

# SPORTS AND AMUSEMENTS

## CHAPTER 547

HOUSE BILL NO. 1448  
(Larson)

### PUBLIC DANCE DEFINED

AN ACT to amend and reenact subsections 4 and 5 of section 53-02-01 of the North Dakota Century Code, relating to the definition of public dance and public dancing place.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsections 4 and 5 of section 53-02-01 of the 1983 Supplement to the North Dakota Century Code are hereby amended and reenacted to read as follows:

4. "Public dance" means any dance where the public may participate and ~~where the public~~ is present primarily for the sole purpose of dancing and where the location of the dance has a ~~seating~~ capacity of at least ~~five~~ one hundred people.
5. "Public dancing place" means a room, place, or space, which has a ~~seating~~ capacity of at least ~~five~~ one hundred people, open to public patronage where dancing in which the public may participate is carried on and where the public is present primarily for the sole purpose of dancing.

Approved March 29, 1985

## CHAPTER 548

HOUSE BILL NO. 1475  
(Representatives C. Williams, Halmrast)  
(Senator Wogsland)

## AMUSEMENT DEVICE LICENSES

AN ACT to amend and reenact section 53-04-02 of the North Dakota Century Code, relating to licenses for amusement games and devices.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 53-04-02 of the 1983 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-04-02. Annual license required - Fee. A person may not operate, lease, or distribute an amusement game or device without first having obtained an annual license ~~therefor~~.

Licenses shall be of two types. An operator's license shall entitle the licensee to operate, lease, or distribute machines at locations not owned or managed by the licensee. The operator must affix to each machine an operator's number provided by the attorney general. The operator must have a business office within the state and a valid sales tax permit. A location license shall be secured by an individual for any establishment managed or owned by that person. A location license entitles the licensee to have not more than ~~four~~ ten machines at one location managed or owned by that individual. An individual is not entitled to more than one location license. The location license shall be displayed on or near the machines.

The annual fee for an operator's license is seven hundred fifty dollars for not more than one hundred machines, and two thousand dollars for more than one hundred machines. The annual fee for a location license is ~~one hundred fifty~~ twenty-five dollars per machine.

Approved March 27, 1985

## CHAPTER 549

SENATE BILL NO. 2245  
(Senator Todd)  
(Representative Unhjem)

CHAMBER OF COMMERCE USE OF GAMING  
PROCEEDS

AN ACT to create and enact a new subdivision to subsection 6 of section 53-06.1-01 of the North Dakota Century Code, relating to uses by chambers of commerce of net proceeds from charitable gambling.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE  
STATE OF NORTH DAKOTA:

SECTION 1. A new subdivision to subsection 6 of section 53-06.1-01 of the 1983 Supplement to the North Dakota Century Code is hereby created and enacted to read as follows:

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 as a community service project if it promotes the common good, enhances the social welfare of the community, and benefits an indefinite number of persons. The specific goals of a community service project may be to develop or promote public services in areas such as education, housing, transportation, recreation, crime prevention, fire protection and prevention, safety, and health. Uses that directly benefit a chamber of commerce do not qualify.

Approved April 15, 1985

## CHAPTER 550

SENATE BILL NO. 2059  
(Legislative Council)  
(Interim Charitable Gambling Committee)

## GAMES OF CHANCE LICENSES FROM CITY OR COUNTY

AN ACT to amend and reenact subsection 1 of section 53-06.1-03 of the North Dakota Century Code, relating to licensing of certain games of chance by cities and counties.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 1 of section 53-06.1-03 of the 1983 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

1. Eligible Except as otherwise provided in this subsection, eligible organizations desiring to conduct games of chance shall annually apply for a license from the attorney general before July first on forms provided by the attorney general and shall include with the application a fifty dollar license fee. ~~However, an~~ An eligible organization ~~desiring~~ may apply for local authorization to conduct raffles or bingo in which the primary prize does not exceed one thousand dollars, and the aggregate does not exceed two thousand dollars, or to conduct sports pools in which the total wagers do not exceed five hundred dollars for each pool. To obtain local authorization, the eligible organization shall apply directly to the governing body of the city in which it conducts its principal activities or, if its principal activities are conducted ~~within~~ in a county but outside the limits of a city, it shall apply to the board of county commissioners for a license. Applications for the conduct of raffles and bingo games of chance subject to authorization by a city or county ~~shall~~ must be made on forms provided by the attorney general and ~~shall~~ must be accompanied by a ten dollar permit fee payable to the city or county governing body.

Approved March 29, 1985

## CHAPTER 551

SENATE BILL NO. 2489  
(Senator Maixner)  
(Representative Whalen)

## GAMES OF CHANCE LICENSES

AN ACT to amend and reenact subsection 2 of section 53-06.1-03 and subdivision b of subsection 3 of section 53-06.1-03 of the North Dakota Century Code, relating to licensing of organizations conducting games of chance; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE  
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 2 of section 53-06.1-03 of the 1983 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

2. The attorney general shall license such organizations which conform to the requirements of this chapter by issuing licenses as follows:
  - a. A class A license to an eligible organization licensed as a retail alcoholic beverage dealer in North Dakota that maintains a building for the use of its members and guests, and that offers meals or liquor or both as part of its operation.
  - b. A class B license to any other eligible organization. The attorney general may deny a class B license to an otherwise eligible organization if the organization is connected, directly or indirectly, to the holder of a North Dakota retail alcoholic beverage license.
  - c. A class C license to an eligible organization that conducts games of chance on not more than two occasions per year, regardless of whether that organization is licensed as a retail alcoholic beverage dealer in this state.
  - d. The attorney general shall establish by rule no more than two additional classes of licenses based on the frequency of gaming, the types of games of chance

conducted by the eligible organization, and the adjusted gross proceeds collected or expected to be collected by the eligible organization.

**SECTION 2. AMENDMENT.** Subdivision b of subsection 3 of section 53-06.1-03 of the 1983 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

- b. **Class B ~~License~~ License** applicants must first secure approval of the proposed site or sites on which it intends to conduct games of chance under this chapter from the governing body of the city, if within city limits, or the county, if outside city limits, where the site or sites are located. This approval or permit, which may be granted at the discretion of the governing body, must accompany the license application to the attorney general. The governing body may charge a one hundred dollar fee for this permit, which the organization may deduct from its tax liability under section 53-06.1-12 for the year in which the permit fee is paid.

**SECTION 3. EFFECTIVE DATE.** This Act becomes effective on July 1, 1986.

Approved April 11, 1985

## CHAPTER 552

HOUSE BILL NO. 1468  
(Representative Cleveland)  
(Senator Holmberg)

## GAMES OF CHANCE RENT LIMITATIONS

AN ACT to amend and reenact subdivision c of subsection 3 of section 53-06.1-03 of the North Dakota Century Code, relating to rent payment limitations for the privilege of conducting games of chance.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE  
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subdivision c of subsection 3 of section 53-06.1-03 of the 1983 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

- c. Rented premises are subject to rules adopted by the attorney general. At sites where the game of twenty-one is conducted, the maximum monthly rent shall not exceed one hundred fifty dollars multiplied by the number of tables ~~upon~~ on which the game of twenty-one is played for any purposes associated with the ~~right to conduct~~ privilege of conducting all games of chance at that site.

Approved March 27, 1985

## CHAPTER 553

SENATE BILL NO. 2058  
(Legislative Council)  
(Interim Charitable Gambling Committee)

## SPORTS POOL LIMITS

AN ACT to amend and reenact section 53-06.1-09 of the North Dakota Century Code, relating to the operation of sports pools.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE  
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 53-06.1-09 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

53-06.1-09. Sports pools - Control by licensee - Rules posted -  
Limitation on prizes. ~~Any licensee or other~~ An eligible  
organization may allow the playing of sports pools on the premises  
or authorized site. Sports pools ~~shall be~~ are allowed for  
professional sports only. If sports pools are allowed, they ~~shall~~  
must be conducted and controlled by the ~~licensee or other~~ eligible  
organization. ~~Any~~ The eligible organization shall clearly post any  
rules affecting the conduct of sports pools or requirements of  
participants shall be clearly posted. The maximum wager on any  
sports pool ~~shall not exceed is~~ is five dollars. The amounts paid to  
sports pool participants in prizes ~~shall may~~ may not exceed ~~two-thirds~~  
ninety percent of the gross proceeds.

Approved March 22, 1985

## CHAPTER 554

HOUSE BILL NO. 1218  
(O. Hanson, O'Shea, W. Williams)

## GAMES OF CHANCE ALLOWABLE EXPENSES

AN ACT to amend and reenact subsections 3 and 4 of section 53-06.1-11 of the North Dakota Century Code, relating to allowable expenses of charitable organizations conducting games of chance.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsections 3 and 4 of section 53-06.1-11 of the 1983 Supplement to the North Dakota Century Code are hereby amended and reenacted to read as follows:

3. No item of expense incurred in connection with holding, operating, or conducting any game of chance pursuant to this chapter may be deducted from adjusted gross proceeds, except bona fide expenses of a reasonable amount actually and necessarily incurred and directly attributable only to the conduct of the games of chance. Bona fide expenses do not include overhead, capital costs, and general maintenance, except as permitted in subsection 4. Total For an organization that does not use any of the net proceeds for that organization's own purposes, total expenses for games of chance may not exceed forty-five percent of the total adjusted gross proceeds, computed on an annual basis. For other organizations, total expenses for games of chance may not exceed thirty-five percent of the total adjusted gross proceeds from each such occasion for eligible organizations conducting games of chance on more than one site, and may not exceed thirty-eight percent of total adjusted gross proceeds from each such occasion for eligible organizations conducting games of chance on only one site, computed on an annual basis. The figure used for adjusted gross proceeds is as determined in subsection 1 of section 53-06.1-01 before any reduction for taxes.
4. Expense For an organization that does not use any of the net proceeds for that organization's own purposes, expense

payments for games of chance deductible from adjusted gross proceeds may be made for any purpose. For other organizations, expense payments for games of chance deductible from adjusted gross proceeds shall may be made only for the following purposes:

- a. The purchase of necessary goods, wares, and merchandise.
- b. The securing of services reasonably necessary for repair of equipment, and for operating or conducting games of chance.
- c. For rent if the premises or equipment are rented, or for janitorial services if premises are not rented.
- d. For accountant's fees.
- e. For license fees.
- f. Additional overhead expenses not to exceed the sum of two hundred dollars per month.

Approved March 29, 1985