

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.~~to create and enact a new section to article XI of the Constitution of North Dakota,
6 relating to authorization for not more than six state-regulated, privately owned casinos in the
7 state; and to amend and reenact section 25 of article XI of the Constitution of North Dakota,
8 relating to exceptions to the prohibition on games of chance.

STATEMENT OF INTENT

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

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

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

22 ~~—~~**SECTION 1. AMENDMENT.** ~~Section 25 of article XI of the Constitution of North Dakota is~~
23 ~~amended and reenacted as follows:~~

24 ~~—~~**Section 25.** ~~The~~

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

4 ~~2. The legislative assembly shall authorize the state of North Dakota to join a multi-state~~
5 ~~lottery for the benefit of the state of North Dakota, and, the legislative assembly may~~
6 ~~authorize by law bona fide nonprofit veterans', charitable, educational, religious, or~~
7 ~~fraternal organizations, civic and service clubs, or such other public-spirited~~
8 ~~organizations as it may recognize, to conduct games of chance when the entire net~~
9 ~~proceeds of such games of chance are to be devoted to educational, charitable,-~~
10 ~~patriotic, fraternal, religious, or other public-spirited uses.~~

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

13 ~~1. The legislative assembly may provide by law for the authorization, location, operation,~~
14 ~~and funding of not more than six state-owned casinos in the state.~~

15 ~~2. A casino authorized under this section must be established as a destination-oriented~~
16 ~~attraction selected for the scenic, historic, recreational, and tourism advantages of the~~
17 ~~site and the site's potential to contribute to the rural economic development of the~~
18 ~~state. A casino authorized under this section may not be located within five miles of the~~
19 ~~boundary of any city in the state with a population exceeding five thousand according~~
20 ~~to the most recent decennial census at the time of authorization and may not be~~
21 ~~located within twenty miles of the boundary of the largest contiguous portion of an~~
22 ~~Indian reservation in this state.~~

23 ~~3. A casino authorized under this section must be located on state-owned land. The~~
24 ~~legislative assembly may provide for purchase or exchange of land, but the state may~~
25 ~~not acquire land through exercise of the power of eminent domain for this purpose.~~

26 ~~4. Funds of a casino authorized under this section must be deposited in the Bank of~~
27 ~~North Dakota. The Bank of North Dakota may make, purchase, guarantee, or hold~~
28 ~~loans for financing of a casino under this section and assist in arranging casino-~~
29 ~~financing. The state may issue revenue bonds or other evidences of indebtedness for~~
30 ~~casino financing. The legislative assembly may not appropriate funds from the state~~
31 ~~general fund and the state general fund may not be pledged as security for any loan~~

1 ~~for casino financing. The legislative assembly may provide by law for transfer of net~~
2 ~~profits from casino operations to the state general fund.~~

3 ~~5. The state auditor annually shall audit or contract for an audit, in accordance with~~
4 ~~generally accepted auditing standards, of any casino authorized under this section.~~

5 ~~6. All employees of a casino authorized under this section must be subjected to a~~
6 ~~nationwide criminal history record check. An individual under the age of twenty-one~~
7 ~~may not be present or employed within the areas of a casino where gaming is~~
8 ~~conducted.~~

9 ~~7. The legislative assembly may provide by law for the conduct of gaming in a casino~~
10 ~~authorized under this section. The legislative assembly shall authorize the casino~~
11 ~~gaming commission to provide through administrative rules for the conduct of casino~~
12 ~~gaming within the confines established by law. The legislative assembly shall prohibit~~
13 ~~a casino authorized under this section from conducting a drawing or making other~~
14 ~~awards except as a result of authorized gaming, but may authorize a casino to operate~~
15 ~~a players club.~~

16 ~~8. Notwithstanding any other provision of law or this Constitution, the legislative~~
17 ~~assembly may provide by law for smoking and service of alcoholic beverages in parts~~
18 ~~of the casino facility.~~

19 ~~9. Each electronic gaming machine must be certified by the casino gaming commission~~
20 ~~for use at a specific casino before it is placed in service. An electronic gaming machine~~
21 ~~at a casino authorized under this section must pay out an average of not less than~~
22 ~~ninety-two percent of the amount wagered over the life of the machine. An electronic~~
23 ~~gaming machine at a casino authorized under this section must be linked directly to~~
24 ~~the casino gaming commission system for monitoring and auditing and to provide data~~
25 ~~for use by the casino gaming commission. The legislative assembly shall provide by~~
26 ~~law for confidentiality of data deemed inappropriate for treatment as an open record~~
27 ~~under law.~~

28 ~~10. a. The casino gaming commission consists of seven members.~~

29 ~~(1) The governor shall appoint one member for an initial term of two years.~~

30 ~~(2) The state auditor shall appoint one member for an initial term of three years.~~

1 ~~_____ (3) The attorney general shall appoint one member for an initial term of four~~
2 ~~years.~~

3 ~~_____ (4) The majority and minority leaders of the senate and the house of~~
4 ~~representatives each shall appoint one member. Of the initial appointees~~
5 ~~under this paragraph, as determined by lot, one member shall serve an~~
6 ~~initial term of two years, one member shall serve an initial term of three~~
7 ~~years, and two members shall serve an initial term of four years.~~

8 ~~_____ b. After the initial terms provided in this subsection, the term of each member is four~~
9 ~~years. A member may not serve more than two full four-year terms. A vacancy~~
10 ~~must be filled by the appointing authority for a full term or the remainder of an~~
11 ~~unexpired term.~~

12 ~~_____ 11. The legislative assembly may provide appropriations from the state general fund or~~
13 ~~other funds for the support of the casino gaming commission and its staff. The~~
14 ~~members of the casino gaming commission are entitled to reimbursement for~~
15 ~~expenses as provided by law for state employees for attending commission meetings.~~

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18 agreed to and must be submitted to the qualified electors of North Dakota at the general
19 election to be held in 2018, in accordance with section 16 of article IV of the Constitution of
20 North Dakota.

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26 any pretense, or for any purpose whatever. ~~However, the~~

27 2. The legislative assembly shall authorize the state of North Dakota to join a multi-state
28 lottery for the benefit of the state of North Dakota, and, the legislative assembly may
29 authorize by law bona fide nonprofit veterans', charitable, educational, religious, or
30 fraternal organizations, civic and service clubs, or such other public-spirited
31 organizations as it may recognize, to conduct games of chance when the entire net

1 proceeds of such games of chance are to be devoted to educational, charitable,
2 patriotic, fraternal, religious, or other public-spirited uses.

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

5 1. The legislative assembly may provide by law for the authorization of not more than six
6 state-regulated, privately owned casinos in the state. A casino authorized under this
7 section may not be located within forty miles of the boundary of the largest contiguous
8 portion of an Indian reservation in this state.

9 2. The legislative assembly shall provide by law for the conduct of gaming in any casino
10 authorized under this section. The legislative assembly shall establish the licensing
11 regulations and fees and the taxation rates for casinos and related casino operations.

12 3. The legislative assembly shall establish a casino gaming commission that is
13 responsible for administering and regulating the casino gaming industry, protecting
14 and promoting the public interest, ensuring fair and honest games, ensuring fees and
15 taxes are paid, and preventing and detecting unlawful gambling activity.