

SENATE BILL NO. 2305

Introduced by

Senator Poolman

1 A BILL for an Act to amend and reenact subsection 5 of section 53-12.1-01, subdivision a of
2 subsection 2 of section 53-12.1-03, section 53-12.1-08, subsection 1 of section 53-12.1-11,
3 subsections 1 and 7 of section 53-12.1-12, and section 53-12.1-13 of the North Dakota Century
4 Code, relating to individuals eligible to play the North Dakota lottery and claim prizes and lottery
5 online play; and to provide a penalty.

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

7 **SECTION 1. AMENDMENT.** Subsection 5 of section 53-12.1-01 of the North Dakota
8 Century Code is amended and reenacted as follows:

9 5. "Ticket" means an original and acceptable tangible evidence of play prescribed by the
10 lottery and produced by a lottery terminal or a properly and validly registered
11 ~~subscription~~online play to prove participation in a draw of a game for a chance to win a
12 prize.

13 **SECTION 2. AMENDMENT.** Subdivision a of subsection 2 of section 53-12.1-03 of the
14 North Dakota Century Code is amended and reenacted as follows:

15 a. Employ those ~~persons~~individuals deemed necessary to operate the lottery and
16 provide secure facilities to house the lottery;

17 **SECTION 3. AMENDMENT.** Section 53-12.1-08 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **53-12.1-08. Purchase of ticket or payment of prize to certain ~~persons~~individuals**
20 **prohibited - Price of a ticket - Sale by retailer only - Second chance drawings - Prize paid**
21 **to owner of a winning ticket - Prize subject to taxation - Discharge of liability - Penalty.**

22 1. A North Dakota lottery ticket may not be bought by or otherwise provided to, and a
23 prize may not be paid to, the following individuals or to a parent, stepparent, child,

1 stepchild, spouse, or sibling who is a regular member of the same household of the
2 following individuals:

- 3 a. A member of the lottery advisory commission or employee of the lottery, unless
4 authorized in writing by the director; or
5 b. An officer or employee of the lottery's gaming system vendor.

6 ~~A person~~

7 2. An individual who knowingly violates this subsection 1 is guilty of a class B
8 misdemeanor on the first offense and a class A misdemeanor on a subsequent
9 offense.

10 ~~2.3.~~ A retailer or employee of a retailer may buy a ticket and be paid a prize for a winning
11 ticket.

12 ~~3.4.~~ Only a retailer may sell a ticket. A retailer may sell a ticket only at the site stated on the
13 license or at a temporary site for a special event authorized by the lottery. A retailer
14 may not sell a ticket at a price greater than the price set by the lottery rules. A person
15 convicted of violating this subsection is guilty of a class A misdemeanor on the first
16 offense and a class C felony on a subsequent offense.

17 ~~4.5.~~ A retailer may conduct a second chance drawing of entry forms or tickets to promote
18 the sale of a ticket at that site provided that ~~a person~~ an individual is not required to
19 purchase a ticket to participate.

20 ~~5.6.~~ No ticket may be sold or given to a minor. A retailer, employee of a retailer, or any
21 other person who knowingly violates this subsection is guilty of a class B
22 misdemeanor on the first offense and a class A misdemeanor on a subsequent
23 offense.

24 ~~6.7.~~ The prize to be paid or awarded for a winning ticket must be paid to the
25 ~~person~~ individual who the director determines is the owner of the ticket. However, the
26 prize of a deceased winning player must be paid to the lawful representative of the
27 estate. ~~No~~ A prize may not be paid on a winning ticket that has been purchased by use
28 of a stolen lottery gift certificate or acquired illegally.

29 ~~7.8.~~ If an individual steals a ticket or lottery gift certificate from a retailer, the individual is
30 guilty of a class A misdemeanor. However, if the total value of the tickets or gift
31 certificates stolen exceeds five hundred dollars, the offense is a class C felony.

1 ~~8-9.~~ A prize awarded is subject to state and federal income tax laws and rules.

2 ~~9.~~ A person

3 ~~10.~~ An individual who, with intent to defraud, falsely makes, alters, forges, passes, or
4 counterfeits a ticket or gift certificate issued by the lottery, regardless of the amount
5 gained, is guilty of a class C felony.

6 ~~10-11.~~ The state, members of the lottery advisory commission, and employees of the lottery
7 are discharged of all further liability upon payment of a prize.

8 **SECTION 4. AMENDMENT.** Subsection 1 of section 53-12.1-11 of the North Dakota
9 Century Code is amended and reenacted as follows:

10 1. The following information and records of the lottery are confidential:

11 a. Sales and income tax information, financial statements, and a credit report of a
12 retailer applicant or person seeking or doing business with the lottery, and retailer
13 application information other than the applicant's name and location;

14 b. Information related to a person owing a debt to the state or having a debt
15 collected through a state agency that is made confidential by another state law or
16 rule;

17 c. Internal control and security procedures, security information on a winning ticket,
18 and information on a bid or contractual data, the disclosure of which is harmful to
19 the efforts of the lottery to contract for goods and services on favorable terms;

20 d. Personal information on a player who purchases ~~a subscription~~ an online play or a
21 player who wins a prize on a winning ticket unless the player authorizes, in
22 writing, release of the information; and

23 e. Lottery sales data, the disclosure of which is harmful to the competitive position
24 of the lottery, retailer, or person seeking or doing business with the lottery.
25 However, a retailer may authorize the lottery to release the retailer's lottery sales
26 data.

27 **SECTION 5. AMENDMENT.** Subsections 1 and 7 of section 53-12.1-12 of the North Dakota
28 Century Code are amended and reenacted as follows:

29 1. A claimant agency and the director shall cooperate on the setoff of a winning lottery
30 ticket or promotional cash prize against a delinquent debt. A claimant agency is an
31 agency of the state of North Dakota that ~~a person~~ an individual owes money to or that

1 collects money on behalf of another party to satisfy a debt. The claimant agency and
2 director shall share necessary information, including the ~~person's~~individual's full name,
3 social security number, and amount and type of debt, through a mutually convenient
4 method to timely achieve a setoff of a prize.

- 5 7. If two or more claimant agencies make adverse claims to all or a part of a prize
6 payment, upon receipt of written notice from the claimant agencies setting forth their
7 claims, the director may deposit, in accordance with section 32-11-02, the contested
8 amount of the prize payment with the clerk of court in the district in which an action
9 pertaining to the contested amount is pending or with a court-authorized depository. If
10 one of the claims is for child support, the director shall transfer the setoff amount to the
11 state disbursement unit before depositing any remaining prize payment or award. Any
12 review of this transfer to the state disbursement unit must be done pursuant to section
13 50-09-14. Upon making the deposit or transfer, the state and its officials and
14 employees are discharged and relieved from further liability to any ~~person~~individual or
15 claimant agency related to the prize payment.

16 **SECTION 6. AMENDMENT.** Section 53-12.1-13 of the North Dakota Century Code is
17 amended and reenacted as follows:

18 **53-12.1-13. Rules.**

19 The attorney general shall adopt rules governing the operation of the lottery. The attorney
20 general may adopt emergency rules as necessary without the grounds otherwise required
21 under section 28-32-03. The attorney general shall adopt rules to address any matters
22 necessary for the efficient operation of the lottery or convenience of the public, including:

- 23 1. Type of retailer where a ticket may be sold;
24 2. Qualification for selecting a retailer and amount of application and license fees;
25 3. Licensing procedure;
26 4. Method used to sell a ticket, including a gift certificate and ~~subscription~~online play;
27 5. Financial responsibility of a retailer;
28 6. Retailer promotions;
29 7. Amount and method of commission to be paid to a retailer, including a special bonus
30 or incentive;

Sixty-sixth
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- 1 8. Deadline for claiming a prize by the owner of a winning ticket, however, the deadline
- 2 may not exceed one year;
- 3 9. Manner of paying a prize to the owner of a winning ticket; and
- 4 10. Setoff of a prize.