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ATTORNEY GENERAL

STATE OF NORTH DAKOTA
OFFICE OF ATTORNEY GENERAL
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House Judiciary Committee
House Bill No. 1152
Relating to Motorcycle Ride Poker Runs
January 9, 2023, Room 327B

My name is Deb McDaniel, I am the Director of Gaming for the Office of Attorney General. I am here in opposition to House Bill 1152.

As written this bill would exempt any motorcycle club (person who aids, organizations or participates) from criminal code 12.1-28-02, Gambling and related offenses.

Gambling is any activity in which a person pays for a chance to win a prize. Three factors for gaming are consideration, chance, and prize.

This bill would allow for a motorcycle club (person that aids, organizes, engages, or participates) to conduct without any permit.

Dice games are not permitted under statute. The game types allowed are under chapter 53-06, those game types do not include any dice games or a "dice roll".

Chapter 53-06.1-03(1)(a) allows an organization to receive a restricted event permit to conduct raffles, bingo, sports pools, paddlewheels, twenty-one and poker. The maximum prize amounts 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. Permits are received from the governing body of the city or county in which the proposed site is located. A governing body may establish a fee not to exceed twenty-five dollars for each permit.

Poker is permitted in chapter 53-06.1-07.2. The administrative rule for poker is located under NDAC 99-01.3-09. I have also attached the Guideline for Poker Runs for your review.

There are laws and regulations to conduct Poker Runs and to keep the activity consistent and have the activity regulated correctly. This bill as written would have poker runs and dice rolls without regulation.

Office of Attorney General
Gaming Division

Guideline for Poker Runs
January 2006

Definition:

A poker run is an event conducted by a licensed charitable organization or an organization recognized by a city or county for a charity local permit. Each participant in the event follows a charted course, stopping at five to seven checkpoints along the route to pick up a single playing card. Upon all participants arrival at the final checkpoint a showdown of the poker hands is conducted and prizes are awarded.

Guideline:

1. Poker runs are limited to not more than two occasions per year for a licensed organization (NDCC 53-06.1-07.2 Poker) and not more than one event per year for a charity local permit (NDCC 53-06.1-03(1)(d) Permits, site authorizations, and licenses).
2. A licensed organization must have a site authorization or a charity local permit must be issued for the specific location at which the poker hands are valued (showdown) and a determination is made of the winning hand. The site authorization must not prohibit the conduct of poker.
3. No site authorization or charity local permit is required at checkpoints prior to the final location where the showdown of hands is conducted.
4. The maximum allowable cost is \$18 for a five-card game or \$26 for a seven-card game. (Amounts are based on a blind bet, ante, maximum single bet of \$1, and not more than three raises, of not more than \$1 each, for each round of bets.)
5. Each player in the poker run must be registered.
6. Two employees or volunteers must be present at each checkpoint to ensure that a card is issued to each player in a fair manner.
7. An organization must, after the showdown, cross-check the winning player's cards to the specific cards that were issued and recorded at the checkpoints as being issued.
8. The winning player must be present when the showdown occurs and the prizes are awarded.
9. A licensed organization may voluntarily donate net proceeds to an organization that provides volunteer assistance during the poker run provided that that the donation is not a condition for providing these services.
10. The amount of prizes for a poker run may not exceed 90% of the gross proceeds collected.



APPLICATION FOR A LOCAL PERMIT OR RESTRICTED EVENT PERMIT
 NORTH DAKOTA OFFICE OF ATTORNEY GENERAL
 LICENSING SECTION
 SFN 9338 (09-2021)

Applying for (check one)
 Local Permit Restricted Event Permit*

Games to be Conducted Raffle by a Political or Legislative District Party¹

Bingo Raffle Raffle Board Calendar Raffle Sports Pool Poker* Twenty-One* Paddlewheels*

Poker, Twenty-One, and Paddlewheels may be conducted Only with a Restricted Event Permit. Only one permit allowed per year.

LOCAL PERMIT RAFFLES MAY NOT BE CONDUCTED ONLINE AND CREDIT CARDS MAY NOT BE USED FOR WAGERS.

Name of Organization or Group of People permit is issued to	Dates of Activity	If raffle, provide drawing date	
Organization or Group Contact Person	Title or Position	Telephone Number	
Business Address	City	State	ZIP Code
Mailing Address (if different)	City	State	ZIP Code
Site Name (where gaming will be conducted)			
Site Address	City	ZIP Code	County

Description and Retail Value of Prizes to be Awarded

Game Type	Description of Prize	Retail Value of Prize
Total (limit \$40,000 per year)		

Intended Uses of Gaming Proceeds

Does the organization presently have a state gaming license? (If yes, the organization is not eligible for a local permit or restricted event permit and should call the Office of Attorney General at 1-800-326-9240)
 Yes No

Has the organization or group received a restricted event permit from any city or county for the fiscal year July 1-June 30? (If yes, the organization or group does not qualify for a local permit or restricted event permit)
 Yes No

Has the organization or group received a local permit from any city or county for the fiscal year July 1-June 30? (If yes, indicate the total retail value of all prizes previously awarded)
 No Yes - Total Retail Value: (This amount is part of the total prize limit of \$40,000 per year)

Is the organization or group a state political party or legislative district party? (If yes, the organization or group may only conduct a raffle and must complete SFN 52880 "Report on a Restricted Event Permit" within 30 days of the event. Net proceeds may be used for political purposes.)
 Yes No

Organization or Group Contact Person	Name	Title	Telephone Number	E-mail Address
Signature of Organization or Group's Top Official	Title		Date	



LOCAL PERMIT OR RESTRICTED EVENT PERMIT
 NORTH DAKOTA OFFICE OF ATTORNEY GENERAL
 LICENSING SECTION
 SFN 17926 (09-2021)

Permit Number

Permit Type (check one)
 Local Permit Restricted Event Permit*

Games Authorized Raffle by a Political or Legislative District Party

Bingo Raffle Raffle Board Calendar Raffle Sports Pool Poker* Twenty-One* Paddlewheels*

*See Instruction 2 (f) on Page 2. Poker, Twenty-One, and Paddlewheels may be conducted Only with a Restricted Event Permit. Only one permit per year.
LOCAL PERMIT RAFFLES MAY NOT BE CONDUCTED ONLINE AND CREDIT CARDS MAY NOT BE USED FOR WAGERS.

Name of Organization or Group of People permit is issued to		Dates Authorized (Read Instruction 2)	
Organization or Group Contact Person		Title or Position	Telephone Number
Mailing Address		City	State ZIP Code
Site Name			
Site Address		City	ZIP Code County
If the city or county is placing restrictions on the permit, please explain			
If a raffle is being conducted, provide the date of the drawing(s)			

City or County Contact Person			
Name	Title	Telephone Number	E-mail Address
Signature of City or County Official		Date	Issuing Governing Body <input type="checkbox"/> City <input type="checkbox"/> County

City or County must submit a copy of the permit above to the Office of Attorney General within 14 days of issuance. (Cut at line below)

Local governing bodies please see the instructions on the backside of this form on how to complete the permit. Be certain to provide the organization or group with the "Information Required to be Preprinted on a Standard Raffle Ticket" found on the backside of this form if a raffle is being conducted. If a "Restricted Event Permit" is being issued, either provide organization or group with SFN 52880 "Report on a Restricted Event Permit" or make them aware that the report must be filed with the city or county and the Office of Attorney General within 30 days after the event. Before approving a site location, ensure compliance with the gaming law below.

- Before approving a local permit or restricted event permit the local governing body should review North Dakota Century Code 53-06.1-03(3)(a) which states:
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.

Local governing bodies should also review North Dakota Administrative Code 99-01.3-01-05 (Permits) for the administrative rules governing permits. These rules may be viewed on the North Dakota Attorney General's website at <https://attorneygeneral.nd.gov/licensing-and-gaming/gaming/gaming-laws-rules-and-publications>

Information required to be preprinted on a standard raffle ticket:

1. Name of organization;
2. Ticket number;
3. Price of the ticket, including any discounted price;
4. Prize, description of an optional prize selectable by a winning player, or option to convert a merchandise prize to a cash prize that is limited to the lesser of the value of the merchandise prize or six thousand dollars. However, if there is insufficient space on a ticket to list each minor prize that has a retail price not exceeding twenty-five dollars, an organization may state the total number of minor prizes and their total retail price;
5. For an organization that has a permit, print the authorizing city or county and permit number;
6. A statement that a person is or is not required to be present at a drawing to win;
7. Date and time of the drawing or drawings and, if the winning player is to be announced later, date and time of that announcement. For a calendar raffle, if the drawings are on the same day of the week or month, print the day and time of the drawing;
8. Location and street address of the drawing;
9. If a merchandise prize requires a title transfer involving the Department of Transportation, a statement that a winning player is or is not liable for sales or use tax;
10. If a purchase of a ticket or winning prize is restricted to a person of a minimum age, a statement that a person must be at least "-" years of age to buy a ticket or win a prize;
11. A statement that a purchase of the ticket is not a charitable donation;
12. If a secondary prize is an unguaranteed cash or merchandise prize, a statement that the prize is not guaranteed to be won and odds of winning the prize based on numbers of chances; and
13. If a prize is live beef or dairy cattle, horse, bison, sheep or pig, a statement that the winning player may convert the prize to a cash prize that is limited to the lesser of the market value of the animal or six thousand dollars.

North Dakota Administrative Code 99-01.3-05-02(4) states that an employee may not sell a ticket on a site where another organization is licensed or has a permit unless the employee is granted permission by the lessor and other organization.

North Dakota Administrative Code 99-01.3-05-01 through 99-01.3-05-05 (Raffles) in its entirety can be reviewed on the North Dakota Attorney General's website at <https://attorneygeneral.nd.gov/licensing-and-gaming/gaming/gaming-laws-rules-and-publications>.

INSTRUCTIONS:

After a city or county governing board has authorized an organization to receive a local permit or restricted event permit, the city or county must complete this form.

1. Enter the city or county assigned "Permit Number".
2. Enter the beginning and ending date(s) for which the permit is authorized.
 - a. A permit must be on a fiscal year basis from July first to June thirtieth or on a calendar year basis.
 - b. For a "one time" raffle, the beginning and ending date for "Dates Authorized" is the date of the raffle prize drawing.
 - c. A local permit can be issued for one or more events per year.
 - d. If a local permit is issued for more than one event, enter the date of the first event as the beginning date and the date of the last event as the ending date.
 - e. A permit may not be issued more than twelve months prior to the first raffle drawing date.
 - f. A restricted event permit may be issued for only one event per year. If the organization has received a local permit during a fiscal year, it may not receive a restricted event permit. If the organization received a restricted event permit during the fiscal year, it may not receive a local permit.
3. Enter any restriction place on the organization or group, such as days of the week or designation of an area at a site where games may be conducted.
4. When a restricted event permit is issued, provide a "Report on a Restricted Event Permit" form to the organization or be sure they know the form is available at <https://attorneygeneral.nd.gov/licensing-and-gaming/licensing/charitable-gaming> by scrolling to the bottom of the page.
5. Give the organization or group the completed permit form, keep a copy for your records, and send a copy within 14 days by email to agolicensing@nd.gov, fax to (701) 328-3535 or by mail to:

Office of Attorney General
Licensing Section
600 E Blvd Ave, Dept. 125
Bismarck, ND 58505-0040

If questions on the local permit or restricted event permit process, please call: 1-800-326-9240



REPORT ON A RESTRICTED EVENT PERMIT
 OFFICE OF ATTORNEY GENERAL
 SFN 52880 (08-2019)

Name of Organization or Group of People		Site Name	Permit Issued by City/County		Permit Number
Mailing Address		City	State	Zip Code	County
					Date of Event

Gaming Activity								
Gross Income	-	Cost of Prizes	=	Balance	-	Expenses	=	Net Income
\$		\$		\$		\$		\$

Itemization of expenses paid				
	Check #	Paid To	Description of Expense	Check Amount
1				
2				
3				
4				
Total (MUST EQUAL expenses above)				\$

Net Income paid to Charitable Purposes - Refer to the Backside of the Form for Eligible Purposes				
	Check #	Recipient	Description of Use	Check Amount
1				
2				
3				
4				
Total (MUST EQUAL net income above or see below)				\$

Note - If the total amount given to charitable purposes is less than the net income, please explain why.

The top executive official and preparer declare that the information on this report is true and complete.

Signature of Organization or Group's Top Official	Date	Signature of Preparer	Contact Phone No.
Printed Name and Title of Organization or Group's Top Official		Printed Name of Preparer	

Instructions: Mail a copy of the completed report within 30 days of the event to:

1. City or County Auditor that issued the Charity Local Permit; and
2. OFFICE OF ATTORNEY GENERAL; LICENSING SECTION; 600 E BOULEVARD AVE - DEPT 125; BISMARCK ND 58505-0040

ELIGIBLE USES FOR A CHARITY LOCAL PERMIT

HARITABLE USES:

The Abused
Alcohol and Drug Abuse
Animal Protection
Alzheimers
The Blind
Cancer
Cystic Fibrosis
Diabetes
The Disabled
Heart Disease
Learning Disabilities
Mental Health
Multiple Sclerosis
Muscular Dystrophy
The Needy
Paralysis
Developmentally Disabled Citizens
Senior Citizens
Terminally Ill
Wildlife
Youth Activities
Adult Activities
Head Injuries
Home on the Range
March of Dimes
Meals on Wheels
Medical Facilities (Non-profit)
Memorial Funds
Nursing Homes (Non-profit)
Ronald McDonald House
Red Cross
Salvation Army
Special Olympics
Disaster Relief Organizations
United Fund/United Way
YMCA/YWCA
Volunteer Services
Gambling Addiction
Other

RELIGIOUS USES:

Religious uses

EDUCATIONAL USES:

Agriculture
The Arts
Educational Public Services
Safety
4-H Activities
Educational Institutions and Activities
Preservation of Cultural Heritage
Scholarships
Vocational Workshops
Other

FRATERNAL USES:

Camp Grassick
Fraternal Foundations
Legion Baseball
Veterans Cemetery
Disabled or Injured Veterans Assistance
Military Family Support
Other

PATRIOTIC USES:

Scouting Activities and Boys or Girls State
Community Bands, Color and Honor
Guards, Flags, and Patriotic Celebrations
Other

USES FOR THE ERECTION OR MAINTENANCE OF PUBLIC BUILDINGS OR WORKS:

Uses described above

USES LESSENING THE BURDEN OF GOVERNMENT

Community Emergency Services such as Ambulance and Fire Departments
Disbursements Directly to a City, County, State, or US Government including Libraries, Military Service, Monuments, Museums, and Historical Societies
Improvement of Public Areas
Parks and Recreation
Law Enforcement
Other

COMMUNITY USES:

Economic Development
Tourism
Fraternal or Veterans Facility Improvements
Other

PERSONS WHO ARE THE VICTIMS OF LOSS OF HOME OR HOUSEHOLD POSSESSIONS THROUGH EXPLOSION, FIRE, FLOOD, OR STORM, UNCOMPENSATED BY INSURANCE:

PERSONS SUFFERING FROM A SERIOUSLY DISABLING DISEASE OR INJURY CAUSING SEVERE LOSS OF INCOME OR INCURRING EXTRAORDINARY MEDICAL EXPENSE, UNCOMPENSATED BY INSURANCE: