

Sixty-eighth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2390

Introduced by

Senator Luick

1 A BILL for an Act to amend and reenact sections 53-06.1-08.2 and 53-06.1-11 of the North
2 Dakota Century Code, relating to electronic pull tab payout limitations and the use of charitable
3 gaming gross proceeds.

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

5 **SECTION 1. AMENDMENT.** Section 53-06.1-08.2 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **53-06.1-08.2. Electronic pull tab device requirements.**

8 An electronic pull tab device must display an electronic pull tab in which the player may win
9 credits that can be redeemed for cash or used to purchase more pull tabs. The device may not
10 directly dispense coins, cash, tokens, or anything else of value other than a credit ticket
11 voucher. Each deal may not pay out more than eighty-eight percent of gross proceeds.

12 **SECTION 2. AMENDMENT.** Section 53-06.1-11 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **53-06.1-11. Gross proceeds - Required donations - Allowable expenses - Rent limits.**

15 1. All money received from games must be accounted for according to the gaming rules.
16 Gaming activity for a quarter must be reported on a tax return form prescribed by the
17 attorney general. Unless otherwise authorized by the attorney general, the purchase
18 price of a merchandise prize must be paid from a gaming bank account by check. A
19 cash prize paid by check must be paid from a gaming bank account. No check drawn
20 from a gaming or trust bank account may be payable to "cash" or a fictitious payee. A
21 cash prize that exceeds an amount set by rule must be accounted for by a receipt
22 prescribed by the gaming rules.

23 2. If the adjusted gross proceeds of a charitable organization exceed one hundred
24 thousand dollars per quarter, the charitable organization shall donate at least one

1 percent of its adjusted gross proceeds for the benefit of children up to the age of
2 twelve. A charitable organization may designate a recipient at its discretion which may
3 include a children's advocacy center, early childhood service provider, or child care
4 service provider. No more than ten percent of the donation may be used for
5 recreational purposes. The donations must be reported on a form prescribed by the
6 attorney general.

7 3. Allowable expenses may be deducted from adjusted gross proceeds. The allowable
8 expense limit is sixty:

9 a. Fifty-eight percent of the adjusted gross proceeds per quarter for organizations
10 with total adjusted gross proceeds of five hundred thousand dollars or more;

11 b. Sixty percent of the adjusted gross proceeds per quarter for organizations with
12 total adjusted gross proceeds of one hundred thousand dollars or more but less
13 than five hundred thousand dollars; and

14 c. Sixty-two percent of the adjusted gross proceeds per quarter for organizations
15 with total adjusted gross proceeds of less than one hundred thousand dollars.

16 ~~3.4.~~ Cash shorts incurred in games and interest and penalty are classified as expenses.

17 4.5. For a site where bingo is conducted:

18 a. If bingo is the primary game, the monthly rent must be reasonable.

19 b. If bingo is not the primary game, but is conducted with twenty-one, paddlewheels,
20 or pull tabs, no additional rent is allowed.

21 ~~5.6.~~ For a site where bingo is not the primary game:

22 a. If twenty-one or paddlewheels is conducted, the monthly rent may not exceed
23 two hundred dollars multiplied by the necessary number of tables based on
24 criteria prescribed by gaming rule. For each twenty-one table with a wager
25 greater than five dollars, an additional amount up to one hundred dollars may be
26 added to the monthly rent. If pull tabs is also conducted involving only a jar bar,
27 the monthly rent for pull tabs may not exceed an additional one hundred
28 seventy-five dollars. If pull tabs is conducted involving only a dispensing device
29 or a jar bar and dispensing device, the monthly rent for pull tabs may not exceed
30 an additional three hundred twenty-five dollars.

- 1 b. If twenty-one and paddlewheels are not conducted but pull tabs is conducted
2 involving either a jar bar or dispensing device, the monthly rent may not exceed
3 four hundred dollars.
- 4 c. If pull tabs is conducted using one or more electronic pull tab devices, the
5 monthly rent may not exceed an additional one hundred dollars per machine for
6 the first five machines in the same venue. For each additional machine in the
7 same venue beyond five, the monthly rent may not exceed an additional fifty
8 dollars per machine up to a maximum of one thousand one hundred twenty-five
9 dollars per month for all electronic pull tab devices in a single venue.