

ARTICLE 99-01.3 GAMES OF CHANCE

Chapter

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CHAPTER 99-01.3-01 ORGANIZATION LICENSES AND LOCAL PERMITS

Section

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99-01.3-01-01. Ineligible organizations.

An organization or a closely related organization may be ineligible for a license or permit if either organization has failed to resolve an imbalance involving its gaming or trust account according to section 99-01.3-03-05, has deals or games with state gaming stamps that are not accounted for, is delinquent in paying any tax, interest, penalty, or monetary fine due, has failed to comply with the terms and conditions of an administrative order, or was convicted of violating this article or North Dakota Century Code chapter 12.1-28 or 53-06.1. An auxiliary that is not a closely related organization is eligible for a permit. An organization that is licensed shall either have its principal executive office in North Dakota or be a foreign corporation authorized to conduct a raffle under chapter 20.1-04 or 20.1-08. A county, city, state, political subdivision, or federal entity is not eligible for a license or permit. A nonprofit social, hobby, trade, business, professional, similar club or association, or organization whose primary purpose mainly provides a direct benefit to its officers or members, is not a public-spirited organization eligible for a license.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; July 1, 2012; April 1, 2016.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01, 53-06.1-01.1

99-01.3-01-02. Site authorization.

1. An eligible organization shall obtain an approved site authorization for a site within a city or county from the governing body of the appropriate jurisdiction. The attorney general shall have final approval of a site authorization. A separate site authorization is required for each site. A site authorization may be issued for a location on public or private property and may be restricted or conditional, including types of games, days of the week, and designation where games will be conducted. An organization shall comply with a restriction of a site authorization unless an amended site authorization is approved. A site authorization must describe the gaming area designated by an organization that restricts where games may be conducted and played. A restroom may not be part of the gaming area. A governing body may revoke or suspend a site authorization based on good cause.
2. A governing body may issue a site authorization to two or more organizations to conduct games at the same site if the site authorizations restrict the organizations to different days of the week. However, more than one organization may be issued a site authorization for a fairground or similar open space of land. Electronic pull tabs may not be conducted in temporary sites such as fairgrounds, special event sites, or any site that is not open for forty calendar days of one quarter.
3. For an initial application for a site authorization for an organization that desires to be recognized as an eligible organization, a governing body of a city or county may determine whether the organization qualifies by examining documents outlined in subsection 1 of section 99-01.3-01-03.
4. An organization may temporarily use more twenty-one tables at a site than a site authorization allows for up to fourteen days per special event provided the event is recognized by a local governing body, no more than two events are held per quarter, written approval is granted by a local governing body, and the monthly rent amount does not increase. A special event is an infrequent, significant, and identifiable activity in the community. The site authorization does not need to be amended, regardless of where the tables are placed.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; October 1, 2006; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-03

99-01.3-01-03. License.

1. An organization may not conduct games at a site unless the attorney general first approves a site authorization and license for that city or county. A separate license is required for each city or county. For the initial and renewal applications for a license for an organization that desires to be recognized as an eligible organization, the attorney general shall determine whether the organization qualifies by examining a copy of an organization's articles of incorporation, charter, bylaws, board of directors' minutes for the previous two years, and any other documents or records considered necessary to determine its primary purpose and date of origin. If the attorney general determines at any time that an organization's actual primary purpose does not qualify it as an eligible organization, the attorney general shall deny the license application or revoke the license.
2. A license is effective for one year beginning July first and ending June thirtieth and may be issued at any time during the fiscal year. The annual license fee is not prorated. If an organization plans to conduct a raffle on or after July first, a license may be issued up to twelve months prior to the beginning of the licensing period. If an organization received a restricted event permit during the fiscal year, it may not receive a license.

3. When an organization first applies for a license to conduct games of chance, the license may not be issued to the organization until after its gaming manager and individuals responsible for recordkeeping and independent audit functions have satisfactorily demonstrated to the attorney general the organization is capable of properly managing and controlling the games it intends to conduct and has provided a copy of the organization's internal control and policy manuals. Any subsequent gaming manager or independent auditor shall demonstrate the same capability to the attorney general. If the attorney general determines with good cause a required individual is not able to properly manage and conduct games, maintain complete and accurate recordkeeping forms and applications, and ensure required gaming laws and rules are adhered to as prescribed, the individual may be prohibited from being involved in gaming as a gaming employee or volunteer and the organization's license may be denied, suspended, or revoked.
4. If an organization only conducts a raffle or calcutta in two or more cities or counties, the organization may apply for a consolidated license prescribed by the attorney general and remit a one hundred fifty dollar license fee for each city or county in which a site is located.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; July 1, 2012; April 1, 2016; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-03

99-01.3-01-04. Reporting a change in information.

If the following information on a site authorization or license application changes, the organization shall provide the attorney general, in writing through the gaming licensing system, updated information within fourteen days following the change:

1. An organization's primary purpose;
2. Type of gaming offered;
3. Days of the week gaming is offered;
4. Designated area where gaming is conducted;
5. Gaming manager; or
6. Independent auditor.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1

99-01.3-01-05. Permits.

1. A permit is issued by a city or county governing body and may be for a site located on public or private property. It may be restricted, including types of games, days of the week, and designation of an area at a site where games may be conducted. A governing body may revoke or suspend a permit based on good cause.
2. A permit is required for each site at which games have been authorized. The primary prize under a permit may not exceed fifteen thousand dollars and total prizes of all games may not exceed fifty thousand dollars per year. A donated merchandise prize is valued at its retail price.

3. When a governing body issues a permit, it shall assign a permit number, specify the day or period for which it is effective, identify the game types authorized, and send a copy to the attorney general within fourteen days from when it was issued. An organization that has a license may not have a permit at the same time.
4. An organization may receive one or more local permits to conduct a raffle, bingo, or sports pool from a city or county governing body during a year and may be issued two or more local permits at the same time. For a calendar raffle, a local permit may be issued for a calendar year. If an organization plans to conduct a raffle, a permit may not be issued more than twelve months prior to the first raffle drawing date unless authorized by the attorney general.
5. An organization deemed as a state political party or legislative district party committee only may conduct raffles under a local permit and may use the net income for a political purpose.
6. An organization may receive one restricted event permit to conduct a raffle, bingo, sports pool, paddlewheels, twenty-one, or poker from a city or county governing board during a year. If the organization has received a local permit or license during the fiscal year, it may not receive a restricted event permit. If the organization received a restricted event permit during the fiscal year, it may not receive a local permit. For a restricted event permit an organization shall file a report on a prescribed form with the attorney general and governing body within thirty days of the event.
7. For all game types conducted, an organization shall comply with section 99-01.3-02-08. For bingo, an organization shall comply with sections 99-01.3-04-01 and 99-01.3-04-02 and the applicable subsections of section 99-01.3-04-03. For a raffle, an organization shall comply with sections 99-01.3-05-01 through 99-01.3-05-04 and subsections 1 through 3 of section 99-01.3-05-05. For a sports pool, an organization shall comply with section 99-01.3-07-01. For twenty-one, an organization shall comply with sections 99-01.3-08-01, 99-01.3-08-02, 99-01.3-08-08, 99-01.3-08-09, 99-01.3-08-10, 99-01.3-08-11, 99-01.3-08-12, and 99-01.3-08-13. For poker, an organization shall comply with sections 99-01.3-09-01 through 99-01.3-09-06. For paddlewheels, an organization shall comply with subsection 1 of section 99-01.3-11-01 and the applicable subsections of section 99-01.3-11-02 if conducted with tickets, or subsection 2 of section 99-01.3-11-01 and the applicable subsections of sections 99-01.3-11-03 and 99-01.3-11-04, and sections 99-01.3-11-05 and 99-01.3-11-06 if conducted as a table game.
8. Any advertising of a gaming event must include the name of the organization and include the purpose for which the net proceeds must be used. Advertising must cease once the local permit or restricted event permit has expired.

History: Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2004; October 1, 2006; July 1, 2010; April 1, 2016; July 1, 2018; January 1, 2023; July 1, 2026.

General Authority: NDCC 53-06.1-01.1

Law Implemented: NDCC 53-06.1-01.1, 53-06.1-03, 53-06.1-06