SPORTS AND AMUSEMENTS

CHAPTER 609

SENATE BILL NO. 2184
(Committee on State and Federal Government)
(At the request of the Secretary of State)

CHARITABLE ORGANIZATION BOXING EXHIBITIONS

AN ACT to amend and reenact section 53-01-07 of the North Dakota Century Code, relating to the duties of the state athletic commissioner.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 53-01-07 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-01-07. Duties of state athletic commissioner. The secretary of state shall have charge and supervision of all boxing or sparring exhibitions held in the state and may:

1. Make rules governing the conduct of boxing or sparring exhibitions.

2. Issue licenses to individuals or organizations desiring to promote or conduct such exhibitions and suspend or revoke such licenses at pleasure.

The provisions of ~~this~~ ~~chapter~~ subsection 2 do not apply to any boxing or sparring exhibitions the net proceeds of which are to be devoted to charitable purposes. Charitable organizations conducting boxing and sparring exhibitions shall submit documents to the secretary of state providing proof of their nonprofit corporate status, shall submit a notification of contest naming contestants and other ring officials, and shall submit a final report showing the boxing exhibition results.

Approved March 9, 1989
Filed March 9, 1989

CHAPTER 610

HOUSE BILL NO. 1673
(Sorensen)
(Approved by the Committee on Delayed Bills)

SUNDAY BOXING

AN ACT to amend and reenact section 53-01-13 of the North Dakota Century Code, relating to boxing or sparring exhibitions; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 53-01-13 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-01-13. Restrictions on licensee. No person or organization with a license to promote or conduct boxing or sparring exhibitions may engage directly or indirectly in the managing of any boxer. No boxing or sparring exhibition may ~~be held on Sunday, nor may any such exhibition~~ have a duration of more than fifteen rounds of three minutes each.

SECTION 2. EMERGENCY. This Act is declared to be an emergency measure.

Approved April 7, 1989
Filed April 7, 1989

CHAPTER 611

HOUSE BILL NO. 1473
(Representatives Oban, Dalrymple, W. Williams)
(Senator Robinson)

AMUSEMENT RIDES

AN ACT to regulate the operation of amusement rides; to provide a penalty; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Definition. As used in this Act, "amusement ride" means any mechanical device that carries or conveys passengers along, around, or over a fixed or restricted route or course or within a defined area for the purpose of giving its passengers amusement, pleasure, or excitement. The term does not include:

1. A single-passenger, coin-operated ride that is manually, mechanically, or electrically operated and customarily placed in a public location and that does not normally require the supervision or services of an operator.

2. Nonmechanized playground equipment, including swings, seesaws, stationary spring-mounted animal features, rider-propelled merry-go-rounds, climbers, slides, trampolines, and physical fitness devices.

SECTION 2. Affidavit of inspection and insurance. No person may operate an amusement ride unless that person has filed with the governing body of the city or county where that person is intending to operate the amusement ride an affidavit that the ride has been inspected by a qualified inspector of an insurance underwriter and that the owner or operator has a current insurance policy in force written by an insurance company authorized to do business in this state. The policy must insure the owner or operator against liability for injury to persons arising out of the use of the amusement ride in an amount of not less than five hundred thousand dollars per occurrence or an aggregate of not less than one million dollars.

SECTION 3. Records required. The owner or operator of an amusement ride shall retain at all times up-to-date maintenance and inspection records for the amusement ride and, upon request, provide those records to the governing body of the city or county in which the person is intending to operate the amusement ride. In addition, the owner or operator of an amusement ride shall provide to the governing body of the city or county a copy of any report of an accident related to an amusement ride submitted by that person to an insurer within the last year.

SECTION 4. Operator - Requirements. A person may not operate an amusement ride unless that person is at least sixteen years of age. An

operator must be in attendance at all times that an amusement ride is in operation.

SECTION 5. Penalty - Injunction. A person who violates this Act is guilty of a class A misdemeanor. The governing body of a city or county may seek an injunction against a person operating an amusement ride in violation of this Act.

SECTION 6. EMERGENCY. This Act is declared to be an emergency measure.

Approved March 29, 1989
Filed March 30, 1989

CHAPTER 612

SENATE BILL NO. 2220
(Committee on Political Subdivisions)
(At the request of the Attorney General)

REGULATION OF GAMES OF CHANCE

AN ACT to create and enact a new subsection to section 53-06.1-15.1 and a new section to chapter 53-06.1 of the North Dakota Century Code, to allow the attorney general to enter into an agreement to exchange information with the internal revenue service; and to amend and reenact subsections 1, 3, and 7 of section 53-06.1-01, section 53-06.1-02, subdivision b of subsection 2 of section 53-06.1-03, sections 53-06.1-03.1, 53-06.1-03.2, 53-06.1-03.3, 53-06.1-04, 53-06.1-05, subsections 2 and 8 of section 53-06.1-06, sections 53-06.1-07, 53-06.1-07.1, 53-06.1-08, 53-06.1-08.1, 53-06.1-10, subsection 2 of section 53-06.1-14, subsections 3 and 4 of section 53-06.1-15.1, and section 53-06.1-16.2 of the North Dakota Century Code, relating to definitions, use of gaming funds to promote initiatives and referendums, the use of funds, rent for bingo sites, charitable gaming tickets, sports pools, lending gaming equipment, twenty-one players playing two hands, the attorney general seizing gaming materials without a court order, and sales by distributors and manufacturers.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsections 1, 3, and 7 of section 53-06.1-01 of the 1987 Supplement to the North Dakota Century Code are hereby amended and reenacted to read as follows:

1. "Adjusted gross proceeds" means, except in the case of the games of draw poker and stud poker authorized under section 53-06.1-07.2, gross proceeds less cash prizes or the price of merchandise prizes. In the games of draw poker and stud poker, "adjusted gross proceeds" means the ~~share of the pot retained~~ time buy-ins or tournament fees collected by the eligible organization.

3. "Charitable gaming ticket" means the game piece used in pull tab games or jar ticket games.

7. "Educational, charitable, patriotic, fraternal, religious, or other public-spirited uses" are:

   a. To the extent used for purposes enumerated in subdivisions c through j, uses benefiting those organizations that are exempt from federal taxation under section 501(c)(3) of the Internal Revenue Code.

   b. To the extent used for purposes enumerated in subdivisions c through j, uses benefiting an organization registered with the North Dakota secretary of state under chapter 50-22.

c. Uses benefiting an indefinite number of persons either by bringing them under the influence of education, cultural programs, or religion or relieving them of disease, suffering, or constraint.

d. Fraternal uses specified by an organization's constitution, charter, or bylaws not of direct benefit to the eligible organization or any member thereof.

e. Uses increasing comprehension of and devotion to the principles upon which the nation was founded, not of direct benefit to the eligible organization or any member thereof.

f. The erection or maintenance of public buildings or works.

g. Uses otherwise lessening the burden of government.

h. Uses benefiting a definite number of persons who are the victims of loss of home or household possessions through explosion, fire, flood, or storm and the losses uncompensated by insurance.

i. Uses benefiting a definite number of persons suffering from a seriously disabling disease or injury causing severe loss of income or incurring extraordinary medical expense which is uncompensated by insurance.

j. Uses, for community service projects, by chambers of commerce exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code. A project qualifies as a community service project if it promotes the common good, enhances the social welfare of the community, and benefits an indefinite number of persons. The specific goals of a community service project may be to develop or promote public services in areas such as education, housing, transportation, recreation, crime prevention, fire protection and prevention, safety, and health. Uses that directly benefit a chamber of commerce do not qualify.

Such uses do not include the erection, acquisition, improvement, maintenance, or repair of real, personal, or mixed property unless it is used exclusively for one or more of the stated uses. Uses shall not include any activities consisting of attempts to influence legislation, promote or oppose referendums or initiatives, or participation in any political campaign on behalf of any active official or person who is or has been a candidate for public office.

SECTION 2. AMENDMENT. Section 53-06.1-02 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-02. Organizations eligible under chapter - Use of net proceeds. Nonprofit veterans, charitable, educational, religious, and fraternal organizations, civic and service clubs, and public-spirited organizations, as those terms are defined by this chapter, are eligible to conduct games of chance under the conditions of this chapter. The entire net proceeds of such games of chance are to be devoted to educational,

charitable, patriotic, fraternal, religious, or other public-spirited uses as defined by this chapter. Notwithstanding any other provision of this chapter, an eligible organization, which is not required to be licensed by the attorney general, may use the net proceeds of such games of chance to directly benefit the eligible organization~~; however, none of the proceeds may be used for capital improvements or the purchase of furnishings. For purposes of this section, a capital improvement is defined as the construction, renovation, remodeling, or repair of a building which tends to enhance its value, beauty, or utility or to adapt it for further purposes. For purposes of this section, a furnishing is defined as furniture, draperies, or equipment~~.

* SECTION 3. AMENDMENT. Subdivision b of subsection 2 of section 53-06.1-03 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

b. A class B license to any other eligible organization. The attorney general may deny a class B license to an otherwise eligible organization if the organization is connected, directly or indirectly, to the holder of a North Dakota retail alcoholic beverage license. An eligible organization that qualifies for a class A license may not also be issued a class B license.

SECTION 4. AMENDMENT. Section 53-06.1-03.1 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-03.1. Bingo sites - ~~No limit on rent~~ Rent must be reasonable. For all purposes associated with the privilege of conducting games of chance, ~~there is no limit on the monthly rent~~ at a site where bingo is the primary game of chance conducted, the monthly rent must be reasonable.

SECTION 5. AMENDMENT. Section 53-06.1-03.2 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-03.2. Twenty-one sites - Limit on rent. For all purposes associated with the privilege of conducting games of chance at a site other than ~~one~~ a site where bingo is the primary game of chance ~~being~~ conducted, but where the game of twenty-one is conducted, the monthly rent may not exceed one hundred fifty dollars multiplied by the number of tables on which the game of twenty-one is conducted.

SECTION 6. AMENDMENT. Section 53-06.1-03.3 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-03.3. ~~Games of chance~~ Charitable gaming ticket sites - Limit on rent. For all purposes associated with the privilege of conducting games of chance at a site other than ~~one~~ a site where bingo is the primary game of chance ~~being~~ conducted, the monthly rent may not exceed:

1. If the game of twenty-one is conducted on the site, in addition to the rent allowable for the game of twenty-one, fifty dollars.

* NOTE: Section 53-06.1-03 was also amended by section 1 of House Bill No. 1185, chapter 615; section 1 of House Bill No. 1210, chapter 618; section 1 of House Bill No. 1239, chapter 617; section 1 of Senate Bill No. 2294, chapter 619; and section 1 of Senate Bill No. 2482, chapter 616.

2. If the game of twenty-one is not conducted on the site, one hundred fifty dollars.

SECTION 7. AMENDMENT. Section 53-06.1-04 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-04. College fraternities and sororities allowed to conduct raffles, sports pools, and bingo - Use of proceeds. A college fraternity or sorority recognized by the administration of a North Dakota college or university shall be eligible to conduct raffles, sports pools, and bingo under the provisions of this chapter. The entire net proceeds of such raffles, sports pools, and bingo shall be devoted to educational, charitable, patriotic, fraternal, religious, or other public-spirited uses as defined by this chapter.

* SECTION 8. AMENDMENT. Section 53-06.1-05 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-05. Local approval for educational organizations, college fraternities, and sororities for raffles, sports pools, and bingo. An educational organization, college fraternity, or sorority shall apply in writing to the governing body of the city in which it is located, or to the board of county commissioners if the educational organization or the college is located outside the geographical limits of a city, for permission to conduct raffles, sports pools, or bingo at least thirty days prior to each occasion. The application shall state the time, place, and educational, charitable, patriotic, fraternal, religious, or other public-spirited uses to which the proceeds will be devoted. An applicant fraternity or sorority shall include a signed acknowledgment by the administration of the college or university that the applicant is a recognized fraternity or sorority. The governing body may at its own discretion, and upon application, grant permission for raffles, sports pools, and bingo to be held at specifically designated times and places for specific uses covering a one-year period. The governing body may by ordinance or resolution establish authorization fees not to exceed ten dollars for an authorization for one occasion and not to exceed twenty-five dollars for an authorization covering more than one occasion. If the governing body, at its own discretion, chooses to authorize raffles, sports pools, or bingo pursuant to this chapter, the governing body may do so by resolution.

SECTION 9. AMENDMENT. Subsections 2 and 8 of section 53-06.1-06 of the 1987 Supplement to the North Dakota Century Code are hereby amended and reenacted to read as follows:

2. ~~No~~ Except when authorized by the attorney general, no games of chance may be conducted with any gaming equipment other than gaming equipment owned by an eligible organization or rented at a reasonable rate by an eligible organization from a licensed distributor.

8. ~~Only~~ Except at the temporary alternate site provided by subdivision a of subsection 3 of section 53-06.1-03, only the members of an organization licensed as a class A licensee by the attorney general under this chapter and their spouses and bona fide

* NOTE: Section 53-06.1-05 was also amended by section 8 of Senate Bill No. 2220, chapter 615.

guests may participate in playing games of chance conducted by such licensed organization.

* SECTION 10. AMENDMENT. Section 53-06.1-07 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-07. Games of chance allowed. Eligible organizations shall be permitted to conduct the following games of chance:

1. Eligible organizations licensed by the attorney general shall be permitted to conduct bingo, raffles, ~~pull tabs, jars~~ charitable gaming tickets, punchboards, twenty-one, and sports pools for professional sports only.

2. College fraternities or sororities may conduct raffles, sports pools, and bingo.

3. Draw poker and stud poker in accordance with section 53-06.1-07.2.

** SECTION 11. AMENDMENT. Section 53-06.1-07.1 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-07.1. Limitations on hours and participation in games of chance. A person under twenty-one years of age may not participate in the games of ~~pull tabs, jars~~ charitable gaming tickets, punchboards, twenty-one, ~~or~~ sports pools, or poker. The games of ~~pull tabs, jars~~ charitable gaming tickets, punchboards, twenty-one, or sports pools may be conducted only during the hours when alcoholic beverages may be dispensed in accordance with applicable regulations of the state or the political subdivision.

SECTION 12. AMENDMENT. Section 53-06.1-08 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-08. Punchboards and ~~jars~~ charitable gaming tickets - Sale of chances - Maximum price per ticket. Unless all of the highest denomination of winners have been sold, or unless otherwise permitted by the attorney general, a person or organization engaged in the selling of chances from ~~jars~~ games of charitable gaming tickets or punchboards under this chapter may not discard the chances from any ~~jar~~ game of charitable gaming ticket or punchboard once the contents of that ~~jar~~ game of charitable gaming ticket or punchboard are offered for sale to eligible participants. The maximum price per charitable gaming ticket may not exceed two dollars.

SECTION 13. AMENDMENT. Section 53-06.1-08.1 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-08.1. Limitation on ~~pull tab and jar~~ charitable gaming ticket prizes. An eligible organization may not conduct a ~~pull tab or jar~~ game of charitable gaming tickets in which the highest denomination winner exceeds five hundred dollars.

* NOTE: Section 53-06.1-07 was also amended by section 4 of House Bill No. 1641, chapter 613, and section 1 of House Bill No. 1292, chapter 620.

** NOTE: Section 53-06.1-07.1 was also amended by section 1 of Senate Bill No. 2440, chapter 621; section 5 of House Bill No. 1641, chapter 613; and section 2 of House Bill No. 1292, chapter 620.

* SECTION 14. AMENDMENT. Section 53-06.1-10 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-10. Twenty-one - Sale of chips - Redemption - Wager - Limit - Rules of play. Any licensee ~~or other eligible organization~~ may conduct and control the playing of the card game twenty-one on the licensee's ~~or eligible organization's premises or~~ authorized site, but at no other location. No money may be allowed on the table. The licensee ~~or eligible organization~~ shall provide playing chips of various denominations to the participants. Chips shall be redeemed by the licensee ~~or eligible organization~~ for their full value. The maximum limit per wager is two dollars. A wager of one dollar must be accepted. A player may not play more than two hands at the same time~~, and no player may play two hands unless another position is open at the table and no other player wishes to play at that position~~. Only the player actually playing a hand may place a wager on any hand. Twenty-one is a card game played by a maximum of seven players and one dealer. The dealer shall be a representative of the eligible organization sponsoring the game of chance. All players play their hand against the dealer's hand. In order to remain in the hand being dealt, neither the player nor the dealer may play a hand with a count greater than twenty-one. A count of twenty-one obtained with two cards is termed a natural twenty-one and is an automatic pay out except in case of a tie count with the dealer. Players may double down on a natural twenty-one. In the case of matching or tie count between the player and the dealer no winner is declared and ~~both persons keep their~~ the player keeps the player's wager. Each licensee ~~or eligible organization~~ conducting twenty-one shall post rules relating to the conduct of the game in a conspicuous location near where the game is played.

** SECTION 15. AMENDMENT. Subsection 2 of section 53-06.1-14 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

2. ~~Every nonresident manufacturer or distributor of bingo paper or supplies doing business in this state shall appoint a North Dakota agent who is licensed as a distributor.~~ No distributor may sell, market, or otherwise distribute raffle tickets or equipment for games of chance except to ~~eligible~~ other licensed distributors, licensed organizations, or organizations that have been issued a local permit. A manufacturer of charitable gaming tickets or paper bingo cards may not sell, market, or otherwise distribute charitable gaming tickets or paper bingo cards, other than to a licensed distributor. A distributor of charitable gaming tickets or paper bingo cards must purchase or otherwise receive charitable gaming tickets or paper bingo cards only from a licensed manufacturer or other licensed distributor.

SECTION 16. AMENDMENT. Subsections 3 and 4 of section 53-06.1-15.1 of the 1987 Supplement to the North Dakota Century Code are hereby amended and reenacted to read as follows:

3. Seize and remove from such premises and impound any gaming related equipment ~~or~~, supplies, games of chance, or books and records for the purpose of examination and inspection ~~pursuant to an appropriate court order~~ . When books or records are seized, the attorney general shall provide copies of those records or books

* NOTE: Section 53-06.1-10 was also amended by section 1 of House Bill No. 1249, chapter 622.

** NOTE: Section 53-06.1-14 was also amended by section 2 of House Bill No. 1210, chapter 618; section 7 of House Bill No. 1641, chapter 613; and section 7 of Senate Bill No. 2455, chapter 170.

within twenty-four hours of a specific request by the organization for a copy of the books or records seized.

4. Demand access to and inspect, examine, photocopy, and audit all books and records of applicants, licensees, lessors, manufacturers, and distributors, including any affiliated companies on their premises and in the presence of the licensees, lessors, manufacturers, distributors, or agents concerning ~~the gross~~ any income ~~produced by~~ or expense resulting from any gaming business, and require verification of income or expense, and all other matters affecting the enforcement of the policy and provisions of this chapter.

SECTION 17. A new subsection to section 53-06.1-15.1 of the 1987 Supplement to the North Dakota Century Code is hereby created and enacted to read as follows:

Enter into a reciprocal agreement with the commissioner of the internal revenue service of the United States for exchange of information for state tax administration purposes.

SECTION 18. A new section to chapter 53-06.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

Exchange and secrecy of information regarding the internal revenue service.

1. The attorney general may permit the commissioner or proper representative of the internal revenue service of the United States to inspect the gaming tax returns of any eligible organization, or may furnish a copy of the tax return of any organization, or furnish information concerning any item contained in any tax return, or disclosed by the report of any audit or investigation of the gaming activity of any organization or player, or recordkeeping information required by this chapter and the rules adopted under this chapter, but permission may be granted, or such information furnished to the commissioner or proper representative only if the statutes of the United States grant substantially similar privileges to the attorney general, including providing the attorney general with a copy of the income tax return of any taxpayer and furnishing information concerning any item contained in any tax return, or disclosed by the report of any audit or investigation of the income and expenses of any taxpayer. Provided, that similar information furnished or made available to the attorney general by the commissioner or proper representative of the internal revenue service shall be used by the attorney general for state tax administration purposes. However, such information may not be disclosed to the extent that the attorney general determines that such disclosure would identify a confidential informant or seriously impair any civil or criminal investigation.

2. Except when otherwise directed by judicial order, or for pursuing civil or criminal charges regarding a violation of any provision of this chapter or any rule adopted under this chapter, or as is otherwise provided by law, the attorney general, agents, and employees, may not divulge nor make known, in any manner, to any

person, the amount of income, or any item contained in any income tax return, or disclosed by the report of any audit or investigation of the income and expenses of any taxpayer, as provided to the attorney general by the internal revenue service. This provision may not be construed to prohibit the publication of statistics, so classified as to prevent the identification of particular reports or returns, and the items thereof.

SECTION 19. AMENDMENT. Section 53-06.1-16.2 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-16.2. License suspension or revocation by attorney general - Ineligibility for local authorization. Any person whose class A or class B license is suspended or revoked by the attorney general is ineligible for local authorization to conduct raffles, sports pools, or bingo during the period of suspension or revocation.

Approved April 6, 1989
Filed April 7, 1989

613 Sec. 1-9
R. M.
Disapproved

CHAPTER 613

HOUSE BILL NO. 1641
(Lindgren, Gerl)

NIC VIDEO GAMING DEVICES

AN ACT to create and enact a new subsection to section 53-06.1-01, a new subsection to section 53-06.1-07, and two new sections to chapter 53-06.1 of the North Dakota Century Code, relating to electronic video gaming devices and commingling of pull tab and jar games of chance; to amend and reenact sections 53-06.1-07, 53-06.1-07.1, 53-06.1-14, 53-06.1-16.1, and 53-06.1-17 of the North Dakota Century Code, relating to pull tabs, jars, punchboards, and electronic video gaming devices; to provide a penalty; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new subsection to section 53-06.1-01 of the 1987 Supplement to the North Dakota Century Code is hereby created and enacted to read as follows:

"Electronic video gaming device" means an electronic video machine or device that simulates the play of a game of chance, in the manner provided in this chapter or by rules adopted by the attorney general. The device may not directly dispense coins, cash, tokens, or anything of value other than a credit voucher.

SECTION 2. A new section to chapter 53-06.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

Electronic video gaming devices - Limit on rent. For all purposes associated with the privilege of conducting games of chance utilizing the electronic video gaming devices, the monthly rent may not exceed fifty dollars per device.

SECTION 3. A new subsection to section 53-06.1-07 of the 1987 Supplement to the North Dakota Century Code is hereby created and enacted to read as follows:

The games of pull tabs and jars may be conducted only through use of commingled games.

* SECTION 4. AMENDMENT. Section 53-06.1-07 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-07. Games of chance allowed. ~~Eligible organizations shall be permitted to conduct the following games of chance:~~

1. Eligible organizations licensed by the attorney general shall be permitted to conduct bingo, raffles, pull tabs, jars, punchboards,

* NOTE: Section 53-06.1-07 was also amended by section 10 of Senate Bill No. 2220, chapter 612, and section 1 of House Bill No. 1292, chapter 620.

twenty-one, ~~and~~ sports pools for professional sports only, draw poker, stud poker, and electronic video gaming device play of any of these games of chance.

2. College fraternities or sororities may conduct raffles and bingo.

3. ~~Draw poker and stud poker in accordance with section 53-06.1-07.2.~~ Any game of chance permitted in this section and played by the use of an electronic video gaming device must be played in the same manner and is subject to the same laws and rules applicable to the game of chance conducted, except:

   a. In electronic video gaming device play of bingo, raffles, pull tabs, jars, or punchboards, no ticket need be sold and only electronic display of the results is required.

   b. In electronic video gaming device play of twenty-one, no chips need be used, no playing cards need be dealt, and the electronic video gaming device is considered the dealer.

   c. In electronic video gaming device play of draw poker or stud poker, the limitation as to the number of occasions of play per year does not apply.

* SECTION 5. AMENDMENT. Section 53-06.1-07.1 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-07.1. Limitations on hours and participation in games of chance. A person under twenty-one years of age may not participate in the games of pull tabs, jars, punchboards, twenty-one, ~~or~~ sports pools or in any game conducted by use of an electronic video gaming device. The games of pull tabs, jars, punchboards, twenty-one, or sports pools and any game conducted by use of an electronic video gaming device may be conducted only during the hours when alcoholic beverages may be dispensed in accordance with applicable regulations of the state or the political subdivision.

SECTION 6. A new section to chapter 53-06.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

Licensing of electronic video gaming devices. A licensed organization desiring to conduct games of chance by utilizing electronic video gaming devices shall apply for an annual license for each machine from the attorney general before July first of each year on a form provided by the attorney general and shall include with the application a one hundred dollar fee.

** SECTION 7. AMENDMENT. Section 53-06.1-14 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-14. Distributors and manufacturers - Licensure.

1. Every manufacturer of charitable gaming tickets and every distributor shall ~~annually~~ apply before the first day of April in each year for ~~a~~ an annual license upon a form prescribed by the attorney general ~~before the first day of April in each year~~ and shall submit the appropriate license fee. Each applicant shall

* NOTE: Section 53-06.1-07.1 was also amended by section 2 of House Bill No. 1292, chapter 620; section 11 of Senate Bill No. 2220, chapter 612; and section 1 of Senate Bill No. 2440, chapter 621.

** NOTE: Section 53-06.1-14 was also amended by section 15 of Senate Bill No. 2220, chapter 612; section 2 of House Bill No. 1210, chapter 618; and section 7 of Senate Bill No. 2455, chapter 170.

provide such necessary and reasonable information as the attorney general may require. The license fee for a distributor is one thousand dollars, and the license fee for a manufacturer of charitable gaming tickets is two hundred fifty dollars.

2. Every nonresident manufacturer or distributor of bingo paper or supplies doing business in this state shall appoint a North Dakota agent who is licensed as a distributor. No distributor may sell, market, or otherwise distribute raffle tickets or equipment for games of chance except to eligible organizations. A manufacturer of charitable gaming tickets may not sell, market, or otherwise distribute charitable gaming tickets, other than to a licensed distributor.

3. Every eligible organization shall acquire all raffle tickets or equipment for games of chance from a distributor licensed under this chapter, unless the raffle tickets or equipment for games of chance are printed, manufactured, or constructed by the eligible organization or unless the raffle tickets are obtained from a resident printer who has printed the raffle tickets at the request of the organization. At no time shall any eligible organization print, manufacture, or construct any raffle tickets or equipment for games of chance for sale to any other eligible organization.

4. Every manufacturer or distributor of electronic video gaming devices through which games of chance are conducted under this chapter shall apply before the first day of April of each year for an annual license upon a form prescribed by the attorney general and shall submit the appropriate license fee. Each applicant shall provide such necessary and reasonable information as the attorney general requires. The license fee for a manufacturer or distributor is one thousand dollars. Every eligible organization shall purchase or lease all electronic video gaming devices from a manufacturer or distributor licensed under this chapter.

5. No licensed or authorized eligible organization may be a distributor. No wholesaler of liquor or alcoholic beverages may be a distributor.

~~5.~~ 6. The attorney general may, by motion based on reasonable grounds or on written complaint, suspend or revoke a distributor's or manufacturer's license in accordance with chapter 28-32 for violation, by the licensee or any officer, director, agent, member, or employee of the licensee, of this chapter or any rule adopted under this chapter.

* SECTION 8. AMENDMENT. Section 53-06.1-16.1 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-16.1. Bogus chips, marked cards, cheating devices, or fraudulent schemes unlawful - Penalty. It is unlawful for any person playing or conducting any authorized game of chance conducted by a licensed organization:

* NOTE: Section 53-06.1-16.1 was also amended by section 8 of House Bill No. 1185, chapter 615.

1. To use bogus or counterfeit chips or charitable gaming tickets, or to substitute or use any game, cards, or charitable gaming tickets that have been marked or tampered with.

2. To employ or have on one's person any cheating device to facilitate cheating in any game of chance.

3. To use any fraudulent scheme or technique.

4. To tamper with an electronic video gaming device, attempt or conspire to manipulate the outcome or the payoff of a video gaming device, or manipulate the outcome or payoff of a video gaming device by physical tampering or other interference with the proper functioning of the machine.

A person violating this section is guilty of a class A misdemeanor unless the violation is of subsection 4 or the amount gained through the use of these items, schemes, or techniques resulted in a person obtaining over five hundred dollars, then the offense is a class C felony.

* SECTION 9. AMENDMENT. Section 53-06.1-17 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-17. Rules. The licensing authority shall adopt rules in accordance with chapter 28-32, relating to, but not limited to, methods of play, conduct, and promotion of games of chance; methods, procedures, and minimum standards for accounting and recordkeeping; requiring reports by licensees and authorized organizations; methods of competition and doing business by distributors; ~~and~~ marking or identification of raffle tickets, charitable gaming tickets, bingo equipment, jars, punchboards, or any other implements of gambling used or distributed in this state to implement or effectuate the provisions and purpose of this chapter; quality standards for the manufacture of charitable gaming tickets; regulation of electronic video gaming devices including licensing of machines, manufacturers, and distributors; testing, approval, and establishment of specifications for electronic video gaming devices; establishment of methods and rules of play of electronic video gaming devices; regulation of sales or lease agreements for electronic video gaming devices; to ensure that the entire net proceeds of games of chance are devoted to educational, charitable, patriotic, fraternal, religious, or other public-spirited uses as defined by this chapter; to define capital improvements and furnishings; to protect and promote the public interest; to ensure fair and honest games of chance; to ensure that fees and taxes are paid; and to seek to prevent or detect unlawful gambling activity.

SECTION 10. EFFECTIVE DATE. Section 3 of this Act becomes effective on July 1, 1990.

Approved April 14, 1989
Filed April 14, 1989

* NOTE: Section 53-06.1-17 was also amended by section 9 of House Bill No. 1185, chapter 615.

CHAPTER 614

HOUSE BILL NO. 1290
(Representatives A. Olson, Kingsbury)
(Senator Tallackson)

LOCAL APPROVAL OF CERTAIN GAMING ORGANIZATIONS

AN ACT to create and enact a new section to chapter 53-06.1 of the North Dakota Century Code, relating to limited approval to conduct games of chance by organizations that have not been in existence in this state for two years.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 53-06.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

Waiver of two-year existence requirement. An organization that has not been in existence within this state for two years becomes an eligible organization for purposes of this section upon approval by the governing body of the city, if the organization will conduct games of chance only within that city, or upon approval by the board of county commissioners, if the organization will conduct games of chance within the county. An organization that becomes an eligible organization under this section is not eligible for licensure by the attorney general until it has been in existence within this state for two years and may only conduct games of chance under local authorization as provided in section 53-06.1-03 until it becomes an eligible organization as otherwise provided in this chapter.

Approved March 29, 1989
Filed March 30, 1989

CHAPTER 615

HOUSE BILL NO. 1185
(Committee on Judiciary)
(At the request of the Attorney General)

CHARITABLE GAMING ACTIVITIES AND PENALTIES

AN ACT to create and enact a new section to chapter 53-06.1 and a new subsection to section 53-06.1-06 of the North Dakota Century Code, relating to prohibiting organizations that derive revenue from games of chance from using any money in certain political activities and prohibiting certain people from gaming; to amend and reenact sections 53-06.1-03, 53-06.1-05, 53-06.1-06.1, subsection 4 of section 53-06.1-07.2, subsections 1 and 3 of section 53-06.1-11, sections 53-06.1-16.1, and 53-06.1-17 of the North Dakota Century Code, relating to fees for local authorization, monetary fines, the removal of a tax credit, the clarification of expense restrictions, and prohibited gaming activity; to provide a penalty; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

* SECTION 1. AMENDMENT. Section 53-06.1-03 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-03. Licensure - Exceptions for raffles, sports pools, and bingo - City and county authorization - Fees - Suspension and revocation.

1. Except as otherwise provided in this subsection, eligible organizations desiring to conduct games of chance shall annually apply for a license from the attorney general before July first on forms provided by the attorney general and shall include with the application a one hundred dollar license fee. An eligible organization may apply for local authorization to conduct raffles or bingo in which the primary prize does not exceed one thousand dollars, and the aggregate does not exceed two thousand dollars, or to conduct sports pools in which the total wagers do not exceed five hundred dollars for each pool. To obtain local authorization, the eligible organization shall apply directly to the governing body of the city in which it conducts its principal activities or, if its principal activities are conducted in a county but outside the limits of a city, it shall apply to the board of county commissioners. Applications for the conduct of games of chance subject to authorization by a city or county must be made on forms provided by the attorney general. The governing body may by ordinance or resolution establish authorization fees ~~that, for an authorization for one occasion, do not exceed ten dollars, and for other authorizations, do not~~ to exceed twenty-five dollars for each authorization.

* NOTE: Section 53-06.1-03 was also amended by section 1 of House Bill No. 1210, chapter 618; section 1 of House Bill No. 1239, chapter 617; section 3 of Senate Bill No. 2220, chapter 612; section 1 of Senate Bill No. 2294, chapter 619; and section 1 of Senate Bill No. 2482, chapter 616.

2. The attorney general shall license such organizations which conform to the requirements of this chapter by issuing licenses as follows:

   a. A class A license to an eligible organization licensed as a retail alcoholic beverage dealer in North Dakota that maintains a building for the use of its members and guests, and that offers meals or liquor or both as part of its operation.

   b. A class B license to any other eligible organization. The attorney general may deny a class B license to an otherwise eligible organization if the organization is connected, directly or indirectly, to the holder of a North Dakota retail alcoholic beverage license.

   c. A class C license to an eligible organization that conducts games of chance on not more than two occasions per year, regardless of whether that organization is licensed as a retail alcoholic beverage dealer in this state.

   d. The attorney general shall establish by rule no more than two additional classes of licenses based on the frequency of gaming, the types of games of chance conducted by the eligible organization, and the adjusted gross proceeds collected or expected to be collected by the eligible organization.

3. Games of chance may be operated or conducted only on premises or sites set forth in the application as follows:

   a. Class A license applicants are limited to one location. A special permit for an alternate location may be granted by the attorney general for a single specific occasion per licensing year upon written request.

   b. License applicants must first secure approval of the proposed site or sites on which it intends to conduct games of chance under this chapter from the governing body of the city, if within city limits, or the county, if outside city limits, where the site or sites are located. This approval or permit, which may be granted at the discretion of the governing body, must accompany the license application to the attorney general. The governing body may charge a one hundred dollar fee for this permit~~, which the organization may deduct from its tax liability under section 53-06.1-12 for the year in which the permit fee is paid~~.

   c. Rented premises are subject to rules adopted by the attorney general.

   d. Only one eligible organization at a time may be authorized to conduct games of chance at a specific location, except that a raffle drawing may be conducted for special occasions when one of the following conditions are met:

      (1) When the area for the raffle drawing is physically separated from the area where gaming is conducted by the regular licensee.

(2) Upon request of the licensee, the license is suspended for that specific day by the attorney general.

e. Licenses, rules of play, and state identification devices must be displayed on forms and in the manner specified in rules adopted by the attorney general.

4. The attorney general may, by motion, based on reasonable ground or upon written complaint, suspend or revoke, under chapter 28-32, any license granted under this chapter for violations by the licensee, or any officer, director, agent, member, or employee of the licensee, of this chapter or any rule adopted under this chapter.

5. The attorney general may impose monetary fines on licensed organizations, distributors, and manufacturers for failure to comply with any provision of this chapter or any rule adopted under this chapter. The monetary fine for each violation by an organization is a minimum of twenty-five dollars and may not exceed two percent of the organization's average quarterly gross proceeds, or five thousand dollars, whichever is greater. The monetary fine for each violation by a distributor or manufacturer is a minimum of one hundred dollars and may not exceed five thousand dollars. This fine may be in addition to or in lieu of license suspensions or revocations.

* SECTION 2. AMENDMENT. Section 53-06.1-05 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-05. Local approval for educational organizations, college fraternities, and sororities for raffles and bingo. An educational organization, college fraternity, or sorority shall apply in writing to the governing body of the city in which it is located, or to the board of county commissioners if the educational organization or the college is located outside the geographical limits of a city, for permission to conduct raffles or bingo at least thirty days prior to each occasion. The application shall state the time, place, and educational, charitable, patriotic, or other public-spirited uses to which the proceeds will be devoted. An applicant fraternity or sorority shall include a signed acknowledgment by the administration of the college or university that the applicant is a recognized fraternity or sorority. The governing body may at its own discretion, and upon application, grant permission for raffles and bingo to be held at specifically designated times and places for specific uses covering a one-year period. The governing body may by ordinance or resolution establish authorization fees not to exceed ~~ten~~ twenty-five dollars for ~~an~~ each authorization ~~for one occasion and not to exceed twenty-five dollars for an authorization covering more than one occasion~~. If the governing body, at its own discretion, chooses to authorize raffles or bingo pursuant to this chapter, the governing body may do so by resolution.

SECTION 3. A new subsection to section 53-06.1-06 of the 1987 Supplement to the North Dakota Century Code is hereby created and enacted to read as follows:

The attorney general may prohibit a person from playing games of chance if the person violates any provision of this chapter or any rule adopted under this chapter.

* NOTE: Section 53-06.1-05 was also amended by section 2 of House Bill No. 1185, chapter 612.

SECTION 4. AMENDMENT. Section 53-06.1-06.1 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-06.1. Work permits.

1. Cities, for sites within city limits, and counties, for sites outside city limits, may require a person associated with the conduct of games of chance to obtain a work permit, charge a fee for issuance of a work permit, and conduct reasonable inquiries into the background of the individual. Any fee charged for issuance of a work permit may not exceed the actual expense to the city or county of licensing the applicant. The attorney general may adopt guidelines relating to issuance of work permits by counties and cities.

2. The attorney general may establish a centralized statewide work permit system to determine the identity, prior activities, and present employment of all gaming employees in this state. The information must be held confidential except in the proper administration of this chapter or any rule adopted under this chapter, or to an authorized law enforcement agency. No gaming organization may employ any person or a gaming employee nor may any person be employed as a gaming employee unless that person possesses a current and valid work permit. The attorney general may issue, renew, deny, suspend, and revoke work permits. Subject to the attorney general's discretion, a temporary work permit may be issued. If an application is denied or a work permit is suspended or revoked, the notice by the attorney general must include a statement of the facts upon which the attorney general relied in making the decision. Any person whose application for a work permit has been denied may, not later than twenty days following receipt of the notice, apply to the attorney general for a hearing. A work permit expires unless renewed within fourteen days after a change of employment or if the person is not employed as a gaming employee within the state for more than ninety days. The attorney general may issue an emergency order, effective upon service to the permitholder, suspending a person's work permit upon a determination that the suspension is necessary to preserve effective regulation and control of gaming, to preserve the public interest or morals, or the person obtained a work permit by misrepresentation. The attorney general may charge each gaming employee an annual work permit fee of twenty-five dollars and a fee of five dollars for each change of employment.

SECTION 5. AMENDMENT. Subsection 4 of section 53-06.1-07.2 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

4. The eligible organization shall assess ~~the players ten dollars per player, or for games with a pot of at least ten dollars, two percent of the pot in each game. For games with a pot of less than ten dollars, an assessment is not required~~ each player a fee not to exceed two dollars per half hour of playing time by that person, collected in advance. A fee may also be charged each player for entry into a tournament for prizes.

* SECTION 6. AMENDMENT. Subsections 1 and 3 of section 53-06.1-11 of the 1987 Supplement to the North Dakota Century Code are hereby amended and reenacted to read as follows:

1. All moneys collected or received from games of chance and admissions thereto, except cash prizes of one hundred dollars or less paid immediately, must be deposited in a special account of the eligible organization which contains only that money. Cash prizes of ~~more than one hundred dollars~~ an amount to be determined by the attorney general, the purchase prices of merchandise prizes, and all expenses for such games of chance must be withdrawn from such account by consecutively numbered checks duly signed by a specified officer or officers of the eligible organization and payable to a specific person or organization. There must also be written on the check the nature of the expense or prize for which the check is drawn. No check may be drawn to "cash" or a fictitious payee. In the case of a cash prize of more than one hundred dollars, the prize may also be issued by an accountable receipt or nonnegotiable instrument approved by the attorney general.

3. Subject to the limitations of this subsection, expenses incurred ~~in connection with holding, operating, or conducting any game~~ for games of chance ~~pursuant to this chapter~~ may be deducted from adjusted gross proceeds, to the extent that total expenses for games of chance do not exceed forty-five percent of the total adjusted gross proceeds, computed on an annual basis. After December 31, 1989, cash shorts incurred in games of chance are classified as expenses toward the expense limitation. The figure used for adjusted gross proceeds is as determined in subsection 1 of section 53-06.1-01 before any reduction for taxes. This subsection does not authorize violations of the rent limitations contained in this chapter.

SECTION 7. A new section to chapter 53-06.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

Eligible organizations not to use any money in certain political activities - Penalty. An eligible organization that derives any revenue from games of chance it conducts under this chapter may not use money from any source for the placing on the ballot of any initiated or referred measure or for any activities consisting of attempts to participate in any political campaign on behalf of or in opposition to any active official or person who is or has been a candidate for public office. Any funds expended by an eligible organization to promote or oppose an initiated or referred measure that has been placed on the ballot or for any activities that qualify as activities of a lobbyist under section 54-05.1-02, that are not compensation or expenses paid to a lobbyist, and that are not otherwise required to be reported under section 54-05.1-03 must be reported to the attorney general in the manner and at the times prescribed by the attorney general. An eligible organization that violates this section is subject to a suspension of its license to conduct games of chance under this chapter for up to one year.

** SECTION 8. AMENDMENT. Section 53-06.1-16.1 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

* NOTE: Section 53-06.1-11 was also amended by section 3 of Senate Bill No. 2455, chapter 170.

** NOTE: Section 53-06.1-16.1 was also amended by section 8 of House Bill No. 1641, chapter 613.

53-06.1-16.1. Bogus chips, marked cards, cheating devices, or fraudulent schemes unlawful - Penalty. It is unlawful for any person playing or conducting any authorized game of chance conducted by a licensed organization:

1. To use bogus or counterfeit chips or charitable gaming tickets, or to substitute or use any game, cards, or charitable gaming tickets that have been marked or tampered with.

2. To employ or have on one's person any cheating device to facilitate cheating in any game of chance.

3. To willfully use any fraudulent scheme or technique, including when an operator or player of games of charitable gaming tickets directly or indirectly solicits, provides, or receives inside information of the status of a game for the benefit of either person.

4. To alter or counterfeit a site authorization, gaming license, or North Dakota gaming stamp.

5. To knowingly cause, aid, abet, or conspire with another person or to cause any person to violate any provision of this chapter or any rule adopted under this chapter.

A person violating this section is guilty of a class A misdemeanor unless the amount gained through the use of these items, schemes, or techniques resulted in a person obtaining over five hundred dollars, then the offense is a class C felony. However, if a person uses a fraudulent scheme regarding soliciting, providing, or receiving inside information, regardless of the amount gained, then the offense is a class C felony.

* SECTION 9. AMENDMENT. Section 53-06.1-17 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-17. Rules. The licensing authority shall adopt rules in accordance with chapter 28-32, relating to, but not limited to, methods of play, conduct, and promotion of games of chance; methods, procedures, and minimum standards for accounting and recordkeeping; requiring reports by licensees and authorized organizations; methods of competition and doing business by distributors; and marking or identification of raffle tickets, charitable gaming tickets, bingo equipment, ~~jars~~ ticket receptacles, punchboards, or any other implements of gambling used or distributed in this state to implement or effectuate the provisions and purpose of this chapter; quality standards for the manufacture of charitable gaming tickets; to ensure that the entire net proceeds of games of chance are devoted to educational, charitable, patriotic, fraternal, religious, or other public-spirited uses as defined by this chapter; ~~to define capital improvements and furnishings;~~ to protect and promote the public interest; to ensure fair and honest games of chance; to ensure that fees and taxes are paid; to impose monetary fines and establish appeal procedures; and to seek to prevent or detect unlawful gambling activity.

SECTION 10. EMERGENCY. Section 7 of this Act is declared to be an emergency measure.

Approved April 15, 1989
Filed April 17, 1989

* NOTE: Section 53-06.1-17 was also amended by section 9 of House Bill No. 1641, chapter 613.

CHAPTER 616

SENATE BILL NO. 2482
(Dotzenrod)

LOCAL RAFFLE OR BINGO AUTHORIZATION

AN ACT to amend and reenact section 53-06.1-03 of the North Dakota Century Code, relating to local authorization for public-spirited organizations to conduct raffles or bingo.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

* SECTION 1. AMENDMENT. Section 53-06.1-03 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-03. Licensure - Exceptions for raffles, sports pools, and bingo - City and county authorization - Fees - Suspension and revocation.

1. Except as otherwise provided in this ~~subsection~~ section, eligible organizations desiring to conduct games of chance shall annually apply for a license from the attorney general before July first on forms provided by the attorney general and shall include with the application a one hundred dollar license fee. ~~An eligible~~

2. Any nonprofit organization recognized as public-spirited by the governing body of a city or county may ~~apply for~~ obtain local authorization to conduct raffles or bingo in which the primary prize does not exceed one thousand dollars, and the aggregate does not exceed two thousand dollars, or to conduct sports pools in which the total wagers do not exceed five hundred dollars for each pool. For purposes of this subsection, the determination of what is a "public-spirited" organization is within the sole discretion of the governing body of the city or county. To obtain local authorization, the ~~eligible~~ organization shall apply directly to the governing body of the city in which it conducts its principal activities or, if its principal activities are conducted in a county but outside the limits of a city, it shall apply to the board of county commissioners. Applications for the conduct of games of chance subject to authorization by a city or county must be made on forms provided by the attorney general. The governing body may by ordinance or resolution establish authorization fees that, for an authorization for one occasion, do not exceed ten dollars, and for other authorizations, do not exceed twenty-five dollars.

~~2.~~ 3. The attorney general shall license such organizations which conform to the requirements of this chapter by issuing licenses as follows:

a. A class A license to an eligible organization licensed as a retail alcoholic beverage dealer in North Dakota that maintains

* NOTE: Section 53-06.1-03 was also amended by section 1 of House Bill No. 1185, chapter 615; section 1 of House Bill No. 1210, chapter 618; section 1 of House Bill No. 1239, chapter 617; section 3 of Senate Bill No. 2220, chapter 612; and section 1 of Senate Bill No. 2294, chapter 619.

a building for the use of its members and guests, and that offers meals or liquor or both as part of its operation.

b. A class B license to any other eligible organization. The attorney general may deny a class B license to an otherwise eligible organization if the organization is connected, directly or indirectly, to the holder of a North Dakota retail alcoholic beverage license.

c. A class C license to an eligible organization that conducts games of chance on not more than two occasions per year, regardless of whether that organization is licensed as a retail alcoholic beverage dealer in this state.

d. The attorney general shall establish by rule no more than two additional classes of licenses based on the frequency of gaming, the types of games of chance conducted by the eligible organization, and the adjusted gross proceeds collected or expected to be collected by the eligible organization.

~~3.~~ 4. Games of chance may be operated or conducted only on premises or sites set forth in the application as follows:

a. Class A license applicants are limited to one location. A special permit for an alternate location may be granted by the attorney general for a single specific occasion per licensing year upon written request.

b. License applicants must first secure approval of the proposed site or sites on which it intends to conduct games of chance under this chapter from the governing body of the city, if within city limits, or the county, if outside city limits, where the site or sites are located. This approval or permit, which may be granted at the discretion of the governing body, must accompany the license application to the attorney general. The governing body may charge a one hundred dollar fee for this permit, which the organization may deduct from its tax liability under section 53-06.1-12 for the year in which the permit fee is paid.

c. Rented premises are subject to rules adopted by the attorney general.

d. Only one eligible organization at a time may be authorized to conduct games of chance at a specific location, except that a raffle drawing may be conducted for special occasions when one of the following conditions are met:

(1) When the area for the raffle drawing is physically separated from the area where gaming is conducted by the regular licensee.

(2) Upon request of the licensee, the license is suspended for that specific day by the attorney general.

e. Licenses, rules of play, and state identification devices must be displayed on forms and in the manner specified in rules adopted by the attorney general.

~~4.~~ 5. The attorney general may, by motion, based on reasonable ground or upon written complaint, suspend or revoke, under chapter 28-32, any license granted under this chapter for violations by the licensee, or any officer, director, agent, member, or employee of the licensee, of this chapter or any rule adopted under this chapter.

Approved April 13, 1989
Filed April 13, 1989

CHAPTER 617

HOUSE BILL NO. 1239
(Representatives A. Hausauer, Ulmer)
(Senator Holmberg)

LOCAL RAFFLE OR BINGO PRIZES

AN ACT to amend and reenact subsection 1 of section 53-06.1-03 of the North Dakota Century Code, relating to the limitation on the aggregate of prizes that may be awarded in games of raffle or bingo conducted by eligible organizations upon local authorization.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

* SECTION 1. AMENDMENT. Subsection 1 of section 53-06.1-03 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

1. Except as otherwise provided in this subsection, eligible organizations desiring to conduct games of chance shall annually apply for a license from the attorney general before July first on forms provided by the attorney general and shall include with the application a one hundred dollar license fee. An eligible organization may apply for local authorization to conduct raffles or bingo in which the primary prize does not exceed one thousand dollars, and the aggregate does not exceed ~~two~~ six thousand dollars annually, or to conduct sports pools in which the total wagers do not exceed five hundred dollars for each pool. To obtain local authorization, the eligible organization shall apply directly to the governing body of the city in which it conducts its principal activities or, if its principal activities are conducted in a county but outside the limits of a city, it shall apply to the board of county commissioners. Applications for the conduct of games of chance subject to authorization by a city or county must be made on forms provided by the attorney general. The governing body may by ordinance or resolution establish authorization fees that, for an authorization for one occasion, do not exceed ten dollars, and for other authorizations, do not exceed twenty-five dollars.

Approved March 14, 1989
Filed March 15, 1989

* NOTE: Section 53-06.1-03 was also amended by section 1 of House Bill No. 1185, chapter 615; section 1 of House Bill No. 1210, chapter 618; section 3 of Senate Bill No. 2220, chapter 612; section 1 of Senate Bill No. 2294, chapter 619; and section 1 of Senate Bill No. 2482, chapter 616.

CHAPTER 618

HOUSE BILL NO. 1210
(Committee on Judiciary)
(At the request of the Office of Management and Budget)

GAMING FEES

AN ACT to amend and reenact subsection 1 of section 53-06.1-03 and subsections 1 and 3 of section 53-06.1-14 of the North Dakota Century Code, relating to the amount of gaming license fees.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

* SECTION 1. AMENDMENT. Subsection 1 of section 53-06.1-03 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

1. Except as otherwise provided in this subsection, eligible organizations desiring to conduct games of chance shall annually apply for a license from the attorney general before July first on forms provided by the attorney general and shall include with the application a one hundred fifty dollar license fee, except for those organizations whose average annual gross proceeds do not exceed twenty-five thousand dollars, for which the fee is one hundred dollars. An eligible organization may apply for local authorization to conduct raffles or bingo in which the primary prize does not exceed one thousand dollars, and the aggregate does not exceed two thousand dollars, or to conduct sports pools in which the total wagers do not exceed five hundred dollars for each pool. To obtain local authorization, the eligible organization shall apply directly to the governing body of the city in which it conducts its principal activities or, if its principal activities are conducted in a county but outside the limits of a city, it shall apply to the board of county commissioners. Applications for the conduct of games of chance subject to authorization by a city or county must be made on forms provided by the attorney general. The governing body may by ordinance or resolution establish authorization fees that, for an authorization for one occasion, do not exceed ten dollars, and for other authorizations, do not exceed twenty-five dollars.

** SECTION 2. AMENDMENT. Subsections 1 and 3 of section 53-06.1-14 of the 1987 Supplement to the North Dakota Century Code are hereby amended and reenacted to read as follows:

1. Every manufacturer of charitable gaming tickets, every manufacturer of paper bingo cards, and every distributor shall annually apply for a license upon a form prescribed by the attorney general before the first day of April in each year and shall submit the appropriate license fee. Each applicant shall provide such necessary and reasonable information as the attorney general may

* NOTE: Section 53-06.1-03 was also amended by section 1 of House Bill No. 1185, chapter 615; section 1 of House Bill No. 1239, chapter 617; section 3 of Senate Bill No. 2220, chapter 612; section 1 of Senate Bill No. 2294, chapter 619; and section 1 of Senate Bill No. 2482, chapter 616.

** NOTE: Section 53-06.1-14 was also amended by section 15 of Senate Bill No. 2220, chapter 612; section 7 of House Bill No. 1641, chapter 613; and section 7 of Senate Bill No. 2455, chapter 170.

require. The license fee for a distributor is one thousand five hundred dollars, and the license fee for a manufacturer of charitable gaming tickets or a manufacturer of paper bingo cards is two ~~hundred fifty~~ thousand dollars.

3. Every eligible organization shall acquire all raffle tickets or equipment for games of chance from a distributor licensed under this chapter, unless the raffle tickets or equipment for games of chance are printed, manufactured, or constructed by the eligible organization or unless the raffle tickets are obtained from a resident printer who has printed the raffle tickets at the request of the organization. ~~At no time shall any eligible organization print, manufacture, or construct any raffle tickets or equipment for games of chance for sale to any other eligible organization.~~ No game of charitable gaming tickets, punchboards, sports pool boards, or a series of raffle wheel ticket cards may be sold without a North Dakota gaming stamp being affixed to them. North Dakota licensed distributors shall purchase the North Dakota gaming stamps from the attorney general's office and the cost for each stamp may not exceed twenty-five cents.

Approved April 13, 1989
Filed April 13, 1989

CHAPTER 619

SENATE BILL NO. 2294
(Senators Olson, W. Meyer)
(Representative R. Larson)

LOCAL CELEBRATION RAFFLES

AN ACT to amend and reenact subsection 1 of section 53-06.1-03 of the North Dakota Century Code, relating to local authorization for city or county festivals or celebrations to conduct raffles under the games of chance laws; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

* SECTION 1. AMENDMENT. Subsection 1 of section 53-06.1-03 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

1. Except as otherwise provided in this subsection, eligible organizations desiring to conduct games of chance shall annually apply for a license from the attorney general before July first on forms provided by the attorney general and shall include with the application a one hundred dollar license fee.

   a. An eligible organization may ~~apply for~~ obtain local authorization to conduct raffles or bingo in which the primary prize does not exceed one thousand dollars, and the aggregate does not exceed two thousand dollars, or to conduct sports pools in which the total wagers do not exceed five hundred dollars for each pool.

   b. A nonprofit organization that conducts a city or county festival or celebration, or a centennial committee organized by a city or county for the purpose of celebrating the North Dakota centennial, may obtain local authorization to conduct raffles in which the primary prize does not exceed one thousand dollars and the aggregate does not exceed two thousand dollars. For purposes of this subdivision, a "city or county festival or celebration" means an event:

      (1) In celebration of local heritage, anniversary of establishment of the political subdivision, or other significant local event recognized as public-spirited by the governing body of the city or county; and

      (2) Supported by significant community participation.

   c. To obtain local authorization, the ~~eligible~~ organization shall apply directly to the governing body of the city in which it conducts its principal activities or, if its principal activities are conducted in a county but outside the limits of

* NOTE: Section 53-06.1-03 was also amended by section 1 of House Bill No. 1185, chapter 615; section 1 of House Bill No. 1210, chapter 618; section 1 of House Bill No. 1239, chapter 617; section 3 of Senate Bill No. 2220, chapter 612; and section 1 of Senate Bill No. 2482, chapter 616.

a city, it shall apply to the board of county commissioners. Applications for the conduct of games of chance subject to authorization by a city or county must be made on forms provided by the attorney general. The governing body may by ordinance or resolution establish authorization fees that, for an authorization for one occasion, do not exceed ten dollars, and for other authorizations, do not exceed twenty-five dollars.

SECTION 2. EMERGENCY. This Act is declared to be an emergency measure.

Approved April 12, 1989
Filed April 13, 1989

CHAPTER 620

HOUSE BILL NO. 1292
(Representatives Gorman, Tomac, Shaft)
(Senator D. Meyer)

CALCUTTAS

AN ACT to create and enact a new section to chapter 53-06.1 of the North Dakota Century Code, relating to calcuttas as allowable games of chance; and to amend and reenact sections 53-06.1-07 and 53-06.1-07.1 of the North Dakota Century Code, relating to calcuttas as allowable games of chance.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

* SECTION 1. AMENDMENT. Section 53-06.1-07 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-07. Games of chance allowed. Eligible organizations shall be permitted to conduct the following games of chance:

1. Eligible organizations licensed by the attorney general shall be permitted to conduct bingo, raffles, calcuttas, pull tabs, jars, punchboards, twenty-one, and sports pools for professional sports only.

2. College fraternities or sororities may conduct raffles and bingo.

3. Draw poker and stud poker in accordance with section 53-06.1-07.2.

** SECTION 2. AMENDMENT. Section 53-06.1-07.1 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-07.1. Limitations on hours and participation in games of chance. A person under twenty-one years of age may not participate in placing a wager in the games of pull tabs, jars, punchboards, twenty-one, calcuttas or sports pools. The games of pull tabs, jars, punchboards, twenty-one, or sports pools may be conducted only during the hours when alcoholic beverages may be dispensed in accordance with applicable regulations of the state or the political subdivision.

SECTION 3. A new section to chapter 53-06.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

Calcuttas. An eligible organization may allow the playing of a calcutta on the authorized site. Calcuttas are allowed for professional or amateur sporting events held in this state, but not for elementary, secondary, or postsecondary education sports events. The eligible organization shall post at the site all rules affecting the conduct of

* NOTE: Section 53-06.1-07 was also amended by section 10 of Senate Bill No. 2220, chapter 612, and section 4 of House Bill No. 1641, chapter 613.

** NOTE: Section 53-06.1-07.1 was also amended by section 11 of Senate Bill No. 2220, chapter 612; section 1 of Senate Bill No. 2440, chapter 621; and section 5 of House Bill No. 1641, chapter 613.

calcuttas or requirements of participants. An eligible organization may not have an interest in the outcome of the calcutta. A participant who places a wager in the calcutta auction pool must be at the authorized site. No more than one wager per competitor may be allowed in any calcutta pool. The amounts paid to calcutta pool participants in prizes may not exceed ninety percent of the gross proceeds. No competitor in a calcutta pool may be under eighteen years of age.

Approved April 10, 1989
Filed April 11, 1989

CHAPTER 621

SENATE BILL NO. 2440
(Senators Tennefos, Redlin)
(Representatives Hoffner, Wald)

BINGO AGE LIMITS

AN ACT to amend and reenact section 53-06.1-07.1 of the North Dakota Century Code, relating to age limitations for participation in games of bingo.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

* SECTION 1. AMENDMENT. Section 53-06.1-07.1 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-07.1. Limitations on hours and participation in games of chance. A person under twenty-one years of age may not participate in the games of pull tabs, jars, punchboards, twenty-one, or sports pools. A person under eighteen years of age not accompanied by an adult may not participate in the game of bingo unless the bingo game is locally authorized under section 53-06.1-03 or the game's prize structure does not exceed those allowed under section 53-06.1-03 for locally authorized games. The games of pull tabs, jars, punchboards, twenty-one, or sports pools may be conducted only during the hours when alcoholic beverages may be dispensed in accordance with applicable regulations of the state or the political subdivision.

Approved April 6, 1989
Filed April 7, 1989

* NOTE: Section 53-06.1-07.1 was also amended by section 5 of House Bill No. 1641, chapter 613; section 2 of House Bill No. 1292, chapter 620; and section 11 of Senate Bill No. 2220, chapter 612.

CHAPTER 622

HOUSE BILL NO. 1249
(Gerl, Payne)

TWENTY-ONE WAGERS

AN ACT to amend and reenact section 53-06.1-10 of the North Dakota Century Code, relating to maximum and minimum wagers in the game of twenty-one.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

* SECTION 1. AMENDMENT. Section 53-06.1-10 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-10. Twenty-one - Sale of chips - Redemption - Wager - Limit - Rules of play. Any licensee or other eligible organization may conduct and control the playing of the card game twenty-one on the ~~licensee's or eligible organization's~~ premises or authorized site of the licensee or eligible organization, but at no other location. No money may be allowed on the table. The licensee or eligible organization shall provide playing chips of various denominations to the participants. Chips shall be redeemed by the licensee or eligible organization for their full value. The maximum limit per wager ~~is two~~ may be set by the licensee or eligible organization at not more than five dollars and wagers in increments of one dollar must be accepted up to the maximum limit. ~~A wager of one dollar must be accepted.~~ A player may not play more than two hands at the same time, and no player may play two hands unless another position is open at the table and no other player wishes to play at that position. Only the player actually playing a hand may place a wager on any hand. Twenty-one is a card game played by a maximum of seven players and one dealer. The dealer shall be a representative of the eligible organization sponsoring the game of chance. ~~All players play their~~ Each player plays the player's hand against the dealer's hand. In order to remain in the hand being dealt, neither the player nor the dealer may play a hand with a count greater than twenty-one. A count of twenty-one obtained with two cards is termed a natural twenty-one and is an automatic pay out except in case of a tie count with the dealer. Players may double down on a natural twenty-one. In the case of matching or tie count between the player and the dealer, no winner is declared and both persons keep their ~~wager~~ wagers. Each licensee or eligible organization conducting twenty-one shall post rules relating to the conduct of the game in a conspicuous location near where the game is played.

Approved April 7, 1989
Filed April 7, 1989

* NOTE: Section 53-06.1-10 was also amended by section 4 of Senate Bill No. 2220, chapter 612.

CHAPTER 623

HOUSE BILL NO. 1342
(Graba, Gerl)

RAFFLE PRIZE LIMITS

AN ACT to amend and reenact section 53-06.1-10.1 of the North Dakota Century Code, relating to limitations on cash prizes in raffles.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 53-06.1-10.1 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-10.1. Raffles - Limitation - Prizes. Prizes for raffles may include any property which may be legally owned and possessed, but may not include real estate. Cash prizes may be awarded in raffles conducted under this chapter provided the value of no single cash prize exceeds ~~five hundred~~ one thousand dollars, and provided further that no eligible organization may award cash prizes totaling more than ~~five hundred~~ three thousand dollars in the aggregate during any day.

Approved March 29, 1989
Filed March 30, 1989

CHAPTER 624

HOUSE BILL NO. 1184
(Committee on State and Federal Government)
(At the request of the North Dakota Racing Commission)

OFF TRACK WAGERS AND RACING COMMISSION

AN ACT to create and enact a new section to chapter 53-06.2 of the North Dakota Century Code, relating to off track parimutuel wagering; and to amend and reenact sections 53-06.2-01, 53-06.2-02, 53-06.2-03, 53-06.2-05, 53-06.2-08, 53-06.2-11, and 53-06.2-16 of the North Dakota Century Code, relating to the racing commission, horse racing, and parimutuel wagering.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 53-06.2-01 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.2-01. Definitions. As used in this chapter:

1. "Breeders' fund" means a fund, administered by the commission, established to financially reward breeders or owners of North Dakota horses that win races in the state.

~~1.~~ 2. "Certificate system" means the system of betting described in section 53-06.2-10.

~~2.~~ 3. "Charitable organization" means a nonprofit organization operated for the relief of poverty, distress, or other conditions of public concern in this state, and has been so engaged in this state for at least two years.

~~3.~~ 4. "Civic and service club" means a branch, lodge, or chapter of a nonprofit national or state organization that is authorized by its written constitution, charter, articles of incorporation, or bylaws to engage in a civic or service purpose in this state, and has so existed in this state for at least two years. The term includes a similar local nonprofit organization, not affiliated with a state or national organization, which is so recognized by a resolution adopted by the governing body of the local jurisdiction in which the organization conducts its principal activities, and which has existed in this state for at least two years.

~~4.~~ 5. "Commission" means the North Dakota racing commission.

~~5.~~ 6. "Director" means the director of the commission.

~~6.~~ 7. "Fraternal organization" means a nonprofit organization in this state, which is a branch, lodge, or chapter of a national or state

organization and exists for the common business, brotherhood, or other interests of its members, and has so existed in this state for two years. The term does not include a college or high school fraternity.

~~7.~~ 8. "Local jurisdiction" means, with respect to a site inside the city limits of a city, that city, and with respect to a site not inside the city limits of a city, the county in which the site is located.

~~8.~~ 9. "Other public-spirited organization" means a nonprofit organization recognized by the governing body of the appropriate local jurisdiction by resolution as public-spirited and eligible under this chapter.

10. "Purse fund" means a fund, administered by the commission, established to supplement and improve purses offered at race tracks within the state.

~~9.~~ 11. "Racing" means horse racing under the certificate system.

~~10.~~ 12. "Religious organization" means a nonprofit organization, church, body of communicants, or group gathered in common membership for mutual support and edification in piety, worship, and religious observances, and which has been so gathered or united in this state for at least two years.

~~11.~~ 13. "Veterans' organization" means a congressionally chartered organization in this state, or a branch, lodge, or chapter of a nonprofit national or state organization in this state, the membership of which consists of individuals who were members of the armed services or forces of the United States, and which has so been in existence in this state for at least two years.

* SECTION 2. AMENDMENT. Section 53-06.2-02 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.2-02. Racing commission - Members - Appointment - Term - Qualifications - Compensation.

1. A North Dakota racing commission is established in the office of the ~~secretary of state~~ attorney general. The commission consists of the ~~secretary of state~~ chairman and four other members appointed by the governor, with the consent of the senate. The members serve five-year terms and until a successor is appointed and qualified. A member appointed to fill a vacancy arising from other than the natural expiration of a term serves only for the unexpired portion of the term. The terms of the commissioners must be staggered so that one term expires each July first. At the expiration of the five-year term of each incumbent member of the commission, the governor shall appoint a new member to the commission.

2. A person is ineligible for appointment to the commission if that person has not been a resident of this state for at least two years before the date of appointment. A person is also ineligible if that person is not of such character and reputation as to promote public confidence in the administration of racing in this state. A

* NOTE: Section 53-06.2-02 was also amended by section 1 of House Bill No. 1204, chapter 625.

person who has a financial interest in racing cannot be a member of the commission and cannot be employed by the commission. Failure to maintain compliance with this subsection is grounds for removal from the commission or from employment with the commission.

3. Commission members are entitled to forty dollars per day for compensation, and mileage and expense reimbursement as allowed to other state employees.

~~4. The secretary of state is the chairman of the commission.~~

* SECTION 3. AMENDMENT. Section 53-06.2-03 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.2-03. Director of racing - Appointment - Qualifications - Salary - Duties - Other personnel ~~Administrative functions~~.

1. The commission shall appoint a director of racing. The commission shall establish the director's qualifications and salary.

2. The director shall devote ~~full~~ such time to the duties of the office as the commission may prescribe. The director is the executive officer of the commission and shall enforce the rules and orders of the commission. The director shall perform other duties the commission prescribes.

3. The director may employ other persons as authorized by the commission.

~~4. Administrative functions of the commission, except personnel matters, are under the secretary of state's general supervision.~~

SECTION 4. AMENDMENT. Section 53-06.2-05 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.2-05. Powers of commission. The commission may:

1. Compel the production of all documents showing the receipts and disbursements of any licensee and determine the manner in which such financial records are to be kept.

2. Investigate the operations of any licensee and ~~cause the various places where race meets are held under the certificate system to be visited and inspected at reasonable intervals for the purpose of determining compliance with the rules~~ enter any vehicle or place of business, residence, storage, or racing of any licensee on the grounds of a licensed association to determine whether there has been compliance with the provisions of this chapter and rules adopted under this chapter, and to discover and seize any evidence of noncompliance.

3. Request appropriate state officials to perform inspections necessary for the health and safety of spectators, employees, participants, and horses that are lawfully on a racetrack.

* NOTE: Section 53-06.2-03 was also amended by section 2 of House Bill No. 1204, chapter 625.

4. License all participants in the racing industry and require and obtain information the commission deems necessary from license applicants. The commission may obtain from the bureau of criminal investigation, without charge, criminal history record information as required in the licensing process.

5. Adopt additional rules under which all horse races are conducted.

* SECTION 5. AMENDMENT. Subsection 2 of section 53-06.2-08 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

2. The commission may charge a license fee for racing commensurate with the size and attendance of the race meet. The commission shall remit license fees to the state treasurer. ~~The state treasurer shall place the fees in the operating fund of the tourism division of the economic development commission to pay for the operation and salaries of the commission and its employees.~~

** SECTION 6. AMENDMENT. Section 53-06.2-11 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.2-11. Bet payoff formulas - Uses by licensee of funds in excess of expenses ~~—Special fund—Payment to general fund~~.

1. For each day of a race ~~held at a racing~~ meet ~~where~~ at which the ~~average daily~~ aggregate amount ~~bet on the total races held~~ of the win, place, and show parimutuel pool for the day exceeds ~~fifty~~ twenty-five thousand dollars, the licensee shall deduct ~~eighteen and one fourth~~ twenty percent of the total ~~parimutuel~~ win, place, and show pool ~~bet on the race~~. ~~Of this amount, the~~ The licensee may retain ~~fourteen and one fourth~~ fifteen percent of the amount exceeding twenty-five thousand dollars and sixteen percent of the amount less than twenty-five thousand dollars for expenses. ~~The licensee shall pay the~~ One-half of one percent must be paid to the North Dakota racing commission to be used for the North Dakota purse fund. One-half of one percent must be paid to the North Dakota racing commission to be used for the North Dakota breeders' fund for the respective breed of horses racing at that meet. The remaining four percent of the amount exceeding twenty-five thousand dollars, and three percent of the amount less than twenty-five thousand dollars, must be paid to the state treasurer as prescribed by the commission. ~~Of the four percent paid to the state treasurer, up to the first one hundred thousand dollars is to be placed in the operating fund of the tourism division of the economic development commission from which all salaries and expenses of the commission and its employees are to be paid. The remaining funds must be placed in the general fund of the state.~~

2. For each ~~race held at a meet where the average daily amount bet on the total races held does not exceed fifty thousand dollars, the licensee shall deduct eighteen and one fourth percent of the total parimutuel pool bet on the individual race~~ daily double, quinella, exacta, trifecta, or other wager combining two or more horses for winning payoffs, the licensee shall deduct twenty-five percent of each wagering pool. Of this amount, the licensee may retain

* NOTE: Subsection 2 of section 53-06.2-08 was also amended by section 3 of House Bill No. 1204, chapter 625.

** NOTE: Section 53-06.2-11 was also amended by section 4 of House Bill No. 1204, chapter 625.

~~fifteen and one-fourth~~ twenty percent for expenses. ~~The licensee shall pay the~~ One-half of one percent must be paid to the North Dakota racing commission to be used for the North Dakota purse fund. One-half of one percent must be paid to the North Dakota racing commission to be used for the North Dakota breeders' fund for the respective breed of horses racing at that meet. The remaining ~~three~~ four percent must be paid to the state treasurer as prescribed by the North Dakota racing commission. ~~Of the three percent paid to the state treasurer, up to the first one hundred thousand dollars is to be placed in the operating fund of the tourism division of the economic development commission from which all salaries and expenses of the commission and its employees are to be paid, except that the amounts in subsections 1 and 2 of this section may not exceed a total of one hundred thousand dollars. The remaining funds must be placed in the general fund of the state.~~

3. Unclaimed tickets and breakage as defined by the commission must be paid to the state treasurer as prescribed by the commission.

4. The licensee shall retain all other money in the parimutuel pool and pay it to bettors 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 and 2 for expenses not directly incurred by the licensee in conducting parimutuel racing under the certificate system. After paying qualifying expenses, the licensee shall use the remainder of the amount so withheld only for eligible uses allowed to charitable gambling organizations under subsection ~~6~~ 7 of section 53-06.1-01.

SECTION 7. AMENDMENT. Section 53-06.2-16 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.2-16. ~~Performing certain acts without license prohibited - Penalty~~ Prohibited Acts - Penalties. ~~A~~

1. No person may ~~not~~ conduct a parimutuel horse race unless that person is licensed ~~to do so~~ by the commission. Violation of this ~~section~~ subsection is a class A misdemeanor.

2. No person may prearrange or attempt to prearrange the order of finish of a race. Violation of this subsection is a class C felony.

SECTION 8. A new section to chapter 53-06.2 of the North Dakota Century Code is hereby created and enacted to read as follows:

Off track wagering. In addition to racing under the certificate system, as authorized by this chapter, and conducted upon the premises of a race track, off track parimutuel wagering may be conducted in accordance with this chapter and interim standards that need not comply with chapter 28-32, or rules adopted by the commission under this chapter. Any organization qualified under section 53-06.2-06 to conduct racing may make written application to the commission for the conduct of off track parimutuel wagering on races held at licensed race courses inside the state or race courses outside the state, or both.

Approved March 31, 1989
Filed March 31, 1989

CHAPTER 625

HOUSE BILL NO. 1204
(Committee on State and Federal Government)
(At the request of the Office of Management and Budget)

RACING COMMISSION REVENUE AND ADMINISTRATION

AN ACT to amend and reenact section 53-06.2-02, subsections 2 and 4 of section 53-06.2-03, subsection 2 of section 53-06.2-08, and sections 53-06.2-11 and 53-06.2-13 of the North Dakota Century Code, relating to the transfer of the North Dakota racing commission from the secretary of state's office to the attorney general's office, and the deletion of payment by the commission to the economic development commission.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

* SECTION 1. AMENDMENT. Section 53-06.2-02 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.2-02. Racing commission - Members - Appointment - Term - Qualifications - Compensation.

1. A North Dakota racing commission is established in the office of the ~~secretary of state~~ attorney general. The commission consists of the ~~secretary of state~~ attorney general and four other members appointed by the governor, with the consent of the senate. The members serve five-year terms and until a successor is appointed and qualified. A member appointed to fill a vacancy arising from other than the natural expiration of a term serves only for the unexpired portion of the term. The terms of the commissioners must be staggered so that one term expires each July first. At the expiration of the five-year term of each incumbent member of the commission, the governor shall appoint a new member to the commission.

2. A person is ineligible for appointment to the commission if that person has not been a resident of this state for at least two years before the date of appointment. A person is also ineligible if that person is not of such character and reputation as to promote public confidence in the administration of racing in this state. A person who has a financial interest in racing cannot be a member of the commission and cannot be employed by the commission. Failure to maintain compliance with this subsection is grounds for removal from the commission or from employment with the commission.

3. Commission members are entitled to forty dollars per day for compensation, and mileage and expense reimbursement as allowed to other state employees.

* NOTE: Section 53-06.2-02 was also amended by section 2 of House Bill No. 1184, chapter 624.

4. The ~~secretary of state is~~ members of the commission shall appoint the chairman of the commission.

* SECTION 2. AMENDMENT. Subsections 2 and 4 of section 53-06.2-03 of the 1987 Supplement to the North Dakota Century Code are hereby amended and reenacted to read as follows:

2. The director shall devote ~~full~~ such time to the duties of the office as the commission may prescribe. The director is the executive officer of the commission and shall enforce the rules and orders of the commission. The director shall perform other duties the commission prescribes.

4. Administrative functions of the commission, except personnel matters, are under the ~~secretary of state's~~ attorney general's general supervision.

** SECTION 3. AMENDMENT. Subsection 2 of section 53-06.2-08 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

2. The commission may charge a license fee for racing commensurate with the size and attendance of the race meet. The commission shall remit license fees to the state treasurer for deposit in the general fund. ~~The state treasurer shall place the fees in the operating fund of the tourism division of the economic development commission to pay for the operation and salaries of the commission and its employees.~~

*** SECTION 4. AMENDMENT. Section 53-06.2-11 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.2-11. Bet payoff formulas - Uses by licensee of funds in excess of expenses - ~~Special fund~~ — Payment to general fund.

1. For each race held at a racing meet where the average daily amount bet on the total races held exceeds fifty thousand dollars, the licensee shall deduct eighteen and one-fourth percent of the total parimutuel pool bet on the race. Of this amount, the licensee may retain fourteen and one-fourth percent for expenses. The licensee shall pay the remaining four percent to the state treasurer ~~as prescribed by the commission. Of the four percent paid to the state treasurer, up to the first one hundred thousand dollars is to be placed in the operating fund of the tourism division of the economic development commission from which all salaries and expenses of the commission and its employees are to be paid. The remaining funds must be placed in the general fund of the state~~ to be deposited in the general fund.

2. For each race held at a meet where the average daily amount bet on the total races held does not exceed fifty thousand dollars, the licensee shall deduct eighteen and one-fourth percent of the total parimutuel pool bet on the individual race. Of this amount, the licensee may retain fifteen and one-fourth percent for expenses. The licensee shall pay the remaining three percent to the state treasurer ~~as prescribed by the commission. Of the three percent~~

* NOTE: Section 53-06.2-03 was also amended by section 3 of House Bill No. 1204, chapter 624.

** NOTE: Subsection 2 of section 53-06.2-08 was also amended by section 5 of House Bill No. 1184, chapter 624.

*** NOTE: Section 53-06.2-11 was also amended by section 6 of House Bill No. 1184, chapter 624.

~~paid to the state treasurer. up to the first one hundred thousand dollars is to be placed in the operating fund of the tourism division of the economic development commission from which all salaries and expenses of the commission and its employees are to be paid, except that the amounts in subsections 1 and 2 of this section may not exceed a total of one hundred thousand dollars. The remaining funds must be placed in the general fund of the state~~ to be deposited in the general fund.

3. The licensee shall retain all other money in the parimutuel pool and pay it to bettors holding winning tickets as provided by rules adopted by the commission.

4. A licensee may not use any of the portion deducted for expenses under subsections 1 and 2 for expenses not directly incurred by the licensee in conducting parimutuel racing under the certificate system. After paying qualifying expenses, the licensee shall use the remainder of the amount so withheld only for eligible uses allowed to charitable gambling organizations under subsection 6 of section 53-06.1-01.

SECTION 5. AMENDMENT. Section 53-06.2-13 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.2-13. Duty of attorney general to participate in certain hearings - Employment of private counsel by commission. The attorney general shall represent the state in all hearings before the commission and shall prosecute all criminal proceedings arising from violations of this chapter. ~~The commission shall reimburse the attorney general for the cost of all services rendered.~~ The commission may employ private counsel for adoption of rules and to ensure that its hearings are conducted fairly.

Approved March 14, 1989
Filed March 15, 1989