

SPORTS AND AMUSEMENTS

CHAPTER 395

SENATE BILL NO. 2311

(Senators Sorvaag, Flakoll, Schaible)
(Representatives Heilman, Kempenich, Kreun)

AN ACT to amend and reenact section 53-06.1-10.1 of the North Dakota Century Code, relating to cash prize limits for raffles.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 53-06.1-10.1 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-10.1. Raffles.

A prize for a raffle may be cash or merchandise but may not be real estate. No single cash prize may exceed four thousand dollars and the total cash prizes in one day may not exceed four thousand dollars. However, on not more than two occasions per year a licensed organization may, at the request of a winning player, exchange a merchandise prize valued at not more than twenty-five thousand dollars for a cash prize. The maximum cash prize limits of this section do not apply to a public-spirited organization that supports amateur collegiate athletics.

Approved March 26, 2013
Filed March 27, 2013

CHAPTER 396**SENATE BILL NO. 2177**

(Senators Miller, Dotzenrod)
(Representatives Kempenich, Maragos, Nathe)

AN ACT to amend and reenact subdivision b of subsection 5 of section 53-06.1-11 of the North Dakota Century Code, relating to rent allowed for gaming machines.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subdivision b of subsection 5 of section 53-06.1-11 of the North Dakota Century Code is amended and reenacted as follows:

- b. If twenty-one and paddlewheels are not conducted but pull tabs is conducted involving ~~either~~ a jar bar or dispensing device, ~~but not~~ both, the monthly rent may not exceed ~~two hundred seventy five~~ four hundred dollars. ~~If pull tabs is conducted involving both a jar bar and dispensing device, the monthly rent for pull tabs may not exceed three hundred dollars.~~

Approved March 18, 2013
Filed March 18, 2013

CHAPTER 397

SENATE BILL NO. 2163

(Senators Grindberg, Oehlke, Nelson)
(Representatives Hatlestad, Hawken, Delmore)

AN ACT to amend and reenact section 53-06.1-12 of the North Dakota Century Code, relating to gaming taxes.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 53-06.1-12 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-12. Gaming tax - Deposits and allocations.

1. A gaming tax is imposed on the total gross proceeds received by a licensed organization in a quarter and it must be computed and paid to the attorney general on a quarterly basis on the tax return. This tax must be paid from adjusted gross proceeds and is not part of the allowable expenses. ~~The tax rate for~~ For a licensed organization with gross proceeds:
 - a. ~~Not exceeding five hundred thousand dollars is one percent of gross proceeds.~~
 - b. ~~Exceeding five hundred thousand dollars but not exceeding one million~~ five hundred thousand dollars the tax is one and one-half percent of gross proceeds.
 - e-b. ~~Exceeding one million five hundred thousand dollars but not exceeding one million five hundred~~ the tax is fifteen thousand dollars plus two and twenty-five hundredths percent of gross proceeds exceeding one million five hundred thousand dollars.
 - d. ~~Exceeding one million five hundred thousand dollars is two and one-half percent of gross proceeds.~~
2. The tax must be paid to the attorney general at the time tax returns are filed.
3. Except as provided in subsection 4, the attorney general shall deposit gaming ~~and excise~~ taxes, monetary fines, and interest and penalties collected in the general fund in the state treasury.
4. The attorney general shall deposit ~~six~~ seven percent of the total taxes, less refunds, collected under this section into a gaming ~~and excise~~ tax allocation fund. Pursuant to legislative appropriation, moneys in the fund must be distributed quarterly to cities and counties in proportion to the taxes collected under this section from licensed organizations conducting games within each city, for sites within city limits, or within each county, for sites outside city limits. If a city or county allocation under this subsection is less than two hundred dollars, that city or county is not entitled to receive a payment for the quarter

and the undistributed amount must be included in the total amount to be distributed to other cities and counties for the quarter.

Approved April 26, 2013
Filed April 23, 2013

CHAPTER 398

HOUSE BILL NO. 1068

(Judiciary Committee)

(At the request of the North Dakota Racing Commission)

AN ACT to amend and reenact sections 53-06.2-10.1 and 53-06.2-11 of the North Dakota Century Code, relating to account wagering and payments to the funds administered by the North Dakota racing commission.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 53-06.2-10.1 of the North Dakota Century Code is amended and reenacted as follows:

53-06.2-10.1. Simulcast wagering.

In addition to racing under the certificate system, as authorized by this chapter, and conducted upon the premises of a racetrack, simulcast pari-mutuel and account wagering may be conducted in accordance with this chapter or rules adopted by the commission under this chapter in accordance with chapter 28-32. Any organization qualified under section 53-06.2-06 to conduct racing may make written application to the commission for the conduct of simulcast pari-mutuel and account wagering on races held at licensed racetracks inside the state or racetracks outside the state, or both. Licensure of service providers, totalizator companies, site operators, or organizations applying to conduct or conducting simulcast or account wagering must be approved by the attorney general. The attorney general may not grant a license denied by the commission. Notwithstanding any other provision of this chapter, the commission may authorize any licensee to participate in interstate or international combined wagering pools with one or more other racing jurisdictions. Anytime that a licensee participates in an interstate or international combined pool, the licensee, as prescribed by the commission, may adopt the take-out of the host jurisdiction or facility. The commission may permit a licensee to use one or more of its races or simulcast programs for an interstate or international combined wagering pool at locations outside its jurisdiction and may allow pari-mutuel pools in other states to be combined with pari-mutuel pools in its jurisdiction for the purpose of establishing an interstate or international combined wagering pool. The participation by a licensee in a combined interstate or international wagering pool does not cause that licensee to be considered to be doing business in any jurisdiction other than the jurisdiction in which the licensee is physically located. Pari-mutuel taxes or commissions may not be imposed on any amounts wagered in an interstate or international combined wagering pool other than amounts wagered within this jurisdiction. The certificate system also permits pari-mutuel wagering to be conducted through account wagering. As used in this section, "account wagering" means a form of pari-mutuel wagering in which an individual deposits money in an account and uses the account balance to pay for pari-mutuel wagers. An account wager made on an account established in this state may only be made through the licensed simulcast service provider approved by the attorney general and authorized by the commission to operate the simulcast pari-mutuel wagering system under the certificate system. The attorney general may not grant a license denied by the commission. An account wager may be made in person, by direct telephone communication, or through other electronic

communication in accordance with rules adopted by the commission. Breakage for interstate or international combined wagering pools must be calculated in accordance with the statutes or rules of the host jurisdiction and must be distributed among the participating jurisdictions in a manner agreed to among the jurisdictions.

SECTION 2. AMENDMENT. Section 53-06.2-11 of the North Dakota Century Code is amended and reenacted as follows:

53-06.2-11. (~~Effective through June 30, 2013~~) Bet payoff formulas - Uses by licensee of funds in excess of expenses - Payment to general fund.

1. For wagering on live horse racing ~~and simulcast wagering~~:
 - a. In win, place, and show pari-mutuel pools, the licensee may deduct no more than twenty percent of the amount wagered. Of the amount wagered, the licensee shall pay:
 - (1) One-half of one percent to the state treasurer to be deposited in the general fund.
 - (2) One-half of one percent to the commission to be deposited in the breeders' fund.
 - (3) One-half of one percent to the commission to be deposited in the purse fund.
 - (4) One-half of one percent to the commission to be deposited in the racing promotion fund.
 - b. In daily double, quinella, exacta, trifecta, or other combination pari-mutuel pools, the licensee may deduct no more than twenty-five percent of the amount wagered. Of the amount wagered, the licensee shall pay:
 - (1) One-half of one percent to the state treasurer to be deposited in the general fund.
 - (2) One-half of one percent to the commission to be deposited in the breeders' fund.
 - (3) One-half of one percent to the commission to be deposited in the purse fund.
 - (4) One-half of one percent to the commission to be deposited in the racing promotion fund.
2. For simulcast and account wagering:
 - a. In win, place, and show pari-mutuel pools, the licensee may deduct no more than twenty percent of the amount wagered. ~~Of~~Except as limited in subdivision c. of the amount wagered by simulcast and account wagering in win, place, and show pari-mutuel pools, the licensee shall pay:
 - (1) One-sixteenth of one percent to the state treasurer to be deposited in the general fund.

- (2) One-sixteenth of one percent to the commission to be deposited in the breeders' fund.
 - (3) One-sixteenth of one percent to the commission to be deposited in the purse fund.
 - (4) One-sixteenth of one percent to the commission to be deposited in the racing promotion fund.
- b. ~~Of~~ Except as limited in subdivision c. of the amount wagered by simulcast and account wagering in daily double, quinella, exacta, trifecta, or other combination pari-mutuel pools, the licensee shall pay:
- (1) One-sixteenth of one percent to the state treasurer to be deposited in the general fund.
 - (2) One-sixteenth of one percent to the commission to be deposited in the breeders' fund.
 - (3) One-sixteenth of one percent to the commission to be deposited in the purse fund.
 - (4) One-sixteenth of one percent to the commission to be deposited in the racing promotion fund.
- c. For the fiscal year commencing July 1, 2013, the licensee may not pay more than four hundred thousand dollars. For the fiscal year commencing July 1, 2014, and thereafter, the licensee may not pay more than four hundred twenty thousand dollars.
3. For all pari-mutuel wagering the licensee shall pay to the commission the amount due for all unclaimed tickets and all breakage on the first twenty million dollars wagered in each fiscal year with each service provider, ~~of which twenty percent is to~~. The amount received must be deposited in the racing promotion fund, ~~thirty percent is to be deposited in the breeders' fund, and fifty percent is to be deposited in the purse fund.~~
 4. The licensee conducting wagering on live racing, simulcast wagering, or account wagering shall retain all other money in the pari-mutuel pool and pay it to bettors holding winning tickets as provided by rules adopted by the commission.
 5. A licensee may not use any of the portion deducted for expenses under subsections 1 and 2 for expenses not directly incurred by the licensee in conducting pari-mutuel racing under the certificate system. After paying qualifying expenses, the licensee shall use the remainder of the amount so withheld only for eligible uses allowed to charitable gambling organizations under section 53-06.1-11.1.
 6. The commission shall deposit the moneys received pursuant to subsections 1, 2, and 3 and from the North Dakota horse racing foundation pursuant to subsection 5 of section 53-06.2-05 in the breeders' fund, the purse fund, and the racing promotion fund. Moneys, and any earnings on the moneys, in the breeders' fund, purse fund, and racing promotion fund are appropriated to the commission on a continuing basis to carry out the purposes of those funds

under this chapter and must be administered and disbursed in accordance with rules adopted by the commission. The commission may not transfer money among the funds. The commission shall distribute awards and payment supplements from the breeders' fund in the same calendar year the money was earned by the recipient. The commission shall distribute payments awarded to qualified owners and breeders from the breeders' fund without requiring owners and breeders to apply for the payments. The commission may receive twenty-five thousand dollars per year or twenty-five percent per year, whichever is greater, from the racing promotion fund for the payment of the commission's operating expenses.

~~(Effective after June 30, 2013) Bet payoff formulas -- Uses by licensee of funds in excess of expenses -- Payment to general fund.~~

1. For wagering on live horse racing and simulcast wagering:
 - a. ~~In win, place, and show pari mutuel pools, the licensee may deduct no more than twenty percent of the amount wagered. Of the amount wagered, the licensee shall pay:~~
 - ~~(1) Two percent to the state treasurer to be deposited in the general fund.~~
 - ~~(2) One half of one percent to the commission to be deposited in the breeders' fund.~~
 - ~~(3) One half of one percent to the commission to be deposited in the purse fund.~~
 - ~~(4) One half of one percent to the commission to be deposited in the racing promotion fund.~~
 - b. ~~In daily double, quinella, exacta, trifecta, or other combination pari mutuel pools, the licensee may deduct no more than twenty five percent of the amount wagered. Of the amount wagered, the licensee shall pay:~~
 - ~~(1) Two and one half percent to the state treasurer to be deposited in the general fund.~~
 - ~~(2) One half of one percent to the commission to be deposited in the breeders' fund.~~
 - ~~(3) One half of one percent to the commission to be deposited in the purse fund.~~
 - ~~(4) One half of one percent to the commission to be deposited in the racing promotion fund.~~
2. For account wagering:
 - a. ~~In win, place, and show pari mutuel pools, the licensee may deduct no more than twenty percent of the amount wagered.~~
 - ~~(1) Before eleven million dollars is wagered in all pari mutuel wagering in each biennium, of the amount wagered by account wagering in win, place, and show pari mutuel pools, the licensee shall pay:~~

- ~~(a) Two percent to the state treasurer to be deposited in the general fund.~~
 - ~~(b) One half of one percent to the commission to be deposited in the breeders' fund.~~
 - ~~(c) One half of one percent to the commission to be deposited in the purse fund.~~
 - ~~(d) One half of one percent to the commission to be deposited in the racing promotion fund.~~
- ~~(2) After eleven million dollars is wagered in all pari-mutuel wagering in each biennium, of the amount wagered by account wagering in win, place, and show pari-mutuel pools, the licensee shall pay:~~
 - ~~(a) One sixteenth of one percent to the state treasurer to be deposited in the general fund.~~
 - ~~(b) One sixteenth of one percent to the commission to be deposited in the breeders' fund.~~
 - ~~(c) One sixteenth of one percent to the commission to be deposited in the purse fund.~~
 - ~~(d) One sixteenth of one percent to the commission to be deposited in the racing promotion fund.~~
- b. ~~In daily double, quinella, exacta, trifecta, or other combination pari-mutuel pools, the licensee may deduct no more than twenty five percent of the amount wagered.~~
 - ~~(1) Before eleven million dollars is wagered in each biennium, of the amount wagered by account wagering in daily double, quinella, exacta, trifecta, or other combination pari-mutuel pools, the licensee shall pay:~~
 - ~~(a) Two and one half percent to the state treasurer to be deposited in the general fund.~~
 - ~~(b) One half of one percent to the commission to be deposited in the breeders' fund.~~
 - ~~(c) One half of one percent to the commission to be deposited in the purse fund.~~
 - ~~(d) One half of one percent to the commission to be deposited in the racing promotion fund.~~
 - ~~(2) After eleven million dollars is wagered in all pari-mutuel wagering in each biennium, of the amount wagered by account wagering in daily double, quinella, exacta, trifecta, or other combination pari-mutuel pools, the licensee shall pay:~~
 - ~~(a) One sixteenth of one percent to the state treasurer to be deposited in the general fund.~~

- ~~(b) One sixteenth of one percent to the commission to be deposited in the breeders' fund.~~
 - ~~(c) One sixteenth of one percent to the commission to be deposited in the purse fund.~~
 - ~~(d) One sixteenth of one percent to the commission to be deposited in the racing promotion fund.~~
- ~~3. For all pari-mutuel wagering the licensee shall pay to the commission the amount due for all unclaimed tickets and all breakage on the first twenty million dollars wagered with each service provider, to be deposited in the racing promotion fund.~~
 - ~~4. The licensee conducting wagering on live racing, simulcast wagering, or account wagering shall retain all other money in the pari-mutuel pool and pay it to bettors holding winning tickets as provided by rules adopted by the commission.~~
 - ~~5. A licensee may not use any of the portion deducted for expenses under subsections 1 and 2 for expenses not directly incurred by the licensee in conducting pari-mutuel racing under the certificate system. After paying qualifying expenses, the licensee shall use the remainder of the amount so withheld only for eligible uses allowed to charitable gambling organizations under section 53-06.1-11.1.~~
 - ~~6. The commission shall deposit the moneys received pursuant to subsections 1, 2, and 3 and from the North Dakota horse racing foundation pursuant to subsection 5 of section 53-06.2-05 in the breeders' fund, the purse fund, and the racing promotion fund. Moneys, and any earnings on the moneys, in the breeders' fund, purse fund, and racing promotion fund are appropriated to the commission on a continuing basis to carry out the purposes of those funds under this chapter and must be administered and disbursed in accordance with rules adopted by the commission. The commission may not transfer money among the funds. The commission shall distribute awards and payment supplements from the breeders' fund in the same calendar year the money was earned by the recipient. The commission shall distribute payments awarded to qualified owners and breeders from the breeders' fund without requiring owners and breeders to apply for the payments. The commission may receive twenty-five thousand dollars per year or twenty-five percent per year, whichever is greater, from the racing promotion fund for the payment of the commission's operating expenses.~~

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