

Sixty-ninth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1615

Introduced by

Representatives Grueneich, Hagert, Koppelman, Vetter, O'Brien

Senator Roers

1 A BILL for an Act to amend and reenact subsection 2 of section 53-06.1-03 and subsection 2 of
2 section 53-06.1-11 of the North Dakota Century Code, relating to securing a lease for a gaming
3 site location and allowable expenses from adjusted gross proceeds from charitable gaming.

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

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

7 2. An eligible organization shall apply for a license to conduct only bingo, electronic quick
8 shot bingo, raffles, calcuttas, pull tabs, punchboards, twenty-one, paddlewheels,
9 poker, or sports pools by:

10 a. First securing a lease for a gaming site location.
11 b. After securing a lease for a gaming site location, next securing approval for a site
12 authorization from the governing body of the city or county in which the proposed
13 site is located. ~~Approval, which may be granted at the discretion of the governing~~
14 ~~body,~~ The approved authorization must be recorded on a site authorization form
15 that is to accompany the license application to the attorney general for final
16 approval. An eligible organization may request a specific site location on the site
17 authorization form.

18 (1) A governing body:
19 (a) May not require an eligible organization to donate net proceeds to the
20 city, county, or related political subdivision or for community programs
21 or services within the city or county as a condition for receiving a site
22 authorization from the city or county;
23 (b) May not deny a site authorization solely because the eligible
24 organization has not conducted gaming at the site;

- 1 (c) May not require that an eligible organization be located at a specific
2 site as a condition of site authorization;
- 3 (d) May limit the type of games and the number of electronic pull tab
4 devices or tables for the game of twenty-one per site, and the number
5 of sites upon which a licensed organization may conduct games within
6 the city or county; and
- 7 (e) May not require a site to enter a lease with a specific organization as
8 a condition of receiving a site authorization;
- 9 (f) May deny a site authorization if an application is incomplete or if
10 granting approval would violate a local ordinance. An ordinance
11 placing a condition on how charitable funds may be used may not
12 affect the approval of a site authorization; and
- 13 (g) May charge a one hundred dollar fee for a site authorization.
- 14 (2) This subsection may not be construed to prohibit a governing body from:
- 15 (a) Creating and enforcing rules that are more stringent than state law
16 regarding charitable gaming as otherwise permitted in code; or
- 17 (b) Denying a site authorization for just cause, including, after
18 consultation with the attorney general, a violation of state law or local
19 rules.

20 ~~b-c.~~ Annually applying for a license from the attorney general before July first on a
21 form prescribed by the attorney general and remitting a one hundred seventy-five
22 dollar license fee for each city or county that approves a site authorization. The
23 attorney general shall deposit twenty-five dollars of this fee into the charitable
24 gaming technology fund under section 53-06.1-12.4. However, the attorney
25 general may allow an organization that only conducts a raffle or calcutta in two or
26 more cities or counties to annually apply for a consolidated license and remit a
27 one hundred seventy-five dollar license fee for each city or county in which a site
28 is located. The attorney general shall deposit twenty-five dollars of this fee into
29 the charitable gaming technology fund under section 53-06.1-12.4. An
30 organization shall document that it qualifies as an eligible organization. If an
31 organization amends its primary purpose as stated in its articles of incorporation

1 or materially changes its basic character, the organization shall reapply for
2 licensure. The attorney general may deny issuance of a license or deny renewal
3 of a license to an eligible organization that has obtained approval of site
4 authorization under subdivision a, if the organization or site is not in compliance
5 with applicable laws and rules.

6 **SECTION 2. AMENDMENT.** Subsection 2 of section 53-06.1-11 of the North Dakota
7 Century Code is amended and reenacted as follows:

8 2. Allowable expenses may be deducted from adjusted gross proceeds. The allowable
9 expense limit is ~~sixty~~:

10 a. Sixty percent of the adjusted gross proceeds per quarter if the total adjusted
11 gross proceeds for the quarter exceed one hundred thousand dollars; and

12 b. Sixty-two percent of the adjusted gross proceeds per quarter if the total adjusted
13 gross proceeds for the quarter are one hundred thousand dollars or less.