

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1484

Page 1, line 1, after "reenact" insert "section 53-06.1-01,"

Page 1, line 1, after "53-06.1-03" insert a comma

Page 1, line 2, after "to" insert "the definitions of "off sale" and "on sale","

Page 1, line 2, after "authorization" insert "and licensure, and the authorization of employees to provide limited assistance related to gaming; and to declare an emergency"

Page 1, after line 3, insert:

"SECTION 1. AMENDMENT. Section 53-06.1-01 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-01. Definitions.

As used in this chapter:

1. "Adjusted gross proceeds" means gross proceeds less cash prizes, cost of merchandise prizes, gaming tax, and federal excise tax imposed under section 4401 of the Internal Revenue Code [26 U.S.C. 4401].
2. "Charitable organization" means an organization whose primary purpose is for relief of poor, distressed, underprivileged, diseased, elderly, or abused persons, prevention of cruelty to children or animals, or similar condition of public concern.
3. "Civic and service organization" means an organization whose primary purpose is to promote the common good and social welfare of a community as a sertoma, lion, rotary, jaycee, kiwanis, or similar organization.
4. "Closely related organization" means an organization that controls, is controlled by, or is under common control with another organization. Control exists when an organization has the authority or ability to elect, appoint, or remove a majority of the officers or directors of another organization or, by policy, contract, or otherwise, has the authority or ability to directly or indirectly direct or cause the direction of the management or policies of another organization.
5. "Distributor" means a person that sells, markets, or distributes equipment designed for use in the conduct of games.
6. "Educational organization" means a nonprofit public or private elementary or secondary school, two-year or four-year college, or university.
7. "Electronic pull tab device" means a device, approved by the attorney general, which electronically displays pull tabs.

8. "Eligible organization" means a veterans, charitable, educational, religious, fraternal, civic and service, public safety, or public-spirited organization domiciled in North Dakota or authorized by the secretary of state as a foreign corporation under chapter 10-33, incorporated as a nonprofit organization, and which has been regularly and actively fulfilling its primary purpose within this state during the two immediately preceding years. However, an educational organization does not need to be incorporated or be in existence for two years. An organization's primary purpose may not involve the conduct of games. The organization may be issued a license by the attorney general. For purposes of this section, a foreign corporation authorized under chapter 10-33 is not an eligible organization unless authorized to conduct a raffle under chapter 20.1-04 or 20.1-08 and may not conduct a game other than a raffle under chapter 20.1-04 or 20.1-08.
9. "Fraternal organization" means an organization, except a school fraternity, which is a branch, lodge, or chapter of a national or state organization and exists for the common business, brotherhood, or other interests of its members. The organization must have qualified for exemption from federal income tax under section 501(c)(8) or 501(c)(10) of the Internal Revenue Code.
10. "Games" means games of chance.
11. "Gross proceeds" means all cash and checks received from conducting games.
12. "Licensed organization" means an eligible organization licensed by the attorney general.
13. "Manufacturer" means, for a pull tab or bingo card, a person who designs, prints, assembles, or produces the product. For a pull tab dispensing device, bingo card marking device, or a fifty-fifty raffle system, a manufacturer means the person who directly controls and manages development of and owns the rights to the proprietary software encoded on a processing chip that enables the device to operate.
14. "Net income" means gross proceeds less cash prizes, cost of merchandise prizes, and expenses to conduct the gaming activity.
15. "Net proceeds" means adjusted gross proceeds less allowable expenses and gaming tax.
16. "Off sale" means the sale of alcoholic beverages that are to be consumed off the licensed premises.
17. "On sale" means the sale of alcoholic beverages that are meant to be consumed on the licensed premises.
18. "Permit" means a local permit or restricted event permit issued by a governing body of a city or county to a nonprofit organization or group of people domiciled in North Dakota.
- ~~17-19.~~ "Person" means any person, partnership, corporation, limited liability company, association, or organization.

- ~~18-20.~~ "Prize board" means a board used with pull tabs to award cash or merchandise prizes.
- ~~19-21.~~ "Public safety organization" means an organization whose primary purpose is to provide firefighting, ambulance service, crime prevention, or similar emergency assistance.
- ~~20-22.~~ "Public-spirited organization" means an organization whose primary purpose is for scientific research, amateur sports competition, safety, literary, arts, preservation of cultural heritage, educational activities, educational public service, youth, economic development, tourism, community medical care, community recreation, or similar organization, which does not meet the definition of any other type of eligible organization. However, a nonprofit organization or a group of people recognized as a public-spirited organization by a governing body of a city or county for obtaining a permit does not need to meet this definition.
- ~~21-23.~~ "Pull tab" means a folded or banded ticket or jar ticket, a pull tab card with break-open tabs, or an electronic pull tab displaying concealed numbers or symbols or combinations of concealed numbers and symbols which are exposed by a player to determine the outcome. The terms "pull tab" and "jar ticket" are used interchangeably unless otherwise stated. A winning pull tab contains certain symbols, numbers, or combinations of symbols and numbers and may contain multiple winning symbols, numbers, or combinations of symbols and numbers which have been previously designated as winning symbols or numbers.
- ~~22-24.~~ "Religious organization" means a church, body of communicants, or group gathered in common membership whose primary purpose is for advancement of religion, mutual support and edification in piety, worship, and religious observances.
- ~~23-25.~~ "Veterans organization" means any congressionally chartered post organization, or any branch or lodge or chapter of a nonprofit national or state organization whose membership consists of individuals who are or were members of the armed services or forces of the United States. The organization must have qualified for exemption from federal income tax under section 501(c)(19) of the Internal Revenue Code."

Page 1, line 13, overstrike "for final approval" and insert immediately thereafter "who shall issue the license"

Page 1, line 13, remove "that dispenses"

Page 1, line 14, replace "alcoholic beverages" with "properly licensed by the governing body of the city or county for on sale alcoholic beverage sales"

Page 2, line 7, after the period insert "The attorney general shall issue a license to an eligible organization that has obtained approval of site authorization under subdivision a, applied, paid the requisite fee, and demonstrated it qualifies as an eligible organization."

Page 2, line 15, overstrike "attorney general" and insert immediately thereafter "local governing body of the city or county in which the site is located"

Page 2, line 16, after "under" insert "section"

Page 2, line 17, replace "that dispenses alcoholic beverages" with "properly licensed by the governing body of the city or county for on sale alcoholic beverage sales"

Page 2, after line 18, insert:

"SECTION 4. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly