

HOUSE BILL NO. 1243

Introduced by

Representatives Maragos, Berg, Boucher

Senators O'Connell, Stenehjem

1 A BILL for an Act to create and enact a new section to chapter 50-06, chapter 53-12, and a new
2 subsection to section 57-39.2-04 of the North Dakota Century Code, relating to compulsive
3 gambling prevention and treatment, the establishment of the North Dakota lottery, and to an
4 exemption from sales tax; to amend and reenact section 12.1-28-02 of the North Dakota
5 Century Code, relating to lottery offenses; to provide a penalty; to provide a continuing
6 appropriation; and to declare an emergency.

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

8 **SECTION 1. AMENDMENT.** Section 12.1-28-02 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **12.1-28-02. Gambling - Related offenses - Classification of offenses.** Except as
11 permitted by law:

12 1. It is an infraction to engage in gambling on private premises where the total
13 amount wagered by an individual player exceeds twenty-five dollars per individual
14 hand, game, or event.

15 2. It is a class A misdemeanor to:

16 a. Sell, purchase, receive, or transfer a chance to participate in a lottery other
17 than a lawful lottery, whether the lottery is drawn in state or out of state, ~~and~~
18 ~~whether the lottery is lawful in the other state or country;~~ or

19 b. ~~Disseminate information about a lottery with intent to encourage participation~~
20 ~~in it, except that a legal lottery may be advertised in North Dakota;~~ or

21 e. Engage in gambling on private premises where the total amount wagered by
22 an individual player exceeds five hundred dollars per individual hand, game,
23 or event.

- 1 3. A person is guilty of a class C felony if that person engages or participates in the
2 business of gambling. Without limitation, a person is deemed to be engaged in the
3 business of gambling if that person:
- 4 a. Conducts a wagering pool or an unlawful lottery;
- 5 b. Receives unlawful wagers for or on behalf of another person;
- 6 c. Alone or with others, owns, controls, manages, or finances a gambling
7 business;
- 8 d. Knowingly leases or otherwise permits a place to be regularly used to carry on
9 a gambling business or maintain a gambling house;
- 10 e. Maintains for use on any place or premises occupied by that person a
11 coin-operated gaming device; or
- 12 f. Is a public servant who shares in the proceeds of a gambling business
13 whether by way of a bribe or otherwise.
- 14 4. a. As used in subsection 3 but with the exceptions provided by subdivision b of
15 ~~this subsection~~, the term "coin-operated gaming device" means any machine
16 that is:
- 17 (1) A so-called "slot" machine that operates by means of the insertion of a
18 coin, token, or similar object and which, by application of the element of
19 chance, may deliver, or entitle the person playing or operating the
20 machine to receive cash, premiums, merchandise, or tokens; or
- 21 (2) A machine that is similar to machines described in paragraph 1 and is
22 operated without the insertion of a coin, token, or similar object.
- 23 b. The term "coin-operated gaming device" does not include a bona fide vending
24 or amusement machine in which gambling features are not incorporated as
25 defined in section 53-04-01, or an antique "slot" machine twenty-five years old
26 or older that is collected and possessed by a person as a hobby and is not
27 maintained for the business of gambling.
- 28 c. A law enforcement officer may seize any device described in subdivision a
29 upon probable cause to believe that the device was used or is intended to be
30 used in violation of this chapter or chapter 53-06.1. The court shall order the

1 device forfeited in the same manner and according to the same procedure as
2 provided under chapter 29-31.1.

3 **SECTION 2.** A new section to chapter 50-06 of the North Dakota Century Code is
4 created and enacted as follows:

5 **Compulsive gambling prevention and treatment fund - Continuing appropriation.**

6 Funds deposited in the compulsive gambling prevention and treatment fund under section
7 53-12-21 are appropriated to the department on a continuing basis for the purpose of providing
8 the services under section 50-06-21.

9 **SECTION 3.** Chapter 53-12 of the North Dakota Century Code is created and enacted
10 as follows:

11 **53-12-01. Definitions.** As used in this chapter:

- 12 1. "Advisory commission" means the North Dakota lottery advisory commission.
- 13 2. "Director" means the director of the North Dakota lottery.
- 14 3. "Immediate family member" means a parent, stepparent, child, stepchild, spouse,
15 or sibling who is a member of the same household in the principal place of abode.
- 16 4. "Major procurement" means any contract with any vendor directly involved in
17 providing facilities, equipment, tickets, and services unique to the lottery, but not
18 including materials, supplies, equipment, and services common to the ordinary
19 operations of state agencies.
- 20 5. "North Dakota lottery" means the division of the attorney general's office created to
21 operate a lottery pursuant to this chapter.
- 22 6. "On-line lottery" means a game linked to a central computer via a
23 telecommunications network in which the player selects a specified group of
24 numbers or symbols out of a predetermined range of numbers or symbols.
- 25 7. "Retailer" means any person with whom the North Dakota lottery has contracted to
26 sell lottery tickets to the public.
- 27 8. "Ticket" means any tangible evidence issued or authorized by the North Dakota
28 lottery to prove participation in an on-line lottery game.
- 29 9. "Vendor" means any person who has entered a major procurement contract with
30 the North Dakota lottery.

1 **53-12-02. North Dakota lottery - Administration - Overall control and operation of**
2 **games.** There is established a division of the attorney general's office to be called the North
3 Dakota lottery. Under the supervision of the attorney general, a director shall administer the
4 lottery as provided in this chapter. In all decisions, the director shall take into account the
5 particularly sensitive nature of the lottery and shall act to promote and ensure the integrity,
6 security, honesty, and fairness of its operation and administration. The overall management of
7 the lottery and control over the operation of its games rest solely with the North Dakota lottery.

8 **53-12-03. Director - Appointment - Employment of personnel.** The attorney general
9 shall appoint a director who shall serve at the pleasure of the attorney general. The director
10 may employ those persons as may be necessary to operate the lottery.

11 **53-12-04. Functions of director.** Subject to the rules and policies established by the
12 attorney general, the director may:

- 13 1. Supervise and administer the operation of the lottery in accordance with this
14 chapter and in accordance with the written agreement with a multistate,
15 government-authorized lottery;
- 16 2. Employ other employees of the North Dakota lottery;
- 17 3. Enter contracts for promotional services; annuities or other methods deemed
18 appropriate for the payment of prizes; data processing and other technical
19 products, equipment, and services; and facilities as needed to operate the lottery,
20 including tickets and other services involved in major procurements;
- 21 4. Contract with and license persons for the sale of lottery tickets as provided by this
22 chapter and rules adopted to implement this chapter;
- 23 5. Make demographic studies of lottery players and studies of reactions of citizens to
24 existing and potential features of the lottery;
- 25 6. Require lottery retailers and persons licensed under this chapter to furnish proof of
26 financial stability or to post a bond in an amount the director deems necessary to
27 protect the financial interests of the state;
- 28 7. Provide for secure facilities to house the North Dakota lottery;
- 29 8. Provide for secure data processing facilities to be used for the reliable operation of
30 the lottery;

- 1 9. Examine, or cause to be examined by any agent or representative designated by
2 the director, any books, papers, records, or memoranda of any retailer or person
3 licensed under this chapter for the purpose of ascertaining compliance with this
4 chapter or any rule adopted under this chapter; and
5 10. Share human and financial resources of other divisions within the office of attorney
6 general.

7 **53-12-05. Competitive bidding required before entering into contracts.** When
8 entering contracts, the director shall utilize an open and competitive bid process which reflects
9 the best interest of the state. The director shall consider all relevant factors, including security,
10 competence, experience, timely performance, and maximization of net revenues to the state.

11 **53-12-06. Investigation of vendors.** Before a contract for a major procurement is
12 awarded, the director shall conduct a thorough background investigation of the vendor, any
13 parent or subsidiary corporation of the vendor, all shareholders of five percent or more interest
14 in the vendor or parent or subsidiary corporation of the vendor, and all officers and directors of
15 the vendor or parent or subsidiary corporation of the vendor to whom the contract is to be
16 awarded. In conducting the investigations, the director may use the information of other states
17 to determine the qualifications of the vendor. The vendor shall submit appropriate investigation
18 authorizations to facilitate this investigation. The director may require any additional information
19 from the vendor that is considered appropriate to preserve the integrity and security of the
20 lottery.

21 **53-12-07. Additional functions of director.** The director shall:

- 22 1. Enter a written agreement with a multistate government-authorized lottery, or with
23 an organization created and controlled by those lotteries, for the operation,
24 marketing, and promotion of a joint lottery;
25 2. Make and keep books and records which accurately and fairly reflect each day's
26 transactions, including the distribution and sale of tickets, receipt of funds, prize
27 claims, prize disbursements, or prizes liable to be paid, expenses and other
28 financial transactions of the lottery necessary so as to ensure accountability;
29 3. Make quarterly and annual financial reports to the governor and the attorney
30 general and biennial reports to the legislative assembly. The reports must be

- 1 based upon generally accepted accounting principles and include a full and
2 complete statement of the lottery's financial position and operations;
3 4. Upon request, report to the legislative council regarding the implementation and
4 operation of the lottery;
5 5. Have an annual audit of all accounts and transactions of the North Dakota lottery.
6 The audit report must be presented to the governor, the state treasurer, and the
7 legislative assembly;
8 6. Contract with an agency of state government or an independent firm experienced
9 in security procedures to periodically conduct a comprehensive study and
10 evaluation of all aspects of security in the operation of the lottery;
11 7. Prepare and submit budgets and proposals for the operation of the lottery;
12 8. Operate the lottery so that after the initial funding, it is self-sustaining and
13 self-funded; and
14 9. Make provision for the timely and efficient transfer of funds due from lottery
15 retailers and persons licensed pursuant to this chapter to the state general fund.

16 **53-12-08. Lottery expenses and prizes to be paid from lottery funds - General**
17 **funds not to be used or obligated - Exception.** No claim for the payment of an expense of
18 the lottery or the payment of a lottery prize may be made unless it is against the lottery
19 operating fund or money collected from the sale of lottery tickets. Except for the initial startup
20 funding to the lottery, the general funds of the state may not be used or obligated to pay the
21 expenses of the lottery or prizes of the lottery.

22 **53-12-09. Selection of lottery retailers.**

- 23 1. The director shall select as retailers those persons the director deems best able to
24 serve the public convenience and promote the sale of tickets. In the selection of
25 retailers, the director shall consider factors, including financial responsibility,
26 security of the applicant's place of business or activity, accessibility of the
27 applicant's place of business or activity, integrity, reputation, sufficiency of existing
28 lottery retailers to serve the public convenience, especially in geographically
29 remote areas of the state, volume of expected sales, and any other factors as the
30 director may deem appropriate. Any person lawfully engaged in nongovernmental
31 business on state property may be selected as retailers.

1 2. No applicant for a license or other affirmative action has any right to a license or to
2 the granting of the approval sought. Any license issued or other approval granted
3 under this chapter is a revocable privilege, and the holder does not acquire any
4 vested interest or property right in the license or other approval granted under this
5 chapter.

6 **53-12-10. Reapplication for license after denial or revocation - Denial or**
7 **revocation decisions final.** Any applicant for a license who has had an application denied or
8 a license revoked by the director may not reapply until at least one year has elapsed from the
9 date of the denial or revocation. Any person who has been denied a license or had a license
10 revoked for a second time may not reapply until at least three years have passed since the date
11 of the second denial or revocation. The decision of the director to deny an application or to
12 revoke a license is final and is not reviewable.

13 **53-12-11. Retailer's application fee - Annual renewal of contract - Contract not**
14 **transferable or assignable.** The director may charge an application fee to a person applying
15 to become a retailer. All retailer contracts awarded by the lottery under this chapter are
16 renewable annually after issuance unless sooner canceled or terminated. A retailer contract
17 awarded under this chapter is not transferable or assignable.

18 **53-12-12. Issuance of retailer certificate - Display - Sales only at location on**
19 **certificate.** Each retailer must be issued a retailer certificate that must be conspicuously
20 displayed at the place where the retailer is authorized to sell tickets. Tickets may only be sold
21 by the retailer at the location stated on the retailer certificate.

22 **53-12-13. Qualifications of retailer.**

23 1. To be selected as a retailer, an individual acting as a sole proprietor must:
24 a. Be at least eighteen years of age;
25 b. Be of good character and reputation;
26 c. Have sufficient financial resources to support the activities required to sell
27 lottery tickets; and
28 d. Be current in payment of all taxes, interest, and penalties owed to the state,
29 excluding items under formal dispute or appeal pursuant to applicable
30 statutes.

1 2. A retailer may not be a lottery vendor or an employee or agent of any lottery
2 vendor doing business with the North Dakota lottery.

3 **53-12-14. Individuals ineligible to be licensed as retailer by the lottery.** An
4 individual may not be licensed by the lottery or involved in lottery activities under this chapter if
5 the individual:

6 1. Has been convicted of a felony in this or any other jurisdiction, unless at least ten
7 years have passed since satisfactory completion of the sentence or probation
8 imposed by the court in each felony;

9 2. Has been found to have violated any provision of this chapter or any rule adopted
10 to implement this chapter;

11 3. Has been found to have a background, including a criminal record, or prior
12 activities that pose a threat to the public interests of the state or to the security and
13 integrity of the lottery; create or enhance the dangers of unsuitable, unfair, or illegal
14 practices, methods, and activities in the conduct of gaming; or present
15 questionable business practices and financial arrangements incidental to the
16 conduct of lottery activities;

17 4. Is an immediate family member of an employee of the North Dakota lottery or of a
18 member of the advisory commission; or

19 5. Has knowingly made a false statement of material fact to the North Dakota lottery.

20 **53-12-15. Partnership as retailer.** For a partnership to be selected as a retailer, the
21 partnership must meet the requirements of subdivisions c and d of subsection 1 of section
22 53-12-13, and each partner of the partnership must meet the requirements of subdivisions a
23 and b of subsection 1 of section 53-12-13 and of section 53-12-14.

24 **53-12-16. Organization as retailer.** For an organization other than a partnership to be
25 selected as a retailer, the organization must meet the requirements of subdivisions c and d of
26 subsection 1 of section 53-12-13, and each officer and director and each shareholder who owns
27 five percent or more of an ownership interest in the organization must meet the requirements of
28 subdivisions a and b of subsection 1 of section 53-11-13 and of section 53-12-14.

29 **53-12-17. Lottery advisory commission created - Appointment of members - Term**
30 **of office - Qualifications - Chairman - Duties - Compensation - Restrictions - Penalty.**

- 1 1. There is created the North Dakota lottery advisory commission, which is composed
2 of five members, three of which are selected by the chairman of the legislative
3 council and two of which are selected by the attorney general. The term of office is
4 three years, expiring on December thirty-first with no more than two terms expiring
5 in any one year. Of the first members appointed, one must be appointed for a term
6 of one year, two must be appointed for terms of two years, and two must be
7 appointed for terms of three years. No member may be appointed to more than
8 two consecutive terms. Each member of the advisory commission must be a
9 citizen of the United States and a resident of this state. A chairman of the
10 commission must be chosen annually from the membership of the commission by
11 a majority of its members at the first meeting of the advisory commission each
12 year.
- 13 2. The advisory commission shall meet at least once a quarter and any additional
14 meetings as the chairman deems necessary. Special meetings may be called by
15 the chairman upon the written request of the director or any three members of the
16 commission.
- 17 3. The advisory commission shall advise the director and the attorney general in the
18 establishment of policy of the operation of the lottery and shall advise the director
19 regarding the operation of the lottery.
- 20 4. Members of the advisory commission who are not state employees are entitled to
21 be compensated at a rate of seventy-five dollars per day and are entitled to
22 mileage and expenses as provided by law for state officers and employees. A
23 state employee who is a member of the commission must receive that employee's
24 regular salary and is entitled to mileage and expenses, to be paid by the employing
25 agency.
- 26 5. No member of the advisory commission, employee of the North Dakota lottery, or
27 any individual residing in the same household as either of those individuals may
28 directly or indirectly, individually, as a member of a partnership or other
29 association, or as a stockholder, director, or officer of a corporation, have an
30 interest in a business which contracts for the operation or promotion of the lottery.
31 A knowing violation of this section is a class B misdemeanor.

1 **53-12-18. Rules.** The attorney general shall adopt rules governing the establishment
2 and operation of the lottery as necessary to carry out the purposes of this chapter. The
3 attorney general shall adopt rules concerning the following:

- 4 1. The manner of payment of prizes to the holders of winning tickets;
- 5 2. The types of locations at which tickets may be sold;
- 6 3. The methods to be used in selling tickets;
- 7 4. Additional qualifications for the selection of retailers and the amount of application
8 fees to be paid by each;
- 9 5. The amount and method of compensation to be paid to retailers, including special
10 bonuses and incentives;
- 11 6. Deadlines for claims for prizes by winners of each lottery game, however, in no
12 instance may the deadline be for more than one year;
- 13 7. Financial responsibility of persons licensed under this chapter;
- 14 8. Licensing procedures; and
- 15 9. Any other matters necessary or desirable for the efficient or economical operation
16 of the lottery or for the convenience of the public.

17 **53-12-19. Lottery operating fund established - Continuing appropriation -**
18 **Informational budget - Authorization of disbursements - Purposes.** There is established
19 within the state treasury the lottery operating fund into which must be deposited all revenues
20 from the sale of lottery tickets, interest received on moneys in the lottery operating fund, and all
21 other fees and moneys collected. All money in the funds created by this section are
22 continuously appropriated for the purposes specified in this section. Any disbursement from the
23 lottery operating fund must be by authorization of the director for any of the following purposes:

- 24 1. The payment of prizes to the holders of valid, winning lottery tickets. A revolving
25 fund, designated as the "lottery prize payment fund", must be set apart and
26 maintained by the director and held by the state treasurer for the payment of
27 prizes;
- 28 2. Expenses of the lottery, which include all costs incurred in the operation and
29 administration of the lottery; all costs resulting from contracts entered into for the
30 purchase or lease of goods and services needed for operation of the lottery,
31 including supplies, materials, tickets, independent studies and surveys, data

1 transmission, advertising, printing, promotion, incentives, public relations,
2 communications, and compensation paid to lottery retailers; distribution of tickets;
3 and reimbursement of costs of facilities and services provided by other state
4 agencies; and

5 3. Transfers of net proceeds as provided by section 53-12-21.

6 **53-12-20. Amount from sale of tickets allocated for payment of prizes - Means of**
7 **payment for prizes.** As nearly as practical, a minimum of fifty percent of the projected revenue
8 from the sale of lottery tickets, computed on a year-round basis from the sale of on-line lottery
9 games, must be allocated for payment of prizes. The director shall award the designated prize
10 to the holder of the ticket upon validation of a winning claim ticket. The director may make
11 payment for prizes by any means the director deems appropriate upon the validation of winning
12 tickets.

13 **53-12-21. Net proceeds transfers.** One percent of the net proceeds from the sale of
14 lottery tickets, not to exceed two hundred thousand dollars per biennium, must be transferred to
15 the state treasurer for deposit in the compulsive gambling prevention and treatment fund. The
16 remainder of the net proceeds from the sale of lottery tickets must be transferred to the state
17 treasurer on at least an annual basis for deposit in the state general fund.

18 **53-12-22. Counterfeiting lottery tickets - Penalty.** Any person who, with intent to
19 defraud, falsely makes, alters, forges, passes, or counterfeits a lottery ticket issued by the North
20 Dakota lottery under this chapter is guilty of a class C felony.

21 **53-12-23. Sale of tickets at price greater than that fixed by rules prohibited - Sale**
22 **by authorized retailer only - Penalty.** No person may sell a lottery ticket at a price greater
23 than that fixed by the rules adopted under this chapter. No person other than a retailer
24 authorized by the North Dakota lottery may sell or resell lottery tickets. Any person convicted of
25 violating this section is guilty of a class A misdemeanor on the first offense and a class C felony
26 on the second or subsequent offense.

27 **53-12-24. Sale of ticket to minor prohibited - Violation - Gift of ticket to minor**
28 **permitted - Prize paid to parent or guardian.** No lottery ticket may be sold to a minor. Any
29 retailer, employee of a retailer, or any other person who knowingly sells or offers to sell a lottery
30 ticket to a minor is guilty of a class B misdemeanor on the first offense and a class A
31 misdemeanor on the second or subsequent offense. A lottery ticket may be given as a gift to a

1 minor. Any prize won by a minor from a ticket given as a gift must be paid to the minor's parent
2 or legal guardian.

3 **53-12-25. Purchase of ticket or payment of prize to certain persons prohibited -**

4 **Exceptions - Penalty.**

5 1. A lottery ticket may not be purchased by, and a prize may not be paid to, any of the
6 following individuals or to any immediate family member of the following persons:

7 a. Any member of the advisory commission or employee of the North Dakota
8 lottery, unless authorized in writing by the director; or

9 b. Any officer or employee of a business that is currently engaged in supplying
10 equipment, supplies, or services being used directly in the operation of any
11 lottery conducted pursuant to this chapter, unless authorized in writing by the
12 director.

13 2. This section does not prohibit any retailer or the retailer's employee from
14 purchasing lottery tickets or from being paid a prize of a winning ticket.

15 3. Any person who knowingly violates this section is guilty of a class B misdemeanor
16 on the first offense and a class A misdemeanor on the second or subsequent
17 offense.

18 **53-12-26. Prize paid to holder of winning ticket - Deceased winner's prize paid to**
19 **representative - Right to prize nonassignable - Prizes subject to taxation - Disposition of**

20 **unclaimed prize - Liability of lottery after payment of prize.** The prize to be paid or
21 awarded for each winning ticket must be paid to the person who is adjudged by the director to
22 be the holder of the winning ticket. However, the prize of a deceased winner must be paid to
23 the duly appointed representative of the estate of the winner. The right of a person to a prize
24 drawn or awarded is not assignable. All prizes awarded are subject to state and federal income
25 tax laws and regulations. Unclaimed prize money must be retained for a period deemed
26 appropriate by the director, and if no claim is made within that period, the unclaimed prize
27 money must be added to the prize pools of subsequent lottery games. The state, members of
28 the advisory commission, and employees of the North Dakota lottery are discharged of all
29 further liability upon payment of a prize under this section.

1 **53-12-27. Lottery products on Indian reservations.** The governor may negotiate
2 with Indian tribes for the placement and distribution of lottery products within the exterior
3 boundaries of Indian reservations within the state.

4 **53-12-28. Confidentiality of lottery records.** Information and records of the North
5 Dakota lottery are confidential, except for official purposes, and may not be disclosed except to
6 officers, employees, or legal representatives of the attorney general for the purpose of and only
7 to the extent necessary in the investigation and audit procedures or in accordance with a
8 judicial order. No person may use a subpoena, discovery, or other applicable statutes to obtain
9 the information or records. Information and records considered confidential include:

- 10 1. Applications, credit, and security checks of lottery retailers, licensees, and persons
11 seeking or doing business with the lottery;
- 12 2. Marketing, financial, or sales data, the disclosure of which may be harmful to the
13 competitive position of the lottery, its retailers, licensees, or persons seeking or
14 doing business with the lottery;
- 15 3. Audit workpapers, worksheets, and auditing procedures used by the lottery, its
16 agent, or employees; and
- 17 4. Tax returns of individual licensees.

18 **53-12-29. Lottery setoff program established - Computerized file of persons**
19 **owing state.** The director shall establish a liability setoff program by which lottery prize
20 payments may be used to satisfy debts owed or collected through state agencies. Any
21 participating state agency, on a monthly basis, shall provide the director a computerized file of
22 persons owing a debt to or collected through that state agency which contains the following
23 information: the first name, last name, middle initial, social security number, and the amount
24 and type of the debt.

25 **53-12-30. Debt setoff from prize due - Notice of right to appeal - Time limitation -**
26 **Transfer of setoff amount to agency.** The director shall match the information submitted by
27 the agency with persons who are entitled to a lottery prize payment in an amount in excess of
28 one hundred dollars. If there is a match, the director shall set off the amount of the debt from
29 the prize due and notify the person of the person's right to appeal to the appropriate court or to
30 request a review by the agency pursuant to agency rule. The person must make a request or
31 appeal within thirty days after the setoff. If the setoff accounts for only a portion of the prize

1 due, the remainder of the prize shall be paid to the person. The director shall promptly transfer
2 the setoff amount to the agency.

3 **53-12-31. Advisory commission, employees, and lottery discharged from liability.**

4 The members of the advisory commission, director, employees, and the North Dakota lottery
5 are discharged of all further liability for the amount of any setoff paid to a state agency.

6 **53-12-32. Apportionment of prize among agencies - Priority of child support**

7 **payments.** If two or more agencies have delinquent accounts for the same person, the director
8 shall apportion the prize equally among them. However, a setoff to the department of human
9 services for child support payments has priority over all other setoffs.

10 **53-12-33. Collection of remainder of debt.** If the prize is insufficient to satisfy the
11 entire debt, the remainder of the debt may be collected by the agency as provided by law and
12 resubmitted for setoff against any other prize awarded.

13 **SECTION 4.** A new subsection to section 57-39.2-04 of the North Dakota Century Code
14 is created and enacted as follows:

15 Gross receipts from the sale of lottery tickets under chapter 53-12.

16 **SECTION 5. EMERGENCY.** This Act is declared to be an emergency measure.