

SPORTS AND AMUSEMENTS

CHAPTER 453

SENATE BILL NO. 2304

(Senators Klein, Hogue, Luick)
(Representatives Karls, Kempenich, Nathe)

AN ACT to amend and reenact sections 53-06.1-01 and 53-06.1-03, subsection 3 of section 53-06.1-10.1, subsection 5 of section 53-06.1-11, and subsection 10 of section 53-06.1-15.1 of the North Dakota Century Code, relating to the definitions of alcoholic beverage establishment and manufacturer, approval for a gaming site authorization and licensure, the maximum number of gaming sites allowed, the maximum number of pull tab devices allowed at a site, gaming licenses for alcoholic beverage establishments, electronic fifty-fifty raffles, rent limits for electronic pull tab devices, and the imposition of monetary fines for violations by third-party businesses; to provide for a legislative management study; to provide an effective date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 53-06.1-01 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-01. Definitions.

As used in this chapter:

1. "Adjusted gross proceeds" means gross proceeds less cash prizes, cost of merchandise prizes, gaming tax, and federal excise tax imposed under section 4401 of the Internal Revenue Code [26 U.S.C. 4401].
2. "Alcoholic beverage establishment" means an establishment licensed under chapter 5-02 where alcoholic beverages are sold, dispensed, and consumed by guests on the premises. The term does not include a liquor store, gas station, grocery store, or convenience store.
3. "Charitable organization" means an organization whose primary purpose is for relief of poor, distressed, underprivileged, diseased, elderly, or abused persons, prevention of cruelty to children or animals, or similar condition of public concern.
- 3-4. "Civic and service organization" means an organization whose primary purpose is to promote the common good and social welfare of a community as a sertoma, lion, rotary, jaycee, kiwanis, or similar organization.
- 4-5. "Closely related organization" means an organization that controls, is controlled by, or is under common control with another organization. Control exists when an organization has the authority or ability to elect, appoint, or remove a majority of the officers or directors of another organization or, by

policy, contract, or otherwise, has the authority or ability to directly or indirectly direct or cause the direction of the management or policies of another organization.

- 5-6. "Distributor" means a person that sells, markets, or distributes equipment designed for use in the conduct of games.
- 6-7. "Educational organization" means a nonprofit public or private elementary or secondary school, two-year or four-year college, or university.
- 7-8. "Electronic pull tab device" means a device, approved by the attorney general, which electronically displays pull tabs.
- 8-9. "Eligible organization" means a veterans, charitable, educational, religious, fraternal, civic and service, public safety, or public-spirited organization domiciled in North Dakota or authorized by the secretary of state as a foreign corporation under chapter 10-33, incorporated as a nonprofit organization, and which has been regularly and actively fulfilling its primary purpose within this state during the two immediately preceding years. However, an educational organization does not need to be incorporated or be in existence for two years. An organization's primary purpose may not involve the conduct of games. The organization may be issued a license by the attorney general. For purposes of this section, a foreign corporation authorized under chapter 10-33 is not an eligible organization unless authorized to conduct a raffle under chapter 20.1-04 or 20.1-08 and may not conduct a game other than a raffle under chapter 20.1-04 or 20.1-08.
- 9-10. "Fraternal organization" means an organization, except a school fraternity, 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. The organization must have qualified for exemption from federal income tax under section 501(c)(8) or 501(c)(10) of the Internal Revenue Code.
- 40-11. "Games" means games of chance.
- 44-12. "Gross proceeds" means all cash and checks received from conducting games.
- 42-13. "Licensed organization" means an eligible organization licensed by the attorney general.
- 43-14. "Manufacturer" means, for a pull tab or bingo card, a person who designs, prints, assembles, or produces the product. For a pull tab dispensing device, electronic pull tab device operating system, bingo card marking device, or a ~~fifty-fifty~~electronic raffle system, a manufacturer means the person who directly controls and manages development of and owns the rights to the proprietary software encoded on a processing chip that enables the device or system to operate.
- 44-15. "Net income" means gross proceeds less cash prizes, cost of merchandise prizes, and expenses to conduct the gaming activity.
- 45-16. "Net proceeds" means adjusted gross proceeds less allowable expenses and gaming tax.

- 46-17. "Permit" means a local permit or restricted event permit issued by a governing body of a city or county to a nonprofit organization or group of people domiciled in North Dakota.
- 47-18. "Person" means any person, partnership, corporation, limited liability company, association, or organization.
- 48-19. "Prize board" means a board used with pull tabs to award cash or merchandise prizes.
- 49-20. "Public safety organization" means an organization whose primary purpose is to provide firefighting, ambulance service, crime prevention, or similar emergency assistance.
- 20-21. "Public-spirited organization" means an organization whose primary purpose is for scientific research, amateur sports competition, safety, literary, arts, preservation of cultural heritage, educational activities, educational public service, youth, economic development, tourism, community medical care, community recreation, or similar organization, which does not meet the definition of any other type of eligible organization. However, a nonprofit organization or a group of people recognized as a public-spirited organization by a governing body of a city or county for obtaining a permit does not need to meet this definition.
- 24-22. "Pull tab" means a folded or banded ticket or jar ticket, a pull tab card with break-open tabs, or an electronic pull tab displaying concealed numbers or symbols or combinations of concealed numbers and symbols which are exposed by a player to determine the outcome. The terms "pull tab" and "jar ticket" are used interchangeably unless otherwise stated. A winning pull tab contains certain symbols, numbers, or combinations of symbols and numbers and may contain multiple winning symbols, numbers, or combinations of symbols and numbers which have been previously designated as winning symbols or numbers.
- 22-23. "Religious organization" means a church, body of communicants, or group gathered in common membership whose primary purpose is for advancement of religion, mutual support and edification in piety, worship, and religious observances.
- 23-24. "Veterans organization" means any congressionally chartered post organization, or any branch or lodge or chapter of a nonprofit national or state organization whose membership consists of individuals who are or were members of the armed services or forces of the United States. The organization must have qualified for exemption from federal income tax under section 501(c)(19) of the Internal Revenue Code.

²⁴⁵ **SECTION 2. AMENDMENT.** Section 53-06.1-03 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-03. Permits, site authorization, and licenses - Organization requirements - Site inspection.

²⁴⁵ Section 53-06.1-03 was also amended by section 1 of Senate Bill No. 2126, chapter 454, section 1 of Senate Bill No. 2154, chapter 455, and section 1 of Senate Bill No. 2281, chapter 459.

1. Except as authorized by the attorney general, an organization that has its license suspended or revoked, or has relinquished or not renewed its license and not disbursed its net proceeds, is ineligible for a license or permit. Only one of two or more closely related organizations may have a license or permit at one time. A college or university fraternity, sorority, or club is not closely related to an educational organization. An organization shall apply for a permit as follows:
 - a. An organization recognized as a public-spirited organization by the governing body of a city or county may apply for permits. A local permit may allow the organization to conduct only raffles, bingo, or sports pools. A restricted event permit may allow the organization to conduct only raffles, bingo, sports pools, paddlewheels, twenty-one, and poker. The organization or closely related organizations as a whole may only award a primary prize that does not exceed eight thousand dollars and total prizes of all games do not exceed forty thousand dollars per year. These maximum prize amounts do not apply to raffles conducted under chapter 20.1-08. The determination of what is a "public-spirited organization" is within the sole discretion of the governing body. An organization shall disclose on the application its intended use of the net income from the gaming activity. A governing body may issue a permit for games to be held at designated times and places.
 - b. An organization shall apply to the governing body of the city or county in which the proposed site is located. Application must be made on a form prescribed by the attorney general. Approval may be granted at the discretion of the governing body. A governing body may establish a fee not to exceed twenty-five dollars for each permit. A permit must be on a fiscal year basis from July first to June thirtieth or on a calendar-year basis.
 - c. An organization that has a local permit or a restricted event permit may use the net income from the gaming activity for any purpose that does not violate this chapter or gaming rules, unless the organization is a state political party or legislative district party committee, the organization may use the net income from a raffle for a political purpose. For purposes of this subdivision, a public-spirited use includes a political purpose.
 - d. An organization that has a restricted event permit is restricted to one event per year and:
 - (1) May not pay remuneration to employees for personal services;
 - (2) Shall use chips as wagers;
 - (3) Shall redeem a player's chips for merchandise prizes or cash;
 - (4) Shall disburse net income to eligible uses referenced in subdivision c, if applicable, and in section 53-06.1-11.1; and
 - (5) Shall file a report prescribed by the attorney general with the governing body and attorney general.
2. An eligible organization shall apply for a license to conduct only bingo, electronic quick shot bingo, raffles, calcuttas, pull tabs, punchboards, twenty-one, paddlewheels, poker, or sports pools by:

- a. First securing approval for a site authorization from the governing body of the city or county in which the proposed site is located. Approval, which may be granted at the discretion of the governing body, must be recorded on a site authorization form that is to accompany the license application to the attorney general for final approval. An eligible organization may request a specific site location on the site authorization form.

(1) A governing body may:

- (a) May not require an eligible organization to donate net proceeds to the city, county, or related political subdivision or for community programs or services within the city or county as a condition for receiving a site authorization from the city or county. A governing body may;
- (b) May not deny a site authorization solely because the eligible organization has not conducted gaming at the site;
- (c) May not require that an eligible organization be located at a specific site as a condition of site authorization;
- (d) May limit the type of games and the number of electronic pull tab devices or tables for the game of twenty-one per site, and the number of sites upon which a licensed organization may conduct games within the city or county. A governing body may; and
- (e) May charge a one hundred dollar fee for a site authorization; and.

(2) This subsection may not be construed to prohibit a governing body from:

- (a) Creating and enforcing rules that are more stringent than state law regarding charitable gaming as otherwise permitted in code; or
- (b) Denying a site authorization for just cause, including, after consultation with the attorney general, a violation of state law or local rules.

- b. Annually applying for a license from the attorney general before July first on a form prescribed by the attorney general and remitting a one hundred fifty dollar license fee for each city or county that approves a site authorization. However, the attorney general may allow an organization that only conducts a raffle or calcutta in two or more cities or counties to annually apply for a consolidated license and remit a one hundred fifty dollar license fee for each city or county in which a site is located. An organization shall document that it qualifies as an eligible organization. If an organization amends its primary purpose as stated in its articles of incorporation or materially changes its basic character, the organization shall reapply for licensure. The attorney general may deny issuance of a license or deny renewal of a license to an eligible organization that has obtained approval of site authorization under subdivision a, if the organization or site is not in compliance with applicable laws and rules.

3. A licensed organization or organization that has a permit shall conduct games as follows:

- a. Only one licensed organization or organization that has a permit may conduct games at an authorized site on a day, except that a raffle may be conducted for a special occasion by another licensed organization or organization that has a permit when one of these conditions is met:
 - (1) When the area for the raffle is physically separated from the area where games are conducted by the regular organization.
 - (2) Upon request of the regular organization and with the approval of the alcoholic beverage establishment, the regular organization's license or permit is suspended for that specific time of day by the attorney general.
 - b. ~~Except for a temporary site authorized for fourteen or fewer consecutive days for not more than two events per quarter or a licensed organization authorized on or before January 1, 2023, to conduct gaming at more than fifteen sites, a licensed organization, including a closely related organization, may not have more than twenty-fivefifteen sites unless granted a waiver by the attorney general. If the attorney general finds that there is no other licensed organization interested in conducting gaming at a site for which a waiver is being sought, the attorney general may approve the waiver for no more than five sites.~~
 - c. Games of electronic quick shot bingo, electronic pull tabs, pull tabs, punchboards, twenty-one, paddlewheels, poker, and sports pools may be conducted only during the hours when alcoholic beverages may be dispensed according to applicable regulations of the state, county, or city. Electronic pull tabs must be conducted in a designated area where patrons must be twenty-one years of age or older to enter.
 - d. An organization may not permit a person under twenty-one years of age to directly or indirectly play pull tabs, punchboards, twenty-one, calcuttas, sports pools, paddlewheels, or poker. An organization may not permit an individual under eighteen years of age to directly or indirectly play electronic quick shot bingo. An organization may not permit an individual under eighteen years of age to directly or indirectly play bingo unless the individual is accompanied by an adult, bingo is conducted by an organization that has a permit, or the game's prize structure does not exceed that allowed for a permit.
 - e. An organization may not install more than ten electronic pull tab devices at a site.
 - f. An organization with more than fifteen licensed sites under subdivision b may not increase its number of sites beyond the number of sites licensed as of January 1, 2023.
 - g. An organization conducting gaming at an authorized site on January 1, 2023, may continue to operate gaming, including as provided under subsection 1 of section 53-06.1-06, at the authorized site regardless of whether the authorized site is an alcoholic beverage establishment as defined under section 53-06.1-01.
4. A permit, or site authorization and license, must be displayed at a site.

5. The attorney general may issue a conditional license to an eligible organization whose regularly issued license has expired or been suspended, revoked, or relinquished. The attorney general shall designate the time period for which the conditional license is valid and may impose any conditions.
6. A governing body or local law enforcement official may inspect a site's gaming equipment and examine or cause to be examined any gaming-related books and records of a licensed organization or organization that has a permit.

SECTION 3. AMENDMENT. Subsection 3 of section 53-06.1-10.1 of the North Dakota Century Code is amended and reenacted as follows:

3. An organization permitted to conduct raffles in this state may conduct ~~an~~ an electronic fifty-fifty raffle either by manual drawing or by using a random number generator. ~~Fifty-fifty~~ Electronic fifty-fifty raffle tickets must be sold and drawings held onsite at the location of and on the date of the event. ~~Fifty-fifty~~ Electronic fifty-fifty raffles may not be conducted online over the internet.

SECTION 4. AMENDMENT. Subsection 5 of section 53-06.1-11 of the North Dakota Century Code is amended and reenacted as follows:

5. For a site where bingo is not the primary game:
 - a. If twenty-one or paddlewheels is conducted, the monthly rent may not exceed two hundred dollars multiplied by the necessary number of tables based on criteria prescribed by gaming rule. For each twenty-one table with a wager greater than five dollars, an additional amount up to one hundred dollars may be added to the monthly rent. If pull tabs is also conducted involving only a jar bar, the monthly rent for pull tabs may not exceed an additional one hundred seventy-five dollars. If pull tabs is conducted involving only a dispensing device or a jar bar and dispensing device, the monthly rent for pull tabs may not exceed an additional three hundred twenty-five dollars.
 - b. If twenty-one and paddlewheels are not conducted but pull tabs is conducted involving either a jar bar or dispensing device, the monthly rent may not exceed four hundred dollars.
 - c. If pull tabs is conducted using one or more electronic pull tab devices, the monthly rent may not exceed ~~an additional~~ one hundred seventy-five dollars per machine for the first five machines in the same venue. For each additional machine in the same venue beyond five, the monthly rent may not exceed ~~an additional fifty~~ seventy-five dollars per machine up to a maximum of one thousand ~~one~~ two hundred ~~twenty-five~~ fifty dollars per month for all electronic pull tab devices in a single venue.

SECTION 5. AMENDMENT. Subsection 10 of section 53-06.1-15.1 of the North Dakota Century Code is amended and reenacted as follows:

10. Impose a monetary fine on a licensed organization, organization that has a permit, distributor, ~~or~~ manufacturer, or third-party business operating gaming and working as an agent of the charity for failure to comply with this chapter or any gaming rule. The monetary fine for each violation by an organization is a minimum of twenty-five dollars and may not exceed two percent of the organization's average quarterly gross proceeds, or five thousand dollars,

whichever is greater. The monetary fine for each violation by a distributor is a minimum of one hundred dollars and may not exceed five thousand dollars. The monetary fine for each violation by a manufacturer is a minimum of five hundred dollars and may not exceed two hundred fifty thousand dollars. This fine may be in addition to or in place of a license suspension or revocation.

SECTION 6. LEGISLATIVE MANAGEMENT STUDY - CHARITABLE GAMING.

1. During the 2023-24 interim, the legislative management shall study statewide charitable gaming comprehensively. The study must include input from the attorney general, stakeholders from large and small charitable organizations, local political subdivisions that authorize sites, gaming equipment manufacturers and distributors, gambling addiction counselors, and other industry leaders. The study must also include:
 - a. An evaluation of the economic impact of charitable gaming on the state in urban and rural areas;
 - b. An evaluation of gambling addiction and treatment services currently available;
 - c. An evaluation of the civic benefit of charitable gaming to the communities most closely related to the gaming sites;
 - d. An evaluation of how site authorization is approved and renewed, including whether charities have equitable access to sites;
 - e. An evaluation of the gaming tax structure;
 - f. An evaluation of public support for charitable gaming;
 - g. An evaluation of statewide local restrictions placed on charitable gaming;
 - h. An evaluation of gaming expansion;
 - i. An evaluation of site locations where gaming is taking place;
 - j. An evaluation of charitable gaming proceeds and the eligible uses of gaming proceeds, including the percentage of proceeds that may be used for administration;
 - k. An evaluation of the categories of organizations that are allowed to conduct charitable gaming, including the missions of such organizations;
 - l. An evaluation of the placement of gaming activity within a gaming site, including electronic pull tab device placement;
 - m. An evaluation of the rental rate paid by organizations to alcoholic beverage establishments; and
 - n. An evaluation of the authority of the attorney general to regulate alcoholic beverage establishments.
2. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

SECTION 7. EFFECTIVE DATE. This Act becomes effective on June 30, 2023.

SECTION 8. EMERGENCY. This Act is declared to be an emergency measure.

Approved April 29, 2023

Filed May 1, 2023

CHAPTER 454

SENATE BILL NO. 2126

(Senators Conley, Elkin, Vedaa)
(Representatives Grueneich, Ostlie)

AN ACT to create and enact a new subdivision to subsection 3 of section 53-06.1-03 of the North Dakota Century Code, relating to the sale of raffle boards; and to amend and reenact subsection 3 of section 53-06.1-14 of the North Dakota Century Code, relating to affixing a North Dakota gaming stamp.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

246 SECTION 1. A new subdivision to subsection 3 of section 53-06.1-03 of the North Dakota Century Code is created and enacted as follows:

For a raffle board, an organization permitted to conduct raffles shall sell the numbered squares on the board for the same price and may sell squares at a site thirty days before the drawing.

247 SECTION 2. AMENDMENT. Subsection 3 of section 53-06.1-14 of the North Dakota Century Code is amended and reenacted as follows:

3. A licensed distributor shall affix a North Dakota gaming stamp to each deal of pull tabs, raffle board, punchboard, sports pool board, calcutta board, and series of paddlewheel ticket cards sold or otherwise provided to a licensed organization or organization that has a permit and shall purchase the stamps from the attorney general for thirty-five cents each. Ten cents of each stamp sold by the attorney general, up to thirty-six thousand dollars per biennium, must be credited to the attorney general's operating fund to defray the costs of issuing and administering the gaming stamps. If an organization hosts an event with a raffle board and only sells numbered squares on the day of event, the organization is exempt from the requirements under this subsection.

Approved April 27, 2023

Filed April 28, 2023

²⁴⁶ Section 53-06.1-03 was also amended by section 1 of Senate Bill No. 2154, chapter 455, section 1 of Senate Bill No. 2281, chapter 459, and section 2 of Senate Bill No. 2304, chapter 453.

²⁴⁷ Section 53-06.1-14 was also amended by section 3 of Senate Bill No. 2281, chapter 459.

CHAPTER 455

SENATE BILL NO. 2154

(Senators Lee, Lemm, J. Roers)
(Representatives Mitskog, Schauer, Schreiber-Beck)

AN ACT to amend and reenact subsection 3 of section 53-06.1-03 of the North Dakota Century Code, relating to organizations with local permits to conduct charitable gaming.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

²⁴⁸ **SECTION 1. AMENDMENT.** Subsection 3 of section 53-06.1-03 of the North Dakota Century Code is amended and reenacted as follows:

3. A licensed organization or organization that has a permit shall conduct games as follows:
 - a. Only one licensed organization or organization that has a permit may conduct games at an authorized site on a day, except that a raffle or a sports pool conducted under a local permit may be conducted for a special occasion by another licensed organization or organization that has a permit when one of these conditions is met:
 - (1) When the area for the raffle or sports pool is physically separated from the area where games are conducted by the regular organization.
 - (2) Upon request of the regular organization and with the approval of the alcoholic beverage establishment, the regular organization's license or permit is suspended for that specific time of day by the attorney general.
 - b. Except for a temporary site authorized for fourteen or fewer consecutive days for not more than two events per quarter, a licensed organization may not have more than twenty-five sites unless granted a waiver by the attorney general. If the attorney general finds that there is no other licensed organization interested in conducting gaming at a site for which a waiver is being sought, the attorney general may approve the waiver for no more than five sites.
 - c. Games of electronic quick shot bingo, pull tabs, punchboards, twenty-one, paddlewheels, poker, and sports pools may be conducted only during the hours when alcoholic beverages may be dispensed according to applicable regulations of the state, county, or city.
 - d. An organization may not permit a person under twenty-one years of age to directly or indirectly play pull tabs, punchboards, twenty-one, calcuttas, sports pools, paddlewheels, or poker. An organization may not permit an

²⁴⁸ Section 53-06.1-03 was also amended by section 1 of Senate Bill No. 2126, chapter 454, section 1 of Senate Bill No. 2281, chapter 459, and section 2 of Senate Bill No. 2304, chapter 453.

individual under eighteen years of age to directly or indirectly play electronic quick shot bingo. An organization may not permit an individual under eighteen years of age to directly or indirectly play bingo unless the individual is accompanied by an adult, bingo is conducted by an organization that has a permit, or the game's prize structure does not exceed that allowed for a permit.

Approved March 14, 2023

Filed March 15, 2023

CHAPTER 456

SENATE BILL NO. 2336

(Senators Lee, J. Roers, Sorvaag)
(Representatives Boschee, Roers Jones, Strinden)

AN ACT to amend and reenact section 53-06.1-11.1 of the North Dakota Century Code, relating to eligible uses of net proceeds.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

²⁴⁹ **SECTION 1. AMENDMENT.** Section 53-06.1-11.1 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-11.1. Restricted use of money in certain political activities - Eligible uses of net proceeds.

1. Except as provided in subdivision c of subsection 1 of section 53-06.1-03:
 - a. A licensed organization or an organization that has a permit may not use money from any source for placing an initiated or referred measure on a ballot or for a political campaign to promote or oppose a person for public office.
 - b. Except for a use related to an organization's primary purpose, a licensed organization or organization that has a permit may not use net proceeds to influence legislation or promote or oppose referendums or initiatives.
 - c. Any funds expended by a licensed organization or an organization that has a permit to promote or oppose an initiated or referred measure that is on the ballot or for any activities of a lobbyist under section 54-05.1-02, that are not compensation or expenses paid to a lobbyist, and that are not required to be reported under section 54-05.1-03 must be reported to the attorney general as prescribed by the attorney general. A violation of this subsection subjects an organization to a suspension of its license or permit for up to one year.
2. A licensed organization or an organization that has a restricted event permit shall disburse net proceeds within the period prescribed by rule and for only these educational, charitable, patriotic, fraternal, religious, or public-spirited uses:
 - a. Uses for stimulating and promoting state and community-based economic development programs within the state which improve the quality of life of community residents.
 - b. Uses for developing, promoting, and supporting tourism within a city, county, or the state.

²⁴⁹ Section 53-06.1-11.1 was also amended by section 1 of House Bill No. 1142, chapter 457, and section 1 of Senate Bill No. 2186, chapter 458.

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- c. Uses benefiting an indefinite number of persons by bringing them under the influence of education, cultural programs, or religion which include disbursements to provide:
- (1) Scholarships for students, if the disbursement is deposited in a scholarship fund for defraying the cost of education to students and the scholarships are awarded through an open and fair selection process.
 - (2) Supplementary assistance to a public or private nonprofit educational institution registered with or accredited by any state.
 - (3) Assistance to libraries and museums.
 - (4) Assistance for the performing arts and humanities.
 - (5) Preservation of cultural heritage.
 - (6) Youth community, social welfare, and athletic activities.
 - (7) Adult amateur athletic activities within the state, including team uniforms and equipment.
 - (8) Maintenance of places of public worship or support of a body of communicants, gathered in common membership for mutual support and edification in piety, worship, or religious observances.
 - (9) Scientific research.
- d. Uses benefiting an indefinite number of persons by relieving them of disease, suffering, or constraint which include disbursements to provide:
- (1) Assistance to an individual or family suffering from poverty or homelessness.
 - (2) Encouragement and enhancement of the active participation of the elderly in our society.
 - (3) Services to the abused.
 - (4) Services to persons with an addicted behavior toward alcohol, gambling, or drugs.
 - (5) Funds to combat juvenile delinquency and rehabilitate ex-offenders.
 - (6) Relief for the sick, diseased, and terminally ill and their physical well-being.
 - (7) Funds for emergency relief and volunteer services.
 - (8) Funds to nonprofit nursing homes, nonprofit day care centers, and nonprofit medical facilities.
 - (9) Social services and education programs aimed at aiding emotionally and physically distressed, handicapped, elderly, and underprivileged persons.

- (10) Funds for crime prevention, fire protection and prevention, and public safety.
 - (11) Funds to relieve, improve, and advance the physical and mental conditions, care and medical treatment, and health and welfare of injured or disabled veterans.
- e. Uses that perpetuate the memory and history of the dead.
 - f. Uses increasing comprehension of and devotion to the principles upon which the nation was founded, including disbursements to aid in teaching the principles of liberty, truth, justice, and equality. However, beauty pageants do not qualify.
 - g. The erection or maintenance of public buildings, facilities, utilities, or waterworks.
 - h. Uses lessening the burden of government which include disbursements to an entity that is normally funded by a city, county, state, or United States government and disbursements directly to a government entity or its agency.
 - i. Uses benefiting a definite number of persons who are the victims of loss of home or household possessions through explosion, fire, flood, or storm and the loss is not covered by insurance.
 - j. Uses benefiting a definite number of persons suffering from a seriously disabling disease or injury causing severe loss of income or incurring extraordinary medical expense which is not covered by insurance.
 - k. Uses, for community service projects, by chambers of commerce exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code. A project qualifies if it develops or promotes public services, including education, housing, transportation, recreation, crime prevention, fire protection and prevention, safety, tourism, and health. Uses that directly benefit a chamber of commerce do not qualify.
 - l. Uses for or of benefit to efforts in support of the health, comfort, or well-being of the community which include disbursements to provide:
 - (1) Funds for adult bands, including drum and bugle corps.
 - (2) Funds for trade shows and conventions conducted in this state.
 - (3) Funds for nonprofit organizations that operate a humane society, zoo, or fish or wildlife reproduction and habitat enhancement program.
 - (4) Funds for public transportation, community celebration, and recreation.
 - (5) Funds for preservation and cleanup of the environment.
 - m. To the extent net proceeds are used toward the primary purpose of a charitable, educational, religious, public safety, or public-spirited organization, or are used for a veterans or public cemetery by a veterans organization, that has obtained a final determination from the internal

revenue service as qualifying for exemption from federal income tax under section 501(c)(3) or 501(c)(19) of the Internal Revenue Code, the organization may establish a special trust fund or foundation as a contingency for funding or maintaining the organization's future program services should the organization discontinue conducting games or dissolve.

- n. Uses for a fundraising activity unrelated to an organization's primary purpose provided that the gross revenue from the activity is disbursed to uses prescribed by this subsection.
3. The eligible uses in subsection 2 do not include the erection, acquisition, property taxes, special assessments, improvement, maintenance, or repair of real property owned or leased by an organization unless the real property is used exclusively for an eligible use or, by a veterans organization, or for office or storage space under subsection 4.
4. A licensed organization or recipient of net proceeds may not use net proceeds for administrative or operating expenses involving the conduct of games, but may designate space within real property used for an organization's primary purpose as office or storage space for gaming-related administration.

Approved March 14, 2023

Filed March 15, 2023

CHAPTER 457

HOUSE BILL NO. 1142

(Representatives Schauer, Klemin, J. Olson, Richter, M. Ruby, Thomas)
(Senators Dever, Mathern, Paulson, Sorvaag, Wobbema)

AN ACT to amend and reenact subsection 2 of section 53-06.1-11.1 of the North Dakota Century Code, relating to expanding eligible uses for charitable gaming net proceeds; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

²⁵⁰ **SECTION 1. AMENDMENT.** Subsection 2 of section 53-06.1-11.1 of the North Dakota Century Code is amended and reenacted as follows:

2. A licensed organization or an organization that has a restricted event permit shall disburse net proceeds within the period prescribed by rule and for only these educational, charitable, patriotic, fraternal, religious, or public-spirited uses:
 - a. Uses for stimulating and promoting state and community-based economic development programs within the state which improve the quality of life of community residents.
 - b. Uses for developing, promoting, and supporting tourism within a city, county, or the state.
 - c. Uses benefiting an indefinite number of persons by bringing them under the influence of education, cultural programs, or religion which include disbursements to provide:
 - (1) Scholarships for students, if the disbursement is deposited in a scholarship fund for defraying the cost of education to students and the scholarships are awarded through an open and fair selection process.
 - (2) Supplementary assistance to a public or private nonprofit educational institution registered with or accredited by any state.
 - (3) Assistance to libraries and museums.
 - (4) Assistance for the performing arts and humanities.
 - (5) Preservation of cultural heritage.
 - (6) Youth community, social welfare, and athletic activities.
 - (7) Adult amateur athletic activities within the state, including team uniforms and equipment.

²⁵⁰ Section 53-06.1-11.1 was also amended by section 1 of Senate Bill No. 2186, chapter 458, and section 1 of Senate Bill No. 2336, chapter 456.

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- (8) Maintenance of places of public worship or support of a body of communicants, gathered in common membership for mutual support and edification in piety, worship, or religious observances.
 - (9) Scientific research.
- d. Uses benefiting an indefinite number of persons by relieving them of disease, suffering, or constraint which include disbursements to provide:
- (1) Assistance to an individual or family suffering from poverty or homelessness.
 - (2) Encouragement and enhancement of the active participation of the elderly in our society.
 - (3) Services to the abused.
 - (4) Services to persons with an addicted behavior toward alcohol, gambling, or drugs.
 - (5) Funds to combat juvenile delinquency and rehabilitate ex-offenders.
 - (6) Relief for the sick, diseased, and terminally ill and their physical well-being.
 - (7) Funds for emergency relief and volunteer services.
 - (8) Funds to nonprofit nursing homes, nonprofit day care centers, and nonprofit medical facilities.
 - (9) Social services and education programs aimed at aiding emotionally and physically distressed, handicapped, elderly, and underprivileged persons.
 - (10) Funds for crime prevention, fire protection and prevention, and public safety.
 - (11) Funds to relieve, improve, and advance the physical and mental conditions, care and medical treatment, and health and welfare of injured or disabled veterans.
- e. Uses that perpetuate the memory and history of the dead.
- f. Uses increasing comprehension of and devotion to the principles upon which the nation was founded, including disbursements to aid in teaching the principles of liberty, truth, justice, and equality. However, beauty pageants do not qualify.
- g. The erection or maintenance of public buildings, facilities, utilities, or waterworks.
- h. Uses lessening the burden of government which include disbursements to an entity that is normally funded by a city, county, state, or United States government and disbursements directly to a government entity or its agency.

- i. Uses benefiting a definite number of persons who are the victims of loss of home or household possessions through explosion, fire, flood, or storm and the loss is not covered by insurance.
- j. Uses benefiting a definite number of persons suffering from a seriously disabling disease or injury causing severe loss of income or incurring extraordinary medical expense which is not covered by insurance.
- k. Uses, for community service projects, by chambers of commerce exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code. A project qualifies if it develops or promotes public services, including education, housing, transportation, recreation, crime prevention, fire protection and prevention, safety, tourism, and health. Uses that directly benefit a chamber of commerce do not qualify.
- l. Uses for or of benefit to efforts in support of the health, comfort, or well-being of the community which include disbursements to provide:
 - (1) Funds for adult bands, including drum and bugle corps.
 - (2) Funds for trade shows and conventions conducted in this state.
 - (3) Funds for nonprofit organizations that operate a humane society, zoo, or fish or wildlife reproduction and habitat enhancement program.
 - (4) Funds for public transportation, community celebration, and recreation.
 - (5) Funds for preservation and cleanup of the environment.
- m. To the extent net proceeds are used toward the primary purpose of a charitable, educational, religious, public safety, or public-spirited organization, or are used for a veterans or public cemetery by a veterans organization, that has obtained a final determination from the internal revenue service as qualifying for exemption from federal income tax under section 501(c)(3) or 501(c)(19) of the Internal Revenue Code, the organization may establish a special trust fund or foundation as a contingency for funding or maintaining the organization's future program services should the organization discontinue conducting games or dissolve.
- n. Uses for a fundraising activity unrelated to an organization's primary purpose provided that the gross revenue from the activity is disbursed to uses prescribed by this subsection.
- o. The administrative and program management expenses of a statewide veterans' organization.

SECTION 2. EMERGENCY. This Act is declared to be an emergency measure.

Approved April 11, 2023

Filed April 12, 2023

CHAPTER 458**SENATE BILL NO. 2186**

(Senators Klein, Vedaa)
(Representatives Dockter, Nelson, Weisz)

AN ACT to amend and reenact subsection 3 of section 53-06.1-11.1 of the North Dakota Century Code, relating to eligible uses for charitable gaming net proceeds.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

²⁵¹ **SECTION 1. AMENDMENT.** Subsection 3 of section 53-06.1-11.1 of the North Dakota Century Code is amended and reenacted as follows:

3. The eligible uses in subsection 2 do not include the erection, acquisition, property taxes, special assessments, improvement, maintenance, or repair of real property owned or leased by an organization unless the real property is used exclusively for an eligible use or by a fraternal or veterans organization.

Approved March 14, 2023

Filed March 15, 2023

²⁵¹ Section 53-06.1-11.1 was also amended by section 1 of House Bill No. 1142, chapter 457, and section 1 of Senate Bill No. 2336, chapter 456.

CHAPTER 459

SENATE BILL NO. 2281

(Senator Luick)

AN ACT to create and enact section 53-06.1-12.4 of the North Dakota Century Code, relating to the creation of a charitable gaming technology fund; to amend and reenact subsection 2 of section 53-06.1-03 and subsection 1 of section 53-06.1-14 of the North Dakota Century Code, relating to gaming license fees and deposits in a charitable gaming technology fund; to provide a continuing appropriation; and to provide for a transfer.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

²⁵² **SECTION 1. AMENDMENT.** Subsection 2 of section 53-06.1-03 of the North Dakota Century Code is amended and reenacted as follows:

2. An eligible organization shall apply for a license to conduct only bingo, electronic quick shot bingo, raffles, calcuttas, pull tabs, punchboards, twenty-one, paddlewheels, poker, or sports pools by:
 - a. First securing approval for a site authorization from the governing body of the city or county in which the proposed site is located. Approval, which may be granted at the discretion of the governing body, must be recorded on a site authorization form that is to accompany the license application to the attorney general for final approval. A governing body may not require an eligible organization to donate net proceeds to the city, county, or related political subdivision or for community programs or services within the city or county as a condition for receiving a site authorization from the city or county. A governing body may limit the number of tables for the game of twenty-one per site and the number of sites upon which a licensed organization may conduct games within the city or county. A governing body may charge a one hundred dollar fee for a site authorization; and
 - b. Annually applying for a license from the attorney general before July first on a form prescribed by the attorney general and remitting a one hundred ~~fiftyseventy-five~~ dollar license fee for each city or county that approves a site authorization. The attorney general shall deposit twenty-five dollars of this fee into the charitable gaming technology fund under section 53-06.1-12.4. However, the attorney general may allow an organization that only conducts a raffle or calcutta in two or more cities or counties to annually apply for a consolidated license and remit a one hundred ~~fiftyseventy-five~~ dollar license fee for each city or county in which a site is located. The attorney general shall deposit twenty-five dollars of this fee into the charitable gaming technology fund under section 53-06.1-12.4. An organization shall document that it qualifies as an eligible organization. If an organization amends its primary purpose as stated in its articles of

²⁵² Section 53-06.1-03 was also amended by section 1 of Senate Bill No. 2126, chapter 454, section 1 of Senate Bill No. 2154, chapter 455, and section 2 of Senate Bill No. 2304, chapter 453.

incorporation or materially changes its basic character, the organization shall reapply for licensure.

SECTION 2. Section 53-06.1-12.4 of the North Dakota Century Code is created and enacted as follows:

53-06.1-12.4. Charitable gaming technology fund - Continuing appropriation.

There is created in the state treasury a special fund known as the charitable gaming technology fund. The fund consists of all moneys deposited in the fund pursuant to this chapter. Moneys in the fund are appropriated to the attorney general on a continuing basis and may be used only for contracting for and purchasing equipment and software for a charitable gaming technology system, training employees to operate the system, and maintaining and updating the system.

²⁵³ **SECTION 3. AMENDMENT.** Subsection 1 of section 53-06.1-14 of the North Dakota Century Code is amended and reenacted as follows:

1. A manufacturer of pull tabs, bingo cards, electronic quick shot bingo systems and devices, electronic pull tab devices, or bingo card marking devices shall apply annually for a license and pay a license fee of four~~five~~ thousand five hundred dollars. A manufacturer of electronic pull tab systems and devices shall apply annually for a license and pay a license fee of ten thousand dollars. The attorney general shall deposit one thousand five hundred dollars of these fees into the charitable gaming technology fund under section 53-06.1-12.4. A manufacturer of paper pull tab dispensing devices shall apply annually for a license and pay a license fee of one thousand five hundred dollars. The attorney general shall deposit five hundred dollars of this fee into the charitable gaming technology fund under section 53-06.1-12.4. A manufacturer of fifty-fifty~~electronic~~ raffle systems shall apply annually for a license and pay a license fee of five hundred~~one thousand~~ dollars. The attorney general shall deposit five hundred dollars of this fee into the charitable gaming technology fund under section 53-06.1-12.4. A distributor shall apply annually for a license and pay a license fee of one~~two~~ thousand five hundred dollars. The attorney general shall deposit five hundred dollars of this fee into the charitable gaming technology fund under section 53-06.1-12.4. Application must be made before the first day of April in each year on a form prescribed by the attorney general.

SECTION 4. TRANSFER - CHARITABLE GAMING OPERATING FUND TO CHARITABLE GAMING TECHNOLOGY FUND. The office of management and budget shall transfer the sum of \$400,000 from the charitable gaming operating fund to the charitable gaming technology fund during the biennium beginning July 1, 2023, and ending June 30, 2025. The transfer must be made before June 30, 2024.

Approved April 20, 2023

Filed April 21, 2023

²⁵³ Section 53-06.1-14 was also amended by section 2 of Senate Bill No. 2126, chapter 454.

CHAPTER 460

HOUSE BILL NO. 1115

(Judiciary Committee)
(At the request of the Attorney General)

AN ACT to amend and reenact subsection 1 of section 53-12.1-11 of the North Dakota Century Code, relating to confidential lottery sales data.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 1 of section 53-12.1-11 of the North Dakota Century Code is amended and reenacted as follows:

1. The following information and records of the lottery are confidential:
 - a. Sales and income tax information, financial statements, and a credit report of a retailer applicant or person seeking or doing business with the lottery, and retailer application information other than the applicant's name and location;
 - b. Information related to a person owing a debt to the state or having a debt collected through a state agency that is made confidential by another state law or rule;
 - c. Internal control and security procedures, security information on a winning ticket, and information on a bid or contractual data, the disclosure of which is harmful to the efforts of the lottery to contract for goods and services on favorable terms;
 - d. Personal information on a player who purchases an online play or a player who wins a prize on a winning ticket unless the player authorizes, in writing, release of the information; and
 - e. ~~Lottery~~Non-aggregated, identifiable lottery sales data, the disclosure of which is harmful to the competitive position of the lottery, retailer, or person seeking or doing business with the lottery. However, a retailer may authorize the lottery to release the retailer's lottery sales data.

Approved March 14, 2023

Filed March 15, 2023