

**FIRST ENGROSSMENT  
with House Amendments**

Fifty-eighth  
Legislative Assembly  
of North Dakota

**ENGROSSED SENATE BILL NO. 2285**

Introduced by

Senators Heitkamp, Grindberg

Representatives R. Kelsch, Nelson

1 A BILL for an Act to amend and reenact section 53-06.2-11 of the North Dakota Century Code,  
2 relating to the parimutuel tax levied upon wagers.

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

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

6 **53-06.2-11. Bet payoff formulas - Uses by licensee of funds in excess of**  
7 **expenses - Payment to general fund.**

- 8 1. For each day of a live race meet or a simulcast day in this state on win, place, and  
9 show parimutuel pools, the licensee shall deduct up to twenty percent of the total  
10 win, place, and show pool. ~~The licensee may retain seventeen percent for~~  
11 ~~expenses.~~ One-half of one percent must be paid to the North Dakota racing  
12 commission to be used for the North Dakota purse fund. One-half of one percent  
13 must be paid to the North Dakota racing commission to be used for the North  
14 Dakota breeders' fund for the respective breed of horses racing at that meet. ~~The~~  
15 ~~remaining~~ On the first thirty-five million five hundred thousand dollars of total  
16 wagering handle in each biennium, two percent must be paid to the state treasurer  
17 to be deposited in the general fund. On the total wagering handle in excess of  
18 thirty-five million five hundred thousand dollars in each biennium, one-half of one  
19 percent must be paid to the state treasurer to be deposited in the general fund.  
20 2. For each day of a live race meet or a simulcast day in this state for each daily  
21 double, quinella, exacta, trifecta, or other wager combining two or more horses for  
22 winning payoffs, the licensee shall deduct up to twenty-five percent of each  
23 wagering pool. ~~Of this amount, the licensee may retain twenty-one percent for~~

~~expenses.—One-half~~ Of each wagering dollar, the amounts to be deposited in the general fund and other funds are as follows:

a. On the first one hundred two million four hundred thousand dollars of wagering handle in each biennium, one-half of one percent must be paid to the commission to be deposited in the purse fund.~~—One-half; one-half~~ of one percent must be paid to the commission to be deposited in the promotion fund.~~—One-half; one-half~~ of one percent must be paid to the commission to be deposited in the breeders' fund.~~—The remaining; and~~ two and one-half percent must be paid to the state treasurer to be deposited in the general fund.

b. On the wagering handle in excess of one hundred two million four hundred thousand dollars in each biennium, one-half of one percent must be paid to the commission to be deposited in the purse fund; one-half of one percent must be paid to the commission to be deposited in the promotion fund; one-half of one percent must be paid to the commission to be deposited in the breeders' fund; and one-fourth of one percent must be paid to the state treasurer to be deposited in the general fund.

3. Unclaimed tickets and breakage from each live race meet and simulcast program as defined by the commission and the percentage of the wagering pool to be paid to the racing promotion fund under subsections 1 and 2 must be retained by the commission in a special fund to assist in improving and upgrading racetracks in the state, for the promotion of horse racing within the state, and in developing new racetracks in the state as necessary and approved by the commission.

Notwithstanding this section, the commission may, upon approval of the attorney general, receive no more than twenty-five percent of this fund for the purpose of payment of operating expenses of the commission.

4. The licensee conducting a live race meet or simulcast program shall retain all other money in the parimutuel pool and pay it to bettors holding winning tickets as provided by rules adopted by the commission.
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

1               conducting parimutuel racing under the certificate system. After paying qualifying  
2               expenses, the licensee shall use the remainder of the amount so withheld only for  
3               eligible uses allowed to charitable gambling organizations under subsection 2 of  
4               section 53-06.1-11.

5           6.   The racing commission shall deposit the moneys received pursuant to  
6               subsections 1, 2, and 3 and from the North Dakota horse racing foundation  
7               pursuant to subsection 5 of section 53-06.2-05 in three special funds in the state  
8               treasury. These funds must be known as the breeders' fund, the purse fund, and  
9               the racing promotion fund. Moneys, and any earnings on the moneys, in the  
10              breeders' fund, purse fund, and racing promotion fund are appropriated to the  
11              commission on a continuing basis to carry out the purposes of those funds under  
12              this chapter and must be administered and disbursed in accordance with rules  
13              adopted by the commission.