

Introduced by

Senators Lee, Boschee, Klein

Representatives Jonas, Mitskog, Pyle

1 A BILL for an Act to amend and reenact subsection 1 of section 53-06.1-03 and subsection 1 of  
2 section 53-06.1-11.1 of the North Dakota Century Code, relating to reporting the value of prizes  
3 distributed by an organization using a permit to conduct raffles, bingo, sports pools,  
4 paddlewheels, twenty-one, and poker.

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

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

8 1. Except as authorized by the attorney general, an organization that has its license  
9 suspended or revoked, or has relinquished or not renewed its license and not  
10 disbursed its net proceeds, is ineligible for a license or permit. Only one of two or more  
11 closely related organizations may have a license or permit at one time. A college or  
12 university fraternity, sorority, or club is not closely related to an educational  
13 organization. An organization shall apply for a permit as follows:

14 a. An organization recognized as a public-spirited organization by the governing  
15 body of a city or county may apply for permits. A local permit may allow the  
16 organization to conduct only raffles, bingo, or sports pools. A restricted event  
17 permit may allow the organization to conduct only raffles, bingo, sports pools,  
18 paddlewheels, twenty-one, and poker.

19 b. The organization or closely related organizations as a whole ~~may~~:

20 (1) May only award a primary prize that does not exceed eight thousand dollars  
21 and total prizes of all games which do not exceed forty thousand dollars per  
22 year. These maximum prize amounts do not apply to raffles conducted  
23 under chapter 20.1-08.

1                   (2) After conducting raffles, bingo, sports pools, paddlewheels, twenty-one, or  
2                   poker, shall provide a list including each prize and its value to the attorney  
3                   general on a form prescribed by the attorney general.

4           c. The determination of what is a "public-spirited organization" is within the sole  
5           discretion of the governing body. An organization shall disclose on the application  
6           its intended use of the net income from the gaming activity. A governing body  
7           may issue a permit for games to be held at designated times and places.

8           b.d. An organization shall apply to the governing body of the city or county in which  
9           the proposed site is located. Application must be made on a form prescribed by  
10           the attorney general. Approval may be granted at the discretion of the governing  
11           body. A governing body may establish a fee not to exceed twenty-five dollars for  
12           each permit. A permit must be on a fiscal year basis from July first to June  
13           thirtieth or on a calendar-year basis.

14           e.e. An organization that has a local permit or a restricted event permit may use the  
15           net income from the gaming activity for any purpose that does not violate this  
16           chapter or gaming rules, unless the organization is a state political party or  
17           legislative district party committee, the organization may use the net income from  
18           a raffle for a political purpose. For purposes of this subdivision, a public-spirited  
19           use includes a political purpose.

20           d.f. An organization that has a restricted event permit is restricted to one event per  
21           year and:

22                   (1) May not pay remuneration to employees for personal services;

23                   (2) Shall use chips as wagers;

24                   (3) Shall redeem a player's chips for merchandise prizes or cash;

25                   (4) Shall disburse net income to eligible uses referenced in subdivision c, if  
26                   applicable, and in section 53-06.1-11.1; and

27                   (5) Shall file a report prescribed by the attorney general with the governing  
28                   body and attorney general.

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

31           1. Except as provided in subdivision ee of subsection 1 of section 53-06.1-03:

- 1           a. A licensed organization or an organization that has a permit may not use money  
2           from any source for placing an initiated or referred measure on a ballot or for a  
3           political campaign to promote or oppose a person for public office.
- 4           b. Except for a use related to an organization's primary purpose, a licensed  
5           organization or organization that has a permit may not use net proceeds to  
6           influence legislation or promote or oppose referendums or initiatives.
- 7           c. Any funds expended by a licensed organization or an organization that has a  
8           permit to promote or oppose an initiated or referred measure that is on the ballot  
9           or for any activities of a lobbyist under section 54-05.1-02, that are not  
10          compensation or expenses paid to a lobbyist, and that are not required to be  
11          reported under section 54-05.1-03 must be reported to the attorney general as  
12          prescribed by the attorney general. A violation of this subsection subjects an  
13          organization to a suspension of its license or permit for up to one year.