

SPORTS AND AMUSEMENTS

CHAPTER 385

SENATE BILL NO. 2250

(Senator Sorvaag)

AN ACT to amend and reenact sections 53-01-01.1 and 53-01-07 of the North Dakota Century Code, relating to combative sports.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 53-01-01.1 of the North Dakota Century Code is amended and reenacted as follows:

53-01-01.1. Mixed fighting style competition - Definition - Prohibition.

As used in this chapter, "mixed fighting style competition" means an advertised or professionally promoted exhibition or contest for which any type of admission fee is charged and in which participants who inflict or employ kicks, punches, blows, holds, and other techniques to injure, stun, choke, incapacitate, or disable an opponent. The techniques may include a combination of boxing, kickboxing, wrestling, grappling, or other recognized martial arts. Boxing and kickboxing exhibitions or contests without the combination of other techniques do not constitute mixed fighting style competitions. ~~A person may not advertise, promote, sponsor, hold, or participate in any mixed fighting style competition in this state until a mixed fighting style advisory board is authorized and appointed and rules governing the competitions have been adopted by the secretary of state under this chapter.~~

SECTION 2. AMENDMENT. Section 53-01-07 of the North Dakota Century Code is amended and reenacted as follows:

53-01-07. Duties of state commissioner of combative sports.

The secretary of state shall supervise all boxing, kickboxing, mixed fighting style competitions, or sparring exhibitions held in the state and may:

- ~~1. Adopt combined rules governing the conduct of boxing, kickboxing, mixed fighting style competitions, and sparring exhibitions. In lieu of adopting combined rules the secretary of state may regulate the conduct of any boxing, kickboxing, mixed fighting style, or sparring match, competition, or exhibition through the use of the most recent uniform rules of boxing and the unified rules of mixed martial arts published by the association of boxing commissions.~~
2. Establish license fees for all boxers, kickboxers, mixed style fighters, boxing, kickboxing, and mixed fighting style competition promoters, managers, judges, timekeepers, cornerpersons, knockdown counters, matchmakers, and referees or other participants.

3. Charge a fee equal to the actual cost incurred to regulate the competitions and exhibitions.
4. Adopt rules allowing the secretary of state to perform screening tests for controlled substances, as defined in section 19-03.1-01, on boxers, kickboxers, and mixed style fighters participating in a competition or an exhibition.

Approved March 22, 2021

Filed March 23, 2021

CHAPTER 386

SENATE BILL NO. 2251

(Senators Hogue, D. Larsen, Schaible)
(Representatives B. Koppelman, Porter, D. Ruby)

AN ACT to amend and reenact subsection 1 of section 53-06.1-03 and section 53-06.1-11.1 of the North Dakota Century Code, relating to permitting certain political organizations that have a permit to conduct raffles to use the net proceeds for a political purpose.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 1 of section 53-06.1-03 of the North Dakota Century Code is amended and reenacted as follows:

1. Except as authorized by the attorney general, an organization that has its license suspended or revoked, or has relinquished or not renewed its license and not disbursed its net proceeds, is ineligible for a license or permit. Only one of two or more closely related organizations may have a license or permit at one time. A college or university fraternity, sorority, or club is not closely related to an educational organization. An organization shall apply for a permit as follows:
 - a. An organization recognized as a public-spirited organization by the governing body of a city or county may apply for permits. A local permit may allow the organization to conduct only raffles, bingo, or sports pools. A restricted event permit may allow the organization to conduct only raffles, bingo, sports pools, paddlewheels, twenty-one, and poker. The organization or closely related organizations as a whole may only award a primary prize that does not exceed eight thousand dollars and total prizes of all games do not exceed forty thousand dollars per year. These maximum prize amounts do not apply to raffles conducted under chapter 20.1-08. The determination of what is a "public-spirited organization" is within the sole discretion of the governing body. An organization shall disclose on the application its intended use of the net income from the gaming activity. A governing body may issue a permit for games to be held at designated times and places.
 - b. An organization shall apply to the governing body of the city or county in which the proposed site is located. Application must be made on a form prescribed by the attorney general. Approval may be granted at the discretion of the governing body. A governing body may establish a fee not to exceed twenty-five dollars for each permit. A permit must be on a fiscal year basis from July first to June thirtieth or on a calendar-year basis.
 - c. ~~Except for the restriction of subsection 1 of section 53-06.1-11.1, an~~ An organization that has a local permit or a restricted event permit may use the net income from the gaming activity for any purpose that does not violate this chapter or gaming rules, unless the organization is a state political party or legislative district party committee, the organization may

use the net income from a raffle for a political purpose. For purposes of this subdivision, a public-spirited use includes a political purpose.

- d. An organization that has a restricted event permit is restricted to one event per year and:
 - (1) May not pay remuneration to employees for personal services;
 - (2) Shall use chips as wagers;
 - (3) Shall redeem a player's chips for merchandise prizes or cash;
 - (4) Shall disburse net income to eligible uses referenced by ~~subsection 2 e~~ in subdivision c, if applicable, and in section 53-06.1-11.1; and
 - (5) Shall file a report prescribed by the attorney general with the governing body and attorney general.

³¹¹ **SECTION 2. AMENDMENT.** Section 53-06.1-11.1 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-11.1. Restricted use of money in certain political activities - Eligible uses of net proceeds.

1. Except as provided in subdivision c of subsection 1 of section 53-06.1-03:
 - a. A licensed organization or an organization that has a permit may not use money from any source for placing an initiated or referred measure on a ballot or for a political campaign to promote or oppose a person for public office.
 - b. Except for a use related to an organization's primary purpose, a licensed organization or organization that has a permit may not use net proceeds to influence legislation or promote or oppose referendums or initiatives.
 - c. Any funds expended by a licensed organization or an organization that has a permit to promote or oppose an initiated or referred measure that is on the ballot or for any activities of a lobbyist under section 54-05.1-02, that are not compensation or expenses paid to a lobbyist, and that are not required to be reported under section 54-05.1-03 must be reported to the attorney general as prescribed by the attorney general. A violation of this subsection subjects an organization to a suspension of its license or permit for up to one year.
2. A licensed organization or an organization that has a restricted event permit shall disburse net proceeds within the period prescribed by rule and for only these educational, charitable, patriotic, fraternal, religious, or public-spirited uses:
 - a. Uses for stimulating and promoting state and community-based economic development programs within the state which improve the quality of life of community residents.

³¹¹ Section 53-06.1-11.1 was also amended by section 1 of House Bill No. 1263, chapter 388.

- b. Uses for developing, promoting, and supporting tourism within a city, county, or the state.
- c. Uses benefiting an indefinite number of persons by bringing them under the influence of education, cultural programs, or religion which include disbursements to provide:
 - (1) Scholarships for students, if the disbursement is deposited in a scholarship fund for defraying the cost of education to students and the scholarships are awarded through an open and fair selection process.
 - (2) Supplementary assistance to a public or private nonprofit educational institution registered with or accredited by any state.
 - (3) Assistance to libraries and museums.
 - (4) Assistance for the performing arts and humanities.
 - (5) Preservation of cultural heritage.
 - (6) Youth community, social welfare, and athletic activities.
 - (7) Adult amateur athletic activities within the state, including team uniforms and equipment.
 - (8) Maintenance of places of public worship or support of a body of communicants, gathered in common membership for mutual support and edification in piety, worship, or religious observances.
 - (9) Scientific research.
- d. Uses benefiting an indefinite number of persons by relieving them of disease, suffering, or constraint which include disbursements to provide:
 - (1) Assistance to an individual or family suffering from poverty or homelessness.
 - (2) Encouragement and enhancement of the active participation of the elderly in our society.
 - (3) Services to the abused.
 - (4) Services to persons with an addicted behavior toward alcohol, gambling, or drugs.
 - (5) Funds to combat juvenile delinquency and rehabilitate ex-offenders.
 - (6) Relief for the sick, diseased, and terminally ill and their physical well-being.
 - (7) Funds for emergency relief and volunteer services.
 - (8) Funds to nonprofit nursing homes, nonprofit day care centers, and nonprofit medical facilities.

- (9) Social services and education programs aimed at aiding emotionally and physically distressed, handicapped, elderly, and underprivileged persons.
 - (10) Funds for crime prevention, fire protection and prevention, and public safety.
 - (11) Funds to relieve, improve, and advance the physical and mental conditions, care and medical treatment, and health and welfare of injured or disabled veterans.
- e. Uses that perpetuate the memory and history of the dead.
 - f. Uses increasing comprehension of and devotion to the principles upon which the nation was founded, including disbursements to aid in teaching the principles of liberty, truth, justice, and equality. However, beauty pageants do not qualify.
 - g. The erection or maintenance of public buildings, facilities, utilities, or waterworks.
 - h. Uses lessening the burden of government which include disbursements to an entity that is normally funded by a city, county, state, or United States government and disbursements directly to a government entity or its agency.
 - i. Uses benefiting a definite number of persons who are the victims of loss of home or household possessions through explosion, fire, flood, or storm and the loss is not covered by insurance.
 - j. Uses benefiting a definite number of persons suffering from a seriously disabling disease or injury causing severe loss of income or incurring extraordinary medical expense which is not covered by insurance.
 - k. Uses, for community service projects, by chambers of commerce exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code. A project qualifies if it develops or promotes public services, including education, housing, transportation, recreation, crime prevention, fire protection and prevention, safety, tourism, and health. Uses that directly benefit a chamber of commerce do not qualify.
 - l. Uses for or of benefit to efforts in support of the health, comfort, or well-being of the community which include disbursements to provide:
 - (1) Funds for adult bands, including drum and bugle corps.
 - (2) Funds for trade shows and conventions conducted in this state.
 - (3) Funds for nonprofit organizations that operate a humane society, zoo, or fish or wildlife reproduction and habitat enhancement program.
 - (4) Funds for public transportation, community celebration, and recreation.
 - (5) Funds for preservation and cleanup of the environment.

- m. To the extent net proceeds are used toward the primary purpose of a charitable, educational, religious, public safety, or public-spirited organization, or are used for a veterans or public cemetery by a veterans organization, that has obtained a final determination from the internal revenue service as qualifying for exemption from federal income tax under section 501(c)(3) or 501(c)(19) of the Internal Revenue Code, the organization may establish a special trust fund or foundation as a contingency for funding or maintaining the organization's future program services should the organization discontinue conducting games or dissolve.
 - n. Uses for a fundraising activity unrelated to an organization's primary purpose provided that the gross revenue from the activity is disbursed to uses prescribed by this subsection.
- 3. With the exception of a veterans organization, the uses in subsection 2 do not include the erection, acquisition, improvement, maintenance, or repair of real or personal property owned or leased by an organization unless it is used exclusively for an eligible use.
 - 4. A licensed organization or recipient of net proceeds may not use net proceeds for administrative or operating expenses involving the conduct of games.

Approved March 31, 2021

Filed April 1, 2021

CHAPTER 387

HOUSE BILL NO. 1162

(Representatives Roers Jones, Dockter, Hanson, Keiser, Lefor, Porter, Pyle)
(Senators Bekkedahl, Davison)

AN ACT to amend and reenact section 53-06.1-10.1 of the North Dakota Century Code, relating to raffle ticket purchases.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 53-06.1-10.1 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-10.1. Raffles.

1. A prize for a raffle may be cash or merchandise but may not be real estate. No single cash prize may exceed twenty-five thousand dollars and the total cash prizes in one day may not exceed twenty-five thousand dollars. However, on not more than two occasions per year a licensed organization may, at the request of a winning player, exchange a merchandise prize valued at not more than twenty-five thousand dollars for a cash prize.
2. The maximum cash prize limits of this section do not apply to a public-spirited organization that supports amateur collegiate athletics.
3. An organization permitted to conduct raffles in this state may conduct a fifty-fifty raffle either by manual drawing or by using a random number generator. Fifty-fifty raffle tickets must be sold and drawings held onsite at the location of and on the date of the event. Fifty-fifty raffles may not be conducted online over the internet.
4. A licensed organization permitted to conduct raffles in this state may sell online over the internet and may accept an electronic payment, including payment by a debit card or a credit card, for the purchase of a raffle ticket. An organization that accepts payment by credit card for the purchase of a raffle ticket shall limit an individual's ticket purchases using a credit card to five hundred dollars per day, not to exceed one thousand five hundred dollars per week. If a licensed organization accepts electronic payment for the purchase of a raffle ticket, the organization shall verify the ticket purchaser is at least eighteen years of age and physically is located in the state.

Approved April 27, 2021

Filed April 28, 2021

CHAPTER 388**HOUSE BILL NO. 1263**

(Representatives Hanson, Dockter, Vetter)
(Senators Bekkedahl, Dever, Meyer)

AN ACT to amend and reenact subsection 3 of section 53-06.1-11.1 of the North Dakota Century Code, relating to eligible uses for charitable gaming net proceeds.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

³¹² **SECTION 1. AMENDMENT.** Subsection 3 of section 53-06.1-11.1 of the North Dakota Century Code is amended and reenacted as follows:

3. ~~With the exception of a veterans organization, the~~ The eligible uses in subsection 2 do not include the erection, acquisition, ~~property taxes, special assessments,~~ improvement, maintenance, or repair of real or personal property owned or leased by an organization unless ~~if~~ the real property is used exclusively for an eligible use: ~~or by a veterans organization.~~

Approved April 19, 2021

Filed April 20, 2021

³¹² Section 53-06.1-11.1 was also amended by section 2 of Senate Bill No. 2251, chapter 386.

CHAPTER 389

HOUSE BILL NO. 1212

(Representatives Dockter, Headland, Mitskog)
(Senators Meyer, Bell)

AN ACT to create and enact a new section to chapter 53-06.1 of the North Dakota Century Code, relating to the creation of a charitable gaming operating fund; to amend and reenact section 53-06.1-12 of the North Dakota Century Code, relating to charitable gaming tax; to provide a continuing appropriation; to provide for a transfer; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

³¹³ **SECTION 1.** A new section to chapter 53-06.1 of the North Dakota Century Code is created and enacted as follows:

Charitable gaming operating fund - Attorney general - State treasurer - Continuing appropriation - Allocations - Transfer to the general fund.

1. There is created in the state treasury the charitable gaming operating fund. The fund consists of all gaming taxes, monetary fines, and interest and penalties collected under this chapter.
2. Excluding moneys in the charitable gaming operating fund appropriated by the legislative assembly for administrative and operating costs associated with charitable gaming, all other moneys in the charitable gaming operating fund are appropriated to the attorney general on a continuing basis for quarterly allocations as follows:
 - a. Ten thousand dollars to the gambling disorder prevention and treatment fund.
 - b. Five percent of the total moneys deposited in the charitable gaming operating fund to cities and counties in proportion to the taxes collected under section 53-06.1-12 from licensed organizations conducting games within each city, for sites within city limits, or within each county, for sites outside city limits. If a city or county allocation is less than two hundred dollars, that city or county is not entitled to receive a payment for the quarter and the undistributed amount must be included in the total amount to be distributed to other cities and counties for the quarter.
3. On or before June thirtieth of each odd-numbered year, the attorney general shall certify to the state treasurer the amount of accumulated funds in the charitable gaming operating fund which exceed the amount appropriated by the legislative assembly for administrative and operating costs associated with charitable gaming for the subsequent biennium. The state treasurer shall transfer the certified amount from the charitable gaming operating fund to the general fund prior to the end of each biennium.

³¹³ Section 53-06.1-11.2 was amended by section 13 of House Bill No. 1003, chapter 3.

SECTION 2. AMENDMENT. Section 53-06.1-12 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-12. Gaming tax - Deposits and allocations.

1. A gaming tax is imposed on the total adjusted gross proceeds received by a licensed organization in a quarter and it must be computed and paid to the attorney general on a quarterly basis on the tax return. This tax must be paid from adjusted gross proceeds and is not part of the allowable expenses. For a licensed organization with adjusted gross proceeds:
 - a. Not exceeding ~~one million five hundred fifty~~ thousand dollars the tax is one percent of adjusted gross proceeds.
 - b. Exceeding ~~one million five hundred fifty~~ thousand dollars the tax is ~~fifteen thousand five hundred~~ dollars plus ~~two and twenty-five hundredths~~ twelve percent of adjusted gross proceeds exceeding ~~one million five hundred fifty~~ thousand dollars.
2. The tax must be paid to the attorney general at the time tax returns are filed.
3. ~~Except as provided in subsection 4, the~~The attorney general shall deposit gaming taxes, monetary fines, and interest and penalties collected in the ~~general charitable gaming operating fund in the state treasury.~~
4. ~~The attorney general shall deposit seven percent of the total taxes, less refunds, collected under this section into a gaming tax allocation fund. Pursuant to legislative appropriation, moneys in the fund must be distributed quarterly to cities and counties in proportion to the taxes collected under this section from licensed organizations conducting games within each city, for sites within city limits, or within each county, for sites outside city limits. If a city or county allocation under this subsection is less than two hundred dollars, that city or county is not entitled to receive a payment for the quarter and the undistributed amount must be included in the total amount to be distributed to other cities and counties for the quarter.~~

SECTION 3. EFFECTIVE DATE. Section 2 of this Act is effective for taxable events occurring after June 30, 2021.

Approved April 21, 2021

Filed April 22, 2021

CHAPTER 390

SENATE BILL NO. 2214

(Senators Dwyer, Bakke, Heitkamp)
(Representatives Heinert, Klemin)

AN ACT to amend and reenact subsection 6 of section 53-06.2-01, section 53-06.2-03, subsection 3 of section 53-06.2-07, and section 53-06.2-15 of the North Dakota Century Code, relating to the executive director of the North Dakota racing commission; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 6 of section 53-06.2-01 of the North Dakota Century Code is amended and reenacted as follows:

6. "~~Director~~Executive director" means the executive director of the commission.

SECTION 2. AMENDMENT. Section 53-06.2-03 of the North Dakota Century Code is amended and reenacted as follows:

53-06.2-03. ~~Director~~Executive director of racing - Appointment - Qualifications - Salary - Duties - Other personnel.

1. The commission shall appoint ~~an~~ executive director of racing. The commission shall establish the executive director's qualifications and salary.
2. The executive director shall devote such time to the duties of the office as the commission may prescribe. The executive director is the executive officer of the commission and shall enforce the rules and orders of the commission. The executive director shall perform other duties the commission prescribes.
3. The executive director may employ other persons as authorized by the commission.

SECTION 3. AMENDMENT. Subsection 3 of section 53-06.2-07 of the North Dakota Century Code is amended and reenacted as follows:

3. At least thirty days before the commission issues or renews a license to conduct races, the applicant shall deliver a complete copy of the application to the local jurisdiction governing body. The application to the commission must include a certificate verified by a representative of the applicant, indicating delivery of the application copy to the governing body. If the governing body of the local jurisdiction adopts a resolution disapproving the application for license or renewal and so informs the executive director within thirty days of receiving a copy of the application, the license to conduct races may not be issued or renewed.

SECTION 4. AMENDMENT. Section 53-06.2-15 of the North Dakota Century Code is amended and reenacted as follows:

53-06.2-15. Revocation, suspension, fine - Procedure.

The commission, on proof of violation by a licensee, its agents or employees, of this chapter or any rule adopted by the commission may, on reasonable notice to the licensee and after giving the licensee an opportunity to be heard, fine the licensee or revoke or suspend the license. If the license is revoked, the licensee is not eligible to receive another license within twelve months from the date of revocation. Every decision or order of the commission must be made in writing and filed with the executive director for preservation as a permanent record of the commission. The decision must be signed by the chairman, attested by the executive director, and dated.

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

Approved April 16, 2021

Filed April 16, 2021