

2021 HOUSE JUDICIARY

HB 1162

2021 HOUSE STANDING COMMITTEE MINUTES

Judiciary

Room JW327B, State Capitol

HB 1162

1/20/2021

Relating to permitting an organization conducting raffles in the state to sell raffle tickets on line and to accept electronic payments for raffle ticket purchases.

Chairman Klemin called the hearing to order at 8:30 AM. Roll Call taken:

Representatives	Attendance
Representative Lawrence R. Klemin	P
Representative Karen Karls	P
Representative Rick Becker	P
Representative Ruth Buffalo	P
Representative Cole Christensen	P
Representative Claire Cory	P
Representative Karla Rose Hanson	A
Representative Terry B. Jones	P
Representative Jeffery J. Magrum	P
Representative Bob Paulson	P
Representative Gary Paur	P
Representative Shannon Roers Jones	P
Representative Bernie Satrom	P
Representative Steve Vetter	P

Discussion Topics:

- Current raffle laws
- Charitable raffles
- Online raffle sales and electronic payments
- Payment options

Rep. Roers Jones: Introduced the bill. 8:35

Support:

Thomas Hill, Chair of ND State Association for United Ways: Testimony #1689. 8:45

Ryan Taylor, director of public policy for Ducks Unlimited: Testimony #1782. 8:50

Opposition:

Cynthia Monteau, Executive Director of UTGA: Testimony #1872. 9:05

Collette Brown, Spirit Lake Tribe: Testimony #1870. 9:11

Neutral:

Deb McDaniel, Director of Gaming, ND Office of the Attorney General: Testimony #1871.
9:18

Additional written testimony: #1749

Chairman Klemin adjourned at 9:31

DeLores D. Shimek by Donna Whetham
Committee Clerk

Testimony on modernizing raffle laws in North Dakota

**Thomas Hill | Chair of ND State Association for United Ways | Vice President of Community Impact,
United Way of Cass-Clay**

Given to the N.D. Legislature's judiciary committee

January 20, 2021

Good morning, Chairman Klemin and members of the committee. Thank you for the opportunity for me to share information with all of you about the short-comings of current raffle laws that have been increasingly evident in the wake of the COVID 19 pandemic, social distancing, and the restrictions on large, in-person gatherings.

My name is Thomas Hill and I serve as the chair for the North Dakota State Association of United Ways. I also serve as the Vice President of Community Impact for United Way of Cass-Clay in Fargo, ND. There are seven active chapters of United Ways in Fargo, Grand Forks, Jamestown, Minot, Bismarck, Dickinson and Williston.

United Way are present and active in every region of our state, serving to support local needs and to provide funding for critical nonprofit health and human services. As chapters, we focus on local needs and are supported largely by corporate and individual gifts from local and area businesses. United Way has been present in local communities across in ND for over 90 years. All throughout that time and especially today, we are committed to our mission of activating resources to solve complex community issues and create lasting social change. Annually, United Ways across ND raise and invest over \$11M to support local individuals' and families' needs. Our fundraising efforts help to offset the local and state tax burdens, ensuring we can fill necessary gaps in human services by allowing us to provide critical funding for nonprofits addressing homelessness, hunger, mental health needs and independent living for our friends and neighbors.

Locally, over half of our annual revenue comes from individual gifts. These are made through multiple channels, from payroll deduction, multi-year gifts, and fundraising from special events. Special events, such as jeans days, cook-offs, raffles, bingo, and other events, have provided critical resources for our local chapters to support the needs of our nonprofit community.

We also have seen large trends moving towards online giving over the past 10 years. There is a growing acceptance of the use of online giving to help provide ease and convenience for donors who wish to support local nonprofits. The current law hinders efforts to reach out and provide options to donors who wish to support local charities by participating in online raffles and charitable fundraising through online raffles.

Now more than ever, the health and financial stability of our friends and neighbors are being affected due to COVID-19, which makes many of our partner programs and additional community services more critical than ever. This intensifies for families who were living on the edge of poverty prior to the current situation. United Ways across ND are actively working in coordination with community partners to mobilize volunteers and resources to support community needs in a safe and effective way for all those involved.

The Power of Community. Realized.

United Way of Cass-Clay improves lives by activating resources to solve complex community issues and creates lasting social change.
United Way of Cass-Clay • 219 7th Street South • Fargo, ND 58103 • 701.237.5050 • www.unitedwaycassclay.org



United Way of Cass-Clay

Due to the limitations of in-person gatherings and social distancing, we have had to pivot our fundraising efforts to a virtual and online format. In November, our United Way hosted a fundraiser called, LIVE UNITED GIVE UNITED. This event was conducted largely online. We had many vendors and business partners who were willing to donate items to be included in a raffle, although due to the current law, we were unable to hold an online raffle-this equated to a significant loss of revenue-revenue that would have supported local needs to prevent and divert families from experiencing homelessness.

I want to be clear, this is about our ability to modernize our fundraising efforts. Dollars raised from online raffles go directly back into the community and support our efforts to meet and address health and human service needs, such as feeding programs and homeless prevention. This is about fundraising, not gambling. This is about helping to bring e-commerce laws up-to-date with 21st Century giving trends and continuing to give local nonprofits the ability to fundraise so we can meet the needs of our communities.

United Ways of North Dakota support the proposed change of the current law and encourage a DO PASS recommendation.

Respectfully,

A handwritten signature in blue ink, appearing to read "THOMAS HILL", written over a faint circular stamp.

Thomas Hill

Vice President of Community Impact | United Way of Cass-Clay
Chair, ND State Association of United Ways

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Testimony on HB 1162, modernizing raffle laws in North Dakota**Ryan Taylor, Bismarck, N.D., director of public policy for Ducks Unlimited (ND, SD, Mont.)****Given to the N.D. House Judiciary Committee****Jan. 20, 2021**

Good morning, Chairman Klemin and committee members. My name is Ryan Taylor and I'm the director of public policy for Ducks Unlimited in North and South Dakota, and Montana. I'm here to join our friends involved in North Dakota nonprofit fundraising and the community charitable organizations that support HB 1162 to modernize our raffle laws in the state. Some of you who served on the interim judiciary committee heard my testimony on the prospect of this issue at your Sept. 24 meeting. I'm attaching that prior testimony, and will just add a little story for today's discussion.

I went to my first Ducks Unlimited banquet in Towner at our VFW Hall when I was 12 years old. Dad's hometown banker, Jim Williams, bought my ticket knowing that I was an aspiring hunter and Jim bought tickets for several young outdoors enthusiasts like myself as part of his community giving. I still have the art print I won at that banquet. Now, 38 years later, I work for that same waterfowl habitat, hunting and conservation organization and it's more than 4,000 members in North Dakota. And I work with the same community minded DU volunteers like I saw at that first banquet when I was a kid. Volunteers, not only for DU, but for the local fire and ambulance, the parent teachers organizations, the hockey and wrestling parents, the fraternal philanthropies, faith-based groups, and more who serve their communities in so many ways, groups that could also benefit from HB 1162.

A lot of nonprofit organization's like ours have been around for decades, DU started in 1937, and while our missions have stayed much the same, how we fulfill our mission has changed and continues to change. When I was at that banquet with our banker, most of the adults probably had a checkbook from that bank and a register in their pocket, or a wallet with cash, and they did most of their business in person. Maybe they'd call a business first to check on the availability of a product, if it wasn't a long distance call. Or they'd mail in an order form for a catalog order that could be shipped to the local catalog outlet like the one we had for Montgomery Ward in Rugby. There was no thought of a world wide web, or the wallet having more debit or credit cards in it than cash in those days. Or being able to check your bank balance on an app or tap your phone for payment. Or having some of the modern tools we're discussing today to help facilitate the fundraising for the group's raffle ticket sales.

I see HB 1162 as a much needed update for charitable raffles to catch up with the times, regardless of whether a pandemic limits our personal interactions. It allows fundraising tools and efficiencies that nonprofits will need during and after this pandemic subsides. It's a tool that my DU volunteers have been able to use in Montana since their 2017 legislative session, and that our South Dakota volunteers look forward to using under permission of their existing rules. However, in North Dakota, this bill is needed to allow the change and we respectfully ask for your 'do pass' consideration. Thank you for all you do to serve your constituents both here as a legislator, and back home as members of your communities.

Testimony on modernizing raffle laws in North Dakota
Ryan Taylor, director of public policy for Ducks Unlimited
Given to the N.D. Legislature's interim judiciary committee
Sept. 24, 2020

Good afternoon, Chairman Klemin and members of the interim judiciary committee. Thank you for allowing me this time on your schedule to visit a bit about North Dakota's nonprofit raffle laws and some of the current shortcomings that have become increasingly evident in the wake of COVID 19, social distancing, and restrictions on personal interactions.

While a number of states allow, or are quickly beginning to allow, the online sale of raffle tickets by charitable organizations and touchless electronic transactions for payment, North Dakota does not. I also do public policy work for Ducks Unlimited in Montana and they modernized their raffle laws for nonprofits in 2017. I've included a copy of their modernizing bill, SB 25 with this written testimony.

Like all businesses, political subdivisions, governments, and families, COVID 19 has also been an incredible disruptor for nonprofits, and the effects have rippled through our country's charitable organizations as they have for everyone. One saving feature for our economy, public services and schools, has been the presence of internet and technology. Tech has been the needed backup to our previously personal transactions and it has allowed us to shop, buy the things we need, have food delivered to our homes, conduct a meeting, renew our driver's license, check out a library book, bid on a bull for the cowherd, continue our classes at universities, and allow our elementary and secondary school students to keep their education somewhat on track. It seems like we can do most everything online, if we need to, in a pinch. But we cannot buy a raffle ticket from the nonprofit organizations we choose to support or for the charitable causes raising needed funds for the community philanthropy projects they take on. Maybe not an intentional gap, just not yet caught up to changing times.

Today, I'm speaking to provide information only, knowing that this group cannot introduce a committee bill without two meetings to hear it. However, I figured it could be useful information for you as the committee holds in its charge the study of our state's charitable gaming laws. Many of you may be assigned to your chamber's judiciary committee in the 67th Legislative Assembly and this may be an issue of interest in the session ahead.

At about the same time that this committee's March 24 meeting was cancelled due to COVID, DU was in the process of cancelling and postponing more than 2,000 events across the country, at an estimated cost of more than \$20 million to our budget and the habitat and conservation work we do, mostly with farmers and ranchers and private landowners, across the country. Like a lot of nonprofits, we depend on event based fundraising where people get together to visit, eat, laugh, tell stories, buy raffle tickets, bid on auction items and 'win' silent auction items. When you can't hold events, all of that goes away. I'm attaching an op ed from USA Today that our president, Rogers Hoyt, wrote about those pandemic experiences. They're the same experiences shared by our colleagues in the nonprofit world. For awareness, I'm also attaching some survey data from the Independent Sector, a member based group

for the charitable sector, that documents large majorities of nonprofits report significant reductions in revenue, services offered, jobs and individual giving.

COVID 19 has impacted a lot of areas in our lives, our communities, and our economy. One small area that we could possibly remedy resides in the raffle laws of the ND Century Code, Chapter 53-06.1. Thank you for your attention, and your service to your constituents.



**HOUSE BILL 1162
HOUSE JUDICIARY COMMITTEE
JANUARY 20, 2021**

TESTIMONY OF CYNTHIA C. MONTEAU, EXECUTIVE DIRECTOR

Mr. Chairman and members of the Committee, my name is Cynthia Monteau, I am the Executive Director of the United Tribes Gaming Association (UTGA). I come before you today in opposition of House Bill 1162, a bill that allows organizations to sell raffle tickets online and to accept electronic payments.

The five tribes of North Dakota formed UTGA, to promote, protect and advocate for tribal gaming and economic development. Tribal casinos are economic engines in our communities by creating jobs - jobs for both tribal members and non-Indians alike. The impacts of tribal gaming go far beyond the doors of our tribal casinos. Tribal gaming provides essential services to our reservation communities, funds tribal operations, and promotes economic development. In addition to, building local economies in the State by purchasing goods and services from area businesses; for instance, laundry and cleaning services, meat and produce, electricians, plumbers, and heating and air conditioning services. Tribal gaming generates over \$300 million for our economy in the State and about 3,000 FTEs (full-time equivalents). Any expansion of gaming in the state, outside of tribal gaming, negatively impacts the economies of both the Tribes and the State.

Tribal gaming provides a source of jobs for individuals who otherwise would be unemployed and it is an anchor for jobs in other sectors such as tourism, education, and healthcare which may not be available but for a tribal casino.



The amount of disposable income in the State is limited and diverting tribal gaming revenue through activities of convenience such as the sale of raffle tickets online, will impact the revenue generated by tribal casinos which in turn impacts jobs and economic development for both our reservation communities and the communities throughout the State where we purchase goods and services for our operations. It is for these reasons that we urge a DO NOT pass of House Bill 1162.

Thank you, Mr. Chairman.

January 20, 2021

HB 1162 Raffles—Internet Access, Potential Organized Crime and Money-Laundering, Problem Gambling for Youth

Good morning, Chairman Klemin and the members of the committee

My name is Collette Brown from Warwick, representing the Spirit Lake Tribe. My professional title in the gaming industry is, Gaming Commission Executive Director of the Gaming Regulations and Compliance Department, our casino is located seven miles south of Devils Lake. I and my Tribe have gravely expressed our concerns about the electronic pull tab devices; the new slot machine that is in every bar, restaurant and now gas stations have become an unregulated convenience game, which are attractive and accessible to problem gamblers.

The huge influx of etabs throughout North Dakota, reaching over a billion dollars in gross gaming revenues with a lion share going to out of state manufacturers; it has undermined Indian gaming, reducing our revenues substantially and undercutting our ability to provide jobs and generate essential services to your State citizens.

The problem is that oversaturation of the gambling industry undermines your neighbors, our Indian nations and tribes. That means less health care, loss of jobs, and less tourism throughout North Dakota.

Today I come to you with concerns on HB 1162.

1. HB 1162 Raffles would provide for unlimited “raffle” sales, i.e., betting on College Sports, by public spirited organizations via a central computer and telecommunications (in other words, the Internet). Put simply, this bill allows for Internet gambling: “an electronic communications network that connects computer networks and organizational computer facilities around the world.” Merriam—Webster Online Dictionary.
2. **Internet Gambling is Big Business:** Online Gambling is big business--\$69 Billion annually and likely to grow to \$92 Billion by 2023. Gambling is important to organized crime and with HB 1162, North Dakota publicly spirited organizations will be probed by organized crime. The statute does not provide any real regulatory system to do background checks, maintain machine integrity, conduct appropriate audits, or require money-laundering reports.
3. **College sports are big business.** The NCAA generated \$1.1 Billion in revenue in 2020. The Power Five college sports conference took in more than \$2.9 Billion in Revenue in 2019. The Big Ten reported more than \$780 Million. Again, with this type of money at stake, unlimited College sports betting are likely to draw organized crime infiltration into publicly spirited organizations.

January 20, 2021

HB 1162 Raffles—Internet Access, Potential Organized Crime and Money-Laundering, Problem Gambling for Youth

4. **Physical Sales Prevents Unlimited Expansion:** The Raffles system is currently limited by in person sales of actual paper raffles. By allowing for sales through a central computer system and the use of telephone lines (“wires”) the bill creates a new industry—Internet Sports Book. The requirement of a drawing at the event is no limit because betting is done on the Internet. Simply consider the growth of Fantasy Sports and you will see the potential growth.
5. The language allows for payment to be electronic with a credit card. That’s convenience gaming. Convenience gaming is the worst type of gambling for problem gambling. It allows for endless fraudulent and criminal activities along with money laundering possibilities, tribal casinos along with the ND Lottery are not allowed to use credit cards to gamble with.
6. Today’s children and teens in North America are the first generation of youth to grow up in a society where an assortment of types of gambling exists, and gambling venues are not only widely available but also heavily advertised and promoted. Gambling, once considered to be associated with sin and vice is now generally perceived as a harmless adult entertainment and has become mainstream in our society.
7. Problem gamblers are attracted to convenience gambling, and for video gamers nothing is more convenient than putting College raffles on the Internet. Entertaining displays will result in the transformation of the raffle game into an addictive array of simulated electronic games. The unlimited nature of Internet raffles at collegiate sports events will result in unlimited expansion of what is now a simple raffle into an entirely different type of gaming, involving college kids.

“Gambling overall has provided an invaluable resource to many Tribes throughout the country, to improve the safety, economic security and quality of life in Tribal communities; the unregulated movement threatens this progress.” (GLI Whitepaper)

There is a current bill that can offer internet gaming and sports betting within the State, but with Proven, Highly Regulated and Trusted Gaming Industry Experts, the Tribes, this will be the best way for ND to enter into this evolution of gaming, not with ambiguous language. Lastly, we cannot economically sustain anymore expansion of gaming that does not benefit the tribes. With that being said Spirit Lake Tribe is in opposition of this bill.

Thank you for your time.

House Judiciary Committee

Wednesday, January 20, 2021

HB 1162 – Relating to Online Raffle

To conduct online raffles organizations will need to use tested and approved raffle systems. An electronic raffle system is computer software and related equipment used by the licensed organization to sell tickets, account for sales, determine winners through random selection, and to distribute prizes.

These systems must be able to ensure that any sales be received from only people within the state of North Dakota or the conduct would be in violation of the Federal Wire Act which states:

Whoever being engaged in the business of betting or wagering knowingly uses a wire communication facility for the transmission in interstate or foreign commerce of bets or wagers or information assisting in the placing of bets or wagers on any sporting event or contest, or for the transmission of a wire communication which entitles the recipient to receive money or credit as a result of bets or wagers, or for information assisting in the placing of bets or wagers, shall be fined under this title or imprisoned not more than two years, or both.

Geo-fencing must be used to ensure that only players within North Dakota are purchasing raffle tickets otherwise the organizations will be in violation of Federal wire act.

This office would like the committee to consider making it clear that, should this bill pass, only state licensed gaming organizations could conduct online raffles as it would be nearly impossible to regulate the 2,000 plus local permitted organizations.

Accepting wagers for raffle tickets by credit card or debit cards will require that an organization to utilize an online payment system and there will be costs associated with utilizing such a system.

The committee may wish to consider an age limit. At this time anyone of any age may sell or purchase a raffle ticket.

Another concern is that this bill opens up competition with the Lottery as the way the bill is currently written an organization could run a daily, weekly, monthly raffle. This office would suggest that a limit be placed on how many raffles can be conducted by an organization during a year.

Thank you for your time,

Deb McDaniel, Director of Gaming
Office of Attorney General



January 20, 2021

Dear Members of the North Dakota House Judiciary Committee,

My name is Scott Terning and I work as a Regional Manager of Event Fundraising for Delta Waterfowl and today I am testifying today in support of Electronic Payment for Raffles – HB 1162.

I work with local volunteers and community supporters that want to support our mission and programs through a variety of fundraising efforts in their communities. Unlike so much of the world around us, our volunteers have been limited in their ability to use technology and the use of electronic payment as an option to sell raffle tickets. Technology and progress have brought about a great deal of positive change in our State and for our citizens. We are simply asking that the Committee provide a do pass recommendation to modernize North Dakota's raffle laws.

We appreciate Representative Roers Jones for bringing attention this issue and for her and her co-signers for crafting this legislation.

Again, we would appreciate the Committees do pass recommendation.

Sincerely,

A handwritten signature in black ink that reads 'Scott Terning'. The signature is written in a cursive, flowing style.

Scott Terning
1412 Basin Ave.
Bismarck, ND 58504

2021 HOUSE STANDING COMMITTEE MINUTES

Judiciary

Room JW327B, State Capitol

HB 1162

2/2/2021

Relating to permitting an organization conducting raffles in the state to sell raffle tickets on line and to accept electronic payments for raffle ticket purchases.

Chairman Klemin called the meeting to order at 3:30 PM.

Representatives	Attendance
Representative Lawrence R. Klemin	P
Representative Karen Karls	A
Representative Rick Becker	P
Representative Ruth Buffalo	P
Representative Cole Christensen	P
Representative Claire Cory	A
Representative Karla Rose Hanson	P
Representative Terry B. Jones	P
Representative Jeffery J. Magrum	P
Representative Bob Paulson	P
Representative Gary Paur	P
Representative Shannon Roers Jones	P
Representative Bernie Satrom	P
Representative Steve Vetter	P

Discussion Topics:

- Amendments to the bill
- Committee action on the bill

Rep. Roers Jones: Explained the amendments. Testimony #5018 and #5019

Rep Roers Jones moved amendment 21.0523.03003. Seconded by **Rep. Becker**.
Voice vote: Motion carried.

Motion for Do Pass as amended with LC# 21.0523.03003 **by Rep Christensen**.
Seconded by **Rep. Hanson**.

Representatives	Vote
Chairman Klemin	Y
Vice Chairman Karls	A
Rep Becker	Y
Rep. Christensen	Y
Rep. Cory	A
Rep T. Jones	Y
Rep Magrum	N
Rep Paulson	Y

Rep Paur	N
Rep Roers Jones	Y
Rep B. Satrom	N
Rep Vetter	Y
Rep Buffalo	N
Rep K. Hanson	Y

Motion carried. 8-4-2.

Rep. Roers Jones: carrier.

Chairman Klemin adjourned at 9:31

DeLores D. Shimek by Donna Whetham
Committee Clerk

February 2, 2021

98
2/2/21

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1162

Page 1, line 2, remove "permitting an organization conducting raffles in the state to sell raffle tickets"

Page 1, line 3, remove "online and to accept electronic payments for"

Page 1, line 18, remove the overstrike over "must"

Page 1, line 18, remove "may"

Page 1, line 18, remove the overstrike over "~~and-drawings-held-onsite~~"

Page 1, line 18, remove "either"

Page 1, line 18, remove the overstrike over "and"

Page 1, line 18, remove "the event"

Page 1, remove line 19

Page 1, line 20, remove "must be held onsite at the location of and"

Page 1, line 20, after the period insert "Fifty-fifty raffles may not be conducted online over the internet."

Page 1, line 21, remove "Raffle tickets may be sold through a link to a central computer via a"

Page 1, remove line 22

Page 2, line 1, replace "5. An" with "A licensed"

Page 2, line 1, after "state" insert "may sell online over the internet and"

Page 2, line 2, remove "credit card or"

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1162: Judiciary Committee (Rep. Klemin, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (8 YEAS, 4 NAYS, 2 ABSENT AND NOT VOTING). HB 1162 was placed on the Sixth order on the calendar.

Page 1, line 2, remove "permitting an organization conducting raffles in the state to sell raffle tickets"

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Page 1, remove line 22

Page 2, line 1, replace "5. An" with "A licensed"

Page 2, line 1, after "state" insert "may sell online over the internet and"

Page 2, line 2, remove "credit card or"

Renumber accordingly

21.0523.03002
Title.

Prepared by the Legislative Council staff for
Representative Roers Jones
January 25, 2021

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1162

Page 1, line 2, remove "permitting an organization conducting raffles in the state to sell raffle tickets"

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Page 1, remove line 22

Page 2, line 1, replace "5. An" with "A licensed"

Page 2, line 1, after "state" insert "may sell online over the internet and"

Renumber accordingly

21.0523.03002

Sixty-seventh
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1162

Introduced by

Representatives Roers Jones, Dockter, Hanson, Keiser, Lefor, Porter, Pyle

Senators Bekkedahl, Davison

1 A BILL for an Act to amend and reenact section 53-06.1-10.1 of the North Dakota Century
2 Code, relating to ~~permitting an organization conducting raffles in the state to sell raffle tickets-~~
3 ~~online and to accept electronic payments for~~ raffle ticket purchases.

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

5 **SECTION 1. AMENDMENT.** Section 53-06.1-10.1 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **53-06.1-10.1. Raffles.**

- 8 1. A prize for a raffle may be cash or merchandise but may not be real estate. No single
9 cash prize may exceed twenty-five thousand dollars and the total cash prizes in one
10 day may not exceed twenty-five thousand dollars. However, on not more than two
11 occasions per year a licensed organization may, at the request of a winning player,
12 exchange a merchandise prize valued at not more than twenty-five thousand dollars
13 for a cash prize.
- 14 2. The maximum cash prize limits of this section do not apply to a public-spirited
15 organization that supports amateur collegiate athletics.
- 16 3. An organization permitted to conduct raffles in this state may conduct a fifty-fifty raffle
17 either by manual drawing or by using a random number generator. Fifty-fifty raffle
18 tickets ~~must~~may be sold ~~and drawings held onsite~~either at the location of ~~and the event-~~
19 ~~or through a link to a central computer via a telecommunications network. Drawings-~~
20 ~~must be held onsite at the location of and~~ on the date of the event. Fifty-fifty raffles
21 may not be conducted online over the internet.
- 22 4. ~~Raffle tickets may be sold through a link to a central computer via a~~
23 ~~telecommunications network.~~

- 1 ~~5.~~ ~~An~~ A licensed organization permitted to conduct raffles in this state may sell online over
2 the internet and may accept an electronic payment, including payment by a credit card
3 or debit card, for the purchase of a raffle ticket.

2021 SENATE FINANCE AND TAXATION

HB 1162

2021 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1162
3/15/2021

A BILL for an Act to amend and reenact section 53-06.1-10.1 of the North Dakota Century Code, relating to raffle ticket purchases.

Chair Bell calls the meeting to order. Chair Bell, Vice Chair Kannianen, Senators, J. Roers, Patten, Piepkorn, Weber are present. Senator Meyer absent. [11:06]

Discussion Topics:

- Fund raising and prize thresholds
- Age and location restrictions
- Debit cards

Representative Roers Jones [11:07] introduces in favor and submits amendment [LC 21.0523.04001 #9184.

Ryan Taylor [11:10] Director of Public Policy, Ducks Unlimited, in favor #9100.

Thomas Hill [11:16] Vice President of Community Impact, United Way of Cass-Clay in favor #9026.

Robin Nelson [11:19] Chief Executive Officer, Boys & Girls Club of the Red River Valley in favor #9036.

Cynthia Mouteau [11:26] Executive Director, United Tribes Gaming Association in opposition #9207

Collette Brown [11:28] Gaming Executive Director, Spirit Lake Nation in opposition.

Troy Seibel [11:30] Chief Deputy Attorney General, North Dakota Attorney General's Office provides oral information.

Additional written testimony:

Kristoffer Lofstrom, North Dakota Regional Director, Rocky Mountain Elk Foundation in favor #8986.

Scott Terning, Event Manager of Event Fundraising, Delta Waterfowl Foundation in favor #9045.

John Bradley, Executive Director / Lobbyist, North Dakota Wildlife Federation in favor #9098.

Chair Bell adjourns the meeting. [11:31]
Joel Crane, Committee Clerk

Sixty-seventh
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1162

Introduced by

Representatives Roers Jones, Dockter, Hanson, Keiser, Lefor, Porter, Pyle

Senators Bekkedahl, Davison

- 1 A BILL for an Act to amend and reenact section 53-06.1-10.1 of the North Dakota Century
2 Code, relating to raffle ticket purchases.

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

4 **SECTION 1. AMENDMENT.** Section 53-06.1-10.1 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **53-06.1-10.1. Raffles.**

- 7 1. A prize for a raffle may be cash or merchandise but may not be real estate. No single
8 cash prize may exceed twenty-five thousand dollars and the total cash prizes in one
9 day may not exceed twenty-five thousand dollars. However, on not more than two
10 occasions per year a licensed organization may, at the request of a winning player,
11 exchange a merchandise prize valued at not more than twenty-five thousand dollars
12 for a cash prize.
- 13 2. The maximum cash prize limits of this section do not apply to a public-spirited
14 organization that supports amateur collegiate athletics.
- 15 3. An organization permitted to conduct raffles in this state may conduct a fifty-fifty raffle
16 either by manual drawing or by using a random number generator. Fifty-fifty raffle
17 tickets must be sold and drawings held onsite at the location of and on the date of the
18 event. Fifty-fifty raffles may not be conducted online over the internet.
- 19 4. A licensed organization permitted to conduct raffles in this state may sell online over
20 the internet and may accept an electronic payment, including payment by a debit card,
21 for the purchase of a raffle ticket. If a licensed organization accepts electronic payment
22 for the purchase of a raffle ticket, the organization shall verify the ticket purchaser is
23 over eighteen years of age and physically is located in the state.

Testimony on HB 1162, modernizing raffle laws in North Dakota

Ryan Taylor, Bismarck, N.D., director of public policy for Ducks Unlimited (ND, SD, Mont.)

Given to the N.D. Senate Finance & Tax Committee

March 15, 2021

Good morning, Chair Bell and committee members. My name is Ryan Taylor and I'm the director of public policy for Ducks Unlimited in North and South Dakota, and Montana. I'm here to join our friends involved in North Dakota nonprofit fundraising and the community charitable organizations that support HB 1162 to modernize our raffle laws in the state. This is an idea that I spoke to the interim judiciary committee about as early as last fall at their last interim meeting. I'm attaching that interim testimony here for your record, but will add a little more for your committee this morning.

I went to my first Ducks Unlimited banquet in Towner at our VFW Hall when I was 12 years old. Dad's hometown banker, Jim Williams, bought my ticket knowing that I was an aspiring hunter and Jim bought tickets for several young outdoors enthusiasts like myself as part of his community giving. Now, 38 years later, I work for that same waterfowl habitat, hunting and conservation organization and it's more than 4,000 members in North Dakota. And I work with the same community-minded DU volunteers like I saw at that first banquet when I was a kid. Volunteers, not only for DU, but for the local fire and ambulance, the parent teachers organizations, the hockey and wrestling parents, the fraternal philanthropies, faith-based groups, and more who serve their communities in so many ways, groups that could also benefit from HB 1162. I have my raffle stubs I recently bought to support Catholic Schools in Bismarck and a chance at a rifle from ND Wildlife Society. I have tickets to sell for Century Patriot Baseball, any takers?

A lot of nonprofit organization's like ours have been around for decades, DU started in 1937, and while our missions have stayed much the same, how we fulfill our mission has changed and continues to change. When I was at that banquet with our banker, most of the adults probably had a checkbook from that bank and a register in their pocket, or a wallet with cash, and they did most of their business in person. Maybe they'd call a business first to check on the availability of a product, if it wasn't a long distance call. Or they'd mail in an order form for a catalog order that could be shipped to the local catalog outlet like the one we had for Montgomery Ward in Rugby. There was no thought of a world wide web, or the wallet having more debit or credit cards in it than cash in those days. Or being able to check your bank balance on an app or tap your phone for payment. Or having some of the modern tools we're discussing today to help facilitate the fundraising for the group's raffle ticket sales.

I see HB 1162 as a much needed update for charitable raffles to catch up with the times, regardless of whether a pandemic limits our personal interactions. It allows fundraising tools and efficiencies that nonprofits will need during and after this pandemic subsides. It's a tool that my DU volunteers have been able to use in Montana since their 2017 legislative session, and that our South Dakota volunteers look forward to using under permission of their existing rules. Rules were just modernized in the last unicameral of Nebraska. Here, in North Dakota, this bill is needed to allow the change and we respectfully ask for your 'do pass' consideration. Thank you for all you do to serve your constituents both here as a legislator, and back home as members of your communities.

Testimony on modernizing raffle laws in North Dakota
Ryan Taylor, director of public policy for Ducks Unlimited
Given to the N.D. Legislature's interim judiciary committee
Sept. 24, 2020

Good afternoon, Chairman Klemin and members of the interim judiciary committee. Thank you for allowing me this time on your schedule to visit a bit about North Dakota's nonprofit raffle laws and some of the current shortcomings that have become increasingly evident in the wake of COVID 19, social distancing, and restrictions on personal interactions.

While a number of states allow, or are quickly beginning to allow, the online sale of raffle tickets by charitable organizations and touchless electronic transactions for payment, North Dakota does not. I also do public policy work for Ducks Unlimited in Montana and they modernized their raffle laws for nonprofits in 2017. I've included a copy of their modernizing bill, SB 25 with this written testimony.

Like all businesses, political subdivisions, governments, and families, COVID 19 has also been an incredible disruptor for nonprofits, and the effects have rippled through our country's charitable organizations as they have for everyone. One saving feature for our economy, public services and schools, has been the presence of internet and technology. Tech has been the needed backup to our previously personal transactions and it has allowed us to shop, buy the things we need, have food delivered to our homes, conduct a meeting, renew our driver's license, check out a library book, bid on a bull for the cowherd, continue our classes at universities, and allow our elementary and secondary school students to keep their education somewhat on track. It seems like we can do most everything online, if we need to, in a pinch. But we cannot buy a raffle ticket from the nonprofit organizations we choose to support or for the charitable causes raising needed funds for the community philanthropy projects they take on. Maybe not an intentional gap, just not yet caught up to changing times.

Today, I'm speaking to provide information only, knowing that this group cannot introduce a committee bill without two meetings to hear it. However, I figured it could be useful information for you as the committee holds in its charge the study of our state's charitable gaming laws. Many of you may be assigned to your chamber's judiciary committee in the 67th Legislative Assembly and this may be an issue of interest in the session ahead.

At about the same time that this committee's March 24 meeting was cancelled due to COVID, DU was in the process of cancelling and postponing more than 2,000 events across the country, at an estimated cost of more than \$20 million to our budget and the habitat and conservation work we do, mostly with farmers and ranchers and private landowners, across the country. Like a lot of nonprofits, we depend on event based fundraising where people get together to visit, eat, laugh, tell stories, buy raffle tickets, bid on auction items and 'win' silent auction items. When you can't hold events, all of that goes away. I'm attaching an op ed from USA Today that our president, Rogers Hoyt, wrote about those pandemic experiences. They're the same experiences shared by our colleagues in the nonprofit world. For awareness, I'm also attaching some survey data from the Independent Sector, a member based group

for the charitable sector, that documents large majorities of nonprofits report significant reductions in revenue, services offered, jobs and individual giving.

COVID 19 has impacted a lot of areas in our lives, our communities, and our economy. One small area that we could possibly remedy resides in the raffle laws of the ND Century Code, Chapter 53-06.1. Thank you for your attention, and your service to your constituents.

Testimony on modernizing raffle laws in North Dakota**Thomas Hill | Chair of ND State Association for United Ways | Vice President of Community Impact,
United Way of Cass-Clay****Given to the N.D. Legislature Senate Finance & Taxation Committee****March 15, 2021**

Good morning, Chairman Cook and members of the committee. Thank you for the opportunity for me to share information with all of you about the short-comings of current raffle laws that have been increasingly evident in the wake of the COVID 19 pandemic, social distancing, and the restrictions on large, in-person gatherings.

My name is Thomas Hill and I serve as the chair for the North Dakota State Association of United Ways. I also serve as the Vice President of Community Impact for United Way of Cass-Clay in Fargo, ND. There are seven active chapters of United Ways in Fargo, Grand Forks, Jamestown, Minot, Bismarck, Dickinson and Williston.

United Way are present and active in every region of our state, serving to support local needs and to provide funding for critical nonprofit health and human services. As chapters, we focus on local needs and are supported largely by corporate and individual gifts from local and area businesses. United Way has been present in local communities across in ND for over 90 years. All throughout that time and especially today, we are committed to our mission of activating resources to solve complex community issues and create lasting social change. Annually, United Ways across ND raise and invest over \$11M to support local individuals' and families' needs. Our fundraising efforts help to offset the local and state tax burdens, ensuring we can fill necessary gaps in human services by allowing us to provide critical funding for nonprofits addressing homelessness, hunger, mental health needs and independent living for our friends and neighbors.

Locally, over half of our annual revenue comes from individual gifts. These are made through multiple channels, from payroll deduction, multi-year gifts, and fundraising from special events. Special events, such as jeans days, cook-offs, raffles, bingo, and other events, have provided critical resources for our local chapters to support the needs of our nonprofit community.

We also have seen large trends moving towards online giving over the past 10 years. There is a growing acceptance of the use of online giving to help provide ease and convenience for donors who wish to support local nonprofits. The current law hinders efforts to reach out and provide options to donors who wish to support local charities by participating in online raffles and charitable fundraising through online raffles.

Now more than ever, the health and financial stability of our friends and neighbors are being affected due to COVID-19, which makes many of our partner programs and additional community services more critical than ever. This intensifies for families who were living on the edge of poverty prior to the current situation. United Ways across ND are actively working in coordination with community partners to mobilize volunteers and resources to support community needs in a safe and effective way for all those involved.

The Power of Community. Realized.

United Way of Cass-Clay improves lives by activating resources to solve complex community issues and creates lasting social change.

United Way of Cass-Clay • 219 7th Street South • Fargo, ND 58103 • 701.237.5050 • www.unitedwaycassclay.org



United Way of Cass-Clay

Due to the limitations of in-person gatherings and social distancing, we have had to pivot our fundraising efforts to a virtual and online format. In November, our United Way hosted a fundraiser called, LIVE UNITED GIVE UNITED. This event was conducted largely online. We had many vendors and business partners who were willing to donate items to be included in a raffle, although due to the current law, we were unable to hold an online raffle-this equated to a significant loss of revenue-revenue that would have supported local needs to prevent and divert families from experiencing homelessness.

I want to be clear, this is about our ability to modernize our fundraising efforts. Dollars raised from raffles go directly back into the community and support our efforts to meet and address health and human service needs, such as feeding programs and homeless prevention. This is about fundraising, not gambling. This is about helping to bring e-commerce laws up-to-date with 21st Century giving trends and continuing to give local nonprofits the ability to fundraise so we can meet the needs of our communities.

United Ways of North Dakota support the proposed change of the current law and encourage a DO PASS recommendation.

Respectfully,

Thomas Hill
Vice President of Community Impact | United Way of Cass-Clay
Chair, ND State Association of United Ways

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Testimony in support of HB 1162

Robin Nelson,
D41 Resident and CEO of Boys & Girls Clubs of the Red River Valley

Good morning Chair Bell and members of the Finance and Taxation Committee. Thank you for allowing me to share my testimony in support of HB 1162.

I open with a respectful request that you consider this bill as an opportunity to help charities succeed; rather than viewing online raffle sales as too difficult to regulate.

My name is Robin Nelson. I have the privilege of serving as the CEO of the Boys & Girls Clubs of the Red River Valley. Ours is a local, 49 year-old non-profit organization offering youth-development programming in 13 sites in Fargo, and is a charter member of Boys & Girls Club of America. We provide out-of-school youth development programming to ages 5-17 for children from families of all socio-economic levels. Our local organization is a licensed-childcare provider that, in a typical year, serves about 600 children every day.

Currently, 82% of children attending our programming have a parent classified as an essential worker. As such, we provide those parents peace of mind knowing their children are in a safe and productive environment – enabling their thoughts and efforts to be focused on their very important work of helping our community. We are able to provide these important services at a cost proportionate to each family's ability to pay; and we do so by subsidizing our revenue with charitable gaming, donations and fundraising events.

Non-profits such as mine help prevent many from seeking financial assistance from the government, or perhaps more appropriately stated, taxpayers.

Please humor me while I share a quick story about why I sought legislation such as HB 1162.

We, at our local Boys & Girls Club, were planning a new family-friendly community fundraising event to be held in September of 2020 called a Duck Pluck. Duck Plucks and Duck Races are a common fundraiser in most states across the country. I ask you to try to visualize 5,000 "adopted" yellow rubber ducks with numbered tags being poured into a body of water before a few of the luckiest ducks were plucked to win some substantial, donated prizes. Our event was to be held in a city park with several fun, family-friendly activities scattered throughout. We expected \$53,000 in revenue by selling sponsorships and ducks adopted through a portal provided by a company that conducts 100's of similar events annually throughout the country.

We were working closely with the State's charitable gaming division while planning our event. It was not until we began selling duck "adoptions" through the online portal that we were informed we could not continue. We were told numbered yellow rubber ducks are considered a form of a raffle ticket, and that gaming regulations only allow for cash transactions. We were abruptly forced to cancel the event and return sponsorship and adoption dollars. Dollars that would have fed our kids...dollars that would have bought STEM curriculum to prepare our future workforce.....dollars that would have paid our staff of 120 employees to help our kids prepare for a great future.

Please know I was so frustrated by this limitation to fundraise for my kids, I initially threatened to don my duck costume while providing this testimony; however, I came to my senses and admitted it would be more respectful to present my position to you in a more professional manner.

Please remember my opening statement regarding helping charities succeed as opposed to focusing on the regulation component. I have been made aware that the charitable gaming division is expressing concern that an additional FTE would be necessary to monitor online raffles if this bill were to pass. I respectfully submit this perspective: If my little organization lost out on \$53,000 for one year, one state-employed FTE would certainly make up for the difference for two events such as mine - events that fund similar non-profits that help children in need. If so many other states can manage online raffles, I am confident my great state of North Dakota can do so as well.

I do not know about you, but I rarely carry cash anymore. On most days, I would be unable to purchase a \$5.00 raffle ticket from a friend whom I randomly encounter. However, if that same friend invited me to alternatively purchase a raffle ticket online, I would readily do so with a debit card to support the charity that is important to them.

I have been told raffle fundraisers do not contribute to gambling addictions due to the delayed sense of gratification.

I have also been told our State regulatory agency is concerned that it may not be able to prevent out-of-state raffle-ticket purchases. My response yet again is that I am confident my great state of North Dakota can certainly make it happen if we set our mind to it.

Thank you for your time and serious consideration of HB 1162, and I respectfully ask for your support. I welcome any questions.

**HOUSE BILL 1162
SENATE FINANCE AND TAXATION COMMITTEE
MARCH 15, 2021**

TESTIMONY OF CYNTHIA C. MONTEAU, EXECUTIVE DIRECTOR

Madam Chair and members of the Committee, my name is Cynthia Monteau, I am the Executive Director of the United Tribes Gaming Association (UTGA). I come before you today in opposition of House Bill 1162, a bill that allows organizations to sell raffle tickets online over the internet and to accept electronic payments.

The five tribes of North Dakota formed UTGA, to promote, protect and advocate for tribal gaming and economic development. Tribal casinos are economic engines in our communities by creating jobs - jobs for both tribal members and non-Indians alike. The impacts of tribal gaming go far beyond the doors of our tribal casinos. Tribal gaming provides essential services to our reservation communities, funds tribal operations, and promotes economic development. In addition to, building local economies in the State by purchasing goods and services from area businesses; for instance, laundry and cleaning services, meat and produce, electricians, plumbers, and heating and air conditioning services. Tribal gaming generates over \$300 million for our economy in the State and about 3,000 FTEs (full-time equivalents). Any expansion of gaming in the state, outside of tribal gaming, negatively impacts the economies of both the Tribes and the State.

Tribal gaming provides a source of jobs for individuals who otherwise would be unemployed and it is an anchor for jobs in other sectors such as tourism, education, and healthcare which may not be available but for a tribal casino.



The amount of disposable income in the State is limited and diverting tribal gaming revenue through activities of convenience such as the sale of raffle tickets online, will impact the revenue generated by tribal casinos which in turn impacts jobs and economic development for both our reservation communities and the communities throughout the State where we purchase goods and services for our operations. It is for these reasons that we urge a DO NOT pass of House Bill 1162.

Thank you, Madam Chair.



**ROCKY MOUNTAIN
ELK FOUNDATION**

March 12, 2021

Senator Jessica Bell
Chair, Finance and Taxation Committee
1224 First Avenue NE
Beulah, ND 58523-6301

Senator Bell and Members of the Finance and Taxation Committee,

The Rocky Mountain Elk Foundation (RMEF) is a national hunting-based conservation organization with more than 4,100 members in North Dakota. RMEF and its partners have completed 235 conservation and hunting heritage outreach projects in the state with a combined value of more than \$11.9 million. These projects have protected or enhanced 59,016 acres of habitat and opened or improved public access to 36,317 acres.

RMEF supports HB 1162 and actions to modernize North Dakota's raffle laws. Improved technology provides safe and efficient tools for continuing charitable fundraising efforts beyond traditional methods.

RMEF respectfully requests the Committee to advance HB 1162.

Sincerely,

Kristoffer Lofstrom
North Dakota Regional Director
Rocky Mountain Elk Foundation

#9045

March 14, 2021

Dear Members of the North Dakota Sixty-seventh Legislative Assembly,

My name is Scott Terning and I work as a Regional Manager of Event Fundraising for Delta Waterfowl. I work with local volunteers and community supporters that have been hindered without the use of modern technology as a form of electronic payment for raffles.

I am testifying today in support of Electronic Payment for Raffles.

Please consider supporting this bill.

Thank you, North Dakota House Representatives for a Do Pass on HB 1162 - February 15, 2021.

Sincerely,

Scott Terning

1412 Basin Ave.

Bismarck, ND 58504



NORTH DAKOTA WILDLIFE FEDERATION

Testimony of John Bradley North Dakota Wildlife Federation House Bill 1162 Senate Finance and Taxation Committee March 15, 2021

Chairwoman Bell and members of the Finance and Taxation Committee,

For the record, I am John Bradley, Executive Director of the North Dakota Wildlife Federation (NDWF). I am here today representing our 1,500 members and 15 affiliated wildlife and sportsmen's club across North Dakota. It is not often that we find ourselves in this committee. NDWF was founded in 1935 to protect and enhance North Dakota's wildlife, habitat, and sportsman's access.

While our mission has remained the same for 80 plus years, how we fund our work has changed dramatically. We work with grassroots volunteers who want to support our mission through a variety of fundraising efforts. Technology has greatly enhanced our planning and advertising, but our volunteers are still limited in their ability to sell raffle tickets online. While a number of states allow, or are quickly beginning to allow, the online sale of raffle tickets by charitable organizations and touchless electronic transactions for payment, North Dakota does not.

We are asking the committee today to provide a Do Pass recommendation to modernize North Dakota's raffle laws and help out numerous charitable organizations who are struggling to fundraise in a socially distanced world.

We appreciate the bill sponsor for bringing attention to this issue and for her and her co-signers for crafting this legislation. We urge a Do Pass.

Thank you for the opportunity to submit written testimony. Please do not hesitate to reach out with any questions.

2021 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1162
3/29/2021

A BILL for an Act to amend and reenact section 53-06.1-10.1 of the North Dakota Century Code, relating to raffle ticket purchases.

Chair Bell calls the meeting to order. Chair Bell, Vice Chair Kannianen, Senators, J. Roers, Patten, Piepkorn, Weber are present. Senator Meyer absent. [10:16]

Discussion Topics:

- Credit Card
- Age and residency restrictions
- On-line ticket sales

Senator Bell [10:17] discussed amendment [LC 21.05304001] #9184

Senator Bell [10:19] submits amendment relating to credit card usage on online ticket sales #10933.

Chair Bell adjourns the meeting. [10:28]

Joel Crane, Committee Clerk

21.0523.04001

FIRST ENGROSSMENT

Sixty-seventh
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1162

Introduced by

Representatives Roers Jones, Dockter, Hanson, Keiser, Lefor, Porter, Pyle

Senators Bekkedahl, Davison

- 1 A BILL for an Act to amend and reenact section 53-06.1-10.1 of the North Dakota Century
2 Code, relating to raffle ticket purchases.

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

4 **SECTION 1. AMENDMENT.** Section 53-06.1-10.1 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **53-06.1-10.1. Raffles.**

- 7 1. A prize for a raffle may be cash or merchandise but may not be real estate. No single
8 cash prize may exceed twenty-five thousand dollars and the total cash prizes in one
9 day may not exceed twenty-five thousand dollars. However, on not more than two
10 occasions per year a licensed organization may, at the request of a winning player,
11 exchange a merchandise prize valued at not more than twenty-five thousand dollars
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- 13 2. The maximum cash prize limits of this section do not apply to a public-spirited
14 organization that supports amateur collegiate athletics.
- 15 3. An organization permitted to conduct raffles in this state may conduct a fifty-fifty raffle
16 either by manual drawing or by using a random number generator. Fifty-fifty raffle
17 tickets must be sold and drawings held onsite at the location of and on the date of the
18 event. Fifty-fifty raffles may not be conducted online over the internet.
- 19 4. A licensed organization permitted to conduct raffles in this state may sell online over
20 the internet and may accept an electronic payment, including payment by a debit card,
21 for the purchase of a raffle ticket. If a licensed organization accepts electronic payment
22 for the purchase of a raffle ticket, the organization shall verify the ticket purchaser is
23 over eighteen years of age and physically is located in the state.

#10933

Potential Amendment to HB 1162

Page 1, line 20, add "or a credit card" after "debit card"

After amendment, subsection 4 would now read:

- A licensed organization permitted to conduct raffles in this state may sell online over the internet and may accept an electronic payment, including payment by a debit card or a credit card, for the purchase of a raffle ticket.

2021 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1162
3/30/2021

A BILL for an Act to amend and reenact section 53-06.1-10.1 of the North Dakota Century Code, relating to raffle ticket purchases.

Chair Bell calls the meeting to order. Chair Bell, Vice Chair Kannianen, Senators Meyer, J. Roers, Patten, Piepkorn, Weber are present. [9:00]

Discussion Topics:

- Raffle tickets
- Debit and credit cards
- Online raffle ticket purchases

Troy Seibel [9:02], Deputy Attorney General, is called to the stand to answer questions from the committee.

Chair Bell [9:04] presents an amendment [to insert “or credit card” after “card” on page 1, line 20; or testimony #10933 from 3/29/2021 meeting]

Senator J. Roers [9:05] motions to adopt an amendment. [to insert “If a licensed organization accepts electronic payment for the purchase of a raffle ticket, the organization shall verify the ticket purchaser is at least eighteen years of age and physically is located in the state.” on page 1, line 21, after the underscored period; or testimony #9184 from 3/29/2021; or LC 21.0523.04001]

Senator Kannainen [9:05] seconds.

The motion [9:07] passes by a voice vote.

Senator J. Roers [9:09] motions to adopt an amendment [to insert “or credit card” after “card” on page 1, line 20; or testimony #10933 from 3/29/2021 meeting]

Senator Weber [9:09] seconds.

Senators	Vote
Senator Jessica Bell	Y
Senator Jordan Kannianen	Y
Senator Scott Meyer	Y
Senator Dale Patten	Y
Senator Merrill Piepkorn	Y
Senator Jim Roers	Y
Senator Mark Weber	Y

Motion passes 7-0-0. [9:10]

Senator J. Roers [9:10] motions DO PASS AS AMENDED.
Senator Weber [9:10] seconds.

Senators	Vote
Senator Jessica Bell	Y
Senator Jordan Kannianen	N
Senator Scott Meyer	Y
Senator Dale Patten	Y
Senator Merrill Piepkorn	Y
Senator Jim Roers	Y
Senator Mark Weber	Y

Motion passes 6-1-0. [9:11]
Senator J. Roers will carry.

Chair Bell adjourns the meeting. [9:11]

Joel Crane, Committee Clerk

Sixty-seventh
Legislative Assembly
of North Dakota

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Introduced by

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Potential Amendment to HB 1162

Page 1, line 20, add "or a credit card" after "debit card"

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March 30, 2021

3/30/21

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1162

Page 1, line 20, after "card" insert "or a credit card"

Page 1, line 21, after the underscored period insert "If a licensed organization accepts electronic payment for the purchase of a raffle ticket, the organization shall verify the ticket purchaser is at least eighteen years of age and physically is located in the state."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1162, as engrossed: Finance and Taxation Committee (Sen. Bell, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). Engrossed HB 1162 was placed on the Sixth order on the calendar.

Page 1, line 20, after "card" insert "or a credit card"

Page 1, line 21, after the underscored period insert "If a licensed organization accepts electronic payment for the purchase of a raffle ticket, the organization shall verify the ticket purchaser is at least eighteen years of age and physically is located in the state."

Renumber accordingly

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21.0523.04001

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8 cash prize may exceed twenty-five thousand dollars and the total cash prizes in one
9 day may not exceed twenty-five thousand dollars. However, on not more than two
10 occasions per year a licensed organization may, at the request of a winning player,
11 exchange a merchandise prize valued at not more than twenty-five thousand dollars
12 for a cash prize.
- 13 2. The maximum cash prize limits of this section do not apply to a public-spirited
14 organization that supports amateur collegiate athletics.
- 15 3. An organization permitted to conduct raffles in this state may conduct a fifty-fifty raffle
16 either by manual drawing or by using a random number generator. Fifty-fifty raffle
17 tickets must be sold and drawings held onsite at the location of and on the date of the
18 event. Fifty-fifty raffles may not be conducted online over the internet.
- 19 4. A licensed organization permitted to conduct raffles in this state may sell online over
20 the internet and may accept an electronic payment, including payment by a debit card,
21 for the purchase of a raffle ticket. If a licensed organization accepts electronic payment
22 for the purchase of a raffle ticket, the organization shall verify the ticket purchaser is
23 over eighteen years of age and physically is located in the state.

2021 CONFERENCE COMMITTEE

HB 1162

2021 HOUSE STANDING COMMITTEE MINUTES

Judiciary

Room JW327B, State Capitol

HB 1162

4/12/2021

Conference Committee

Relating to raffle ticket purchases.

Rep. T. Jones called the conference committee meeting to order at 10:00 AM

Present: Rep. T. Jones, Rep. B. Paulson, Rep. Paur, Senator Roers, Senator Meyer, Senator Kannianen

Discussion Topics:

- Age verification
- Address verification
- Fraud protection
- Credit cards

Rep. Roers Jones: Oral testimony 10:12 AM

Stopped at 10:28.

Delores Shimek
Committee Clerk

2021 HOUSE STANDING COMMITTEE MINUTES

Judiciary

Room JW327B, State Capitol

HB 1162

4/14/2021

Conference Committee

Relating to raffle ticket purchases.

Rep. T. Jones called the conference committee meeting to order at 9:30 AM

Present: Rep. T. Jones, Rep. B. Paulson, Rep. Paur, Senator Roers, Senator Meyer, Senator Kannianen

Discussion Topics:

- Licensed organizations
- Credit card usage
- State lottery requirements

Deb McDaniel, Director of Charitable Gaming – Office of Attorney General. Oral testimony 9:35

Adjourned at 10:00AM.

Delores Shimek
Committee Clerk

2021 HOUSE STANDING COMMITTEE MINUTES

Judiciary Committee
Room JW327B, State Capitol

HB 1162
4/15/2021
Conference Committee

Relating to raffle ticket purchases.

Rep. T. Jones called the conference committee meeting to order at 3:00 PM

Present: Rep. T. Jones, Rep. B. Paulson, Rep. Paur, Senator Roers, Senator Meyer, Senator Kannianen

Discussion Topics:

- Amendment
- Dollar amount of tickets
- Transaction limits on credit cards

Rep. T. Jones: Introduced an amendment. 21.0523.04003 Testimony#11537

Senator Myers moved Senate recede from Senate amendments and amend as follows with 21.0523.04003.

Senator Roers: Seconded

Roll Call Vote: 5 Yes 1 No 0 Absent

House carrier: Rep. T. Jones Senate Carrier: Senator Roers

Adjourned 3:13 PM

Delores Shimek
Committee Clerk

April 14, 2021

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4/15/21

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1162

That the Senate recede from its amendments as printed on page 1386 of the House Journal and page 1085 of the Senate Journal and that Engrossed House Bill No. 1162 be amended as follows:

Page 1, line 20, after "card" insert "or a credit card"

Page 1, line 21, after the underscored period insert "An organization that accepts payment by credit card for the purchase of a raffle ticket shall limit an individual's ticket purchases using a credit card to five hundred dollars per day, not to exceed one thousand five hundred dollars per week. If a licensed organization accepts electronic payment for the purchase of a raffle ticket, the organization shall verify the ticket purchaser is at least eighteen years of age and physically is located in the state."

Renumber accordingly

**2021 HOUSE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL NO. HB 1162 as engrossed

House Judiciary Committee

- Action Taken** ☐ **HOUSE accede to Senate Amendments**
☐ **HOUSE accede to Senate Amendments and further amend**
☐ **SENATE recede from Senate amendments**
☒ **SENATE recede from Senate amendments and amend as follows**
- ☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Senator Meyer Seconded by: Senator Roers

Representatives	4/12	4/14	4/15	Yes	No		Senators	4/12	4/14	4/15	Yes	No
Rep. Terry Jones – Chair	P	P	P	Y			Senator Roers - Chair	P	P	P	Y	
Rep. B. Paulson	P	P	P	Y			Senator Meyer	P	P	P	Y	
Rep. Gary Paur	P	P	P		N		Senator Kannianen	P	P	P	Y	
Total Rep. Vote				2	1		Total Senate Vote				3	0

Vote Count Yes: 5 No: 1 Absent: 0

House Carrier Rep. T. Jones Senate Carrier Senator Roers

LC Number 21.0523 . 04003 of amendment

LC Number 21.0523 . 06000 of engrossment

Insert LC: 21.0523.04003

House Carrier: Jones

Senate Carrier: J. Roers

REPORT OF CONFERENCE COMMITTEE

HB 1162, as engrossed: Your conference committee (Sens. J. Roers, Meyer, Kannianen and Reps. Jones, Paulson, Paur) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1386, adopt amendments as follows, and place HB 1162 on the Seventh order:

That the Senate recede from its amendments as printed on page 1386 of the House Journal and page 1085 of the Senate Journal and that Engrossed House Bill No. 1162 be amended as follows:

Page 1, line 20, after "card" insert "or a credit card"

Page 1, line 21, after the underscored period insert "An organization that accepts payment by credit card for the purchase of a raffle ticket shall limit an individual's ticket purchases using a credit card to five hundred dollars per day, not to exceed one thousand five hundred dollars per week. If a licensed organization accepts electronic payment for the purchase of a raffle ticket, the organization shall verify the ticket purchaser is at least eighteen years of age and physically is located in the state."

Renumber accordingly

Engrossed HB 1162 was placed on the Seventh order of business on the calendar.

21.0523.04003
Title.

Prepared by the Legislative Council staff for
Senator J. Roers

April 14, 2021

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1162

That the Senate recede from its amendments as printed on page 1386 of the House Journal and page 1085 of the Senate Journal and that Engrossed House Bill No. 1162 be amended as follows:

Page 1, line 20, after "card" insert "or a credit card"

Page 1, line 21, after the underscored period insert "An organization that accepts payment by credit card for the purchase of a raffle ticket shall limit an individual's ticket purchases using a credit card to five hundred dollars per day, not to exceed one thousand five hundred dollars per week. If a licensed organization accepts electronic payment for the purchase of a raffle ticket, the organization shall verify the ticket purchaser is at least eighteen years of age and physically is located in the state."

Renumber accordingly