

Sixty-seventh
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1212

Introduced by

Representatives Dockter, Headland, Mitskog

Senators Meyer, Bell

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

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

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

10 **Moratorium and compliance.**

11 1. Notwithstanding any other provision of law, the attorney general may not permit the
12 operation of electronic pull tab devices in excess of the number of electronic pull tab
13 devices operating in the state as of the effective date of this Act.

14 2. This section does not preclude the transfer of existing electronic pull tab device
15 licenses from one permitted facility to another permitted facility or the replacement of
16 existing electronic pull tab devices with new devices.

17 3. The attorney general shall require all electronic pull tab devices be operated in
18 accordance with title 31 of the United States Code in regard to reporting requirements
19 and verify compliance no less than annually.

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

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

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

2. Excluding moneys in the charitable gaming operating fund appropriated by the legislative assembly for administrative and operating costs associated with charitable gaming, all other moneys in the charitable gaming operating fund are appropriated to 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

- 1 proceeds and is not part of the allowable expenses. For a licensed organization with
2 adjusted gross proceeds:
- 3 a. Not exceeding ~~one million five hundred fifty~~ thousand dollars the tax is one
4 percent of adjusted gross proceeds.
- 5 b. Exceeding ~~one million five hundred fifty~~ thousand dollars the tax is fifteen-
6 ~~thousand five hundred~~ dollars plus ~~two and twenty-five hundredths~~ twelve percent
7 of adjusted gross proceeds exceeding ~~one million five hundred fifty~~ thousand
8 dollars.
- 9 2. The tax must be paid to the attorney general at the time tax returns are filed.
- 10 3. ~~Except as provided in subsection 4, the~~ The attorney general shall deposit gaming
11 taxes, monetary fines, and interest and penalties collected in the ~~general~~ charitable
12 gaming operating fund in the ~~state treasury~~.
- 13 4. ~~The attorney general shall deposit seven percent of the total taxes, less refunds,~~
14 ~~collected under this section into a gaming tax allocation fund. Pursuant to legislative~~
15 ~~appropriation, moneys in the fund must be distributed quarterly to cities and counties~~
16 ~~in proportion to the taxes collected under this section from licensed organizations~~
17 ~~conducting games within each city, for sites within city limits, or within each county, for~~
18 ~~sites outside city limits. If a city or county allocation under this subsection is less than~~
19 ~~two hundred dollars, that city or county is not entitled to receive a payment for the~~
20 ~~quarter and the undistributed amount must be included in the total amount to be~~
21 ~~distributed to other cities and counties for the quarter.~~

22 **SECTION 4. LEGISLATIVE MANAGEMENT STUDY - EXPANSION OF ELECTRONIC**
23 **PULL TAB DEVICES.** During the 2021-22 interim, the legislative management shall consider
24 studying the expansion of electronic pull tab devices in the state. The study must include a
25 review of the nature and scope of electronic pull tab games, the impact of electronic pull tab
26 devices on charitable and tribal gaming revenues, the impact of electronic pull tab devices on
27 gambling addiction, and a cost-benefit analysis of the increase in charitable gaming revenues
28 and impacted services as a result of the expanded operation electronic pull tab devices. The
29 legislative management shall report its findings and recommendations, together with any
30 legislation required to implement the recommendations, to the sixty-eighth legislative assembly.

1 **SECTION 5. EFFECTIVE DATE.** Section 2 of this Act is effective for taxable events
2 occurring after June 30, 2021.

3 **SECTION 6. EMERGENCY.** Section 1 of this Act is declared to be an emergency measure.