

**HOUSE BILL NO. 1415
with Senate Amendments
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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, subsections 1 and
2 4 of section 53-06.1-01.1, subsections 2 and 3 of section 53-06.1-03, subsections 1 and 3 of
3 section 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 1 of section 53-06.1-01.1 of the North Dakota
15 Century Code is amended and reenacted as follows:

16 1. The state gaming commission consists of the chairman and four other members
17 appointed by the governor, with the consent of the senate. The members serve
18 three-year terms and until a successor is appointed and qualified. If the senate is not
19 in session when the term of a member expires, the governor may make an interim
20 appointment, and the interim appointee holds office until the senate confirms or rejects
21 the appointment. A member appointed to fill a vacancy arising from other than the
22 natural expiration of a term serves only for the unexpired portion of the term. The
23 terms of the commissioners must be staggered so ~~that one term expires~~ no more than
24 two terms expire each July first.

1 **SECTION 3. AMENDMENT.** Subsection 4 of section 53-06.1-01.1 of the North Dakota
2 Century Code is amended and reenacted as follows:

3 4. The commission shall adopt rules in accordance with chapter 28-32, to administer and
4 regulate the gaming industry, including methods of conduct, play, and promotion of
5 games; minimum procedures and standards for recordkeeping and internal control;
6 requiring tax returns and reports from organizations or distributors; methods of
7 competition and doing business by distributors and manufacturers; acquisition and use
8 of gaming equipment; quality standards or specifications for the manufacture of pull
9 tabs, paper bingo cards, pull tab ~~and bingo card~~ dispensing devices, ~~and~~ bingo card
10 marking devices, and fifty-fifty raffle systems; to ensure that net proceeds are used for
11 educational, charitable, patriotic, fraternal, religious, or public-spirited uses; to protect
12 and promote the public interest; to ensure fair and honest games; to ensure that fees
13 and taxes are paid; and to prevent and detect unlawful gambling activity.

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

16 2. An eligible organization shall apply for a license to conduct only bingo, electronic quick
17 shot bingo, raffles, calcuttas, pull tabs, punchboards, twenty-one, paddlewheels,
18 poker, or sports pools by:
19 a. First securing approval for a site authorization from the governing body of the city
20 or county in which the proposed site is located. Approval, which may be granted
21 at the discretion of the governing body, must be recorded on a site authorization
22 form that is to accompany the license application to the attorney general for final
23 approval. A governing body may not require an eligible organization to donate net
24 proceeds to the city, county, or related political subdivision or for community
25 programs or services within the city or county as a condition for receiving a site
26 authorization from the city or county. A governing body may limit the number of
27 tables for the game of twenty-one per site and the number of sites upon which a
28 licensed organization may conduct games within the city or county. A governing
29 body may charge a one hundred dollar fee for a site authorization; and
30 b. Annually applying for a license from the attorney general before July first on a
31 form prescribed by the attorney general and remitting a one hundred fifty dollar

1 license fee for each city or county that approves a site authorization. However,
2 the attorney general may allow an organization that only conducts a raffle or
3 calcutta in two or more cities or counties to annually apply for a consolidated
4 license and remit a one hundred fifty dollar license fee for each city or county in
5 which a site is located. An organization shall document that it qualifies as an
6 eligible organization. If an organization amends its primary purpose as stated in
7 its articles of incorporation or materially changes its basic character, the
8 organization shall reapply for licensure.

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

11 a. Only one licensed organization or organization that has a permit may conduct
12 games at an authorized site on a day, except that a raffle may be conducted for a
13 special occasion by another licensed organization or organization that has a
14 permit when one of these conditions is met:

15 (1) When the area for the raffle is physically separated from the area where
16 games are conducted by the regular organization.

17 (2) Upon request of the regular organization and with the approval of the
18 alcoholic beverage establishment, the regular organization's license or
19 permit is suspended for that specific time of day by the attorney general.

20 b. Except for a temporary site authorized for fourteen or fewer consecutive days for
21 not more than two events per quarter, a licensed organization may not have more
22 than twenty-five sites unless granted a waiver by the attorney general. If the
23 attorney general finds that there is no other licensed organization interested in
24 conducting gaming at a site for which a waiver is being sought, the attorney
25 general may approve the waiver for no more than five sites.

26 c. Games of electronic quick shot bingo, pull tabs, punchboards, twenty-one,
27 paddlewheels, poker, and sports pools may be conducted only during the hours
28 when alcoholic beverages may be dispensed according to applicable regulations
29 of the state, county, or city.

30 d. An organization may not permit a person under twenty-one years of age to
31 directly or indirectly play pull tabs, punchboards, twenty-one, calcuttas, sports

1 pools, paddlewheels, or poker. An organization may not permit an individual
2 under eighteen years of age to directly or indirectly play electronic quick shot
3 bingo. An organization may not permit a ~~person~~ individual under eighteen
4 years of age to directly or indirectly play bingo unless the ~~person~~ individual is
5 accompanied by an adult, bingo is conducted by an organization that has a
6 permit, or the game's prize structure does not exceed that allowed for a permit.

7 **SECTION 5. AMENDMENT.** Subsections 1 and 3 of section 53-06.1-06 of the North Dakota
8 Century Code are amended and reenacted as follows:

- 9 1. No person, except a member, volunteer, an employee of a licensed organization or an
10 organization that has a permit, or an employee of a temporary employment agency
11 who provides services to a licensed organization, may manage, control, or conduct
12 any game. "Member" includes a member of an auxiliary organization. In conducting
13 pull tabs, or prize boards, ~~or bingo~~ through a dispensing device, selling raffle tickets, or
14 conducting sports pools, the attorney general may allow an employee of an alcoholic
15 beverage establishment to provide limited assistance to an organization.
- 16 3. An organization and distributor shall maintain complete, accurate, and legible bank
17 and accounting records in North Dakota for all gaming activity and establish a system
18 of internal control as prescribed by rule. The governing board of an eligible
19 organization is primarily responsible and may be held accountable for the proper
20 determination and use of net proceeds. If an organization does not renew its license or
21 its license is denied, relinquished, or revoked and it has not disbursed all of its net
22 proceeds, the organization shall file an action plan as prescribed by the gaming rules
23 with the attorney general.

24 **SECTION 6. AMENDMENT.** Subsection 1 of section 53-06.1-10.2 of the North Dakota
25 Century Code is amended and reenacted as follows:

- 26 1. Electronic quick shot bingo is a bingo game played on portable hand-held bingo
27 devices utilizing electronic bingo card images. The maximum sales price per electronic
28 bingo card is five dollars. The bingo game is played using twenty-four predrawn letters
29 and numbers and may use up to six bonus letters and numbers to achieve
30 predetermined patterns. The letters and numbers may only be drawn by the
31 organization either manually or with the use of a random number generator, once

1 during a business day and before the beginning of any session. It is not required for
2 each bingo game to have a winner. The bingo devices used in conjunction with a site
3 operating system automatically daubs the called letters and numbers via a radio
4 frequency signal or wi-fi transmission on a maximum of sixteen electronic bingo cards
5 for an individual game. The site operating system, including the point-of-sale, allows
6 an employee to deposit credits received from a player by cash, check, or debit card to
7 a temporary credit account to be used by a player for the purchase of electronic bingo
8 cards. The devices may determine a winning bingo and must accumulate the winning
9 prize amounts in a separate winnings account which may only be redeemed by an
10 employee.

11 **SECTION 7. AMENDMENT.** Subsection 1 of section 53-06.1-11 of the North Dakota
12 Century Code is amended and reenacted as follows:

- 13 1. All money received from games must be accounted for according to the gaming rules.
14 Gaming activity for a quarter must be reported on a tax return form prescribed by the
15 attorney general. Unless otherwise authorized by the attorney general, the purchase
16 price of a merchandise prize must be paid from a gaming bank account by check. A
17 cash prize paid by check must be paid from a gaming bank account. No check drawn
18 from a gaming or trust bank account may be payable to "cash" or a fictitious payee. A
19 cash prize that exceeds an amount set by rule must be accounted for by a receipt
20 prescribed by the gaming rules.

21 **SECTION 8. AMENDMENT.** Subsection 3 of section 53-06.1-14 of the North Dakota
22 Century Code is amended and reenacted as follows:

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

1 **SECTION 9. AMENDMENT.** Subsection 8 of section 53-06.1-15.1 of the North Dakota
2 Century Code is amended and reenacted as follows:

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