

Sixty-sixth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1533

Introduced by

Representatives Dockter, Headland, Howe, K. Koppelman

Senator Meyer

1 A BILL ~~for an Act to amend and reenact subsection 1 of section 53-06.1-12 of the North Dakota~~
2 ~~Century Code, relating to charitable gaming tax; to provide a continuing appropriation; and to~~
3 ~~provide an allocation.~~for an Act to amend and reenact sections 50-06-22, 53-06.1-08.2, and
4 53-06.1-12 of the North Dakota Century Code, relating to deposits in the gambling disorder
5 prevention and treatment fund, electronic pull tab device requirements and limitations, and the
6 charitable gaming tax; to provide for a legislative management study; to provide a continuing
7 appropriation; and to provide an expiration date.

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

9 ~~— **SECTION 2. AMENDMENT.** Subsection 1 of section 53-06.1-12 of the North Dakota~~
10 ~~Century Code is amended and reenacted as follows:~~

11 ~~— 1. A gaming tax is imposed on the total gross proceeds received by a licensed~~
12 ~~organization in a quarter and it must be computed and paid to the attorney general on~~
13 ~~a quarterly basis on the tax return. This tax must be paid from adjusted gross~~
14 ~~proceeds and is not part of the allowable expenses. For a licensed organization with~~
15 ~~gross proceeds~~The tax is:
16 ~~— a. Not exceeding one million five hundred thousand dollars the tax is one~~One-third
17 ~~of one percent of gross proceeds from electronic pull tabs.~~
18 ~~— b. One percent of gross proceeds from all other games for a licensed organization~~
19 ~~with gross proceeds not exceeding one million five hundred thousand dollars.~~
20 ~~— b. Exceeding one million five hundred thousand dollars the tax is fifteen~~
21 ~~— c. Fifteen thousand dollars plus two and twenty-five hundredths percent of gross~~
22 ~~proceeds exceeding one million five hundred thousand dollars~~from all other
23 ~~games for a licensed organization with gross proceeds exceeding one million five~~
24 ~~hundred thousand dollars.~~hundred thousand dollars.

1 — ~~**SECTION 2.** A new section to chapter 53-06.1 of the North Dakota Century Code is created~~
2 ~~and enacted as follows:~~

3 — ~~**Charitable gaming technology fund - Continuing appropriation.**~~

4 — ~~There is created in the state treasury the charitable gaming technology fund. The fund~~
5 ~~consists of all moneys deposited in the fund. Moneys in the fund are appropriated to the~~
6 ~~attorney general on a continuing basis for contracting for and purchasing equipment and~~
7 ~~software for a charitable gaming technology system, training employees to operate the system,~~
8 ~~and maintaining and updating the system.~~

9 — ~~**SECTION 3. GAMING TAX ALLOCATION - EXCEPTION.** Notwithstanding the provisions~~
10 ~~of section 53-06.1-12, from the deposits designated for deposit in the general fund under~~
11 ~~subsection 3 of section 53-06.1-12 in fiscal year 2020, the attorney general shall deposit four~~
12 ~~hundred thousand dollars into the charitable gaming technology fund.~~

13 **SECTION 1. AMENDMENT.** Section 50-06-22 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **50-06-22. Gambling disorder prevention and treatment fund - Continuing**
16 **appropriation.**

17 Funds deposited in the gambling disorder prevention and treatment fund under
18 ~~section~~sections 53-06.1-12 and 53-12.1-09 are appropriated to the department on a continuing
19 basis for the purpose of providing the services under section 50-06-21.

20 **SECTION 2. AMENDMENT.** Section 53-06.1-08.2 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **53-06.1-08.2. Electronic pull tab device requirements and limitations.**

23 A licensed organization may not install more than ten electronic pull tab devices in a site. An
24 electronic pull tab device must display an electronic pull tab in which the player may win credits
25 that can be redeemed for cash or used to purchase more pull tabs. The device may not directly
26 dispense coins, cash, tokens, or anything else of value other than a credit ticket voucher.

27 **SECTION 3. AMENDMENT.** Section 53-06.1-12 of the North Dakota Century Code is
28 amended and reenacted as follows:

29 **53-06.1-12. Gaming tax - Deposits and allocations - Continuing appropriation.**

- 30 1. A gaming tax is imposed on the total gross proceeds received by a licensed
31 organization in a quarter and it must be computed and paid to the attorney general on

1 a quarterly basis on the tax return. This tax must be paid from adjusted gross
2 proceeds and is not part of the allowable expenses. ~~For a licensed organization with~~
3 ~~gross proceeds~~ The tax is:

4 a. ~~Not exceeding one million five hundred thousand dollars the tax is-~~
5 ~~one~~ Three-fourths of one percent of gross proceeds from electronic pull tabs.

6 b. One percent of gross proceeds from all other games for a licensed organization
7 with gross proceeds not exceeding one million five hundred thousand dollars.

8 ~~b. Exceeding one million five hundred thousand dollars the tax is fifteen~~

9 c. Fifteen thousand dollars plus two and twenty-five hundredths percent of gross
10 proceeds exceeding one million five hundred thousand dollars from all other
11 games for a licensed organization with gross proceeds exceeding one million five
12 hundred thousand dollars.

13 2. The tax must be paid to the attorney general at the time tax returns are filed.

14 3. Except as provided in subsection 4, the attorney general shall deposit gaming taxes,
15 monetary fines, and interest and penalties collected in the general fund in the state
16 treasury.

17 4. The attorney general shall ~~deposit:~~

18 a. Transfer thirty-one thousand two hundred fifty dollars of the taxes collected under
19 this section each quarter to the state treasurer for deposit in the gambling
20 disorder prevention and treatment fund.

21 b. Deposit thirty-one thousand two hundred fifty dollars of the taxes collected under
22 this section each quarter into the gaming tax allocation fund. Funds deposited
23 pursuant to this subdivision are appropriated to the attorney general on a
24 continuing basis for purposes of the distributions listed in subdivision c.

25 c. Deposit seven percent of the total taxes, less refunds, collected under this
26 section each quarter into ~~a~~ the gaming tax allocation fund. Pursuant to legislative
27 appropriation, moneys in the gaming tax allocation fund must be distributed
28 quarterly to cities and counties in proportion to the taxes collected under this
29 section from licensed organizations conducting games within each city, for sites
30 within city limits, or within each county, for sites outside city limits. If a city or
31 county allocation under this subsection is less than two hundred dollars, that city

1 or county is not entitled to receive a payment for the quarter and the undistributed
2 amount must be included in the total amount to be distributed to other cities and
3 counties for the quarter. Each city or county entitled to distributions under this
4 subsection shall report to the attorney general the total number of electronic pull
5 tab devices located at sites within the city or county. The attorney general shall
6 verify the information reported by the city or county before making distributions
7 under this subsection.

8 **SECTION 4. LEGISLATIVE MANAGEMENT STUDY - CHARITABLE GAMING LAWS.**

9 During the 2019-20 interim, the legislative management shall consider studying the state's
10 charitable gaming laws. The study must include:

- 11 1. An evaluation of whether charitable gaming is being expanded properly; whether the
12 addition of new games, such as sports betting and historic horse racing, is
13 appropriate; and whether such expansion should be approved by the voters;
- 14 2. An evaluation regarding the appropriate limitations, restrictions, and oversight if new
15 games are added;
- 16 3. An evaluation of whether a portion of gaming proceeds should be deposited in the
17 gambling disorder prevention and treatment fund; and
- 18 4. A review of whether the laws regarding taxation, eligible uses for proceeds, gambling
19 sites and locations, limitations, enforcement, conduct and play of charitable gaming
20 are fair, adequate, and appropriate.

21 The legislative management shall report its findings and recommendations, together with any
22 legislation required to implement the recommendations, to the sixty-seventh legislative
23 assembly.

24 **SECTION 5. EXPIRATION DATE.** Sections 1 through 3 of this Act are effective through
25 June 30, 2021, and after that date are ineffective.