

Introduced by

Representatives Cory, Kasper, Louser, Mock, M. Ruby

1 A BILL for an Act to create and enact a new chapter to title 53 of the North Dakota Century  
2 Code, relating to the licensing and regulating of live poker; to amend and reenact subsection 1  
3 of section 12.1-28-01 of the North Dakota Century Code, relating to the definition of gambling;  
4 and to provide a contingent effective date.

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

6 **SECTION 1. AMENDMENT.** Subsection 1 of section 12.1-28-01 of the North Dakota  
7 Century Code is amended and reenacted as follows:

- 8 1. "Gambling" means risking any money, credit, deposit, or other thing of value for gain,  
9 contingent, wholly or partially, upon lot, chance, the operation of gambling apparatus,  
10 or the happening or outcome of an event, including an election or sporting event, over  
11 which the person taking the risk has no control. Gambling does not include:
- 12 a. Lawful contests of skill, including internet live poker, or lawful contests of speed,  
13 strength, or endurance in which awards are made only to entrants or to the  
14 owners of entries;
  - 15 b. Lawful business transactions, or other acts or transactions now or hereafter  
16 expressly authorized by law; or
  - 17 c. Use of gaming equipment and devices that may not otherwise be lawful in the  
18 state when the equipment or devices are used by any institution under the control  
19 of the state board of higher education which awards degrees of bachelor's or  
20 higher for the purpose of conducting scientific research in a controlled  
21 environment on the campus of that institution.

22 **SECTION 2.** A new chapter to title 53 of the North Dakota Century Code is created and  
23 enacted as follows:

1       **Definitions.**

2       As used in this chapter, unless the context otherwise requires:

3       1.   "Adjusted gross proceeds" means any sums wagered in an internet live poker hand  
4       which may be retained by the licensed internet live poker establishment as  
5       compensation.

6       2.   "Internet live poker" means a card game played by players who are dealt cards by an  
7       online nonplayer dealer with the objective of each player betting the superiority of the  
8       player's own hand and winning the other players' bets by either making a bet no other  
9       player is willing to match or proving to hold the most valuable cards after the betting is  
10       over. The internet live poker games include Texas hold'em, Omaha high/low, Omaha  
11       high, draw, stud, low ball, any combination of these games, or any other similar poker  
12       game.

13       3.   "Licensed internet live poker establishment" means a premises licensed by the  
14       attorney general pursuant to this chapter to conduct games of internet live poker.

15       **Internet live poker authorization and licensing - Fees.**

16       Internet live poker games may be operated by a licensed internet live poker establishment  
17       in accordance with this chapter. The attorney general shall license and regulate the playing of  
18       internet live poker at licensed internet live poker establishments. The attorney general shall  
19       adopt rules for the licensure, regulation, and operation of internet live poker in the state. The  
20       one-time fee for initial registration is ten thousand dollars, and the annual licensing fee is five  
21       thousand dollars.

22       **Internet live poker - Authorized players.**

23       An individual playing internet live poker must be twenty-one years of age or older. An  
24       individual may not use a credit card to play internet live poker.

25       **Internet live poker - Tax.**

26       1.   The attorney general may contract with a private entity for the development and  
27       implementation of a program for the licensing and regulation of internet live poker. The  
28       program must include a license fee for each person that operates an internet live  
29       poker site.

30       2.   A tax of ten percent is imposed on the adjusted gross proceeds of internet live poker  
31       games for each establishment authorized under this chapter.

1       3. A licensed internet live poker establishment shall remit the tax to the attorney general  
2           on a monthly basis. The attorney general shall remit the tax, licensing fees, and any  
3           other moneys collected under this chapter to the state treasurer for deposit in the  
4           internet live poker proceeds fund.

5       **Internet live poker proceeds fund.**

6       There is created in the state treasury an internet live poker proceeds fund. The fund  
7       consists of the internet live poker tax, licensing fees, and any other moneys collected under this  
8       chapter. Annually, all moneys in the fund must be allocated for:

9       1. Annual transfers to the gambling disorder prevention and treatment fund. Transfers  
10           under this subsection must equal ten percent of total annual transfers from the internet  
11           live poker proceeds fund.

12       2. Annual transfers to the common schools trust fund to become a part of the principal of  
13           that fund. Transfers under this subsection must equal fifty percent of total annual  
14           transfers from the internet live poker proceeds fund.

15       3. Annual transfers to the general fund. Transfers under this subsection must equal forty  
16           percent of the total annual transfers from the internet live poker proceeds fund.

17       **SECTION 3. CONTINGENT EFFECTIVE DATE.** This Act becomes effective on the date the  
18       secretary of state certifies to the legislative council that House Concurrent Resolution No. 3012,  
19       as adopted by the sixty-seventh legislative assembly, has been approved by the voters.