

**Sixty-seventh Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 5, 2021**

HOUSE BILL NO. 1212
(Representatives Dockter, Headland, Mitskog)
(Senators Meyer, Bell)

AN ACT to create and enact a new section to chapter 53-06.1 of the North Dakota Century Code, relating to the creation of a charitable gaming operating fund; to amend and reenact section 53-06.1-12 of the North Dakota Century Code, relating to charitable gaming tax; to provide a continuing appropriation; to provide for a transfer; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 53-06.1 of the North Dakota Century Code is created and enacted as follows:

Charitable gaming operating fund - Attorney general - State treasurer - Continuing appropriation - Allocations - Transfer to the general fund.

1. There is created in the state treasury the charitable gaming operating fund. The fund consists of all gaming taxes, monetary fines, and interest and penalties collected under this chapter.
2. Excluding moneys in the charitable gaming operating fund appropriated by the legislative assembly for administrative and operating costs associated with charitable gaming, all other moneys in the charitable gaming operating fund are appropriated to the attorney general on a continuing basis for quarterly allocations as follows:
 - a. Ten thousand dollars to the gambling disorder prevention and treatment fund.
 - b. Five percent of the total moneys deposited in the charitable gaming operating fund to cities and counties in proportion to the taxes collected under section 53-06.1-12 from licensed organizations conducting games within each city, for sites within city limits, or within each county, for sites outside city limits. If a city or county allocation is less than two hundred dollars, that city or county is not entitled to receive a payment for the quarter and the undistributed amount must be included in the total amount to be distributed to other cities and counties for the quarter.
3. On or before June thirtieth of each odd-numbered year, the attorney general shall certify to the state treasurer the amount of accumulated funds in the charitable gaming operating fund which exceed the amount appropriated by the legislative assembly for administrative and operating costs associated with charitable gaming for the subsequent biennium. The state treasurer shall transfer the certified amount from the charitable gaming operating fund to the general fund prior to the end of each biennium.

SECTION 2. AMENDMENT. Section 53-06.1-12 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-12. Gaming tax - Deposits and allocations.

1. A gaming tax is imposed on the total adjusted gross proceeds received by a licensed organization in a quarter and it must be computed and paid to the attorney general on a quarterly basis on the tax return. This tax must be paid from adjusted gross proceeds and is not part of the allowable expenses. For a licensed organization with adjusted gross proceeds:
 - a. Not exceeding ~~one million five hundred fifty~~ thousand dollars the tax is one percent of adjusted gross proceeds.

- b. ~~Exceeding one million five hundred~~fifty thousand dollars the tax is ~~fifteen thousand~~five hundred dollars plus ~~two and twenty-five hundredths~~twelve percent of adjusted gross proceeds exceeding ~~one million five hundred~~fifty thousand dollars.
2. The tax must be paid to the attorney general at the time tax returns are filed.
 3. ~~Except as provided in subsection 4, the~~The attorney general shall deposit gaming taxes, monetary fines, and interest and penalties collected in the ~~general~~charitable gaming operating fund in the state treasury.
 4. ~~The attorney general shall deposit seven percent of the total taxes, less refunds, collected under this section into a gaming tax allocation fund. Pursuant to legislative appropriation, moneys in the fund must be distributed quarterly to cities and counties in proportion to the taxes collected under this section from licensed organizations conducting games within each city, for sites within city limits, or within each county, for sites outside city limits. If a city or county allocation under this subsection is less than two hundred dollars, that city or county is not entitled to receive a payment for the quarter and the undistributed amount must be included in the total amount to be distributed to other cities and counties for the quarter.~~

SECTION 3. EFFECTIVE DATE. Section 2 of this Act is effective for taxable events occurring after June 30, 2021.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-seventh Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1212.

House Vote: Yeas 85 Nays 9 Absent 0

Senate Vote: Yeas 37 Nays 10 Absent 0

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 2021.

Approved at _____ M. on _____, 2021.

Governor

Filed in this office this _____ day of _____, 2021,

at _____ o'clock _____ M.

Secretary of State