

**HOUSE BILL NO. 1276**

Introduced by

Representatives Hendrix, D. Johnston, Koppelman, D. Ruby, Bolinske, Henderson, Kasper  
Senators Wobbema, Castaneda

1 A BILL for an Act to amend and reenact subsection 1 of section 53-06.1-03 of the North Dakota  
2 Century Code, relating to a public-spirited organization's use of raffle proceeds for a political  
3 purpose.

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

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

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

13 a. An organization recognized as a public-spirited organization by the governing  
14 body of a city or county may apply for permits. A local permit may allow the  
15 organization to conduct only raffles, bingo, or sports pools. A restricted event  
16 permit may allow the organization to conduct only raffles, bingo, sports pools,  
17 paddlewheels, twenty-one, and poker. The organization or closely related  
18 organizations as a whole may only award a primary prize that does not exceed  
19 eight thousand dollars and total prizes of all games ~~do~~may not exceed forty  
20 thousand dollars per year. These maximum prize amounts do not apply to raffles  
21 conducted under chapter 20.1-08. The determination of what is a "public-spirited  
22 organization" is within the sole discretion of the governing body, except an  
23 organization that is a nonfederal candidate campaign committee, nonfederal  
24 political action committee, state political party, or legislative district party

1                    committee must be recognized as a "public-spirited organization". An  
2                    organization shall disclose on the application its intended use of the net income  
3                    from the gaming activity. A governing body may issue a permit for games to be  
4                    held at designated times and places.

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

11                    c. An organization that has a local permit or a restricted event permit may use the  
12                    net income from the gaming activity for any purpose that does not violate this  
13                    chapter or gaming rules, ~~unless.~~ Notwithstanding the foregoing, if the  
14                    organization is a nonfederal candidate campaign committee, nonfederal political  
15                    action committee, state political party, or legislative district party committee, the  
16                    organization may use the net income from a raffle for a political purpose. ~~For~~  
17                    ~~purposes of this subdivision, a public-spirited use includes a political purpose.~~

18                    d. An organization that has a restricted event permit is restricted to one event per  
19                    year and:

- 20                    (1) May not pay remuneration to employees for personal services;  
21                    (2) Shall use chips as wagers;  
22                    (3) Shall redeem a player's chips for merchandise prizes or cash;  
23                    (4) Shall disburse net income to eligible uses referenced in subdivision c, if  
24                    applicable, and in section 53-06.1-11.1; and  
25                    (5) Shall file a report prescribed by the attorney general with the governing  
26                    body and attorney general.