

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; to provide an effective date; and to provide an
3 expiration date.

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

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

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

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

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

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

27 **SECTION 2. EFFECTIVE DATE - EXPIRATION DATE.** This Act is effective for
28 taxable events occurring after June 30, 2009, and before July 1, 2013, and is thereafter
29 ineffective.