

**HOUSE BILL NO. 1142**

Introduced by

Representatives Schauer, Klemin, J. Olson, Richter, M. Ruby, Thomas

Senators Dever, Mathern, Paulson, Sorvaag, Wobbema

1 A BILL for an Act to amend and reenact subsection 2 of section 53-06.1-11.1 of the North  
2 Dakota Century Code, relating to expanding eligible uses for charitable gaming net proceeds.

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

4 **SECTION 1. AMENDMENT.** Subsection 2 of section 53-06.1-11.1 of the North Dakota  
5 Century Code is amended and reenacted as follows:

6 2. A licensed organization or an organization that has a restricted event permit shall  
7 disburse net proceeds within the period prescribed by rule and for only these  
8 educational, charitable, patriotic, fraternal, religious, or public-spirited uses:

9 a. Uses for stimulating and promoting state and community-based economic  
10 development programs within the state which improve the quality of life of  
11 community residents.

12 b. Uses for developing, promoting, and supporting tourism within a city, county, or  
13 the state.

14 c. Uses benefiting an indefinite number of persons by bringing them under the  
15 influence of education, cultural programs, or religion which include disbursements  
16 to provide:

17 (1) Scholarships for students, if the disbursement is deposited in a scholarship  
18 fund for defraying the cost of education to students and the scholarships are  
19 awarded through an open and fair selection process.

20 (2) Supplementary assistance to a public or private nonprofit educational  
21 institution registered with or accredited by any state.

22 (3) Assistance to libraries and museums.

23 (4) Assistance for the performing arts and humanities.

24 (5) Preservation of cultural heritage.

- 1 (6) Youth community, social welfare, and athletic activities.
- 2 (7) Adult amateur athletic activities within the state, including team uniforms
- 3 and equipment.
- 4 (8) Maintenance of places of public worship or support of a body of
- 5 communicants, gathered in common membership for mutual support and
- 6 edification in piety, worship, or religious observances.
- 7 (9) Scientific research.
- 8 d. Uses benefiting an indefinite number of persons by relieving them of disease,
- 9 suffering, or constraint which include disbursements to provide:
- 10 (1) Assistance to an individual or family suffering from poverty or
- 11 homelessness.
- 12 (2) Encouragement and enhancement of the active participation of the elderly in
- 13 our society.
- 14 (3) Services to the abused.
- 15 (4) Services to persons with an addicted behavior toward alcohol, gambling, or
- 16 drugs.
- 17 (5) Funds to combat juvenile delinquency and rehabilitate ex-offenders.
- 18 (6) Relief for the sick, diseased, and terminally ill and their physical well-being.
- 19 (7) Funds for emergency relief and volunteer services.
- 20 (8) Funds to nonprofit nursing homes, nonprofit day care centers, and nonprofit
- 21 medical facilities.
- 22 (9) Social services and education programs aimed at aiding emotionally and
- 23 physically distressed, handicapped, elderly, and underprivileged persons.
- 24 (10) Funds for crime prevention, fire protection and prevention, and public safety.
- 25 (11) Funds to relieve, improve, and advance the physical and mental conditions,
- 26 care and medical treatment, and health and welfare of injured or disabled
- 27 veterans.
- 28 e. Uses that perpetuate the memory and history of the dead.
- 29 f. Uses increasing comprehension of and devotion to the principles upon which the
- 30 nation was founded, including disbursements to aid in teaching the principles of
- 31 liberty, truth, justice, and equality. However, beauty pageants do not qualify.

- 1           g. The erection or maintenance of public buildings, facilities, utilities, or waterworks.
- 2           h. Uses lessening the burden of government which include disbursements to an
- 3           entity that is normally funded by a city, county, state, or United States government
- 4           and disbursements directly to a government entity or its agency.
- 5           i. Uses benefiting a definite number of persons who are the victims of loss of home
- 6           or household possessions through explosion, fire, flood, or storm and the loss is
- 7           not covered by insurance.
- 8           j. Uses benefiting a definite number of persons suffering from a seriously disabling
- 9           disease or injury causing severe loss of income or incurring extraordinary
- 10          medical expense which is not covered by insurance.
- 11          k. Uses, for community service projects, by chambers of commerce exempt from
- 12          federal income tax under section 501(c)(6) of the Internal Revenue Code. A
- 13          project qualifies if it develops or promotes public services, including education,
- 14          housing, transportation, recreation, crime prevention, fire protection and
- 15          prevention, safety, tourism, and health. Uses that directly benefit a chamber of
- 16          commerce do not qualify.
- 17          l. Uses for or of benefit to efforts in support of the health, comfort, or well-being of
- 18          the community which include disbursements to provide:
- 19           (1) Funds for adult bands, including drum and bugle corps.
- 20           (2) Funds for trade shows and conventions conducted in this state.
- 21           (3) Funds for nonprofit organizations that operate a humane society, zoo, or fish
- 22           or wildlife reproduction and habitat enhancement program.
- 23           (4) Funds for public transportation, community celebration, and recreation.
- 24           (5) Funds for preservation and cleanup of the environment.
- 25          m. To the extent net proceeds are used toward the primary purpose of a charitable,
- 26          educational, religious, public safety, or public-spirited organization, or are used
- 27          for a veterans or public cemetery by a veterans organization, that has obtained a
- 28          final determination from the internal revenue service as qualifying for exemption
- 29          from federal income tax under section 501(c)(3) or 501(c)(19) of the Internal
- 30          Revenue Code, the organization may establish a special trust fund or foundation

- 1                   as a contingency for funding or maintaining the organization's future program  
2                   services should the organization discontinue conducting games or dissolve.
- 3           n.    Uses for a fundraising activity unrelated to an organization's primary purpose  
4                   provided that the gross revenue from the activity is disbursed to uses prescribed  
5                   by this subsection.
- 6           o.    The administrative and ~~operating~~program management expenses of a statewide  
7                   veterans' organization.