

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 five million dollars of total wagering handle in each calendar  
16 year, two percent must be paid to the state treasurer to be deposited in the general  
17 fund. On the next ninety-five million dollars of total wagering handle in each  
18 calendar year, two percent must be paid to the state treasurer to be deposited in  
19 the general fund. On the total wager handle in excess of one hundred million  
20 dollars in each calendar year, one and one-half percent must be paid to the state  
21 treasurer to be deposited in the general fund.
- 22 2. For each day of a live race meet or a simulcast day in this state for each daily  
23 double, quinella, exacta, trifecta, or other wager combining two or more horses for  
24 winning payoffs, the licensee shall deduct up to twenty-five percent of each

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 five million dollars of wagering handle in each calendar year, 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 next ninety-five million dollars of wagering handle in each calendar year, 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 percent must be paid to the state treasurer to be deposited in the general fund.

c. On wagering handle in excess of one hundred million dollars in each calendar year, one-third of one percent must be paid to the commission to be deposited in the purse fund; one-third of one percent must be paid to the commission to be deposited in the promotion fund; one-third of one percent must be paid to the commission to be deposited in the breeders' fund; and 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

- 1                   general, receive no more than twenty-five percent of this fund for the purpose of  
2                   payment of operating expenses of the commission.
- 3           4.   The licensee conducting a live race meet or simulcast program shall retain all other  
4                   money in the parimutuel pool and pay it to bettors holding winning tickets as  
5                   provided by rules adopted by the commission.
- 6           5.   A licensee may not use any of the portion deducted for expenses under  
7                   subsections 1 and 2 for expenses not directly incurred by the licensee in  
8                   conducting parimutuel racing under the certificate system. After paying qualifying  
9                   expenses, the licensee shall use the remainder of the amount so withheld only for  
10                  eligible uses allowed to charitable gambling organizations under subsection 2 of  
11                  section 53-06.1-11.
- 12          6.   The racing commission shall deposit the moneys received pursuant to  
13                  subsections 1, 2, and 3 and from the North Dakota horse racing foundation  
14                  pursuant to subsection 5 of section 53-06.2-05 in three special funds in the state  
15                  treasury. These funds must be known as the breeders' fund, the purse fund, and  
16                  the racing promotion fund. Moneys, and any earnings on the moneys, in the  
17                  breeders' fund, purse fund, and racing promotion fund are appropriated to the  
18                  commission on a continuing basis to carry out the purposes of those funds under  
19                  this chapter and must be administered and disbursed in accordance with rules  
20                  adopted by the commission.