

SENATE BILL NO. 2209

Introduced by

Senators Klein, Fischer, Taylor

Representatives Froelich, Porter, Wieland

1 A BILL for an Act to amend and reenact subsection 4 of section 53-06.2-05, subsection 1 of
2 section 53-06.2-07, subsection 4 of section 53-06.2-08, section 53-06.2-10.1, and subsection 2
3 of section 53-06.2-13 of the North Dakota Century Code, relating to the attorney general's
4 approval of licensing and auditing of parimutuel wagering.

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

6 **SECTION 1. AMENDMENT.** Subsection 4 of section 53-06.2-05 of the North Dakota
7 Century Code is amended and reenacted as follows:

8 4. License all participants in the racing and simulcast parimutuel wagering industry
9 and require and obtain information the commission deems necessary from license
10 applicants. Licensure of service providers, totalizator companies, site operators,
11 and organizations applying to conduct or conducting parimutuel wagering must be
12 approved by the attorney general. The attorney general may not grant a license
13 denied by the commission. The commission may obtain from the bureau of
14 criminal investigation, without charge, criminal history record information as
15 required in the licensing process.

16 **SECTION 2. AMENDMENT.** Subsection 1 of section 53-06.2-07 of the North Dakota
17 Century Code is amended and reenacted as follows:

18 1. On compliance by an applicant with this chapter and the approval of the attorney
19 general, the commission may issue a license to conduct races. The attorney
20 general may not grant a license denied by the commission.

21 **SECTION 3. AMENDMENT.** Subsection 4 of section 53-06.2-08 of the North Dakota
22 Century Code is amended and reenacted as follows:

23 4. The commission may grant licenses to horse owners, jockeys, riders, agents,
24 trainers, grooms, stable foremen, exercise workers, veterinarians, valets,

1 concessionaires, service providers, employees of racing associations, and such
2 other persons as determined by the commission. Licensure of service providers,
3 totalizator companies, site operators, and organizations applying to conduct or
4 conducting parimutuel wagering must be approved by the attorney general. The
5 attorney general may not grant a license denied by the commission. License fees
6 are as established by the commission.

7 **SECTION 4. AMENDMENT.** Section 53-06.2-10.1 of the North Dakota Century Code
8 is amended and reenacted as follows:

9 **53-06.2-10.1. Simulcast wagering.** In addition to racing under the certificate system,
10 as authorized by this chapter, and conducted upon the premises of a racetrack, simulcast
11 parimutuel wagering may be conducted in accordance with this chapter and interim standards
12 that need not comply with chapter 28-32, or rules adopted by the commission under this
13 chapter. Any organization qualified under section 53-06.2-06 to conduct racing may make
14 written application to the commission for the conduct of simulcast parimutuel wagering on races
15 held at licensed racetracks inside the state or racetracks outside the state, or both. Licensure
16 of service providers, totalizator companies, site operators, or organizations applying to conduct
17 or conducting simulcast or account wagering must be approved by the attorney general. The
18 attorney general may not grant a license denied by the commission. Notwithstanding any other
19 provision of this chapter, the commission may authorize any licensee to participate in interstate
20 or international combined wagering pools with one or more other racing jurisdictions. Anytime
21 that a licensee participates in an interstate or international combined pool, the licensee, as
22 prescribed by the commission, may adopt the take-out of the host jurisdiction or facility. The
23 commission may permit a licensee to use one or more of its races or simulcast programs for an
24 interstate or international combined wagering pool at locations outside its jurisdiction and may
25 allow parimutuel pools in other states to be combined with parimutuel pools in its jurisdiction for
26 the purpose of establishing an interstate or international combined wagering pool. The
27 participation by a licensee in a combined interstate or international wagering pool does not
28 cause that licensee to be considered to be doing business in any jurisdiction other than the
29 jurisdiction in which the licensee is physically located. Parimutuel taxes or commissions may
30 not be imposed on any amounts wagered in an interstate or international combined wagering
31 pool other than amounts wagered within this jurisdiction. The certificate system also permits

1 parimutuel wagering to be conducted through account wagering. As used in this section,
2 "account wagering" means a form of parimutuel wagering in which an individual deposits money
3 in an account and uses the account balance to pay for parimutuel wagers. An account wager
4 made on an account established in this state may only be made through the licensed simulcast
5 service provider approved by the attorney general and authorized by the commission to operate
6 the simulcast parimutuel wagering system under the certificate system. The attorney general
7 may not grant licenses denied by the commission. An account wager may be made in person,
8 by direct telephone communication, or through other electronic communication in accordance
9 with rules adopted by the commission. Breakage for interstate or international combined
10 wagering pools must be calculated in accordance with the statutes or rules of the host
11 jurisdiction and must be distributed among the participating jurisdictions in a manner agreed to
12 among the jurisdictions.

13 **SECTION 5. AMENDMENT.** Subsection 2 of section 53-06.2-13 of the North Dakota
14 Century Code is amended and reenacted as follows:

- 15 2. The attorney general may audit and investigate licensed service providers and
16 affiliated companies authorized by the commission to operate the simulcast
17 parimutuel wagering system, totalizator companies, site operators, or organizations
18 applying to conduct or conducting parimutuel wagering. The attorney general may:
19 a. Inspect all sites in which parimutuel wagering is conducted.
20 b. Inspect all parimutuel wagering equipment and supplies.
21 c. Seize, remove, or impound any parimutuel equipment, supplies, or books and
22 records for the purpose of examination and inspection.
23 d. Inspect, examine, photocopy, and audit all books and records.

24 The commission shall reimburse the attorney general for ~~all services rendered to~~
25 ~~the racing commission~~ auditing and investigation. Payment for ~~the services~~
26 auditing and investigation must be deposited in the attorney general's operating
27 fund.