## FIRST ENGROSSMENT

Fifty-ninth Legislative Assembly of North Dakota

## ENGROSSED HOUSE BILL NO. 1259

Introduced by

Representatives R. Kelsch, DeKrey, Delmore

Senators Fischer, Klein, Trenbeath

- 1 A BILL for an Act to create and enact chapter 53-12.1 of the North Dakota Century Code,
- 2 relating to a lottery; to amend and reenact subsection 5 of section 28-32-08.1, section
- 3 50-06-22, subsection 2 of section 50-09-14, subsection 2 of section 54-10-01, subsection 7 of
- 4 section 57-38-57, subsection 47 of section 57-39.2-04, and subsection 7 of section 57-39.2-23
- 5 of the North Dakota Century Code, relating to economic impact statements, the compulsive
- 6 gambling prevention and treatment fund, child support setoff, annual audits, compliance with
- 7 tax reporting requirements, and sales tax exemptions; to repeal chapter 53-12 of the North
- 8 Dakota Century Code, relating to a lottery; to provide a penalty; to provide a continuing
- 9 appropriation; and to declare an emergency.

## 10 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

- SECTION 1. AMENDMENT. Subsection 5 of section 28-32-08.1 of the North Dakota
   Century Code is amended and reenacted as follows:
- This section does not apply to any agency that is an occupational or professional
  licensing authority, nor does this section apply to the following agencies <u>or</u>
- 15 <u>divisions of agencies</u>:
- 16 a. Council on the arts.
- b. Beef commission.
- 18 c. Dairy promotion commission.
- 19 d. Dry bean council.
- 20 e. Highway patrolmen's retirement board.
- 21 f. Indian affairs commission.
- 22 g. Board for Indian scholarships.
- 23 h. State personnel board.
- i. Potato council.

1	j.	Board of public school education.
2	k.	Real estate trust account committee.
3	Ι.	Seed commission.
4	m	. Soil conservation committee.
5	n.	Oilseed council.
6	0.	Wheat commission.
7	p.	State seed arbitration board.
8	<u>q</u> .	North Dakota lottery.
9	SECTI	ON 2. AMENDMENT. Section 50-06-22 of the North Dakota Century Code is
10	amended and	reenacted as follows:
11	50-06-2	22. Compulsive gambling prevention and treatment fund - Continuing
12	appropriation	. Funds deposited in the compulsive gambling prevention and treatment fund
13	under section	53-12-21 53-12.1-09 are appropriated to the department on a continuing basis
14	for the purpose	e of providing the services under section 50-06-21.
15	SECTI	ON 3. AMENDMENT. Subsection 2 of section 50-09-14 of the North Dakota
16	Century Code	is amended and reenacted as follows:
17	2. A	ny person aggrieved by an action taken by the state agency or a child support
18	a	gency under section 14-09-25, chapter 35-34, this chapter, or by the North
19	D	akota lottery director under chapter 53-12 53-12.1 to establish or enforce a child
20	SI	upport order may seek review of the action in the court of this state which issued
21	01	considered the child support order. If an order for child support was issued by a
22	CC	ourt or administrative tribunal in another state, any person aggrieved by an action
23	ta	ken by the state agency or a child support agency under section 14-09-25,
24	cł	napter 35-34, this chapter, or by the North Dakota lottery director under chapter
25	5	3-12 53-12.1 to enforce that order may seek review of the action in any court of
26	th	is state which has jurisdiction to enforce that order, or if no court of this state has
27	ju	risdiction to enforce that order, in any court of this state with jurisdiction over the
28	ne	ecessary parties. Any review sought under this subsection must be commenced
29	W	ithin thirty days after the date of action for which review is sought. A person who
30	ha	as a right of review under this subsection may not seek review of the actions in a
31	рг	oceeding under chapter 28-32.

1	SEC	CTION 4. Chapter 53-12.1 of the North Dakota Century Code is created and
2	enacted as	follows:
3	<u>53-</u> 2	2.1-01. Definitions. As used in this chapter:
4	<u>1.</u>	"Director" means the director of the lottery.
5	<u>2.</u>	"Lottery" means the division of the attorney general's office created to operate a
6		lottery.

- 3. <u>"Online lottery" means a game linked to a central computer via a</u>
  telecommunications network in which the player selects a specified group of
  numbers or symbols out of a predetermined range of numbers or symbols.
- 10 <u>4.</u> <u>"Retailer" means a person the lottery has licensed to sell or redeem a ticket.</u>
- <u>"Ticket" means an original tangible evidence of play prescribed by the lottery and</u>
   <u>produced by a lottery terminal or a properly and validly registered subscription play</u>
   to prove participation in a draw of a game for a chance to win a prize.
- 14 <u>53-12.1-02. Lottery Administration Line of credit.</u>
- 151.There is established a division of the attorney general's office called the North16Dakota lottery. Under the supervision of the attorney general, a director shall17administer the lottery as provided in this chapter. The director shall consider the18sensitive nature of the lottery, promote games, and ensure the integrity, security,19and fairness of the lottery's operation. The lottery is solely responsible for the
- 20 <u>management and control over the operation of its games.</u>
- 212.The attorney general's office may arrange a short-term line of credit with the Bank22of North Dakota should lottery funds on hand be insufficient to meet an immediate23major prize obligation. The line of credit is limited to the amount of each prize of
- 24one hundred thousand dollars or more that relates to prize funds known to be due25and forthcoming to the lottery from other government-authorized lotteries through26the multistate lottery association. However, the line of credit may not exceed one
- 27 <u>million dollars in the aggregate.</u>
- 28 <u>53-12.1-03. Director Responsibilities.</u>
- 291.The attorney general shall appoint a director who shall serve at the pleasure of the30attorney general.
- 31 <u>2.</u> Subject to policy of the attorney general, the director shall:

1 Employ those persons deemed necessary to operate the lottery and provide a. 2 secure facilities to house the lottery; 3 Enter a written agreement with one or more government-authorized lotteries, b. 4 or with an organization created and controlled by those lotteries, for 5 conducting and marketing a joint lottery game; 6 C. Provide for a secure computer data center and internal control system for the 7 reliable operation of the lottery; 8 d. Prepare and submit a budget for operating the lottery; 9 Operate the lottery so it is self-sustaining and self-funded; e. 10 <u>f.</u> Maintain books and records which accurately reflect each day's financial 11 transactions, including the sale of tickets, receipt of funds and fees, prize 12 payments, and expenses to ensure accountability; 13 License a retailer to sell or redeem a ticket; g. 14 Require a retailer to furnish proof of financial stability or post a bond in an h. 15 amount the director deems necessary to protect the financial interest of the 16 state: 17 Timely and efficiently transfer lottery funds due from a retailer; i. 18 Conduct a retailer promotion to promote the sale of a ticket; į. 19 As necessary, enter a contract for a promotional service, an annuity for the k. 20 payment of a prize, credit history report, security service, service from another 21 state agency, marketing and related service, gaming system and related 22 service, and other necessary service; 23 Based on reasonable ground or written complaint, suspend or revoke a Ι. 24 retailer's license or impose a monetary fine, or both, for a violation, by the 25 retailer or employee of the retailer, of a lottery law or rule; 26 Examine, or cause to be examined by an agent designated by the director, m. 27 any book or record of a retailer to ensure compliance with the lottery law and 28 rules; 29 Upon request, report to the legislative council regarding the operation of the n. 30 lottery;

1		<u>0.</u>	Make quarterly and annual financial reports to the governor and attorney
2			general and a biennial report to the legislative assembly;
3		<u>p.</u>	Have an annual audit, conducted by the state auditor, of the lottery. The
4			director shall present the audit report to the governor, state treasurer, and
5			legislative assembly;
6		<u>q.</u>	As necessary, have an independent firm conduct a study and evaluation of
7			security; and
8		<u>r.</u>	As necessary, conduct a survey of retailers and players or a study of
9			reactions of citizens to present and potential features of the lottery.
10	<u>53-</u>	12.1-0	4. Advisory commission - Penalty.
11	<u>1.</u>	Ther	e is created the lottery advisory commission, which is composed of five
12		mem	bers, three of whom are legislators selected by the chairman of the legislative
13		<u>coun</u>	cil and two of whom are selected by the attorney general. The term of office
14		<u>is thr</u>	ee years, expiring on June thirtieth with no more than two terms expiring in
15		any o	one year. Of the first members appointed, one must be appointed for a term
16		<u>of on</u>	ne year, two must be appointed for terms of two years, and two must be
17		appo	inted for terms of three years. No member may be appointed to more than
18		<u>two c</u>	consecutive terms. Each member must be a citizen of the United States and a
19		<u>resid</u>	lent of this state. A chairman of the commission must be chosen annually
20		from	the membership of the commission by a majority of its members at the first
21		meet	ting of the commission each fiscal year. A member may serve as chairman for
22		more	e than one year.
23	<u>2.</u>	The	lottery advisory commission shall meet at least once a quarter and any
24		addit	tional meetings as the chairman deems necessary. Special meetings may be
25		<u>calle</u>	d by the chairman upon the written request of the director or any three
26		mem	bers of the commission.
27	<u>3.</u>	The	lottery advisory commission shall advise the director and attorney general on
28		polic	y and general operation of the lottery and shall serve as the audit committee.
29	<u>4.</u>	<u>A me</u>	ember of the lottery advisory commission who is not a permanent full-time
30		state	employee is to be compensated at a rate of seventy-five dollars per day and
31		<u>entitl</u>	ed to mileage and expenses as provided by law for state employees. A state

1		employee who is a member of the commission must receive that employee's
2		regular salary and is entitled to mileage and expenses, to be paid by the employing
3		agency.
4	<u>5.</u>	No member of the lottery advisory commission, employee of the lottery, or any
5		individual who regularly resides in the same household as either of those
6		individuals may directly or indirectly, individually, as a partner of a partnership, or a
7		stockholder, director, or officer of a corporation, have an interest in the gaming
8		system or advertising agency vendor of the lottery. A knowing violation of this
9		subsection is a class B misdemeanor.
10	<u>53-</u> 2	12.1-05. Competitive bidding - Investigation of a vendor. Before a contract for a
11	gaming sys	tem or marketing services is awarded, the director shall:
12	<u>1.</u>	Use an open and competitive bid process which reflects the best interest of the
13		state. The director shall consider all relevant factors, including security,
14		competence, experience, timely performance, and maximization of net proceeds;
15		and
16	<u>2.</u>	Conduct a thorough background investigation of the lottery's gaming system and
17		advertising agency vendors, all shareholders of ten percent or more interest, and
18		all senior officers and directors of the vendors, including a parent or subsidiary
19		corporation of the vendors. The director may use information of another
20		government-authorized lottery or other source to determine the qualification and
21		background of the vendors. The vendors shall submit appropriate investigation
22		authorizations. The director may require any appropriate information from the
23		vendors to preserve the integrity and financial security of the lottery.
24	<u>53-</u> 2	12.1-06. Retailer application - Fees - Display of license.
25	<u>1.</u>	An applicant for a license does not have a right to a license or granting of the
26		approval sought. A license issued or approval granted is a suspendable or
27		revocable privilege, and the holder does not acquire any vested interest in the
28		license or approval granted.
29	<u>2.</u>	An applicant for a license that has had an application denied or a license revoked
30		may not reapply until at least one year has elapsed from the date of the denial or
31		revocation unless the director determines that the reason for the denial of the

1		application or revocation of the license has been remedied. A person who has had
2		an application denied or a license revoked for a second time may not reapply until
3		at least three years have passed since the date of the second denial or revocation.
4		The decision of the director to deny an application or revoke a license is final and
5		not appealable.
6	<u>3.</u>	The director may charge an application fee to a person applying to become a
7		retailer and a license fee.
8	<u>4.</u>	A retailer license is:
9		a. Renewable annually unless it is sooner relinquished, suspended, or revoked;
10		b. Not transferable or assignable to another person; and
11		c. Required to be conspicuously displayed at the retailer's site.
12	<u>53-</u>	12.1-07. Selection and qualifications of a retailer.
13	<u>1.</u>	The director shall select a person that the director deems best able to serve the
14		public convenience and promote the sale of a ticket. The director shall consider
15		relevant factors, including applicant's credit history, physical security and public
16		accessibility of the applicant's site, integrity, sufficiency of existing retailers to serve
17		the public convenience, especially in a geographically remote area of the state,
18		and volume of expected sales of tickets. A person lawfully engaged in
19		nongovernmental business on state property or a person within the exterior
20		boundary of an Indian reservation or on tribal trust land may be selected as a
21		<u>retailer.</u>
22	<u>2.</u>	A retailer may not be the lottery's gaming system or advertising agency vendor or
23		an employee or agent of the vendor.
24	<u>3.</u>	To be eligible as a retailer, an individual acting as a sole proprietor must:
25		a. <u>Have a satisfactory credit check;</u>
26		b. Be current in payment of all taxes, interest, and penalties owed to the state
27		and be current under a payment plan, excluding an item under formal dispute
28		or appeal pursuant to law;
29		c. Be at least eighteen years of age;
30		d. Be of good character and reputation;

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1		<u>e.</u>	Not have been convicted of a felony in this or any other jurisdiction, unless at
2			least ten years have passed since satisfactory completion of the sentence or
3			probation imposed by the court in each felony;
4		<u>f.</u>	Not have been found to have knowingly violated a lottery law or rule;
5		<u>g.</u>	Not have been found to have a background, including a criminal record, or
6			prior activities that pose a threat to the public interests of this state or to the
7			security and integrity of the lottery, create or enhance the dangers of
8			unsuitable or illegal practices in the conduct of lottery activities, or present
9			questionable business practices and financial arrangements incidental to the
10			lottery activity;
11		<u>h.</u>	Not be a parent, stepparent, child, stepchild, spouse, or sibling who is a
12			regular member of the same household of an employee of the lottery or
13			member of the lottery advisory commission; and
14		<u>i.</u>	Not have knowingly made a false statement of material fact to the lottery.
15	<u>4.</u>	To	be eligible as a retailer, a partnership must meet the requirement of
16		<u>sub</u>	division a of subsection 3 and each partner must meet the requirements of
17		<u>sub</u>	divisions b through i of subsection 3.
18	<u>5.</u>	To	be eligible as a retailer, an organization other than a partnership must meet the
19		req	uirements of subdivisions a and b of subsection 3 and each officer and director
20		<u>who</u>	o is primarily responsible for making financial decisions and each shareholder
21		<u>who</u>	o owns ten percent or more of an ownership interest in the organization must
22		me	et the requirements of subdivisions c through i of subsection 3.
23	<u>53-</u>	12.1-	08. Purchase of ticket or payment of prize to certain persons prohibited -
24	Price of a t	ticke	t - Sale by retailer only - Retailer second chance drawing - Prize paid to
25	owner of a	win	ning ticket - Prize subject to taxation - Discharge of liability - Penalty.
26	<u>1.</u>	<u>A ti</u>	cket may not be bought by or otherwise provided to, and a prize may not be
27		paid	d to, the following individuals or to a parent, stepparent, child, stepchild,
28		<u>spo</u>	use, or sibling who is a regular member of the same household of the following
29		indi	viduals:
30		<u>a.</u>	A member of the lottery advisory commission or employee of the lottery,
31			unless authorized in writing by the director; or

1		b. An officer or employee of the lottery's gaming system vendor.
2		A person who knowingly violates this subsection is guilty of a class B
3		misdemeanor on the first offense and a class A misdemeanor on a subsequent
4		offense.
5	<u>2.</u>	A retailer or employee of a retailer may buy a ticket and be paid a prize for a
6		winning ticket.
7	<u>3.</u>	Only a retailer may sell a ticket. A retailer may sell a ticket only at the site stated
8		on the license. A retailer may not sell a ticket at a price greater than the price set
9		by the lottery rules. A person convicted of violating this subsection is guilty of a
10		class A misdemeanor on the first offense and a class C felony on a subsequent
11		offense.
12	<u>4.</u>	A retailer may conduct a second chance drawing of entry forms or nonwinning
13		tickets to promote the sale of a ticket at that site.
14	<u>5.</u>	No ticket may be sold or given to a minor. A retailer, employee of a retailer, or any
15		other person who knowingly violates this subsection is guilty of a class B
16		misdemeanor on the first offense and a class A misdemeanor on a subsequent
17		offense.
18	<u>6.</u>	The prize to be paid or awarded for a winning ticket must be paid to the person
19		who the director determines is the owner of the ticket. However, the prize of a
20		deceased winning player must be paid to the lawful representative of the estate.
21	<u>7.</u>	If an individual steals a ticket from a retailer, the individual is guilty of a class A
22		misdemeanor. However, if the total value of the tickets stolen exceeds five
23		hundred dollars, the offense is a class C felony.
24	<u>8.</u>	A prize awarded is subject to state and federal income tax laws and rules.
25	<u>9.</u>	A person who, with intent to defraud, falsely makes, alters, forges, passes, or
26		counterfeits a ticket or gift certificate issued by the lottery, regardless of the
27		amount gained, is guilty of a class C felony.
28	<u>10.</u>	The state, members of the lottery advisory commission, and employees of the
29		lottery are discharged of all further liability upon payment of a prize.
30	<u>53-</u>	12.1-09. Operating fund - Continuing appropriation - Authorization of
31	<u>disbursem</u>	nents - Net proceeds. There is established within the state treasury the lottery

1	operating fu	und ir	nto which must be deposited all revenue from the sale of tickets, interest
2	received or	n mor	ney in the fund, and all other fees and moneys collected, less a prize on a
3	winning tick	ket or	lottery promotion paid by a retailer and the retailer's commission. All money in
4	the fund is	contir	nuously appropriated for the purposes specified in this section. A payment of a
5	prize or exp	bense	e or transfer of net proceeds by the lottery may be made only against the fund
6	or money c	ollect	ed from a retailer on the sale of a ticket. A disbursement from the fund must
7	be for the for	ollowi	ng purposes:
8	<u>1.</u>	Pay	ment of a prize as the director deems appropriate to the owner of a valid,
9		wini	ning ticket;
10	<u>2.</u>	<u>Pay</u>	ment of an expense, including a gaming system or related service, supplies,
11		<u>sur</u>	vey, advertising and marketing, printing, promotion, premium incentive item,
12		and	reimbursement of the cost of a facility or service provided by another state
13		age	ncy; and
14	<u>3.</u>	Trai	nsfer of net proceeds:
15		<u>a.</u>	Fifty thousand dollars must be transferred to the state treasurer each quarter
16			for deposit in the compulsive gambling prevention and treatment fund;
17		<u>b.</u>	An amount for the lottery's share of a game's prize reserve pool must be
18			transferred to the multistate lottery association; and
19		<u>C.</u>	The balance of the net proceeds, less holdback of any reserve funds the
20			director may need for continuing operations, must be transferred to the state
21			treasurer on at least an annual basis for deposit in the state general fund.
22	<u>53-</u>	12.1-	10. Confidentiality of records.
23	<u>1.</u>	<u>The</u>	following information and records of the lottery are confidential:
24		<u>a.</u>	Sales and income tax information, financial statements, and a credit report of
25			a retailer applicant or person seeking or doing business with the lottery, and
26			retailer application information other than the applicant's name and location;
27		<u>b.</u>	Information related to a person owing a debt to the state or having a debt
28			collected through a state agency that is made confidential by another state
29			law or rule;
30		<u>C.</u>	Internal control and security procedures, security information on a winning
31			ticket, and information on a bid or contractual data, the disclosure of which is

1		harmful to the efforts of the lottery to contract for goods and services on
2		favorable terms;
3		d. Personal information on a winning player unless the player authorizes, in
4		writing, release of the information; and
5		e. Lottery sales data, the disclosure of which is harmful to the competitive
6		position of the lottery, retailer, or person seeking or doing business with the
7		lottery. However, a retailer may authorize the lottery to release the retailer's
8		lottery sales data.
9	<u>2.</u>	To be confidential, information must relate to the security and integrity of the
10		lottery. Information and records may be disclosed within the attorney general's
11		office or to an authorized person in the proper administration of the lottery law and
12		rules or in accordance with a judicial order. Criminal history record check
13		information on an individual seeking or doing business with the lottery may be
14		released only according to chapter 12-60.
15	<u>53-</u>	12.1-11. Setoff of prize.
16	<u>1.</u>	A claimant agency and the director shall cooperate on the setoff of a lottery prize
17		against a delinquent debt. A claimant agency is an agency of the state of North
18		Dakota that a person owes money to or that collects money on behalf of another
19		party to satisfy a debt. The claimant agency and director shall share necessary
20		information, including the person's full name, social security number, and amount
21		and type of debt, through a mutually convenient method to timely achieve a setoff
22		<u>of a prize.</u>
23	<u>2.</u>	The director shall establish a debt setoff process in which a lottery prize claim of
24		an amount equal to or greater than six hundred dollars must be used to setoff a
25		delinquent debt owed to or collected through a claimant agency.
26	<u>3.</u>	If the director determines that a winning player owes a delinquent debt to or has a
27		delinquent debt collected through a claimant agency, the director shall set off the
28		amount of the debt from the prize due and notify the player, in writing, of the setoff.
29		If the setoff accounts for only a portion of the prize due, the remainder of the prize
30		must be paid to the player. The director shall transfer the setoff amount to the
31		claimant agency unless the player notifies the director, in writing, within thirty days

1		of the date of the notice of the setoff, that the player disputes all or part of the debt
2		owed to or collected through the claimant agency. If the director receives a
3		notification that the player disputes the setoff amount or claim upon which the
4		setoff is based, the director shall grant a hearing to the player to determine
5		whether the setoff is proper or the claim is valid, unless a review by a court is
6		authorized under section 50-09-14. At a hearing, no issue may be reconsidered
7		that the player has or could have previously litigated in a court or administrative
8		proceeding.
9	<u>4.</u>	The lottery is discharged of all further liability for the amount of any debt setoff paid
10		to a claimant agency.
11	<u>5.</u>	If two or more claimant agencies have delinquent accounts for the same player,
12		the director shall apportion the prize equally among them. However, a setoff to the
13		department of human services for child support payments has priority over all other
14		setoffs.
15	<u>6.</u>	If the prize is insufficient to satisfy the entire debt, the remainder of the debt may
16		be collected by a claimant agency as provided by law or rule and resubmitted for
17		setoff against any other prize awarded.
18	<u>7.</u>	If two or more claimant agencies make adverse claims to all or a part of a prize
19		payment, upon receipt of written notice from the claimant agencies setting forth
20		their claims, the director may deposit, in accordance with section 32-11-02, the
21		contested amount of the prize payment with the clerk of court in the district in
22		which an action pertaining to the contested amount is pending or with a
23		court-authorized depository. If one of the claims is for child support, the director
24		shall transfer the setoff amount to the state disbursement unit before depositing
25		any remaining prize payment or award. Any review of this transfer to the state
26		disbursement unit must be done pursuant to section 50-09-14. Upon making the
27		deposit or transfer, the state and its officials and employees are discharged and
28		relieved from further liability to any person or claimant agency related to the prize
29		payment.
30	<u>53-</u>	<b>12.1-12.</b> Rules. The attorney general shall adopt rules governing the operation of
31	the lottery.	The attorney general may adopt emergency rules as necessary without the grounds

1	otherwise r	equired under section 28-32-03. The attorney general shall adopt rules to address
2	any matters	s necessary for the efficient operation of the lottery or convenience of the public,
3	including:	
4	<u>1.</u>	Type of retailer where a ticket may be sold;
5	<u>2.</u>	Qualification for selecting a retailer and amount of application and license fees;
6	<u>3.</u>	Licensing procedure;
7	<u>4.</u>	Method used to sell a ticket, including a gift certificate and subscription;
8	<u>5.</u>	Financial responsibility of a retailer;
9	<u>6.</u>	Retailer promotions;
10	<u>7.</u>	Amount and method of commission to be paid to a retailer, including a special
11		bonus or incentive;
12	<u>8.</u>	Deadline for claiming a prize by the owner of a winning ticket, however, the
13		deadline may not exceed one year;
14	<u>9.</u>	Manner of paying a prize to the owner of a winning ticket; and
15	<u>10.</u>	Setoff of a prize.
16	SEC	CTION 5. AMENDMENT. Subsection 2 of section 54-10-01 of the North Dakota
17	Century Co	de is amended and reenacted as follows:
18	2.	Perform or provide for the audit of the general purpose financial statements and a
19		review of the material included in the comprehensive annual financial report of the
20		state and perform or provide for the audits and reviews of state agencies. Except
21		for the annual audit of the North Dakota lottery required by section 53-12-07
22		53-12.1-03, the state auditor shall audit or review each state agency once every
23		two years. The state auditor shall determine the contents of the audits and
24		reviews of state agencies. The state auditor may conduct any work required by
25		the federal government. The state auditor shall charge an amount equal to the
26		cost of the audit and other services rendered by the state auditor to all agencies
27		that receive and expend moneys from other than the general fund. This charge
28		may be reduced for any agency that receives and expends both general fund and
29		non-general fund moneys. Audits and reviews may be conducted at more frequent
30		intervals if requested by the governor or legislative audit and fiscal review
31		committee.

1	SEC	CTION 6. AMENDMENT. Subsection 7 of section 57-38-57 of the North Dakota
2	Century Co	de is amended and reenacted as follows:
3	7.	The tax commissioner, upon written request from the director of the North Dakota
4		lottery, may provide a written statement to the director, employees, or agents of
5		the North Dakota lottery, in which the tax commissioner is limited to stating that the
6		lottery retailer applicant has complied or not complied with the requirements of this
7		chapter. The information obtained under this subsection is confidential and may
8		be used for the sole purpose of determining whether the applicant meets the
9		requirements of subdivision d of subsection 1 subsections 3, 4, and 5 of section
10		53-12-13 and subdivision d of subsection 1 of section 53-12-14 53-12.1-07.
11	SEC	CTION 7. AMENDMENT. Subsection 47 of section 57-39.2-04 of the North Dakota
12	Century Co	de is amended and reenacted as follows:
13	47.	Gross receipts from the sale of lottery tickets under chapter 53-12 53-12.1.
14	SEC	CTION 8. AMENDMENT. Subsection 7 of section 57-39.2-23 of the North Dakota
15	Century Co	de is amended and reenacted as follows:
16	7.	The tax commissioner, upon written request from the director of the North Dakota
17		lottery, may provide a written statement to the director, employees, or agents of
18		the North Dakota lottery, in which the tax commissioner is limited to stating that the
19		lottery retailer applicant has complied or not complied with the requirements of this
20		chapter. The information obtained under this subsection is confidential and may
21		be used for the sole purpose of determining whether the applicant meets the
22		requirements of subdivision d of subsection 1 subsections 3, 4, and 5 of section
23		53-12-13 and subdivision d of subsection 1 of section 53-12-14 53-12.1-07.
24	SEC	CTION 9. REPEAL. Chapter 53-12 of the North Dakota Century Code is repealed.
25	SEC	CTION 10. EMERGENCY. This Act is declared to be an emergency measure.