

Introduced by

Representatives Kempenich, Klemin, Lefor, Nathe, Schauer

Senators Hogue, Klein, Schaible

1 A BILL for an Act to amend and reenact section 53-06.1-03 and subsection 1 of section
2 53-06.1-14 of the North Dakota Century Code, relating to gaming site number limits, electronic
3 pull tab device limits, and manufacturing and distributing license fees.

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

5 **SECTION 1. AMENDMENT.** Section 53-06.1-03 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **53-06.1-03. Permits, site authorization, and licenses.**

- 8 1. Except as authorized by the attorney general, an organization that has its license
9 suspended or revoked, or has relinquished or not renewed its license and not
10 disbursed its net proceeds, is ineligible for a license or permit. Only one of two or more
11 closely related organizations may have a license or permit at one time. A college or
12 university fraternity, sorority, or club is not closely related to an educational
13 organization. An organization shall apply for a permit as follows:
- 14 a. An organization recognized as a public-spirited organization by the governing
15 body of a city or county may apply for permits. A local permit may allow the
16 organization to conduct only raffles, bingo, or sports pools. A restricted event
17 permit may allow the organization to conduct only raffles, bingo, sports pools,
18 paddlewheels, twenty-one, and poker. The organization or closely related
19 organizations as a whole may only award a primary prize that does not exceed
20 eight thousand dollars and total prizes of all games do not exceed forty thousand
21 dollars per year. These maximum prize amounts do not apply to raffles conducted
22 under chapter 20.1-08. The determination of what is a "public-spirited
23 organization" is within the sole discretion of the governing body. An organization
24 shall disclose on the application its intended use of the net income from the

- 1 gaming activity. A governing body may issue a permit for games to be held at
2 designated times and places.
- 3 b. An organization shall apply to the governing body of the city or county in which
4 the proposed site is located. Application must be made on a form prescribed by
5 the attorney general. Approval may be granted at the discretion of the governing
6 body. A governing body may establish a fee not to exceed twenty-five dollars for
7 each permit. A permit must be on a fiscal year basis from July first to June
8 thirtieth or on a calendar-year basis.
- 9 c. An organization that has a local permit or a restricted event permit may use the
10 net income from the gaming activity for any purpose that does not violate this
11 chapter or gaming rules, unless the organization is a state political party or
12 legislative district party committee, the organization may use the net income from
13 a raffle for a political purpose. For purposes of this subdivision, a public-spirited
14 use includes a political purpose.
- 15 d. An organization that has a restricted event permit is restricted to one event per
16 year and:
- 17 (1) May not pay remuneration to employees for personal services;
18 (2) Shall use chips as wagers;
19 (3) Shall redeem a player's chips for merchandise prizes or cash;
20 (4) Shall disburse net income to eligible uses referenced in subdivision c, if
21 applicable, and in section 53-06.1-11.1; and
22 (5) Shall file a report prescribed by the attorney general with the governing
23 body and attorney general.
- 24 2. An eligible organization shall apply for a license to conduct only bingo, electronic quick
25 shot bingo, raffles, calcuttas, pull tabs, punchboards, twenty-one, paddlewheels,
26 poker, or sports pools by:
- 27 a. First securing approval for a site authorization from the governing body of the city
28 or county in which the proposed site is located. Approval, which may be granted
29 at the discretion of the governing body, must be recorded on a site authorization
30 form that is to accompany the license application to the attorney general for final
31 approval. A governing body may not require an eligible organization to donate net

1 proceeds to the city, county, or related political subdivision or for community
2 programs or services within the city or county as a condition for receiving a site
3 authorization from the city or county. A governing body may limit the number of
4 tables for the game of twenty-one per site and the number of sites upon which a
5 licensed organization may conduct games within the city or county. A governing
6 body may charge a one hundred dollar fee for a site authorization. A governing
7 body may approve site authorization only for an alcoholic beverage
8 establishment or a bingo hall; and

9 b. Annually applying for a license from the attorney general before July first on a
10 form prescribed by the attorney general and remitting a one hundred fifty dollar
11 license fee for each city or county that approves a site authorization. However,
12 the attorney general may allow an organization that only conducts a raffle or
13 calcutta in two or more cities or counties to annually apply for a consolidated
14 license and remit a one hundred fifty dollar license fee for each city or county in
15 which a site is located. An organization shall document that it qualifies as an
16 eligible organization. If an organization amends its primary purpose as stated in
17 its articles of incorporation or materially changes its basic character, the
18 organization shall reapply for licensure.

19 3. A licensed organization or organization that has a permit shall conduct games as
20 follows:

21 a. Only one licensed organization or organization that has a permit may conduct
22 games at an authorized site on a day, except that a raffle may be conducted for a
23 special occasion by another licensed organization or organization that has a
24 permit when one of these conditions is met:

25 (1) When the area for the raffle is physically separated from the area where
26 games are conducted by the regular organization.

27 (2) Upon request of the regular organization and with the approval of the
28 alcoholic beverage establishment, the regular organization's license or
29 permit is suspended for that specific time of day by the attorney general.

30 b. Except for a temporary site authorized for fourteen or fewer consecutive days for
31 not more than two events per quarter, a licensed organization may not have more

1 than ~~twenty-five~~ten sites unless granted a waiver by the attorney general. If the
2 attorney general finds that there is no other licensed organization interested in
3 conducting gaming at a site for which a waiver is being sought, the attorney
4 general may approve the waiver for no more than five sites.

5 c. Games of electronic quick shot bingo, pull tabs, punchboards, twenty-one,
6 paddlewheels, poker, and sports pools may be conducted only during the hours
7 when alcoholic beverages may be dispensed according to applicable regulations
8 of the state, county, or city.

9 d. An organization may not permit a person under twenty-one years of age to
10 directly or indirectly play pull tabs, punchboards, twenty-one, calcuttas, sports
11 pools, paddlewheels, or poker. An organization may not permit an individual
12 under eighteen years of age to directly or indirectly play electronic quick shot
13 bingo. An organization may not permit an individual under eighteen years of age
14 to directly or indirectly play bingo unless the individual is accompanied by an
15 adult, bingo is conducted by an organization that has a permit, or the game's
16 prize structure does not exceed that allowed for a permit.

17 4. A permit, or site authorization and license, must be displayed at a site.

18 5. The attorney general may issue a conditional license to an eligible organization whose
19 regularly issued license has expired or been suspended, revoked, or relinquished. The
20 attorney general shall designate the time period for which the conditional license is
21 valid and may impose any conditions.

22 6. A governing body or local law enforcement official may inspect a site's gaming
23 equipment and examine or cause to be examined any gaming-related books and
24 records of a licensed organization or organization that has a permit.

25 7. An authorized site may have no more than ten electronic pull tab devices.

26 **SECTION 2. AMENDMENT.** Subsection 1 of section 53-06.1-14 of the North Dakota

27 Century Code is amended and reenacted as follows:

28 1. A manufacturer of pull tabs, bingo cards, electronic pull tab devices, or bingo card
29 marking devices shall apply annually for a license and pay a license fee of ~~four~~eight
30 thousand dollars. A manufacturer of pull tab dispensing devices shall apply annually
31 for a license and pay a license fee of one thousand dollars. A manufacturer of fifty-fifty

1 raffle systems shall apply annually for a license and pay a license fee of five hundred
2 dollars. A distributor shall apply annually for a license and pay a license fee of ~~one~~two
3 thousand five hundred dollars. Application must be made before the first day of April in
4 each year on a form prescribed by the attorney general.