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Title.

Prepared by the Legislative Council
staff for Senator Cory
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Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2384

Introduced by

Senators Cory, Patten

Representatives Hagert, Meier

1 A BILL for an Act to amend and reenact section 53-06.1-14, subsection 11 of section
2 53-06.2-01, and sections 53-06.2-07 and 53-06.2-10 of the North Dakota Century Code, relating
3 to the ~~authorized sale of electronic gaming devices by manufacturers and live or simulcast~~
4 ~~horse racing~~ maintenance of electronic pull tab devices and the elimination of dog racing; and to
5 provide an effective date.

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

7 **SECTION 1. AMENDMENT.** Section 53-06.1-14 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **53-06.1-14. Distributors and manufacturers.**

10 1. A manufacturer of pull tabs, bingo cards, electronic quick shot bingo systems and
11 devices, or bingo card marking devices shall apply annually for a license and pay a
12 license fee of five thousand five hundred dollars. A manufacturer of electronic pull tab
13 systems and devices shall apply annually for a license and pay a license fee of ten
14 thousand dollars. The attorney general shall deposit one thousand five hundred dollars
15 of these fees into the charitable gaming technology fund under section 53-06.1-12.4. A
16 manufacturer of paper pull tab dispensing devices shall apply annually for a license
17 and pay a license fee of one thousand five hundred dollars. The attorney general shall
18 deposit five hundred dollars of this fee into the charitable gaming technology fund
19 under section 53-06.1-12.4. A manufacturer of electronic raffle systems shall apply
20 annually for a license and pay a license fee of one thousand dollars. The attorney

1 general shall deposit five hundred dollars of this fee into the charitable gaming
2 technology fund under section 53-06.1-12.4. A distributor shall apply annually for a
3 license and pay a license fee of two thousand dollars. The attorney general shall
4 deposit five hundred dollars of this fee into the charitable gaming technology fund
5 under section 53-06.1-12.4. Application must be made before the first day of April in
6 each year on a form prescribed by the attorney general.

7 2. A licensed distributor may not sell, market, or distribute gaming equipment except to a
8 licensed distributor, licensed organization, organization that has a permit, or other
9 person authorized by gaming rule or the attorney general. A manufacturer of a pull tab
10 dispensing device, pull tab, [electronic pull tab device](#), bingo card marking device,
11 bingo card, or fifty-fifty raffle system may only sell, market, or distribute the
12 manufacturer's pull tab dispensing device [and processing chip encoded with](#)
13 [proprietary software](#), pull tab, [electronic pull tab device](#), bingo card marking device,
14 bingo card, or fifty-fifty raffle system to a licensed distributor. ~~A manufacturer of an~~
15 ~~electronic pull tab device, electronic quick shot bingo system or device, or other~~
16 ~~electronic gaming device may sell, market, or distribute the manufacturer's electronic~~
17 ~~pull tab device, electronic quick shot bingo system or device, or other electronic~~
18 ~~gaming device to a licensed distributor or licensed organization.~~ A licensed distributor
19 may purchase or acquire a pull tab dispensing device and processing chip encoded
20 with proprietary software, pull tab, electronic pull tab device, bingo card marking
21 device, bingo card, [or fifty-fifty raffle system](#), ~~or other electronic gaming device~~ only
22 from a licensed manufacturer or licensed distributor. However, a distributor may
23 purchase or acquire a used pull tab dispensing device or electronic pull tab device
24 from a licensed organization. A distributor may not duplicate a manufacturer's
25 processing chip encoded with proprietary software. No gaming equipment or prize
26 may be sold or leased at an excessive price.

27 3. A licensed distributor shall affix a North Dakota gaming stamp to each deal of ~~paper~~
28 pull tabs, raffle board, punchboard, sports pool board, calcutta board, and series of
29 paddlewheel ticket cards sold or otherwise provided to a licensed organization or
30 organization that has a permit and shall purchase the stamps from the attorney
31 general for thirty-five cents each. Ten cents of each stamp sold by the attorney

- 1 general, up to thirty-six thousand dollars per biennium, must be credited to the
2 attorney general's operating fund to defray the costs of issuing and administering the
3 gaming stamps. If an organization hosts an event with a raffle board and only sells
4 numbered squares on the day of event, the organization is exempt from the
5 requirements under this subsection.
- 6 4. A licensed organization, organization that has a permit, licensed manufacturer, or
7 North Dakota wholesaler of liquor or alcoholic beverages may not be a distributor or
8 stockholder of a distributor. A distributor may not be a stockholder of a manufacturer.
- 9 5. In addition to the license fee, the attorney general may require advance payment of
10 any fee necessary to pay the cost of a record check of an applicant according to
11 subdivision c of subsection 5 of section 53-06.1-06.
- 12 6. A licensed manufacturer may not refuse to sell deals of pull tabs, paper bingo cards, or
13 gaming equipment to a licensed distributor unless:
- 14 a. A specific deal of pull tabs is sold on an exclusive basis;
- 15 b. The manufacturer does not sell deals of pull tabs, paper bingo cards, or gaming
16 equipment to any distributor in the state;
- 17 c. A gaming law or rule prohibits the sale;
- 18 d. The distributor has not provided the manufacturer with proof of satisfactory credit
19 or is delinquent on any payment owed to the manufacturer; or
- 20 e. The distributor has not met the manufacturer's standard minimum order quantity
21 and freight terms.

22 7. A manufacturer may work directly with a licensed organization to ensure proper
23 maintenance of and address technical or software issues with an electronic pull tab
24 device. A distributor or manufacturer of an electronic pull tab device shall notify a
25 licensed organization of scheduled maintenance or repair and allow an organization to
26 have a representative present when any maintenance or repair is performed.

27 **SECTION 2. AMENDMENT.** Subsection 11 of section 53-06.2-01 of the North Dakota
28 Century Code is amended and reenacted as follows:

- 29 11. "Racing" means live or simulcast horse racing under the certificate system ~~or~~
30 ~~simulcast dog racing under the certificate system.~~

1 **SECTION 3. AMENDMENT.** Section 53-06.2-07 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **53-06.2-07. Issuance of licenses - Applications.**

- 4 1. On compliance by an applicant with this chapter and the approval of the attorney
5 general, the commission may issue a license to conduct races. The attorney general
6 may not grant a license denied by the commission.
- 7 2. An application for a license to conduct a racing meet must be signed under oath and
8 filed with the commission. The application must contain at least the following:
- 9 a. The name and post-office address of the applicant.
- 10 b. The location of the racetrack and whether it is owned or leased. If the racetrack is
11 leased, a copy of the lease must be included.
- 12 c. A statement of the applicant's previous history and association sufficient to
13 establish that the applicant is an eligible organization.
- 14 d. The time, place, and number of days the racing meet is proposed to be
15 conducted.
- 16 e. ~~The type of racing to be conducted.~~
- 17 f. Other information the commission requires.
- 18 3. At least thirty days before the commission issues or renews a license to conduct
19 races, the applicant shall deliver a complete copy of the application to the local
20 jurisdiction governing body. The application to the commission must include a
21 certificate verified by a representative of the applicant, indicating delivery of the
22 application copy to the governing body. If the governing body of the local jurisdiction
23 adopts a resolution disapproving the application for license or renewal and so informs
24 the executive director within thirty days of receiving a copy of the application, the
25 license to conduct races may not be issued or renewed.
- 26 4. A totalizator or service provider licensee may not use its license to offer bets or wagers
27 on dog races.

28 **SECTION 4. AMENDMENT.** Section 53-06.2-10 of the North Dakota Century Code is
29 amended and reenacted as follows:

1 **53-06.2-10. Certificate system - Rules.**

2 The certificate system allows a licensee to receive money from any person ~~present at~~ on a
3 ~~live horse race, or~~ simulcast horse race, ~~or simulcast dog race~~ who desires to bet on any entry in
4 that race. A person betting on an entry to win acquires an interest in the total money bet on all
5 entries in the race, in proportion to the amount of money bet by that person, under rules
6 adopted by the commission. The licensee shall receive the bets and for each bet on a live or
7 simulcast horse race shall issue a certificate to the bettor on which is at least shown the number
8 of the race, the amount bet, and the number or name of the entry selected by the bettor. The
9 commission may adopt rules for place, show, quinella, combination, or other types of ~~betting-~~
10 ~~usually connected with racing~~ wagering on live or simulcast horse races.

11 **SECTION 5. EFFECTIVE DATE.** Sections 2, 3, and 4 of this Act become effective on
12 August 1, 2027.