

**FIRST ENGROSSMENT  
with Conference Committee Amendments****ENGROSSED HOUSE BILL NO. 1416**

Introduced by

Representatives Mahoney, Carlson, Delmore, Wald

Senators Cook, D. Mathern

1 A BILL for an Act to amend and reenact subsection 2 of section 53-06.1-11 of the North Dakota  
2 Century Code, relating to allowable expenses for games of chance; to provide an effective  
3 date; and to declare an emergency.

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

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

- 7 2. Allowable expenses may be deducted from adjusted gross proceeds. The  
8 allowable expense limit is  ~~fifty~~  fifty-one percent of the first two hundred thousand  
9 dollars of adjusted gross proceeds per quarter and forty-five percent of the  
10 adjusted gross proceeds in excess of two hundred thousand dollars per quarter. In  
11 addition, an organization may deduct as an allowable expense:
- 12 a. Two and one-half percent of the gross proceeds of pull tabs.
  - 13 b. Capital expenditures for security or video surveillance equipment used for  
14 controlling games if the equipment is required by section 53-06.1-10 or  
15 authorized by rule, and it is approved by the attorney general.
  - 16 c. If an organization's total actual expenses exceed the allowable expenses  
17 provided by this subsection, the organization may also deduct the expenses  
18 up to two additional percent of the first two hundred thousand dollars of  
19 adjusted gross proceeds per quarter.

20 **SECTION 2. EFFECTIVE DATE.** This Act becomes effective on July 1, 2001.

21 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.