

## Definition of Bar

A new subsection to section 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. "Alcoholic beverage establishment" means an establishment where alcoholic beverages are sold , dispensed , and consumed. This does not include ~~an off-sale~~ liquor store, gas station, grocery store, or convenience store licensed for off-sale. An alcoholic beverage establishment must be licensed under chapter 5 - 02 ~~and be devoted to the~~ for the service of alcoholic beverages for consumption by guests on the premises. The term includes an bar establishment located within a hotel, bingo hall, bowling center, golf ~~course~~ facility, or restaurant.

## AG authority

A new subsection to section 53-06.1-15.1 of the North Dakota Century Code is created and enacted as follows:

10. Impose a monetary fine on a licensed organization, organization that has a permit, distributor, ~~or~~ manufacturer or contracted third-party business operating gaming and working as an agent of the charity or site owner for failure to comply with this chapter or any gaming rule. The monetary fine for each violation by an organization is a minimum of twenty-five dollars and may not exceed two percent of the organization's average quarterly gross proceeds, or five thousand dollars, whichever is greater. The monetary fine for each violation by a distributor is a minimum of one hundred dollars and may not exceed five thousand dollars. The monetary fine for each violation by a manufacturer is a minimum of five hundred dollars and may not exceed two hundred fifty thousand dollars. This fine may be in addition to or in place of a license suspension or revocation.

11. Impose a monetary fine on an owner of an authorized alcoholic beverage establishment where a licensed gaming activity is conducted or has been conducted for failure to comply with this chapter or any gaming rule. The monetary fine for each violation by an authorized site owner is a minimum of five hundred dollars and may not exceed five thousand dollars.

a. An authorized site owner will be required to read and acknowledge applicable gaming laws and rules in accordance with 99-01.3-02-10

b. Fine limits that may be imposed by the office of Attorney General per individual law or gaming rule offense: (to be laid out as levels and described in regulations)

(1) Level 1 offense – authorized site owner will be issued a written warning, (minor infractions of rule deemed unintended and did not involve a monetary gain or cause harm to another entity)

(2) Level 2 offense – a maximum of one thousand-dollar (\$1,000) fine may be imposed, (an infraction of state law or intentional violation of state rule that may have resulted in a monetary gain for the authorized site owner or caused harm to another entity)

(3) Level 3 offense – a maximum of five thousand-dollar (\$5,000) fine may be imposed. (Egregious willful disregard of the applicable gaming laws and rules)

- (4) Multiple ~~subsequent~~ offenses may be subject to further sanction up to and including revocation of gaming privileges or surrender of the license issued under chapter 5-02.
- c. An authorized site owner will have ten (10) business days to present an appeal in writing to the office of Attorney General for any fine imposed.
- d. The office of Attorney General will respond to properly submitted written appeals within thirty (30) calendar days.

Renumber accordingly

### Site Limits

AMENDMENT. Section 53-06.1-03 of the North Dakota Century Code is amended and reenacted as follows: 53-06.1-03. Permits, site authorization, and licenses - Organization requirements - Site inspection.

3. A licensed organization or organization that has a permit shall conduct games as follows:

a. Only one licensed organization or organization that has a permit may conduct games at an authorized site on a day, except that a raffle may be conducted for a special occasion by another licensed organization or organization that has a permit when one of these conditions is met:

(1) When the area for the raffle is physically separated from the area where games are conducted by the regular organization.

(2) Upon request of the regular organization and with the approval of the alcoholic beverage establishment, the regular organization's license or permit is suspended for that specific time of day by the attorney general.

b. Except for a temporary site authorized for fourteen or fewer consecutive days for not more than two events per quarter or a licensed organization authorized on or before January 1, 2023, to conduct gaming at more than fifteen sites, a licensed organization ~~including any of the organization's affiliates,~~ may not have more than ~~twenty-five~~fifteen sites ~~unless granted a waiver by the attorney general. If the attorney general finds that there is no other licensed organization interested in conducting gaming at a site for which a waiver is being sought, the attorney general may approve the waiver for no more than five sites.~~

c. Games of electronic quick shot bingo, pull tabs, punchboards, twenty-one, paddlewheels, poker, and sports pools may be conducted only during the hours when alcoholic beverages may be dispensed according to applicable regulations of the state, county, or city.

d. An organization may not permit a person under twenty-one years of age to directly or indirectly play pull tabs, punchboards, twenty-one, calcuttas, sports pools, paddlewheels, or poker. An organization may not permit an individual under eighteen years of age to directly or indirectly play electronic quick shot bingo. An organization may not permit an individual under eighteen years of age to directly or indirectly play bingo unless the individual is accompanied by an adult, bingo is conducted by an organization that has a permit, or the game's prize structure does not exceed that allowed for a permit.

e. An organization may not install more than ten electronic pull tab devices at a site.

f. An organization with more than fifteen licensed sites under subdivision b may not increase its number of sites beyond the number of sites licensed as of January 1, 2023.

### **Addiction Funding**

Amendment: 53-06.1-11.2. Charitable gaming operating fund - Attorney general - State treasurer - 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, the attorney general shall allocate remaining moneys in the charitable gaming operating fund on a quarterly basis as follows:
  - a. ~~Ten~~ Eighty thousand dollars to the gambling disorder prevention and treatment fund.

### **Site Auth**

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

2. An eligible organization shall apply for a license to conduct only bingo, electronic quick shot bingo, raffles, calcuttas, pull tabs, punchboards, twenty-one, paddlewheels, poker, or sports pools by:
  - a. First securing a lease for a gaming site location. Securing approval for a site authorization from the governing body of the city or county in which the proposed site is located. Approval, which may be granted at the discretion of the governing body, must be recorded on a site authorization form that is to accompany the license application to the attorney general for final approval. A governing body may not require an eligible organization to donate net proceeds to the city, county, or related political subdivision or for community programs or services within the city or county as a condition for receiving a site authorization from the city or county. A governing body may not require a site to enter into a lease with a specific organization as a condition of receiving a site authorization. A governing body may limit the number of tables for the game of twenty-one per site and the number of sites upon which a licensed organization may conduct games within the city or county. A governing body may charge a one hundred dollar fee for a site authorization; and
  - b. Annually applying for a license from the attorney general before July first on a form prescribed by the attorney general and remitting a one hundred fifty dollar license fee for each city or county that approves a site authorization. However, the attorney general may allow an organization that only conducts a raffle or calcutta in two or more cities or counties to annually apply for a consolidated license and remit a one hundred fifty dollar license fee for each city or county in which a site is located. An organization shall document that it qualifies as an eligible organization. If an organization amends its primary purpose as stated in its articles of incorporation or materially changes its basic character, the organization shall reapply for licensure.

