

PROPOSED AMENDMENTS TO SENATE BILL NO. 2024

Page 1, line 1, after "to" insert "create and enact a new section to chapter 4-01 and a new subsection to section 53-06.2-04 of the North Dakota Century Code, relating to the duty of the agriculture commissioner to promote horse racing and to the duties of the racing commission; to amend and reenact sections 53-06.2-01, 53-06.2-02, and 53-06.2-03 and subsection 6 of section 53-06.2-11 of the North Dakota Century Code, relating to the racing commission and the authority of the attorney general; and to"

Page 1, after line 3, insert:

**"SECTION 1.** A new section to chapter 4-01 of the North Dakota Century Code is created and enacted as follows:

**Agriculture commissioner to promote racing.** In accordance with chapter 53-06.2, the agriculture commissioner shall administer the breeders' fund, the purse fund, and the racing promotion fund and shall provide for the promotion of horse racing under that chapter.

**SECTION 2. AMENDMENT.** Section 53-06.2-01 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.2-01. Definitions.** As used in this chapter:

1. "Breeders' fund" means a fund, administered by the ~~commission~~ agriculture commissioner, established to financially reward breeders or owners of North Dakota-bred horses to be paid in accordance with rules as approved by the ~~commission~~ agriculture commissioner.
2. "Certificate system" means the system of betting described in section 53-06.2-10.
3. "Charitable organization" means a nonprofit organization operated for the relief of poverty, distress, or other conditions of public concern in this state and has been so engaged in this state for at least two years.
4. "Civic and service club" means a branch, lodge, or chapter of a nonprofit national or state organization that is authorized by its written constitution, charter, articles of incorporation, or bylaws to engage in a civic or service purpose in this state and has so existed in this state for at least two years. The term includes a similar local nonprofit organization, not affiliated with a state or national organization, which is so recognized by a resolution adopted by the governing body of the local jurisdiction in which the organization conducts its principal activities, and which has existed in this state for at least two years.
5. "Commission" means the North Dakota racing commission.
6. "Director" means the director of the commission.
7. "Fraternal organization" means a nonprofit organization in this state, which is a branch, lodge, or chapter of a national or state organization and exists for the common business, brotherhood, or other interests of its members,

and has so existed in this state for two years. The term does not include a college or high school fraternity.

8. "Local jurisdiction" means, with respect to a site inside the city limits of a city, that city, and with respect to a site not inside the city limits of a city, the county in which the site is located.
9. "Other public-spirited organization" means a nonprofit organization recognized by the governing body of the appropriate local jurisdiction by resolution as public-spirited and eligible under this chapter.
10. "Purse fund" means a fund, administered by the ~~commission~~ agriculture commissioner, established to supplement and improve purses offered at racetracks within the state.
11. "Racing" means live or simulcast horse racing under the certificate system or simulcast dog racing under the certificate system.
12. "Racing promotion fund" means a fund administered by the ~~commission~~ agriculture commissioner established to assist in improving and upgrading racetracks in the state; and promoting horse racing in the state, and developing new racetracks in the state as necessary and approved by the commission.
13. "Religious organization" means a nonprofit organization, church, body of communicants, or group gathered in common membership for mutual support and edification in piety, worship, and religious observances, and which has been so gathered or united in this state for at least two years.
14. "Veterans' organization" means a congressionally chartered organization in this state, or a branch, lodge, or chapter of a nonprofit national or state organization in this state, the membership of which consists of individuals who were members of the armed services or forces of the United States, and which has so been in existence in this state for at least two years.

**SECTION 3. AMENDMENT.** Section 53-06.2-02 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.2-02. Racing commission - Members - Appointment - Term - Qualifications - Compensation.**

1. A North Dakota racing commission is established ~~consisting in the office of the attorney general.~~ The commission is subject to the supervision and direction of the attorney general. The attorney general may require payment for any services rendered to the commission. Payment for those services must be deposited into the attorney general's operating fund. The commission consists of the chairman and four other members appointed by the ~~governor~~ attorney general. One of the members must be appointed from a list of four nominees, one of whom is nominated by the state chapter or affiliate of the American quarter horse racing association, one of whom is nominated by the state chapter or affiliate of the United States trotting association, one of whom is nominated by the state chapter or affiliate of the international Arabian horse association, and one of whom is nominated by the state chapter or affiliate of the North Dakota thoroughbred association. The members serve five-year terms and until a successor is appointed and qualified. A member appointed to fill a vacancy arising from other than the natural expiration of a term serves for the unexpired portion of the term and may be reappointed. The terms of the commissioners must be staggered so that one term expires each July first. At the expiration of

the five-year term of each incumbent member of the commission, the governor shall appoint a new member to the commission.

2. A person is ineligible for appointment to the commission if that person has not been a resident of this state for at least two years before the date of appointment. A person is also ineligible if that person is not of such character and reputation as to promote public confidence in the administration of racing in this state. A person who has a financial interest in racing cannot be a member of the commission and cannot be employed by the commission. Failure to maintain compliance with this subsection is grounds for removal from the commission or from employment with the commission. For purposes of this section, a person has a financial interest in racing if that person has an ownership interest in horses running at live or simulcast meets conducted or shown in this state subject to this chapter or rules of the commission, is required to be licensed under this chapter or the rules of the commission, or who derives any direct financial benefit from racing, individually or by or through an entity or other person, as regulated by this chapter or the rules of the commission.
3. Commission members are entitled to ~~seventy-five dollars per day for the same compensation;~~ and mileage and expense reimbursement as ~~allowed to other state employees~~ provided for members of committees of the legislative council under section 54-35-10.

**SECTION 4. AMENDMENT.** Section 53-06.2-03 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.2-03. Director of racing - Appointment - Qualifications - Salary - Duties - Other personnel.**

1. The ~~commission~~ attorney general shall appoint a director of racing. The ~~commission~~ attorney general shall establish the director's qualifications and salary.
2. The director shall devote such time to the duties of the office as the ~~commission~~ attorney general may prescribe. The director is the executive officer of the commission and shall enforce the rules and orders of the commission. The director shall perform other duties prescribed by the ~~commission prescribes~~ attorney general.
3. The director may employ other ~~persons~~ individuals as authorized by the ~~commission~~ attorney general.

**SECTION 5.** A new subsection to section 53-06.2-04 of the North Dakota Century Code is created and enacted as follows:

Advise the attorney general on policy and general operation of racing under this chapter.

**SECTION 6. AMENDMENT.** Subsection 6 of section 53-06.2-11 of the North Dakota Century Code is amended and reenacted as follows:

6. The commission shall deposit the moneys received pursuant to subsections 1, 2, and 3 and from the North Dakota horse racing foundation pursuant to subsection 5 of section 53-06.2-05 in the breeders' fund, the purse fund, and the racing promotion fund. Moneys, and any earnings on the moneys, in the breeders' fund, purse fund, and racing promotion fund are appropriated to the ~~commission~~ agriculture commissioner on a continuing basis to carry out the purposes of those funds under this chapter and must be administered and disbursed in accordance with rules adopted

by the ~~commission~~ agriculture commissioner. The ~~commission~~ agriculture commissioner may not transfer money among the funds. The ~~commission~~ agriculture commissioner shall distribute awards and payment supplements from the breeders' fund in the same calendar year the money was earned by the recipient. The ~~commission~~ agriculture commissioner shall distribute payments awarded to qualified owners and breeders from the breeders' fund without requiring owners and breeders to apply for the payments. ~~The commission, upon approval of the emergency commission, may receive no more than twenty five percent of the racing promotion fund for the payment of the commission's operating expenses."~~

Renumber accordingly