

Fifty-eighth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1495

Introduced by

Representatives Boehning, Delmore, Kretschmar, Nelson

1 A BILL for an Act to create and enact a new section to chapter 53-06.1, a new subsection to
2 section 53-06.1-11, and a new subsection to section 53-06.1-12 of the North Dakota Century
3 Code, relating to coin-operated gaming devices, and to amend and reenact subsection 3 of
4 section 12.1-28-02, subsection 3 of section 53-06.1-03, and subsection 1 of section 53-06.1-14
5 of the North Dakota Century Code, relating to gambling offenses, rent limits, and gaming tax for
6 coin-operated gaming devices.

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

8 **SECTION 1.** A new section to chapter 53-06 of the North Dakota Century Code is
9 created and enacted as follows:

10 **Coin-operated gaming devices.** A coin-operated gaming device is a device that
11 operates by the insertion of a coin, bill, token, or similar object and which, by application of the
12 element of chance, may deliver, or entitle the person playing or operating the machine to
13 receive cash, premiums, merchandise, or tokens. All coin-operated gaming devices must meet
14 the standards set by rule and be approved by the attorney general and the gaming commission.
15 The maximum limit per wager may be set by the organization for each machine. A wager may
16 not be for more than five dollars. An organization may not conduct coin-operated gaming
17 devices at any site unless the organization has first installed video surveillance equipment as
18 required by rules and the equipment is approved by the attorney general.

19 **SECTION 2.** A new subsection to section 53-06.1-11 of the North Dakota Century
20 Code is created and enacted as follows:

21 For a site that operates coin-operated dispensing devices, the monthly rent may
22 not exceed two hundred dollars multiplied by the necessary number of devices
23 based on criteria prescribed by the gaming rules.

1 **SECTION 3.** A new subsection to section 53-06.1-12 of the North Dakota Century
2 Code is created and enacted as follows:

3 A coin-operated gaming device tax of twenty-five percent is imposed on the
4 adjusted gross proceeds received from the conduct of coin-operated gaming
5 devices. This tax is in place of any sales, use, excise, or gaming taxes provided
6 for by law. The tax must be paid to the attorney general when tax returns are filed.
7 One percent of the coin-operated gaming device tax, not to exceed five hundred
8 thousand dollars per biennium, must be transferred to the state treasurer for
9 deposit in the compulsive gambling prevention and treatment fund.

10 **SECTION 4. AMENDMENT.** Subsection 3 of section 12.1-28-02 of the North Dakota
11 Century Code is amended and reenacted as follows:

- 12 3. A person is guilty of a class C felony if that person engages or participates in the
13 business of gambling. Without limitation, a person is deemed to be engaged in the
14 business of gambling if that person:
- 15 a. Conducts a wagering pool or lottery;
 - 16 b. Receives wagers for or on behalf of another person;
 - 17 c. Alone or with others, owns, controls, manages, or finances a gambling
18 business;
 - 19 d. Knowingly leases or otherwise permits a place to be regularly used to carry
20 on a gambling business or maintain a gambling house;
 - 21 e. Maintains for use on any place or premises occupied by that person a
22 coin-operated gaming device that has not otherwise been approved by law; or
 - 23 f. Is a public servant who shares in the proceeds of a gambling business
24 whether by way of a bribe or otherwise.

25 **SECTION 5. AMENDMENT.** Subsection 3 of section 53-06.1-03 of the North Dakota
26 Century Code is amended and reenacted as follows:

- 27 3. A licensed organization or organization that has a local permit shall conduct games
28 as follows:
- 29 a. Only one licensed organization or organization that has a local permit may
30 conduct games at an authorized site on a day, except that a raffle may be

- 1 conducted for a special occasion by another licensed organization or
2 organization that has a local permit when one of these conditions is met:
- 3 (1) When the area for the raffle is physically separated from the area
4 where games are conducted by the regular organization.
- 5 (2) Upon request of the regular organization and with the approval of the
6 alcoholic beverage establishment, the regular organization's license or
7 local permit is suspended for that specific time of day by the attorney
8 general.
- 9 b. Except for a temporary site authorized for fourteen or fewer consecutive days
10 for not more than two events per quarter, a licensed organization may not
11 have more than twenty-five sites unless granted a waiver by the attorney
12 general. If the attorney general finds that there is no other licensed
13 organization interested in conducting gaming at a site for which a waiver is
14 being sought, the attorney general may approve the waiver for no more than
15 five sites.
- 16 c. Games of pull tabs, punchboards, twenty-one, paddlewheels, poker,
17 coin-operated gaming devices, and sports pools may be conducted only
18 during the hours when alcoholic beverages may be dispensed according to
19 applicable regulations of the state, county, or city.
- 20 d. An organization may not permit a person under twenty-one years of age to
21 directly or indirectly play pull tabs, punchboards, twenty-one, calcuttas, sports
22 pools, paddlewheels, coin-operated gaming devices, or poker. An
23 organization may not permit a person under eighteen years of age to directly
24 or indirectly play bingo unless the person is accompanied by an adult, bingo
25 is conducted by an organization that has a local permit, or the game's prize
26 structure does not exceed that allowed for a local permit.

27 **SECTION 6. AMENDMENT.** Subsection 1 of section 53-06.1-14 of the North Dakota
28 Century Code is amended and reenacted as follows:

- 29 1. A manufacturer of pull tabs, bingo cards, bingo card marking devices,
30 coin-operated gaming devices, or pull tab dispensing devices shall apply annually
31 for a license and pay a license fee of four thousand dollars. A distributor shall

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- 1 apply annually for a license and pay a license fee of one thousand five hundred
- 2 dollars. Application must be made on a form prescribed by the attorney general
- 3 before the first day of April in each year.