

**FIRST ENGROSSMENT
with Senate Amendments**

Sixty-first
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1194

Introduced by

Representatives Keiser, DeKrey

Senator Lyson

1 A BILL for an Act to amend and reenact subsection 7 of section 53-06.1-01 and subsection 1 of
2 section 53-06.1-03 of the North Dakota Century Code, relating to raffles conducted by certain
3 organizations.

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

5 **SECTION 1. AMENDMENT.** Subsection 7 of section 53-06.1-01 of the North Dakota
6 Century Code is amended and reenacted as follows:

7 7. "Eligible organization" means a veterans, charitable, educational, religious,
8 fraternal, civic and service, public safety, or public-spirited organization domiciled
9 in North Dakota or authorized by the secretary of state as a foreign corporation
10 under chapter 10-33, incorporated as a nonprofit organization, and which has been
11 regularly and actively fulfilling its primary purpose within this state during the two
12 immediately preceding years. However, an educational organization does not
13 need to be incorporated or be in existence for two years. An organization's
14 primary purpose may not involve the conduct of games. The organization may be
15 issued a license by the attorney general. For purposes of this section, a foreign
16 corporation authorized under chapter 10-33 is not an eligible organization unless
17 authorized to conduct a raffle under chapter 20.1-08 and may not conduct a game
18 other than a raffle under chapter 20.1-08.

19 **SECTION 2. AMENDMENT.** Subsection 1 of section 53-06.1-03 of the North Dakota
20 Century Code is amended and reenacted as follows:

21 1. Except as authorized by the attorney general, an organization that has its license
22 suspended or revoked, or has relinquished or not renewed its license and not
23 disbursed its net proceeds, is ineligible for a license or permit. Only one of two or
24 more closely related organizations may have a license or permit at one time. A

college or university fraternity, sorority, or club is not closely related to an educational organization. An organization shall apply for a permit as follows:

- a. An organization recognized as a public-spirited organization by the governing body of a city or county may apply for a local permit to conduct only raffles, bingo, or sports pools, or a charity local permit to conduct only raffles, bingo, sports pools, paddlewheels, twenty-one, and poker. The organization or closely related organizations as a whole may only award a primary prize that does not exceed two thousand five hundred dollars and total prizes of all games that do not exceed twelve thousand dollars per year. These maximum prize amounts do not apply to raffles conducted under chapter 20.1-08. The determination of what is a "public-spirited organization" is within the sole discretion of the governing body. An organization shall disclose on the application its intended use of the net income from the gaming activity. A governing body may issue a permit for games to be held at designated times and places.
- b. An organization shall apply to the governing body of the city or county in which the proposed site is located. Application must be made on a form prescribed by the attorney general. Approval may be granted at the discretion of the governing body. A governing body may establish a fee not to exceed twenty-five dollars for each permit. A permit must be on a fiscal year basis from July first to June thirtieth or on a calendar-year basis.
- c. Except for the restriction of subsection 1 of section 53-06.1-11.1, an organization that has a local permit may use the net income from the gaming activity for any purpose that does not violate this chapter or gaming rules.
- d. An organization that has a charity local permit is restricted to one event per year and:
 - (1) May not pay remuneration to employees for personal services;
 - (2) Shall use chips as wagers;
 - (3) Shall redeem a player's chips for merchandise prizes or cash;
 - (4) Shall disburse net income to eligible uses referenced by subsection 2 of section 53-06.1-11.1; and

- 1 (5) Shall file a report prescribed by the attorney general with the governing
2 body and attorney general.