

Sixty-ninth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1276

Introduced by

Representatives Hendrix, D. Johnston, Koppelman, D. Ruby, Bolinske, Henderson, Kasper
Senators Wobbema, Castaneda

1 A BILL for an Act to amend and reenact subsection 1 of section 53-06.1-03 of the North Dakota
2 Century Code, relating to a public-spirited organization's use of raffle proceeds for a political
3 purpose.

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

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

7 1. Except as authorized by the attorney general, an organization that has its license
8 suspended or revoked, or has relinquished or not renewed its license and not
9 disbursed its net proceeds, is ineligible for a license or permit. Only one of two or more
10 closely related organizations may have a license or permit at one time. A college or
11 university fraternity, sorority, or club is not closely related to an educational
12 organization. An organization shall apply for a permit as follows:
13 a. An organization recognized as a public-spirited organization by the governing
14 body of a city or county may apply for permits. A local permit may allow the
15 organization to conduct only raffles, bingo, or sports pools. A restricted event
16 permit may allow the organization to conduct only raffles, bingo, sports pools,
17 paddlewheels, twenty-one, and poker. The organization or closely related
18 organizations as a whole may only award a primary prize that does not exceed
19 eight thousand dollars and total prizes of all games ~~do~~may not exceed forty
20 thousand dollars per year. These maximum prize amounts do not apply to raffles
21 conducted under chapter 20.1-08. The determination of what is a "public-spirited
22 organization" is within the sole discretion of the governing body, except an
23 organization that is a nonfederal candidate campaign committee, nonfederal
24 political action committee, state political party, or legislative district party

1 committee must be recognized as a "public-spirited organization". An
2 organization shall disclose on the application its intended use of the net income
3 from the gaming activity. A governing body may issue a permit for games to be
4 held at designated times and places.

5 b. An organization shall apply to the governing body of the city or county in which
6 the proposed site is located. Application must be made on a form prescribed by
7 the attorney general. Approval may be granted at the discretion of the governing
8 body. A governing body may establish a fee not to exceed twenty-five dollars for
9 each permit. A permit must be on a fiscal year basis from July first to June
10 thirtieth or on a calendar-year basis.

11 c. An organization that has a local permit or a restricted event permit may use the
12 net income from the gaming activity for any purpose that does not violate this
13 chapter or gaming rules; unless, Notwithstanding the foregoing, if the
14 organization is a nonfederal candidate campaign committee, nonfederal political
15 action committee, state political party, or legislative district party committee, the
16 organization may use the net income from a raffle for a political purpose. ~~For~~
17 ~~purposes of this subdivision, a public-spirited use includes a political purpose.~~

18 d. An organization that has a restricted event permit is restricted to one event per
19 year and:

- 20 (1) May not pay remuneration to employees for personal services;
21 (2) Shall use chips as wagers;
22 (3) Shall redeem a player's chips for merchandise prizes or cash;
23 (4) Shall disburse net income to eligible uses referenced in subdivision c, if
24 applicable, and in section 53-06.1-11.1; and
25 (5) Shall file a report prescribed by the attorney general with the governing
26 body and attorney general.