

Agriculture and Natural Resources Committee
Thursday, February 4, 2016
10 a.m.

Mr. Chairman and members of the Committee, my name is Deb McDaniel, Director of the Charitable Gaming Division with the Office of Attorney General. I was invited here to give you a brief presentation regarding the oversight of charitable raffles.

An organization recognized as a public-spirited organization by the governing body of a city or county may apply for a local permit to conduct certain games of chance when a primary prize does not exceed six thousand dollars and total prizes of all games do not exceed twelve thousand dollars per year. If an organization intends to conduct games of chance that exceed the local permit requirements, an eligible organization as defined by N.D.C.C. § 53-06.1-01, may submit application to the Office of Attorney General, to become a licensed charitable gaming organization. Licensed charitable gaming organizations may conduct games of chance as authorized by Article XI of the State Constitution and must comply with N.D.C.C. 53-06.1. Organizations authorized to conduct a raffle under chapter 20.1-04 or 20.1-08 are not regulated by the Office of Attorney General.

Licensed charitable gaming organizations are randomly selected for audit by this office to verify that the amounts reported on required quarterly returns coincide with the actual conduct of the games and to verify that net proceeds if issued went to eligible uses. In regards to charitable gaming raffle conduct, per N.D.A.C. § 99-01.3-05, licensed organizations are required to retain specific accounting records for three years from the end of the quarter in which the activity was reported.

Samples of those records are:

- A purchase invoice documenting the purchase of tickets and the range of ticket numbers printed.
- Ticket distribution log containing a ticket seller's name, quantity issued, range of ticket numbers issued to the seller, and quantity sold.
- Reconciliation for the cash received from each ticket seller based on the number of tickets sold, date cash is received, and a schedule of bank deposits.
- The stubs of all sold raffle tickets and all unsold raffle tickets.
- A prize register and record of win
- A summary of gross proceeds, prizes, adjusted gross proceeds, cash profit, cash long or short, and bank deposit. The summaries of all raffles for a quarter must reconcile to the tax return.

If a licensed organization is not compliant with the games of chance laws or rules the Attorney General has the authority to suspend, deny, or revoke an organization's permit or an organizations application or license.

I have for you a copy of the prescribed gaming tax return form and local permit report along with my written testimony for each committee member for their review.

Thank you, Mr. Chairman, and I will try to respond to any questions you may have.



REPORT ON A CHARITY LOCAL PERMIT
OFFICE OF ATTORNEY GENERAL
SFN 52880 (03-2009)

				Permit Number	
Name of Organization			Site Name		Date of Event
Mailing Address		City	State	Zip Code	County

Gaming Activity								
Gross Income	-	Cost of Prizes	=	Balance	-	Expenses	=	Net Income
\$		\$		\$ 0.00		\$		\$

Charitable or Eligible Use Contributions - Refer to the Backside of the Form			
	Recipient	Description of Use	Check Amount
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
Total			(MUST EQUAL net income above or see below) \$

Note - If the total amount of eligible use contributions is less than the net income, explain:

The top executive official and preparer declare that the information on this report is true and complete.			
Signature of Organization's Top Executive Official	Date	Signature of preparer	Business Phone No.

Instructions: Mail a copy of the completed report within 30 days of the event to:

1. City or County Auditor that issued the Charity Local Permit; and
2. OFFICE OF ATTORNEY GENERAL; LICENSING SECTION; 600 E BOULEVARD AVE - DEPT 125; BISMARCK ND 58505-0040

ELIGIBLE USES FOR A CHARITY LOCAL PERMIT

CHARITABLE:

The Abused
Alcohol and Drug Abuse
Animal Protection
The Blind
Cancer
Cystic Fibrosis
The Disabled
Heart Disease
Learning Disabilities
Mental Health
Multiple Sclerosis
Muscular Dystrophy
The Needy
Paralysis
Developmentally Disabled Citizens
Senior Citizens
Terminally Ill
Wildlife
Youth Activities
Adult Activities
Head Injuries
Home on the Range
March of Dimes
Meals on Wheels
Medical Facilities (Non-profit)
Memorial Funds
Nursing Homes (Non-profit)
Ronald McDonald House
Red Cross
Salvation Army
Special Olympics
Disaster Relief Organizations
United Fund/United Way
YMCA/YWCA
Volunteer Services
Gambling Addiction
Other

EDUCATIONAL:

Agriculture
The Arts
Educational Public Services
Safety
4-H Activities
Educational Institutions and Activities
Preservation of Cultural Heritage
Scholarships
Vocational Workshops
Other

FRATERNAL:

Camp Grassick
Fraternal Foundations
Legion Baseball
Veteran's Cemetery
Disabled or Injured Veteran's Assistance
Military Family Support
Other

PATRIOTIC:

Scouting Activities and Boys or Girls State
Community Bands, Color and Honor Guards,
Flags, and Patriotic Celebrations
Other

COMMUNITY:

Economic Development
Tourism
Other

USES LESSENING THE BURDEN OF GOVERNMENT:

Community Emergency Services such as
Ambulance and Fire Departments
Disbursements Directly to a City, County, State,
or US Government including Libraries, Military
Service, Monuments, Museums, and Historical
Societies
Improvement of Public Areas
Parks and Recreation
Law Enforcement
Other

RELIGIOUS

USES FOR THE ERECTION OR MAINTENANCE OF PUBLIC BUILDINGS OR WORKS.

USES BENEFITING A DEFINITE NUMBER OF PERSONS WHO ARE THE VICTIMS OF LOSS OF HOME OR HOUSEHOLD POSSESSIONS THROUGH EXPLOSION, FIRE, FLOOD, OR STORM, AND THE LOSSES ARE UNCOMPENSATED BY INSURANCE.

USES BENEFITING A DEFINITE NUMBER OF PERSONS SUFFERING FROM A SERIOUSLY DISABLEING DISEASE OR INJURY CAUSING SEVERE LOSS OF INCOME OR INCURRING EXTRAORDINARY MEDICAL EXPENSE WHICH IS UNCOMPENSATED BY INSURANCE.



NORTH DAKOTA GAMING TAX RETURN
SHORT FORM
OFFICE OF ATTORNEY GENERAL
SFN 9815 (7-2015)

License No. G- _____

Organization Name: _____

Mailing Address: _____

Quarter Ended - _____

PART I - GAMING ACTIVITY	A Gross Proceeds	B Prizes	C Adj. Gross Proceeds	D Cash Profit
1a. Bingo				
1b. Quick Shot Bingo Card Marking Devices				
2a. Raffles				
2b. Raffle Boards				
3a. Pull Tabs - Jar Bar				
3b. Pull Tabs - Dispensing Device				
3c. Club Specials, Tip, Seal, and Punch Boards				
4a. Prize Boards				
4b. Prize Boards - Dispensing Device				
5. Sports Pools				
6. Twenty-One				
7. Calcuttas				
8a. Paddlewheels				
8b. Paddlewheels - With a Table				
9. Poker				
10. Other (Interest____/Cash Long____/Tournament ²¹ ____)				
11. Subtotal				
12. Gaming Tax - Line 11, Column A, multiplied by tax rate (see instructions)				Remit to: Office of Attorney General
13. Federal Excise Tax from Federal Form 730 - <u>Attach Copies</u>				
14. TOTAL ADJUSTED GROSS PROCEEDS (Line 11, column C, less lines 12, and 13)				

PART II - ALLOWABLE EXPENSES AND NET PROCEEDS	PART III - TRUST ACCOUNT
15. Allowable Expense - 60% of Adjusted Gross Proceeds (Line 14)	22. Trust Carry-Over Prior Quarter Carry-Over line 26 on last quarters return
16. Net Proceeds - Line 14 less line 15	23. Amount transferred to trust account this quarter Amount from line 19
17. Net Proceeds Prior Quarter Carry-Over line 20 on last quarters return	24. Adjustment - Attach Explanation Interest ____ / Service Fees ____ / Other ____
18. Adjustment - Attach Explanation	25. Eligible Use Contributions this quarter Total from Schedule C
19. Amount transferred to trust account this quarter	26. Trust Account Carry-Over - Line 22 plus line 23 plus or less 24, less line 25
20. Net Proceeds Carry-Over - Line 16 plus line 17 plus or less line 18, less line 19	27. Trust Account Check Register(s) Balance
21. Gaming Account Check Register(s) Balance	28. Total Actual Expenses for all sites

For Licensing Use Only

SIGNATURE AND VERIFICATION

Signature of top official or governing board member

Signature of preparer

Date

PRINT name of preparer

DAY TIME Phone

Mail To: Office of Attorney General
Gaming Division
600 East Boulevard Avenue - Dept 125
Bismarck ND 58505-0040

G - _____

Quarter Ended

Total number of deals conducted

Schedule B - Gaming Stamp Activity - All Sites (Attach additional pages if necessary)

1		11		21	
2		12		22	
3		13		23	
4		14		24	
5		15		25	
6		16		26	
7		17		27	
8		18		28	
9		19		29	
10		20		30	

Schedule C - Eligible Use Contributions - *Round all check amounts to nearest dollar* (Attach additional pages if necessary)

	Check Number	Date	Recipient	Description of Use	Rounded Check Amount	Eligible Use Code
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						

TOTAL

Transfer total to
Part III, Line 25,
of the tax return