

HOUSE BILL NO. 1415

Introduced by

Representatives Delmore, Blum, M. Johnson

Senator Sorvaag

1 A BILL for an Act to amend and reenact subsection 12 of section 53-06.1-01, subsection 4 of
2 section 53-06.1-01.1, subsections 2 and 3 of section 53-06.1-03, subsections 1 and 3 of section
3 53-06.1-06, subsection 1 of section 53-06.1-10.2, subsection 1 of section 53-06.1-11,
4 subsection 3 of section 53-06.1-14, and subsection 8 of section 53-06.1-15.1 of the North
5 Dakota Century Code, relating to games of chance.

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

7 **SECTION 1. AMENDMENT.** Subsection 12 of section 53-06.1-01 of the North Dakota
8 Century Code is amended and reenacted as follows:

9 12. "Manufacturer" means, for a pull tab or bingo card, a person who designs, prints,
10 assembles, or produces the product. For a pull tab ~~or bingo card~~ dispensing device ~~or~~
11 bingo card marking device, or fifty-fifty raffle system, a manufacturer means the
12 person who directly controls and manages development of and owns the rights to the
13 proprietary software encoded on a processing chip that enables the device to operate.

14 **SECTION 2. AMENDMENT.** Subsection 4 of section 53-06.1-01.1 of the North Dakota
15 Century Code is amended and reenacted as follows:

16 4. The commission shall adopt rules in accordance with chapter 28-32, to administer and
17 regulate the gaming industry, including methods of conduct, play, and promotion of
18 games; minimum procedures and standards for recordkeeping and internal control;
19 requiring tax returns and reports from organizations or distributors; methods of
20 competition and doing business by distributors and manufacturers; acquisition and use
21 of gaming equipment; quality standards or specifications for the manufacture of pull
22 tabs, paper bingo cards, pull tab ~~and bingo card~~ dispensing devices, ~~and~~ bingo card
23 marking devices, and fifty-fifty raffle systems; to ensure that net proceeds are used for
24 educational, charitable, patriotic, fraternal, religious, or public-spirited uses; to protect

1 and promote the public interest; to ensure fair and honest games; to ensure that fees
2 and taxes are paid; and to prevent and detect unlawful gambling activity.

3 **SECTION 3. AMENDMENT.** Subsections 2 and 3 of section 53-06.1-03 of the North Dakota
4 Century Code are amended and reenacted as follows:

5 2. An eligible organization shall apply for a license to conduct only bingo, electronic quick
6 shot bingo, raffles, calcuttas, pull tabs, punchboards, twenty-one, paddlewheels,
7 poker, or sports pools by:

8 a. First securing approval for a site authorization from the governing body of the city
9 or county in which the proposed site is located. Approval, which may be granted
10 at the discretion of the governing body, must be recorded on a site authorization
11 form that is to accompany the license application to the attorney general for final
12 approval. A governing body may not require an eligible organization to donate net
13 proceeds to the city, county, or related political subdivision or for community
14 programs or services within the city or county as a condition for receiving a site
15 authorization from the city or county. A governing body may limit the number of
16 tables for the game of twenty-one per site and the number of sites upon which a
17 licensed organization may conduct games within the city or county. A governing
18 body may charge a one hundred dollar fee for a site authorization; and

19 b. Annually applying for a license from the attorney general before July first on a
20 form prescribed by the attorney general and remitting a one hundred fifty dollar
21 license fee for each city or county that approves a site authorization. However,
22 the attorney general may allow an organization that only conducts a raffle or
23 calcutta in two or more cities or counties to annually apply for a consolidated
24 license and remit a one hundred fifty dollar license fee for each city or county in
25 which a site is located. An organization shall document that it qualifies as an
26 eligible organization. If an organization amends its primary purpose as stated in
27 its articles of incorporation or materially changes its basic character, the
28 organization shall reapply for licensure.

29 3. A licensed organization or organization that has a permit shall conduct games as
30 follows:

- 1 a. Only one licensed organization or organization that has a permit may conduct
2 games at an authorized site on a day, except that a raffle may be conducted for a
3 special occasion by another licensed organization or organization that has a
4 permit when one of these conditions is met:
- 5 (1) When the area for the raffle is physically separated from the area where
6 games are conducted by the regular organization.
- 7 (2) Upon request of the regular organization and with the approval of the
8 alcoholic beverage establishment, the regular organization's license or
9 permit is suspended for that specific time of day by the attorney general.
- 10 b. Except for a temporary site authorized for fourteen or fewer consecutive days for
11 not more than two events per quarter, a licensed organization may not have more
12 than twenty-five sites unless granted a waiver by the attorney general. If the
13 attorney general finds that there is no other licensed organization interested in
14 conducting gaming at a site for which a waiver is being sought, the attorney
15 general may approve the waiver for no more than five sites.
- 16 c. Games of electronic quick shot bingo, pull tabs, punchboards, twenty-one,
17 paddlewheels, poker, and sports pools may be conducted only during the hours
18 when alcoholic beverages may be dispensed according to applicable regulations
19 of the state, county, or city.
- 20 d. An organization may not permit a person under twenty-one years of age to
21 directly or indirectly play pull tabs, punchboards, twenty-one, calcuttas, sports
22 pools, paddlewheels, or poker. An organization may not permit an individual
23 under eighteen years of age to directly or indirectly play electronic quick shot
24 bingo. An organization may not permit ~~a person~~ an individual under eighteen
25 years of age to directly or indirectly play bingo unless the ~~person~~ individual is
26 accompanied by an adult, bingo is conducted by an organization that has a
27 permit, or the game's prize structure does not exceed that allowed for a permit.

28 **SECTION 4. AMENDMENT.** Subsections 1 and 3 of section 53-06.1-06 of the North Dakota
29 Century Code are amended and reenacted as follows:

- 30 1. No person, except a member, volunteer, an employee of a licensed organization or an
31 organization that has a permit, or an employee of a temporary employment agency

1 who provides services to a licensed organization, may manage, control, or conduct
2 any game. "Member" includes a member of an auxiliary organization. In conducting
3 pull tabs, or prize boards,~~or bingo~~ through a dispensing device, selling raffle tickets, or
4 conducting sports pools, the attorney general may allow an employee of an alcoholic
5 beverage establishment to provide limited assistance to an organization.

- 6 3. An organization and distributor shall maintain complete, accurate, and legible bank
7 and accounting records in North Dakota for all gaming activity and establish a system
8 of internal control as prescribed by rule. The governing board of an eligible
9 organization is primarily responsible and may be held accountable for the proper
10 determination and use of net proceeds. If an organization does not renew its license or
11 its license is denied, relinquished, or revoked and it has not disbursed all of its net
12 proceeds, the organization shall file an action plan as prescribed by the gaming rules
13 with the attorney general.

14 **SECTION 5. AMENDMENT.** Subsection 1 of section 53-06.1-10.2 of the North Dakota
15 Century Code is amended and reenacted as follows:

- 16 1. Electronic quick shot bingo is a bingo game played on portable hand-held bingo
17 devices utilizing electronic bingo card images. The maximum sales price per electronic
18 bingo card is five dollars. The bingo game is played using twenty-four predrawn letters
19 and numbers and may use up to six bonus letters and numbers to achieve
20 predetermined patterns. The letters and numbers may only be drawn by the
21 organization either manually or with the use of a random number generator, once
22 during a business day and before the beginning of any session. It is not required for
23 each bingo game to have a winner. The bingo devices used in conjunction with a site
24 operating system automatically daubs the called letters and numbers via a radio
25 frequency signal or wi-fi transmission on a maximum of sixteen electronic bingo cards
26 for an individual game. The site operating system, including the point-of-sale, allows
27 an employee to deposit credits received from a player by cash, check, or debit card to
28 a temporary credit account to be used by a player for the purchase of electronic bingo
29 cards. The devices may determine a winning bingo and must accumulate the winning
30 prize amounts in a separate winnings account which may only be redeemed by an
31 employee.

1 **SECTION 6. AMENDMENT.** Subsection 1 of section 53-06.1-11 of the North Dakota
2 Century Code is amended and reenacted as follows:

3 1. All money received from games must be accounted for according to the gaming rules.
4 Gaming activity for a quarter must be reported on a tax return form prescribed by the
5 attorney general. Unless otherwise authorized by the attorney general, the purchase
6 price of a merchandise prize must be paid from a gaming bank account by check. A
7 cash prize paid by check must be paid from a gaming bank account. No check drawn
8 from a gaming or trust bank account may be payable to "cash" or a fictitious payee. A
9 cash prize that exceeds an amount set by rule must be accounted for by a receipt
10 prescribed by the gaming rules.

11 **SECTION 7. AMENDMENT.** Subsection 3 of section 53-06.1-14 of the North Dakota
12 Century Code is amended and reenacted as follows:

13 3. A licensed distributor shall affix a North Dakota gaming stamp to each deal of pull tabs
14 ~~and bingo cards~~, raffle board, punchboard, sports pool board, calcutta board, and
15 series of paddlewheel ticket cards sold or otherwise provided to a licensed
16 organization or organization that has a permit and shall purchase the stamps from the
17 attorney general for thirty-five cents each. Ten cents of each stamp sold by the
18 attorney general, up to thirty-six thousand dollars per biennium, must be credited to
19 the attorney general's operating fund to defray the costs of issuing and administering
20 the gaming stamps.

21 **SECTION 8. AMENDMENT.** Subsection 8 of section 53-06.1-15.1 of the North Dakota
22 Century Code is amended and reenacted as follows:

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