

Introduced by

Representatives Carlson, Porter, Streyle

Senator Laffen

1 A concurrent resolution to create and enact a new section to article XI of the Constitution of
2 North Dakota, relating to authorization for up to six state-owned casinos in the state which are
3 to be established as destination-oriented attractions; and to amend and reenact section 25 of
4 article XI of the Constitution of North Dakota, relating to exceptions to the prohibition on games
5 of chance.

6 **STATEMENT OF INTENT**

7 This measure would authorize the legislative assembly to provide by law for the authorization,
8 operation, and funding of up to six state-owned and operated casinos in the state which would
9 be established as destination-oriented attractions and which would be regulated by a casino
10 gaming commission.

11 **BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA, THE**
12 **SENATE CONCURRING THEREIN:**

13 That the following proposed new section to article XI of the Constitution of North Dakota
14 and the proposed amendment to section 25 of article XI of the Constitution of North Dakota are
15 agreed to and must be submitted to the qualified electors of North Dakota at the primary
16 election to be held in 2018, in accordance with section 16 of article IV of the Constitution of
17 North Dakota.

18 **SECTION 1. AMENDMENT.** Section 25 of article XI of the Constitution of North Dakota is
19 amended and reenacted as follows:

20 **Section 25.** The

21 1. Except as provided in subsection 2 and in section 2 of this Act, the legislative
22 assembly shall not authorize any game of chance, lottery, or gift enterprises, under
23 any pretense, or for any purpose whatever. However, the

24 2. The legislative assembly shall authorize the state of North Dakota to join a multi-state
25 lottery for the benefit of the state of North Dakota, and, the legislative assembly may

1 authorize by law bona fide nonprofit veterans', charitable, educational, religious, or
2 fraternal organizations, civic and service clubs, or such other public-spirited
3 organizations as it may recognize, to conduct games of chance when the entire net
4 proceeds of such games of chance are to be devoted to educational, charitable,
5 patriotic, fraternal, religious, or other public-spirited uses.

6 **SECTION 2.** A new section to article XI of the Constitution of North Dakota is created and
7 enacted as follows:

- 8 1. The legislative assembly may provide by law for the authorization, location, operation,
9 and funding of not more than six state-owned casinos in the state.
- 10 2. A casino authorized under this section must be established as a destination-oriented
11 attraction selected for the scenic, historic, recreational, and tourism advantages of the
12 site and the site's potential to contribute to the rural economic development of the
13 state. A casino authorized under this section may not be located within five miles of the
14 boundary of any city in the state with a population exceeding five thousand according
15 to the most recent decennial census at the time of authorization and may not be
16 located within twenty miles of the boundary of the largest contiguous portion of an
17 Indian reservation in this state.
- 18 3. A casino authorized under this section must be located on state-owned land. The
19 legislative assembly may provide for purchase or exchange of land, but the state may
20 not acquire land through exercise of the power of eminent domain for this purpose.
- 21 4. Funds of a casino authorized under this section must be deposited in the Bank of
22 North Dakota. The Bank of North Dakota may make, purchase, guarantee, or hold
23 loans for financing of a casino under this section and assist in arranging casino
24 financing. The state may issue revenue bonds or other evidences of indebtedness for
25 casino financing. The legislative assembly may not appropriate funds from the state
26 general fund and the state general fund may not be pledged as security for any loan
27 for casino financing. The legislative assembly may provide by law for transfer of net
28 profits from casino operations to the state general fund.
- 29 5. The state auditor annually shall audit or contract for an audit, in accordance with
30 generally accepted auditing standards, of any casino authorized under this section.

- 1 6. All employees of a casino authorized under this section must be subjected to a
2 nationwide criminal history record check. An individual under the age of twenty-one
3 may not be present or employed within the areas of a casino where gaming is
4 conducted.
- 5 7. The legislative assembly may provide by law for the conduct of gaming in a casino
6 authorized under this section. The legislative assembly shall authorize the casino
7 gaming commission to provide through administrative rules for the conduct of casino
8 gaming within the confines established by law. The legislative assembly shall prohibit
9 a casino authorized under this section from conducting a drawing or making other
10 awards except as a result of authorized gaming, but may authorize a casino to operate
11 a players club.
- 12 8. Notwithstanding any other provision of law or this Constitution, the legislative
13 assembly may provide by law for smoking and service of alcoholic beverages in parts
14 of the casino facility.
- 15 9. Each electronic gaming machine must be certified by the casino gaming commission
16 for use at a specific casino before it is placed in service. An electronic gaming machine
17 at a casino authorized under this section must pay out an average of not less than
18 ninety-two percent of the amount wagered over the life of the machine. An electronic
19 gaming machine at a casino authorized under this section must be linked directly to
20 the casino gaming commission system for monitoring and auditing and to provide data
21 for use by the casino gaming commission. The legislative assembly shall provide by
22 law for confidentiality of data deemed inappropriate for treatment as an open record
23 under law.
- 24 10. a. The casino gaming commission consists of seven members.
25 (1) The governor shall appoint one member for an initial term of two years.
26 (2) The state auditor shall appoint one member for an initial term of three years.
27 (3) The attorney general shall appoint one member for an initial term of four
28 years.
29 (4) The majority and minority leaders of the senate and the house of
30 representatives each shall appoint one member. Of the initial appointees
31 under this paragraph, as determined by lot, one member shall serve an

- 1 initial term of two years, one member shall serve an initial term of three
2 years, and two members shall serve an initial term of four years.
- 3 b. After the initial terms provided in this subsection, the term of each member is four
4 years. A member may not serve more than two full four-year terms. A vacancy
5 must be filled by the appointing authority for a full term or the remainder of an
6 unexpired term.
- 7 11. The legislative assembly may provide appropriations from the state general fund or
8 other funds for the support of the casino gaming commission and its staff. The
9 members of the casino gaming commission are entitled to reimbursement for
10 expenses as provided by law for state employees for attending commission meetings.