

Sixty-seventh
Legislative Assembly
of North Dakota

SENATE BILL NO. 2309

Introduced by

Senator Luick

1 A BILL for an Act to create and enact a new section to chapter 53-06.1 of the North Dakota
2 Century Code, relating to the creation of a charitable gaming operating fund; to amend and
3 reenact ~~sections 53-06.1-08.2 and~~ section 53-06.1-12 of the North Dakota Century Code,
4 relating to ~~electronic pull tab device requirements and limitations and the~~ charitable gaming tax;
5 and to provide a continuing appropriation; ~~and to provide an effective date.~~

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

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

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

- 11 1. There is created in the state treasury the charitable gaming operating fund. The fund
12 consists of all gaming taxes, monetary fines, and interest and penalties collected
13 under this chapter.
- 14 2. Excluding moneys in the charitable gaming operating fund appropriated by the
15 legislative assembly for administrative and operating costs associated with charitable
16 gaming, all other moneys in the charitable gaming operating fund are appropriated to
17 the attorney general on a continuing basis for quarterly allocations as follows:
- 18 a. Eighty thousand dollars to the gambling disorder prevention and treatment fund.
- 19 b. Ten percent of the total moneys deposited in the charitable gaming operating
20 fund to cities and counties in proportion to the taxes collected under section
21 53-06.1-12 from licensed organizations conducting games within each city, for
22 sites within city limits, or within each county, for sites outside city limits. If a city or
23 county allocation is less than two hundred dollars, that city or county is not
24 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.

c. 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 before the end of each biennium.

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

~~53-06.1-08.2. Electronic pull tab device requirements - Limitations.~~

~~1. An electronic pull tab device must display an electronic pull tab in which the player may win credits that can be redeemed for cash or used to purchase more pull tabs. The device may not directly dispense coins, cash, tokens, or anything else of value other than a credit ticket voucher. The amount of prizes may not exceed eighty-eight percent of the gross proceeds for each deal.~~

~~2. A licensed organization may not install more than ten electronic pull tab devices in a site.~~

SECTION 2. 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 thousand dollars per quarter, the tax is one three and three-fourths percent of the adjusted gross proceeds.
 - b. Exceeding in excess of one million five hundred thousand dollars per quarter, but not in excess of three hundred thousand dollars per quarter, the tax is fifteen

1 thousand dollars plus two and twenty-five hundredths~~five~~ percent of ~~the adjusted~~
2 gross proceeds ~~exceeding one million five hundred thousand dollars.~~

3 ~~c. In excess of three hundred thousand dollars per quarter, but not in excess of one~~
4 ~~million dollars per quarter, the tax is eight and three-fourths percent of the~~
5 ~~adjusted gross proceeds.~~

6 ~~d. In excess of one million dollars per quarter, the tax is ten and three-fourths~~
7 ~~percent of the adjusted gross proceeds.~~

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

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

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

21 ~~SECTION 4. EFFECTIVE DATE. Section 3 of this Act is effective for taxable events~~
22 ~~occurring after June 30, 2021.~~