

Introduced by

Representatives Cory, Kasper, Louser, Mock, M. Ruby

1 A BILL for an Act to create and enact a new chapter to title 53 of the North Dakota Century
2 Code, relating to the licensing and regulating of live poker; to amend and reenact subsection 1
3 of section 12.1-28-01 of the North Dakota Century Code, relating to the definition of gambling;
4 and to provide a contingent effective date.

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

6 **SECTION 1. AMENDMENT.** Subsection 1 of section 12.1-28-01 of the North Dakota
7 Century Code is amended and reenacted as follows:

- 8 1. "Gambling" means risking any money, credit, deposit, or other thing of value for gain,
9 contingent, wholly or partially, upon lot, chance, the operation of gambling apparatus,
10 or the happening or outcome of an event, including an election or sporting event, over
11 which the person taking the risk has no control. Gambling does not include:
- 12 a. Lawful contests of skill, including internet live poker, or lawful contests of speed,
13 strength, or endurance in which awards are made only to entrants or to the
14 owners of entries;
 - 15 b. Lawful business transactions, or other acts or transactions now or hereafter
16 expressly authorized by law; or
 - 17 c. Use of gaming equipment and devices that may not otherwise be lawful in the
18 state when the equipment or devices are used by any institution under the control
19 of the state board of higher education which awards degrees of bachelor's or
20 higher for the purpose of conducting scientific research in a controlled
21 environment on the campus of that institution.

22 **SECTION 2.** A new chapter to title 53 of the North Dakota Century Code is created and
23 enacted as follows:

1 **Definitions.**

2 As used in this chapter, unless the context otherwise requires:

3 1. "Adjusted gross proceeds" means any sums wagered in an internet live poker hand
4 which may be retained by the licensed internet live poker establishment as
5 compensation.

6 2. "Internet live poker" means a card game played by players who are dealt cards by an
7 online nonplayer dealer with the objective of each player betting the superiority of the
8 player's own hand and winning the other players' bets by either making a bet no other
9 player is willing to match or proving to hold the most valuable cards after the betting is
10 over. The internet live poker games include Texas hold'em, Omaha high/low, Omaha
11 high, draw, stud, low ball, any combination of these games, or any other similar poker
12 game.

13 3. "Licensed internet live poker establishment" means a premises licensed by the
14 attorney general pursuant to this chapter to conduct games of internet live poker.

15 **Internet live poker authorization and licensing - Fees.**

16 Internet live poker games may be operated by a licensed internet live poker establishment
17 in accordance with this chapter. The attorney general shall license and regulate the playing of
18 internet live poker at licensed internet live poker establishments. The attorney general shall
19 adopt rules for the licensure, regulation, and operation of internet live poker in the state. The
20 one-time fee for initial registration is ten thousand dollars, and the annual licensing fee is five
21 thousand dollars.

22 **Internet live poker - Authorized players.**

23 An individual playing internet live poker must be twenty-one years of age or older. An
24 individual may not use a credit card to play internet live poker.

25 **Internet live poker - Tax.**

26 1. The attorney general may contract with a private entity for the development and
27 implementation of a program for the licensing and regulation of internet live poker. The
28 program must include a license fee for each person that operates an internet live
29 poker site.

30 2. A tax of ten percent is imposed on the adjusted gross proceeds of internet live poker
31 games for each establishment authorized under this chapter.

1 3. A licensed internet live poker establishment shall remit the tax to the attorney general
2 on a monthly basis. The attorney general shall remit the tax, licensing fees, and any
3 other moneys collected under this chapter to the state treasurer for deposit in the
4 internet live poker proceeds fund.

5 **Internet live poker proceeds fund.**

6 There is created in the state treasury an internet live poker proceeds fund. The fund
7 consists of the internet live poker tax, licensing fees, and any other moneys collected under this
8 chapter. Annually, all moneys in the fund must be allocated for:

9 1. Annual transfers to the gambling disorder prevention and treatment fund. Transfers
10 under this subsection must equal ten percent of total annual transfers from the internet
11 live poker proceeds fund.

12 2. Annual transfers to the common schools trust fund to become a part of the principal of
13 that fund. Transfers under this subsection must equal fifty percent of total annual
14 transfers from the internet live poker proceeds fund.

15 3. Annual transfers to the general fund. Transfers under this subsection must equal forty
16 percent of the total annual transfers from the internet live poker proceeds fund.

17 **SECTION 3. CONTINGENT EFFECTIVE DATE.** This Act becomes effective on the date the
18 secretary of state certifies to the legislative council that House Concurrent Resolution No. 3012,
19 as adopted by the sixty-seventh legislative assembly, has been approved by the voters.