

SPORTS AND AMUSEMENTS

CHAPTER 498

SENATE BILL NO. 2511
(Senator Maxson)

OFFICERS AT PUBLIC EVENTS

AN ACT to amend and reenact section 53-02-08 of the North Dakota Century Code, relating to officers to be in attendance at public dances, music festivals, or concerts; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 53-02-08 of the North Dakota Century Code is amended and reenacted as follows:

53-02-08. Officer of law to be in attendance at public dance, music festival, or public concert. The sheriff in any county in which any public dance, music festival, or public concert is held outside of an incorporated city, and the chief peace officer of the city where the dance, music festival, or public concert is held within the limits of a city, shall police such dance, music festival, or public concert so that law and order are there maintained. The sheriff or the chief peace officer shall determine the number, if any, of deputy sheriffs or special officers, or licensed private security officers needed to police the dance, music festival, or public concert properly. The person conducting any such dance, music festival, or public concert, before the dance, music festival, or public concert is held, shall pay to such sheriff or peace officer, or licensed private security provider the expense of any deputy sheriff or special officer, or licensed private security officer required for the proper policing of such dance, music festival, or public concert, and no such dance, music festival, or public concert may be permitted to proceed unless such officer or officers are present and fees therefor are paid. The holding of such dance, music festival, or public concert without giving notice thereof to the sheriff of the county or the peace officer of the city, and without making provision for the policing thereof, is unlawful. No person, directly or indirectly interested or concerned in the giving, holding, or conducting of such public dance, music festival, or public concert, or connected with the person conducting the same, is eligible to appointment under this section as a special officer.

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

Approved April 12, 1993
Filed April 12, 1993

CHAPTER 499

HOUSE BILL NO. 1416
(Representative Kretschmar)

GAMING LAW CHANGES

AN ACT to amend and reenact section 53-06.1-01, subsection 1 of section 53-06.1-01.1, sections 53-06.1-01.2, 53-06.1-02, 53-06.1-02.1, 53-06.1-03, 53-06.1-03.3, 53-06.1-05, 53-06.1-05.1, 53-06.1-06, 53-06.1-07, 53-06.1-07.1, 53-06.1-07.2, 53-06.1-07.3, 53-06.1-07.4, 53-06.1-08, 53-06.1-08.1, 53-06.1-09, 53-06.1-10, 53-06.1-10.1, 53-06.1-11, 53-06.1-12, 53-06.1-12.2, 53-06.1-13, 53-06.1-13.1, 53-06.1-14, 53-06.1-15, 53-06.1-15.1, 53-06.1-15.4, 53-06.1-16, 53-06.1-16.1, 53-06.1-16.2, 53-06.1-17, and subsection 5 of section 53-06.2-11 of the North Dakota Century Code, relating to games of chance and the gaming commission.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 53-06.1-01 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

¹ 53-06.1-01. Definitions. As used in this chapter:

1. "Adjusted gross proceeds" means, ~~except in the case of the for~~ games of draw poker and stud poker authorized under section 53-06.1-07.2, gross proceeds less cash prizes ~~or~~ and the price of merchandise prizes ~~and,~~ less the charitable gaming tickets pull tab excise tax imposed by section 53-06.1-12.2, and less the amount of federal excise tax and interest imposed under section 4401 of the Internal Revenue Code [26 U.S.C. 4401]. In the games of draw poker and stud poker, "adjusted gross proceeds" means the time buy-ins or tournament fees collected by the eligible licensed organization.
2. ~~"Bona fide guest" means a person who is not a member of an eligible organization, but who is allowed to use the facilities of the organization when invited by a member or the organization in accordance with the eligible organization's bylaws, articles of incorporation, charter, rules, or other written statement.~~
3. ~~"Charitable gaming ticket" means the game piece used in pull tab games or jar ticket games.~~
4. ~~"Charitable organization" means any nonprofit an organization operated incorporated as a nonprofit corporation whose primary purpose is for the relief of poverty, distress poor, distressed, underprivileged, diseased, elderly, or abused persons, prevention of cruelty to children or animals,~~

¹ NOTE: Section 53-06.1-01 was also amended by section 106 of Senate Bill No. 2223, chapter 54.

or other condition of public concern within this state, which has been ~~so~~ engaged actively fulfilling its primary purpose within this state for the two immediately preceding years.

- 5- 3. "Civic and service ~~club~~ organization" means any branch, lodge, or chapter of a nonprofit national or state organization which is authorized by its written constitution, charter, articles of incorporation, or bylaws to engage in a civic or service purpose within this state, and which shall have existed in has been actively fulfilling its primary purpose within this state for the two immediately preceding years. ~~"Civic and service club"~~ The term also means a similar local nonprofit organization, not affiliated with a state or national organization, which is recognized by resolution adopted by the governing body of the city in which the organization conducts its principal activities, or by the governing body of a county if ~~such~~ the organization conducts its principal activities outside the limits of a city but within a county. ~~Such club shall organization must have existed in been actively fulfilling its primary purpose within this state for the two immediately preceding years.~~
- 6- 4. "Commission" means the state gaming commission.
- 7- 5. "Distributor" means a person, ~~firm, corporation, association, or organization which that~~ sells, markets, or otherwise distributes ~~raffle tickets, bingo gaming equipment, or any other implements of gambling usable in the lawful conduct of games of chance under this chapter.~~ ~~"Distributor"~~ The term does not include a resident printer who prints raffle tickets at the request of a licensed ~~or authorized~~ organization or an organization that has been issued a local permit, and who sells or otherwise distributes such raffle tickets to ~~such~~ the organization.
- 8- 6. "Educational, charitable, patriotic, fraternal, religious, or other public-spirited uses" are:
- a. ~~To the extent used for purposes enumerated in subdivisions c through l, uses benefiting those organizations that are exempt from federal taxation under section 501(c)(3) of the Internal Revenue Code.~~ 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. ~~To the extent used for purposes enumerated in subdivisions c through l, uses benefiting an organization registered with the North Dakota secretary of state under chapter 50-22.~~ Uses for developing, promoting, and supporting tourism within a city 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 and athletic activities.
 - (7) Adult amateur athletic activities within the state, such as softball, including 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) Relief 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 and other nonprofit medical facilities.
 - (9) Social services and education programs aimed at aiding the emotionally and physically distressed, handicapped, elderly, and underprivileged persons.
 - (10) Funds for crime prevention, fire protection and prevention, and public safety.
- e. (1) Fraternal uses, consistent with uses ~~and priorities~~ enumerated in subdivisions e a through ~~l~~ and ~~section 53-06.1-02 m~~, specified by an organization's constitution, charter, articles

of incorporation, or bylaws and not of direct benefit to the eligible organization.

- (2) Fraternal uses or disbursements to perpetuate the memory and history of the dead.
- f. Uses increasing comprehension of and devotion to the principles upon which the nation was founded, not of direct benefit to the eligible organization or any member thereof which include disbursements to aid in teaching the principles of liberty, truth, justice, and equality. However, beauty pageants are excluded from receiving ~~charitable gaming funds net proceeds~~ under this subdivision or any other provision of this chapter.
- g. The erection or maintenance of public buildings or works, public utilities, or public waterworks.
- h. Uses otherwise lessening the burden of government which include disbursements to any entity that is normally funded by the city, county, state, or United States government and disbursements directly to a city, county, state, or the United States government, or any agency, political subdivision, or instrumentality thereof.
- 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 losses uncompensated 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 uncompensated 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 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.
- 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 propagation and habitat enhancement program.
 - (4) Funds for public transportation and recreation.

m. To the extent the net proceeds are used toward the primary purpose of a charitable, educational, religious, or public-spirited 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) of the Internal Revenue Code, the organization may establish a special trust fund as a contingency for funding or maintaining the organization's future program services should the organization discontinue conducting games of chance or dissolve. The commission may adopt rules for the establishment of special trust funds.

Such uses do not include the erection, acquisition, improvement, maintenance, or repair of real, personal, or mixed property owned or leased by an organization unless it is used exclusively for one or more of the stated eligible uses. Eligible Except for uses related to an eligible organization's primary purpose, eligible uses do not include any activities consisting of attempts to influence legislation, or promote or oppose referendums or initiatives, or. Eligible uses do not include participation in any political campaign on behalf of any active official or person who is or has been a candidate for public office. In addition, the licensing authority commission may adopt rules to limit or restrict eligible use disbursements to ensure that funds net proceeds are best utilized for educational, charitable, fraternal, religious, patriotic, or other public-spirited purposes.

- 9- 7. "Educational organization" means any nonprofit public or private elementary or secondary school, two-year or four-year college, or university in this state which has been ~~in existence~~ active for the two immediately preceding years.
- 10- 8. "Eligible organization" means bona fide nonprofit veterans, charitable, educational, religious, ~~and fraternal organizations,~~ civic and service clubs, public safety, and ~~other~~ public-spirited organizations as defined by this ~~chapter~~ section, which may be licensed by the attorney general or ~~authorized~~ issued a local permit by the governing body of a city or county to conduct games of chance under this chapter.
11. "Entire net proceeds" or "net proceeds" means ~~the adjusted gross proceeds less such expenses and taxes as are specifically authorized under this chapter.~~
- 12- 9. "Fraternal organization" means ~~a nonprofit~~ an organization within this state, except college and high school fraternities, which is incorporated as a nonprofit corporation and 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. Such ~~The~~ organization shall must have existed been actively fulfilling its primary purpose within this state for the two immediately preceding years, and must have obtained an advance ruling or final determination from the internal revenue service as qualifying for exemption from federal income tax under section 501(c)(8) or 501(c)(10) of the Internal Revenue Code. However, if the organization's gross receipts in each tax year are normally not more than twenty-five thousand dollars, the organization is not required to

- have obtained an advance ruling or final determination from the internal revenue service.
- ~~13-~~ 10. "Gross proceeds" means all moneys collected or received from conducting games of chance and from games of chance admissions thereto.
- ~~14-~~ 11. "Licensee" "Licensed organization" means an eligible organization licensed ~~under this chapter~~ by the attorney general to conduct bingo, raffles, calcuttas, pull tabs, punchboards, twenty-one, poker, and sports pools.
- ~~15-~~ 12. "~~Licensing authority~~" ~~means the attorney general.~~ "Local permit" means a permit issued to a nonprofit organization recognized as a public-spirited organization by a governing body of a city or county that authorizes the organization to conduct only bingo, raffles, and sports pools in that city or county.
- ~~16-~~ 13. "Manufacturer" means a person who designs, assembles, fabricates, produces, constructs, or who otherwise prepares a product or a component part of a product of any implement of gambling usable in the lawful conduct of games of chance under this chapter. "~~Manufacturer~~" The term does not include a resident printer who prints raffle tickets at the request of a licensed or authorized organization or an organization that has been issued a local permit, and who sells or otherwise distributes such raffle tickets to such an the organization.
14. "Manufacturer's distributor" means a wholesaler of a manufacturer of electronic-mechanical pull tab dispensing devices and associated equipment who maintains a parts inventory, who sells at wholesale dispensing devices and associated equipment directly to a licensed distributor, and who does not sell or otherwise provide these items to a licensed organization.
- ~~17-~~ 15. "Member" means a person who has qualified for and been admitted to membership in an eligible organization pursuant to its bylaws, articles of incorporation, charter, rules, or other written statement, and who pays regular monthly, annual, or other periodic dues or is a fully paid life member of the eligible organization. "Member" includes auxiliary members, but excludes social and honorary members.
- ~~18.~~ "~~Other public spirited organization~~" means ~~a nonprofit organization which has been in existence within this state for two years and is recognized by the governing body of a city or county by resolution as public spirited and eligible to conduct games of chance under this chapter.~~
16. "Net proceeds" means the adjusted gross proceeds less such expenses and taxes as are specifically authorized under this chapter.
- ~~19-~~ 17. "Person" means any person, firm, partnership, corporation, association, or organization.
18. "Public safety organization" means an organization incorporated as a nonprofit corporation whose primary purpose is to actively engage in firefighting, ambulance service, or similar disaster assistance, which has been actively fulfilling its primary purpose within this state for the two immediately preceding years.

19. "Public-spirited organization" means an organization incorporated as a nonprofit corporation whose primary purpose is for scientific research, amateur sports competition, safety, arts, agriculture, preservation of cultural heritage, educational activities, educational public service, youth, or similar organization, and which does not meet the definition of veterans, fraternal, charitable, educational, religious, civic and service, or public safety organization, which has been actively fulfilling its primary purpose within this state for the two immediately preceding years and is recognized by the governing body of a city or county by resolution as public spirited. However, a nonprofit organization recognized as a public-spirited organization by a governing body of a city or county for obtaining a local permit does not need to meet this definition.
20. "Pull tab" means the game piece used in deals of pull tabs.
- ~~20-~~ 21. "Religious organization" means any nonprofit organization, church, body of communicants, or group gathered in common membership incorporated as a nonprofit corporation whose primary purpose is for advancement of religion, mutual support and edification in piety, worship, and religious observances which has been actively so gathered or united in this state for the two immediately preceding years.
- ~~21-~~ 22. "Veterans organization" means any congressionally chartered organization within this state, or any branch or lodge or chapter of a nonprofit national or state organization within this state, the membership of which consists of individuals who were members of the armed services or forces of the United States. ~~Such organizations shall~~ The organization must have been ~~in existence~~ actively fulfilling its primary purpose in this state for the two immediately preceding years and must have obtained an advance ruling or final determination from the internal revenue service as qualifying for exemption from federal income tax under section 501(c)(19) of the Internal Revenue Code. However, if the organization's gross receipts in each tax year are normally not more than twenty-five thousand dollars, the organization is not required to have obtained an advance ruling or final determination from the internal revenue service.

SECTION 2. AMENDMENT. Subsection 1 of section 53-06.1-01.1 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

1. The state gaming commission consists of the chairman and four other members appointed by the governor, with the consent of the senate. The members serve three-year terms and until a successor is appointed and qualified. If the senate is not in session when the term of a member expires, the governor may make an interim appointment, and the interim appointee holds office until the senate confirms or rejects the appointment. A member appointed to fill a vacancy arising from other than the natural expiration of a term serves only for the unexpired portion of the term. The terms of the commissioners must be staggered so that one term expires each July first.

SECTION 3. AMENDMENT. Section 53-06.1-01.2 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-01.2. Duty of attorney general to participate in certain hearings - Employment of private counsel by commission. The attorney general shall represent the state in all hearings before the commission and shall prosecute all criminal proceedings arising from violations of ~~chapters 53-06.1 and 53-06.2~~ this chapter. The commission may employ private counsel ~~for adoption of rules and to ensure that its hearings are conducted fairly.~~

SECTION 4. AMENDMENT. Section 53-06.1-02 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-02. Organizations eligible under chapter - Use of net proceeds. Nonprofit veterans, charitable, educational, religious, ~~and fraternal organizations~~, civic and service ~~clubs~~, public safety, and public-spirited organizations, as ~~those terms are defined by this chapter~~, are eligible to conduct games of chance under ~~the conditions of this chapter~~. The ~~entire~~ net proceeds of such games of chance ~~are to~~ must be devoted to educational, charitable, patriotic, fraternal, religious, or other public-spirited uses as defined by this chapter. Notwithstanding any other provision of this chapter, an eligible organization, which is not required to be licensed by the attorney general, that has been issued a local permit may use the net proceeds ~~of such games of chance~~ to directly benefit the eligible organization.

SECTION 5. AMENDMENT. Section 53-06.1-02.1 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-02.1. Waiver of two-year existence active requirement - Local permit. An organization that has not been ~~in existence~~ actively fulfilling its primary purpose within this state for the two immediately preceding years ~~becomes an eligible~~ may be recognized as a public-spirited organization for purposes of this section upon approval by the governing body of the city, if the organization will conduct games of chance ~~only~~ within that city, or upon approval by the board of county commissioners, if the organization will conduct games of chance within the county. An organization that ~~becomes an eligible~~ is recognized as a public-spirited organization under this section is not eligible for licensure by the attorney general until it has ~~been in existence~~ actively fulfilled its primary purpose within this state for the two immediately preceding years and may only conduct games of chance under a local authorization permit as provided in subsection 1 of section 53-06.1-03 until ~~it becomes an eligible organization as otherwise provided in this chapter.~~

SECTION 6. AMENDMENT. Section 53-06.1-03 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-03. Licensure - Exceptions for raffles, sports pools, and bingo - City and county authorization local permits and site authorizations - Licensure by attorney general - Fees - Suspension and revocation.

1. ~~Except as otherwise provided in this section, eligible organizations desiring to conduct games of chance shall apply annually for a license from the attorney general before July first on forms provided by the attorney general and shall include with the application a one hundred fifty dollar license fee, except for those organizations whose average annual gross proceeds do not exceed twenty five thousand dollars, for which the fee is one hundred dollars.~~

2- A nonprofit organization shall obtain a local permit as follows:

- a. Any A nonprofit organization recognized as public-spirited a public-spirited organization by the governing body of a city or county may obtain a local authorization permit to conduct only raffles or bingo in which the primary prize does not exceed one thousand dollars, and the aggregate does prizes do not exceed six thousand dollars annually, or and to conduct sports pools, for professional sports only, in which the total wagers do not exceed five hundred dollars for each pool.
 - b. A nonprofit organization that conducts a city or county festival or celebration may be recognized as a public-spirited organization by the governing body of a city or county and may obtain a local authorization permit to conduct raffles in which the primary prize does not exceed one thousand dollars and the aggregate does prizes do not exceed two thousand dollars. For purposes of this subdivision, a "city or county festival or celebration" means an event:
 - (1) In celebration of local heritage, anniversary of establishment of the political subdivision, or other significant local event recognized as public spirited by the governing body of the city or county; and
 - (2) Supported by significant community participation.
 - c. To obtain a local authorization permit, the nonprofit organization shall apply directly to the governing body of the city in which it conducts its principal activities the site is located where the raffle, sports pool, or bingo activity will be conducted or, if its principal activities are conducted the raffle, sports pool, or bingo activity is conducted at a site located in a county but outside the limits of a city, the organization shall apply to the board of county commissioners. Applications Application for the conduct of games of chance subject to authorization by a city or county a local permit must be made on forms provided by the attorney general. The governing body may by ordinance or resolution establish authorization fees a local permit fee not to exceed twenty-five dollars for each authorization local permit.
 - d. For purposes of this subsection issuing a local permit, the determination of what is a "public spirited" organization "public-spirited organization" is within the sole discretion of the governing body of the city or county.
2. Except as otherwise provided in this section, an eligible organization desiring to be licensed to conduct lawful games of chance shall apply annually for a license from the attorney general before July first on forms provided by the attorney general and shall include with the application a one hundred fifty dollar license fee, except the fee is one hundred dollars for an organization whose average annual gross proceeds do not exceed twenty-five thousand dollars. An organization shall provide clear and convincing evidence that the organization qualifies as an eligible organization. If a licensed organization amends its primary

purpose as stated in its articles of incorporation or changes its basic character in a material manner, the organization shall reapply for licensure with the attorney general.

3. The attorney general shall license eligible organizations that conform to the requirements of this chapter by issuing licenses as follows:
 - a. A class A license to an eligible organization that is ~~prohibited because of its nature or purpose for existence from expending charitable gaming net proceeds for the organization's own purposes or benefit and is, therefore, required to disburse its net proceeds to beneficiaries for educational, charitable, patriotic, fraternal, religious, or other public spirited uses~~ a fraternal, veterans, or civic and service organization.
 - b. A class B license to an eligible organization that is ~~permitted because of its nature or purpose for existence to expend charitable gaming proceeds for its own educational, charitable, patriotic, fraternal, religious, or other public spirited uses~~ a charitable, religious, educational, public-spirited, or public safety 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. An eligible organization that qualifies for a class A license may not also be issued a class B license.
 - c. ~~A class C license to an eligible organization that conducts games of chance on not more than two occasions per year.~~
 - d. ~~The attorney general shall~~ commission may 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 licensed organization, and the adjusted gross proceeds collected or expected to be collected by the eligible licensed organization.
4. ~~Games~~ A licensed organization may conduct games of chance ~~may be operated or conducted only on premises or sites~~ an authorized site set forth in the application as follows:
 - a. ~~License applicants~~ A licensed organization shall first secure approval of the proposed site ~~or sites on~~ at which it intends to conduct lawful 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~~ is located. This approval ~~or permit, which may be granted at the discretion of the governing body, must be recorded on a site authorization form which is to accompany the license application to the attorney general for final approval.~~ The governing body may charge a one hundred dollar fee for ~~this permit~~ the site authorization.
 - b. Rented premises are subject to rules adopted by the ~~attorney general~~ commission.
 - c. Only one eligible licensed organization ~~or organization that has been issued a local permit~~ at a time may be authorized to conduct games of

chance at a specific ~~location~~ authorized site, except that a raffle drawing may be conducted for special occasions when one of the following conditions are met:

- (1) When the area for the raffle drawing is physically separated from the area where gaming is conducted by the regular licensee.
 - (2) Upon request of the regular licensee, the licensee's license is suspended for that specific day by the attorney general or commission.
- d. Licenses, rules of conduct and play, state gaming stamps, and state ~~identification devices~~ registration stamps must be displayed on forms and in the manner specified in rules adopted by the ~~attorney general~~ commission.
- e. No licensed organization or closely connected licensed organizations as a unit may have more than thirty authorized sites unless granted a waiver by the attorney general. However, after June 30, 1995, no licensed organization or closely connected licensed organizations as a unit may have more than twenty-five authorized sites unless granted a waiver by the attorney general. If the attorney general finds that there is no other licensed organization willing to conduct gaming at a site for which a waiver is being sought, the attorney general may approve the waiver. The attorney general may not grant a licensed organization a waiver for more than five sites. Closely connected licensed organizations are two or more organizations which have unitary characteristics that may include common primary purposes, members on boards of directors, officers, management, employees, bookkeepers, program services, integrations of gaming activities, and shared facilities.
5. The attorney general may, ~~by motion~~ based on reasonable ground or upon written complaint, suspend, deny, or revoke under chapter 28-32, any license granted under this chapter for violations by the licensee, or any officer, director, agent, member, or employee of the licensee, of this chapter or any rule adopted under this chapter. Notwithstanding section 5-02-02, an eligible organization that possesses a license issued under chapter 5-02 may not have that license suspended, revoked, or denied in consequence of action taken under this subsection unless that organization conducts gaming determined to be in violation of chapter 12.1-28 or subsection 1 of section 53-06.1-07.
6. The attorney general ~~or the commission~~ may impose monetary fines on licensed organizations, distributors, manufacturers' distributors, and manufacturers for failure to comply with ~~any provision~~ of this chapter or any rule adopted under this chapter. 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 or ~~manufacturer~~ manufacturer's 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 lieu of a license ~~suspensions~~ suspension or ~~revocations~~ revocation.

SECTION 7. AMENDMENT. Section 53-06.1-03.3 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-03.3. ~~Charitable gaming ticket~~ Pull tab sites - Limit on rent. For all purposes associated with the privilege of conducting games of chance at a site other than a site where bingo is the primary game of chance conducted, the monthly rent may not exceed:

1. If the game of twenty-one is conducted on the site, in addition to the rent allowable for the game of twenty-one, one hundred twenty-five dollars.
2. If the game of twenty-one is not conducted on the site, two hundred twenty-five dollars.

SECTION 8. AMENDMENT. Section 53-06.1-05 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-05. Local ~~approval permit~~ for educational organizations, college fraternities, and sororities for raffles, sports pools, and bingo. An educational organization, college fraternity, or sorority shall apply in writing to the governing body of the city in which it is located, or to the board of county commissioners if the educational organization or the college is located outside ~~the geographical limits of a city~~ limits, for ~~permission a local permit~~ to conduct raffles, sports pools, or bingo at least thirty days ~~prior to~~ before each occasion. The application must state the time, place, and educational, charitable, patriotic, fraternal, religious, or other public-spirited uses to which the net proceeds will be devoted. An applicant fraternity or sorority shall include a signed acknowledgment by the administration of the college or university that the applicant is a recognized fraternity or sorority. The governing body may at its own discretion by ordinance or resolution, and upon application, ~~grant permission may issue a local permit~~ for raffles, sports pools, and bingo to be held at specifically designated times and places for specific uses covering a one-year period. The governing body may by ordinance or resolution may establish authorization fees a local permit fee not to exceed twenty-five dollars for each authorization. ~~If the governing body, at its own discretion, chooses to authorize raffles, sports pools, or bingo pursuant to this chapter, the governing body may do so by resolution local permit.~~

SECTION 9. AMENDMENT. Section 53-06.1-05.1 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-05.1. Regulation by city or county of number of twenty-one tables per site and number of sites per ~~eligible~~ licensed organization. Cities, for sites ~~or locations~~ within city limits, or counties, for sites ~~or locations~~ outside city limits, may establish by ordinance or resolution a maximum number of tables for twenty-one per site and a maximum number of sites upon which an ~~eligible~~ a licensed organization may conduct games of chance within the city or county.

SECTION 10. AMENDMENT. Section 53-06.1-06 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-06. Persons permitted to conduct games of chance - Premises Gaming site - Equipment - Compensation.

1. No person, except a member or employee of ~~an eligible a licensed organization or an organization that has been issued a local permit or a member of an organization auxiliary to an eligible a licensed organization or an organization that has been issued a local permit~~, may assist in the holding, operating, or conducting of any game of chance under this chapter. In the conduct of pull tabs through an electronic-mechanical dispensing device, the attorney general may allow employees of licensed alcoholic beverage establishments to provide limited assistance to ~~an authorized a class B license holding eligible licensed organization the whose adjusted gross proceeds of which do does not exceed sixty eighty~~ thousand dollars per quarterly reporting period of operation or to any class A ~~license holding eligible licensed organization~~. However, a volunteer of an eligible organization may sell raffle tickets.
2. Except when authorized by the attorney general, no games of chance may be conducted with any gaming equipment other than gaming equipment owned by an eligible organization or rented at a reasonable rate by an eligible organization from a licensed distributor.
3. The governing board of an eligible organization is primarily responsible and may be held accountable for the proper determination and distribution of the entire net proceeds of any game games of chance held in accordance with this chapter.
4. The premises gaming site where any game of chance is being held, operated, or conducted, or where it is intended that the game will be held, must be open to inspection by the attorney general, ~~the attorney general's agents and employees, by representatives of the governing body authorizing games of chance, and by peace officers of any political subdivision law enforcement officials~~ of this state.
5. When any merchandise prize is awarded in a game of chance, its value is its current retail price.
6. Equipment, prizes, and supplies for games of chance may not be purchased or sold at prices in excess of the usual price thereof.
7. ~~The A class A organization must devote the entire net proceeds derived from the holding of conducting games of chance must be devoted within three months from the date end of the quarter in which such proceeds were earned to the eligible uses permitted by this chapter. Any A class A organization desiring to hold the net proceeds of games of chance for a period longer than three months from the date such proceeds were earned must shall apply to the licensing authority or governing body, as the case may be, attorney general for special permission, and upon good cause shown, the licensing authority or governing body attorney general may grant the request.~~
8. No person who has pled guilty to or been found guilty of a felony may sell or distribute equipment, or conduct or assist in games of chance under this chapter for five years from the date of the conviction or release

from incarceration, parole, or probation, whichever is the latter. No person determined by the attorney general to have participated in organized crime or unlawful gambling, may be permitted to sell or distribute equipment, or conduct or assist in games of chance under this chapter for a period determined by the attorney general.

9. Any person involved with the conduct of games of chance must be:
 - a. A person of good character, honesty, and integrity.
 - b. A person whose prior activities, criminal record, reputation, habits, and associations do not pose a threat to the public interest of this state or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gaming or the carrying on of the business and financial arrangements incidental to the conduct of gaming.
10. The attorney general or commission may prohibit a person from playing games of chance if the person violates ~~any provision of~~ this chapter or any rule adopted under this chapter.
11. The attorney general or commission may require a licensed organization to pay a bingo or raffle prize to a player based on a factual determination, after opportunity for the parties to be heard, by the attorney general or commission.
12. If bingo is the primary game of chance conducted at an authorized site, no licensed organization may pay bingo prizes in which the aggregate of the bingo prizes for a quarter exceeds the total bingo gross proceeds for the quarter at that site. However, a bingo prize that equals or exceeds ten thousand dollars is excluded from the computation of the aggregate of the bingo prizes.

SECTION 11. AMENDMENT. Section 53-06.1-07 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-07. Games of chance allowed.

1. ~~Eligible~~ Only eligible organizations licensed by the attorney general ~~shall be permitted to may~~ conduct bingo, raffles, calcuttas, ~~charitable gaming tickets pull tabs,~~ punchboards, twenty-one, paddlewheels, poker, and sports pools ~~for professional sports only.~~ These games may only be conducted and played at gaming sites authorized by a local governing body and approved by the attorney general.
2. ~~College fraternities or sororities may conduct raffles, sports pools, and bingo.~~
3. ~~Eligible organizations shall be permitted to conduct draw poker in accordance with section 53-06.1-07.2.~~
4. ~~In electronic video gaming device play of any game of chance permitted by this section, the maximum prize per play is five hundred dollars.~~

5. Any ~~The game using charitable gaming tickets of pull tabs~~ may be conducted only through use of commingled games after ~~June 30, 1991~~.

SECTION 12. AMENDMENT. Section 53-06.1-07.1 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-07.1. Limitations on hours and participation in games of chance. A person under twenty-one years of age may not ~~participate in placing a wager in the directly or indirectly play~~ games of ~~charitable gaming tickets pull tabs, punchboards, twenty-one, calcuttas, sports pools, paddlewheels, or poker.~~ A person under eighteen years of age ~~not accompanied by an adult~~ may not participate in ~~directly or indirectly play~~ the game of bingo unless ~~the person is accompanied by an adult, the bingo game is locally authorized under section 53-06.1-03 conducted by an organization that has been issued a local permit, or the game's prize structure does not exceed those that allowed under subsection 1 of section 53-06.1-03 for locally authorized games local permits.~~ The games of ~~charitable gaming tickets pull tabs, punchboards, twenty-one, paddlewheels, or and~~ sports pools may be conducted only during the hours when alcoholic beverages may be dispensed in accordance with applicable regulations of the state or the ~~political subdivision county or city.~~

SECTION 13. AMENDMENT. Section 53-06.1-07.2 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-07.2. Draw poker and stud poker - Limited authorization. An eligible A licensed organization may conduct the game of draw poker on not more than two occasions per year as follows:

1. The ~~eligible~~ organization may supply the dealer.
2. The maximum single bet is one dollar.
3. Not more than three raises, of not more than one dollar each, may be made among all the players in each round of bets. Otherwise the normal rules of draw poker and stud poker apply.
4. The ~~eligible~~ organization shall assess each player a fee not to exceed two dollars per half hour of playing time by that person, collected in advance. A fee may be charged each player for entry into a tournament for prizes which fee may be in lieu of or in addition to the fee assessable at one-half hour intervals.

SECTION 14. AMENDMENT. Section 53-06.1-07.3 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-07.3. Calcuttas. An eligible A licensed organization may ~~allow the playing of~~ conduct a calcutta ~~on the authorized site.~~ Calcuttas are allowed for professional or amateur sporting events held in this state, but not for elementary, secondary, or postsecondary education sports events. The eligible organization shall post at the gaming site all rules affecting the conduct and play of calcuttas ~~or requirements of participants.~~ An eligible The organization may not have an interest in the outcome of the calcutta. A ~~participant who places~~ player must place a wager in the calcutta auction pool ~~must be~~ at the authorized site. No more than one wager per competitor may be allowed in any calcutta pool. The amounts paid to calcutta pool ~~participants~~ players in prizes may not exceed ninety percent of

the gross proceeds. No competitor in a calcutta pool may be under eighteen years of age.

SECTION 15. AMENDMENT. Section 53-06.1-07.4 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-07.4. Paddlewheels. ~~An eligible A licensed organization may conduct the game of paddlewheels on the authorized site. The eligible organization shall post at the site all rules affecting the conduct of paddlewheels and requirements of players. A paddlewheel is a mechanical vertical wheel marked off into equally spaced sections that contain numbers or symbols, and which after being spun, uses a pointer or marker to indicate the winning number or symbol. The maximum price per paddlewheel ticket may not exceed two dollars. No money may be allowed on the playing table. A table must be used to register a player's wagered paddlewheel ticket when a cash prize is a variable multiple of the price of the paddlewheel ticket. No player may place more than ten paddlewheel tickets valued at more than twenty dollars on each spin of the paddlewheel. Cash, chips, or merchandise prizes may be awarded. No single cash prize, value of chips, or the current retail price of the merchandise prize to be awarded for a winning paddlewheel ticket may exceed one hundred dollars. The monthly rent for each paddlewheel playing table may not exceed the amount authorized by law for a twenty-one table.~~

SECTION 16. AMENDMENT. Section 53-06.1-08 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-08. Punchboards and ~~charitable gaming tickets pull tabs~~ - Sale of chances - Maximum price per ~~ticket pull tab~~. ~~Unless all of the highest denomination of winners top tier winning pull tabs or punchboard punches have been sold redeemed, or unless otherwise permitted by the attorney general, a no person or organization engaged in the selling of chances from conducting games of charitable gaming tickets pull tabs or punchboards under this chapter may not discard the chances from any close the game of charitable gaming ticket or punchboard once the contents of that game of charitable gaming ticket or punchboard are have been offered for sale to eligible participants players. The maximum sales price per charitable gaming ticket pull tab and punchboard punch may not exceed two dollars.~~

SECTION 17. AMENDMENT. Section 53-06.1-08.1 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-08.1. Limitation on ~~charitable gaming ticket pull tab~~ prizes. ~~An eligible A licensed organization may not conduct a game of charitable gaming tickets pull tabs in which the highest denomination winner prize value of the top tier winning pull tab exceeds five hundred dollars.~~

SECTION 18. AMENDMENT. Section 53-06.1-09 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-09. Sports pools - Control by licensee - Rules posted - Limitation on prizes. ~~An eligible A licensed organization or organization that has been issued a local permit may allow the playing of conduct sports pools on the premises or authorized site. Sports pools are allowed for professional sports only. If sports pools are allowed, they must be conducted and controlled by the eligible organization. The eligible licensed organization or organization that has been issued a local permit shall clearly post any rules affecting the conduct of sports~~

pools or requirements of ~~participants~~ players. The maximum wager on any sports pool is five dollars. The amounts paid to sports pool ~~participants~~ players in prizes may not exceed ninety percent of the gross proceeds.

SECTION 19. AMENDMENT. Section 53-06.1-10 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-10. Twenty-one - Sale of chips - Redemption - Wager - Limit - Rules of play - Tips. ~~Any licensee~~ A licensed organization may conduct and shall control the playing of the card game twenty-one on ~~the its~~ authorized site ~~of the licensee, but at no other location.~~ No money may be allowed on the table. The ~~licensee~~ organization shall provide playing chips of various denominations to the ~~participants~~ players. Chips must be redeemed by the licensee for their full value. The maximum limit per wager may be set by the ~~licensee or eligible~~ organization at not more than five dollars and wagers in increments of one dollar must be accepted up to the maximum limit. A player may not play more than two hands at the same time. Only the player actually playing a hand may place a wager on any hand. Twenty-one is a card game played by a maximum of seven players and one dealer. The dealer must be a representative of the ~~eligible~~ organization sponsoring the game of chance. Each player plays the player's hand against the dealer's hand. In order to remain in the hand being dealt, neither the player nor the dealer may play a hand with a count greater than twenty-one. A count of twenty-one obtained with two cards is termed a natural twenty-one and is an automatic payout except in case of a tie count with the dealer. Players may double down on a natural twenty-one. In the case of matching or tie count between the player and the dealer, no winner is declared and the player keeps the player's wager. A licensee may allow the pooling of tips received by dealers at an authorized site. Any requirement to pool tips is within the sole discretion of each licensee and may not be imposed or encouraged by the ~~licensing authority attorney general or commission.~~ Each licensee conducting twenty-one shall post rules relating to the conduct of the game in a conspicuous location near where the game is played. After December 31, 1993, except for an organization's authorized site that has twenty-one gross proceeds averaging less than ten thousand dollars per quarter, no organization may conduct twenty-one at an authorized site with wagers exceeding two dollars unless the organization has first installed video surveillance equipment as required by rules adopted by the commission and the equipment is approved by the attorney general. The commission may delay the requirements for surveillance required by this section for good cause shown if the commission specifically finds that the delay would allow the installation of video surveillance equipment of superior technological capability and enhanced enforcement value. In no event may the delay extend beyond July 1, 1994.

SECTION 20. AMENDMENT. Section 53-06.1-10.1 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-10.1. Raffles - Limitation - Prizes. Prizes for raffles may include any property which may be legally owned and possessed, but may not include real estate. Cash prizes may be awarded in raffles ~~conducted under this chapter~~ provided the value of no single cash prize exceeds one thousand dollars, and provided ~~further that no eligible organization may award total cash prizes totaling more than~~ do not exceed three thousand dollars in ~~the aggregate during any one day.~~

SECTION 21. AMENDMENT. Section 53-06.1-11 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-11. Statement of receipts - Expenses.

1. All moneys collected or received from games of chance and admissions thereto, except cash prizes of one hundred dollars or less paid immediately, must be deposited in a special account of the eligible licensed organization which contains only that money. Cash prizes of an amount to be determined by the attorney general, ~~the~~ and purchase prices of merchandise prizes, ~~and all expenses for such games of chance~~ must be withdrawn from such account by consecutively numbered checks duly signed by a specified officer or officers of the eligible organization and payable to a specific person or organization. There must also be written on the check the nature of the ~~expense or~~ prize for which the check is drawn. No check may be drawn to "cash" or a fictitious payee. In the case of a cash prize of more than one hundred dollars, the prize may also be issued by an accountable receipt or nonnegotiable instrument approved by the attorney general.
2. No part of the net proceeds after they have been ~~given over~~ devoted to ~~another organization~~ an eligible use recipient may be used by the donee organization to pay any person for services rendered or materials purchased in connection with the ~~conducting~~ conduct of games of chance by the donor organization.
3. Subject to the limitations of this subsection, expenses incurred for games of chance may be deducted from adjusted gross proceeds, to the extent that total expenses for games of chance do not exceed fifty percent of the first two hundred thousand dollars of adjusted gross proceeds per quarter and forty-five percent of the adjusted gross proceeds in excess of two hundred thousand dollars per quarter. However, for an authorized site at which the game pull tabs is the only game of chance conducted and the conduct of pull tabs is through an electronic-mechanical dispensing device, expenses incurred for this game of chance may be deducted from adjusted gross proceeds, based on the average adjusted gross proceeds of all of an organization's authorized sites at which the game of pull tabs is conducted through electronic-mechanical dispensing devices, according to the following:
 - a. On average adjusted gross proceeds not exceeding eight thousand dollars per quarter, an expense limitation of fifty percent.
 - b. On average adjusted gross proceeds exceeding eight thousand dollars per quarter, but not exceeding twelve thousand dollars per quarter, an expense limitation of forty-five percent.
 - c. On average adjusted gross proceeds exceeding twelve thousand dollars per quarter, but not exceeding sixteen thousand dollars per quarter, an expense limitation of forty percent.
 - d. On average adjusted gross proceeds exceeding sixteen thousand dollars per quarter, an expense limitation of thirty-five percent.

After December 31, 1989, cash Cash shorts incurred in games of chance are classified as expenses toward the expense limitation. Notwithstanding the limitations of this subsection, in addition to the expenses allowed to be deducted from adjusted gross proceeds, ~~an eligible~~ a licensed

organization may deduct as an expense ~~federal excise taxes and interest imposed under section 4401 of the Internal Revenue Code [26 U.S.C. 4401] and incurred or paid by the organization for the period beginning January 1, 1986, and ending as of July 1, 1991~~ capital expenditures for security or video surveillance equipment used for controlling games of chance if the equipment is required by section 53-06.1-10 or rules adopted by the commission and the equipment is approved by the attorney general. The figure used for adjusted gross proceeds is as determined in subsection 1 of section 53-06.1-01 before any reduction for taxes. This subsection does not authorize violations of the rent limitations contained in this chapter.

SECTION 22. AMENDMENT. Section 53-06.1-12 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-12. Tax based on adjusted gross proceeds. A tax as provided in this section upon the total adjusted gross proceeds received by a licensed eligible organization must be paid to the attorney general on a quarterly basis ~~in the manner and upon the tax return forms as prescribed by the attorney general by rule.~~ The figure used for adjusted gross proceeds is as determined in subsection 1 of section 53-06.1-01 before any reduction for expenses. The amount of this tax must be paid from adjusted gross proceeds and may not be charged against the percentage limitation of expenses. The tax is hereby imposed upon every eligible licensed organization, to be levied, collected, and paid quarterly with respect to the adjusted gross proceeds of the ~~eligible~~ organization as provided in this section, computed at the following rates:

1. On adjusted gross proceeds not in excess of two hundred thousand dollars per quarter, a tax of five percent.
2. On adjusted gross proceeds in excess of two hundred thousand dollars per quarter but not in excess of four hundred thousand dollars per quarter, a tax of ten percent.
3. On adjusted gross proceeds in excess of four hundred thousand dollars per quarter but not in excess of six hundred thousand dollars per quarter, a tax of fifteen percent.
4. On adjusted gross proceeds in excess of six hundred thousand dollars per quarter, a tax of twenty percent.

SECTION 23. AMENDMENT. Section 53-06.1-12.2 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

² **53-06.1-12.2. ~~Charitable gaming tickets~~ Pull tabs excise tax in lieu of sales and use taxes.** In addition to any other tax provided by law and in lieu of sales or use taxes, there is imposed a tax of two percent on the gross ~~receipts~~ proceeds from the sale at retail of ~~charitable gaming tickets~~ pull tabs to a final user. ~~A Gross proceeds and a sale at retail for purposes of this section includes charitable gaming tickets include pull tabs sold and charitable gaming tickets~~

² NOTE: Section 53-06.1-12.2 was also amended by section 1 of House Bill No. 1516, chapter 501.

~~given pull tabs provided a player in return exchange for another charitable gaming ticket as authorized under this chapter. Gross receipts for purposes of this section includes the face value of all charitable gaming tickets sold or given in return for another charitable gaming ticket redeemed winning pull tabs. The tax imposed by this section must be paid to the attorney general at the time tax returns are made filed and taxes are paid by the eligible licensed organization under section 53-06.1-12.~~

SECTION 24. AMENDMENT. Section 53-06.1-13 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-13. Examination of books and records. ~~The attorney general and the attorney general's agents, and representatives of the governing body of a city or county with respect to eligible organizations authorized a licensed organization or organization that has been issued a local permit by that governing body, may examine or cause to be examined the books and records of any eligible licensed organization licensed or authorized organization that has been issued a local permit to conduct games of chance under this chapter to the extent that such books and records may directly or indirectly relate to any transaction connected with holding, operating, or conducting any game of chance.~~

SECTION 25. AMENDMENT. Section 53-06.1-13.1 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-13.1. Financial statements. ~~Every eligible A licensed organization receiving gaming gross proceeds of two hundred thousand dollars or more in the organization's annual accounting period shall file with the attorney general on or before the fifteenth day of the fifth month following the end of the accounting period a financial statement, including accompanying notes and footnotes, and a copy of the internal revenue service's form 990 titled return of organization exempt from income tax required to be filed under section 501(c) of the Internal Revenue Code. The financial statement must at least include a schedule of the sources of total revenue, total expenses, listing of the names of nongaming and gaming employees who received any form of compensation amounting to thirty thousand dollars or more during the accounting period, including specific sources of the compensation paid to each employee, and any information as required by the attorney general.~~

SECTION 26. AMENDMENT. Section 53-06.1-14 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-14. Distributors and manufacturers - Licensure.

1. ~~Every A manufacturer of charitable gaming tickets pull tabs, every manufacturer of paper bingo cards, manufacturer of electronic-mechanical pull tab dispensing devices, manufacturer's distributor of electronic-mechanical pull tab dispensing devices, and every distributor shall apply annually for a license upon a form prescribed by the attorney general before the first day of April in each year and shall submit the appropriate license fee. Each applicant shall provide such necessary and reasonable information as the attorney general may require. The license fee for a distributor is one thousand five hundred dollars, and the license fee for a manufacturer's distributor is five hundred dollars. The license fee for a manufacturer of electronic-mechanical pull tab dispensing devices, manufacturer of charitable gaming tickets pull tabs,~~

paper bingo cards, or both a manufacturer of pull tabs and paper bingo cards, is two thousand dollars.

2. No distributor may sell, market, or otherwise distribute raffle tickets or equipment for games of chance except to other licensed distributors, licensed manufacturers' distributors, licensed organizations, organizations that have been issued a local permit, gaming schools, or other persons authorized by the attorney general. A manufacturer of ~~charitable gaming tickets pull tabs~~ or paper bingo cards may not sell, market, or otherwise distribute ~~charitable gaming tickets pull tabs~~ or paper bingo cards, other than to a licensed distributor. A distributor of ~~charitable gaming tickets pull tabs~~ or paper bingo cards must purchase or otherwise receive ~~charitable gaming tickets pull tabs~~ or paper bingo cards only from a licensed manufacturer or licensed distributor. A manufacturer of electronic-mechanical pull tab dispensing devices may not sell, market, or otherwise distribute pull tab dispensing devices other than to a licensed distributor or a licensed manufacturer's distributor. A licensed distributor and licensed manufacturer's distributor of electronic-mechanical pull tab dispensing devices may purchase or otherwise receive pull tab dispensing devices only from a licensed manufacturer, licensed manufacturer's distributor, or licensed distributor.
3. Every eligible organization shall acquire all raffle tickets or equipment for games of chance from a distributor licensed under this chapter, unless the raffle tickets or equipment for games of chance are printed, manufactured, or constructed by the eligible organization or unless the raffle tickets are obtained from a resident printer who has printed the raffle tickets at the request of the organization. No game of ~~charitable gaming tickets pull tabs~~, punchboards, sports pool boards, calcutta boards, or a series of paddlewheel ticket cards may be sold without a North Dakota gaming stamp being affixed to them. North Dakota licensed distributors shall purchase the North Dakota gaming stamps from the attorney general's office and the cost for each stamp may not exceed twenty-five cents.
4. No licensed ~~or authorized eligible organization or organization that has been issued a local permit~~ may be a distributor. No North Dakota wholesaler of liquor or alcoholic beverages may be a North Dakota distributor. No North Dakota licensed manufacturer may be a North Dakota distributor or have any financial interest in a North Dakota distributor. No North Dakota distributor may have any financial interest in a North Dakota licensed manufacturer.
5. The attorney general ~~or commission~~ may, ~~by motion~~ based on reasonable grounds or on written complaint, suspend or revoke ~~a~~ an organization's local permit or an organization's, distributor's, or manufacturer's license for violation, by the licensee organization, distributor, or manufacturer or any officer, director, agent, member, or employee of the ~~licensee organization, distributor, or manufacturer~~, of this chapter or any rule adopted under this chapter.
6. In addition to the basic license fee, the attorney general may require payment of any additional fee necessary to defray the actual costs of a

background investigation of applicants. The attorney general may require payment of the estimated additional fee in advance as a condition precedent to beginning the investigation. The attorney general shall notify the applicant as soon as possible after a determination is made that the additional fee is necessary and shall also notify the applicant of the attorney general's best estimate of the amount of the additional license fee. Any applicant may then withdraw the application in lieu of paying the additional cost. The estimated cost must be placed into the attorney general's refund fund for use to defray the actual expenses of the background investigation. The remainder of ~~such~~ the funds must be returned to the applicant within thirty days of the conclusion of the investigation.

SECTION 27. AMENDMENT. Section 53-06.1-15 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-15. Form and display of license and local permit. Each license ~~or authorization required under this chapter~~ and local permit must contain a statement of the name and address of the ~~licensee or authorized eligible licensed organization or organization that has been issued a local permit~~ and such other information as the licensing attorney general or ~~authorizing authority~~ local governing body may designate require.

Each license ~~or resolution issued for the conduct of any game or games of chance and local permit~~ must be conspicuously displayed at the ~~place where the same is to be conducted at all times during gaming site when~~ any game of chance is conducted and for at least thirty minutes thereafter. The sale of a raffle ticket does not require the display of the license or ~~authorizing resolution~~ local permit.

SECTION 28. AMENDMENT. Section 53-06.1-15.1 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-15.1. Powers and duties of the attorney general. The attorney general ~~or the agents of the attorney general~~ may:

1. Inspect and examine all premises in which gaming is conducted or gaming devices or equipment are manufactured, sold, or distributed.
2. Inspect all equipment and supplies in, upon, or about such premises.
3. Seize and remove from such premises and impound any gaming related equipment, supplies, games of chance, or books and records for the purpose of examination and inspection. When books or records are seized, the attorney general shall provide copies of those records or books within twenty-four hours of a specific request by the organization for a copy of the books or records seized.
4. Demand access to and inspect, examine, photocopy, and audit all books and records of applicants, licensees, lessors, manufacturers, and distributors, including any affiliated companies on their premises and in the presence of the applicants, licensees, lessors, manufacturers, distributors, or agents concerning any income or expense resulting from any gaming business, and require verification of income or expense, and all other matters affecting the enforcement of the policy and provisions of this chapter.

5. Audit and inspect any other books and records of eligible organizations conducting games of chance for the purpose of determining compliance with applicable statutes, rules, and constitutional provisions regarding distribution devotion of net proceeds from games of chance.
6. Enter into a reciprocal agreement with the commissioner of the internal revenue service of the United States for exchange of information for state tax administration purposes.

SECTION 29. AMENDMENT. Section 53-06.1-15.4 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-15.4. Conditional license - Issuance. The attorney general, upon application and at the attorney general's discretion, may issue a conditional license to conduct games of chance to an eligible organization whose regularly issued license has been suspended or revoked for a violation of this chapter or rules adopted under this chapter. The attorney general shall designate the time period for which the conditional license is valid and may impose any conditions for issuance of the license as the attorney general determines necessary. Section 53-06.1-16.2 does not apply to an eligible organization to whom a conditional license is issued pursuant to this section.

SECTION 30. AMENDMENT. Section 53-06.1-16 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-16. Violation of chapter or rule - Misdemeanor - Forfeiture of licensure - Ineligibility. Any person who knowingly makes a false statement in any application for a local permit, license, or authorizing resolution or in any statement annexed thereto, or who fails to keep sufficient books and records to substantiate the receipts, gross proceeds, prizes, expenses, or uses devotion of net proceeds resulting from games of chance conducted under this chapter, or who falsifies any books or records so far as they relate to any transaction connected with the holding, operating, and conducting of any game of chance, or who violates any of the provisions of this chapter, any rule adopted under this chapter, or of any term of a local permit or license is guilty of a class A misdemeanor. If convicted, the person forfeits any license or authorizing resolution local permit issued to it pursuant to this chapter and is ineligible to reapply for a license or authorization local permit for a period of time ~~to be determined by the attorney general or commission~~. Notwithstanding section 5-02-02, an eligible organization that possesses a license issued under chapter 5-02 may not have that license suspended, revoked, or denied in consequence of action taken under this section.

SECTION 31. AMENDMENT. Section 53-06.1-16.1 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-16.1. Bogus chips, marked cards, cheating devices, or fraudulent schemes unlawful - Penalty. It is unlawful for any person playing or conducting any authorized game of chance conducted by a licensed organization:

1. To use bogus or counterfeit chips or ~~charitable gaming tickets pull tabs~~, or to substitute or use any game, cards, ~~or charitable gaming tickets pull tabs, or game piece~~ that have been marked or tampered with.
2. To employ or have on one's person any cheating device to facilitate cheating in any game of chance.

3. To willfully use any fraudulent scheme or technique, including when an operator or player of games of ~~charitable gaming tickets pull tabs~~ directly or indirectly solicits, provides, or receives inside information of the status of a game for the benefit of either person.
4. To alter or counterfeit a site authorization, gaming license, or North Dakota gaming stamp.
5. To knowingly cause, aid, abet, or conspire with another person or to cause any person to violate ~~any provision of~~ this chapter or any rule adopted under this chapter.

A person violating this section is guilty of a class A misdemeanor unless the amount gained through the use of these items, schemes, or techniques resulted in a person obtaining over five hundred dollars, then the offense is a class C felony. However, if a person uses a fraudulent scheme regarding soliciting, providing, or receiving inside information involving the game of pull tabs or uses a fraudulent scheme or technique to cheat or skim involving the games of twenty-one or bingo, regardless of the amount gained, then the offense is a class C felony.

SECTION 32. AMENDMENT. Section 53-06.1-16.2 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-16.2. License suspension or revocation by attorney general or commission - Ineligibility for local authorization permit. ~~Any person whose class A or class B A licensed organization that has its license is~~ suspended or revoked by the attorney general or commission or a licensed organization that has not devoted its nets proceeds is ineligible for a local authorization permit to conduct raffles, sports pools, or bingo during the period of suspension or revocation.

SECTION 33. AMENDMENT. Section 53-06.1-17 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-17. Rules. The commission shall adopt rules in accordance with chapter 28-32, relating to, but not limited to, methods of play, conduct, and promotion of games of chance; methods, procedures, and minimum standards for accounting and recordkeeping; requiring reports by ~~licensees and authorized licensed~~ organizations; methods of competition and doing business by distributors, ~~manufacturers, and manufacturers' distributors~~; marking or identification of raffle tickets, ~~charitable gaming tickets pull tabs~~, bingo equipment, ~~ticket pull tab receptacles, punchboards, or any other implements of gambling used or distributed in this state to implement or effectuate the provisions and purpose of this chapter~~; quality standards for the manufacture of ~~charitable gaming tickets pull tabs, pull tab dispensing devices, and paper bingo cards~~; to ensure that the entire net proceeds of games of chance are devoted to educational, charitable, patriotic, fraternal, religious, or other public-spirited uses as defined by this chapter; to protect and promote the public interest; to ensure fair and honest games of chance; to ensure that fees and taxes are paid; to impose monetary fines and establish appeal procedures; and to seek to prevent or detect unlawful gambling activity.

SECTION 34. AMENDMENT. Subsection 5 of section 53-06.2-11 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

5. A licensee may not use any of the portion deducted for expenses under subsections 1 and 2 for expenses not directly incurred by the licensee in

conducting parimutuel racing under the certificate system. After paying qualifying expenses, the licensee shall use the remainder of the amount so withheld only for eligible uses allowed to charitable gambling organizations under subsection 7 6 of section 53-06.1-01.

Approved April 29, 1993
Filed April 30, 1993

CHAPTER 500

SENATE BILL NO. 2242
(Senators Nalewaja, Freborg, Holmberg)
(Representatives Kelsch, Kretschmar, Rydell)

GAMING COMMISSION QUALIFICATIONS

AN ACT to amend and reenact subsection 2 of section 53-06.1-01.1 of the North Dakota Century Code, relating to the qualifications of members of the gaming commission; and to provide for application of this Act.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 2 of section 53-06.1-01.1 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- 2. A person is ineligible for appointment to the commission if that person has not been a resident of this state for at least two years before the date of appointment. A person is also ineligible if that person is not of such character and reputation as to promote public confidence in the administration of gaming in this state. A person is also ineligible if that person has been convicted of a felony criminal offense or has pled guilty or been convicted of any violation of chapter 12.1-06, 12.1-08, 12.1-09, 12.1-10, 12.1-11, 12.1-12, 12.1-22, 12.1-23, 12.1-24, 12.1-28, 53-06.1, or 53-06.2, or has pled guilty or been convicted of any violation of section 6-08-16 or 6-08-16.2, or has pled guilty or been convicted of any offense or violation that has a direct bearing on the person's fitness to be involved in gaming. A person who has a financial interest in gaming cannot be a member of the commission and cannot be employed by the commission. For the purpose of this subsection, a financial interest includes the receiving of any direct payment from an eligible organization for property, services, or facilities provided to that organization. Failure to maintain compliance with this subsection is grounds for removal from the commission or from employment with the commission.

SECTION 2. APPLICATION OF ACT. This Act does not apply to any member on the gaming commission on January 1, 1993.

Approved March 22, 1993
Filed March 23, 1993

CHAPTER 501

HOUSE BILL NO. 1516
(Representative Kretschmar)
(Senators Traynor, Krebsbach, Maxson)
(Approved by the Delayed Bills Committee)

GAMING AND TOBACCO TAX INCREASE

AN ACT to amend and reenact section 53-06.1-12.2, subsection 1 of section 57-36-25, subsection 1 of section 57-36-26, subsection 1 of section 57-36-28, and section 57-36-32 of the North Dakota Century Code, relating to games of chance taxes and tobacco products taxes; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 53-06.1-12.2 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

¹ **53-06.1-12.2. Charitable gaming tickets excise tax in lieu of sales and use taxes.** In addition to any other tax provided by law and in lieu of sales or use taxes, there is imposed a tax of ~~two~~ four and one-half percent on the gross receipts from the sale at retail of charitable gaming tickets to a final user. A sale at retail for purposes of this section includes charitable gaming tickets sold and charitable gaming tickets given in return for another charitable gaming ticket as authorized under this chapter. Gross receipts for purposes of this section includes the face value of all charitable gaming tickets sold or given in return for another charitable gaming ticket. The tax imposed by this section must be paid to the attorney general at the time returns are made and taxes are paid by the eligible organization under section 53-06.1-12.

SECTION 2. AMENDMENT. Subsection 1 of section 57-36-25 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

1. There is hereby levied and assessed upon all cigars, snuff, and other tobacco products sold in this state an excise tax at the rate of ~~twenty-two~~ twenty-eight percent of the wholesale purchase price at which such cigars, snuff, and other tobacco products are purchased by distributors. For the purposes of this section, the term "wholesale purchase price" shall mean the established price for which a manufacturer sells cigars, snuff, or other tobacco products to a distributor exclusive of any discount or other reduction. The proceeds of such tax, together with such forms of return and in accordance with such rules and regulations as the tax commissioner may prescribe, shall be remitted to the tax commissioner by the distributor on a calendar quarterly basis on or before the tenth day of the month following the quarterly period for which paid. The tax commissioner shall, however, have authority to

¹ NOTE: Section 53-06.1-12.2 was also amended by section 23 of House Bill No. 1416, chapter 499.

prescribe monthly returns upon the request of the licensee distributor and such returns accompanied with remittance shall be filed before the tenth day of the month following the month for which the returns are filed.

SECTION 3. AMENDMENT. Subsection 1 of section 57-36-26 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

1. There is hereby levied and assessed upon all cigars, snuff, and other tobacco products, purchased in another state and brought into this state by a dealer for the purpose of sale at retail, an excise tax at the rate of ~~twenty-two~~ twenty-eight percent of the wholesale purchase price at the time the products were brought into this state. For the purposes of this section, the term "wholesale purchase price" means the established price for which a manufacturer sells cigars, snuff, or other tobacco products to a distributor exclusive of any discount or other reduction. However, the dealer may elect to report and remit the tax on the cost price of the products to the dealer rather than on the wholesale purchase price. The proceeds of the tax, together with the forms of return and in accordance with any rules and regulations the tax commissioner may prescribe, must be remitted to the tax commissioner by the dealer on a monthly basis on or before the fifteenth day of the month following the monthly period for which it is paid. The tax commissioner shall have the authority to place any dealer on an annual remittance basis when in the judgment of the tax commissioner the operations of the dealer merit that remittance period. In addition, the tax commissioner shall have the authority to permit the consolidation of the filing of a dealer's return when the dealer has more than one location and thereby would be required to file more than one return.

SECTION 4. AMENDMENT. Subsection 1 of section 57-36-28 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

1. A tax is hereby imposed upon the use or storage by consumers of cigars, snuff, and other tobacco products in this state, and upon those consumers, at the rate of ~~twenty-two~~ twenty-eight percent of the cost to the consumer of those products.

SECTION 5. AMENDMENT. Section 57-36-32 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

² **57-36-32. Separate and additional tax on the sale of cigarettes - Collection - Allocation of revenue - Tax avoidance prohibited.** There is hereby levied and assessed and there shall be collected by the state tax commissioner and paid to the state treasurer, upon all cigarettes sold in this state, an additional tax, separate and apart from all other taxes, of ~~nine and one-half~~ seventeen mills on each cigarette, to be collected as existing taxes on cigarettes sold are, or hereafter may be, collected, by use of appropriate stamps and under similar accounting procedures. No person, firm, or corporation shall transport or bring or cause to be shipped into the state of North Dakota any cigarettes as provided herein, other than for delivery to wholesalers in this state, without first paying the tax thereon to

² NOTE: Section 57-36-32 was also amended by section 106 of Senate Bill No. 2223, chapter 54.

the state tax commissioner. All of the moneys collected by the state treasurer under this section shall be credited to the state general fund.

SECTION 6. EFFECTIVE DATE. This Act is effective for taxable events occurring after June 30, 1993.

Approved April 30, 1993
Filed May 3, 1993

CHAPTER 502

SENATE BILL NO. 2155

(Judiciary Committee)

(At the request of the North Dakota Racing Commission)

HORSE RACING

AN ACT to create and enact a new subsection to section 53-06.2-05 and a new subsection to section 53-06.2-08 of the North Dakota Century Code, relating to receipt of moneys from the North Dakota horse racing foundation and establishing the period for which licenses are valid; and to amend and reenact subsections 1 and 11 of section 53-06.2-01, subsection 2 of section 53-06.2-02, subsections 1 and 4 of section 53-06.2-08, sections 53-06.2-09, 53-06.2-10, and subsections 3 and 6 of section 53-06.2-11 of the North Dakota Century Code, relating to definition of "breeders' fund" and "racing", racing commission membership, license authorization and fees, allotment of racing days, definition of parimutuel racing, powers of the racing commission, and deposits of moneys in purse, breeders', and racing funds.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsections 1 and 11 of section 53-06.2-01 of the 1991 Supplement to the North Dakota Century Code are amended and reenacted as follows:

1. "Breeders' fund" means a fund, administered by the commission, established to financially reward breeders or owners of North Dakota bred horses ~~that win races in the state~~ to be paid in accordance with rules as approved by the commission.
11. "Racing" means live or simulcast horse racing under the certificate system or simulcast dog racing under the certificate system.

SECTION 2. AMENDMENT. Subsection 2 of section 53-06.2-02 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

2. A person is ineligible for appointment to the commission if that person has not been a resident of this state for at least two years before the date of appointment. A person is also ineligible if that person is not of such character and reputation as to promote public confidence in the administration of racing in this state. A person who has a financial interest in racing cannot be a member of the commission and cannot be employed by the commission. Failure to maintain compliance with this subsection is grounds for removal from the commission or from employment with the commission. For purposes of this section, a person has a financial interest in racing if that person has an ownership interest in horses running at live or simulcast meets conducted or shown in this state subject to this chapter or rules of the commission, is required to be licensed under this chapter or the rules of the commission, or who derives any direct financial benefit from racing, individually or by or through an entity or other person, as regulated by this chapter or the rules of the commission.

SECTION 3. A new subsection to section 53-06.2-05 of the 1991 Supplement to the North Dakota Century Code is created and enacted as follows:

Receive moneys from the North Dakota horse racing foundation for deposit in the purse fund, breeders' fund, or racing promotion fund in accordance with subsection 6 of section 53-06.2-11.

SECTION 4. AMENDMENT. Subsections 1 and 4 of section 53-06.2-08 of the North Dakota Century Code are amended and reenacted as follows:

1. Each license issued under the certificate system must describe the place ~~and~~ track, or racecourse at which the licensee may hold races. ~~The authority conferred in a license is limited to the calendar year for which it is issued.~~ Every license must specify the number of days the licensed races may continue, the hours during which racing may be conducted, and the number of races that may be held each day. ~~However, races~~ Races authorized under this chapter may be held ~~only between nine a.m. and twelve midnight~~ during the hours approved by the commission, and within the hours permitted by state law.
4. The commission may grant licenses to horse owners, jockeys, riders, agents, trainers, grooms, stable foremen, exercise workers, veterinarians, valets, and concessionaires, service providers, employees of racing associations, and such other persons as determined by the commission. ~~A license issued under this subsection cannot be valid for more than one calendar year, but the license is valid at all race meetings in which the licensee participates during that year.~~ License fees are as established by the commission.

SECTION 5. A new subsection to section 53-06.2-08 of the North Dakota Century Code is created and enacted as follows:

The commission may establish the period of time for which licenses issued under this chapter are valid.

SECTION 6. AMENDMENT. Section 53-06.2-09 of the North Dakota Century Code is amended and reenacted as follows:

53-06.2-09. Allotment of racing days. If an applicant is eligible to receive a license under this chapter, the commission shall fix the racing days that are allotted to that applicant and issue a license for the holding of racing meets. ~~An eligible applicant that has adopted and used regular or approximately regular dates for its events for the past two years is entitled to be allotted those days on request.~~

SECTION 7. AMENDMENT. Section 53-06.2-10 of the North Dakota Century Code is amended and reenacted as follows:

53-06.2-10. Certificate system - Rules. The certificate system allows a licensee to receive money from any person present at a live horse race, simulcast horse race, or simulcast dog race who desires to bet on any ~~horse entered~~ entry in that race. A person betting on a ~~horse~~ an entry to win acquires an interest in the total money bet on all ~~horses~~ entries in the race, in proportion to the amount of money bet by that person, under rules adopted by the commission. The licensee shall receive ~~such~~ the bets and for each bet shall issue a certificate to the bettor on

which is at least shown the number of the race, the amount bet, and the number or name of the horse entry selected by the bettor. The commission may also adopt rules for place, show, quinella, combination, or other types of betting usually connected with racing.

SECTION 8. AMENDMENT. Subsections 3 and 6 of section 53-06.2-11 of the September 1992 Advance Code Service of the North Dakota Century Code are amended and reenacted as follows:

3. Unclaimed tickets and breakage from each live race meet and simulcast program as defined by the commission and the percentage of the wagering pool to be paid to the racing promotion fund under subsections 1 and 2 must be retained by the commission in a special fund to assist in improving and upgrading racetracks in the state, for the promotion of horse racing within the state, and in developing new racetracks in the state as necessary and approved by the commission. ~~Unclaimed tickets and breakage from the simulcast program, as defined by the commission, must be retained by the commission in a special fund to assist in improving and upgrading racetracks in the state, for the promotion of horse racing within the state, and in developing new racetracks in the state as necessary and approved by the commission. Notwithstanding this section, the commission may, upon approval of the emergency commission, receive no more than twenty-five percent of this fund for the purpose of payment of operating expenses of the commission.~~
6. The racing commission shall deposit the moneys received pursuant to subsections 1, 2, and 3 and from the North Dakota horse racing foundation pursuant to section 3 of this Act in three special funds in the state treasury. These funds must be known as the breeders' fund, the purse fund, and the racing promotion fund. Moneys, and any earnings on the moneys, in the breeders' fund, purse fund, and racing promotion fund are appropriated to the commission on a continuing basis to carry out the purposes of those funds under this chapter and must be administered and disbursed in accordance with rules adopted by the commission.

Approved April 21, 1993
Filed April 22, 1993

CHAPTER 503

HOUSE BILL NO. 1059
(Representative Bateman)

LANDOWNER LIABILITY

AN ACT to amend and reenact section 53-08-05 of the North Dakota Century Code, relating to liability of owners of land used for recreational purposes.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 53-08-05 of the North Dakota Century Code is amended and reenacted as follows:

53-08-05. ~~Willful or malicious failure~~ Failure to warn against dangerous conditions - Charge to enter. Nothing in this chapter limits in any way any liability which otherwise exists for:

1. Willful ~~or~~ and malicious failure to guard or warn against a dangerous condition, use, structure, or activity; or
2. Injury suffered in any case where the owner of land charges the person or persons who enter or go on the land other than the amount, if any, paid to the owner of the land by the state.

Approved March 16, 1993
Filed March 16, 1993