

2025 SENATE JUDICIARY

SB 2224

2025 SENATE STANDING COMMITTEE MINUTES

Judiciary Committee
Peace Garden Room, State Capitol

SB 2224
1/28/2025

Relating to the abolition of the gaming commission and the authorization of the attorney general to administer and regulate gaming.

9:01 a.m. Chair Larson opened the hearing.

Members present:

Chair Larson, Vice Chairman Paulson, Senators: Castaneda, Cory, Luick, Myrdal, Braunberger.

Discussion Topics:

- Oversight for checks and balances
- Gaming commission allowance and processes
- Defining a bar
- Steps eliminating gaming commission
- Reasons for establishment of a commission

9:01 a.m. Senator Myrdal introduced the bill.

9:05 a.m. Scott Meske, Lobbyist of ND Gaming Alliance, testified in opposition and submitted testimony #32010.

9:12 a.m. Jamey McClain, Member of Gaming Commission, testified as neutral.

9:16 a.m. Deb McDaniel, Director of ND Gaming Division, testified as neutral.

9:33 a.m. Jamey McClain, Gaming Commission, testified as neutral.

Additional written testimony:

Mark Jorritsma, Executive Director of ND Family Alliance Legislative Action, submitted testimony in favor #32025.

Janelle Mitzel, Development Homes Inc., submitted testimony in opposition #31829.

Don Santer, NDAD, submitted testimony in opposition #31962.

9:36 a.m. Chair Larson closed the hearing.

Kendra McCann, Committee Clerk

SENATE JUDICIARY COMMITTEE
Testimony on Senate Bill 2224

January 28th, 2025

Submitted by Janelle Mitzel, Development Homes, Inc.

Madam Chairperson Larson & Committee Members,

Thank you for your consideration of a **Do Not Pass** on SB 2224. This bill removes the governor from the commission process and eliminates the checks and balances within the executive branch.

Development Homes, Inc:

- DHI is a non-profit organization in Grand Forks providing community-based support services to persons with disabilities from all over ND.
- DHI has residential services including seven group homes, two duplex facilities, a multi-unit autism living center, two transitional living centers and multiple independent living settings.
- DHI provides vocational services including job training and placement, and family services including respite care and in-home support.
- DHI serves approximately two hundred individuals from children to adults, serving through all stages of life.
- DHI is currently the 12th largest employer in Grand Forks, employing 450 to 500 people. Our economic footprint is vital to this community.

This bill eliminates the ND gaming commission and authorizes all regulatory functions and enforcement of the charitable gaming industry solely to the Office of AG. North Dakota has a proud history of government transparency, active participation in the regulatory process and the ability of citizens to weigh in on industry standards and regulation. Abolishing the commission will result in an unbalanced regulatory system.

Development Homes Gaming Revenue Uses:

- Provides financial funds necessary to supplement new projects, such as bricks & mortar. The \$900,000 DHI autism living center was funded through HUD with matching grants from DHI charitable gaming.
- Job creation, training, and employment through DHI business opportunities catering to the skills of individuals supported.
- Specialized adaptive equipment & urgent/crisis care needs for persons served.
- Funding of wages and benefits to stabilize and sustain needed workforce.
- Basic care needs, such as eyeglasses, shoes, and clothing, especially for our children served with their continued growth and ever-changing needs.
- Specialized training for professional staff including nurses, social workers, and expert management.
- Grants to ND communities funding local needs, including police equipment, literacy adaptive equipment and software, drug & alcohol prevention, substance abuse and mental health professional facilitators, daycare facility equipment, and promotion of local community events to name a few.
- Sustainability and support of long-term projects to meet community needs.

DHI provides imperative services in our community. Charitable gaming is particularly important to this organization as those dollars are used to sustain our mission. DHI would appreciate a **Do Not Pass** recommendation on this bill.



Enhancing Our Impact

2024 Annual Report

Our Purpose

NDAD (the North Dakota Association for the Disabled) is a nonprofit, charitable organization that assists people with health challenges in North Dakota. Our mission is to enhance the quality of lives of individuals facing health challenges.

Who We Help

Here are a few people from each of our regions who have shared their NDAD story with us. See all at ndad.org.



Kristi Dilger

(Bismarck)

Condition: Juvenile Rheumatoid Arthritis

How NDAD helped:
Medical Equipment



Anne Compton

(Grand Forks)

Condition: Parkinson's Disease

How NDAD helped:
Community Fundraiser



Roger Wilson

(Dickinson)

Condition: Lymphoma

How NDAD helped:
Prescription Assistance
Medical Travel, Lodging



Lynette Deaver

Condition: Anxiety, Depression, Arthritis

Larry Hanson
Condition: Anxiety, Depression, Epilepsy
(Minot)

How NDAD helped:
Paratransit Assistance



Greg Lane

(Fargo)

Condition: Diabetes, Chronic Kidney Disease, Coronary Artery Disease

How NDAD helped:
Prescription Assistance, Equipment, Paratransit Assistance



Geno Williams

(Williston)

Condition: Autism

How NDAD helped:
Adaptive Recreation Assistance

Community Impact

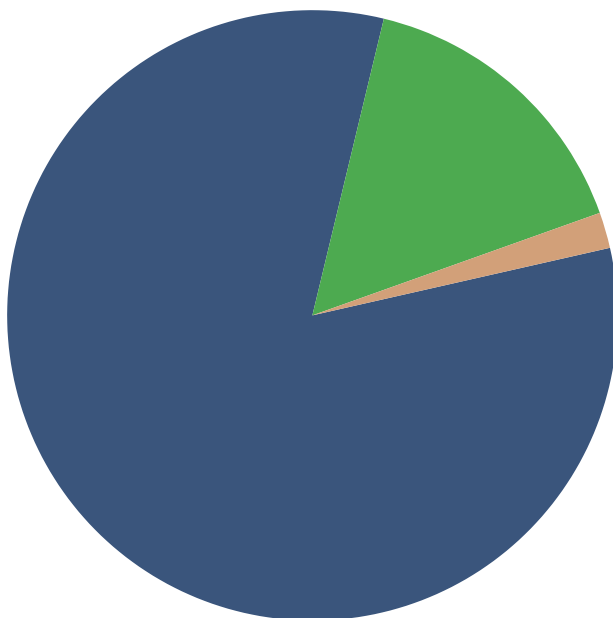
- Direct Financial Assistance
 - Prescription Medication
 - Medical Equipment & Supplies
 - Medical Travel
 - Accessibility & Paratransit
- Healthcare Equipment Loan Program
- Adaptive Recreation Events & Activities
- Community Fundraising Projects
- Organ Transplant Fund
- Information, Referral and Advocacy

To read more about these programs, visit ndad.org

2024 at a Glance

- Loaned **5,424 pieces of medical equipment** to **2,940 individuals** saving North Dakota residents **over \$664,040**
- **6,121 prescriptions** filled
- **2,134 medical trips** funded
- Purchased **328 pieces of medical equipment** and **567 medical supplies**
- **Wheelchair-accessible van** loaned to 126 individuals **for 246 trips.**
- Funds totaling **\$100,050 awarded to 24 organizations** to either assist individuals with disabilities or those otherwise at risk
- **8,049 accessible rides** funded for employment, shopping, and community events
- **4,465 hours** personal attendant care, respite care provided
- **50,665 interactions made**, such as phone calls, emails and other communication

Financial Impact*



82.4%

Program
Services

\$2,235,103

15.8 %

Management &
General

\$428,292

1.9%

Fundraising

\$53,248

Testimony for SB 2224
Senate Judiciary Committee
Provided by Don Santer, NDAD
01-28-2025

Chairperson Larson and committee members,

Thank you for the opportunity to provide information regarding the charitable gaming industry of North Dakota. My name is Don Santer, representing the North Dakota Association for the Disabled (NDAD). For 50 years, NDAD has been dedicated to improving the quality of life for persons with disabilities and health challenges across North Dakota.

NDAD is a non-profit, charitable organization serving individuals with health concerns and disabilities throughout the state from our six locations in Bismarck, Dickinson, Fargo, Grand Forks, Minot, and Williston. In 2024, NDAD assisted thousands of North Dakota residents with more than \$2.23 million in services and resources that may have been otherwise unavailable to them. We work diligently to avoid duplicating services provided by other state or local entities, making us a crucial last resort for many individuals.

In 2024, NDAD funded the majority of its services through charitable gaming funds, which enabled us to make a significant impact on the lives of people with health challenges and their families:

- **6,121 prescriptions for covered medications:** Ensuring individuals have access to necessary medications to manage their health conditions.
- **2,134 out-of-town medical travel trips:** Providing transportation for essential medical appointments, reducing the burden on individuals and their families.
- **8,049 accessible rides for employment, shopping, and community events:** Facilitating independence and participation in daily activities.
- **24 organizations were awarded \$100,050 in funds to assist individuals with disabilities or those otherwise at risk:** Supporting other organizations in their efforts to improve the lives of people with disabilities and health challenges.
- **328 pieces of medical equipment and 567 medical supplies purchased:** Ensuring individuals have the tools they need to manage their health and maintain their independence.
- **40-50 individuals assisted with adaptive recreational activities annually:** Promoting physical and mental well-being through inclusive recreational opportunities.
- **Healthcare Equipment Loan Program (HELP):** Serving several thousand households with 5,424 pieces of equipment, equating to a savings of more than \$664,000 for North Dakota residents.

Additionally, NDAD administers the North Dakota Transplant Fund and provides information, referral, and public awareness to North Dakota residents. Our mission is to serve the residents of North Dakota, and it is through charitable gaming that we are able to fulfill this mission. The services provided by NDAD are not just beneficial but essential for improving the lives of people with disabilities and health challenges. They offer the support needed to overcome barriers, achieve personal goals, and live fulfilling lives. By ensuring access to these services, we create a more inclusive and equitable society for everyone.

I would like to express my strong opposition to **SB 2224** that seeks to abolish the State Charitable Gaming Commission and transfer all its authority to the Office of the Attorney General (AG).

Background: The State Charitable Gaming Commission has been a dedicated body overseeing charitable gaming activities, ensuring they are conducted fairly and transparently.

This commission, appointed by the governor, should have specialized knowledge and experience in regulating charitable gaming. It is responsible to develop and seek out specialized expertise in the regulation and operation of charitable gaming. This expertise is crucial for maintaining the integrity and transparency of these activities. Transferring all regulatory authority to the AG's office, which has a broader mandate, will dilute this specialized focus. The current structure allows for efficient oversight and regulation of charitable gaming. The commission is solely dedicated to this purpose. That is the reason almost all industry types are governed by a commission or board.

Checks and Balances: Separation ensures that no single entity has unchecked power. Maintaining divided responsibilities creates a system of checks and balances where the rule-making body can create regulations, and the regulatory body can enforce them. This helps prevent abuse of power and ensures that regulations are fair and balanced.

Creation of a "Gaming Czar": This bill effectively creates a "gaming czar" by consolidating all regulatory authority within the AG's office. Such centralization of power is concerning and could lead to less transparency and accountability to the industry in the regulation of charitable gaming.

Transparency and Accountability: When the rule-making process is separate from the regulatory enforcement, it promotes transparency and accountability. The rule-making body can hold open meetings, gather public input, and ensure that the regulations are created in a transparent manner. The regulatory body, on the other hand, should be focused on enforcing these rules without the influence of creating them.

Expertise and Specialization: A gaming commission often include experts and stakeholders who understand the intricacies of the industry and can create well-informed regulations. Regulatory office, meanwhile, specialize in enforcement and compliance. This division allows each body to focus on their strengths and ensures that regulations are both practical and enforceable.

Avoiding Conflicts of Interest: If the same authority is responsible for both creating and enforcing regulations, there is a risk of conflicts of interest. For example, a regulatory office might create regulations that are easier for them to enforce rather than what is best for the public or the industry. Separation helps mitigate this risk by ensuring that those who enforce the rules are not the same ones who create them.

Public Trust: A clear separation between rule-making and regulatory enforcement is meant to enhance public trust in the regulatory process. When the public sees that regulations are created through a transparent process with input from various stakeholders and enforced by a separate, impartial body, it can increase confidence in the fairness and effectiveness of the regulatory system.

In summary, maintaining separation of entities that regulate from those that determine the regulations ensures a balanced, transparent, and effective regulatory system that can better serve the public interest. For this reason, I urge you to consider a **DO NOT PASS for SB 2224** and maintain the gaming commission.

Thank you for your time and consideration please consideration.

Respectfully,

Don Santer,
North Dakota Association for the Disabled (NDAD)



Benefiting North Dakota Communities through Charitable Gaming

January 28, 2025

Testimony in OPPOSITION of Senate Bill 2224

Madame Chair Larson and Members of the Senate Judiciary Committee:

For the record, my name is Scott Meske and I'm here on behalf of the ND Gaming Alliance. We are a member-based organization representing all facets of the charitable gaming industry including charities, hospitality, manufacturers, distributors, veterans' organizations and fraternal organizations.

We are here today in opposition of SB 2224.

The gaming commission is imperative for many reasons. There are 242 pages of administrative rules that are promulgated through the administrative rule process. Overall approval of any changes to administrative rules are voted on by the gaming commission and then sent to the legislative administrative rules committee for final approval. By removing the gaming commission from the equation, this puts the attorney general as the sole source of any regulation within the industry. We are assuming this bill may have been brought due to the fact that the gaming commission has not met in over a year. There are reasons for that, including the fact that there is a several months-long kiosk trial currently underway, and when that trial period is over, the results of that will need to be added to administrative rules at which time the gaming commission will vote on the changes. The gaming commission cannot meet until this part is complete and rule changes are submitted.

At all levels of government, there are checks and balances. At the national and state levels, we have three branches of government which are all meant to keep everyone in check. Our founders knew that it would be a bad idea to give too much power to one body, and this is exactly what SB 2224 does by giving 100% of the oversight to one regulator.



Benefiting North Dakota Communities through Charitable Gaming

Although we think the Attorney General has done a fine job overall regulating the industry, taking away this level of checks and balances sets a precarious precedent.

With that, we ask this committee give SB 2224 a Do Not Pass recommendation and I would stand for any questions.

Thank you.



Testimony in Support of Senate Bill 2224

Mark Jorritsma, Executive Director
North Dakota Family Alliance Legislative Action
January 28, 2025

Dear Madam Chair Larson and honorable members of the Senate Judiciary Committee,

My name is Mark Jorritsma, and I am the Executive Director of North Dakota Family Alliance Legislative Action. I am testifying on behalf of our organization in support of Senate Bill 2224 and respectfully request that you render a "DO PASS" on this bill.

The relationship between the Attorney General's Office (AG) and the ND Gaming Commission has varied over the years. From 1977, when the law authorizing charitable gaming in our state was passed, the AG has been involved in some capacity in regulating gaming. The Gaming Commission was created in 1991 and was tasked with oversight of charitable gaming enforcement. Since that time, the duties and roles played by the AG vis-à-vis the Gaming Commission have changed over the years, but both have been involved in some way in the regulating and enforcement of gaming laws in ND.

Considering the variable relationship and sets of duties of these two entities, this bill is relatively straightforward – it seeks to simplify and clarify. One of the mandates of Governor Armstrong's administration is to shrink big government. This bill supports that goal. Further, the AG is responsible for enforcing the laws of state; the Gaming Commission is not, even if they may in some instances function in a quasi-judicial manner. So, from our perspective, the Gaming Commission seems to serve a somewhat superfluous role in the process. Assuming that the AG is sufficiently resourced, having their office directly regulate gaming in ND seems to be the more efficient and reasonable method of conducting business.

For the aforementioned reasons, North Dakota Family Alliance Legislative Action respectfully requests that you render a "DO PASS" on Senate Bill 2224. Thank you for the opportunity to provide this testimony.

Mark Jorritsma
Executive Director
North Dakota Family Alliance Legislative Action

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mark@Ndfamilyalliance.org
701-355-6425
www.ndfamilyalliance.org

2025 SENATE STANDING COMMITTEE MINUTES

Judiciary Committee Peace Garden Room, State Capitol

SB 2224
1/28/2025

Relating to the abolition of the gaming commission and the authorization of the attorney general to administer and regulate gaming.

11:38 a.m. Chair Larson opened the hearing.

Members present:

Chair Larson, Vice Chairman Paulson, Senators: Castaneda, Cory, Luick, Myrdal, Braunberger.

11:39 a.m. Senator Luick moved a do pass.

11:39 a.m. Senator Myrdal seconded the motion.

Senators	Vote
Senator Diane Larson	N
Senator Bob Paulson	Y
Senator Ryan Braunberger	N
Senator Jose L. Castaneda	Y
Senator Claire Cory	N
Senator Larry Luick	Y
Senator Janne Myrdal	Y

Motion Passed 4-3-0.

11:45 a.m. Senator Luick will carry the bill.

11:45 a.m. Chair Larson closed the hearing.

Kendra McCann, Committee Clerk

REPORT OF STANDING COMMITTEE
SB 2224 ([25.1099.01000](#))

Judiciary Committee (Sen. Larson, Chairman) recommends **DO PASS** (4 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). SB 2224 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

2025 HOUSE JUDICIARY

SB 2224

2025 HOUSE STANDING COMMITTEE MINUTES

Judiciary Committee
Room JW327B, State Capitol

SB 2224
3/12/2025

A BILL for an Act to amend and reenact section 53-06.1-01.1 of the North Dakota Century Code, relating to the abolition of the gaming commission and the authorization of the attorney general to administer and regulate gaming.

10:22 a.m. Chairman Klemin opened the hearing.

Members Present: Chairman Klemin, Vice-Chairman Karls, Representatives Christianson, Henderson, Hoverson, Johnston, S. Olson, Satrom, Tveit, VanWinkle, Wolff, Schneider

Members Absent: Vice-Chairman Vetter, Representative McLeod

Discussion Topics:

- Allocation of gaming funds
- Community driven initiatives benefiting from charitable gaming

10:22 a.m. Senator Janne Myrdal, North Dakota Senator for District 19, introduced the bill.

10:26 a.m. Tara Felice, Lobbyist for Mandan Baseball Club, testified in opposition and provided testimony #40842.

Additional written testimony:

Mark Jorritsma, Executive Director of North Dakota Family Alliance Legislative Action, submitted testimony in favor #40760.

Scott Meske, Lobbyist for North Dakota Gaming Alliance, submitted testimony in opposition #40898.

10:31 a.m. Chairman Klemin closed the hearing.

Wyatt Armstrong, Committee Clerk



Testimony in Support of Senate Bill 2224

Mark Jorritsma, Executive Director
North Dakota Family Alliance Legislative Action
March 12, 2025

Dear Chairman Klemin and honorable members of the House Judiciary Committee,

North Dakota Family Alliance Legislative Action would like to testify in support of Senate Bill 2224 and respectfully request that you render a "DO PASS" on this bill.

The relationship between the Attorney General's Office (AG) and the ND Gaming Commission has varied over the years. From 1977, when the law authorizing charitable gaming in our state was passed, the AG has been involved in some capacity in regulating gaming. The Gaming Commission was created in 1991 and was tasked with oversight of charitable gaming enforcement. Since that time, the duties and roles played by the AG vis-à-vis the Gaming Commission have changed over the years, but both have been involved in some way in the regulating and enforcement of gaming laws in ND.

Considering the variable relationship and sets of duties of these two entities, this bill seeks to simplify and clarify. One of the mandates of Governor Armstrong's administration is to shrink big government. This bill supports that goal. Further, the AG is responsible for enforcing the laws of state; the Gaming Commission is not, even if they may in some instances function in a quasi-judicial manner. So, from our perspective, the Gaming Commission seems to serve a somewhat superfluous role in the process. Assuming that the AG is sufficiently resourced, having their office directly regulate gaming in ND seems to be the more efficient and reasonable method of conducting business.

For the aforementioned reasons, North Dakota Family Alliance Legislative Action respectfully requests that you render a "DO PASS" on Senate Bill 2224. Thank you for the opportunity to provide this testimony.

Mark Jorritsma
Executive Director
North Dakota Family Alliance Legislative Action

Additional information: <https://ndlegis.gov/assembly/60-2007/docs/pdf/99043.pdf>

TESTIMONY IN OPPOSITION OF SENATE BILL 2224
HOUSE JUDICIARY COMMITTEE
MARCH 12, 2025

Chairman Klemin and members of the House Judiciary Committee,

My name is Tara Felice, and last week, I testified before the Senate in support of House Bill 1525. Today, I want to address some of that testimony and explain why I oppose Senate Bill 2224, which directly conflicts with House Bill 1525.

I have worked for Mandan Baseball Club for over eight years. During this time, I have seen firsthand how charitable gaming strengthens our communities by supporting vital programs. Beyond my professional experience, I am a wife and mother to two children, and I take great pride in working with an organization that not only provides recreational opportunities for our youth but also reinvests its earnings into local charities and initiatives.

Charitable gaming is a crucial part of North Dakota's nonprofit sector, directly benefiting programs that serve youth, veterans, education, and other community-driven initiatives. These organizations exist solely to reinvest in our communities, filling gaps that might otherwise require taxpayer funding. It is essential that charitable gaming oversight remains fair, transparent, and structured in a way that supports—not hinders—these missions.

Currently, the Attorney General's Office holds all regulatory authority over charitable gaming. While well intended, this structure limits accessibility and leaves charities navigating complex regulations with little direct input or clarity. A dedicated Gaming Commission, as refined in House Bill 1525, would introduce necessary checks and balances, creating a more open and collaborative regulatory environment. Instead of leaving organizations uncertain about compliance expectations, a commission would provide clear, consistent guidance and a forum for meaningful engagement with stakeholders.

A month ago, the House passed House Bill 1525 with overwhelming support (72-13), demonstrating a clear demand for fair, transparent, and balanced oversight. This bill strengthens charitable gaming regulation by refining the current Gaming Commission allowing them to

handle complaints, ensuring compliance, and providing clear regulatory guidance. It fosters transparency while preventing the overreach of a single office.

Senate Bill 2224, which we are here for today, seeks to abolish the Gaming Commission and returns all control to the Attorney General's Office—consolidating power instead of fostering accountability and oversight. This move would eliminate transparency and weaken public trust in the system.

I respectfully ask for a 'Do Not Pass' recommendation on SB 2224, and instead uphold the reforms set forth in House Bill 1525, which ensures structured regulation, public accessibility to hearings, and protection for charities from regulatory uncertainty.

Thank you for your time and consideration.



Benefiting North Dakota Communities through Charitable Gaming

March 12, 2025

Testimony in OPPOSITION of Senate Bill 2224

Chairman Klemin and Members of the House Judiciary Committee:

For the record, my name is Scott Meske and I'm here on behalf of the ND Gaming Alliance. We are a member-based organization representing all facets of the charitable gaming industry including charities, hospitality, manufacturers, distributors, veterans' organizations and fraternal organizations. We are here today in opposition of SB 2224.

The gaming commission is imperative for many reasons. There are 242 pages of administrative rules that are promulgated through the administrative rule process. Overall approval of any changes to administrative rules are voted on by the gaming commission and then sent to the legislative administrative rules committee for final approval. By removing the gaming commission from the equation, this puts the attorney general as the sole source of any regulation within the industry. We are assuming this bill may have been brought because the gaming commission has not met in over a year. There are reasons for that, including the fact that there are a couple of vacancies on the commission, which we believe the current Governor will fill.

At all levels of government, there are checks and balances. Our founders knew that it would be a bad idea to give too much power to one body, and this is exactly what SB 2224 does by giving 100% of the oversight to one regulator.

Although we think the Attorney General has done a good job overall regulating the industry, taking away this level of checks and balances sets a precarious precedent. In fact House Bill 1525 which passed over to the Senate, actually strengthens the duties of the Commission. The NDGA supports this approach to charitable gaming oversight, rather than condensing all of the power into one office.



Benefiting North Dakota Communities through Charitable Gaming

With that, we ask this committee give SB 2224 a Do Not Pass recommendation and I would stand for any questions.

Thank you.

2025 HOUSE STANDING COMMITTEE MINUTES

Judiciary Committee
Room JW327B, State Capitol

SB 2224
4/9/2025

A BILL for an Act to amend and reenact section 53-06.1-01.1 of the North Dakota Century Code, relating to the abolition of the gaming commission and the authorization of the attorney general to administer and regulate gaming.

9:04 a.m. Chairman Klemin called the meeting to order.

Members Present: Chairman Klemin, Vice-Chairman Karls, Vice-Chairman Vetter, Representatives Christianson, Henderson, Hoverson, McLeod, S. Olson, Satrom, Tveit, Wolff, Schneider

Members Absent: Representatives Johnston, VanWinkle

Discussion Topics:

- Charitable gaming gross proceeds
- Differences between electronic and paper pull tabs
- Administrative Law Judge appeals
- Administrative agencies practice act

9:07 a.m. Senator Janne Myrdal, North Dakota Senator for District 19, proposed Amendment LC: 25.1099.01001, testimony #44837.

9:14 a.m. Representative Nels Christianson, North Dakota Representative for District 18, proposed Amendment LC: 25.1099.01004, testimony #44839.

9:18 a.m. Representative Ben Koppelman, North Dakota Representative for District 16, proposed Amendment LC: 25.1099.01003, testimony #44835.

9:48 a.m. Deb McDaniels, Director of the Gaming Division under the Office of the Attorney General, answered committee questions.

10:02 a.m. Chairman Klemin appointed a subcommittee consisting of Representative McLeod as Chairman and Representatives Schneider and Henderson.

Additional written testimony:

Representative Ben Koppelman, North Dakota Representative for District 16, submitted testimony in favor #44844

10:06 a.m. Chairman Klemin closed the hearing.

Wyatt Armstrong, Committee Clerk

25.1099.01003
Title.

Prepared by the Legislative Council
staff for Representative Koppelman
April 4, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2224

Introduced by

Senators Myrdal, Luick

A BILL ~~for an Act to amend and reenact section 53-06.1-01.1 of the North Dakota Century Code, relating to the abolition of the gaming commission and the authorization of the attorney general to administer and regulate gaming~~ for an Act to amend and reenact sections 53-06.1-01.1 and 53-06.1-15.1 of the North Dakota Century Code, relating to the gaming commission and the attorney general's regulation of gaming.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

~~SECTION 1. AMENDMENT. Section 53-06.1-01.1 of the North Dakota Century Code is amended and reenacted as follows:~~

~~53-06.1-01.1. Gaming commission~~ Attorney general – Gaming – Rules.

~~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 no more than two terms expire each July first.~~

~~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~~

1 ~~also ineligible if that person is not of such character and reputation as to promote~~
2 ~~public confidence in the administration of gaming in this state. A person is also~~
3 ~~ineligible if that person has been convicted of a felony criminal offense or has pled~~
4 ~~guilty or been found guilty of any violation of chapter 12.1-06, 12.1-08, 12.1-09,~~
5 ~~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~~
6 ~~has pled guilty or been found guilty of any violation of section 6-08-16 or 6-08-16.2, or~~
7 ~~has pled guilty or been found guilty of any offense or violation that has a direct bearing~~
8 ~~on the person's fitness to be involved in gaming, or who has committed an equivalent~~
9 ~~offense or violation of the laws of another state or of the United States. A person who~~
10 ~~has a financial interest in gaming or is an employee or a member of the gaming~~
11 ~~committee of a licensed organization or distributor cannot be a member of the~~
12 ~~commission. For the purpose of this subsection, a financial interest includes the~~
13 ~~receiving of any direct payment from an eligible organization for property, services, or~~
14 ~~facilities provided to that organization.~~

15 ~~— 3. Commission members are entitled to seventy-five dollars per day for compensation for~~
16 ~~each day spent on commission duties and mileage and expense reimbursement as~~
17 ~~allowed to other state employees.~~

18 ~~— 4. The commission attorney general shall adopt rules in accordance with chapter 28-32, to~~
19 ~~administer and regulate the gaming industry, including methods:~~

20 ~~— 1. Methods of conduct, play, and promotion of games; minimum~~

21 ~~— 2. Minimum procedures and standards for recordkeeping and internal control; requiring~~

22 ~~— 3. Requiring tax returns and reports from organizations or distributors; methods~~

23 ~~— 4. Methods of competition and doing business by distributors and manufacturers;~~
24 ~~acquisition~~

25 ~~— 5. Acquisition and use of gaming equipment; quality~~

26 ~~— 6. Quality standards or specifications for the manufacture of pull tabs, paper bingo cards,~~
27 ~~electronic pull tab devices, pull tab dispensing devices, bingo card marking devices,~~
28 ~~and fifty-fifty raffle systems; to~~

29 ~~— 7. To ensure that net proceeds are used for educational, charitable, patriotic, fraternal,~~
30 ~~religious, or public spirited uses; to~~

31 ~~— 8. To protect and promote the public interest; to~~

- 1 ~~9. To ensure fair and honest games; to~~
2 ~~10. To ensure that fees and taxes are paid; and to~~
3 ~~11. To prevent and detect unlawful gambling activity.~~

4 **SECTION 1. AMENDMENT.** Section 53-06.1-01.1 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **53-06.1-01.1. Gaming commission.**

- 7 1. The state gaming commission consists of the chairman and four other members
8 appointed by the governor, with the consent of the senate. The members serve
9 three-year terms and until a successor is appointed and qualified. If the senate is not
10 in session when the term of a member expires, the governor may make an interim
11 appointment, and the interim appointee holds office until the senate confirms or rejects
12 the appointment. A member appointed to fill a vacancy arising from other than the
13 natural expiration of a term serves only for the unexpired portion of the term. The
14 terms of the commissioners must be staggered so no more than two terms expire
15 each July first.
- 16 2. ~~A person~~An individual is ineligible for appointment to the commission if ~~that person~~the
17 individual has not been a resident of this state for at least two years before the date of
18 appointment. ~~A person~~An individual is also ineligible if ~~that person~~the individual is not
19 of such character and reputation as to promote public confidence in the administration
20 of gaming in this state. ~~A person~~An individual is also ineligible if ~~that person~~the
21 individual has been convicted of a felony criminal offense or has pled guilty or been
22 found guilty of any violation of chapter 12.1-06, 12.1-08, 12.1-09, 12.1-10, 12.1-11,
23 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
24 been found guilty of any violation of section 6-08-16 or 6-08-16.2, or has pled guilty or
25 been found guilty of any offense or violation that has a direct bearing on the
26 ~~person's~~individual's fitness to be involved in gaming, or who has committed an
27 equivalent offense or violation of the laws of another state or of the United States. ~~A~~
28 ~~person~~An individual who has a financial interest in gaming or is an employee or a
29 member of the gaming committee of a licensed organization or distributor cannot be a
30 member of 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.

3. Commission members are entitled to ~~seventy-five dollars~~ the amount under subsection 1 of section 54-03-20 per day for compensation for each day spent on commission duties and mileage and expense reimbursement as allowed to other state employees. The commission shall meet at least quarterly.
4. The commission shall adopt rules in accordance with chapter 28-32, to administer and regulate the gaming industry, including methods of conduct, play, and promotion of games; minimum procedures and standards for recordkeeping and internal control; requiring tax returns and reports from organizations or distributors; methods of competition and doing business by distributors and manufacturers; acquisition and use of gaming equipment; quality standards or specifications for the manufacture of pull tabs, paper bingo cards, electronic pull tab devices, pull tab dispensing devices, bingo card marking devices, and fifty-fifty raffle systems; to ensure that net proceeds are used for educational, charitable, patriotic, fraternal, religious, or public-spirited uses; to protect and promote the public interest; to ensure fair and honest games; to ensure that fees and taxes are paid; and to prevent and detect unlawful gambling activity.

SECTION 2. AMENDMENT. Section 53-06.1-15.1 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-15.1. Authority of the attorney general - Penalty - Hearing - Appeal.

1. The attorney general may:

- ~~1.~~ a. Inspect all sites in which gaming is conducted or inspect all premises where gaming equipment is manufactured or distributed. The attorney general may require a licensed manufacturer to reimburse the attorney general for the reasonable actual cost of transportation, lodging, meals, and incidental expenses incurred in inspecting the manufacturer's facility.
- ~~2.~~ b. Inspect all gaming equipment and supplies.
- ~~3.~~ c. Seize, remove, or impound any gaming equipment, supplies, games, or books and records for the purpose of examination and inspection.
- ~~4.~~ d. Demand access to and inspect, examine, photocopy, and audit all books and records of applicants, organizations, lessors, manufacturers, distributors, and

1 affiliated companies concerning any income, expense, or use of net proceeds,
2 and determine compliance with this chapter or gaming rules.

3 ~~5.~~ e. Permit the commissioner or proper representative of the internal revenue service
4 of the United States to inspect a tax return or furnish a copy of the tax return, or
5 information concerning any item contained in the return, or disclosed by any audit
6 or investigation report of the gaming activity of any organization or player, or
7 recordkeeping information. However, information cannot be disclosed to the
8 extent that the attorney general determines that the disclosure would identify a
9 confidential informant or seriously impair any civil or criminal investigation.
10 Except when directed by judicial order, or for pursuing civil or criminal charges
11 regarding a violation of this chapter or a gaming rule, or as is provided by law, the
12 attorney general may not divulge nor make known, to any person, any income or
13 expense item contained in any tax return or disclosed by an audit or investigative
14 report of any taxpayer provided to the attorney general by the internal revenue
15 service.

16 ~~6.~~ f. Require a representative of a licensed organization or distributor to participate in
17 training or for good cause prohibit the person from being involved in gaming as
18 an employee or volunteer. The attorney general may for good cause prohibit a
19 person from providing personal or business services to an organization or
20 distributor.

21 ~~7.~~ g. Prohibit a person from playing games if the person violates this chapter, chapter
22 12.1-28 or 53-06.2, or a gaming rule.

23 ~~8.~~ h. Require or authorize an organization to pay or prohibit an organization from
24 paying a bingo, electronic quick shot bingo, or raffle prize to a player on a dispute
25 or based on a factual determination or a hearing by the attorney general.

26 ~~9.~~ i. Based on reasonable ground or written complaint, suspend, deny, or revoke an
27 organization's permit or an organization's, distributor's, or manufacturer's
28 application or license for violation, by the organization, distributor, or
29 manufacturer or any officer, director, agent, member, or employee of the
30 organization, distributor, or manufacturer, of this chapter or any gaming rule.

10. j. Impose a monetary fine on a licensed organization, organization that has a permit, distributor, manufacturer, or third-party business operating gaming and working as an agent of the charity for failure to comply with this chapter or any gaming rule. 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 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 place of a license suspension or revocation.

41. k. At any time within three years after any amount of fees, monetary fine, interest, penalty, or tax required to be paid pursuant to this chapter becomes due, bring a civil action to collect the amount due. However, if for any reason there is a change in adjusted gross proceeds or tax liability by an amount which is in excess of twenty-five percent of the amount of adjusted gross proceeds or tax liability originally reported on the tax return, any additional tax determined to be due may be assessed within six years after the due date of the tax return, or six years after the tax return was filed, whichever period expires later. An action may be brought although the person owing the fees or tax is not presently licensed.

42. l. Institute an action in any district court for declaratory or injunctive relief against a person, whether or not the person is a gaming licensee, as the attorney general deems necessary to prevent noncompliance with this chapter or gaming rules.

43. m. For good cause, require a licensed organization to use the attorney general's recordkeeping system for any or all games.

2. Based on evidence obtained by the attorney general demonstrating a person violated this chapter or a gaming rule, which could result in the revocation or suspension of a site authorization or an organization's gaming license or the imposition of a monetary fine of one thousand dollars or more, the attorney general shall hold a hearing to determine whether a violation occurred. The attorney general shall designate the time and place for the hearing and provide notice to the person accused of the violation at

1 least forty-five days before the hearing. The parties may present evidence, and
2 examine and cross-examine witnesses, as provided under sections 28-32-24 and
3 28-32-35. The hearing must be recorded on video and broadcast live.

4 3. A person may appeal an order of the attorney general under this section to the office
5 of administrative hearings to be considered by an administrative law judge according
6 to the procedures for a hearing under chapter 28-32. Notwithstanding any other law,
7 the hearing must be held within thirty days of the date the appeal is filed. The office of
8 administrative hearings shall create a form for filing an appeal under this subsection
9 and publish the form on its website. An order of the attorney general must be stayed
10 pending the determination of the appeal.

25.1099.01001
Title.

Prepared by the Legislative Council
staff for Senator Myrdal
March 24, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2224

Introduced by

Senators Myrdal, Luick

1 A BILL ~~for an Act to amend and reenact section 53-06.1-01.1 of the North Dakota Century~~
2 ~~Code, relating to the abolition of the gaming commission and the authorization of the attorney~~
3 ~~general to administer and regulate gaming.~~ for an Act to amend and reenact section
4 53-06.1-01.1 of the North Dakota Century Code, relating to the gaming commission; and to
5 provide an appropriation.

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

7 ~~SECTION 1. AMENDMENT.~~ Section 53-06.1-01.1 of the North Dakota Century Code is
8 amended and reenacted as follows:
9 ~~53-06.1-01.1. Gaming commission~~ Attorney general - Gaming - Rules.
10 ~~1. The state gaming commission consists of the chairman and four other members~~
11 ~~appointed by the governor, with the consent of the senate. The members serve~~
12 ~~three-year terms and until a successor is appointed and qualified. If the senate is not~~
13 ~~in session when the term of a member expires, the governor may make an interim~~
14 ~~appointment, and the interim appointee holds office until the senate confirms or rejects~~
15 ~~the appointment. A member appointed to fill a vacancy arising from other than the~~
16 ~~natural expiration of a term serves only for the unexpired portion of the term. The~~
17 ~~terms of the commissioners must be staggered so no more than two terms expire~~
18 ~~each July first.~~
19 ~~2. A person is ineligible for appointment to the commission if that person has not been a~~
20 ~~resident of this state for at least two years before the date of appointment. A person is~~

1 also ineligible if that person is not of such character and reputation as to promote
2 public confidence in the administration of gaming in this state. A person is also
3 ineligible if that person has been convicted of a felony criminal offense or has pled
4 guilty or been found guilty of any violation of chapter 12.1-06, 12.1-08, 12.1-09,
5 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
6 has pled guilty or been found guilty of any violation of section 6-08-16 or 6-08-16.2, or
7 has pled guilty or been found guilty of any offense or violation that has a direct bearing
8 on the person's fitness to be involved in gaming, or who has committed an equivalent
9 offense or violation of the laws of another state or of the United States. A person who
10 has a financial interest in gaming or is an employee or a member of the gaming
11 committee of a licensed organization or distributor cannot be a member of the
12 commission. For the purpose of this subsection, a financial interest includes the
13 receiving of any direct payment from an eligible organization for property, services, or
14 facilities provided to that organization.

15 — ~~3.~~ Commission members are entitled to seventy-five dollars per day for compensation for
16 each day spent on commission duties and mileage and expense reimbursement as
17 allowed to other state employees.

18 — ~~4.~~ The ~~commission~~attorney general shall adopt rules in accordance with chapter 28-32, to
19 administer and regulate the gaming industry, including methods;

20 — ~~1.~~ Methods of conduct, play, and promotion of games; minimum

21 — ~~2.~~ Minimum procedures and standards for recordkeeping and internal control; requiring

22 — ~~3.~~ Requiring tax returns and reports from organizations or distributors; methods

23 — ~~4.~~ Methods of competition and doing business by distributors and manufacturers;
24 acquisition

25 — ~~5.~~ Acquisition and use of gaming equipment; quality

26 — ~~6.~~ Quality standards or specifications for the manufacture of pull tabs, paper bingo cards,
27 electronic pull tab devices, pull tab dispensing devices, bingo card marking devices,
28 and fifty-fifty raffle systems; to

29 — ~~7.~~ To ensure that net proceeds are used for educational, charitable, patriotic, fraternal,
30 religious, or public spirited uses; to

31 — ~~8.~~ To protect and promote the public interest; to

- 1 — ~~9. To ensure fair and honest games; to~~
2 — ~~10. To ensure that fees and taxes are paid; and to~~
3 — ~~11. To prevent and detect unlawful gambling activity.~~

4 **SECTION 1. AMENDMENT.** Section 53-06.1-01.1 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **53-06.1-01.1. Gaming commission.**

- 7 1. The state gaming commission consists of the chairman and four other members
8 appointed by the governor, with the consent of the senate. The members serve
9 three-year terms and until a successor is appointed and qualified. If the senate is not
10 in session when the term of a member expires, the governor may make an interim
11 appointment, and the interim appointee holds office until the senate confirms or rejects
12 the appointment. A member appointed to fill a vacancy arising from other than the
13 natural expiration of a term serves only for the unexpired portion of the term. The
14 terms of the commissioners must be staggered so no more than two terms expire
15 each July first.
- 16 2. A person is ineligible for appointment to the commission if that person has not been a
17 resident of this state for at least two years before the date of appointment. A person is
18 also ineligible if that person is not of such character and reputation as to promote
19 public confidence in the administration of gaming in this state. A person is also
20 ineligible if that person has been convicted of a felony criminal offense or has pled
21 guilty or been found guilty of any violation of chapter 12.1-06, 12.1-08, 12.1-09,
22 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
23 has pled guilty or been found guilty of any violation of section 6-08-16 or 6-08-16.2, or
24 has pled guilty or been found guilty of any offense or violation that has a direct bearing
25 on the person's fitness to be involved in gaming, or who has committed an equivalent
26 offense or violation of the laws of another state or of the United States. A person who
27 has a financial interest in gaming or is an employee or a member of the gaming
28 committee of a licensed organization or distributor cannot be a member of the
29 commission. For the purpose of this subsection, a financial interest includes the
30 receiving of any direct payment from an eligible organization for property, services, or
31 facilities provided to that organization.

1 3. Commission members are entitled to ~~seventy-five dollars~~the amount under
2 subsection 1 of section 54-03-20 per day for compensation for each day spent on
3 commission duties and mileage and expense reimbursement as allowed to other state
4 employees.

5 4. The commission shall meet quarterly. The commission may hold an executive session
6 under section 44-04-19.2.

7 5. The commission shall adopt rules in accordance with chapter 28-32, to administer and
8 regulate the gaming industry, including methods of conduct, play, and promotion of
9 games; minimum procedures and standards for recordkeeping and internal control;
10 requiring tax returns and reports from organizations or distributors; methods of
11 competition and doing business by distributors and manufacturers; acquisition and use
12 of gaming equipment; quality standards or specifications for the manufacture of pull
13 tabs, paper bingo cards, electronic pull tab devices, pull tab dispensing devices, bingo
14 card marking devices, and fifty-fifty raffle systems; to ensure that net proceeds are
15 used for educational, charitable, patriotic, fraternal, religious, or public-spirited uses; to
16 protect and promote the public interest; to ensure fair and honest games; to ensure
17 that fees and taxes are paid; and to prevent and detect unlawful gambling activity.

18 **SECTION 2. APPROPRIATION - ATTORNEY GENERAL - GAMING COMMISSION -**

19 **ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state
20 treasury, not otherwise appropriated, the sum of \$25,000, or so much of the sum as may be
21 necessary, to the attorney general for the purpose of defraying the costs of operations of the
22 gaming commission, for the biennium beginning July 1, 2025, and ending June 30, 2027. The
23 funding provided in this section is considered a one-time funding item.

25.1099.01004
Title.

Prepared by the Legislative Council
staff for Representative Christianson
April 7, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2224

Introduced by

Senators Myrdal, Luick

1 A BILL for an Act to amend and reenact section 53-06.1-01.1 and subsection 3 of section
2 53-06.1-14 of the North Dakota Century Code, relating to the abolition of the gaming
3 commission ~~and~~, the authorization of the attorney general to administer and regulate gaming,
4 and gaming stamp requirements.

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

6 **SECTION 1. AMENDMENT.** Section 53-06.1-01.1 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **53-06.1-01.1. Gaming commissionAttorney general - Gaming - Rules.**

- 9 1. ~~The state gaming commission consists of the chairman and four other members~~
10 ~~appointed by the governor, with the consent of the senate. The members serve~~
11 ~~three-year terms and until a successor is appointed and qualified. If the senate is not~~
12 ~~in session when the term of a member expires, the governor may make an interim~~
13 ~~appointment, and the interim appointee holds office until the senate confirms or rejects~~
14 ~~the appointment. A member appointed to fill a vacancy arising from other than the~~
15 ~~natural expiration of a term serves only for the unexpired portion of the term. The~~
16 ~~terms of the commissioners must be staggered so no more than two terms expire~~
17 ~~each July first.~~
- 18 2. A person is ineligible for appointment to the commission if that person has not been a
19 resident of this state for at least two years before the date of appointment. A person is
20 also ineligible if that person is not of such character and reputation as to promote

1 public confidence in the administration of gaming in this state. A person is also
2 ineligible if that person has been convicted of a felony criminal offense or has pled
3 guilty or been found guilty of any violation of chapter 12.1-06, 12.1-08, 12.1-09,
4 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
5 has pled guilty or been found guilty of any violation of section 6-08-16 or 6-08-16.2, or
6 has pled guilty or been found guilty of any offense or violation that has a direct bearing
7 on the person's fitness to be involved in gaming, or who has committed an equivalent
8 offense or violation of the laws of another state or of the United States. A person who
9 has a financial interest in gaming or is an employee or a member of the gaming
10 committee of a licensed organization or distributor cannot be a member of the
11 commission. For the purpose of this subsection, a financial interest includes the
12 receiving of any direct payment from an eligible organization for property, services, or
13 facilities provided to that organization.

14 3. Commission members are entitled to seventy-five dollars per day for compensation for
15 each day spent on commission duties and mileage and expense reimbursement as
16 allowed to other state employees.

17 4. The ~~commission~~attorney general shall adopt rules in accordance with chapter 28-32, to
18 administer and regulate the gaming industry, including ~~methods~~:

- 19 1. Methods of conduct, play, and promotion of games; ~~minimum~~
- 20 2. Minimum procedures and standards for recordkeeping and internal control; ~~requiring~~
- 21 3. Requiring tax returns and reports from organizations or distributors; ~~methods~~
- 22 4. Methods of competition and doing business by distributors and manufacturers;
23 acquisition
- 24 5. Acquisition and use of gaming equipment; ~~quality~~
- 25 6. Quality standards or specifications for the manufacture of pull tabs, paper bingo cards,
26 electronic pull tab devices, pull tab dispensing devices, bingo card marking devices,
27 and fifty-fifty raffle systems; ~~to~~
- 28 7. To ensure that net proceeds are used for educational, charitable, patriotic, fraternal,
29 religious, or public-spirited uses; ~~to~~
- 30 8. To protect and promote the public interest; ~~to~~
- 31 9. To ensure fair and honest games; ~~to~~

1 10. To ensure that fees and taxes are paid; and to

2 11. To prevent and detect unlawful gambling activity.

3 **SECTION 2. AMENDMENT.** Subsection 3 of section 53-06.1-14 of the North Dakota
4 Century Code is amended and reenacted as follows:

5 3. A licensed distributor shall affix a North Dakota gaming stamp to each deal of paper
6 pull tabs, raffle board, punchboard, sports pool board, calcutta board, and series of
7 paddlewheel ticket cards sold or otherwise provided to a licensed organization or
8 organization that has a permit and shall purchase the stamps from the attorney
9 general for thirty-five cents each. Ten cents of each stamp sold by the attorney
10 general, up to thirty-six thousand dollars per biennium, must be credited to the
11 attorney general's operating fund to defray the costs of issuing and administering the
12 gaming stamps. If an organization hosts an event with a raffle board and only sells
13 numbered squares on the day of event, the organization is exempt from the
14 requirements under this subsection.

Representative Koppelman:

I have compiled a summary touching on several important requirements related to administrative agency proceedings under Chapter 28-32. This summary is not comprehensive but will provide a framework to understand the process.

Agency action:

Perhaps an agency:

- Fails to follow the statutory rulemaking requirements,
- Abuses or exceeds its statutory authority,
- Unjustifiably denies state healthcare coverage,
- Violates due process, denying a business license or expelling a student without a fair hearing, or
- Imposes an excessive fine.

Complaint:

An aggrieved person may file a complaint regarding the agency's action with that agency.

Notice:

Unless provided otherwise by statute, the agency will designate the time and place for the hearing and provide all parties with notice at least 20 days before the hearing. I am unaware of a timeframe within which an agency must schedule the hearing to prevent delay to the complainant, except when specifically provided in law for a certain kind of hearing. The notice requirements may be shortened in an emergency situation.

If there is a specifically named respondent in the complaint, the agency will serve a copy of the complaint upon the respondent at least 45 days before the hearing on the complaint. If the respondent fails to answer as required within 20 days after service of the complaint, the agency may enter an order in default as the facts and law may warrant.

Prehearing conference:

Before a hearing, an administrative agency may conduct a prehearing conference after giving reasonable notice to all parties and other interested persons. If a party fails to attend or participate in a prehearing conference, hearing, or other stage of an adjudicative proceeding, the agency may enter and serve upon all parties written notice of default and a default order, including a statement of the grounds for default, which may be appealed.

Informal disposition:

Unless otherwise prohibited by specific statute or rule, informal disposition may be made of any adjudicative proceeding, or any part or issue thereof, by stipulation, settlement, waiver of hearing, consent order, default, alternative dispute resolution, or other informal disposition, subject to agency approval.

Hearing:

A hearing will be held according to Chapter 28-32.

Evidence and discovery:

The North Dakota Rules of Evidence apply to any adjudicative proceedings, which may be waived if necessary to ascertain the substantial rights of a party to the proceeding. The agency or person conducting a proceeding may exclude objectionable evidence. All testimony must be given under oath, and official notice may be taken of facts. Discovery may be obtained in accordance with the North Dakota Rules of Civil Procedure.

Hearing officer (ALJ):

A hearing officer, who may be an administrative law judge, will preside over the hearing. Only an agency head or designee may make a request for the designation of an administrative law judge, unless otherwise required by law. Requests submitted by unauthorized persons will not be accepted by the Office of Administrative Hearings for designation. The Office of Administrative Hearings is governed by Chapter 54-57. When designating administrative law judges to preside in an administrative proceeding or

adjudicative proceeding, the director shall attempt to assign an administrative law judge having expertise in the subject matter to be dealt with.

The hearing officer shall assure that all hearings and related proceedings are conducted in a fair and impartial manner. The agency must make a record and the person presiding at the hearing shall afford to all parties and participants the opportunity to respond, present evidence and argument, conduct cross-examination, and submit rebuttal evidence.

The hearing officer shall make findings of fact and conclusions of law and issue a final order, if required by statute or requested by an agency. A copy of the final order must be served within 30 days after evidence has been received, briefs filed, and arguments closed, or as soon thereafter as possible. Unless a later date is stated in the order, a final order of an administrative agency is effective immediately.

Petition for reconsideration:

Within 15 days of notice of the final order, an aggrieved party may file a petition for reconsideration. Filing of the petition is not a prerequisite for seeking judicial review. The administrative agency may deny the petition for reconsideration or may grant the petition on such terms as it may prescribe. If a rehearing is granted, the agency may allow a new hearing or limit the hearing as appropriate. The agency may dissolve or amend the final order and set the matter for further hearing. The petition is deemed to have been denied if the agency does not dispose of it within 30 days after the filing of the petition.

Appeal:

An aggrieved party may file an appeal within 30 days. The appeal of an order may be taken to the district court designated by law, and if none is designated, then to the district court of the county in which the hearing was held. If the administrative proceeding was disposed of informally, or for some other reason no hearing was held, an appeal may be taken to the district court of Burleigh County. Only final orders are appealable.

The party appealing shall pay the administrative agency the estimated costs of preparation and filing of the entire hearing record of the proceedings. The cost of preparation and filing

of the record may be waived by the district court upon application by an appellant, showing that the appellant is a low-income person unable to afford these costs. When a waiver is granted, the costs of preparation and filing of the record must be paid by the administrative agency.

An appeal from an order or the rulemaking action of an administrative agency or the commission does not stay the enforcement of the order or the effect of a published rule unless the court to which the appeal is taken, upon application and after a hearing or the submission of briefs, orders a stay.

The judgment of the district court in an appeal from an order or rulemaking action of an administrative agency or the commission may be reviewed in the supreme court on appeal if the appeal is filed within 60 days of the notice of judgment in district court.

Here are the timing requirements and other information you inquired about:

- An agency must provide notice to a specifically named respondent to a complaint 45 days prior to the hearing.
- An agency must provide notice of the hearing to all parties 20 days prior to the hearing.
- A final order must be issued within 30 days after all evidence has been received and arguments have been made, or as soon as possible.
- An aggrieved party has 15 days to petition for reconsideration of a final order.
 - No reply within 30 days indicates a denial of the petition.
- An aggrieved party has 30 days to appeal a final order to the district court.
- An aggrieved party has 60 days to file an appeal of the district court's judgment to the North Dakota Supreme Court.
- I am not aware of any general requirement for an agency, administrative law judge, or court to hold a proceeding within a certain number of days after receiving a complaint, petition for reconsideration, or appeal.

- There may be specific requirements (e.g., a hearing respecting the determination of the community spouse countable asset allowance must be held within 30 days of the request for hearing under NDAC Section 75-02-02.1-24).
- There are no automatic stays granted under Chapters 28-32 or 54-57.
- Courts in North Dakota require the exhaustion of remedies before the appropriate administrative agency as a prerequisite to making a claim in court. There may be exceptions based on the expertise of administrative bodies, statutory interpretation, pure questions of law, constitutional issues, discretionary authority of the courts, primary, concurrent, or exclusive jurisdiction, inadequacies of administrative bodies, etc. However, administrative agencies routinely construe statutes under which they operate in the performance of administering those laws.

I hope this is helpful. If you have additional questions, please let me know.

Thank you,



Liz Fordahl

Counsel

State Capitol

600 East Boulevard Avenue

Bismarck, ND 58505-0160

701-328-2946

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2025 HOUSE STANDING COMMITTEE MINUTES

Judiciary Committee
Room JW327B, State Capitol

SB 2224
4/11/2025
subcommittee

A BILL for an Act to amend and reenact section 53-06.1-01.1 of the North Dakota Century Code, relating to the abolition of the gaming commission and the authorization of the attorney general to administer and regulate gaming.

10:17 a.m. Chairman McLeod called the meeting to order.

Members Present: Chairman McLeod, Representatives Henderson, Schneider

Discussion Topics:

- Attorney General appeal process
- Administrative agencies practice act

10:19 a.m. Chairman McLeod proposed Amendment LC: 25.1099.01005, testimony #44950.

10:38 a.m. Chairman McLeod proposed Amending LC: 25.1099.01005, testimony #44950, and citing North Dakota Century Code section 28-32-45 on page 7, line 21 after "stayed pending".

10:39 a.m. Representative Schneider seconded the motion.

10:41 a.m. Voice Vote - Motion Passed

10:45 a.m. Chairman McLeod adjourned the meeting.

Wyatt Armstrong, Committee Clerk

25.1099.01005
Title.

Prepared by the Legislative Council
staff for Representative McLeod
April 10, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2224

Introduced by

Senators Myrdal, Luick

1 A BILL ~~for an Act to amend and reenact section 53-06.1-01.1 of the North Dakota Century-~~
2 ~~Code, relating to the abolition of the gaming commission and the authorization of the attorney-~~
3 ~~general to administer and regulate gaming; for an Act to amend and reenact section~~
4 ~~53-06.1-01.1, subsection 3 of section 53-06.1-14, and section 53-06.1-15.1 of the North Dakota~~
5 ~~Century Code, relating to the gaming commission, gaming stamp requirements, and the~~
6 ~~attorney general's regulation of gaming; and to provide an appropriation.~~

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

8 ~~SECTION 1. AMENDMENT. Section 53-06.1-01.1 of the North Dakota Century Code is~~
9 ~~amended and reenacted as follows:~~
10 ~~53-06.1-01.1. Gaming commissionAttorney general - Gaming - Rules.~~
11 ~~1. The state gaming commission consists of the chairman and four other members~~
12 ~~appointed by the governor, with the consent of the senate. The members serve~~
13 ~~three-year terms and until a successor is appointed and qualified. If the senate is not~~
14 ~~in session when the term of a member expires, the governor may make an interim~~
15 ~~appointment, and the interim appointee holds office until the senate confirms or rejects~~
16 ~~the appointment. A member appointed to fill a vacancy arising from other than the~~
17 ~~natural expiration of a term serves only for the unexpired portion of the term. The~~
18 ~~terms of the commissioners must be staggered so no more than two terms expire~~
19 ~~each July first.~~

1 ~~2. A person is ineligible for appointment to the commission if that person has not been a~~
2 ~~resident of this state for at least two years before the date of appointment. A person is~~
3 ~~also ineligible if that person is not of such character and reputation as to promote~~
4 ~~public confidence in the administration of gaming in this state. A person is also~~
5 ~~ineligible if that person has been convicted of a felony criminal offense or has pled~~
6 ~~guilty or been found guilty of any violation of chapter 12.1-06, 12.1-08, 12.1-09,~~
7 ~~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~~
8 ~~has pled guilty or been found guilty of any violation of section 6-08-16 or 6-08-16.2, or~~
9 ~~has pled guilty or been found guilty of any offense or violation that has a direct bearing~~
10 ~~on the person's fitness to be involved in gaming, or who has committed an equivalent~~
11 ~~offense or violation of the laws of another state or of the United States. A person who~~
12 ~~has a financial interest in gaming or is an employee or a member of the gaming~~
13 ~~committee of a licensed organization or distributor cannot be a member of the~~
14 ~~commission. For the purpose of this subsection, a financial interest includes the~~
15 ~~receiving of any direct payment from an eligible organization for property, services, or~~
16 ~~facilities provided to that organization.~~

17 ~~3. Commission members are entitled to seventy-five dollars per day for compensation for~~
18 ~~each day spent on commission duties and mileage and expense reimbursement as~~
19 ~~allowed to other state employees.~~

20 ~~4. The commission attorney general shall adopt rules in accordance with chapter 28-32, to~~
21 ~~administer and regulate the gaming industry, including methods:~~

22 ~~1. Methods of conduct, play, and promotion of games; minimum~~

23 ~~2. Minimum procedures and standards for recordkeeping and internal control; requiring~~

24 ~~3. Requiring tax returns and reports from organizations or distributors; methods~~

25 ~~4. Methods of competition and doing business by distributors and manufacturers;~~
26 ~~acquisition~~

27 ~~5. Acquisition and use of gaming equipment; quality~~

28 ~~6. Quality standards or specifications for the manufacture of pull tabs, paper bingo cards,~~
29 ~~electronic pull tab devices, pull tab dispensing devices, bingo card marking devices,~~
30 ~~and fifty-fifty raffle systems; to~~

- 1 ~~7. To ensure that net proceeds are used for educational, charitable, patriotic, fraternal,~~
2 ~~religious, or public spirited uses; to~~
3 ~~8. To protect and promote the public interest; to~~
4 ~~9. To ensure fair and honest games; to~~
5 ~~10. To ensure that fees and taxes are paid; and to~~
6 ~~11. To prevent and detect unlawful gambling activity.~~

7 **SECTION 1. AMENDMENT.** Section 53-06.1-01.1 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **53-06.1-01.1. Gaming commission.**

- 10 1. The state gaming commission consists of the chairman and four other members
11 appointed by the governor, with the consent of the senate. The members serve
12 three-year terms and until a successor is appointed and qualified. If the senate is not
13 in session when the term of a member expires, the governor may make an interim
14 appointment, and the interim appointee holds office until the senate confirms or rejects
15 the appointment. A member appointed to fill a vacancy arising from other than the
16 natural expiration of a term serves only for the unexpired portion of the term. The
17 terms of the commissioners must be staggered so no more than two terms expire
18 each July first.
- 19 2. ~~A person~~An individual is ineligible for appointment to the commission if ~~that person~~the
20 individual has not been a resident of this state for at least two years before the date of
21 appointment. ~~A person~~An individual is also ineligible if ~~that person~~the individual is not
22 of such character and reputation as to promote public confidence in the administration
23 of gaming in this state. ~~A person~~An individual is also ineligible if ~~that person~~the
24 individual has been convicted of a felony criminal offense or has pled guilty or been
25 found guilty of any violation of chapter 12.1-06, 12.1-08, 12.1-09, 12.1-10, 12.1-11,
26 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
27 been found guilty of any violation of section 6-08-16 or 6-08-16.2, or has pled guilty or
28 been found guilty of any offense or violation that has a direct bearing on the
29 ~~person's~~individual's fitness to be involved in gaming, or who has committed an
30 equivalent offense or violation of the laws of another state or of the United States. ~~A~~
31 ~~person~~An individual who has a financial interest in gaming or is an employee or a

1 member of the gaming committee of a licensed organization or distributor cannot be a
2 member of the commission. For the purpose of this subsection, a financial interest
3 includes the receiving of any direct payment from an eligible organization for property,
4 services, or facilities provided to that organization.

5 3. Commission members are entitled to ~~seventy-five dollars~~the amount under
6 subsection 1 of section 54-03-20 per day for compensation for each day spent on
7 commission duties and mileage and expense reimbursement as allowed to other state
8 employees. The commission shall meet at least quarterly. The commission may hold
9 an executive session under section 44-04-19.2.

10 4. The commission shall adopt rules in accordance with chapter 28-32, to administer and
11 regulate the gaming industry, including methods of conduct, play, and promotion of
12 games; minimum procedures and standards for recordkeeping and internal control;
13 requiring tax returns and reports from organizations or distributors; methods of
14 competition and doing business by distributors and manufacturers; acquisition and use
15 of gaming equipment; quality standards or specifications for the manufacture of pull
16 tabs, paper bingo cards, electronic pull tab devices, pull tab dispensing devices, bingo
17 card marking devices, and fifty-fifty raffle systems; to ensure that net proceeds are
18 used for educational, charitable, patriotic, fraternal, religious, or public-spirited uses; to
19 protect and promote the public interest; to ensure fair and honest games; to ensure
20 that fees and taxes are paid; and to prevent and detect unlawful gambling activity.

21 **SECTION 2. AMENDMENT.** Subsection 3 of section 53-06.1-14 of the North Dakota
22 Century Code is amended and reenacted as follows:

23 3. A licensed distributor shall affix a North Dakota gaming stamp to each deal of paper
24 pull tabs, raffle board, punchboard, sports pool board, calcutta board, and series of
25 paddlewheel ticket cards sold or otherwise provided to a licensed organization or
26 organization that has a permit and shall purchase the stamps from the attorney
27 general for thirty-five cents each. Ten cents of each stamp sold by the attorney
28 general, up to thirty-six thousand dollars per biennium, must be credited to the
29 attorney general's operating fund to defray the costs of issuing and administering the
30 gaming stamps. If an organization hosts an event with a raffle board and only sells

1 numbered squares on the day of event, the organization is exempt from the
2 requirements under this subsection.

3 **SECTION 3. AMENDMENT.** Section 53-06.1-15.1 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **53-06.1-15.1. Authority of the attorney general - Penalty - Hearing - Appeal.**

6 1. The attorney general may:

7 1. a. Inspect all sites in which gaming is conducted or inspect all premises where
8 gaming equipment is manufactured or distributed. The attorney general may
9 require a licensed manufacturer to reimburse the attorney general for the
10 reasonable actual cost of transportation, lodging, meals, and incidental expenses
11 incurred in inspecting the manufacturer's facility.

12 2. b. Inspect all gaming equipment and supplies.

13 3. c. Seize, remove, or impound any gaming equipment, supplies, games, or books
14 and records for the purpose of examination and inspection.

15 4. d. Demand access to and inspect, examine, photocopy, and audit all books and
16 records of applicants, organizations, lessors, manufacturers, distributors, and
17 affiliated companies concerning any income, expense, or use of net proceeds,
18 and determine compliance with this chapter or gaming rules.

19 5. e. Permit the commissioner or proper representative of the internal revenue service
20 of the United States to inspect a tax return or furnish a copy of the tax return, or
21 information concerning any item contained in the return, or disclosed by any audit
22 or investigation report of the gaming activity of any organization or player, or
23 recordkeeping information. However, information cannot be disclosed to the
24 extent that the attorney general determines that the disclosure would identify a
25 confidential informant or seriously impair any civil or criminal investigation.
26 Except when directed by judicial order, or for pursuing civil or criminal charges
27 regarding a violation of this chapter or a gaming rule, or as is provided by law, the
28 attorney general may not divulge nor make known, to any person, any income or
29 expense item contained in any tax return or disclosed by an audit or investigative
30 report of any taxpayer provided to the attorney general by the internal revenue
31 service.

- 1 ~~6.~~ f. Require a representative of a licensed organization or distributor to participate in
2 training or for good cause prohibit the person from being involved in gaming as
3 an employee or volunteer. The attorney general may for good cause prohibit a
4 person from providing personal or business services to an organization or
5 distributor.
- 6 ~~7.~~ g. Prohibit a person from playing games if the person violates this chapter, chapter
7 12.1-28 or 53-06.2, or a gaming rule.
- 8 ~~8.~~ h. Require or authorize an organization to pay or prohibit an organization from
9 paying a bingo, electronic quick shot bingo, or raffle prize to a player on a dispute
10 or based on a factual determination or a hearing by the attorney general.
- 11 ~~9.~~ i. Based on reasonable ground or written complaint, suspend, deny, or revoke an
12 organization's permit or an organization's, distributor's, or manufacturer's
13 application or license for violation, by the organization, distributor, or
14 manufacturer or any officer, director, agent, member, or employee of the
15 organization, distributor, or manufacturer, of this chapter or any gaming rule.
- 16 ~~10.~~ j. Impose a monetary fine on a licensed organization, organization that has a
17 permit, distributor, manufacturer, or third-party business operating gaming and
18 working as an agent of the charity for failure to comply with this chapter or any
19 gaming rule. The monetary fine for each violation by an organization is a
20 minimum of twenty-five dollars and may not exceed two percent of the
21 organization's average quarterly gross proceeds, or five thousand dollars,
22 whichever is greater. The monetary fine for each violation by a distributor is a
23 minimum of one hundred dollars and may not exceed five thousand dollars. The
24 monetary fine for each violation by a manufacturer is a minimum of five hundred
25 dollars and may not exceed two hundred fifty thousand dollars. This fine may be
26 in addition to or in place of a license suspension or revocation.
- 27 ~~11.~~ k. At any time within three years after any amount of fees, monetary fine, interest,
28 penalty, or tax required to be paid pursuant to this chapter becomes due, bring a
29 civil action to collect the amount due. However, if for any reason there is a
30 change in adjusted gross proceeds or tax liability by an amount which is in
31 excess of twenty-five percent of the amount of adjusted gross proceeds or tax

1 liability originally reported on the tax return, any additional tax determined to be
2 due may be assessed within six years after the due date of the tax return, or six
3 years after the tax return was filed, whichever period expires later. An action may
4 be brought although the person owing the fees or tax is not presently licensed.

5 ~~42.~~ l. Institute an action in any district court for declaratory or injunctive relief against a
6 person, whether or not the person is a gaming licensee, as the attorney general
7 deems necessary to prevent noncompliance with this chapter or gaming rules.

8 ~~43.~~ m. For good cause, require a licensed organization to use the attorney general's
9 recordkeeping system for any or all games.

10 2. Based on evidence obtained by the attorney general demonstrating a person violated
11 this chapter or a gaming rule, which could result in the revocation or suspension of a
12 site authorization or an organization's gaming license or the imposition of a monetary
13 fine of one thousand dollars or more, the attorney general shall hold a hearing to
14 determine whether a violation occurred. The attorney general shall designate the time
15 and place for the hearing and provide notice to the person accused of the violation at
16 least forty-five days before the hearing. The parties may present evidence, and
17 examine and cross-examine witnesses, as provided under sections 28-32-24 and
18 28-32-35. The hearing must be recorded on video and broadcast live.

19 3. A person may appeal an order of the attorney general under this section to the district
20 court of the county where the person is domiciled or Burleigh County district court. An
21 order of the attorney general must be stayed pending the judgment or order of the
22 district court and, if appealed to the supreme court under chapter 28-27, pending the
23 final adjudication.

24 **SECTION 4. APPROPRIATION - ATTORNEY GENERAL - GAMING COMMISSION -**
25 **ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state
26 treasury, not otherwise appropriated, the sum of \$25,000, or so much of the sum as may be
27 necessary, to the attorney general for the purpose of defraying the costs of operations of the
28 gaming commission, for the biennium beginning July 1, 2025, and ending June 30, 2027. The
29 funding provided in this section is considered a one-time funding item.

2025 HOUSE STANDING COMMITTEE MINUTES

Judiciary Committee
Room JW327B, State Capitol

SB 2224
4/14/2025
Subcommittee

A BILL for an Act to amend and reenact section 53-06.1-01.1 of the North Dakota Century Code, relating to the abolition of the gaming commission and the authorization of the attorney general to administer and regulate gaming.

3:17 p.m. Chairman McLeod called the meeting to order.

Members Present: Chairman McLeod, Representatives Henderson, Schneider

Discussion Topics:

- Broadcasting of gaming commission hearings
- North Dakota District Court process

3:18 p.m. Chairman McLeod proposed Amendment LC: 25.1099.01006, testimony #44978.

3:22 p.m. Courtney Titus, Civil Litigation Director for the Office of the Attorney General, proposed an Amendment, testimony #44977.

3:27 p.m. Representative Ben Koppelman, North Dakota Representative for District 16, answered committee questions.

3:31 p.m. Representative Henderson moved to Amend LC: 25.1099.01006, testimony #44978, and replace "28-27" with "28-32-49" on page 7 line 23, and recommend the Amendment to the full committee.

3:31 p.m. Representative Schneider seconded the motion.

Representatives	Vote
Representative Donna Henderson	Y
Representative Carrie McLeod	Y
Representative Mary Schneider	Y

3:38 p.m. Motion passed 3-0-0

3:38 p.m. Chairman McLeod adjourned the meeting.

Wyatt Armstrong, Committee Clerk

25.1099.01006- with Proposed AG Amendment

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO
SENATE BILL NO. 2224

Introduced by

Senators Myrdal, Luick

1 A BILL ~~for an Act to amend and reenact section 53-06.1-01.1 of the North Dakota Century~~
2 ~~Code, relating to the abolition of the gaming commission and the authorization of the attorney~~
3 ~~general to administer and regulate gaming.~~ for an Act to amend and reenact section
4 53-06.1-01.1, subsection 3 of section 53-06.1-14, and section 53-06.1-15.1 of the North Dakota
5 Century Code, relating to the gaming commission, gaming stamp requirements, and the
6 attorney general's regulation of gaming; and to provide an appropriation.

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

8 ~~— **SECTION 1. AMENDMENT.** Section 53-06.1-01.1 of the North Dakota Century Code is~~
9 ~~amended and reenacted as follows:~~

10 ~~— **53-06.1-01.1. Gaming commission** Attorney general—Gaming—Rules.~~

11 ~~— 1. The state gaming commission consists of the chairman and four other members~~
12 ~~appointed by the governor, with the consent of the senate. The members serve~~
13 ~~three-year terms and until a successor is appointed and qualified. If the senate is not~~
14 ~~in session when the term of a member expires, the governor may make an interim~~
15 ~~appointment, and the interim appointee holds office until the senate confirms or rejects~~
16 ~~the appointment. A member appointed to fill a vacancy arising from other than the~~
17 ~~natural expiration of a term serves only for the unexpired portion of the term. The~~
18 ~~terms of the commissioners must be staggered so no more than two terms expire~~
19 ~~each July first.~~

- 1 — ~~2. A person is ineligible for appointment to the commission if that person has not been a~~
2 ~~resident of this state for at least two years before the date of appointment. A person is~~
3 ~~also ineligible if that person is not of such character and reputation as to promote~~
4 ~~public confidence in the administration of gaming in this state. A person is also~~
5 ~~ineligible if that person has been convicted of a felony criminal offense or has pled~~
6 ~~guilty or been found guilty of any violation of chapter 12.1 06, 12.1 08, 12.1 09,~~
7 ~~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~~
8 ~~has pled guilty or been found guilty of any violation of section 6 08 16 or 6 08 16.2, or~~
9 ~~has pled guilty or been found guilty of any offense or violation that has a direct bearing~~
10 ~~on the person's fitness to be involved in gaming, or who has committed an equivalent~~
11 ~~offense or violation of the laws of another state or of the United States. A person who~~
12 ~~has a financial interest in gaming or is an employee or a member of the gaming~~
13 ~~committee of a licensed organization or distributor cannot be a member of the~~
14 ~~commission. For the purpose of this subsection, a financial interest includes the~~
15 ~~receiving of any direct payment from an eligible organization for property, services, or~~
16 ~~facilities provided to that organization.~~
- 17 — ~~3. Commission members are entitled to seventy five dollars per day for compensation for~~
18 ~~each day spent on commission duties and mileage and expense reimbursement as~~
19 ~~allowed to other state employees.~~
- 20 — ~~4. The commission attorney general shall adopt rules in accordance with chapter 28 32, to~~
21 ~~administer and regulate the gaming industry, including methods:~~
- 22 — ~~1. Methods of conduct, play, and promotion of games; minimum~~
23 — ~~2. Minimum procedures and standards for recordkeeping and internal control; requiring~~
24 — ~~3. Requiring tax returns and reports from organizations or distributors; methods~~
25 — ~~4. Methods of competition and doing business by distributors and manufacturers;~~
26 ~~acquisition~~
- 27 — ~~5. Acquisition and use of gaming equipment; quality~~
- 28 — ~~6. Quality standards or specifications for the manufacture of pull tabs, paper bingo cards,~~
29 ~~electronic pull tab devices, pull tab dispensing devices, bingo card marking devices,~~
30 ~~and fifty fifty raffle systems; to~~

- 1 ~~7. To ensure that net proceeds are used for educational, charitable, patriotic, fraternal,~~
- 2 ~~religious, or public spirited uses; to~~
- 3 ~~8. To protect and promote the public interest; to~~
- 4 ~~9. To ensure fair and honest games; to~~
- 5 ~~10. To ensure that fees and taxes are paid; and to~~
- 6 ~~11. To prevent and detect unlawful gambling activity.~~

7 **SECTION 1. AMENDMENT.** Section 53-06.1-01.1 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **53-06.1-01.1. Gaming commission.**

- 10 1. The state gaming commission consists of the chairman and four other members
11 appointed by the governor, with the consent of the senate. The members serve
12 three-year terms and until a successor is appointed and qualified. If the senate is not
13 in session when the term of a member expires, the governor may make an interim
14 appointment, and the interim appointee holds office until the senate confirms or rejects
15 the appointment. A member appointed to fill a vacancy arising from other than the
16 natural expiration of a term serves only for the unexpired portion of the term. The
17 terms of the commissioners must be staggered so no more than two terms expire
18 each July first.
- 19 2. ~~A person~~An individual is ineligible for appointment to the commission if ~~that person~~the
20 individual has not been a resident of this state for at least two years before the date of
21 appointment. ~~A person~~An individual is also ineligible if ~~that person~~the individual is not
22 of such character and reputation as to promote public confidence in the administration
23 of gaming in this state. ~~A person~~An individual is also ineligible if ~~that person~~the
24 individual has been convicted of a felony criminal offense or has pled guilty or been
25 found guilty of any violation of chapter 12.1-06, 12.1-08, 12.1-09, 12.1-10, 12.1-11,
26 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
27 been found guilty of any violation of section 6-08-16 or 6-08-16.2, or has pled guilty or
28 been found guilty of any offense or violation that has a direct bearing on the
29 ~~person's~~individual's fitness to be involved in gaming, or who has committed an
30 equivalent offense or violation of the laws of another state or of the United States. ~~A~~
31 ~~person~~An individual who has a financial interest in gaming or is an employee or a

1 member of the gaming committee of a licensed organization or distributor cannot be a
2 member of the commission. For the purpose of this subsection, a financial interest
3 includes the receiving of any direct payment from an eligible organization for property,
4 services, or facilities provided to that organization.

5 3. Commission members are entitled to ~~seventy-five dollars~~the amount under
6 subsection 1 of section 54-03-20 per day for compensation for each day spent on
7 commission duties and mileage and expense reimbursement as allowed to other state
8 employees. The commission shall meet at least quarterly. The commission may hold
9 an executive session under section 44-04-19.2.

10 4. The commission shall adopt rules in accordance with chapter 28-32, to administer and
11 regulate the gaming industry, including methods of conduct, play, and promotion of
12 games; minimum procedures and standards for recordkeeping and internal control;
13 requiring tax returns and reports from organizations or distributors; methods of
14 competition and doing business by distributors and manufacturers; acquisition and use
15 of gaming equipment; quality standards or specifications for the manufacture of pull
16 tabs, paper bingo cards, electronic pull tab devices, pull tab dispensing devices, bingo
17 card marking devices, and fifty-fifty raffle systems; to ensure that net proceeds are
18 used for educational, charitable, patriotic, fraternal, religious, or public-spirited uses; to
19 protect and promote the public interest; to ensure fair and honest games; to ensure
20 that fees and taxes are paid; and to prevent and detect unlawful gambling activity.

21 **SECTION 2. AMENDMENT.** Subsection 3 of section 53-06.1-14 of the North Dakota
22 Century Code is amended and reenacted as follows:

23 3. A licensed distributor shall affix a North Dakota gaming stamp to each deal of paper
24 pull tabs, raffle board, punchboard, sports pool board, calcutta board, and series of
25 paddlewheel ticket cards sold or otherwise provided to a licensed organization or
26 organization that has a permit and shall purchase the stamps from the attorney
27 general for thirty-five cents each. Ten cents of each stamp sold by the attorney
28 general, up to thirty-six thousand dollars per biennium, must be credited to the
29 attorney general's operating fund to defray the costs of issuing and administering the
30 gaming stamps. If an organization hosts an event with a raffle board and only sells

1 numbered squares on the day of event, the organization is exempt from the
2 requirements under this subsection.

3 **SECTION 3. AMENDMENT.** Section 53-06.1-15.1 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **53-06.1-15.1. Authority of the attorney general - Penalty - Hearing - Appeal.**

6 1. The attorney general may:

7 ~~4.~~ a. Inspect all sites in which gaming is conducted or inspect all premises where
8 gaming equipment is manufactured or distributed. The attorney general may
9 require a licensed manufacturer to reimburse the attorney general for the
10 reasonable actual cost of transportation, lodging, meals, and incidental expenses
11 incurred in inspecting the manufacturer's facility.

12 ~~2.~~ b. Inspect all gaming equipment and supplies.

13 ~~3.~~ c. Seize, remove, or impound any gaming equipment, supplies, games, or books
14 and records for the purpose of examination and inspection.

15 ~~4.~~ d. Demand access to and inspect, examine, photocopy, and audit all books and
16 records of applicants, organizations, lessors, manufacturers, distributors, and
17 affiliated companies concerning any income, expense, or use of net proceeds,
18 and determine compliance with this chapter or gaming rules.

19 ~~5.~~ e. Permit the commissioner or proper representative of the internal revenue service
20 of the United States to inspect a tax return or furnish a copy of the tax return, or
21 information concerning any item contained in the return, or disclosed by any audit
22 or investigation report of the gaming activity of any organization or player, or
23 recordkeeping information. However, information cannot be disclosed to the
24 extent that the attorney general determines that the disclosure would identify a
25 confidential informant or seriously impair any civil or criminal investigation.
26 Except when directed by judicial order, or for pursuing civil or criminal charges
27 regarding a violation of this chapter or a gaming rule, or as is provided by law, the
28 attorney general may not divulge nor make known, to any person, any income or
29 expense item contained in any tax return or disclosed by an audit or investigative
30 report of any taxpayer provided to the attorney general by the internal revenue
31 service.

- 1 | ~~6.~~ f. Require a representative of a licensed organization or distributor to participate in
- 2 | training or for good cause prohibit the person from being involved in gaming as
- 3 | an employee or volunteer. The attorney general may for good cause prohibit a
- 4 | person from providing personal or business services to an organization or
- 5 | distributor.
- 6 | ~~7.~~ g. Prohibit a person from playing games if the person violates this chapter, chapter
- 7 | 12.1-28 or 53-06.2, or a gaming rule.
- 8 | ~~8.~~ h. Require or authorize an organization to pay or prohibit an organization from
- 9 | paying a bingo, electronic quick shot bingo, or raffle prize to a player on a dispute
- 10 | or based on a factual determination or a hearing by the attorney general.
- 11 | ~~9.~~ i. Based on reasonable ground or written complaint, suspend, deny, or revoke an
- 12 | organization's permit or an organization's, distributor's, or manufacturer's
- 13 | application or license for violation, by the organization, distributor, or
- 14 | manufacturer or any officer, director, agent, member, or employee of the
- 15 | organization, distributor, or manufacturer, of this chapter or any gaming rule.
- 16 | ~~10.~~ j. Impose a monetary fine on a licensed organization, organization that has a
- 17 | permit, distributor, manufacturer, or third-party business operating gaming and
- 18 | working as an agent of the charity for failure to comply with this chapter or any
- 19 | gaming rule. The monetary fine for each violation by an organization is a
- 20 | minimum of twenty-five dollars and may not exceed two percent of the
- 21 | organization's average quarterly gross proceeds, or five thousand dollars,
- 22 | whichever is greater. The monetary fine for each violation by a distributor is a
- 23 | minimum of one hundred dollars and may not exceed five thousand dollars. The
- 24 | monetary fine for each violation by a manufacturer is a minimum of five hundred
- 25 | dollars and may not exceed two hundred fifty thousand dollars. This fine may be
- 26 | in addition to or in place of a license suspension or revocation.
- 27 | ~~11.~~ k. At any time within three years after any amount of fees, monetary fine, interest,
- 28 | penalty, or tax required to be paid pursuant to this chapter becomes due, bring a
- 29 | civil action to collect the amount due. However, if for any reason there is a
- 30 | change in adjusted gross proceeds or tax liability by an amount which is in
- 31 | excess of twenty-five percent of the amount of adjusted gross proceeds or tax

1 liability originally reported on the tax return, any additional tax determined to be
2 due may be assessed within six years after the due date of the tax return, or six
3 years after the tax return was filed, whichever period expires later. An action may
4 be brought although the person owing the fees or tax is not presently licensed.

5 ~~42.~~ l. Institute an action in any district court for declaratory or injunctive relief against a
6 person, whether or not the person is a gaming licensee, as the attorney general
7 deems necessary to prevent noncompliance with this chapter or gaming rules.

8 ~~43.~~ m. For good cause, require a licensed organization to use the attorney general's
9 recordkeeping system for any or all games.

10 ~~2.~~ Based on evidence obtained by the attorney general demonstrating a person violated
11 this chapter or a gaming rule, which could result in the revocation or suspension of a
12 site authorization or an organization's gaming license or the imposition of a monetary
13 fine of one thousand dollars or more, the attorney general shall hold a hearing to
14 determine whether a violation occurred. The attorney general shall designate the time
15 and place for the hearing and provide notice to the person accused of the violation at
16 least forty-five days before the hearing. The parties may present evidence, and
17 examine and cross-examine witnesses, as provided under sections 28-32-24 and
18 28-32-35. The hearing must be recorded on video and broadcast live.

19 If the attorney general has reasonable cause to believe a violation of chapter 53-06.1
20 or administrative rules promulgated thereunder has occurred, the attorney general shall
21 proceed with a hearing under chapter 28-32.

22 ~~3.~~ Within thirty days of the attorney general issuing an order under this section, a person
20 may appeal the order to the district court of the county where the person is domiciled
21 or Burleigh County district court. An order of the attorney general must be stayed
22 pending the judgment or order of the district court and, if appealed to the supreme
23 court under chapter 28-27, pending the final adjudication.

24 An appeal from the final decision of the attorney general in any matter covered by
25 this chapter may be taken to the Burleigh County district court in accordance with chapter
26 28-32.

27 **SECTION 4. APPROPRIATION - ATTORNEY GENERAL - GAMING COMMISSION -**
28 **ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state
29 treasury, not otherwise appropriated, the sum of \$25,000, or so much of the sum as may be

Sixty-ninth
Legislative Assembly

- 1 necessary, to the attorney general for the purpose of defraying the costs of operations of the
- 2 gaming commission, for the biennium beginning July 1, 2025, and ending June 30, 2027. The
- 3 appropriation in this section is considered a one-time funding item.

25.1099.01006
Title.

Prepared by the Legislative Council
staff for Representative McLeod
April 11, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2224

Introduced by

Senators Myrdal, Luick

1 A BILL ~~for an Act to amend and reenact section 53-06.1-01.1 of the North Dakota Century~~
2 ~~Code, relating to the abolition of the gaming commission and the authorization of the attorney~~
3 ~~general to administer and regulate gaming;~~ for an Act to amend and reenact section
4 53-06.1-01.1, subsection 3 of section 53-06.1-14, and section 53-06.1-15.1 of the North Dakota
5 Century Code, relating to the gaming commission, gaming stamp requirements, and the
6 attorney general's regulation of gaming; and to provide an appropriation.

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

8 ~~SECTION 1. AMENDMENT. Section 53-06.1-01.1 of the North Dakota Century Code is~~
9 ~~amended and reenacted as follows:~~
10 ~~53-06.1-01.1. Gaming commission~~ Attorney general - Gaming - Rules.
11 ~~1. The state gaming commission consists of the chairman and four other members~~
12 ~~appointed by the governor, with the consent of the senate. The members serve~~
13 ~~three-year terms and until a successor is appointed and qualified. If the senate is not~~
14 ~~in session when the term of a member expires, the governor may make an interim~~
15 ~~appointment, and the interim appointee holds office until the senate confirms or rejects~~
16 ~~the appointment. A member appointed to fill a vacancy arising from other than the~~
17 ~~natural expiration of a term serves only for the unexpired portion of the term. The~~
18 ~~terms of the commissioners must be staggered so no more than two terms expire~~
19 ~~each July first.~~

1 ~~2. A person is ineligible for appointment to the commission if that person has not been a~~
2 ~~resident of this state for at least two years before the date of appointment. A person is~~
3 ~~also ineligible if that person is not of such character and reputation as to promote~~
4 ~~public confidence in the administration of gaming in this state. A person is also~~
5 ~~ineligible if that person has been convicted of a felony criminal offense or has pled~~
6 ~~guilty or been found guilty of any violation of chapter 12.1-06, 12.1-08, 12.1-09,~~
7 ~~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~~
8 ~~has pled guilty or been found guilty of any violation of section 6-08-16 or 6-08-16.2, or~~
9 ~~has pled guilty or been found guilty of any offense or violation that has a direct bearing~~
10 ~~on the person's fitness to be involved in gaming, or who has committed an equivalent~~
11 ~~offense or violation of the laws of another state or of the United States. A person who~~
12 ~~has a financial interest in gaming or is an employee or a member of the gaming~~
13 ~~committee of a licensed organization or distributor cannot be a member of the~~
14 ~~commission. For the purpose of this subsection, a financial interest includes the~~
15 ~~receiving of any direct payment from an eligible organization for property, services, or~~
16 ~~facilities provided to that organization.~~

17 ~~3. Commission members are entitled to seventy-five dollars per day for compensation for~~
18 ~~each day spent on commission duties and mileage and expense reimbursement as~~
19 ~~allowed to other state employees.~~

20 ~~4. The commission attorney general shall adopt rules in accordance with chapter 28-32, to~~
21 ~~administer and regulate the gaming industry, including methods;~~

22 ~~1. Methods of conduct, play, and promotion of games; minimum~~

23 ~~2. Minimum procedures and standards for recordkeeping and internal control; requiring~~

24 ~~3. Requiring tax returns and reports from organizations or distributors; methods~~

25 ~~4. Methods of competition and doing business by distributors and manufacturers;~~
26 ~~acquisition~~

27 ~~5. Acquisition and use of gaming equipment; quality~~

28 ~~6. Quality standards or specifications for the manufacture of pull tabs, paper bingo cards,~~
29 ~~electronic pull tab devices, pull tab dispensing devices, bingo card marking devices,~~
30 ~~and fifty-fifty raffle systems; to~~

- ~~7. To ensure that net proceeds are used for educational, charitable, patriotic, fraternal, religious, or public spirited uses; to~~
- ~~8. To protect and promote the public interest; to~~
- ~~9. To ensure fair and honest games; to~~
- ~~10. To ensure that fees and taxes are paid; and to~~
- ~~11. To prevent and detect unlawful gambling activity.~~

SECTION 1. AMENDMENT. Section 53-06.1-01.1 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-01.1. Gaming commission.

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 no more than two terms expire each July first.
2. ~~A person~~An individual is ineligible for appointment to the commission if ~~that person~~the individual has not been a resident of this state for at least two years before the date of appointment. ~~A person~~An individual is also ineligible if ~~that person~~the individual is not of such character and reputation as to promote public confidence in the administration of gaming in this state. ~~A person~~An individual is also ineligible if ~~that person~~the individual has been convicted of a felony criminal offense or has pled guilty or been found guilty 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 found guilty of any violation of section 6-08-16 or 6-08-16.2, or has pled guilty or been found guilty of any offense or violation that has a direct bearing on the ~~person's~~individual's fitness to be involved in gaming, or who has committed an equivalent offense or violation of the laws of another state or of the United States. ~~A person~~An individual who has a financial interest in gaming or is an employee or a

1 member of the gaming committee of a licensed organization or distributor cannot be a
2 member of the commission. For the purpose of this subsection, a financial interest
3 includes the receiving of any direct payment from an eligible organization for property,
4 services, or facilities provided to that organization.

5 3. Commission members are entitled to ~~seventy-five dollars~~the amount under
6 subsection 1 of section 54-03-20 per day for compensation for each day spent on
7 commission duties and mileage and expense reimbursement as allowed to other state
8 employees. The commission shall meet at least quarterly. The commission may hold
9 an executive session under section 44-04-19.2.

10 4. The commission shall adopt rules in accordance with chapter 28-32, to administer and
11 regulate the gaming industry, including methods of conduct, play, and promotion of
12 games; minimum procedures and standards for recordkeeping and internal control;
13 requiring tax returns and reports from organizations or distributors; methods of
14 competition and doing business by distributors and manufacturers; acquisition and use
15 of gaming equipment; quality standards or specifications for the manufacture of pull
16 tabs, paper bingo cards, electronic pull tab devices, pull tab dispensing devices, bingo
17 card marking devices, and fifty-fifty raffle systems; to ensure that net proceeds are
18 used for educational, charitable, patriotic, fraternal, religious, or public-spirited uses; to
19 protect and promote the public interest; to ensure fair and honest games; to ensure
20 that fees and taxes are paid; and to prevent and detect unlawful gambling activity.

21 **SECTION 2. AMENDMENT.** Subsection 3 of section 53-06.1-14 of the North Dakota
22 Century Code is amended and reenacted as follows:

23 3. A licensed distributor shall affix a North Dakota gaming stamp to each deal of paper
24 pull tabs, raffle board, punchboard, sports pool board, calcutta board, and series of
25 paddlewheel ticket cards sold or otherwise provided to a licensed organization or
26 organization that has a permit and shall purchase the stamps from the attorney
27 general for thirty-five cents each. Ten cents of each stamp sold by the attorney
28 general, up to thirty-six thousand dollars per biennium, must be credited to the
29 attorney general's operating fund to defray the costs of issuing and administering the
30 gaming stamps. If an organization hosts an event with a raffle board and only sells

1 numbered squares on the day of event, the organization is exempt from the
2 requirements under this subsection.

3 **SECTION 3. AMENDMENT.** Section 53-06.1-15.1 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **53-06.1-15.1. Authority of the attorney general - Penalty - Hearing - Appeal.**

6 1. The attorney general may:

7 ~~1.~~ a. Inspect all sites in which gaming is conducted or inspect all premises where
8 gaming equipment is manufactured or distributed. The attorney general may
9 require a licensed manufacturer to reimburse the attorney general for the
10 reasonable actual cost of transportation, lodging, meals, and incidental expenses
11 incurred in inspecting the manufacturer's facility.

12 ~~2.~~ b. Inspect all gaming equipment and supplies.

13 ~~3.~~ c. Seize, remove, or impound any gaming equipment, supplies, games, or books
14 and records for the purpose of examination and inspection.

15 ~~4.~~ d. Demand access to and inspect, examine, photocopy, and audit all books and
16 records of applicants, organizations, lessors, manufacturers, distributors, and
17 affiliated companies concerning any income, expense, or use of net proceeds,
18 and determine compliance with this chapter or gaming rules.

19 ~~5.~~ e. Permit the commissioner or proper representative of the internal revenue service
20 of the United States to inspect a tax return or furnish a copy of the tax return, or
21 information concerning any item contained in the return, or disclosed by any audit
22 or investigation report of the gaming activity of any organization or player, or
23 recordkeeping information. However, information cannot be disclosed to the
24 extent that the attorney general determines that the disclosure would identify a
25 confidential informant or seriously impair any civil or criminal investigation.
26 Except when directed by judicial order, or for pursuing civil or criminal charges
27 regarding a violation of this chapter or a gaming rule, or as is provided by law, the
28 attorney general may not divulge nor make known, to any person, any income or
29 expense item contained in any tax return or disclosed by an audit or investigative
30 report of any taxpayer provided to the attorney general by the internal revenue
31 service.

1 ~~6.~~ f. Require a representative of a licensed organization or distributor to participate in
2 training or for good cause prohibit the person from being involved in gaming as
3 an employee or volunteer. The attorney general may for good cause prohibit a
4 person from providing personal or business services to an organization or
5 distributor.

6 ~~7.~~ g. Prohibit a person from playing games if the person violates this chapter, chapter
7 12.1-28 or 53-06.2, or a gaming rule.

8 ~~8.~~ h. Require or authorize an organization to pay or prohibit an organization from
9 paying a bingo, electronic quick shot bingo, or raffle prize to a player on a dispute
10 or based on a factual determination or a hearing by the attorney general.

11 ~~9.~~ i. Based on reasonable ground or written complaint, suspend, deny, or revoke an
12 organization's permit or an organization's, distributor's, or manufacturer's
13 application or license for violation, by the organization, distributor, or
14 manufacturer or any officer, director, agent, member, or employee of the
15 organization, distributor, or manufacturer, of this chapter or any gaming rule.

16 ~~10.~~ j. Impose a monetary fine on a licensed organization, organization that has a
17 permit, distributor, manufacturer, or third-party business operating gaming and
18 working as an agent of the charity for failure to comply with this chapter or any
19 gaming rule. The monetary fine for each violation by an organization is a
20 minimum of twenty-five dollars and may not exceed two percent of the
21 organization's average quarterly gross proceeds, or five thousand dollars,
22 whichever is greater. The monetary fine for each violation by a distributor is a
23 minimum of one hundred dollars and may not exceed five thousand dollars. The
24 monetary fine for each violation by a manufacturer is a minimum of five hundred
25 dollars and may not exceed two hundred fifty thousand dollars. This fine may be
26 in addition to or in place of a license suspension or revocation.

27 ~~11.~~ k. At any time within three years after any amount of fees, monetary fine, interest,
28 penalty, or tax required to be paid pursuant to this chapter becomes due, bring a
29 civil action to collect the amount due. However, if for any reason there is a
30 change in adjusted gross proceeds or tax liability by an amount which is in
31 excess of twenty-five percent of the amount of adjusted gross proceeds or tax

- 1 liability originally reported on the tax return, any additional tax determined to be
2 due may be assessed within six years after the due date of the tax return, or six
3 years after the tax return was filed, whichever period expires later. An action may
4 be brought although the person owing the fees or tax is not presently licensed.
- 5 ~~42.~~ l. Institute an action in any district court for declaratory or injunctive relief against a
6 person, whether or not the person is a gaming licensee, as the attorney general
7 deems necessary to prevent noncompliance with this chapter or gaming rules.
- 8 ~~43.~~ m. For good cause, require a licensed organization to use the attorney general's
9 recordkeeping system for any or all games.

10 2. Based on evidence obtained by the attorney general demonstrating a person violated
11 this chapter or a gaming rule, which could result in the revocation or suspension of a
12 site authorization or an organization's gaming license or the imposition of a monetary
13 fine of one thousand dollars or more, the attorney general shall hold a hearing to
14 determine whether a violation occurred. The attorney general shall designate the time
15 and place for the hearing and provide notice to the person accused of the violation at
16 least forty-five days before the hearing. The parties may present evidence, and
17 examine and cross-examine witnesses, as provided under sections 28-32-24 and
18 28-32-35. The hearing must be recorded on video and broadcast live.

19 3. Within thirty days of the attorney general issuing an order under this section, a person
20 may appeal the order to the district court of the county where the person is domiciled
21 or Burleigh County district court. An order of the attorney general must be stayed
22 pending the judgment or order of the district court and, if appealed to the supreme
23 court under chapter 28-27, pending the final adjudication.

24 **SECTION 4. APPROPRIATION - ATTORNEY GENERAL - GAMING COMMISSION -**

25 **ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state
26 treasury, not otherwise appropriated, the sum of \$25,000, or so much of the sum as may be
27 necessary, to the attorney general for the purpose of defraying the costs of operations of the
28 gaming commission, for the biennium beginning July 1, 2025, and ending June 30, 2027. The
29 appropriation in this section is considered a one-time funding item.

2025 HOUSE STANDING COMMITTEE MINUTES

Judiciary Committee
Room JW327B, State Capitol

SB 2224
4/15/2025

A BILL for an Act to amend and reenact section 53-06.1-01.1 of the North Dakota Century Code, relating to the abolition of the gaming commission and the authorization of the attorney general to administer and regulate gaming.

8:59 a.m. Chairman Klemin called the meeting to order.

Members Present: Chairman Klemin, Vice-Chairman Karls, Vice-Chairman Vetter, Representatives Christianson, Henderson, Hoverson, Johnston, McLeod, Satrom, Tveit, VanWinkle, Wolff, Schneider

Members Absent: Representative S. Olson

Discussion Topics:

- Committee action

9:01 a.m. Representative McLeod proposed Amendment LC: 25.1099.01007, testimony #44992.

9:03 a.m. Representative McLeod moved to adopt amendment LC: 25.1099.01007, #44992.

9:03 a.m. Representative Henderson seconded the motion.

Representatives	Vote
Representative Lawrence R. Klemin	Y
Representative Karen Karls	Y
Representative Steve Vetter	Y
Representative Nels Christianson	Y
Representative Donna Henderson	Y
Representative Jeff Hoverson	Y
Representative Daniel Johnston	Y
Representative Carrie McLeod	Y
Representative SuAnn Olson	A
Representative Bernie Satrom	Y
Representative Mary Schneider	Y
Representative Bill Tveit	Y
Representative Lori VanWinkle	Y
Representative Christina Wolff	Y

9:04 a.m. Motion passed 13-0-1

9:05 a.m. Representative Wolff moved a Do Pass as Amended.

9:05 a.m. Representative Schneider seconded the motion.

Representatives	Vote
Representative Lawrence R. Klemin	Y
Representative Karen Karls	Y
Representative Steve Vetter	Y
Representative Nels Christianson	Y
Representative Donna Henderson	Y
Representative Jeff Hoverson	Y
Representative Daniel Johnston	Y
Representative Carrie McLeod	Y
Representative SuAnn Olson	A
Representative Bernie Satrom	Y
Representative Mary Schneider	Y
Representative Bill Tveit	Y
Representative Lori VanWinkle	Y
Representative Christina Wolff	Y

9:06 a.m. Motion passed 13-0-1

9:06 a.m. Representative McLeod will carry the bill.

9:07 a.m. Chairman Klemin adjourned the meeting.

Wyatt Armstrong, Committee Clerk

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2224

Introduced by

Senators Myrdal, Luick

CO
4/15/25
10f7

1 A BILL ~~for an Act to amend and reenact section 53-06.1-01.1 of the North Dakota Century~~
2 ~~Code, relating to the abolition of the gaming commission and the authorization of the attorney~~
3 ~~general to administer and regulate gaming.~~ for an Act to amend and reenact section
4 53-06.1-01.1, subsection 3 of section 53-06.1-14, and section 53-06.1-15.1 of the North Dakota
5 Century Code, relating to the gaming commission, gaming stamp requirements, and the
6 attorney general's regulation of gaming; to provide a penalty; and to provide an appropriation.

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

8 ~~SECTION 1. AMENDMENT.~~ ~~Section 53-06.1-01.1 of the North Dakota Century Code is~~
9 ~~amended and reenacted as follows:~~

10 ~~53-06.1-01.1. Gaming commission~~ Attorney general - Gaming - Rules.

11 ~~1. The state gaming commission consists of the chairman and four other members~~
12 ~~appointed by the governor, with the consent of the senate. The members serve~~
13 ~~three-year terms and until a successor is appointed and qualified. If the senate is not~~
14 ~~in session when the term of a member expires, the governor may make an interim~~
15 ~~appointment, and the interim appointee holds office until the senate confirms or rejects~~
16 ~~the appointment. A member appointed to fill a vacancy arising from other than the~~
17 ~~natural expiration of a term serves only for the unexpired portion of the term. The~~
18 ~~terms of the commissioners must be staggered so no more than two terms expire~~
19 ~~each July first.~~

1 ~~2. A person is ineligible for appointment to the commission if that person has not been a~~
2 ~~resident of this state for at least two years before the date of appointment. A person is~~
3 ~~also ineligible if that person is not of such character and reputation as to promote~~
4 ~~public confidence in the administration of gaming in this state. A person is also~~
5 ~~ineligible if that person has been convicted of a felony criminal offense or has pled~~
6 ~~guilty or been found guilty of any violation of chapter 12.1-06, 12.1-08, 12.1-09,~~
7 ~~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~~
8 ~~has pled guilty or been found guilty of any violation of section 6-08-16 or 6-08-16.2, or~~
9 ~~has pled guilty or been found guilty of any offense or violation that has a direct bearing~~
10 ~~on the person's fitness to be involved in gaming, or who has committed an equivalent~~
11 ~~offense or violation of the laws of another state or of the United States. A person who~~
12 ~~has a financial interest in gaming or is an employee or a member of the gaming~~
13 ~~committee of a licensed organization or distributor cannot be a member of the~~
14 ~~commission. For the purpose of this subsection, a financial interest includes the~~
15 ~~receiving of any direct payment from an eligible organization for property, services, or~~
16 ~~facilities provided to that organization.~~

17 ~~3. Commission members are entitled to seventy five dollars per day for compensation for~~
18 ~~each day spent on commission duties and mileage and expense reimbursement as~~
19 ~~allowed to other state employees.~~

20 ~~4. The commission attorney general shall adopt rules in accordance with chapter 28-32, to~~
21 ~~administer and regulate the gaming industry, including methods:~~

22 ~~1. Methods of conduct, play, and promotion of games; minimum~~

23 ~~2. Minimum procedures and standards for recordkeeping and internal control; requiring~~

24 ~~3. Requiring tax returns and reports from organizations or distributors; methods~~

25 ~~4. Methods of competition and doing business by distributors and manufacturers;~~
26 ~~acquisition~~

27 ~~5. Acquisition and use of gaming equipment; quality~~

28 ~~6. Quality standards or specifications for the manufacture of pull tabs, paper bingo cards,~~
29 ~~electronic pull tab devices, pull tab dispensing devices, bingo card marking devices,~~
30 ~~and fifty-fifty raffle systems; to~~

- ~~7. To ensure that net proceeds are used for educational, charitable, patriotic, fraternal, religious, or public spirited uses; to~~
- ~~8. To protect and promote the public interest; to~~
- ~~9. To ensure fair and honest games; to~~
- ~~10. To ensure that fees and taxes are paid; and to~~
- ~~11. To prevent and detect unlawful gambling activity.~~

SECTION 1. AMENDMENT. Section 53-06.1-01.1 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-01.1. Gaming commission.

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 no more than two terms expire each July first.
2. ~~A person~~An individual is ineligible for appointment to the commission if ~~that person~~the individual has not been a resident of this state for at least two years before the date of appointment. ~~A person~~An individual is also ineligible if ~~that person~~the individual is not of such character and reputation as to promote public confidence in the administration of gaming in this state. ~~A person~~An individual is also ineligible if ~~that person~~the individual has been convicted of a felony criminal offense or has pled guilty or been found guilty 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 found guilty of any violation of section 6-08-16 or 6-08-16.2, or has pled guilty or been found guilty of any offense or violation that has a direct bearing on the ~~person's~~individual's fitness to be involved in gaming, or who has committed an equivalent offense or violation of the laws of another state or of the United States. ~~A person~~An individual who has a financial interest in gaming or is an employee or a

member of the gaming committee of a licensed organization or distributor cannot be a member of 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.

3. Commission members are entitled to ~~seventy-five dollars~~ the amount under subsection 1 of section 54-03-20 per day for compensation for each day spent on commission duties and mileage and expense reimbursement as allowed to other state employees. The commission shall meet at least quarterly. The commission may hold an executive session under section 44-04-19.2.

4. The commission shall adopt rules in accordance with chapter 28-32, to administer and regulate the gaming industry, including methods of conduct, play, and promotion of games; minimum procedures and standards for recordkeeping and internal control; requiring tax returns and reports from organizations or distributors; methods of competition and doing business by distributors and manufacturers; acquisition and use of gaming equipment; quality standards or specifications for the manufacture of pull tabs, paper bingo cards, electronic pull tab devices, pull tab dispensing devices, bingo card marking devices, and fifty-fifty raffle systems; to ensure that net proceeds are used for educational, charitable, patriotic, fraternal, religious, or public-spirited uses; to protect and promote the public interest; to ensure fair and honest games; to ensure that fees and taxes are paid; and to prevent and detect unlawful gambling activity.

SECTION 2. AMENDMENT. Subsection 3 of section 53-06.1-14 of the North Dakota Century Code is amended and reenacted as follows:

3. A licensed distributor shall affix a North Dakota gaming stamp to each deal of paper pull tabs, raffle board, punchboard, sports pool board, calcutta board, and series of paddlewheel ticket cards sold or otherwise provided to a licensed organization or organization that has a permit and shall purchase the stamps from the attorney general for thirty-five cents each. Ten cents of each stamp sold by the attorney general, up to thirty-six thousand dollars per biennium, must be credited to the attorney general's operating fund to defray the costs of issuing and administering the gaming stamps. If an organization hosts an event with a raffle board and only sells

1 numbered squares on the day of event, the organization is exempt from the
2 requirements under this subsection.

3 **SECTION 3. AMENDMENT.** Section 53-06.1-15.1 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **53-06.1-15.1. Authority of the attorney general - Penalty - Hearing - Appeal.**

6 1. The attorney general may:

7 ~~1.~~ a. Inspect all sites in which gaming is conducted or inspect all premises where
8 gaming equipment is manufactured or distributed. The attorney general may
9 require a licensed manufacturer to reimburse the attorney general for the
10 reasonable actual cost of transportation, lodging, meals, and incidental expenses
11 incurred in inspecting the manufacturer's facility.

12 ~~2.~~ b. Inspect all gaming equipment and supplies.

13 ~~3.~~ c. Seize, remove, or impound any gaming equipment, supplies, games, or books
14 and records for the purpose of examination and inspection.

15 ~~4.~~ d. Demand access to and inspect, examine, photocopy, and audit all books and
16 records of applicants, organizations, lessors, manufacturers, distributors, and
17 affiliated companies concerning any income, expense, or use of net proceeds,
18 and determine compliance with this chapter or gaming rules.

19 ~~5.~~ e. Permit the commissioner or proper representative of the internal revenue service
20 of the United States to inspect a tax return or furnish a copy of the tax return, or
21 information concerning any item contained in the return, or disclosed by any audit
22 or investigation report of the gaming activity of any organization or player, or
23 recordkeeping information. However, information cannot be disclosed to the
24 extent that the attorney general determines that the disclosure would identify a
25 confidential informant or seriously impair any civil or criminal investigation.
26 Except when directed by judicial order, or for pursuing civil or criminal charges
27 regarding a violation of this chapter or a gaming rule, or as is provided by law, the
28 attorney general may not divulge nor make known, to any person, any income or
29 expense item contained in any tax return or disclosed by an audit or investigative
30 report of any taxpayer provided to the attorney general by the internal revenue
31 service.

- 1 ~~6.~~ f. Require a representative of a licensed organization or distributor to participate in
- 2 training or for good cause prohibit the person from being involved in gaming as
- 3 an employee or volunteer. The attorney general may for good cause prohibit a
- 4 person from providing personal or business services to an organization or
- 5 distributor.
- 6 ~~7.~~ g. Prohibit a person from playing games if the person violates this chapter, chapter
- 7 12.1-28 or 53-06.2, or a gaming rule.
- 8 ~~8.~~ h. Require or authorize an organization to pay or prohibit an organization from
- 9 paying a bingo, electronic quick shot bingo, or raffle prize to a player on a dispute
- 10 or based on a factual determination or a hearing by the attorney general.
- 11 ~~9.~~ i. Based on reasonable ground or written complaint, suspend, deny, or revoke an
- 12 organization's permit or an organization's, distributor's, or manufacturer's
- 13 application or license for violation, by the organization, distributor, or
- 14 manufacturer or any officer, director, agent, member, or employee of the
- 15 organization, distributor, or manufacturer, of this chapter or any gaming rule.
- 16 ~~10.~~ j. Impose a monetary fine on a licensed organization, organization that has a
- 17 permit, distributor, manufacturer, or third-party business operating gaming and
- 18 working as an agent of the charity for failure to comply with this chapter or any
- 19 gaming rule. The monetary fine for each violation by an organization is a
- 20 minimum of twenty-five dollars and may not exceed two percent of the
- 21 organization's average quarterly gross proceeds, or five thousand dollars,
- 22 whichever is greater. The monetary fine for each violation by a distributor is a
- 23 minimum of one hundred dollars and may not exceed five thousand dollars. The
- 24 monetary fine for each violation by a manufacturer is a minimum of five hundred
- 25 dollars and may not exceed two hundred fifty thousand dollars. This fine may be
- 26 in addition to or in place of a license suspension or revocation.
- 27 ~~11.~~ k. At any time within three years after any amount of fees, monetary fine, interest,
- 28 penalty, or tax required to be paid pursuant to this chapter becomes due, bring a
- 29 civil action to collect the amount due. However, if for any reason there is a
- 30 change in adjusted gross proceeds or tax liability by an amount which is in
- 31 excess of twenty-five percent of the amount of adjusted gross proceeds or tax

liability originally reported on the tax return, any additional tax determined to be due may be assessed within six years after the due date of the tax return, or six years after the tax return was filed, whichever period expires later. An action may be brought although the person owing the fees or tax is not presently licensed.

~~12.~~ 1. Institute an action in any district court for declaratory or injunctive relief against a person, whether or not the person is a gaming licensee, as the attorney general deems necessary to prevent noncompliance with this chapter or gaming rules.

~~13.~~ m. For good cause, require a licensed organization to use the attorney general's recordkeeping system for any or all games.

2. Based on evidence obtained by the attorney general demonstrating a person violated this chapter or a gaming rule, which could result in the revocation or suspension of a site authorization or an organization's gaming license or the imposition of a monetary fine of one thousand dollars or more, the attorney general shall hold a hearing to determine whether a violation occurred. The attorney general shall designate the time and place for the hearing and provide notice to the person accused of the violation at least forty-five days before the hearing. The parties may present evidence, and examine and cross-examine witnesses, as provided under sections 28-32-24 and 28-32-35. The hearing must be recorded on video and broadcast live.

3. Within thirty days of the attorney general issuing an order under this section, a person may appeal the order to the district court of the county where the person is domiciled or Burleigh County district court. An order of the attorney general must be stayed pending the judgment or order of the district court and, if appealed to the supreme court under section 28-32-49, pending the final adjudication.

SECTION 4. APPROPRIATION - ATTORNEY GENERAL - GAMING COMMISSION -

ONE-TIME FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$25,000, or so much of the sum as may be necessary, to the attorney general for the purpose of defraying the costs of operations of the gaming commission, for the biennium beginning July 1, 2025, and ending June 30, 2027. The appropriation in this section is considered a one-time funding item.

**REPORT OF STANDING COMMITTEE
SB 2224**

Judiciary Committee (Rep. Klemin, Chairman) recommends **AMENDMENTS** ([25.1099.01007](#)) and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). SB 2224 was placed on the Sixth order on the calendar.

25.1099.01007
Title.

Prepared by the Legislative Council
staff for Representative McLeod
April 14, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2224

Introduced by

Senators Myrdal, Luick

1 A BILL ~~for an Act to amend and reenact section 53-06.1-01.1 of the North Dakota Century-~~
2 ~~Code, relating to the abolition of the gaming commission and the authorization of the attorney-~~
3 ~~general to administer and regulate gaming.~~ for an Act to amend and reenact section
4 53-06.1-01.1, subsection 3 of section 53-06.1-14, and section 53-06.1-15.1 of the North Dakota
5 Century Code, relating to the gaming commission, gaming stamp requirements, and the
6 attorney general's regulation of gaming; and to provide an appropriation.

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

8 ~~SECTION 1. AMENDMENT. Section 53-06.1-01.1 of the North Dakota Century Code is~~
9 ~~amended and reenacted as follows:~~
10 ~~53-06.1-01.1. Gaming commission~~ Attorney general - Gaming - Rules.
11 ~~1. The state gaming commission consists of the chairman and four other members~~
12 ~~appointed by the governor, with the consent of the senate. The members serve~~
13 ~~three-year terms and until a successor is appointed and qualified. If the senate is not~~
14 ~~in session when the term of a member expires, the governor may make an interim~~
15 ~~appointment, and the interim appointee holds office until the senate confirms or rejects~~
16 ~~the appointment. A member appointed to fill a vacancy arising from other than the~~
17 ~~natural expiration of a term serves only for the unexpired portion of the term. The~~
18 ~~terms of the commissioners must be staggered so no more than two terms expire~~
19 ~~each July first.~~

1 ~~2. A person is ineligible for appointment to the commission if that person has not been a~~
2 ~~resident of this state for at least two years before the date of appointment. A person is~~
3 ~~also ineligible if that person is not of such character and reputation as to promote~~
4 ~~public confidence in the administration of gaming in this state. A person is also~~
5 ~~ineligible if that person has been convicted of a felony criminal offense or has pled~~
6 ~~guilty or been found guilty of any violation of chapter 12.1-06, 12.1-08, 12.1-09,~~
7 ~~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~~
8 ~~has pled guilty or been found guilty of any violation of section 6-08-16 or 6-08-16.2, or~~
9 ~~has pled guilty or been found guilty of any offense or violation that has a direct bearing~~
10 ~~on the person's fitness to be involved in gaming, or who has committed an equivalent~~
11 ~~offense or violation of the laws of another state or of the United States. A person who~~
12 ~~has a financial interest in gaming or is an employee or a member of the gaming~~
13 ~~committee of a licensed organization or distributor cannot be a member of the~~
14 ~~commission. For the purpose of this subsection, a financial interest includes the~~
15 ~~receiving of any direct payment from an eligible organization for property, services, or~~
16 ~~facilities provided to that organization.~~

17 ~~3. Commission members are entitled to seventy-five dollars per day for compensation for~~
18 ~~each day spent on commission duties and mileage and expense reimbursement as~~
19 ~~allowed to other state employees.~~

20 ~~4. The commission attorney general shall adopt rules in accordance with chapter 28-32, to~~
21 ~~administer and regulate the gaming industry, including methods:~~

22 ~~1. Methods of conduct, play, and promotion of games; minimum~~

23 ~~2. Minimum procedures and standards for recordkeeping and internal control; requiring~~

24 ~~3. Requiring tax returns and reports from organizations or distributors; methods~~

25 ~~4. Methods of competition and doing business by distributors and manufacturers;~~
26 ~~acquisition~~

27 ~~5. Acquisition and use of gaming equipment; quality~~

28 ~~6. Quality standards or specifications for the manufacture of pull tabs, paper bingo cards,~~
29 ~~electronic pull tab devices, pull tab dispensing devices, bingo card marking devices,~~
30 ~~and fifty-fifty raffle systems; to~~

- ~~7. To ensure that net proceeds are used for educational, charitable, patriotic, fraternal,~~
- ~~religious, or public spirited uses; to~~
- ~~8. To protect and promote the public interest; to~~
- ~~9. To ensure fair and honest games; to~~
- ~~10. To ensure that fees and taxes are paid; and to~~
- ~~11. To prevent and detect unlawful gambling activity.~~

SECTION 1. AMENDMENT. Section 53-06.1-01.1 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-01.1. Gaming commission.

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 no more than two terms expire each July first.
2. ~~A person~~An individual is ineligible for appointment to the commission if ~~that person~~the individual has not been a resident of this state for at least two years before the date of appointment. ~~A person~~An individual is also ineligible if ~~that person~~the individual is not of such character and reputation as to promote public confidence in the administration of gaming in this state. ~~A person~~An individual is also ineligible if ~~that person~~the individual has been convicted of a felony criminal offense or has pled guilty or been found guilty 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 found guilty of any violation of section 6-08-16 or 6-08-16.2, or has pled guilty or been found guilty of any offense or violation that has a direct bearing on the ~~person's~~individual's fitness to be involved in gaming, or who has committed an equivalent offense or violation of the laws of another state or of the United States. ~~A person~~An individual who has a financial interest in gaming or is an employee or a

1 member of the gaming committee of a licensed organization or distributor cannot be a
2 member of the commission. For the purpose of this subsection, a financial interest
3 includes the receiving of any direct payment from an eligible organization for property,
4 services, or facilities provided to that organization.

5 3. Commission members are entitled to ~~seventy five dollars~~the amount under
6 subsection 1 of section 54-03-20 per day for compensation for each day spent on
7 commission duties and mileage and expense reimbursement as allowed to other state
8 employees. The commission shall meet at least quarterly. The commission may hold
9 an executive session under section 44-04-19.2.

10 4. The commission shall adopt rules in accordance with chapter 28-32, to administer and
11 regulate the gaming industry, including methods of conduct, play, and promotion of
12 games; minimum procedures and standards for recordkeeping and internal control;
13 requiring tax returns and reports from organizations or distributors; methods of
14 competition and doing business by distributors and manufacturers; acquisition and use
15 of gaming equipment; quality standards or specifications for the manufacture of pull
16 tabs, paper bingo cards, electronic pull tab devices, pull tab dispensing devices, bingo
17 card marking devices, and fifty-fifty raffle systems; to ensure that net proceeds are
18 used for educational, charitable, patriotic, fraternal, religious, or public-spirited uses; to
19 protect and promote the public interest; to ensure fair and honest games; to ensure
20 that fees and taxes are paid; and to prevent and detect unlawful gambling activity.

21 **SECTION 2. AMENDMENT.** Subsection 3 of section 53-06.1-14 of the North Dakota
22 Century Code is amended and reenacted as follows:

23 3. A licensed distributor shall affix a North Dakota gaming stamp to each deal of paper
24 pull tabs, raffle board, punchboard, sports pool board, calcutta board, and series of
25 paddlewheel ticket cards sold or otherwise provided to a licensed organization or
26 organization that has a permit and shall purchase the stamps from the attorney
27 general for thirty-five cents each. Ten cents of each stamp sold by the attorney
28 general, up to thirty-six thousand dollars per biennium, must be credited to the
29 attorney general's operating fund to defray the costs of issuing and administering the
30 gaming stamps. If an organization hosts an event with a raffle board and only sells

1 numbered squares on the day of event, the organization is exempt from the
2 requirements under this subsection.

3 **SECTION 3. AMENDMENT.** Section 53-06.1-15.1 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **53-06.1-15.1. Authority of the attorney general - Penalty - Hearing - Appeal.**

6 1. The attorney general may:

7 ~~1.~~ a. Inspect all sites in which gaming is conducted or inspect all premises where
8 gaming equipment is manufactured or distributed. The attorney general may
9 require a licensed manufacturer to reimburse the attorney general for the
10 reasonable actual cost of transportation, lodging, meals, and incidental expenses
11 incurred in inspecting the manufacturer's facility.

12 ~~2.~~ b. Inspect all gaming equipment and supplies.

13 ~~3.~~ c. Seize, remove, or impound any gaming equipment, supplies, games, or books
14 and records for the purpose of examination and inspection.

15 ~~4.~~ d. Demand access to and inspect, examine, photocopy, and audit all books and
16 records of applicants, organizations, lessors, manufacturers, distributors, and
17 affiliated companies concerning any income, expense, or use of net proceeds,
18 and determine compliance with this chapter or gaming rules.

19 ~~5.~~ e. Permit the commissioner or proper representative of the internal revenue service
20 of the United States to inspect a tax return or furnish a copy of the tax return, or
21 information concerning any item contained in the return, or disclosed by any audit
22 or investigation report of the gaming activity of any organization or player, or
23 recordkeeping information. However, information cannot be disclosed to the
24 extent that the attorney general determines that the disclosure would identify a
25 confidential informant or seriously impair any civil or criminal investigation.

26 Except when directed by judicial order, or for pursuing civil or criminal charges
27 regarding a violation of this chapter or a gaming rule, or as is provided by law, the
28 attorney general may not divulge nor make known, to any person, any income or
29 expense item contained in any tax return or disclosed by an audit or investigative
30 report of any taxpayer provided to the attorney general by the internal revenue
31 service.

1 ~~6.~~ f. Require a representative of a licensed organization or distributor to participate in
2 training or for good cause prohibit the person from being involved in gaming as
3 an employee or volunteer. The attorney general may for good cause prohibit a
4 person from providing personal or business services to an organization or
5 distributor.

6 ~~7.~~ g. Prohibit a person from playing games if the person violates this chapter, chapter
7 12.1-28 or 53-06.2, or a gaming rule.

8 ~~8.~~ h. Require or authorize an organization to pay or prohibit an organization from
9 paying a bingo, electronic quick shot bingo, or raffle prize to a player on a dispute
10 or based on a factual determination or a hearing by the attorney general.

11 ~~9.~~ i. Based on reasonable ground or written complaint, suspend, deny, or revoke an
12 organization's permit or an organization's, distributor's, or manufacturer's
13 application or license for violation, by the organization, distributor, or
14 manufacturer or any officer, director, agent, member, or employee of the
15 organization, distributor, or manufacturer, of this chapter or any gaming rule.

16 ~~10.~~ j. Impose a monetary fine on a licensed organization, organization that has a
17 permit, distributor, manufacturer, or third-party business operating gaming and
18 working as an agent of the charity for failure to comply with this chapter or any
19 gaming rule. The monetary fine for each violation by an organization is a
20 minimum of twenty-five dollars and may not exceed two percent of the
21 organization's average quarterly gross proceeds, or five thousand dollars,
22 whichever is greater. The monetary fine for each violation by a distributor is a
23 minimum of one hundred dollars and may not exceed five thousand dollars. The
24 monetary fine for each violation by a manufacturer is a minimum of five hundred
25 dollars and may not exceed two hundred fifty thousand dollars. This fine may be
26 in addition to or in place of a license suspension or revocation.

27 ~~11.~~ k. At any time within three years after any amount of fees, monetary fine, interest,
28 penalty, or tax required to be paid pursuant to this chapter becomes due, bring a
29 civil action to collect the amount due. However, if for any reason there is a
30 change in adjusted gross proceeds or tax liability by an amount which is in
31 excess of twenty-five percent of the amount of adjusted gross proceeds or tax

liability originally reported on the tax return, any additional tax determined to be due may be assessed within six years after the due date of the tax return, or six years after the tax return was filed, whichever period expires later. An action may be brought although the person owing the fees or tax is not presently licensed.

~~12.~~ 1. Institute an action in any district court for declaratory or injunctive relief against a person, whether or not the person is a gaming licensee, as the attorney general deems necessary to prevent noncompliance with this chapter or gaming rules.

~~13.~~ m. For good cause, require a licensed organization to use the attorney general's recordkeeping system for any or all games.

2. Based on evidence obtained by the attorney general demonstrating a person violated this chapter or a gaming rule, which could result in the revocation or suspension of a site authorization or an organization's gaming license or the imposition of a monetary fine of one thousand dollars or more, the attorney general shall hold a hearing to determine whether a violation occurred. The attorney general shall designate the time and place for the hearing and provide notice to the person accused of the violation at least forty-five days before the hearing. The parties may present evidence, and examine and cross-examine witnesses, as provided under sections 28-32-24 and 28-32-35. The hearing must be recorded on video and broadcast live.

3. Within thirty days of the attorney general issuing an order under this section, a person may appeal the order to the district court of the county where the person is domiciled or Burleigh County district court. An order of the attorney general must be stayed pending the judgment or order of the district court and, if appealed to the supreme court under section 28-32-49, pending the final adjudication.

SECTION 4. APPROPRIATION - ATTORNEY GENERAL - GAMING COMMISSION - ONE-TIME FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$25,000, or so much of the sum as may be necessary, to the attorney general for the purpose of defraying the costs of operations of the gaming commission, for the biennium beginning July 1, 2025, and ending June 30, 2027. The appropriation in this section is considered a one-time funding item.

2025 CONFERENCE COMMITTEE

SB 2224

2025 SENATE STANDING COMMITTEE MINUTES

Judiciary Committee
Peace Garden Room, State Capitol

SB 2224
4/22/2025
Conference Committee

Relating to the abolition of the gaming commission and the authorization of the attorney general to administer and regulate gaming.

8:03 a.m. Chair Myrdal opened the meeting.

Members present:

Chair Myrdal, Senators: Larson and Luick and Representatives: McLeod, Henderson, and Schneider.

Discussion Topics:

- Role of the gaming commission
- Timeline for Attorney General actions

8:03 a.m. Committee discussed why specific language was added in House amendments to SB 2224.

8:09 a.m. Committee debated the timing and transparency of amendments and questioned necessity given minimal past issues.

8:19 a.m. Committee debated keeping oversight language and agreed to investigate revisions with another meeting.

8:22 a.m. Chair Myrdal closed the meeting.

Kendra McCann, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Judiciary Committee
Peace Garden Room, State Capitol

SB 2224
4/23/2025
Conference Committee

Relating to the abolition of the gaming commission and the authorization of the attorney general to administer and regulate gaming.

9:30 a.m. Chair Myrdal opened the meeting.

Members present:

Chair Myrdal, Senators: Larson and Luick and Representatives: McLeod, Henderson, and Schneider.

Discussion Topics:

- Attorney General's authority
- Appeal timelines

9:30 a.m. Representative Schneider introduced original House Amendment LC# 25.1099.01007, introduced proposed amendment and submitted testimony #45144 and #45145.

9:39 a.m. Courtney Titus, Office of Attorney General, answered committee questions.

9:40 a.m. Recessed hearing.

9:46 a.m. Reconvened hearing.

9:46 a.m. Courtney Titus, Office of Attorney General, answered committee questions.

9:47 a.m. Representative Klemin further commented on amendments.

9:51 a.m. Representative Henderson moved amendment LC# 25.1099.01008 in place of House amendments LC# 25.1099.01007.

9:51 a.m. Senator Larson seconded.

9:52 a.m. Roll Call Vote - Motion Passed 5-0-1.

9:52 a.m. Senator Myrdal will carry the bill.

9:52 a.m. Representative Schneider will carry the bill.

9:55 a.m. Chair Myrdal adjourned.

Kendra McCann, Committee Clerk

April 23, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

CO
4/23/25
1047

SENATE BILL NO. 2224

Introduced by

Senators Myrdal, Luick

In place of amendment (25.1099.01007) adopted by the House, Senate Bill No. 2224 is amended by amendment (25.1099.01008) as follows:

1 A BILL ~~for an Act to amend and reenact section 53-06.1-01.1 of the North Dakota Century~~
2 ~~Code, relating to the abolition of the gaming commission and the authorization of the attorney~~
3 ~~general to administer and regulate gaming; for an Act to amend and reenact section~~
4 53-06.1-01.1, subsection 3 of section 53-06.1-14, and section 53-06.1-15.1 of the North Dakota
5 Century Code, relating to the gaming commission, gaming stamp requirements, and the
6 attorney general's regulation of gaming; to provide a penalty; and to provide an appropriation.

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

8 ~~— SECTION 1. AMENDMENT. Section 53-06.1-01.1 of the North Dakota Century Code is~~
9 ~~amended and reenacted as follows:~~
10 ~~— 53-06.1-01.1. Gaming commissionAttorney general – Gaming – Rules.~~
11 ~~— 1. The state gaming commission consists of the chairman and four other members~~
12 ~~appointed by the governor, with the consent of the senate. The members serve~~
13 ~~three-year terms and until a successor is appointed and qualified. If the senate is not~~
14 ~~in session when the term of a member expires, the governor may make an interim~~
15 ~~appointment, and the interim appointee holds office until the senate confirms or rejects~~
16 ~~the appointment. A member appointed to fill a vacancy arising from other than the~~
17 ~~natural expiration of a term serves only for the unexpired portion of the term. The~~
18 ~~terms of the commissioners must be staggered so no more than two terms expire~~
19 ~~each July first.~~

- 1 ~~2. A person is ineligible for appointment to the commission if that person has not been a~~
2 ~~resident of this state for at least two years before the date of appointment. A person is~~
3 ~~also ineligible if that person is not of such character and reputation as to promote~~
4 ~~public confidence in the administration of gaming in this state. A person is also~~
5 ~~ineligible if that person has been convicted of a felony criminal offense or has pled~~
6 ~~guilty or been found guilty of any violation of chapter 12.1-06, 12.1-08, 12.1-09,~~
7 ~~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~~
8 ~~has pled guilty or been found guilty of any violation of section 6-08-16 or 6-08-16.2, or~~
9 ~~has pled guilty or been found guilty of any offense or violation that has a direct bearing~~
10 ~~on the person's fitness to be involved in gaming, or who has committed an equivalent~~
11 ~~offense or violation of the laws of another state or of the United States. A person who~~
12 ~~has a financial interest in gaming or is an employee or a member of the gaming~~
13 ~~committee of a licensed organization or distributor cannot be a member of the~~
14 ~~commission. For the purpose of this subsection, a financial interest includes the~~
15 ~~receiving of any direct payment from an eligible organization for property, services, or~~
16 ~~facilities provided to that organization.~~
- 17 ~~3. Commission members are entitled to seventy-five dollars per day for compensation for~~
18 ~~each day spent on commission duties and mileage and expense reimbursement as~~
19 ~~allowed to other state employees.~~
- 20 ~~4. The commission attorney general shall adopt rules in accordance with chapter 28-32, to~~
21 ~~administer and regulate the gaming industry, including methods:~~

 - 22 ~~1. Methods of conduct, play, and promotion of games; minimum~~
 - 23 ~~2. Minimum procedures and standards for recordkeeping and internal control; requiring~~
 - 24 ~~3. Requiring tax returns and reports from organizations or distributors; methods~~
 - 25 ~~4. Methods of competition and doing business by distributors and manufacturers;~~
26 ~~acquisition~~
 - 27 ~~5. Acquisition and use of gaming equipment; quality~~
 - 28 ~~6. Quality standards or specifications for the manufacture of pull tabs, paper bingo cards,~~
29 ~~electronic pull tab devices, pull tab dispensing devices, bingo card marking devices,~~
30 ~~and fifty-fifty raffle systems; to~~

- 1 ~~7. To ensure that net proceeds are used for educational, charitable, patriotic, fraternal,~~
- 2 ~~religious, or public spirited uses; to~~
- 3 ~~8. To protect and promote the public interest; to~~
- 4 ~~9. To ensure fair and honest games; to~~
- 5 ~~10. To ensure that fees and taxes are paid; and to~~
- 6 ~~11. To prevent and detect unlawful gambling activity.~~

7 **SECTION 1. AMENDMENT.** Section 53-06.1-01.1 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **53-06.1-01.1. Gaming commission.**

- 10 1. The state gaming commission consists of the chairman and four other members
11 appointed by the governor, with the consent of the senate. The members serve
12 three-year terms and until a successor is appointed and qualified. If the senate is not
13 in session when the term of a member expires, the governor may make an interim
14 appointment, and the interim appointee holds office until the senate confirms or rejects
15 the appointment. A member appointed to fill a vacancy arising from other than the
16 natural expiration of a term serves only for the unexpired portion of the term. The
17 terms of the commissioners must be staggered so no more than two terms expire
18 each July first.
- 19 2. ~~A person~~An individual is ineligible for appointment to the commission if ~~that person~~the
20 individual has not been a resident of this state for at least two years before the date of
21 appointment. ~~A person~~An individual is also ineligible if ~~that person~~the individual is not
22 of such character and reputation as to promote public confidence in the administration
23 of gaming in this state. ~~A person~~An individual is also ineligible if ~~that person~~the
24 individual has been convicted of a felony criminal offense or has pled guilty or been
25 found guilty of any violation of chapter 12.1-06, 12.1-08, 12.1-09, 12.1-10, 12.1-11,
26 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
27 been found guilty of any violation of section 6-08-16 or 6-08-16.2, or has pled guilty or
28 been found guilty of any offense or violation that has a direct bearing on the
29 ~~person's~~individual's fitness to be involved in gaming, or who has committed an
30 equivalent offense or violation of the laws of another state or of the United States. ~~A~~
31 ~~person~~An individual who has a financial interest in gaming or is an employee or a

1 member of the gaming committee of a licensed organization or distributor cannot be a
2 member of the commission. For the purpose of this subsection, a financial interest
3 includes the receiving of any direct payment from an eligible organization for property,
4 services, or facilities provided to that organization.

- 5 3. Commission members are entitled to ~~seventy-five dollars~~ the amount under
6 subsection 1 of section 54-03-20 per day for compensation for each day spent on
7 commission duties and mileage and expense reimbursement as allowed to other state
8 employees. The commission shall meet at least quarterly. The commission may hold
9 an executive session under section 44-04-19.2.

- 10 4. The commission shall adopt rules in accordance with chapter 28-32, to administer and
11 regulate the gaming industry, including methods of conduct, play, and promotion of
12 games; minimum procedures and standards for recordkeeping and internal control;
13 requiring tax returns and reports from organizations or distributors; methods of
14 competition and doing business by distributors and manufacturers; acquisition and use
15 of gaming equipment; quality standards or specifications for the manufacture of pull
16 tabs, paper bingo cards, electronic pull tab devices, pull tab dispensing devices, bingo
17 card marking devices, and fifty-fifty raffle systems; to ensure that net proceeds are
18 used for educational, charitable, patriotic, fraternal, religious, or public-spirited uses; to
19 protect and promote the public interest; to ensure fair and honest games; to ensure
20 that fees and taxes are paid; and to prevent and detect unlawful gambling activity.

21 **SECTION 2. AMENDMENT.** Subsection 3 of section 53-06.1-14 of the North Dakota
22 Century Code is amended and reenacted as follows:

- 23 3. A licensed distributor shall affix a North Dakota gaming stamp to each deal of paper
24 pull tabs, raffle board, punchboard, sports pool board, calcutta board, and series of
25 paddlewheel ticket cards sold or otherwise provided to a licensed organization or
26 organization that has a permit and shall purchase the stamps from the attorney
27 general for thirty-five cents each. Ten cents of each stamp sold by the attorney
28 general, up to thirty-six thousand dollars per biennium, must be credited to the
29 attorney general's operating fund to defray the costs of issuing and administering the
30 gaming stamps. If an organization hosts an event with a raffle board and only sells

1 numbered squares on the day of event, the organization is exempt from the
2 requirements under this subsection.

3 **SECTION 3. AMENDMENT.** Section 53-06.1-15.1 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **53-06.1-15.1. Authority of the attorney general - Penalty - Hearing - Appeal.**

6 1. The attorney general may:

7 ~~1.~~ a. Inspect all sites in which gaming is conducted or inspect all premises where
8 gaming equipment is manufactured or distributed. The attorney general may
9 require a licensed manufacturer to reimburse the attorney general for the
10 reasonable actual cost of transportation, lodging, meals, and incidental expenses
11 incurred in inspecting the manufacturer's facility.

12 ~~2.~~ b. Inspect all gaming equipment and supplies.

13 ~~3.~~ c. Seize, remove, or impound any gaming equipment, supplies, games, or books
14 and records for the purpose of examination and inspection.

15 ~~4.~~ d. Demand access to and inspect, examine, photocopy, and audit all books and
16 records of applicants, organizations, lessors, manufacturers, distributors, and
17 affiliated companies concerning any income, expense, or use of net proceeds,
18 and determine compliance with this chapter or gaming rules.

19 ~~5.~~ e. Permit the commissioner or proper representative of the internal revenue service
20 of the United States to inspect a tax return or furnish a copy of the tax return, or
21 information concerning any item contained in the return, or disclosed by any audit
22 or investigation report of the gaming activity of any organization or player, or
23 recordkeeping information. However, information cannot be disclosed to the
24 extent that the attorney general determines that the disclosure would identify a
25 confidential informant or seriously impair any civil or criminal investigation.
26 Except when directed by judicial order, or for pursuing civil or criminal charges
27 regarding a violation of this chapter or a gaming rule, or as is provided by law, the
28 attorney general may not divulge nor make known, to any person, any income or
29 expense item contained in any tax return or disclosed by an audit or investigative
30 report of any taxpayer provided to the attorney general by the internal revenue
31 service.

- 1 ~~6.~~ f. Require a representative of a licensed organization or distributor to participate in
- 2 training or for good cause prohibit the person from being involved in gaming as
- 3 an employee or volunteer. The attorney general may for good cause prohibit a
- 4 person from providing personal or business services to an organization or
- 5 distributor.
- 6 ~~7.~~ g. Prohibit a person from playing games if the person violates this chapter, chapter
- 7 12.1-28 or 53-06.2, or a gaming rule.
- 8 ~~8.~~ h. Require or authorize an organization to pay or prohibit an organization from
- 9 paying a bingo, electronic quick shot bingo, or raffle prize to a player on a dispute
- 10 or based on a factual determination or a hearing by the attorney general.
- 11 ~~9.~~ i. Based on reasonable ground or written complaint, suspend, deny, or revoke an
- 12 organization's permit or an organization's, distributor's, or manufacturer's
- 13 application or license for violation, by the organization, distributor, or
- 14 manufacturer or any officer, director, agent, member, or employee of the
- 15 organization, distributor, or manufacturer, of this chapter or any gaming rule.
- 16 ~~10.~~ j. Impose a monetary fine on a licensed organization, organization that has a
- 17 permit, distributor, manufacturer, or third-party business operating gaming and
- 18 working as an agent of the charity for failure to comply with this chapter or any
- 19 gaming rule. The monetary fine for each violation by an organization is a
- 20 minimum of twenty-five dollars and may not exceed two percent of the
- 21 organization's average quarterly gross proceeds, or five thousand dollars,
- 22 whichever is greater. The monetary fine for each violation by a distributor is a
- 23 minimum of one hundred dollars and may not exceed five thousand dollars. The
- 24 monetary fine for each violation by a manufacturer is a minimum of five hundred
- 25 dollars and may not exceed two hundred fifty thousand dollars. This fine may be
- 26 in addition to or in place of a license suspension or revocation.
- 27 ~~11.~~ k. At any time within three years after any amount of fees, monetary fine, interest,
- 28 penalty, or tax required to be paid pursuant to this chapter becomes due, bring a
- 29 civil action to collect the amount due. However, if for any reason there is a
- 30 change in adjusted gross proceeds or tax liability by an amount which is in
- 31 excess of twenty-five percent of the amount of adjusted gross proceeds or tax

- 1 liability originally reported on the tax return, any additional tax determined to be
2 due may be assessed within six years after the due date of the tax return, or six
3 years after the tax return was filed, whichever period expires later. An action may
4 be brought although the person owing the fees or tax is not presently licensed.
- 5 ~~12.~~ l. Institute an action in any district court for declaratory or injunctive relief against a
6 person, whether or not the person is a gaming licensee, as the attorney general
7 deems necessary to prevent noncompliance with this chapter or gaming rules.
- 8 ~~13.~~ m. For good cause, require a licensed organization to use the attorney general's
9 recordkeeping system for any or all games.
- 10 n. Informally discuss a potential violation with a person or educate, negotiate, or
11 mediate to resolve a potential violation, including a violation under subdivision j.
- 12 2. If informal measures under subdivision n of subsection 1 do not resolve the matter,
13 based on evidence obtained by the attorney general demonstrating a person violated
14 this chapter or a gaming rule, which could result in the revocation or suspension of a
15 site authorization or an organization's gaming license or the imposition of a monetary
16 fine of one thousand dollars or more, the attorney general may hold a hearing to
17 determine whether a violation occurred. The hearing must be conducted in
18 accordance with section 28-32-35.
- 19 3. Within thirty days of the attorney general issuing an order under this section, a person
20 may appeal the order to the district court of the county where the person is domiciled
21 or Burleigh County district court. An order of the attorney general must be stayed
22 pending the time to appeal to the district court.

23 **SECTION 4. APPROPRIATION - ATTORNEY GENERAL - GAMING COMMISSION -**
24 **ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state
25 treasury, not otherwise appropriated, the sum of \$25,000, or so much of the sum as may be
26 necessary, to the attorney general for the purpose of defraying the costs of operations of the
27 gaming commission, for the biennium beginning July 1, 2025, and ending June 30, 2027. The
28 appropriation in this section is considered a one-time funding item.

SB 2224 042325 0953 AM Roll Call Vote

Final Recommendation

SB 2224**Date Submitted:** April 23, 2025, 9:53 a.m.**Recommendation:** In Place Of**Amendment LC #:** 25.1099.01008**Engrossed LC #:** 25.1099.02000**Description:****Motioned By:** Henderson, Donna**Seconded By:** Larson, Diane**House Carrier:** Schneider, Mary**Senate Carrier:** Myrdal, Janne**Emergency Clause:** None**Vote Results:** 5 - 0 - 1

Sen. Myrdal, Janne	Yea
Sen. Larson, Diane	Yea
Sen. Luick, Larry	Absent
Rep. McLeod, Carrie	Yea
Rep. Henderson, Donna	Yea
Rep. Schneider, Mary	Yea

**REPORT OF CONFERENCE COMMITTEE
SB 2224**

Your conference committee (Sens. Myrdal, Larson, Luick and Reps. McLeod, Henderson, Schneider) recommends that in place of amendment [25.1099.01007](#) adopted by the House, SB 2224 is amended by amendment [25.1099.01008](#).

SB 2224 was placed on the Seventh order of business on the calendar.

25.1099.01007
Title.02000

Prepared by the Legislative Council
staff for Representative McLeod
April 14, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2224

Introduced by

Senators Myrdal, Luick

1 A BILL ~~for an Act to amend and reenact section 53-06.1-01.1 of the North Dakota Century~~
2 ~~Code, relating to the abolition of the gaming commission and the authorization of the attorney~~
3 ~~general to administer and regulate gaming; for an Act to amend and reenact section~~
4 ~~53-06.1-01.1, subsection 3 of section 53-06.1-14, and section 53-06.1-15.1 of the North Dakota~~
5 ~~Century Code, relating to the gaming commission, gaming stamp requirements, and the~~
6 ~~attorney general's regulation of gaming; to provide a penalty; and to provide an appropriation.~~

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

8 ~~SECTION 1. AMENDMENT. Section 53-06.1-01.1 of the North Dakota Century Code is~~
9 ~~amended and reenacted as follows:~~

10 ~~53-06.1-01.1. Gaming commissionAttorney general – Gaming – Rules.~~

11 ~~1. The state gaming commission consists of the chairman and four other members~~
12 ~~appointed by the governor, with the consent of the senate. The members serve~~
13 ~~three-year terms and until a successor is appointed and qualified. If the senate is not~~
14 ~~in session when the term of a member expires, the governor may make an interim~~
15 ~~appointment, and the interim appointee holds office until the senate confirms or rejects~~
16 ~~the appointment. A member appointed to fill a vacancy arising from other than the~~
17 ~~natural expiration of a term serves only for the unexpired portion of the term. The~~
18 ~~terms of the commissioners must be staggered so no more than two terms expire~~
19 ~~each July first.~~

- 1 ~~2. A person is ineligible for appointment to the commission if that person has not been a~~
2 ~~resident of this state for at least two years before the date of appointment. A person is~~
3 ~~also ineligible if that person is not of such character and reputation as to promote~~
4 ~~public confidence in the administration of gaming in this state. A person is also~~
5 ~~ineligible if that person has been convicted of a felony criminal offense or has pled~~
6 ~~guilty or been found guilty of any violation of chapter 12.1-06, 12.1-08, 12.1-09,~~
7 ~~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~~
8 ~~has pled guilty or been found guilty of any violation of section 6-08-16 or 6-08-16.2, or~~
9 ~~has pled guilty or been found guilty of any offense or violation that has a direct bearing~~
10 ~~on the person's fitness to be involved in gaming, or who has committed an equivalent~~
11 ~~offense or violation of the laws of another state or of the United States. A person who~~
12 ~~has a financial interest in gaming or is an employee or a member of the gaming~~
13 ~~committee of a licensed organization or distributor cannot be a member of the~~
14 ~~commission. For the purpose of this subsection, a financial interest includes the~~
15 ~~receiving of any direct payment from an eligible organization for property, services, or~~
16 ~~facilities provided to that organization.~~
- 17 ~~3. Commission members are entitled to seventy-five dollars per day for compensation for~~
18 ~~each day spent on commission duties and mileage and expense reimbursement as~~
19 ~~allowed to other state employees.~~
- 20 ~~4. The commission attorney general shall adopt rules in accordance with chapter 28-32, to~~
21 ~~administer and regulate the gaming industry, including methods:~~
 - 22 ~~1. Methods of conduct, play, and promotion of games; minimum~~
 - 23 ~~2. Minimum procedures and standards for recordkeeping and internal control; requiring~~
 - 24 ~~3. Requiring tax returns and reports from organizations or distributors; methods~~
 - 25 ~~4. Methods of competition and doing business by distributors and manufacturers;~~
26 ~~acquisition~~
 - 27 ~~5. Acquisition and use of gaming equipment; quality~~
 - 28 ~~6. Quality standards or specifications for the manufacture of pull tabs, paper bingo cards,~~
29 ~~electronic pull tab devices, pull tab dispensing devices, bingo card marking devices,~~
30 ~~and fifty-fifty raffle systems; to~~

- ~~7. To ensure that net proceeds are used for educational, charitable, patriotic, fraternal,~~
- ~~religious, or public spirited uses; to~~
- ~~8. To protect and promote the public interest; to~~
- ~~9. To ensure fair and honest games; to~~
- ~~10. To ensure that fees and taxes are paid; and to~~
- ~~11. To prevent and detect unlawful gambling activity.~~

SECTION 1. AMENDMENT. Section 53-06.1-01.1 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-01.1. Gaming commission.

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 no more than two terms expire each July first.
2. ~~A person~~An individual is ineligible for appointment to the commission if ~~that person~~the individual has not been a resident of this state for at least two years before the date of appointment. ~~A person~~An individual is also ineligible if ~~that person~~the individual is not of such character and reputation as to promote public confidence in the administration of gaming in this state. ~~A person~~An individual is also ineligible if ~~that person~~the individual has been convicted of a felony criminal offense or has pled guilty or been found guilty 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 found guilty of any violation of section 6-08-16 or 6-08-16.2, or has pled guilty or been found guilty of any offense or violation that has a direct bearing on the ~~person's~~individual's fitness to be involved in gaming, or who has committed an equivalent offense or violation of the laws of another state or of the United States. ~~A person~~An individual who has a financial interest in gaming or is an employee or a

1 member of the gaming committee of a licensed organization or distributor cannot be a
2 member of the commission. For the purpose of this subsection, a financial interest
3 includes the receiving of any direct payment from an eligible organization for property,
4 services, or facilities provided to that organization.

5 3. Commission members are entitled to ~~seventy-five dollars~~the amount under
6 subsection 1 of section 54-03-20 per day for compensation for each day spent on
7 commission duties and mileage and expense reimbursement as allowed to other state
8 employees. The commission shall meet at least quarterly. The commission may hold
9 an executive session under section 44-04-19.2.

10 4. The commission shall adopt rules in accordance with chapter 28-32, to administer and
11 regulate the gaming industry, including methods of conduct, play, and promotion of
12 games; minimum procedures and standards for recordkeeping and internal control;
13 requiring tax returns and reports from organizations or distributors; methods of
14 competition and doing business by distributors and manufacturers; acquisition and use
15 of gaming equipment; quality standards or specifications for the manufacture of pull
16 tabs, paper bingo cards, electronic pull tab devices, pull tab dispensing devices, bingo
17 card marking devices, and fifty-fifty raffle systems; to ensure that net proceeds are
18 used for educational, charitable, patriotic, fraternal, religious, or public-spirited uses; to
19 protect and promote the public interest; to ensure fair and honest games; to ensure
20 that fees and taxes are paid; and to prevent and detect unlawful gambling activity.

21 **SECTION 2. AMENDMENT.** Subsection 3 of section 53-06.1-14 of the North Dakota

22 Century Code is amended and reenacted as follows:

23 3. A licensed distributor shall affix a North Dakota gaming stamp to each deal of paper
24 pull tabs, raffle board, punchboard, sports pool board, calcutta board, and series of
25 paddlewheel ticket cards sold or otherwise provided to a licensed organization or
26 organization that has a permit and shall purchase the stamps from the attorney
27 general for thirty-five cents each. Ten cents of each stamp sold by the attorney
28 general, up to thirty-six thousand dollars per biennium, must be credited to the
29 attorney general's operating fund to defray the costs of issuing and administering the
30 gaming stamps. If an organization hosts an event with a raffle board and only sells

1 numbered squares on the day of event, the organization is exempt from the
2 requirements under this subsection.

3 **SECTION 3. AMENDMENT.** Section 53-06.1-15.1 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **53-06.1-15.1. Authority of the attorney general - Penalty - Hearing - Appeal.**

6 1. The attorney general may:

7 4. a. Inspect all sites in which gaming is conducted or inspect all premises where
8 gaming equipment is manufactured or distributed. The attorney general may
9 require a licensed manufacturer to reimburse the attorney general for the
10 reasonable actual cost of transportation, lodging, meals, and incidental expenses
11 incurred in inspecting the manufacturer's facility.

12 2. b. Inspect all gaming equipment and supplies.

13 3. c. Seize, remove, or impound any gaming equipment, supplies, games, or books
14 and records for the purpose of examination and inspection.

15 4. d. Demand access to and inspect, examine, photocopy, and audit all books and
16 records of applicants, organizations, lessors, manufacturers, distributors, and
17 affiliated companies concerning any income, expense, or use of net proceeds,
18 and determine compliance with this chapter or gaming rules.

19 5. e. Permit the commissioner or proper representative of the internal revenue service
20 of the United States to inspect a tax return or furnish a copy of the tax return, or
21 information concerning any item contained in the return, or disclosed by any audit
22 or investigation report of the gaming activity of any organization or player, or
23 recordkeeping information. However, information cannot be disclosed to the
24 extent that the attorney general determines that the disclosure would identify a
25 confidential informant or seriously impair any civil or criminal investigation.
26 Except when directed by judicial order, or for pursuing civil or criminal charges
27 regarding a violation of this chapter or a gaming rule, or as is provided by law, the
28 attorney general may not divulge nor make known, to any person, any income or
29 expense item contained in any tax return or disclosed by an audit or investigative
30 report of any taxpayer provided to the attorney general by the internal revenue
31 service.

- 1 | ~~6.~~ f. Require a representative of a licensed organization or distributor to participate in
2 | training or for good cause prohibit the person from being involved in gaming as
3 | an employee or volunteer. The attorney general may for good cause prohibit a
4 | person from providing personal or business services to an organization or
5 | distributor.
- 6 | ~~7.~~ g. Prohibit a person from playing games if the person violates this chapter, chapter
7 | 12.1-28 or 53-06.2, or a gaming rule.
- 8 | ~~8.~~ h. Require or authorize an organization to pay or prohibit an organization from
9 | paying a bingo, electronic quick shot bingo, or raffle prize to a player on a dispute
10 | or based on a factual determination or a hearing by the attorney general.
- 11 | ~~9.~~ i. Based on reasonable ground or written complaint, suspend, deny, or revoke an
12 | organization's permit or an organization's, distributor's, or manufacturer's
13 | application or license for violation, by the organization, distributor, or
14 | manufacturer or any officer, director, agent, member, or employee of the
15 | organization, distributor, or manufacturer, of this chapter or any gaming rule.
- 16 | ~~10.~~ j. Impose a monetary fine on a licensed organization, organization that has a
17 | permit, distributor, manufacturer, or third-party business operating gaming and
18 | working as an agent of the charity for failure to comply with this chapter or any
19 | gaming rule. The monetary fine for each violation by an organization is a
20 | minimum of twenty-five dollars and may not exceed two percent of the
21 | organization's average quarterly gross proceeds, or five thousand dollars,
22 | whichever is greater. The monetary fine for each violation by a distributor is a
23 | minimum of one hundred dollars and may not exceed five thousand dollars. The
24 | monetary fine for each violation by a manufacturer is a minimum of five hundred
25 | dollars and may not exceed two hundred fifty thousand dollars. This fine may be
26 | in addition to or in place of a license suspension or revocation.
- 27 | ~~11.~~ k. At any time within three years after any amount of fees, monetary fine, interest,
28 | penalty, or tax required to be paid pursuant to this chapter becomes due, bring a
29 | civil action to collect the amount due. However, if for any reason there is a
30 | change in adjusted gross proceeds or tax liability by an amount which is in
31 | excess of twenty-five percent of the amount of adjusted gross proceeds or tax

1 liability originally reported on the tax return, any additional tax determined to be
2 due may be assessed within six years after the due date of the tax return, or six
3 years after the tax return was filed, whichever period expires later. An action may
4 be brought although the person owing the fees or tax is not presently licensed.

5 ~~42.~~ l. Institute an action in any district court for declaratory or injunctive relief against a
6 person, whether or not the person is a gaming licensee, as the attorney general
7 deems necessary to prevent noncompliance with this chapter or gaming rules.

8 ~~43.~~ m. For good cause, require a licensed organization to use the attorney general's
9 recordkeeping system for any or all games.

10 2. Based on evidence obtained by the attorney general demonstrating a person violated
11 this chapter or a gaming rule, which could result in the revocation or suspension of a
12 site authorization or an organization's gaming license or the imposition of a monetary
13 fine of one thousand dollars or more, the attorney general shall hold a hearing to
14 determine whether a violation occurred. The attorney general shall designate the time
15 and place for the hearing and provide notice to the person accused of the violation at
16 least forty-five days before the hearing. The parties may present evidence, and
17 examine and cross-examine witnesses, as provided under sections 28-32-24 and
18 28-32-35. The hearing must be recorded on video and broadcast live.

19 3. Within thirty days of the attorney general issuing an order under this section, a person
20 may appeal the order to the district court of the county where the person is domiciled
21 or Burleigh County district court. An order of the attorney general must be stayed
22 pending the judgment or order of the district court and, if appealed to the supreme
23 court under section 28-32-49, pending the final adjudication.

24 **SECTION 4. APPROPRIATION - ATTORNEY GENERAL - GAMING COMMISSION -**

25 **ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state
26 treasury, not otherwise appropriated, the sum of \$25,000, or so much of the sum as may be
27 necessary, to the attorney general for the purpose of defraying the costs of operations of the
28 gaming commission, for the biennium beginning July 1, 2025, and ending June 30, 2027. The
29 appropriation in this section is considered a one-time funding item.

To address the Senate Conferees and Gaming concerns, the House proposes:

Page 7, new line 10, add:

n. Take steps to informally discuss a problem or issue with an individual or organization, or take steps to, educate, negotiate, or remediate with them to resolve a potential violation or violation, or levy fines pursuant to North Dakota Century Code Section 53-06.1-15.1, Subsection 10.

Reword current line 10 to read:

2. If informal measures do not resolve the matter, based on evidence...

On line 13 change shall to may.

On current line 16, remove the rest of the paragraph after the period and add:

The hearing shall be conducted in accordance with North Dakota Century Code 28-32-35.

In paragraph 3, change the second sentence to read:

An order of the attorney general must be stayed pending the time to appeal to district court. (30 days)