

Sixty-fourth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1231

Introduced by

Representatives Karls, Beadle, Oversen

Senators Dotzenrod, Krebsbach, Laffen

1 A BILL for an Act to amend and reenact section 53-06.1-14 of the North Dakota Century Code,
2 relating to distributors and manufacturers of games of chance.

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

4 **SECTION 1. AMENDMENT.** Section 53-06.1-14 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **53-06.1-14. Distributors and manufacturers.**

7 1. A manufacturer of pull tabs, bingo cards, ~~or bingo card marking devices, or fifty-fifty~~
8 ~~raffle systems~~ shall apply annually for a license and pay a license fee of four thousand
9 dollars. A manufacturer of pull tab dispensing devices shall apply annually for a license
10 and pay a license fee of one thousand dollars. A manufacturer of fifty-fifty raffle
11 systems shall apply annually for a license and pay a license fee of five hundred
12 dollars. A distributor shall apply annually for a license and pay a license fee of one
13 thousand five hundred dollars. Application must be made before the first day of April in
14 each year on a form prescribed by the attorney general.

15 2. A licensed distributor may not sell, market, or distribute gaming equipment except to a
16 licensed distributor, licensed organization, organization that has a permit, or other
17 person authorized by gaming rule or the attorney general. A manufacturer of a pull tab
18 dispensing device, pull tab, bingo card marking device, ~~or bingo card, or fifty-fifty raffle~~
19 ~~system~~ may only sell, market, or distribute the manufacturer's pull tab dispensing
20 device and processing chip encoded with proprietary software, pull tab, bingo card
21 marking device, ~~or bingo card, or fifty-fifty raffle system~~ to a licensed distributor. A
22 licensed distributor may purchase or acquire a pull tab dispensing device and
23 processing chip encoded with proprietary software, pull tab, bingo card marking
24 device, ~~or bingo card, or fifty-fifty raffle system~~ only from a licensed manufacturer or

1 licensed distributor. However, a distributor may purchase or acquire a used pull tab
2 dispensing device or fifty-fifty raffle system from a licensed organization. A distributor
3 may not duplicate a manufacturer's processing chip encoded with proprietary
4 software. No gaming equipment or prize may be sold or leased at an excessive price.

5 3. A licensed distributor shall affix a North Dakota gaming stamp to each deal of pull tabs
6 and bingo cards, raffle board, raffle event board, punchboard, sports pool board,
7 calcutta board, poker event board, and series of paddlewheel ticket cards sold or
8 otherwise provided to a licensed organization and shall purchase the stamps from the
9 attorney general for thirty-five cents each. Ten cents of each stamp sold by the
10 attorney general, up to thirty-six thousand dollars per biennium, must be credited to
11 the attorney general's operating fund to defray the costs of issuing and administering
12 the gaming stamps.

13 4. A licensed organization, organization that has a permit, licensed manufacturer, or
14 North Dakota wholesaler of liquor or alcoholic beverages may not be a distributor or
15 stockholder of a distributor. A distributor may not be a stockholder of a manufacturer.

16 5. In addition to the license fee, the attorney general may require advance payment of
17 any fee necessary to pay the cost of a record check of an applicant according to
18 subdivision c of subsection 5 of section 53-06.1-06.

19 6. A licensed manufacturer may not refuse to sell deals of pull tabs or paper bingo cards
20 to a licensed distributor unless:

- 21 a. A specific deal of pull tabs is sold on an exclusive basis;
22 b. The manufacturer does not sell deals of pull tabs or paper bingo cards to any
23 distributor in the state;
24 c. A gaming law or rule prohibits the sale;
25 d. The distributor has not provided the manufacturer with proof of satisfactory credit
26 or is delinquent on any payment owed to the manufacturer; or
27 e. The distributor has not met the manufacturer's standard minimum order quantity
28 and freight terms.