

## JOURNAL OF THE HOUSE

## Fifty-third Legislative Assembly

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Bismarck, April 21, 1993

The House convened at 8:00 a.m., with Speaker R. Berg presiding.

The prayer was offered by Rep. Marv Mutzenberger.

The roll was called and all members were present except Representatives Aarsvold, Boucher, C. Carlson, Dobrinski, and Gorder.

A quorum was declared by the Speaker.

## ANNOUNCEMENTS BY THE SPEAKER

**SPEAKER R. BERG ANNOUNCED** that Rep. Shide would replace Rep. Keiser on the conference committee on SB 2486.

**SPEAKER R. BERG ANNOUNCED** that the House would stand in recess until 1:00 p.m.

## VETO CERTIFICATION

The following bills were delivered to the legislative council for veto certification: HB 1023, HB 1286, HB 1304.

## SIGNING OF BILLS AND RESOLUTIONS

The Chief Clerk announced that the Speaker was about to sign the certification by which HB 1023, HB 1286 and HB 1304 failed to pass over the Governor's veto, and the Speaker signed the same in the presence of the House of Representatives.

## MESSAGE TO THE HOUSE FROM THE SENATE (CAROL SIEGERT, SECRETARY)

**MR. SPEAKER:** The Senate has amended and subsequently passed: HB 1518.

## SENATE AMENDMENTS TO HOUSE BILL NO. 1518

Page 1, line 3, replace "and" with "to provide for reports to the budget section of the legislative council;"

Page 1, line 4, after "appropriation" insert "; and to provide an expiration date"

Page 4, after line 21, insert:

"7. Provides that every employee participating in the new jobs training program must be paid an income at least equal to one hundred twenty percent of the federal poverty level for a family of four, for the life of the loan."

Page 5, line 7, after "the" insert "new"

Page 5, line 9, after "each" insert "new"

Page 5, line 13, replace "ot" with "to"

Page 5, line 23, replace "An" with "A new"

Page 6, after line 20, insert:

**SECTION 5. REPORTS TO LEGISLATIVE COUNCIL BUDGET SECTION.** The tax commissioner shall report to the budget section of the legislative council the allocations to the special fund under section 3 of this

Act, the executive director of job service North Dakota shall report to the budget section on the agreements entered under section 2 of this Act, and the director of the department of economic development and finance shall report to the budget section on loans, grants, and new jobs qualified for program services. The tax commissioner, executive director of job service North Dakota, and the director of the department of economic development and finance shall provide any other information relating to this Act which the budget section requests. The reports must be presented at the times requested by the budget section, but not less than once in each calendar year.

**SECTION 6. EXPIRATION DATE.** This Act is ineffective after June 30, 1995, but the provisions of this Act as they existed on June 30, 1995, remain effective after that date for any loan, grant, or agreement entered or rule adopted before July 1, 1995."

Renumber accordingly

**MESSAGE TO THE HOUSE FROM THE SENATE (CAROL SIEGERT, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2009, SB 2017, SB 2020.

**MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)**

**MADAM PRESIDENT:** The House has passed and your favorable consideration is requested on: HCMR 7501.

**MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)**

**MADAM PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1013, HB 1018, HB 1065, HB 1219, HB 1504, HB 1511.

**MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)**

**MADAM PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1012, HB 1015.

**MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)**

**MADAM PRESIDENT:** The House has adopted the conference committee report and subsequently failed to pass: HB 1208.

**MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)**

**MADAM PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2004, SB 2006, SB 2007, SB 2008, SB 2010, SB 2013, SB 2015, SB 2016, SB 2384.

**MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)**

**MADAM PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SCR 4038.

**MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)**

**MADAM PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried on: SB 2019.

**MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)**

**MADAM PRESIDENT:** The House has failed to pass: SCR 4077.

#### **REPORT OF CONFERENCE COMMITTEE**

**SB 2009, as engrossed:** Your conference committee (Sens. Robinson, Kelly, Thane and Reps. Byerly, DeWitz, Wilkie) recommends that the HOUSE RECEDE from the House amendments on HJ pages 1134-1137, adopt amendments as follows, and place SB 2009 on the Seventh order:

That the House recede from its amendments as printed on pages 992-994 of the Senate Journal and pages 1134-1137 of the House Journal and that Engrossed Senate Bill No. 2009 be amended as follows:

Page 1, line 1, after "to" insert "amend and reenact section 37-18-04 of the North Dakota Century Code, relating to duties of the commissioner of the department of veterans' affairs; and to"

Page 1, line 13, replace "4,149,663" with "4,100,644"

Page 1, line 14, replace "1,560,816" with "1,578,091"

Page 1, line 16, replace "321,851" with "321,851"

Page 1, remove line 17

Page 1, line 18, replace "6,226,898" with "6,191,109"

Page 1, line 19, replace "3,805,722" with "3,781,214"

Page 1, line 20, replace "2,421,176" with "2,409,895"

Page 2, line 2, replace "417,233" with "409,337"

Page 2, line 3, replace "4,000" with "3,960"

Page 2, line 6, replace "100,000" with "100,000"

Page 2, remove line 7

Page 2, line 8, replace "679,664" with "667,728"

Page 2, line 10, replace "411,736" with "399,800"

Page 2, line 11, replace "2,832,912" with "2,809,695"

Page 2, line 12, replace "4,073,650" with "4,049,142"

Page 2, line 13, replace "6,906,562" with "6,858,837"

Page 2, after line 23, insert:

**"SECTION 4. ADDITIONAL VETERANS' POSTWAR TRUST FUND EARNINGS - APPROPRIATION.** Notwithstanding section 37-14-14, earnings of the veterans' postwar trust fund, in addition to the amounts appropriated in section 1 of this Act, are hereby appropriated to the administrative committee on veterans' affairs for veterans' programs administered by the veterans' home and department of veterans' affairs for the biennium beginning July 1, 1993, and ending June 30, 1995, and may be spent only upon authorization of the emergency commission.

**SECTION 5. AMENDMENT.** Section 37-18-04 of the 1991 Supplement to the North Dakota Century Code is amend and reenacted as follows:

**37-18-04. Duties of commissioner.** It is the duty of the commissioner to coordinate agencies or instrumentalities of the state set up to render service and benefits to returning veterans; to have charge of and implement programs and benefits authorized by statute; to assist or represent veterans or their widows, administrators, executors, guardians, or heirs, in processing claims; to advise and assist veterans in taking advantage of the provisions of the Servicemen's Readjustment Act of 1944 [Pub. L. 78-346; 58 Stat. 291], or any similar or related measures afforded by the federal government; to assist, supervise, advise, and direct the work of county service officers; to assist county service officers in the formation of county service to veterans' committees and to outline, assist, and direct the activities of such committees; to disseminate information and to do any and all things necessary and proper for the purpose of carrying out the intent and purposes of this chapter.



The department of veterans' affairs may accept and expend funds from any source, including federal or private sources and interest earnings from the veterans' postwar trust fund, to be used to assist veterans or qualified veterans' spouses in obtaining assistance and to pay other expenses authorized by law, incurred pursuant to hearings covered in section 37-19.1-04 or incurred in carrying out programs of benefit and service for resident North Dakota veterans as authorized by the administrative committee on veterans' affairs ~~or~~ with the approval of the emergency commission.

The department of veterans' affairs may receive from the United States government such records of veterans as the United States government may wish to turn over to the department of veterans' affairs and same shall keep and maintain such records as hereafter provided by this chapter."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

##### DEPARTMENT 313 - VETERANS HOME

CONFERENCE COMMITTEE - The salaries and wages line item is reduced by \$49,019, \$24,511 of which is from the general fund. Of this reduction, \$18,294, \$9,148 of which is from the general fund, relates to the state employee salary increase provisions of House Bill No. 1018 and \$30,725, \$15,363 of which is from the general fund, relates to reduced employee health insurance costs.

The interagency legal fees line item of \$4,045 from the general fund is deleted to reflect Governor Schafer's recommendation regarding legal fees charged by the Attorney General.

The operating expenses line item is increased by \$17,275 of special funds for indirect cost allocation payments to the Office of Management and Budget.

A section is added providing that additional interest income from the veterans postwar trust fund may be spent only upon approval of the Emergency Commission.

In total, this amendment reduces funding for the Veterans Home by \$35,789, \$11,281 of which is from the general fund and \$24,508 of other funds.

##### DEPARTMENT 321 - DEPARTMENT OF VETERANS AFFAIRS

CONFERENCE COMMITTEE - The salaries and wages line item is decreased by \$7,896 from the general fund, of which \$2,688 is for reduced employee health insurance costs and \$5,208 is to reflect the state employee salary increase provisions of House Bill No. 1018.

The interagency legal fees line item of \$4,000 from the general fund is deleted to reflect Governor Schafer's recommendation regarding legal fees charged by the Attorney General.

The information services line item is reduced by \$40 from the general fund in accordance with provisions of House Bill No. 1018.

Sections are added providing that additional income received by the Department of Veterans Affairs may be spent only upon approval of the Emergency Commission.

Funding from the veterans postwar trust fund of \$20,000 for legal fees in veterans' preference cases and \$100,000 for the veterans' unmet needs grant



program added in the Senate and reduced in the House remains at the Senate level.

In total, this amendment reduces the Department of Veterans Affairs appropriation by \$11,936 from the general fund.

Engrossed SB 2009 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

SB 2017, as engrossed: Your conference committee (Sens. Yockim, Lindaas, Goetz and Reps. Gorman, Wald, Nichols) recommends that the **HOUSE RECEDE** from the House amendments on HJ pages 1304-1306, adopt amendments as follows, and place SB 2017 on the Seventh order:

That the House recede from its amendments as printed on pages 1173-1176 of the Senate Journal and pages 1304-1306 of the House Journal and that Engrossed Senate Bill No. 2017 be amended as follows:

Page 1, line 3, after "commission" insert "; to provide for a limit on state building authority lease payments; to repeal sections 54-17.2-21 and 54-17.2-22 of the North Dakota Century Code, relating to the capital construction fund; and to provide an effective date"

Page 1, line 14, replace "4,822,705" with "4,725,310"

Page 1, line 15, replace "156,883" with "147,694"

Page 1, line 16, replace "1,329,149" with "1,409,149"

Page 1, line 19, replace "Bond" with "Lease" and replace "12,840,077" with "12,656,195"

Page 1, line 21, replace "29,369,343" with "29,158,877"

Page 2, line 1, replace "24,233,000" with "12,256,475"

Page 2, line 2, replace "5,136,343" with "16,902,402"

Page 2, line 5, replace "11,723,884" with "11,566,746"

Page 2, line 6, replace "4,371,350" with "4,136,567"

Page 2, line 7, replace "4,675,000" with "4,733,730"

Page 2, line 11, replace "22,575,234" with "22,242,043"

Page 2, line 15, replace "6,878,083" with "6,879,949"

Page 2, line 18, replace "18,442,671" with "18,444,537"

Page 2, line 21, replace "2,747,412" with "2,713,113"

Page 2, line 22, replace "90,316" with "88,715"

Page 2, line 23, replace "865,245" with "874,081"

Page 2, line 27, replace "37,069,333" with "37,042,269"

Page 2, line 28, replace "5,136,343" with "16,902,402"

Page 2, line 29, replace "102,320,238" with "89,985,324"

Page 3, line 1, replace "107,456,581" with "106,887,726"

Page 3, line 14, replace "APPROPRIATION" with "TRANSFER"

Page 3, line 20, replace "APPROPRIATION" with "TRANSFER"

Page 3, line 26, replace "APPROPRIATION" with "TRANSFER"

Page 4, line 3, replace "APPROPRIATION" with "TRANSFER"

Page 4, line 11, replace "\$47,832" with "\$51,232"

Page 5, line 9, replace "\$12,840,077" with "\$12,656,195" and replace "bond" with "lease"

Page 5, line 13, replace "Capital construction fund's portion of sales, use and" with "State general fund" and replace "11,956,840" with "11,781,626"

Page 5, remove line 14

Page 5, line 16, replace "272,829" with "264,161"

Page 5, line 17, replace "12,840,077" with "12,656,195"

Page 5, remove lines 18 through 23

Page 6, after line 28, insert:

**SECTION 17. TRANSFER.** The state treasurer shall transfer the unobligated balance in the capital construction fund to the state general fund on July 1, 1993. Upon payment of all obligations, the state treasurer shall transfer any balance to the state general fund. After June 30, 1993, the state treasurer shall deposit in the state general fund any moneys that would otherwise be deposited in the capital construction fund.

**SECTION 18. State building authority lease payments - Limitation.** The amount of lease payments for a biennium associated with capital construction projects financed by the industrial commission acting as the state building authority may not exceed the amount equal to a portion of sales, use, and motor vehicle excise tax collections equal to twelve and one-half percent of an amount, determined by multiplying the quotient of one percent divided by the general sales tax rate that was in effect when the taxes were collected, times the net sales, use, and motor vehicle excise tax collections under chapters 57-39.2, 57-40.2, and 57-40.3.

**SECTION 19. REPEAL.** Sections 54-17.2-21 and 54-17.2-22 of the North Dakota Century Code are repealed.

**SECTION 20. EFFECTIVE DATE.** Sections 17 and 19 of this Act are effective for all sales, use, and motor vehicle excise tax revenues received by the state treasurer for deposit after June 30, 1993.

**SECTION 21. LEGISLATIVE INTENT.** It is the intent of the fifty-third legislative assembly that if 1993 House Bill No. 1240 is passed by the legislative assembly, the industrial commission shall make appropriate staffing adjustments in the housing finance agency during the 1993-95 biennium based on workloads and consistent with personnel considerations and anticipated income. If 1993 House Bill No. 1240 passes, the industrial commission is to report to the first 1993-94 interim budget section meeting on the changes in the housing finance agency."

## STATEMENT OF PURPOSE OF AMENDMENT:

## DEPARTMENT 405 - INDUSTRIAL COMMISSION

CONFERENCE COMMITTEE - The salaries and wages line item is decreased by \$97,395, of which \$87,656 is from the general fund and \$9,739 from other funds, to reflect the \$60 per month salary increase plan in accordance with the provisions of House Bill No. 1018.

The operating expenses line item is increased by \$80,000 from the general fund to ensure funding of the geological information system. The geological information system was to be funded from federal funding that may not be available.

The information services line item is reduced by \$9,189, of which \$7,911 is from the general fund and \$1,278 from other funds, in accordance with the provisions of House Bill No. 1018.

The general fund appropriation is increased by \$11,781,626 and other funds are decreased by \$11,965,508 to provide the bond payments being from the general fund rather than the capital construction fund and payments based on the most recent payment schedule. Also, a section is added transferring the balance of the capital construction fund to the state general fund, and a section is added repealing the sections of the North Dakota Century Code that provided for the capital construction fund. A new section is added providing that the Building Authority lease payments for a biennium are not to exceed the amount to which 12.5 percent of a one percent sales, use, and motor vehicle excise tax is equal. Presently 12.5 percent of a one percent sales, use, and motor vehicle tax is approximately \$14.8 million.

## DEPARTMENT 471 - BANK OF NORTH DAKOTA

CONFERENCE COMMITTEE - The salaries and wages line item is decreased by \$157,138 from other funds to reflect the \$60 per month salary increase plan in accordance with the provisions of House Bill No. 1018.

The operating expenses line item is increased by \$58,730 from other funds for indirect cost allocation payments to the Office of Management and Budget.

The information services line item is reduced by \$234,783 from funds in accordance with the provisions of House Bill No. 1018.

## DEPARTMENT 473 - HOUSING FINANCE AGENCY

CONFERENCE COMMITTEE - The salaries and wages line item is decreased by \$34,299 from other funds to reflect the \$60 per month salary increase plan in accordance with the provisions of House Bill No. 1018.

The information services line item is decreased by \$1,601 from other funds in accordance with the provisions of House Bill No. 1018.

The operating expenses line item is increased by \$8,836 from other funds for indirect cost allocation payments to the Office of Management and Budget.

A section of legislative intent is added stating it is the intent of the Legislative Assembly that if 1993 House Bill No. 1240 passes relating to local housing authorities, the Industrial Commission shall make the appropriate staffing changes in the Housing Finance Agency based on agency workload and income.

## DEPARTMENT 475 - MILL AND ELEVATOR

CONFERENCE COMMITTEE - The operating expenses line item is increased by \$1,866 from other funds for indirect cost allocation payments to the Office of Management and Budget.



The total amendments to Engrossed Senate Bill No. 2017 increase the general fund appropriation by \$11,766,059, decrease other funds by \$12,334,914, and decrease all funds by \$568,855.

Engrossed SB 2017 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

SB 2020, as engrossed: Your conference committee (Sens. Yockim, Lindaas, Goetz and Reps. Clayburgh, Carlisle, Kroeber) recommends that the HOUSE RECEDE from the House amendments on HJ pages 1240-1241, adopt amendments as follows, and place SB 2020 on the Seventh order:

That the House recede from its amendments as printed on pages 1084-1085 of the Senate Journal and pages 1240-1241 of the House Journal and that Engrossed Senate Bill No. 2020 be amended as follows:

Page 1, line 11, replace "519,676" with "508,840"

Page 1, line 12, replace "19,000" with "18,580"

Page 1, line 15, replace "622,037" with "610,781"

Page 1, line 16, replace "391,093" with "380,699"

Page 1, line 17, replace "230,944" with "230,082"

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

##### DEPARTMENT 140 - OFFICE OF ADMINISTRATIVE HEARINGS

CONFERENCE COMMITTEE - The salaries and wages line item is decreased by \$10,836, of which \$862 is from the general fund and \$9,974 is from special funds, to reflect the legislative salary increase recommendation as provided for in House Bill No. 1018.

The information services line item is decreased by \$420 from other funds in accordance with the provisions of House Bill No. 1018.

In total, the amendments to the bill decrease the general fund appropriation by \$862, other funds are decreased by \$10,394, and the total appropriation is reduced by \$11,256.

Engrossed SB 2020 was placed on the Seventh order of business on the calendar.

THE HOUSE RECONVENED pursuant to recess taken, with Speaker R. Berg presiding.

#### MOTION

REP. MARTINSON MOVED that HB 1416 which is on the Seventh order, be laid over until the 5:00 p.m. session, which motion prevailed.

#### REPORT OF CONFERENCE COMMITTEE

REP. GERNTHOLZ MOVED that the conference committee report on Engrossed SB 2014 be adopted, which motion prevailed.

Engrossed SB 2014, as amended, was placed on the Fourteenth order of business on the calendar.

## SECOND READING OF SENATE BILL

SB 2014: A BILL for an Act making an appropriation for defraying the expenses of the various divisions under the supervision of the director of the department of transportation; and to provide a statement of legislative intent.

## ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 93 YEAS, 0 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

YEAS: Allmaras; Austin; Bateman; Berg, J.; Bernstein; Bodine; Boehm; Boucher; Brodshaug; Brown; Byerly; Carlisle; Carlson, A.; Christopherson; Clayburgh; Cleary; Coats; Dalrymple; DeWitz; Dorso; Drovdal; Freier; Froseth; Gates; Gerntholz; Glassheim; Goffe; Gorder; Gorman; Grosz; Grumbo; Gulletson; Hagle; Hanson; Hausauer; Henegar; Hokana; Holm; Howard; Huether; Jacobs; Johnson; Kaldor; Keiser; Kelsch; Kempenich; Kerzman; Kilichowski; Klein; Kretschmar; Kroeber; Kunkel; Laughlin; Mahoney; Maragos; Martin; Martinson; Monson; Mutzenberger; Nelson; Ness; Nicholas; Nichols; Oban; Olsen, D.; Olson, A.; Payne; Poolman; Porter; Price; Pyle; Rennerfeldt; Ring; Rydell; Schindler; Shide; Sitz; Skarphol; Soukup; St. Aubyn; Stenehjelm; Stenson; Svedjan; Sveen; Thorpe; Timm; Tollefson; Torgerson; Wald; Wardner; Wentz; Wilkie; Speaker R. Berg

ABSENT AND NOT VOTING: Aarsvold; Belter; Carlson, C.; Dobrinski; Wanzek

Engrossed SB 2014 passed and the title was agreed to.

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## POINT OF PERSONAL PRIVILEGE

REP. BERNSTEIN: Mr. Speaker: I rise on a point of personal privilege and request that my remarks be printed in the Journal.

Yesterday, Tuesday, April 20, 1993, 8-year old Danielle Cossette died from a rare form of cancer. She was the beautiful daughter of Greg and Lori Cossette of Horace, North Dakota.

Because of the critical illness of Danielle this past year, coworkers of Greg Cossette, where he is employed as a baker in the food service division at North Dakota State University, wanted to donate their vacation hours enabling the family to spend more time caring for Danielle; but, there was no provision in the state law to allow for this generosity among our state employees.

I wish to express my deepest gratitude to this 53rd Legislative Assembly for passing SB 2243 and to Governor Schafer for signing this bill into law that will now provide for the generous donation of annual leave from our caring state employees in response to a coworker facing a critical situation in their immediate family.

I am sure I speak on behalf of everyone here in expressing our sincere sympathy to the Greg Cossette family on the death of their daughter Danielle.

## CONSIDERATION OF MESSAGE FROM THE SENATE

REP. KRETSCHMAR MOVED that the House do concur in the Senate amendments to HCR 3072 as printed on HJ page 2015, which motion prevailed.

HCR 3072, as amended, was placed on the Eleventh order of business on the calendar.

## SECOND READING OF HOUSE CONCURRENT RESOLUTION

HCR 3072: A concurrent resolution directing the Legislative Council to study charitable gaming laws and rules.

The question being on the final adoption of the amended resolution, which has been read.

HCR 3072 was declared adopted on a voice vote.

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#### ANNOUNCEMENT BY THE SPEAKER

**SPEAKER R. BERG ANNOUNCED** that the House would stand in recess until 5:00 p.m.

#### MESSAGE TO THE HOUSE FROM THE SENATE (CAROL SIEGERT, SECRETARY)

**MR. SPEAKER:** The Senate has passed unchanged: HCMR 7501.

#### MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)

**MADAM PRESIDENT:** The House has adopted the conference committee report on SB 2448.

#### MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)

**MADAM PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1011.

#### MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)

**MADAM PRESIDENT:** The House has concurred in the Senate amendments and subsequently passed: HCR 3072.

#### MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)

**MADAM PRESIDENT:** The Speaker has appointed Rep. Shide to replace Rep. Keiser on the conference committee on SB 2486.

#### DELIVERY OF ENROLLED BILLS

The following bills with veto certification were delivered to the Secretary of State for his filing at the hour of 12:45 p.m. on April 21, 1993: HB 1023, HB 1286, HB 1304.

#### MOTION

**THE HOUSE RECONVENED** pursuant to recess taken, with Speaker R. Berg presiding.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1014, as engrossed:** Your conference committee (Sens. Yockim, Redlin, Nething and Reps. Kunkel, Gorman, Kaldor) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1556-1558, adopt amendments as follows, and place HB 1014 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1556-1558 of the House Journal and pages 1355-1357 of the Senate Journal and that Engrossed House Bill No. 1014 be amended as follows:

Page 1, line 2, after "and" insert "recreation department and the"

Page 1, line 3, replace "a statement" with "statements"

Page 1, line 10, after "and" insert "recreation department and the" and replace "its" with "their"

Page 1, after line 12, insert:

"Subdivision 1.

PARKS AND RECREATION DEPARTMENT"

Page 1, line 13, replace "4,156,459" with "3,754,371"

Page 1, line 14, replace "91,800" with "45,070"



Page 1, line 15, replace "5,524,497" with "2,145,341"

Page 1, line 16, replace "186,060" with "160,682"

Page 1, line 17, replace "1,259,454" with "1,359,454"

Page 1, line 18, replace "1,063,333" with "1,003,333"

Page 1, remove line 19

Page 1, line 20, replace "1,710,000" with "1,424,182"

Page 2, line 1, replace "14,344,103" with "10,204,933"

Page 2, line 2, replace "4,155,353" with "4,047,605"

Page 2, line 3, replace "10,188,750" with "6,157,328"

Page 2, after line 3, insert:

"Subdivision 2.

TOURISM DEPARTMENT

Salaries and wages	\$ 782,033
Information services	54,865
Operating expenses	3,404,500
Equipment	15,378
Grants	60,000
Total all funds	\$ 4,316,776
Less estimated income	180,000
Total general fund appropriation	\$ 4,136,776
Grand total general fund appropriation H.B. 1014	\$10,294,104
Grand total special funds appropriation H.B. 1014	\$ 4,227,605
Grand total all funds H.B. 1014	\$14,521,709"

Page 2, line 5, after the second "in" insert "subdivision 1 of"

Page 2, line 8, after the second "in" insert "subdivision 1 of"

Page 2, line 10, replace "tourism" with "recreation"

Page 2, line 11, after the second "in" insert "subdivision 1 of"

Page 2, line 12, replace "tourism" with "recreation"

Page 2, line 18, replace "tourism" with "recreation, tourism department"

Page 2, line 19, replace "the governor organize an interagency working group" with "a parks and historic sites improvements committee, consisting of the lieutenant governor as chairperson, one member of the senate appropriations committee and one member of the house of representatives appropriations committee each appointed by the legislative council, the director of the parks and recreation department, the director of the tourism department, and the president of the state historical board or the president's designee, determine the parks and historic sites improvement projects to be conducted for the biennium beginning July 1, 1993, and ending June 30, 1995."

Page 2, remove lines 20 through 23

Page 2, line 24, replace "TOURISM" with "RECREATION"

Page 2, line 25, after "in" insert "subdivision 1 of"

Page 2, line 26, replace "\$1,510,000" with "\$1,194,182" and replace "\$200,000" with "\$300,000"

Page 2, line 27, replace "tourism" with "recreation"

Page 2, line 28, replace "interagency" with "parks and historic sites improvements committee"

Page 2, line 29, remove "working group"

Page 3, line 1, replace "tourism" with "recreation"

Page 3, after line 4, insert:

**"SECTION 7. LEGISLATIVE INTENT.** It is the intent of the legislative assembly that the tourism department, based on numbers of visitors and other factors, may close one of its visitor information centers after the 1994 tourism season.

**SECTION 8. PARKS AND RECREATION - APPROPRIATION LIMITATION.** Of the \$1,128,682 appropriated from the general fund in the parks and historic sites improvements line item in subdivision 1 of section 1 of this Act, \$100,000 of this amount is equal to the estimated amount of funds remaining unspent from the appropriation provided for the acquisition of the seventh-day adventist camp property adjacent to the Lake Metigoshe state park for the 1991-93 biennium contained in section 5 of 1991 Senate Bill No. 2016. Expenditure of funds pursuant to this \$100,000 general fund appropriation may not exceed the amount of funds remaining unspent pursuant to the general fund appropriation contained in section 5 of 1991 Senate Bill No. 2016."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### DEPARTMENT 740 - TOURISM DEPARTMENT

CONFERENCE COMMITTEE - This amendment separates funding for the Tourism Department from the Parks and Recreation Department pursuant to provisions of House Bill No. 1400 as follows (the executive budget, the House version, and the Senate version provided funding as a consolidated department):

#### FUNDING INCLUDED IN ENGROSSED HOUSE BILL NO. 1014

	GENERAL FUND	SPECIAL FUNDS	TOTAL
Parks and Recreation Department	\$ 6,025,122	\$3,975,353	\$10,000,475
Tourism Department (see line item detail below)	<u>4,163,628</u>	<u>180,000</u>	<u>4,343,628</u>
Total included in Engrossed House Bill No. 1014 for Parks and Tourism	\$10,188,750	\$4,155,353	\$14,344,628

  

	TOURISM FUNDING IN ENGROSSED HOUSE BILL NO. 1014	CHANGES	TOURISM DEPARTMENT CONFERENCE COMMITTEE VERSION
Salaries and wages (10 FTEs)	\$ 705,960	\$ 76,073 <sup>1</sup>	\$ 782,033
Information services	50,400	4,465 <sup>2</sup>	54,865
Operating expenses	3,461,890	(57,390) <sup>3</sup>	3,404,500
Equipment	25,378	(10,000) <sup>4</sup>	15,378

Williston and Bowman visitor centers	40,000	(40,000) <sup>1</sup>	
Grants	<u>60,000</u>		<u>60,000</u>
Total all funds	\$4,343,628	\$(26,852)	\$4,316,776
Less estimated income	<u>180,000</u>		<u>180,000</u>
Total general fund appropriation	\$4,163,628	\$(26,852)	\$4,136,776

<sup>1</sup> The salaries and wages line item is increased by \$6,073 from the general fund to reflect the state employee salary increase provisions of House Bill No. 1018. The salaries and wages line item is also increased by \$70,000 from the general fund and the Williston and Bowman visitors center line item of \$40,000 from the general fund is removed. The \$70,000 is provided for operating the Williston, Bowman, and Oriska visitor information centers during the 1993-95 biennium. A section is added providing that the department, after the 1994 tourism season, based on numbers of visitors and other factors, may close one of the visitor information centers.

<sup>2</sup> The information services line item is increased by \$4,465 in accordance with provisions of House Bill No. 1018.

<sup>3</sup> The operating expenses line item is reduced by \$57,390 from the general fund to remove funding for indirect cost allocation payments to the Office of Management and Budget.

<sup>4</sup> The equipment line item is reduced by \$10,000 from the general fund.

#### DEPARTMENT 750 - PARKS AND RECREATION DEPARTMENT

CONFERENCE COMMITTEE - This amendment separates funding for the Tourism Department from the Parks and Recreation Department pursuant to provisions of House Bill No. 1400 as follows (the executive budget, House version, and Senate version provided funding as a consolidated department):

#### FUNDING INCLUDED IN ENGROSSED HOUSE BILL NO. 1014

	GENERAL FUND	SPECIAL FUNDS	TOTAL
Parks and Recreation Department	\$ 6,025,122	\$3,975,353	\$10,000,475
Tourism Department (see line item detail below for tourism funding removed)	<u>4,163,628</u>	<u>180,000</u>	<u>4,343,628</u>
Total included in Engrossed House Bill No. 1014 for Parks and Tourism	\$10,188,750	\$4,155,353	\$14,344,103

#### TOURISM FUNDING IN ENGROSSED HOUSE BILL NO. 1014

Salaries and wages (10 FTEs)	\$ (705,960)
Information services	(50,400)
Operating expenses	(3,461,890)
Equipment	(25,378)
Williston and Bowman visitor centers	(40,000)
Grants	<u>(60,000)</u>
Total all funds	\$(4,343,628)
Less estimated income	<u>(180,000)</u>
Total general fund appropriation	\$ (4,163,628)

-- The salaries and wages line item is increased by \$18,338 from the general fund to reflect the state employee salary increase provisions of House Bill No. 1018.



- The information services line item is increased by \$3,670 from the general fund in accordance with the provisions of House Bill No. 1018.
- The operating expenses line item is reduced by \$32,282, \$4,534 of which is from the general fund, to remove funding for indirect cost allocation payments to the Office of Management and Budget.
- The parks and historic sites improvements line item of \$1,710,000, \$1,510,000 of which is from the general fund, is reduced by the items listed below which are transferred to other line items as follows:

Salaries and wages (parks temporary salaries)	\$ 285,534
Operating expenses (rent)	115,016
Capital improvements (extraordinary repairs)	<u>100,000</u>
Total general fund	\$ 500,550

The remaining \$1,209,450 in the parks and historic sites improvements line item is increased by \$214,732, \$114,732 of which is from the general fund and \$100,000 of federal funds. This line item total of \$1,424,182, \$1,124,182 of which is from the general fund, is provided for the following:

Historical Society enhancements of:

Salaries and wages (historic sites temporary salaries)	\$ 180,500
Operating expenses	50,000
Equipment	<u>65,000</u>
Total general fund	\$ 295,500
Other parks and historic sites improvements	<u>\$1,128,682<sup>1</sup></u>
Total parks and historic sites improvements line item	\$1,424,182

<sup>1</sup> It is the intent of the Legislative Assembly that projects consistent with completed historic sites, master plans at Fort Buford, Fort Totten, Pembina State Museum, the Chateau de Mores, and acquisition of the Boy Scout camp near Lake Metigoshe State Park be given high priority for expenditure of funds relating to this funding provided.

A section is added providing that expenditures of \$100,000 of the \$1,124,182 appropriated from the general fund in the parks and historic sites improvements line item is limited to the actual general fund turnback of the funds appropriated in Section 5 of 1991 Senate Bill No. 2016 which related to the department's acquisition of the Seventh-Day Adventist camp land near Lake Metigoshe State Park.

Rather than an interagency working group, a committee consisting of the Lieutenant Governor, one Senate Appropriations Committee member, one House Appropriations Committee member, the director of state parks, the director of state tourism, and a representative of the State Historical Board, is established to determine which parks and historic sites improvement projects the funds appropriated in the parks and historic sites improvements line item should be used for.

In total, this amendment decreases funding for the Parks and Recreation Department by \$4,139,170, \$4,031,422 of which is from the general fund and \$107,748 of special funds.

In total, this amendment increases funding in House Bill No. 1014 by \$177,606, \$105,354 of which is from the general fund and \$72,252 of special funds.

Engrossed HB 1014 was placed on the Seventh order of business on the calendar.

# REPORT OF CONFERENCE COMMITTEE

HB 1017, as engrossed: Your conference committee (Sens. Mushik, Tallackson, Lips and Reps. Wald, Gorder, Kaldor) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1626-1627, adopt amendments as follows, and place HB 1017 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1626-1627 of the House Journal and pages 1430-1431 of the Senate Journal and that Engrossed House Bill No. 1017 be amended as follows:

Page 1, line 15, replace "9,893,723" with "9,625,310"

Page 1, line 16, replace "1,351,407" with "1,417,052"

Page 1, line 17, replace "3,553,126" with "4,369,277"

Page 1, line 19, replace "2,605,000" with "2,505,000"

Page 1, line 20, replace "1,319,931" with "2,800,000"

Page 1, line 21, replace "1,122,060" with "1,008,867"

Page 1, after line 21, insert:

"All states coverage	1,000,000"
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Page 2, line 2, replace "21,008,179" with "23,888,438"

Page 2, line 3, replace "20,997,776" with "23,878,065"

Page 2, line 4, replace "10,403" with "10,373"

Page 2, line 6, replace "\$20,904,633" with "\$23,784,922"

Renumber accordingly

## STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 485 - WORKERS COMPENSATION BUREAU

CONFERENCE COMMITTEE - This amendment makes the following changes:

-- The salaries and wages line item is changed as follows:

	OTHER FUNDS
Adjust for \$60 per month salary plan in accordance with the provisions of House Bill No. 1018	\$ 95,369
Remove 5 FTE staff attorneys and related salaries (funding is transferred to operating expenses)	(463,782)
Add funding to provide the funding necessary to convert 25 temporary employees to 25 authorized FTEs	<u>100,000</u>
Total change	\$(268,413)

-- This amendment provides for an authorized FTE level of 155.5.

-- The information services line item is increased by \$65,645 from other funds in accordance with the provisions of House Bill No. 1018.

-- The operating expenses line item is changed as follows:

	GENERAL FUND	OTHER FUNDS	TOTAL
Increase to provide funding for legal fee payments to the Attorney General's office (transferred \$463,782 from salaries and wages, \$100,000 from third-party administration, \$100,000 from imaging, and \$113,193 from the contingency line item) <sup>1</sup>		\$776,975	\$776,975
Additional funding to increase legal fees to amount needed to retain services of 5 attorneys <sup>1</sup>		48,639	48,639
Reduce indirect cost allocation payments	<u>\$(30)</u>	<u>(9,433)</u>	<u>(9,463)</u>
Total change	\$(30)	\$816,181	\$816,151

<sup>1</sup> The total amount of funding contained in the appropriation bill for payments to the Attorney General's office is \$943,374, as recommended by the Attorney General's office.

- The third-party administration line item is decreased by \$100,000 from other funds, the amount was transferred to the operating expenses line item to be used for the payment of legal fees.
- The imaging project line item is decreased by \$100,000 from other funds, the amount was transferred to the operating expenses line item to be used for the payment of legal fees. The imaging project line item is increased by \$1,580,069 from other funds, to more accurately reflect the funding needed for the imaging project. The net increase in the imaging project line item is \$1,480,069 from other funds.
- The workers' compensation contingency line item is decreased by \$113,193 from other funds, the amount was transferred to the operating expenses line item to be used for the payment of legal fees.

This amendment also adds an all states coverage line item of \$1,000,000 from other funds to provide the bureau with the necessary funding to implement the provisions of 1993 House Bill No. 1222.

In total, this amendment decreases the general fund appropriation to the bureau by \$30, and increases the other funds appropriation by \$2,880,289, for a net increase of \$2,880,259.

Engrossed HB 1017 was placed on the Seventh order of business on the calendar.

#### SIGNING OF BILLS AND RESOLUTIONS

The Speaker signed the following enrolled resolution: HCMR 7501.

#### MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)

MADAM PRESIDENT: The Speaker has signed and your signature is respectfully requested on: HCMR 7501.

#### MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)

MADAM PRESIDENT: The House has passed and the emergency clause failed on SB 2542.



**CONSIDERATION OF MESSAGE FROM THE SENATE**

REP. MARTINSON MOVED that the House do not concur in the Senate amendments to HB 1518 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed.

**APPOINTMENT OF CONFERENCE COMMITTEE**

THE SPEAKER APPOINTED as a Conference Committee on HB 1518: Reps. Dorso, Froseth, Mahoney.

**MOTION**

REP. MARTINSON MOVED that the House do not adopt the conference committee report on HB 1416, which motion prevailed.

HB 1416 was rereferred to the conference committee.

**CORRECTION AND REVISION OF THE JOURNAL**

MR. SPEAKER: Your Committee on Correction and Revision of the Journal (Rep. DeWitz, Chairman) has carefully reexamined the Journal of the Seventy-third Day and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 2059, after line 6, insert:

**"ROLL CALL"**

Page 2059, after line 8, insert:

"YEAS: Aarsvold; Allmaras; Berg, J.; Bodine; Boucher; Brodshaug; Carlson, C.; Cleary; Coats; Glassheim; Goffe; Grumbo; Gulleeson; Hagle; Hanson; Hokana; Huether; Kaldor; Kerzman; Kilichowski; Kroeber; Laughlin; Mahoney; Maragos; Martin; Mutzenberger; Nelson; Ness; Nichols; Oban; Price; Pyle; Ring; Sitz; Stenson; Thorpe; Wentz; Wilkie

NAYS: Austin; Bateman; Belter; Bernstein; Boehm; Brown; Byerly; Carlisle; Carlson, A.; Christopherson; Clayburgh; Dalrymple; DeWitz; Dorso; Drovdal; Freier; Froseth; Gates; Gerntholz; Gorder; Gorman; Grosz; Hausauer; Holm; Howard; Jacobs; Johnson; Keiser; Kelsch; Kempenich; Klein; Kretschmar; Kunkel; Martinson; Monson; Nicholas; Olsen, D.; Olson, A.; Payne; Poolman; Porter; Rennerfeldt; Rydell; Schindler; Shide; Skarphol; Soukup; St. Aubyn; Stenehjem; Svedjan; Sveen; Timm; Tollefson; Torgerson; Wald; Wanzek; Wardner; Speaker R. Berg

**ABSENT AND NOT VOTING:** Dobrinski; Henegar"

REP. WARNER MOVED that the report be adopted, which motion prevailed.

**MESSAGE TO THE HOUSE FROM THE SENATE (CAROL SIEGERT, SECRETARY)**

MR. SPEAKER: The President has signed: HCMR 7501.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following resolution was delivered to the Secretary of State for his filing at the hour of 4:30 p.m., April 21, 1993: HCMR 7501.

**MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)**

MADAM PRESIDENT: The House does not concur in the Senate amendments to HB 1518 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1518: Reps. Dorso; Froseth; Mahoney

**REPORT OF CONFERENCE COMMITTEE**

HB 1416, as engrossed: Your conference committee (Sens. Marks, W. Stenehjem, Andrist and Reps. Kelsch, Kretschmar, Allmaras) recommends that the

SENATE RECEDE from the Senate amendments on HJ pages 1493-1516, adopt amendments as follows, and place HB 1416 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1493-1516 of the House Journal and pages 1296-1319 and page 1328 of the Senate Journal and that Engrossed House Bill No. 1416 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 53-06.1-01, subsection 1 of section 53-06.1-01.1, sections 53-06.1-01.2, 53-06.1-02, 53-06.1-02.1, 53-06.1-03, 53-06.1-03.3, 53-06.1-05, 53-06.1-05.1, 53-06.1-06, 53-06.1-07, 53-06.1-07.1, 53-06.1-07.2, 53-06.1-07.3, 53-06.1-07.4, 53-06.1-08, 53-06.1-08.1, 53-06.1-09, 53-06.1-10, 53-06.1-10.1, 53-06.1-11, 53-06.1-12, 53-06.1-12.2, 53-06.1-13, 53-06.1-13.1, 53-06.1-14, 53-06.1-15, 53-06.1-15.1, 53-06.1-15.4, 53-06.1-16, 53-06.1-16.1, 53-06.1-16.2, 53-06.1-17, and subsection 5 of section 53-06.2-11 of the North Dakota Century Code, relating to games of chance and the gaming commission.

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

**SECTION 1. AMENDMENT.** Section 53-06.1-01 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-01. Definitions.** As used in this chapter:

1. ~~"Adjusted gross proceeds" means, except in the case of the~~ for games of draw poker and stud poker authorized under section 53-06.1-07.2, gross proceeds less cash prizes or and the price of merchandise prizes and, less the charitable gaming tickets pull tab excise tax imposed by section 53-06.1-12.2, and less the amount of federal excise tax and interest imposed under section 4401 of the Internal Revenue Code [26 U.S.C. 4401]. In the games of draw poker and stud poker, "adjusted gross proceeds" means the time buy-ins or tournament fees collected by the eligible licensed organization.
2. ~~"Bona fide guest" means a person who is not a member of an eligible organization, but who is allowed to use the facilities of the organization when invited by a member or the organization in accordance with the eligible organization's bylaws, articles of incorporation, charter, rules, or other written statement.~~
3. ~~"Charitable gaming ticket" means the game piece used in pull tab games or jar ticket games.~~
4. ~~"Charitable organization" means any nonprofit an organization operated incorporated as a nonprofit corporation whose primary purpose is for the relief of poverty, distress poor, distressed, underprivileged, diseased, elderly, or abused persons, prevention of cruelty to children or animals, or other condition of public concern within this state, which has been so engaged actively fulfilling its primary purpose within this state for the two immediately preceding years.~~
5. ~~3. "Civic and service club organization" means any branch, lodge, or chapter of a nonprofit national or state organization which is authorized by its written constitution, charter, articles of incorporation, or bylaws to engage in a civic or service purpose within this state, and which shall have existed in has been actively fulfilling its primary purpose within this state for the two immediately preceding~~

years. ~~"Civic and service club"~~ The term also means a similar local nonprofit organization, including a booster club, convention and visitors bureau, community betterment, civic, economic development, tourism, recreation, or similar organization, not affiliated with a state or national organization, which is recognized by resolution adopted by the governing body of the city in which the organization conducts its principal activities, or by the governing body of a county if ~~such~~ the organization conducts its principal activities outside the limits of a city ~~but within a county.~~ Such ~~club shall~~ organization must have existed in ~~been~~ actively fulfilling its primary purpose within this state for the two immediately preceding years.

6- 4. "Commission" means the state gaming commission.

7- 5. "Distributor" means a person, ~~firm, corporation, association, or organization which that~~ sells, markets, or otherwise distributes ~~raffle tickets, bingo gaming equipment, or any other implements of gambling usable in the lawful conduct of games of chance under this chapter.~~ "Distributor" The term does not include a resident printer who prints raffle tickets at the request of a licensed or authorized organization or an organization that has been issued a local permit, and who sells or otherwise distributes such raffle tickets to ~~such~~ the organization.

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

- a. ~~To the extent used for purposes enumerated in subdivisions c through l, uses benefiting those organizations that are exempt from federal taxation under section 501(c)(3) of the Internal Revenue Code.~~ Uses for stimulating and promoting state and community-based economic development programs within the state which improve the quality of life of community residents.
- b. ~~To the extent used for purposes enumerated in subdivisions c through l, uses benefiting an organization registered with the North Dakota secretary of state under chapter 50-22.~~ Uses for developing, promoting, and supporting tourism within a city or the state.
- c. Uses benefiting an indefinite number of persons by bringing them under the influence of education, cultural programs, or religion which include disbursements to provide:
  - (1) Scholarships for students, if the disbursement is deposited in a scholarship fund for defraying the cost of education to students and the scholarships are awarded through an open and fair selection process.
  - (2) Supplementary assistance to a public or private nonprofit educational institution registered with or accredited by any state.
  - (3) Assistance to libraries and museums.
  - (4) Assistance for the performing arts and humanities.
  - (5) Preservation of cultural heritage.



- (6) Youth community and athletic activities.
  - (7) Adult amateur athletic activities within the state, such as softball, including uniforms and equipment.
  - (8) Maintenance of places of public worship or support of a body of communicants, gathered in common membership for mutual support and edification in piety, worship, or religious observances.
  - (9) Scientific research.
- d. Uses benefiting an indefinite number of persons by relieving them of disease, suffering, or constraint which include disbursements to provide:
- (1) Relief to an individual or family suffering from poverty or homelessness.
  - (2) Encouragement and enhancement of the active participation of the elderly in our society.
  - (3) Services to the abused.
  - (4) Services to persons with an addicted behavior toward alcohol, gambling, or drugs.
  - (5) Funds to combat juvenile delinquency and rehabilitate ex-offenders.
  - (6) Relief for the sick, diseased, and terminally ill and their physical well-being.
  - (7) Funds for emergency relief and volunteer services.
  - (8) Funds to nonprofit nursing homes and other nonprofit medical facilities.
  - (9) Social services and education programs aimed at aiding the emotionally and physically distressed, handicapped, elderly, and underprivileged persons.
  - (10) Funds for crime prevention, fire protection and prevention, and public safety.
- e. (1) Fraternal uses, consistent with uses ~~and priorities~~ enumerated in subdivisions ~~e a through i~~ and ~~section 53-06.1-02 m~~, specified by an organization's constitution, charter, articles of incorporation, or bylaws and not of direct benefit to the eligible organization.
- (2) Fraternal uses or disbursements to perpetuate the memory and history of the dead.
- f. 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 which include disbursements to aid in teaching the principles of liberty, truth, justice, and equality. However, beauty pageants are excluded from receiving ~~charitable gaming funds net proceeds~~ under this subdivision or any other provision of this chapter.

- g. The erection or maintenance of public buildings or works, public utilities, or public waterworks.
- h. Uses otherwise lessening the burden of government which include disbursements to any entity that is normally funded by the city, county, state, or United States government and disbursements directly to a city, county, state, or the United States government, or any agency, political subdivision, or instrumentality thereof.
- i. 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.
- j. 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.
- k. 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.
- l. Uses for or of benefit to efforts in support of the health, comfort, or well-being of the community which include disbursements to provide:
  - (1) Funds for adult bands, including drum and bugle corps.
  - (2) Funds for trade shows and conventions conducted in this state.
  - (3) Funds for nonprofit organizations that operate a humane society, zoo, or fish or wildlife propagation and habitat enhancement program.
  - (4) Funds for public transportation and recreation.
- m. To the extent the net proceeds are used toward the primary purpose of a charitable, educational, religious, or public-spirited organization, that has obtained a final determination from the internal revenue service as qualifying for exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code, the organization may establish a special trust fund as a contingency for funding or maintaining the organization's future program services should the organization discontinue conducting games of chance or dissolve. The commission may adopt rules for the establishment of special trust funds.

Such uses do not include the erection, acquisition, improvement, maintenance, or repair of real, personal, or mixed property owned or leased by an organization unless it

is used exclusively for one or more of the stated eligible uses. Eligible Except for uses related to an eligible organization's primary purpose, eligible uses do not include any activities consisting of attempts to influence legislation, or promote or oppose referendums or initiatives, or. Eligible uses do not include participation in any political campaign on behalf of any active official or person who is or has been a candidate for public office. In addition, the licensing authority commission may adopt rules to limit or restrict eligible use disbursements to ensure that funds net proceeds are best utilized for educational, charitable, fraternal, religious, patriotic, or other public-spirited purposes.

- 9- 7. "Educational organization" means any nonprofit public or private elementary or secondary school, two-year or four-year college, or university in this state which has been ~~in existence~~ active for the two immediately preceding years.
- 10- 8. "Eligible organization" means bona fide nonprofit veterans, charitable, educational, religious, and fraternal ~~organizations, civic and service clubs, public safety, and other public-spirited organizations as defined by this chapter section, which may be licensed by the attorney general or authorized~~ issued a local permit by the governing body of a city or county to conduct games of chance under this chapter.
11. ~~"Entire net proceeds" or "net proceeds" means the adjusted gross proceeds less such expenses and taxes as are specifically authorized under this chapter.~~
- 12- 9. "Fraternal organization" means ~~a nonprofit an~~ an organization within this state, except college and high school fraternities, which is incorporated as a nonprofit corporation and 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. Such The organization shall must have existed been actively fulfilling its primary purpose within this state for the two immediately preceding years, and must have obtained an advance ruling or final determination from the internal revenue service as qualifying for exemption from federal income tax under section 501(c)(8) or 501(c)(10) of the Internal Revenue Code. However, if the organization's gross receipts in each tax year are normally not more than twenty-five thousand dollars, the organization is not required to have obtained an advance ruling or final determination from the internal revenue service.
- 13- 10. "Gross proceeds" means all moneys collected or received from conducting games of chance and from games of chance admissions thereto.
- 14- 11. "Licensee" "Licensed organization" means an eligible organization licensed under this chapter by the attorney general to conduct bingo, raffles, calcuttas, pull tabs, punchboards, twenty-one, poker, and sports pools.
- 15- 12. "Licensing authority" ~~means the attorney general.~~ "Local permit" means a permit issued to a nonprofit organization recognized as a public-spirited organization by a governing body of a city or county that authorizes the organization to conduct only bingo, raffles, and sports pools in that city or county.



- ~~16-~~ 13. "Manufacturer" means a person who designs, assembles, fabricates, produces, constructs, or who otherwise prepares a product or a component part of a product of any implement of gambling usable in the lawful conduct of games of chance under this chapter. "Manufacturer" The term does not include a resident printer who prints raffle tickets at the request of a licensed ~~or authorized~~ organization or an organization that has been issued a local permit, and who sells or otherwise distributes such raffle tickets to such an the organization.
14. "Manufacturer's distributor" means a wholesaler of a manufacturer of electronic-mechanical pull tab dispensing devices and associated equipment who maintains a parts inventory, who sells at wholesale dispensing devices and associated equipment directly to a licensed distributor, and who does not sell or otherwise provide these items to a licensed organization.
- ~~17-~~ 15. "Member" means a person who has qualified for and been admitted to membership in an eligible organization pursuant to its bylaws, articles of incorporation, charter, rules, or other written statement, and who pays regular monthly, annual, or other periodic dues or is a fully paid life member of the eligible organization. "Member" includes auxiliary members, but excludes social and honorary members.
18. ~~"Other public spirited organization" means a nonprofit organization which has been in existence within this state for two years and is recognized by the governing body of a city or county by resolution as public spirited and eligible to conduct games of chance under this chapter.~~
16. "Net proceeds" means the adjusted gross proceeds less such expenses and taxes as are specifically authorized under this chapter.
- ~~19-~~ 17. "Person" means any person, firm, partnership, corporation, association, or organization.
18. "Public safety organization" means an organization incorporated as a nonprofit corporation whose primary purpose is to actively engage in firefighting, ambulance service, or similar disaster assistance, which has been actively fulfilling its primary purpose within this state for the two immediately preceding years.
19. "Public-spirited organization" means an organization incorporated as a nonprofit corporation whose primary purpose is for scientific research, amateur sports competition, safety, arts, agriculture, preservation of cultural heritage, educational activities, educational public service, youth, or similar organization, and which does not meet the definition of veterans, fraternal, charitable, educational, religious, civic and service, or public safety organization, which has been actively fulfilling its primary purpose within this state for the two immediately preceding years and is recognized by the governing body of a city or county by resolution as public spirited. However, a nonprofit organization recognized as a public-spirited organization by a governing body of a city or county for obtaining a local permit does not need to meet this definition.
20. "Pull tab" means the game piece used in deals of pull tabs.

20- 21. "Religious organization" means any nonprofit organization, church, body of communicants, or group gathered in common membership incorporated as a nonprofit corporation whose primary purpose is for advancement of religion, mutual support and edification in piety, worship, and religious observances which has been actively so gathered or united in this state for the two immediately preceding years.

21- 22. "Veterans organization" means any congressionally chartered organization within this state, or any branch or lodge or chapter of a nonprofit national or state organization within this state, the membership of which consists of individuals who were members of the armed services or forces of the United States. Such organizations shall The organization must have been in existence actively fulfilling its primary purpose in this state for the two immediately preceding years and must have obtained an advance ruling or final determination from the internal revenue service as qualifying for exemption from federal income tax under section 501(c)(19) of the Internal Revenue Code. However, if the organization's gross receipts in each tax year are normally not more than twenty-five thousand dollars, the organization is not required to have obtained an advance ruling or final determination from the internal revenue service.

SECTION 2. AMENDMENT. Subsection 1 of section 53-06.1-01.1 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

1. The state gaming commission consists of the chairman and four other members appointed by the governor, with the consent of the senate. The members serve three-year terms and until a successor is appointed and qualified. If the senate is not in session when the term of a member expires, the governor may make an interim appointment, and the interim appointee holds office until the senate confirms or rejects the appointment. 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.

SECTION 3. AMENDMENT. Section 53-06.1-01.2. of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-01.2. 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 chapters 53-06.1 and 53-06.2 this chapter. The commission may employ private counsel for adoption of rules and to ensure that its hearings are conducted fairly.

SECTION 4. AMENDMENT. Section 53-06.1-02 of the North Dakota Century Code is amended and reenacted 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, public safety, 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 must 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, that has been issued a local permit~~ may use the net proceeds of such games of chance to directly benefit the eligible organization.

**SECTION 5. AMENDMENT.** Section 53-06.1-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-02.1. Waiver of two-year ~~existence~~ active requirement - Local permit.** An organization that has not been ~~in existence~~ actively fulfilling its primary purpose within this state for ~~the two immediately preceding years~~ becomes an eligible ~~may be recognized as a public-spirited 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~~ is recognized as a public-spirited organization under this section is not eligible for licensure by the attorney general until it has ~~been in existence~~ actively fulfilled its primary purpose within this state for ~~the two immediately preceding years~~ and may only conduct games of chance under a local authorization permit as provided in subsection 1 of section 53-06.1-03 ~~until it becomes an eligible organization as otherwise provided in this chapter.~~

**SECTION 6. AMENDMENT.** Section 53-06.1-03 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-03. Licensure—Exceptions for raffles, sports pools, and bingo - City and county ~~authorization~~ local permits and site authorizations - Licensure by attorney general - Fees - Suspension and revocation.**

1. ~~Except as otherwise provided in this section, eligible organizations desiring to conduct games of chance shall apply annually 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.~~

- 2- A nonprofit organization shall obtain a local permit as follows:

- a. Any A nonprofit organization recognized as public spirited a public-spirited organization by the governing body of a city or county may obtain a local authorization permit to conduct only raffles or bingo in which the primary prize does not exceed one thousand dollars, and the aggregate ~~does~~ prizes do not exceed six thousand dollars annually, ~~or~~ and to conduct sports pools, for professional sports only, 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 may be recognized as a public-spirited organization by the governing body of a city or county and may obtain a local authorization permit to conduct raffles in which the primary prize does not exceed one thousand dollars and the aggregate ~~does~~ prizes do 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 a local authorization permit, the nonprofit organization shall apply directly to the governing body of the city in which ~~it conducts its principal activities~~ the site is located where the raffle, sports pool, or bingo activity will be conducted or, if ~~its principal activities are conducted~~ the raffle, sports pool, or bingo activity is conducted at a site located in a county but outside the limits of a city, ~~it the organization~~ shall apply to the board of county commissioners. ~~Applications~~ Application for the conduct of games of chance subject to authorization by a city or ~~county~~ a local permit must be made on forms provided by the attorney general. The governing body may by ordinance or resolution establish ~~authorization fees~~ a local permit fee not to exceed twenty-five dollars for each ~~authorization~~ local permit.
  - d. For purposes of ~~this subsection~~ issuing a local permit, the determination of what is a ~~"public spirited"~~ "public-spirited organization" is within the sole discretion of the governing body of the city or county.
2. Except as otherwise provided in this section, an eligible organization desiring to be licensed to conduct lawful games of chance shall apply annually 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 the fee is one hundred dollars for an organization whose average annual gross proceeds do not exceed twenty-five thousand dollars. An organization shall provide clear and convincing evidence that the organization qualifies as an eligible organization. If a licensed organization amends its primary purpose as stated in its articles of incorporation or changes its basic character in a material manner, the organization shall reapply for licensure with the attorney general.
  3. The attorney general shall license eligible organizations that conform to the requirements of this chapter by issuing licenses as follows:
    - a. A class A license to an eligible organization that is prohibited because of its nature or purpose for existence from expending charitable gaming net proceeds for the organization's own purposes or benefit and is, therefore, required to disburse its net proceeds to beneficiaries for educational, charitable, patriotic, fraternal, religious, or other public spirited uses a fraternal, veterans, or civic and service organization.
    - b. A class B license to an eligible organization that is permitted because of its nature or purpose for existence to expend charitable gaming proceeds for its own educational, charitable, patriotic, fraternal, religious, or other public spirited uses a charitable, religious,

educational, public-spirited, or public safety 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.

- c. ~~A class C license to an eligible organization that conducts games of chance on not more than two occasions per year.~~
  - d. ~~The attorney general shall~~ commission may 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 licensed organization, and the adjusted gross proceeds collected or expected to be collected by the eligible licensed organization.
4. Games A licensed organization may conduct games of chance ~~may be operated or conducted only on premises or sites an authorized site~~ set forth in the application as follows:
- a. ~~license applicants~~ A licensed organization shall first secure approval of the proposed site ~~or sites on at~~ which it intends to conduct lawful 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~~ is located. This approval ~~or permit~~, which may be granted at the discretion of the governing body, must be recorded on a site authorization form which is to accompany the license application to the attorney general for final approval. The governing body may charge a one hundred dollar fee for ~~this permit~~ the site authorization.
  - b. Rented premises are subject to rules adopted by the ~~attorney general~~ commission.
  - c. Only one eligible licensed organization ~~or organization that has been issued a local permit~~ at a time may be ~~authorized to~~ conduct games of chance at a specific ~~location~~ authorized site, 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 regular licensee, the licensee's license is suspended for that specific day by the attorney general or commission.
  - d. Licenses, rules of conduct and play, state gaming stamps, and ~~state identification devices~~ registration stamps must be displayed on forms and in the manner specified in rules adopted by the ~~attorney general~~ commission.
  - e. No licensed organization or closely connected licensed organizations as a unit may have more than thirty authorized sites unless granted a waiver by the attorney general. However, after June 30, 1995, no licensed organization or closely connected licensed organizations

as a unit may have more than twenty-five authorized sites unless granted a waiver by the attorney general. If the attorney general finds that there is no other licensed organization willing to conduct gaming at a site for which a waiver is being sought, the attorney general may approve the waiver. The attorney general may not grant a licensed organization a waiver for more than five sites. Closely connected licensed organizations are two or more organizations which have unitary characteristics that may include common primary purposes, members on boards of directors, officers, management, employees, bookkeepers, program services, integrations of gaming activities, and shared facilities.

5. The attorney general may, ~~by motion~~ based on reasonable ground or upon written complaint, suspend, ~~deny~~, 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. Notwithstanding section 5-02-02, an eligible organization that possesses a license issued under chapter 5-02 may not have that license suspended, revoked, or denied in consequence of action taken under this subsection unless that organization conducts gaming determined to be in violation of chapter 12.1-28 or subsection 1 of section 53-06.1-07.
6. The attorney general ~~or the commission~~ may impose monetary fines on licensed organizations, distributors, ~~manufacturers' 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~~ manufacturer's distributor is a minimum of one hundred dollars and may not exceed five thousand dollars. The monetary fine for each violation by a manufacturer is a minimum of five hundred dollars and may not exceed two hundred fifty thousand dollars. This fine may be in addition to or in lieu of ~~a license suspensions~~ revocation.

**SECTION 7. AMENDMENT.** Section 53-06.1-03.3 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-03.3. ~~Charitable gaming ticket~~ Pull tab sites - Limit on rent.** For all purposes associated with the privilege of conducting games of chance at a site other than a site where bingo is the primary game of chance 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, one hundred twenty-five dollars.
2. If the game of twenty-one is not conducted on the site, two hundred twenty-five dollars.

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

**53-06.1-05. Local ~~approval~~ permit 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 limits~~, for ~~permission~~ a local permit to conduct raffles, sports pools, or bingo at least thirty days ~~prior to before~~ each occasion. The application must state the time, place, and educational, charitable, patriotic, fraternal, religious, or other public-spirited uses to which the net 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 by ordinance or resolution~~, and upon application, ~~grant permission may issue a local permit~~ 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 may establish authorization fees a local permit fee~~ not to exceed twenty-five dollars for each ~~authorization~~. ~~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 local permit.~~

**SECTION 9. AMENDMENT.** Section 53-06.1-05.1 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-05.1.** Regulation by city or county of number of twenty-one tables per site and number of sites per eligible licensed organization. Cities, for sites ~~or locations~~ within city limits, or counties, for sites ~~or locations~~ outside city limits, may establish by ordinance or resolution a maximum number of tables for twenty-one per site and a maximum number of sites upon which ~~an eligible a licensed~~ organization may conduct games of chance within the city or county.

**SECTION 10. AMENDMENT.** Section 53-06.1-06 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-06.** Persons permitted to conduct games of chance - Premises Gaming site - Equipment - Compensation.

1. No person, except a member or employee of ~~an eligible a licensed~~ organization or an organization that has been issued a local permit or a member of an organization auxiliary to ~~an eligible a licensed~~ organization or an organization that has been issued a local permit, may assist in the holding, operating, or conducting of any game of chance under this chapter. In the conduct of pull tabs through an electronic-mechanical dispensing device, the attorney general may allow employees of licensed alcoholic beverage establishments to provide limited assistance to ~~an authorized a class B license holding eligible licensed~~ organization the whose adjusted gross proceeds of ~~which do does~~ not exceed sixty eighty thousand dollars per quarterly reporting period of operation or to any class A ~~license holding eligible licensed~~ organization. However, a volunteer of an eligible organization may sell raffle tickets.
2. 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.

3. The governing board of an eligible organization is primarily responsible and may be held accountable for the proper determination and distribution of the entire net proceeds of any game games of chance held in accordance with this chapter.
4. The premises gaming site where any game of chance is being held, operated, or conducted, or where it is intended that the game will be held, must be open to inspection by the attorney general, ~~the attorney general's agents and employees, by representatives of the governing body authorizing games of chance, and by peace officers of any political subdivision~~ law enforcement officials of this state.
5. When any merchandise prize is awarded in a game of chance, its value is its current retail price.
6. Equipment, prizes, and supplies for games of chance may not be purchased or sold at prices in excess of the usual price thereof.
7. ~~The A class A organization must devote the entire net proceeds derived from the holding of conducting games of chance must be devoted within three months from the date end of the quarter in which such proceeds were earned to the eligible uses permitted by this chapter. Any A class A organization desiring to hold the net proceeds of games of chance for a period longer than three months from the date such proceeds were earned must shall apply to the licensing authority or governing body, as the case may be, attorney general for special permission, and upon good cause shown, the licensing authority or governing body attorney general may grant the request.~~
8. No person who has pled guilty to or been found guilty of a felony may sell or distribute equipment, or conduct or assist in games of chance under this chapter for five years from the date of the conviction or release from incarceration, parole, or probation, whichever is the latter. No person determined by the attorney general to have participated in organized crime or unlawful gambling, may be permitted to sell or distribute equipment, or conduct or assist in games of chance under this chapter for a period determined by the attorney general.
9. Any person involved with the conduct of games of chance must be:
  - a. A person of good character, honesty, and integrity.
  - b. A person whose prior activities, criminal record, reputation, habits, and associations do not pose a threat to the public interest of this state or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gaming or the carrying on of the business and financial arrangements incidental to the conduct of gaming.
10. The attorney general or commission 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.

11. The attorney general or commission may require a licensed organization to pay a bingo or raffle prize to a player based on a factual determination, after opportunity for the parties to be heard, by the attorney general or commission.
12. If bingo is the primary game of chance conducted at an authorized site, no licensed organization may pay bingo prizes in which the aggregate of the bingo prizes for a quarter exceeds the total bingo gross proceeds for the quarter at that site. However, a bingo prize that equals or exceeds ten thousand dollars is excluded from the computation of the aggregate of the bingo prizes.

SECTION 11. AMENDMENT. Section 53-06.1-07 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-07. Games of chance allowed.

1. Eligible Only eligible organizations licensed by the attorney general shall be permitted to may conduct bingo, raffles, calcuttas, charitable gaming tickets pull tabs, punchboards, twenty-one, paddlewheels, poker, and sports pools for professional sports only. These games may only be conducted and played at gaming sites authorized by a local governing body and approved by the attorney general.
2. College fraternities or sororities may conduct raffles, sports pools, and bingo.
3. Eligible organizations shall be permitted to conduct draw poker in accordance with section 53-06.1-07.2.
4. In electronic video gaming device play of any game of chance permitted by this section, the maximum prize per play is five hundred dollars.
5. Any The game using charitable gaming tickets of pull tabs may be conducted only through use of commingled games after June 30, 1991.

SECTION 12. AMENDMENT. Section 53-06.1-07.1 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted 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 directly or indirectly play games of charitable gaming tickets pull tabs, punchboards, twenty-one, calcuttas, sports pools, paddlewheels, or poker. A person under eighteen years of age not accompanied by an adult may not participate in directly or indirectly play the game of bingo unless the person is accompanied by an adult, the bingo game is locally authorized under section 53-06.1-03 conducted by an organization that has been issued a local permit, or the game's prize structure does not exceed those that allowed under subsection 1 of section 53-06.1-03 for locally authorized games local permits. The games of charitable gaming tickets pull tabs, punchboards, twenty-one, paddlewheels, or and 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 county or city.

SECTION 13. AMENDMENT. Section 53-06.1-07.2 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:



**53-06.1-07.2. Draw poker and stud poker - Limited authorization.** An ~~eligible~~ A licensed organization may conduct the game of draw poker on not more than ~~two~~ twelve occasions per year as follows:

1. The ~~eligible~~ organization may supply the dealer.
2. The maximum single bet is ~~one dollar~~ three dollars.
3. Not more than three raises, of not more than ~~one dollar~~ three dollars each, may be made among all the players in each round of bets. Otherwise the normal rules of draw poker and stud poker apply.
4. The ~~eligible~~ organization shall assess each player a fee not to exceed two dollars per half hour of playing time by that person, collected in advance. A fee may be charged each player for entry into a tournament for prizes which fee may be in lieu of or in addition to the fee assessable at one-half hour intervals.

**SECTION 14. AMENDMENT.** Section 53-06.1-07.3 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-07.3. Calcuttas.** An ~~eligible~~ A licensed organization may ~~allow the playing of~~ conduct 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 gaming site all rules affecting the conduct and play of calcuttas ~~on requirements of participants.~~ An ~~eligible~~ The organization may not have an interest in the outcome of the calcutta. A ~~participant who places~~ player must place 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~~ players in prizes may not exceed ninety percent of the gross proceeds. No competitor in a calcutta pool may be under eighteen years of age.

**SECTION 15. AMENDMENT.** Section 53-06.1-07.4 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-07.4. Paddlewheels.** An ~~eligible~~ A licensed organization may ~~conduct the game of paddlewheels on the authorized site.~~ The eligible organization shall post at the site all rules affecting the conduct of paddlewheels and requirements of players. A paddlewheel is a mechanical vertical wheel marked off into equally spaced sections that contain numbers or symbols, and which after being spun, uses a pointer or marker to indicate the winning number or symbol. The maximum price per paddlewheel ticket may not exceed two dollars. No money may be allowed on the playing table. A table must be used to register a player's wagered paddlewheel ticket when a cash prize is a variable multiple of the price of the paddlewheel ticket. No player may place ~~more than ten~~ more than twenty paddlewheel tickets valued at more than twenty dollars on each spin of the paddlewheel. Cash, chips, or merchandise prizes may be awarded. No single cash prize, value of chips, or the current retail price of the merchandise prize to be awarded for a winning paddlewheel ticket may exceed one hundred dollars. The monthly rent for each paddlewheel playing table may not exceed the amount authorized by law for a twenty-one table.

**SECTION 16. AMENDMENT.** Section 53-06.1-08 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-08. Punchboards and ~~charitable gaming tickets pull tabs~~**  
- Sale of chances - Maximum price per ~~ticket pull tab~~. Unless all of the highest denomination of winners top tier winning pull tabs or punchboard punches have been sold redeemed, or unless otherwise permitted by the attorney general, a no person or organization engaged in the selling of chances from conducting games of charitable gaming tickets pull tabs or punchboards under this chapter may not discard the chances from any close the game of charitable gaming ticket or punchboard once the contents of that game of charitable gaming ticket or punchboard are have been offered for sale to eligible participants players. The maximum sales price per charitable gaming ticket pull tab and punchboard punch may not exceed two dollars.

**SECTION 17. AMENDMENT.** Section 53-06.1-08.1 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-08.1. Limitation on ~~charitable gaming ticket pull tab~~**  
prizes. An eligible A licensed organization may not conduct a game of charitable gaming tickets pull tabs in which the highest denomination winner prize value of the top tier winning pull tab exceeds five hundred dollars.

**SECTION 18. AMENDMENT.** Section 53-06.1-09 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-09. Sports pools - Control by licensee - Rules posted - Limitation on prizes.** An eligible A licensed organization or organization that has been issued a local permit may allow the playing of conduct sports pools on the premises or authorized site. Sports pools are allowed for professional sports only. If sports pools are allowed, they must be conducted and controlled by the eligible organization. The eligible licensed organization or organization that has been issued a local permit shall clearly post any rules affecting the conduct of sports pools or requirements of participants players. The maximum wager on any sports pool is five dollars. The amounts paid to sports pool participants players in prizes may not exceed ninety percent of the gross proceeds.

**SECTION 19. AMENDMENT.** Section 53-06.1-10 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-10. Twenty-one - Sale of chips - Redemption - Wager - Limit - Rules of play - Tips.** Any licensee A licensed organization may conduct and shall control the playing of the card game twenty-one on the its authorized site of the licensee, but at no other location. No money may be allowed on the table. The licensee organization shall provide playing chips of various denominations to the participants players. Chips must be redeemed by the licensee for their full value. The maximum limit per wager 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 player may not play more than two hands at the same time. 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 must be a representative of the eligible organization sponsoring the game of chance. 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 payout 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 the player keeps the player's wager. A licensee may allow the pooling of tips received by dealers at



an authorized site. Any requirement to pool tips is within the sole discretion of each licensee and may not be imposed or encouraged by the ~~licensing authority attorney general or commission~~. Each licensee conducting twenty-one shall post rules relating to the conduct of the game in a conspicuous location near where the game is played. After December 31, 1993, except for an organization's authorized site that has twenty-one gross proceeds averaging less than ten thousand dollars per quarter, no organization may conduct twenty-one at an authorized site with wagers exceeding two dollars unless the organization has first installed video surveillance equipment as required by rules adopted by the commission and the equipment is approved by the attorney general. The commission may delay the requirements for surveillance required by this section for good cause shown if the commission specifically finds that the delay would allow the installation of video surveillance equipment of superior technological capability and enhanced enforcement value. In no event may the delay extend beyond July 1, 1994.

**SECTION 20. AMENDMENT.** Section 53-06.1-10.1 of the North Dakota Century Code is amended and reenacted 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 one thousand dollars, and provided ~~further that no eligible organization may award total cash prizes totaling more than do not exceed~~ three thousand dollars in the aggregate during any one day.

**SECTION 21. AMENDMENT.** Section 53-06.1-11 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-11. Statement of receipts - Expenses.**

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 licensed organization which contains only that money. Cash prizes of an amount to be determined by the attorney general, ~~the and~~ 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.
2. No part of the net proceeds after they have been ~~given over~~ devoted to another organization an eligible use recipient may be used by the donee ~~organization~~ to pay any person for services rendered or materials purchased in connection with the ~~conducting~~ conduct of games of chance by the donor organization.
3. Subject to the limitations of this subsection, expenses incurred for games of chance may be deducted from adjusted gross proceeds, to the extent that total expenses for games of chance do not exceed fifty percent of the first two



hundred thousand dollars of adjusted gross proceeds per quarter and forty-five percent of the adjusted gross proceeds in excess of two hundred thousand dollars per quarter. However, for an authorized site at which the game pull tabs is the only game of chance conducted and the conduct of pull tabs is through an electronic-mechanical dispensing device, expenses incurred for this game of chance may be deducted from adjusted gross proceeds, based on the average adjusted gross proceeds of all of an organization's authorized sites at which the game of pull tabs is conducted through electronic-mechanical dispensing devices, according to the following:

- a. On average adjusted gross proceeds not exceeding eight thousand dollars per quarter, an expense limitation of fifty percent.
- b. On average adjusted gross proceeds exceeding eight thousand dollars per quarter, but not exceeding twelve thousand dollars per quarter, an expense limitation of forty-five percent.
- c. On average adjusted gross proceeds exceeding twelve thousand dollars per quarter, but not exceeding sixteen thousand dollars per quarter, an expense limitation of forty percent.
- d. On average adjusted gross proceeds exceeding sixteen thousand dollars per quarter, an expense limitation of thirty-five percent.

After December 31, 1989, cash shorts incurred in games of chance are classified as expenses toward the expense limitation. Notwithstanding the limitations of this subsection, in addition to the expenses allowed to be deducted from adjusted gross proceeds, an eligible a licensed organization may deduct as an expense federal excise taxes and interest imposed under section 4401 of the Internal Revenue Code [26 U.S.C. 4401] and incurred or paid by the organization for the period beginning January 1, 1986, and ending as of July 1, 1991 capital expenditures for security or video surveillance equipment used for controlling games of chance if the equipment is required by section 53-06.1-10 or rules adopted by the commission and the equipment is approved by the attorney general. 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 22. AMENDMENT.** Section 53-06.1-12 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-12. Tax based on adjusted gross proceeds.** A tax as provided in this section upon the total adjusted gross proceeds received by a licensed eligible organization must be paid to the attorney general on a quarterly basis in the manner and upon the tax return forms as prescribed by the attorney general by rule. The figure used for adjusted gross proceeds is as determined in subsection 1 of section 53-06.1-01 before any reduction for expenses. The amount of this tax must be paid from adjusted gross proceeds and may not be charged against the percentage limitation of expenses. The tax is hereby imposed upon every eligible licensed organization, to be levied, collected, and paid quarterly with respect to the adjusted

gross proceeds of the eligible organization as provided in this section, computed at the following rates:

1. On adjusted gross proceeds not in excess of two hundred thousand dollars per quarter, a tax of five percent.
2. On adjusted gross proceeds in excess of two hundred thousand dollars per quarter but not in excess of four hundred thousand dollars per quarter, a tax of ten percent.
3. On adjusted gross proceeds in excess of four hundred thousand dollars per quarter but not in excess of six hundred thousand dollars per quarter, a tax of fifteen percent.
4. On adjusted gross proceeds in excess of six hundred thousand dollars per quarter, a tax of twenty percent.

**SECTION 23. AMENDMENT.** Section 53-06.1-12.2 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-12.2. ~~Charitable gaming tickets~~ Pull tabs excise tax in lieu of sales and use taxes.** In addition to any other tax provided by law and in lieu of sales or use taxes, there is imposed a tax of two percent on the gross ~~receipts~~ proceeds from the sale at retail of ~~charitable gaming tickets pull tabs~~ to a final user. A Gross proceeds and a sale at retail for purposes of this section includes charitable gaming tickets include pull tabs sold and charitable gaming tickets given pull tabs provided a player in return exchange for another charitable gaming ticket as authorized under this chapter. Gross receipts for purposes of this section includes the face value of all charitable gaming tickets sold or given in return for another charitable gaming ticket redeemed winning pull tabs. The tax imposed by this section must be paid to the attorney general at the time tax returns are made filed and taxes are paid by the eligible licensed organization under section 53-06.1-12.

**SECTION 24. AMENDMENT.** Section 53-06.1-13 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-13. Examination of books and records.** The attorney general ~~and the attorney general's agents,~~ and representatives of the governing body of a city or county with respect to eligible organizations authorized a licensed organization or organization that has been issued a local permit by that governing body, may examine or cause to be examined the books and records of any eligible licensed organization ~~licensed or authorized organization that has been issued a local permit~~ to conduct games of chance under this chapter to the extent that such books and records may directly or indirectly relate to any transaction connected with holding, operating, or conducting any game of chance.

**SECTION 25. AMENDMENT.** Section 53-06.1-13.1 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-13.1. Financial statements.** ~~Every eligible~~ A licensed organization receiving gaming gross proceeds of two hundred thousand dollars or more in the organization's annual accounting period shall file with the attorney general on or before the fifteenth day of the fifth month following the end of the accounting period a financial statement, including accompanying notes and footnotes, and a copy of the internal revenue service's form 990 titled return of organization exempt from income tax required to be filed under section 501(c) of the



Internal Revenue Code. The financial statement must at least include a schedule of the sources of total revenue, total expenses, listing of the names of nongaming and gaming employees who received any form of compensation amounting to thirty thousand dollars or more during the accounting period, including specific sources of the compensation paid to each employee, and any information as required by the attorney general.

**SECTION 26. AMENDMENT.** Section 53-06.1-14 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

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

1. ~~Every A manufacturer of charitable gaming tickets pull tabs, every manufacturer of paper bingo cards, manufacturer of electronic-mechanical pull tab dispensing devices, manufacturer's distributor of electronic-mechanical pull tab dispensing devices, and every distributor shall apply annually 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 require. The license fee for a distributor is one thousand five hundred dollars, and the. The license fee for a manufacturer's distributor is five hundred dollars. The license fee for a manufacturer of electronic-mechanical pull tab dispensing devices, manufacturer of charitable gaming tickets pull tabs, paper bingo cards, or both a manufacturer of pull tabs and paper bingo cards, is two thousand dollars.~~
2. No distributor may sell, market, or otherwise distribute raffle tickets or equipment for games of chance except to other licensed distributors, licensed manufacturers' distributors, licensed organizations, organizations that have been issued a local permit, gaming schools, or other persons authorized by the attorney general. A manufacturer of ~~charitable gaming tickets pull tabs~~ or paper bingo cards may not sell, market, or otherwise distribute ~~charitable gaming tickets pull tabs~~ or paper bingo cards, other than to a licensed distributor. A distributor of ~~charitable gaming tickets pull tabs~~ or paper bingo cards must purchase or otherwise receive ~~charitable gaming tickets pull tabs~~ or paper bingo cards only from a licensed manufacturer or licensed distributor. A manufacturer of electronic-mechanical pull tab dispensing devices may not sell, market, or otherwise distribute pull tab dispensing devices other than to a licensed distributor or a licensed manufacturer's distributor. A licensed distributor and licensed manufacturer's distributor of electronic-mechanical pull tab dispensing devices may purchase or otherwise receive pull tab dispensing devices only from a licensed manufacturer, licensed manufacturer's distributor, or 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. No game of ~~charitable gaming tickets pull tabs~~, punchboards, sports pool boards, calcutta boards, or a series of paddlewheel



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.

4. ~~No licensed or authorized eligible organization or organization that has been issued a local permit~~ may be a distributor. No North Dakota wholesaler of liquor or alcoholic beverages may be a North Dakota distributor. No North Dakota licensed manufacturer may be a North Dakota distributor or have any financial interest in a North Dakota distributor. No North Dakota distributor may have any financial interest in a North Dakota licensed manufacturer.
5. The attorney general ~~or commission~~ may, ~~by motion~~ based on reasonable grounds or on written complaint, suspend or revoke a ~~an organization's local permit or an organization's~~ distributor's, or manufacturer's license for violation, by the ~~licensee organization, distributor, or manufacturer~~ or any officer, director, agent, member, or employee of the ~~licensee organization, distributor, or manufacturer~~, of this chapter or any rule adopted under this chapter.
6. In addition to the basic license fee, the attorney general may require payment of any additional fee necessary to defray the actual costs of a background investigation of applicants. The attorney general may require payment of the estimated additional fee in advance as a condition precedent to beginning the investigation. The attorney general shall notify the applicant as soon as possible after a determination is made that the additional fee is necessary and shall also notify the applicant of the attorney general's best estimate of the amount of the additional license fee. Any applicant may then withdraw the application in lieu of paying the additional cost. The estimated cost must be placed into the attorney general's refund fund for use to defray the actual expenses of the background investigation. The remainder of such funds must be returned to the applicant within thirty days of the conclusion of the investigation.

SECTION 27. AMENDMENT. Section 53-06.1-15 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-15. Form and display of license and local permit.** Each license ~~or authorization required under this chapter and local permit~~ must contain a ~~statement of the name and address of the licensee or authorized eligible licensed organization or organization that has been issued a local permit~~ and such other information as the ~~licensing attorney general or authorizing authority~~ local governing body may designate require.

Each license ~~or resolution issued for the conduct of any game or games of chance and local permit~~ must be conspicuously displayed at the place where the same is to be conducted at all times during gaming site when any game of chance is conducted and for at least thirty minutes thereafter. The sale of a raffle ticket does not require the display of the license or ~~authorizing resolution~~ local permit.

SECTION 28. AMENDMENT. Section 53-06.1-15.1 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-15.1. Powers and duties of the attorney general.** The attorney general ~~or the agents of the attorney general~~ may:

1. Inspect and examine all premises in which gaming is conducted or gaming devices or equipment are manufactured, sold, or distributed.
2. Inspect all equipment and supplies in, upon, or about such premises.
3. Seize and remove from such premises and impound any gaming related equipment, supplies, games of chance, or books and records for the purpose of examination and inspection. When books or records are seized, the attorney general shall provide copies of those records or books 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 applicants, licensees, lessors, manufacturers, distributors, or agents concerning any income 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.
5. Audit and inspect any other books and records of eligible organizations conducting games of chance for the purpose of determining compliance with applicable statutes, rules, and constitutional provisions regarding distribution devotion of net proceeds from games of chance.
6. 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 29. AMENDMENT.** Section 53-06.1-15.4 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-15.4. Conditional license - Issuance.** The attorney general, upon application and at the attorney general's discretion, may issue a conditional license to conduct games of chance to an eligible organization whose regularly issued license has been suspended or revoked for a violation of this chapter or rules adopted under this chapter. The attorney general shall designate the time period for which the conditional license is valid and may impose any conditions for issuance of the license as the attorney general determines necessary. Section 53-06.1-16.2 does not apply to an eligible organization to whom a conditional license is issued pursuant to this section.

**SECTION 30. AMENDMENT.** Section 53-06.1-16 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-16. Violation of chapter or rule - Misdemeanor - Forfeiture of licensure - Ineligibility.** Any person who knowingly makes a false statement in any application for a local permit, license, or authorizing resolution or in any statement annexed thereto, or who fails to keep sufficient books and records to substantiate the receipts, gross proceeds, prizes, expenses, or uses devotion of net proceeds resulting from games of chance conducted under this chapter, or who falsifies any books or records so far as



they relate to any transaction connected with the holding, operating, and conducting of any game of chance, or who violates ~~any of the provisions of this chapter~~, any rule adopted under this chapter, or of any term of a local permit or license is guilty of a class A misdemeanor. If convicted, the person forfeits any license or ~~authorizing resolution~~ local permit issued to it pursuant to this chapter and is ineligible to reapply for a license or ~~authorization~~ local permit for a period of time ~~to be~~ determined by the attorney general or commission. Notwithstanding section 5-02-02, an eligible organization that possesses a license issued under chapter 5-02 may not have that license suspended, revoked, or denied in consequence of action taken under this section.

**SECTION 31. AMENDMENT.** Section 53-06.1-16.1 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted 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:

1. To use bogus or counterfeit chips or ~~charitable gaming tickets~~ pull tabs, or to substitute or use any game, cards, or ~~charitable gaming tickets~~ pull tabs, or game piece 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~~ pull tabs 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 involving the game of pull tabs or uses a fraudulent scheme or technique to cheat or skim involving the games of twenty-one or bingo, regardless of the amount gained, then the offense is a class C felony.

**SECTION 32. AMENDMENT.** Section 53-06.1-16.2 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-16.2. License suspension or revocation by attorney general or commission - Ineligibility for local authorization permit.** Any person whose ~~class A or class B A licensed organization that has its license is~~ suspended or revoked by the attorney general or commission or a licensed organization that has not devoted its nets proceeds is ineligible for a local authorization permit to conduct raffles, sports pools, or bingo during the period of suspension or revocation.



**SECTION 33. AMENDMENT.** Section 53-06.1-17 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-17. Rules.** The commission 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~~ licensed organizations; methods of competition and doing business by distributors, ~~manufacturers, and manufacturers'~~ distributors; marking or identification of raffle tickets, ~~charitable gaming tickets~~ pull tabs, bingo equipment, ~~ticket pull tab~~ 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~~ pull tabs, pull tab dispensing devices, and paper bingo cards; 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 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 34. AMENDMENT.** Subsection 5 of section 53-06.2-11 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

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 7 6 of section 53-06.1-01."

Renumber accordingly

Engrossed HB 1416 was placed on the Seventh order of business on the calendar.

**MOTION**

REP. FREIER MOVED that the absent members be excused, which motion prevailed.

**MOTION**

REP. FREIER MOVED that the House stand adjourned until 8:00 a.m., Thursday, April 22, 1993, which motion prevailed.

The House stood adjourned pursuant to Representative Freier's motion.

ROY GILBREATH, Chief Clerk