

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2042

That the House recede from its amendments as printed on page 898 of the Senate Journal and page 1083 of the House Journal and that Engrossed Senate Bill No. 2042 be amended as follows:

Page 1, line 3, after "expenses" insert "; and to provide for a legislative management study"

Page 3, remove lines 3 through 30

Page 4, replace lines 1 through 9 with:

**"SECTION 3. AMENDMENT.** Section 53-06.1-12 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-12. Gaming and excise taxes – ~~Exception~~tax - Deposits and allocations.**

1. A gaming tax is imposed on the total ~~adjusted~~ gross proceeds ~~earned~~received by a licensed organization in a quarter and it must be computed and paid to the attorney general on a quarterly basis on the tax return. This tax must be paid from adjusted gross proceeds and is not part of the allowable expenses. The tax rates ~~are:~~
  - a. ~~On adjusted gross proceeds not exceeding two hundred thousand dollars, a tax of five percent.~~
  - b. ~~On adjusted gross proceeds exceeding two hundred thousand dollars but not exceeding four hundred thousand dollars, a tax of ten percent.~~
  - c. ~~On adjusted gross proceeds exceeding four hundred thousand dollars but not exceeding six hundred thousand dollars, a tax of fifteen percent.~~
  - d. ~~On adjusted gross proceeds exceeding six hundred thousand dollars, a tax of twenty percent.~~
2. ~~Except as provided in subsection 3, in addition to any other tax provided by law and in place of sales or use taxes, there is imposed on a licensed organization an excise tax of three percent on the gross proceeds from the sale at retail of pull tabs and three percent on the gross proceeds from the sale at retail of bingo cards to final users. This includes pull tabs or bingo cards provided to a player in exchange for redeemed winning pull tabs or bingo cards.~~rate for a licensed organization with gross proceeds:
  - a. Not exceeding five hundred thousand dollars is one percent of gross proceeds.
  - b. Exceeding five hundred thousand dollars but not exceeding one million dollars is one and one-half percent of gross proceeds.
  - c. Exceeding one million dollars but not exceeding one million five hundred thousand dollars is two percent of gross proceeds.

- d. Exceeding one million five hundred thousand dollars is two and one-half percent of gross proceeds.
- 2. The tax must be paid to the attorney general at the time tax returns are filed.
- 3. ~~For organizations whose gross proceeds of pull tabs do not exceed four thousand dollars per calendar quarter, no excise tax may be imposed on the gross proceeds from the sale at retail of pull tabs to final users.~~
- 4. Except as provided in subsection ~~54~~, the attorney general shall deposit gaming and excise taxes, monetary fines, and interest and penalties collected in the general fund in the state treasury.
- ~~5-4.~~ The attorney general shall deposit ~~threesix~~ percent of the total taxes, less refunds, collected under this section into a gaming and excise tax allocation fund. Pursuant to legislative appropriation, moneys in the fund must be distributed quarterly to cities and counties in proportion to the taxes collected under this section from licensed organizations conducting games within each city, for sites within city limits, or within each county, for sites outside city limits. If a city or county allocation under this subsection is less than two hundred dollars, that city or county is not entitled to receive a payment for the quarter and the undistributed amount must be included in the total amount to be distributed to other cities and counties for the quarter."

Page 5, after line 10, insert:

**"SECTION 5. LEGISLATIVE MANAGEMENT STUDY - CHARITABLE GAMING ORGANIZATION ELIGIBILITY.** During the 2011-12 interim, the legislative management shall consider studying the eligibility requirements for the veterans', charitable, educational, religious, fraternal, civic and service, public safety, and public-spirited organizations that conduct charitable gaming. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly."

Renumber accordingly