

HOUSE BILL NO. 1551

Introduced by

Representative Boucher

1 A BILL for an Act to amend and reenact section 53-06.2-11 of the North Dakota Century Code,
2 relating to taxes on pari-mutuel wagering; and to provide an effective date.

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

4 **SECTION 1. AMENDMENT.** Section 53-06.2-11 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **53-06.2-11. Bet payoff formulas - Uses by licensee of funds in excess of**
7 **expenses - Payment to general fund.**

- 8 1. For wagering on live horse racing and simulcast wagering:
- 9 a. In win, place, and show pari-mutuel pools, the licensee may deduct no more
10 than twenty percent of the amount wagered. Of the amount wagered, the
11 licensee shall pay:
- 12 (1) ~~Two~~ One-half of one percent to the state treasurer to be deposited in
13 the general fund.
- 14 (2) One-half of one percent to the commission to be deposited in the
15 breeders' fund.
- 16 (3) One-half of one percent to the commission to be deposited in the purse
17 fund.
- 18 (4) One-half of one percent to the commission to be deposited in the racing
19 promotion fund.
- 20 b. In daily double, quinella, exacta, trifecta, or other combination pari-mutuel
21 pools, the licensee may deduct no more than twenty-five percent of the
22 amount wagered. Of the amount wagered, the licensee shall pay:
- 23 (1) ~~Two and one-half~~ One-half of one percent to the state treasurer to be
24 deposited in the general fund.

- 1 (2) One-half of one percent to the commission to be deposited in the
2 breeders' fund.
- 3 (3) One-half of one percent to the commission to be deposited in the purse
4 fund.
- 5 (4) One-half of one percent to the commission to be deposited in the racing
6 promotion fund.
- 7 2. For account wagering:
- 8 a. In win, place, and show pari-mutuel pools, the licensee may deduct no more
9 than twenty percent of the amount wagered.
- 10 ~~(1) Before eleven million dollars is wagered in all pari-mutuel wagering in~~
11 ~~each biennium, of the amount wagered by account wagering in win,~~
12 ~~place, and show pari-mutuel pools, the licensee shall pay:~~
- 13 ~~(a) Two percent to the state treasurer to be deposited in the general~~
14 ~~fund.~~
- 15 ~~(b) One-half of one percent to the commission to be deposited in the~~
16 ~~breeders' fund.~~
- 17 ~~(c) One-half of one percent to the commission to be deposited in the~~
18 ~~purse fund.~~
- 19 ~~(d) One-half of one percent to the commission to be deposited in the~~
20 ~~racing promotion fund.~~
- 21 ~~(2) After eleven million dollars is wagered in all pari-mutuel wagering in~~
22 ~~each biennium, of~~ Of ~~the amount wagered by account wagering in win,~~
23 ~~place, and show pari-mutuel pools, the licensee shall pay:~~
- 24 ~~(a)~~ (1) One-sixteenth of one percent to the state treasurer to be deposited in
25 the general fund.
- 26 ~~(b)~~ (2) One-sixteenth of one percent to the commission to be deposited in the
27 breeders' fund.
- 28 ~~(c)~~ (3) One-sixteenth of one percent to the commission to be deposited in the
29 purse fund.
- 30 ~~(d)~~ (4) One-sixteenth of one percent to the commission to be deposited in the
31 racing promotion fund.

- 1 b. ~~In daily double, quinella, exacta, trifecta, or other combination pari-mutuel~~
2 ~~pools, the licensee may deduct no more than twenty five percent of the~~
3 ~~amount wagered.~~
- 4 (1) ~~Before eleven million dollars is wagered in each biennium, of the~~
5 ~~amount wagered by account wagering in daily double, quinella, exacta,~~
6 ~~trifecta, or other combination pari-mutuel pools, the licensee shall pay:~~
- 7 (a) ~~Two and one-half percent to the state treasurer to be deposited in~~
8 ~~the general fund.~~
- 9 (b) ~~One-half of one percent to the commission to be deposited in the~~
10 ~~breeders' fund.~~
- 11 (c) ~~One-half of one percent to the commission to be deposited in the~~
12 ~~purse fund.~~
- 13 (d) ~~One-half of one percent to the commission to be deposited in the~~
14 ~~racing promotion fund.~~
- 15 (2) ~~After eleven million dollars is wagered in all pari-mutuel wagering in~~
16 ~~each biennium, of~~ Of ~~the amount wagered by account wagering in daily~~
17 ~~double, quinella, exacta, trifecta, or other combination pari-mutuel~~
18 ~~pools, the licensee shall pay:~~
- 19 (a) (1) One-sixteenth of one percent to the state treasurer to be deposited in
20 the general fund.
- 21 (b) (2) One-sixteenth of one percent to the commission to be deposited in the
22 breeders' fund.
- 23 (c) (3) One-sixteenth of one percent to the commission to be deposited in the
24 purse fund.
- 25 (d) (4) One-sixteenth of one percent to the commission to be deposited in the
26 racing promotion fund.
- 27 3. For all pari-mutuel wagering the licensee shall pay to the commission the amount
28 due for all unclaimed tickets and all breakage to be deposited in the racing
29 promotion fund.

- 1 4. The licensee conducting wagering on live racing, simulcast wagering, or account
2 wagering shall retain all other money in the pari-mutuel pool and pay it to bettors
3 holding winning tickets as provided by rules adopted by the commission.
- 4 5. A licensee may not use any of the portion deducted for expenses under
5 subsections 1 and 2 for expenses not directly incurred by the licensee in
6 conducting pari-mutuel racing under the certificate system. After paying qualifying
7 expenses, the licensee shall use the remainder of the amount so withheld only for
8 eligible uses allowed to charitable gambling organizations under section
9 53-06.1-11.1.
- 10 6. The commission shall deposit the moneys received pursuant to subsections 1, 2,
11 and 3 and from the North Dakota horse racing foundation pursuant to subsection 5
12 of section 53-06.2-05 in the breeders' fund, the purse fund, and the racing
13 promotion fund. Moneys, and any earnings on the moneys, in the breeders' fund,
14 purse fund, and racing promotion fund are appropriated to the commission on a
15 continuing basis to carry out the purposes of those funds under this chapter and
16 must be administered and disbursed in accordance with rules adopted by the
17 commission. The commission may not transfer money among the funds. The
18 commission shall distribute awards and payment supplements from the breeders'
19 fund in the same calendar year the money was earned by the recipient. The
20 commission shall distribute payments awarded to qualified owners and breeders
21 from the breeders' fund without requiring owners and breeders to apply for the
22 payments. The commission, upon approval of the emergency commission, may
23 receive no more than twenty-five percent of the racing promotion fund for the
24 payment of the commission's operating expenses.

25 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable events occurring after
26 June 30, 2009.