

August 2008

Introduced by

1 A BILL for an Act to create and enact two new sections to chapter 53-06.1 of the North Dakota
2 Century Code, relating to the creation of a gaming advisory commission and to the rulemaking
3 authority of the attorney general; and to repeal section 53-06.1-01.1 of the North Dakota
4 Century Code, relating to the gaming commission.

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

6 **SECTION 1.** Two new sections to chapter 53-06.1 of the North Dakota Century Code
7 are created and enacted as follows:

8 **Attorney general to adopt rules.** The attorney general shall adopt rules to administer
9 and regulate the gaming industry. The rules must ensure that net proceeds are used for
10 educational, charitable, patriotic, fraternal, religious, or public-spirited uses; ensure fair and
11 honest games; ensure that fees and taxes are paid; and protect and promote the public interest.
12 In addition, the rules must specifically address:

- 13 1. Methods of conduct, play, and promotion of games;
- 14 2. Minimum procedures and standards for recordkeeping and internal control;
- 15 3. Required tax returns and reports from organizations or distributors;
- 16 4. Methods of competition and doing business by distributors and manufacturers;
- 17 5. Acquisition and use of gaming equipment;
- 18 6. Quality standards or specifications for the manufacture of pull tabs, paper bingo
19 cards, pull tab and bingo card dispensing devices, and bingo card marking devices;
20 and
- 21 7. Prevention and detection of unlawful gambling activity.

22 **Gaming advisory commission.**

- 23 1. There is created the gaming advisory commission composed of seven members
24 appointed by the attorney general. The term of office is three years, expiring on

July thirty-first with no more than three terms expiring in any one year. Of the first members appointed, two must be appointed for a term of one year, two must be appointed for terms of two years, and three must be appointed for terms of three years. A member may not be appointed to more than two consecutive terms. Each member must be a citizen of the United States and a resident of this state for at least two years before the date of appointment. At the first meeting of the commission each fiscal year, a majority of the members of the commission shall elect a chairman from the membership of the commission. A member may serve as chairman for more than one year.

2. An individual is ineligible for appointment to the gaming advisory commission if that individual is not of a character and reputation as to promote public confidence in the administration of gaming in this state. An individual may not be a member of the commission if that individual has pled guilty or been found guilty 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 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. An individual who has a financial interest in gaming or is an employee of the gaming committee of a licensed organization or distributor may not 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. The gaming advisory commission shall meet at least twice each year and any additional meetings as the chairman determines necessary. The chairman may call special meetings upon the written request of the attorney general or any three members of the commission.

4. The gaming advisory commission shall advise the attorney general on policy and general operation of gaming.

1 5. A member of the gaming advisory commission who is not a permanent full-time
2 state employee is entitled to the same compensation and expenses as provided for
3 members of committees of the legislative council under section 54-35-10. A state
4 employee who is a member of the commission must receive that employee's
5 regular salary and is entitled to mileage and expenses, to be paid by the employing
6 agency.

7 **SECTION 2. REPEAL.** Section 53-06.1-01.1 of the North Dakota Century Code is
8 repealed.