

**FIRST ENGROSSMENT
with Conference Committee Amendments**

ENGROSSED HOUSE BILL NO. 1416

Introduced by

Representatives Mahoney, Carlson, Delmore, Wald

Senators Cook, D. Mathern

1 A BILL for an Act to amend and reenact subsection 2 of section 53-06.1-11 of the North Dakota
2 Century Code, relating to allowable expenses for games of chance; to provide an effective
3 date; and to declare an emergency.

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

5 **SECTION 1. AMENDMENT.** Subsection 2 of section 53-06.1-11 of the North Dakota
6 Century Code is amended and reenacted as follows:

- 7 2. Allowable expenses may be deducted from adjusted gross proceeds. The
- 8 allowable expense limit is ~~fifty~~ fifty-one percent of the first two hundred thousand
- 9 dollars of adjusted gross proceeds per quarter and forty-five percent of the
- 10 adjusted gross proceeds in excess of two hundred thousand dollars per quarter. In
- 11 addition, an organization may deduct as an allowable expense:
- 12 a. Two and one-half percent of the gross proceeds of pull tabs.
- 13 b. Capital expenditures for security or video surveillance equipment used for
- 14 controlling games if the equipment is required by section 53-06.1-10 or
- 15 authorized by rule, and it is approved by the attorney general.
- 16 c. If an organization's total actual expenses exceed the allowable expenses
- 17 provided by this subsection, the organization may also deduct the expenses
- 18 up to two additional percent of the first two hundred thousand dollars of
- 19 adjusted gross proceeds per quarter.

20 **SECTION 2. EFFECTIVE DATE.** This Act becomes effective on July 1, 2001.

21 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.