administered by the commission  
17          established to provide grants to racetracks in the state to assist with infrastructure  
18          improvement and existing debt retirement.
- 19          ~~13.~~ 13. "Racing promotion fund" means a fund administered by the commission established to  
20          assist in improving and upgrading racetracks in the state, promoting horse racing in  
21          the state, and developing new racetracks in the state as necessary and approved by  
22          the commission.
- 23          ~~13.14.~~ "Religious organization" means a nonprofit organization, church, body of  
24          communicants, or group gathered in common membership for mutual support and  
25          edification in piety, worship, and religious observances, and which has been so  
26          gathered or united in this state for at least two years.
- 27          ~~14.15.~~ "Veterans' organization" means a congressionally chartered organization in this state,  
28          or a branch, lodge, or chapter of a nonprofit national or state organization in this state,  
29          the membership of which consists of individuals who were members of the armed  
30          services or forces of the United States, and which has so been in existence in this  
31          state for at least two years.

1       **SECTION 2. AMENDMENT.** Section 53-06.2-11 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **53-06.2-11. Bet payoff formulas - Uses by licensee of funds in excess of expenses -**  
4 **Payment to ~~general fund~~ racing funds - Continuing appropriation.**

5       1. For wagering on live horse racing:

6           a. In win, place, and show pari-mutuel pools, the licensee may deduct no more than  
7 twenty percent of the amount wagered. Of the amount wagered, the licensee  
8 shall pay:

9           (1) One-half of one percent to the ~~state treasurer~~ commission to be deposited in  
10 the ~~general~~ racing infrastructure fund.

11           (2) One-half of one percent to the commission to be deposited in the breeders'  
12 fund.

13           (3) One-half of one percent to the commission to be deposited in the purse  
14 fund.

15           (4) One-half of one percent to the commission to be deposited in the racing  
16 promotion fund.

17       b. In daily double, quinella, exacta, trifecta, or other combination pari-mutuel pools,  
18 the licensee may deduct no more than twenty-five percent of the amount  
19 wagered. Of the amount wagered, the licensee shall pay:

20           (1) One-half of one percent to the ~~state treasurer~~ commission to be deposited in  
21 the ~~general~~ racing infrastructure fund.

22           (2) One-half of one percent to the commission to be deposited in the breeders'  
23 fund.

24           (3) One-half of one percent to the commission to be deposited in the purse  
25 fund.

26           (4) One-half of one percent to the commission to be deposited in the racing  
27 promotion fund.

28       2. For simulcast and account wagering:

29           a. In win, place, and show pari-mutuel pools, the licensee may deduct no more than  
30 twenty percent of the amount wagered. Except as limited in subdivision c, of the

- 1 amount wagered by simulcast and account wagering in win, place, and show  
2 pari-mutuel pools, the licensee shall pay:
- 3 (1) One-sixteenth of one percent to the ~~state treasurer~~commission to be  
4 deposited in the ~~general~~racetrack infrastructure fund.
- 5 (2) One-sixteenth of one percent to the commission to be deposited in the  
6 breeders' fund.
- 7 (3) One-sixteenth of one percent to the commission to be deposited in the  
8 purse fund.
- 9 (4) One-sixteenth of one percent to the commission to be deposited in the  
10 racing promotion fund.
- 11 b. Except as limited in subdivision c, of the amount wagered by simulcast and  
12 account wagering in daily double, quinella, exacta, trifecta, or other combination  
13 pari-mutuel pools, the licensee shall pay:
- 14 (1) One-sixteenth of one percent to the ~~state treasurer~~commission to be  
15 deposited in the ~~general~~racetrack infrastructure fund.
- 16 (2) One-sixteenth of one percent to the commission to be deposited in the  
17 breeders' fund.
- 18 (3) One-sixteenth of one percent to the commission to be deposited in the  
19 purse fund.
- 20 (4) One-sixteenth of one percent to the commission to be deposited in the  
21 racing promotion fund.
- 22 c. For the fiscal year commencing July 1, 2013, the licensee may not pay more than  
23 four hundred thousand dollars. For the fiscal year commencing July 1, 2014, and  
24 thereafter, the licensee may not pay more than four hundred twenty thousand  
25 dollars.
- 26 3. For all pari-mutuel wagering the licensee shall pay to the commission the amount due  
27 for all unclaimed tickets and all breakage on the first twenty million dollars wagered in  
28 each fiscal year with each service provider. The amount received must be deposited in  
29 the racing promotion fund.

- 1           4.    The licensee conducting wagering on live racing, simulcast wagering, or account  
2           wagering shall retain all other money in the pari-mutuel pool and pay it to bettors  
3           holding winning tickets as provided by rules adopted by the commission.
- 4           5.    A licensee may not use any of the portion deducted for expenses under subsections 1  
5           and 2 for expenses not directly incurred by the licensee in conducting pari-mutuel  
6           racing under the certificate system. After paying qualifying expenses, the licensee  
7           shall use the remainder of the amount so withheld only for eligible uses allowed to  
8           charitable gambling organizations under section 53-06.1-11.1.
- 9           6.    The commission shall deposit the moneys received pursuant to subsections 1, 2, and  
10          3 and from the North Dakota horse racing foundation pursuant to subsection 5 of  
11          section 53-06.2-05 in the breeders' fund, the purse fund, the racing infrastructure fund,  
12          and the racing promotion fund. Moneys, and any earnings on the moneys, in the  
13          breeders' fund, purse fund, racing infrastructure fund, and racing promotion fund are  
14          appropriated to the commission on a continuing basis to carry out the purposes of  
15          those funds under this chapter and must be administered and disbursed in accordance  
16          with rules adopted by the commission. The commission shall use moneys and  
17          earnings in the racing infrastructure fund to establish a grant program to assist  
18          racetracks in the state with infrastructure improvement and existing debt retirement.  
19          The commission may not transfer money among the funds. The commission shall  
20          distribute awards and payment supplements from the breeders' fund in the same  
21          calendar year the money was earned by the recipient. The commission shall distribute  
22          payments awarded to qualified owners and breeders from the breeders' fund without  
23          requiring owners and breeders to apply for the payments. The commission may  
24          receive twenty-five thousand dollars per year or twenty-five percent per year,  
25          whichever is greater, from the racing promotion fund for the payment of the  
26          commission's operating expenses.

27           **SECTION 3. EXPIRATION DATE.** This Act is effective through June 30, 2019, and after that  
28          date is ineffective. Any remaining funds in the racing infrastructure fund on July 1, 2019, which  
29          are not committed to a grant, must be transferred to the general fund.