

Sixty-first
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1316

Introduced by

Representatives Nelson, Boehning, Kreidt, S. Meyer

Senators Fischer, Marcellais

1 A BILL for an Act to amend and reenact sections 53-06.2-02 and 53-06.2-03 and subsection 6
2 of section 53-06.2-11 of the North Dakota Century Code, relating to the racing commission and
3 the authority of the attorney general; and to provide for a transfer to return to the breeders' fund
4 certain moneys paid from that fund for racing purses.

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

6 **SECTION 1. AMENDMENT.** Section 53-06.2-02 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **53-06.2-02. Racing commission - Members - Appointment - Term - Qualifications -**
9 **Compensation.**

10 1. A North Dakota racing commission is established ~~consisting in the office of the~~
11 attorney general. The commission is subject to the supervision and direction of the
12 attorney general, except with regard to the commission's authority to spend the
13 funds described in subsection 6 of section 53-06.2-11. The attorney general may
14 require payment for any services rendered to the commission. Payment for those
15 services must be deposited into the attorney general's operating fund. The
16 commission consists of the chairman and four other members appointed by the
17 ~~governor~~ attorney general. One of the members must be appointed from a list of
18 four nominees, one of whom is nominated by the state chapter or affiliate of the
19 American quarter horse racing association, one of whom is nominated by the state
20 chapter or affiliate of the United States trotting association, one of whom is
21 nominated by the state chapter or affiliate of the international Arabian horse
22 association, and one of whom is nominated by the state chapter or affiliate of the
23 North Dakota thoroughbred association. The members serve five-year terms and
24 until a successor is appointed and qualified. A member appointed to fill a vacancy

arising from other than the natural expiration of a term serves for the unexpired portion of the term and may be reappointed. The terms of the commissioners must be staggered so that one term expires each July first. At the expiration of the five-year term of each incumbent member of the commission, the governor shall appoint a new member to the commission.

2. A person is ineligible for appointment to the commission if that person has not been a resident of this state for at least two years before the date of appointment. A person is also ineligible if that person is not of such character and reputation as to promote public confidence in the administration of racing in this state. A person who has a financial interest in racing cannot be a member of the commission and cannot be employed by the commission. Failure to maintain compliance with this subsection is grounds for removal from the commission or from employment with the commission. For purposes of this section, a person has a financial interest in racing if that person has an ownership interest in horses running at live or simulcast meets conducted or shown in this state subject to this chapter or rules of the commission, is required to be licensed under this chapter or the rules of the commission, or who derives any direct financial benefit from racing, individually or by or through an entity or other person, as regulated by this chapter or the rules of the commission.
3. Commission members are entitled to ~~seventy-five dollars per day for the same~~ compensation; and mileage and expense reimbursement as ~~allowed to other state employees~~ provided for members of committees of the legislative council under section 54-35-10.

SECTION 2. AMENDMENT. Section 53-06.2-03 of the North Dakota Century Code is amended and reenacted as follows:

53-06.2-03. Director of racing - Appointment - Qualifications - Salary - Duties - Other personnel.

1. The ~~commission~~ attorney general shall appoint a director of racing. The ~~commission~~ attorney general shall establish the director's qualifications and salary.
2. The director shall devote such time to the duties of the office as the ~~commission~~ attorney general may prescribe. The director is the executive officer of the

commission and shall enforce the rules and orders of the commission. The director shall perform other duties prescribed by the ~~commission prescribes~~ attorney general.

3. The director may employ other ~~persons~~ individuals as authorized by the ~~commission~~ attorney general.

SECTION 3. AMENDMENT. Subsection 6 of section 53-06.2-11 of the North Dakota Century Code is amended and reenacted as follows:

6. The commission shall deposit the moneys received pursuant to subsections 1, 2, and 3 and from the North Dakota horse racing foundation pursuant to subsection 5 of section 53-06.2-05 in the breeders' fund, the purse fund, and the racing promotion fund. Moneys, and any earnings on the moneys, in the breeders' fund, purse fund, and racing promotion fund are appropriated to the commission on a continuing basis to carry out the purposes of those funds under this chapter and must be administered and disbursed in accordance with rules adopted by the commission. The commission may not transfer money among the funds. The commission shall distribute awards and payment supplements from the breeders' fund in the same calendar year the money was earned by the recipient. The commission shall distribute payments awarded to qualified owners and breeders from the breeders' fund without requiring owners and breeders to apply for the payments. The commission, upon approval of the ~~emergency commission~~ attorney general, may receive no more than twenty-five percent of the racing promotion fund for the payment of the commission's operating expenses.

SECTION 4. TRANSFER. The attorney general shall determine the amount paid from the breeders' fund after June 30, 2007, and before August 1, 2009, to supplement purses offered at racetracks in this state. Before August 31, 2009, the attorney general shall transfer the amount determined under this section from the purse fund to the breeders' fund.