

**FIRST ENGROSSMENT
with Senate Amendments
ENGROSSED HOUSE BILL NO. 1212**

Introduced by

Representatives Dockter, Headland, Mitskog

Senators Meyer, Bell

1 A BILL for an Act to create and enact section 53-06.1-08.3 and a new section to chapter 53-06.1
2 of the North Dakota Century Code, relating to electronic pull tab devices and the creation of a
3 charitable gaming operating fund; to amend and reenact section 53-06.1-12 of the North Dakota
4 Century Code, relating to charitable gaming tax; to provide for a legislative management study;
5 to provide a continuing appropriation; to provide for a transfer; to provide an effective date; and
6 to provide an expiration date.

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

8 **SECTION 1.** Section 53-06.1-08.3 of the North Dakota Century Code is created and
9 enacted as follows:

10 **53-06.1-08.3. Moratorium on electronic pull tab devices.**

11 The attorney general may not authorize the installation of additional electronic pull tab
12 devices at any location in the state during the period beginning on the effective date of this Act
13 and ending July 31, 2023.

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

16 **Charitable gaming operating fund - Attorney general - State treasurer - Continuing**
17 **appropriation - Allocations - Transfer to the general fund.**

18 1. There is created in the state treasury the charitable gaming operating fund. The fund
19 consists of all gaming taxes, monetary fines, and interest and penalties collected
20 under this chapter.

21 2. Excluding moneys in the charitable gaming operating fund appropriated by the
22 legislative assembly for administrative and operating costs associated with charitable
23 gaming, all other moneys in the charitable gaming operating fund are appropriated to
24 the attorney general on a continuing basis for quarterly allocations as follows:

- a. Ten thousand dollars to the gambling disorder prevention and treatment fund.
- b. Five percent of the total moneys deposited in the charitable gaming operating fund to cities and counties in proportion to the taxes collected under section 53-06.1-12 from licensed organizations conducting games within each city, for sites within city limits, or within each county, for sites outside city limits. If a city or county allocation is less than two hundred dollars, that city or county is not entitled to receive a payment for the quarter and the undistributed amount must be included in the total amount to be distributed to other cities and counties for the quarter.

3. On or before June thirtieth of each odd-numbered year, the attorney general shall certify to the state treasurer the amount of accumulated funds in the charitable gaming operating fund which exceed the amount appropriated by the legislative assembly for administrative and operating costs associated with charitable gaming for the subsequent biennium. The state treasurer shall transfer the certified amount from the charitable gaming operating fund to the general fund prior to the end of each biennium.

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

53-06.1-12. Gaming tax - Deposits and allocations.

1. A gaming tax is imposed on the total adjusted gross proceeds received by a licensed organization in a quarter and it must be computed and paid to the attorney general on a quarterly basis on the tax return. This tax must be paid from adjusted gross proceeds and is not part of the allowable expenses. For a licensed organization with adjusted gross proceeds:
 - a. Not exceeding ~~one million five hundred~~fifty thousand dollars the tax is one percent of adjusted gross proceeds.
 - b. Exceeding ~~one million five hundred~~fifty thousand dollars the tax is ~~fifteen-thousand five hundred~~ thousand five hundred dollars plus ~~two and twenty-five hundredths~~ twelve percent of adjusted gross proceeds exceeding ~~one million five hundred~~fifty thousand dollars.
2. The tax must be paid to the attorney general at the time tax returns are filed.

1 3. Except as provided in subsection 4, the ~~The~~ attorney general shall deposit gaming
2 taxes, monetary fines, and interest and penalties collected in the general charitable
3 gaming operating fund in the state treasury.

4 4. ~~The attorney general shall deposit seven percent of the total taxes, less refunds,~~
5 ~~collected under this section into a gaming tax allocation fund. Pursuant to legislative~~
6 ~~appropriation, moneys in the fund must be distributed quarterly to cities and counties~~
7 ~~in proportion to the taxes collected under this section from licensed organizations~~
8 ~~conducting games within each city, for sites within city limits, or within each county, for~~
9 ~~sites outside city limits. If a city or county allocation under this subsection is less than~~
10 ~~two hundred dollars, that city or county is not entitled to receive a payment for the~~
11 ~~quarter and the undistributed amount must be included in the total amount to be~~
12 ~~distributed to other cities and counties for the quarter.~~

13 **SECTION 4. LEGISLATIVE MANAGEMENT STUDY - CHARITABLE GAMING.** During the
14 2021-22 interim, the legislative management shall consider studying the laws and regulatory
15 structure of charitable gaming. The study must include consideration of the impacts of charitable
16 gaming on tribal gaming, including revenues, regulatory requirements, and employment
17 opportunities; whether a portion of gaming proceeds should be deposited in the gaming
18 disorder prevention and treatment fund; the definitions of charitable and public-spirited
19 organizations; the eligible uses of net proceeds; and regulations regarding the number of
20 machines, sites, and locations. The legislative management shall report its findings and
21 recommendations, together with any legislation required to implement the recommendations, to
22 the sixty-eighth legislative assembly.

23 **SECTION 5. EFFECTIVE DATE.** Section 3 of this Act is effective for taxable events
24 occurring after June 30, 2021.

25 **SECTION 6. EXPIRATION DATE.** Section 1 of this Act is effective through July 31, 2023,
26 and after that date is ineffective.