

Introduced by

Representatives Grueneich, Cory, Dockter, Hagert, Headland, Marschall, Nathe, O'Brien,
Stemen, Thomas, Vetter

Senator Meyer

1 A BILL for an Act to create and enact a new subsection to section 53-06.1-11.1 of the North
2 Dakota Century Code, relating to the disbursement of net proceeds in small cities; and to
3 amend and reenact subsection 2 of section 53-06.1-03, section 53-06.1-08.2, and subsection 2
4 of section 53-06.1-11 of the North Dakota Century Code, relating to approval for a gaming site
5 authorization, authority for a lessor to play electronic pull tab devices on the lessor's site, and
6 modification of allowable expense limits.

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

8 **SECTION 1. AMENDMENT.** Subsection 2 of section 53-06.1-03 of the North Dakota
9 Century Code is amended and reenacted as follows:

10 2. An eligible organization shall apply for a license to conduct only bingo, electronic quick
11 shot bingo, raffles, calcuttas, pull tabs, punchboards, twenty-one, paddlewheels,
12 poker, or sports pools by:

13 a. First securing a lease for a gaming site location.

14 b. After securing a lease for a gaming site location, next securing approval for a site
15 authorization from the governing body of the city or county in which the proposed
16 site is located. ~~Approval, which may be granted at the discretion of the governing~~
17 ~~body, The approved authorization~~ must be recorded on a site authorization form
18 that is to accompany the license application to the attorney general for final
19 approval. A governing body ~~may~~:

20 (1) May not require an eligible organization to donate net proceeds to the city,
21 county, or related political subdivision or for community programs or
22 services within the city or county as a condition for receiving a site
23 authorization from the city or county. ~~A governing body may~~ :

- 1 (2) May limit the number of tables for the game of twenty-one per site and the
- 2 number of sites upon which a licensed organization may conduct games
- 3 within the city or county. ~~A governing body may :~~
- 4 (3) May charge a one hundred dollar fee for a site authorization; and
- 5 (4) May not require a site to enter into a lease with a specific organization as a
- 6 condition of receiving a site authorization;
- 7 (5) May not deny approval of a site authorization to a licensed eligible
- 8 organization;
- 9 (6) May not deny approval of a site authorization because an organization has
- 10 not previously conducted gaming at that site; and
- 11 (7) May only deny approval of a site authorization if an application is incomplete
- 12 or if granting approval would violate an existing local statute or ordinance.

13 **b-c.** Annually applying for a license from the attorney general before July first on a
14 form prescribed by the attorney general and remitting a one hundred fifty dollar
15 license fee for each city or county that approves a site authorization. However,
16 the attorney general may allow an organization that only conducts a raffle or
17 calcutta in two or more cities or counties to annually apply for a consolidated
18 license and remit a one hundred fifty dollar license fee for each city or county in
19 which a site is located. An organization shall document that it qualifies as an
20 eligible organization. If an organization amends its primary purpose as stated in
21 its articles of incorporation or materially changes its basic character, the
22 organization shall reapply for licensure.

23 **SECTION 2. AMENDMENT.** Section 53-06.1-08.2 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **53-06.1-08.2. Electronic pull tab device requirements- Requirements - Lessor's**
26 **authority to play onsite.**

27 1. An electronic pull tab device must display an electronic pull tab in which the player
28 may win credits that can be redeemed for cash or used to purchase more pull tabs.
29 The device may not directly dispense coins, cash, tokens, or anything else of value
30 other than a credit ticket voucher.

1 2. A lessor, who has entered a rental agreement with an organization to conduct
2 electronic pull tab device games at the lessor's site, may play electronic pull tab
3 devices at the lessor's site. The spouse or a common household member of the
4 lessor, a manager or the spouse of the manager, an officer or board member, or an
5 employee or agent of the lessor who approved the lease, may play electronic pull tab
6 devices at the lessor's site.

7 **SECTION 3. AMENDMENT.** Subsection 2 of section 53-06.1-11 of the North Dakota
8 Century Code is amended and reenacted as follows:

9 2. Allowable expenses may be deducted from adjusted gross proceeds. The allowable
10 expense limit is ~~sixty~~:

11 a. Fifty-eight percent of the adjusted gross proceeds per quarter if the total adjusted
12 gross proceeds for the quarter are more than five hundred thousand dollars;

13 b. Sixty percent of the adjusted gross proceeds per quarter if the total adjusted
14 gross proceeds for the quarter are at least one hundred thousand dollars but not
15 more than five hundred thousand dollars; and

16 c. Sixty-two percent of the adjusted gross proceeds per quarter if the total adjusted
17 gross proceeds for the quarter are less than one hundred thousand dollars.

18 **SECTION 4.** A new subsection to section 53-06.1-11.1 of the North Dakota Century Code is
19 created and enacted as follows:

20 A charitable gaming organization shall disburse eighty percent of the net proceeds
21 from an authorized site within the city in which the authorized site is located if:

22 a. The city has a population of fewer than ten thousand inhabitants; and

23 b. The charitable gaming organization's home office is not located in the city.