

ALASKA LEGISLATURE COMMITTEE FILES 1985-1988 80/2

3683 HSTA HB 247 59

THE DEAL:

All cards must be dealt from a shoe. The dealer shall bury the first card dealt, that is, place it face down in a discard received pile without showing its face value. All cards used to make a hand are discarded in the same manner. The dealer deals one card face up to each player in order from the dealer's left with the dealer being dealt last, face down. The dealer then deals a second card face up to each player and himself in the same order. If the dealer's up card is an ace or a 10-count card, he then looks at his face down card to determine if he has a natural 21. If it is not a natural 21, each player, in order from left to right, can either stand or ask for one or more additional cards to be dealt face up.

THE PLAY:

1. Splitting shall be permitted as follows:
 - (a) On any pair or any two ten count value cards.
 - (b) Only one split may be made. The right hand card in the split shall be played to completion before the adjacent split hand is dealt a second hand.
 - (c) The wager shall equal his wager on his own hand.
 - (d) Split aces draw only one card each.
 - (e) Two-card 21 on a split is not a natural twenty-one. Therefore, a wager is paid off at an equal amount and a 21 count tie is a stand-off.
2. Doubling-down shall be permitted on an 11 count only. A player may double-down after splitting.

3. The eligible organization may determine whether or not to permit insurance betting. That determination must be posted. The player's wager shall be half his wager on his own hand. If the dealer holds a natural 21, the player wins the insurance wager at the rate of 2 to 1, otherwise the dealer wins the insurance wager.

WINNING:

1. All ties are a stand-off, that is, no pay-off is made.

2. If the dealer has a natural 21, he wins all bets, unless a player also has a natural 21 in which case a stand-off exists between the dealer and that player's hand. All other players lose.

3. If a player has a natural 21, he wins his hand and is paid off at a rate of 3 to 2, unless a stand-off exists with the dealer.

4. If a player busts, that is, his count in course of being dealt cards exceeds a count of 21, he loses his bet and the cards are placed in the discard receiver.

5. After all players have played their hands, the dealer turns up his down card and proceeds as follows:

(a) If the count is 16 or under, the dealer must hit, or take one or more cards, until such time as the count exceeds 16.

(b) If the count exceeds 16 but does not exceed 21, the dealer must stay, that is, his hand has ended. If the dealer's hand contains an ace and a

count of 17, 18, 19, or 20 can be obtained by including the ace as an 11, the dealer shall value his hand as such and must then stay. Wagers are won or lost on an individual hand basis by comparing each separate hand with the dealer's hand. The dealer wins if his count exceeds that of the player's hand. If less, the player wins. Wagers are paid off at an equal amount. Ties are a stand-off.

(c) If the dealer busts, he pays off the remaining players at an amount equal to the wager.

POSTING:

The following rules MUST be posted in a clear, legible manner at each twenty-one table or in such a conspicuous location so that the player at a twenty-one table can readily read such rules.

HOUSE MUST

Use 4 decks of cards (208 cards)

Use last hand indicator

Deal from a shoe

PLAYER RULES

Two hands maximum

\$2.00 maximum wager

No side-bets

No credit

No payoff on tie counts

Splitting on all pairs and 10's

Doubling on 11

Insurance not permitted

(Choose one
when posting)

- or -

Insurance permitted -- pays 2 to 1

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-07

10-04-02-08. GAMES TO DISPLAY STATE STAMP. No deal of pull-tabs, punchboards, or sports-pool shall be displayed unless the flare shall have attached a North Dakota state gaming stamp which has been previously affixed thereto by a licensed distributor of equipment for games of chance. See Chapter 10-04-09 of the Rules.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-17

CHAPTER 10-04-03

ELIGIBLE ORGANIZATIONS

Section 10-04-03-01	Reserved
Section 10-04-03-02	Purpose of Organization
Section 10-04-03-03	Civic and Service Clubs
Section 10-04-03-04	Other Public-Spirited Organizations
Section 10-04-03-05	Processing of City and County Resolutions

10-04-03-01. RESERVED.

10-04-03-02. PURPOSE OF ORGANIZATION. An organization shall be ineligible to conduct games of chance if the sole purpose of that organization is to conduct such games of chance, whether or not the organization is carrying out that purpose for one or more otherwise eligible organizations. Therefore, every organization desiring to conduct games of chance must manifest itself by veterans, charitable, educational, religious, fraternal, civic, service or other public-spirited programs.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-02

10-04-03-03. CIVIC AND SERVICE CLUBS.

1. An organization is a civic and service club only if its primary purpose is a civic and service purpose. A "civic and service purpose" is the promotion of the common good and social welfare of the community and public at large (i.e., affecting an indefinite

number of people). Purposes which benefit only a portion of the community, which are limited to one or a few substantive activities, or which are otherwise narrow in scope are not civic or service purposes. Private athletic, social, hobby, trade, business, professional or other similar clubs or associations are generally not civic and service clubs.

2. Before passing a resolution recognizing an organization as a civic and service club, a city or county governing body shall determine the primary purpose of the organization, the manner in which this purpose has been carried out in the past, and the intended uses of the net proceeds generated by the contemplated games of chance. The following items shall be examined by the governing body in order to make these determinations:

(a) Statements of receipts and expenditures for at least the two previous years which specifically outline the projects and other activities to which all of the organization's funds have been devoted and which are attested to by the financial officer and the president or other similar officer of the organization;

(b) A copy of the organization's charter, constitution, bylaws, articles of incorporation, or similar documents which help to establish

its primary purpose and its date of origin;

(c) A copy of the minutes of the organization's meetings which includes a resolution which specifically states the intended uses of funds generated by games of chance and which is attested to by the secretary or other similar officer of the organization; and

(d) Any other relevant materials submitted by the organization or by any other party.

3. The resolution passed by the city or county governing body recognizing an organization as a civic and service club shall include the following findings of the governing body:

(a) A statement of the primary purpose of the organization and the specific items relied upon in concluding that the purpose is a "civic and service purpose" as defined by Rule 10-04-03-03(1);

(b) A statement which specifically outlines the manner in which this primary purpose has been achieved in the past and how the purpose will be achieved by the granting of the games of chance license;

(c) A statement which specifically outlines the intended uses of the net proceeds

generated by the contemplated games of chance and the conclusion that all of these uses are eligible uses under Chapter 53-06.1, N.D.C.C., and the rules issued thereunder;

(d) A statement of the organization's date of origin and the conclusion that the organization has existed for at least two years;

(e) A statement that the governing body has examined all of the materials which are required to be examined; and

(f) A clause recognizing the organization as a civic and service club.

4. Organizations recognized by resolution as "civic and service clubs" shall devote the net proceeds of games of chance only to those eligible uses specifically outlined in the resolution.

History: Effective September 21, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-01
N.D.C.C. 53-06.1-02

10-04-03-04. OTHER PUBLIC-SPIRITED ORGANIZATIONS.

1. For the purpose of administering Section 53-06.1-01(17), N.D.C.C., the term "OTHER PUBLIC-SPIRITED ORGANIZATION" does not include veterans, charitable, educational, religious, fraternal organizations, or civic and service clubs. Therefore, "other public-

spirited organization" does not include an organization which would satisfy any of the definitions of these terms in Section 53-06.1-01, N.D.C.C., except for its failure to meet a requirement of two years of existence or functioning or its failure to obtain the resolution required under Section 53-06.1-01(4), N.D.C.C.

2. For the purpose of administering Section 53-06.1(17), N.D.C.C., the term "OTHER PUBLIC-SPIRITED ORGANIZATION" shall mean an organization whose primary purpose is consistent with Section 53-06.1-01(6)(c), (e), (f), (g), (h), or (i), N.D.C.C.

3. An organization whose primary purpose is consistent with Section 53-06.1-01(6)(h) or (i) must have one or more individuals affected by a specific event which has transpired as of the time of the application for a license.

4. In order to allow a city or county to protect and promote the public interest, an organization, except one whose primary purpose is consistent with Section 53-06.1-01(6)(h) or (i), must have been in existence and maintained its same qualifying primary purpose for a period of time before it can be licensed as an other public-spirited organization. A period of two years shall be sufficient for this purpose.

5. Before passing a resolution recognizing an organization as a public-spirited organization which is eligible to conduct games of chance under Chapter 53-

06.1, N.D.C.C., a city or county governing body shall determine the primary purpose of the organization, the manner in which its purpose has been carried out, and the intended uses of the net proceeds generated by games of chance. The following items shall be examined by the governing body in order to make these determinations:

(a) Statements of receipts and expenditures for at least the two previous years, except for organizations whose primary purpose is consistent with Section 53-06.1-01(6)(h) or (i), which specifically outline the projects and other activities to which all of the organization's funds have been devoted and which are attested to by the financial officer and president or other similar officer of the organization;

(b) A copy of the organization's charter, constitution, bylaws, articles of incorporation, or similar documents which help to establish its primary purpose and its date of origin;

(c) A copy of the minutes of the organization's meetings which includes a resolution which specifically states the intended uses of funds generated by games of chance and which is attested to by the secretary or other similar officer of the organization;
and

(d) Any other relevant materials submitted by the organization or by any other party.

6. The resolution passed by the city or county governing body recognizing an organization as a public-spirited organization which is eligible to conduct games of chance under Chapter 53-06.1, N.D.C.C., shall include the following findings of the governing body:

(a) A statement that the organization is not a veterans, charitable, educational, religious, or fraternal organization, or a civic and service club;

(b) A statement of the primary purpose of the organization;

(c) A statement specifying the specific provision of Section 53-06.1-01(6), (c), (e), (f), (g), (h), or (i), N.D.C.C., with which the primary purpose of the organization is consistent;

(d) A statement which specifically outlines the manner in which this primary purpose has been achieved and how the purpose will be achieved by the granting of the games of chance license;

(e) A statement which specifically outlines the intended uses of the net proceeds generated by the contemplated games of chance

and the conclusion that all of these uses are eligible uses under Section 53-06.1-01(6) (c), (e), (f), (g), (h), or (i), N.D.C.C., and the rules issued hereunder;

(f) A statement that the governing body has examined all of the materials which are required to be examined; and

(g) A clause recognizing the organization as public-spirited and eligible to conduct games of chance under Chapter 53-06.1, N.D.C.C.

7. If the resolution states that the primary purpose of the organization is within Section 53-06.1-01 (6) (g), N.D.C.C. (lessening the burden of government), it must also state either that the city or county (as applicable) operated and funded the project the organization intends to benefit or that it is a project the city or county wants to undertake but that it cannot do so without receiving financial help from the organization. Copies of city or county records sufficient to establish either of these statements will be sent to the attorney general by the city or county governing body.

8. Organizations recognized by resolution as public-spirited organizations eligible to conduct games of chance under Chapter 53-06.1, N.D.C.C., shall devote the net proceeds of games of chance only to those

eligible uses specifically outlined in the resolution.

History: Effective September 21, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-01
N.D.C.C. 53-06.1-02
N.D.C.C. 53-06.1-17

10-04-03-05. PROCESSING OF CITY AND COUNTY RESOLUTIONS.

1. A copy of the civic and service club or other public-spirited organization resolution passed by the city or county governing body, along with copies of all the materials which must be examined by the governing body under Rules 10-04-03-03 or 10-04-03-04, will be sent directly to the attorney general by the governing body.

2. As the final licensing authority, the attorney general shall review the resolution, the materials submitted with it, the license application, and any other evidence concerning the organization. The attorney general may also examine any other materials concerning an organization which he determines are necessary in order to process the application. If the attorney general determines that the findings made by the governing body are not supported by the available facts, that the resolution does not meet the requirements of the law or is incorrect or internally inconsistent, that the governing body has failed to undertake a sufficient examination of the organization or has acted

in an arbitrary or capricious fashion, or that any other requirement of the law has not been complied with, he shall return the resolution to the city or county governing body.

3. If, after the organization has received a license to conduct games of chance, the attorney general determines at any time that the organization's primary purpose is not equivalent to the statement of its primary purpose contained in the resolution or that a use of the net proceeds generated by games of chance is outside the uses outlined in the resolution, he shall revoke that organization's license.

History: Effective September 21, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-01
N.D.C.C. 53-06.1-02
N.D.C.C. 53-06.1-03

CHAPTER 10-04-04

LICENSING QUALIFICATIONS

Section 10-04-04-01	Reserved
Section 10-04-04-02	Licenses
Section 10-04-04-03	Employee Information
Section 10-04-04-04	Closely Connected Organizations Prohibited
Section 10-04-04-05	Raffles/Bingo
Section 10-04-04-06	Site Approvals

10-04-04-01. RESERVED.

10-04-04-02. LICENSES.

1. Every eligible organization MUST first receive an authorization for a gaming site or sites within a city from the city governing body or for a gaming site or sites within a county, exclusive of city limits, from the county governing body. The eligible organization must then apply to the attorney general for a separate class A or class B license for each city and/or county for which it holds an authorization for a gaming site or sites.

2. Every eligible organization must notify the city chief of police or county sheriff, as appropriate, of the intended site or sites at which games of chance are to be conducted and obtain his acknowledgment that he has been so informed. Every eligible organization must also consent in advance that local law enforcement officers or the attorney general and his agents may, at any time games of chance are being conducted, enter upon the site to observe the playing of games of chance and to enforce the law for any unauthorized

game or practice. The acknowledgment by the chief of police or sheriff and the consent by the eligible organization shall be completed on forms provided by the attorney general and returned to his office.

3. All class A and class B applications are subject to the approval of the attorney general. At the discretion of the attorney general, temporary permits, revocable on demand, may be issued pending review and/or investigation of the application.

4. Class A and class B licenses shall be effective for a period of one year beginning July 1 and ending June 30.

5. There shall be no pro-ration of the fees set out in Section 53-06.1-03, N.D.C.C., for any organization commencing a game of chance after July 1.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-03
N.D.C.C. 53-06.1-06

10-04-04-03. EMPLOYEE INFORMATION.

1. In order to ensure fair and honest games of chance and to preserve the integrity of the administration of the games of chance law, every class A and class B license holder shall complete and submit an Employee Information Report to the attorney general within 10 days after receipt of a class A or class B license.

2. The Employee Information Report shall contain such necessary and reasonable information as the attorney general may require.

3. Additions and/or deletions to this report shall be furnished to the attorney general each quarter period.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-17

10-04-04-04. CLOSELY CONNECTED ORGANIZATIONS PROHIBITED.

1. An otherwise eligible organization shall be determined to be connected to another eligible organization if any one or more of the following conditions are present:

(a) Membership in one organization automatically qualifies an individual as a member of another organization;

(b) Membership in one organization is dependent upon membership in another organization; including social memberships;

(c) The existence of an organization is dependent upon the existence of another organization.

2. Any affiliation of two or more organizations, contractual or otherwise, the substance of which is the circumvention of Chapter 53-06.1, N.D.C.C., regarding the required use of net proceeds and/or payment of the tax is prohibited.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-03

10-04-04-05. RAFFLES/BINGO.

1. In order to protect and promote the public interest, licensure by a city or county governing body for the purpose

of conducting raffles or bingo shall apply only when ALL of the following criteria are met.

- (a) The organization is an eligible organization;
- (b) The organization will conduct ONLY raffles and/or bingo throughout the entire fiscal year beginning July 1 and ending June 30;
- (c) The frequency of the occasions does not exceed once per week each for a raffle and a bingo occasion, unless the license is issued for a single specific occasion which does not last over two weeks;
- (d) The market value of a single prize for each game on each occasion does not exceed \$1,000 and the total market value of the aggregate of the prizes for each game on each occasion does not exceed \$2,000. Raffles are restricted to NON-CASH prizes;
- (e) The game(s) are conducted within a facility which does not have a retail alcoholic beverage licensee therein.

2. An applicant failing to comply with any of the items b through e of the foregoing criteria may not conduct raffles or bingo without first obtaining a class B license.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-03
N.D.C.C. 53-06.1-17

10-04-04-06. SITE APPROVALS. Site authorizations are issued at the discretion of the city or county governing body. An applicant has no absolute right to receive a site approval from the governing body. The governing body, therefore, may reject applications for a site approval or restrict a site approval in order to limit the amount of gaming activity within its jurisdiction.

History: Effective September 21, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-03

CHAPTER 10-04-05

DISPOSAL OF NET PROCEEDS

Section 10-04-05-01	Definitions
Section 10-04-05-02	Period Within Which Net Proceeds to be Disbursed -- General Rule
Section 10-04-05-03	Period Within Which Net Proceeds to be Disbursed -- Special Rule
Section 10-04-05-04	Licensed Organizations Not to Receive Funds From Donees
Section 10-04-05-05	General Guidelines for Eligible Uses

10-04-05-01. DEFINITIONS.

1. "Devoted" means the unrestricted disbursement by check from the special gaming account provided in Section 53-06.1-11.1, N.D.C.C.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-17

10-04-05-02. PERIOD WITHIN WHICH NET PROCEEDS TO BE DISBURSED
-- GENERAL RULE.

1. For purposes of administering Section 53-06.1-03.7, N.D.C.C., the term "THE DATE SUCH PROCEEDS WERE EARNED" found in that subsection shall mean: the last day of the quarter in which earned.

2. Net proceeds earned during any quarter must be devoted by the last day of the following quarter.

3. Quarters shall be identified and begin and end as follows:

<u>QUARTER #</u>	<u>BEGINS</u>	<u>ENDS</u>
1	Jan. 1	Mar. 31
2	Apr. 1	June 30
3	July 1	Sept. 30
4	Oct. 1	Dec. 31

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-06

10-04-05-03. PERIOD WITHIN WHICH NET PROCEEDS TO BE DISBURSED
-- SPECIAL RULE. Any class B licensed organization which has received a site authorization for a period of three calendar months or less shall devote the entire net proceeds earned during that period with 30 days from the date the site authorization expires.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-06

10-04-05-04. LICENSED ORGANIZATIONS NOT TO RECEIVE FUNDS FROM DONEES.

1. No eligible organization licensed by the attorney general shall accept any payment, gift, or other thing of material value from a recipient or potential recipient of net proceeds of its games of chance whether it be before or after such net proceeds are devoted.

2. Any eligible organization that devotes net proceeds and, within a period beginning one year before the disbursement and ending one year after the disbursement, sells or enters into an agreement to sell property, real or personal,

to that same donee, then such contribution shall be deemed a contribution of property by the non-profit donor organization and NOT a devoting of net proceeds.

3. Contributions of property encumbered by liens, chattels, mortgages or any other forms of indebtedness shall be considered a sale of property for purposes of subsection 2 of this section.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-11
N.D.C.C. 53-06.1-17

10-04-05-05. GENERAL GUIDELINES FOR ELIGIBLE USES. For the purpose of administering Section 53-06.1-01(6), N.D.C.C., the following criteria shall be generally applied to each item enumerated in that subsection:

1. The contribution must be a current irrevocable remittance not contingent upon future occurrences, and specific as to recipient and use.

2. The intended use must be broad in scope affecting an indefinite number of people. No direct benefit can enure to an individual except as permitted under items (h) and (i).

3. Private athletic, social, hobby, trade, business, professional or other similar clubs or associations generally are not eligible recipients, in and of themselves, unless the specific use of the intended contribution meets the criteria set forth in this section.

4. In applying items (h) and (i), the events causing the eligible use must have occurred and the expense incurred must be uncompensated by insurance. Accumulations for future occurrences are not permitted.

5. A use of funds for the erection, acquisition, improvement, maintenance, or repair of real, personal, or mixed property owned by an eligible organization is an eligible use only if the eligible organization agrees that, upon abandoning the exclusive use of the property which is stated in Section 53-06.1-01(6), N.D.C.C., it will grant its interest in the property to a governmental unit or to an organization which will use it exclusively for the purposes stated in Section 53-06.1-01(6), N.D.C.C.

History: Amended September 21, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-17

CHAPTER 10-04-06
CONDUCT OF GAMES OF CHANCE

Section 10-04-06-01	Reserved
Section 10-04-06-02	Person-In-Charge
Section 10-04-06-03	Promotion of Games of Chance
Section 10-04-06-04	Sale and Redemption of Chips
Section 10-04-06-05	Rental Agreements

10-04-06-01. RESERVED.

10-04-06-02. PERSON-IN-CHARGE. Every licensed organization shall designate an individual at each site location as the person-in-charge. The games of chance committee specified in Rule 10-04-01-03 shall be responsible for being aware of the conduct of the games at that site and the adherence to the law and regulations by the employees, lessor, members and participants. Violation of the law and regulations shall be made known immediately by the person-in-charge to the attorney general or a local enforcement agency if circumstances dictate.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-17

10-04-06-03. PROMOTION OF GAMES OF CHANCE. Free games, drinks, chips or other inducements, directly or indirectly, to participate in games of chance are prohibited.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-17

10-04-06-04. SALE AND REDEMPTION OF CHIPS. Chips must be sold by and redeemed ONLY by the licensee and ONLY for full value.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-07

Law Implemented
N.D.C.C. 53-06.1-17

10-04-06-05. RENTAL AGREEMENTS.

1. Every eligible organization conducting games of chance at a site that is not owned by that organization shall have in writing the conditions under which it is permitted the use and occupancy of that site. Such agreement shall be attested to by both the grantor and grantee.

2. At a minimum, every such agreement entered into pursuant to this section shall contain, by affirmative or negative statement, the following information:

- a) Name of grantor or lessor, whichever is applicable, who must be the legal owner of the site. If the organization is to be a sub-lessee, then the lessee name must also be included.
- b) Name of the eligible organization.
- c) Term of the agreement.
- d) Monetary consideration, if any.
- e) Brief description of the general area being granted or leased within the facility.
- f) Statement prohibiting advertising of the games of chance by the grantor.

g) The inclusion of the following statement for class B licensee applicants: "The (grantor, lessor) does hereby agree that (he, she), (his, her) spouse, and any employee or agent of the (grantor, lessor) shall not participate in the selling, distributing, conduct, assisting or playing of games of chance at the site herein (granted, leased).

3. Payment of rent pursuant to the agreement must be for a flat dollar rate per month or other agreed upon duration.

a) Graduated rate arrangements are prohibited.

b) Other remuneration, in lieu of money, is prohibited.

c) Percentage rates are prohibited.

4. No game of chance shall be set up or otherwise operated in conjunction with the conduct of the grantor's business operations.

5. Re-negotiated agreements shall be furnished to the attorney general prior to the effective date of the new agreement.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-03
N.D.C.C. 53-06.1-06

CHAPTER 10-04-07

ACCOUNTING RULES

Section 10-04-07-01	Definitions
Section 10-04-07-02	General Accounting Records
Section 10-04-07-03	Specific Records
Section 10-04-07-04	Internal Control
Section 10-04-07-05	Method of Accounting
Section 10-04-07-06	Games of Chance Bank Account
Section 10-04-07-07	Expenses
Section 10-04-07-08	Expense Limitation
Section 10-04-07-09	Payment and Reconcilement of Expenses
Section 10-04-07-10	Prizes
Section 10-04-07-11	Charitable Gaming Trust Fund Account - Class B

10-04-07-01. DEFINITIONS.

1. "Capital cost" means a disbursement for personal property, the useful life of which is expected to extend beyond one year.

2. "Compensation" means wages, salaries, bonuses, and all other forms of remuneration for services rendered.

3. "Equipment for games of Chance" means any device, apparatus or implement usable in the conduct of games of chance, whether or not specifically designed for the purpose, but excluding tables and chairs normally used in the occupancy of a premise.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-17

10-04-07-02. GENERAL ACCOUNTING RECORDS. Every eligible organization and distributor shall maintain complete, accurate

and legible general accounting records with detailed, supporting, subsidiary records sufficient to furnish information regarding all transactions pertaining to games of chance. Such records shall be retained for a period of three calendar years.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-17

10-04-07-03. SPECIFIC RECORDS. Every eligible organization shall maintain, at a minimum, the following specific records and/or information with regard to individual games for a period of one year:

BINGO: For each bingo occasion, the number in attendance; the total amount wagered; total prizes, cash and non-cash, awarded; a copy of the schedule of games and their prizes.

RAFFLES: For each raffle, the number of tickets sold and a sample of the printed ticket.

PULL-TABS AND PUNCHBOARDS: For each deal or punchboard, the flare, with the state gaming stamp affixed, associated with all opened winning tickets and all unopened and unsold tickets.

SPORTS-POOLS: The completed, sold board indicating the winning squares.

TWENTY-ONE: Individual records to reflect daily win and loss results for each table.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-17

10-04-07-04. INTERNAL CONTROL. In order to adequately determine its liability for taxes under Section 53-06.1-12, N.D.C.C. and the proper determination of net proceeds to be devoted under Section 53-06.1-06(7), N.D.C.C., the games of chance committee of every eligible organization shall establish and have available for review, a system of internal accounting and administrative controls relative to gaming operations.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-17

10-04-07-05. METHOD OF ACCOUNTING.

1. Every eligible organization shall determine its gross proceeds on the cash basis.

2. Every eligible organization shall determine its expenses on the cash basis, except:

- a) deals of pull-tabs, punchboards and sports-pools shall be determined on the accrual basis. Every licensed organization shall furnish a listing of state gaming stamps removed from play or otherwise disposed of during the tax return reporting period to the attorney general.
- b) the tax imposed by Section 53-06.1-12, N.D.C.C., shall be deducted on the accrual basis.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-17

10-04-07-06. GAMES OF CHANCE BANK ACCOUNT.

1. Every eligible organization shall maintain one checking account at a financial institution, located within the state for each license issued.

2. Every organization shall furnish an "Authorization to Inspect Bank Records" to the attorney general.

3. Interest shall be included in gross proceeds.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-17

10-04-07-07. EXPENSES.

1. For the purpose of administering Section 53-06.1-11(4), N.D.C.C., the following terms found in that subsection shall have the following meaning:

a) THE PURCHASE OF NECESSARY GOODS, WARES AND MERCHANDISE: The reasonable cost of all equipment for games of chance, except capital costs, for the conduct of any game of chance permitted in accordance with Chapter 10-04-02 of the Rules. Items of a minor nature such as pencils, crayons, tickets, envelopes, paper clips, and coupons necessary to conduct such games and all sales taxes paid herewith are included in this term.

b) THE SECURING OF SERVICES REASONABLY NECESSARY FOR REPAIR OF EQUIPMENT, AND FOR OPERATING OR CONDUCTING GAMES OF CHANCE.

i) The reasonable compensation, employer paid

benefits and payroll taxes paid for employees directly engaged in conducting or assisting in conducting games of chance. Where the employee performs other services unrelated to gaming activities, an allocation based on hours worked in each activity shall be made;

ii) The reasonable labor and material charges for the repair of equipment for games of chance.

c) THE RENT IF THE PREMISES OR EQUIPMENT ARE RENTED, OR FOR JANITORIAL SERVICES IF PREMISES ARE NOT RENTED.

i) The rent for a particular site location as shown in the rental agreement, EXCEPT that rent paid by an organization determined to be closely connected in accordance with Rule 10-04-04-04;

ii) The reasonable rental fee for equipment OTHER THAN equipment for games of chance but directly attributable to a specific game of chance on a specific occurrence. (For example, tables and chairs at a bingo event.)

d) FOR ACCOUNTANT'S FEES: The reasonable accounting and bookkeeping fees, directly attributable to games of chance accounting and administrative functions, that are separately stated and invoiced by an independent person or firm.

e) FOR LICENSE FEES: The fees paid pursuant to Sections 53-06.1-03 and 53-06.1-05, N.D.C.C.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-11

10-04-07-08. EXPENSE LIMITATION.

1. In order to administer Section 53-06.1-11(3), N.D.C.C., the following term found in that subsection shall have the following meaning: "EACH SUCH OCCASION" is the period for which a tax return is required under Rules 10-04-08-02 or 10-04-08-03, whichever is applicable.

2. If the dollar amount of the percentage limitation for expenses is less than the actual expenses for each such occasion, the excess of the actual expenditures shall be required to be reimbursed to the gaming bank account by the general fund of the licensed eligible organization by the due date of the North Dakota gaming tax return.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-11
N.D.C.C. 53-06.1-17

10-04-07-09. PAYMENT AND RECONCILIATION OF EXPENSES. Where allowable expenditures are not paid directly from the special gambling account, as in the case of the allocation of salary expenses, reimbursement to the disbursing fund from the gambling account shall be made by the due date of the North Dakota gaming tax return. Such reimbursement shall be supported by a detailed reconciliation of the difference.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-11
N.D.C.C. 53-06.1-17

10-04-07-10. PRIZES. For purposes of computing adjusted gross proceeds, non-cash prizes shall be valued at cost.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-17

10-04-07-11. CHARITABLE GAMING TRUST FUND ACCOUNT - CLASS B.

1. In order to ensure that the entire net proceeds are devoted to eligible uses, all class B licensees that file a tax return under the general rule at Rule 10-04-08-02 shall establish a Charitable Gaming Trust Fund Account as a separate bank account. This Account shall receive the transfers from the special gaming bank account established for each site (Rule 10-04-07-06). Such transfers shall constitute the devoting of net proceeds (Rule 10-04-05-02). From this Account the disbursements for the actual eligible uses shall be made and in no instance may the balances of this Account be used for any other purpose. These disbursements are not subject to any time limitations.

2. Every class B licensee subject to the accounting requirements of this section shall annually file a statement reflecting the activity of the Charitable Gaming Trust Fund Account to the attorney general. The statement shall cover a calendar year and is due by January 31 of the following year. The first statement shall be due January 31, 1982.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-02
N.D.C.C. 53-06.1-17

CHAPTER 10-04-08

GAMING TAX AND TAX RETURNS

Section 10-04-08-01	Reserved
Section 10-04-08-02	Due Date for Filing Tax Returns - General Rules
Section 10-04-08-03	Due Date for Filing Tax Returns - Special Rule
Section 10-04-08-04	Incomplete Tax Returns
Section 10-04-08-05	Consolidated Returns
Section 10-04-08-06	Extensions for Good Cause
Section 10-04-08-07	Attorney General to Determine Accuracy of Return

10-04-08-01. RESERVED.

10-04-08-02. DUE DATE FOR FILING TAX RETURNS - GENERAL RULE.

1. A North Dakota Gaming Tax return and payment of the tax due shall be made by the last day of the month following the end of a quarter year.

2. Quarters shall be identified and begin and end as follows:

<u>QUARTER #</u>	<u>BEGINS</u>	<u>ENDS</u>
1	Jan. 1	Mar. 31
2	Apr. 1	June 30
3	July 1	Sept. 30
4	Oct. 1	Dec. 31

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-12

10-04-08-03. DUE DATE FOR FILING TAX RETURNS - SPECIAL RULE.
Any class B licensed organization which has received a site authorization for a period of three calendar months or less

shall file a North Dakota Gaming Tax return and make payment of the tax due for that period within 30 days from the date the site authorization expires.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-12
N.D.C.C. 53-06.1-17

10-04-08-04. INCOMPLETE TAX RETURNS. An incomplete tax return will not be considered timely filed unless corrected and returned by the due date for filing. Delays in mailing shall be the responsibility of the eligible organization.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-17

10-04-08-05. CONSOLIDATED RETURN.

1. Only one return shall be filed for each eligible organization licensed by the attorney general.

2. Operations of an auxiliary, holding company or other closely connected organization as defined in Rule 10-04-04-04 are subject to the supervision of the games of chance committee of the licensed organization and the reporting by that organization.

3. Class B licensees shall file an attachment to the tax return disclosing the operations at each site organization.

The attachment shall use the format of the tax return.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-12

10-04-08-06. EXTENSIONS FOR GOOD CAUSE. Extensions for filing may be granted for good cause with the approval of the attorney general by filing a written request setting forth the reason for the request. If a request is denied, a return shall be due within fifteen days from the date of the denial letter. Extensions to file do not extend the date for devoting the net proceeds.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-12
N.D.C.C. 53-06.1-17

10-04-08-07. ATTORNEY GENERAL TO DETERMINE ACCURACY OF RETURN. The attorney general shall have the authority to verify and determine the accuracy of any or all items reported on the return; to ascertain the propriety of any or all prizes, expenses deductions, and distributions of net proceeds; to determine the current tax liability; and to prepare delinquent returns.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-12
N.D.C.C. 53-06.1-17

CHAPTER 10-04-09

RULES GOVERNING DISTRIBUTORS AND MANUFACTURERS

Section 10-04-09-01	Definitions
Section 10-04-09-02	Equipment For Games of Chance
Section 10-04-09-03	Restrictions of Distributorship Interests
Section 10-04-09-04	Changes in Ownership-Personnel
Section 10-04-09-05	Marking and Identification of Equipment of Games of Chance
Section 10-04-09-06	Books and Records to be Kept
Section 10-04-09-07	Examination of Books and Records
Section 10-04-09-08	Distributors to Sell Only to Licensed Organizations
Section 10-04-09-09	Distributors Information Report
Section 10-04-09-10	Rebate of Purchase Prices of Distributors
Section 10-04-09-11	Domestic Manufacture

10-04-09-01. DEFINITIONS.

1. "Deal" in pull-tabs means each separate serialized package of pull-tabs purchased from a distributor.

2. "Flare" is a posted display which sets forth the rules of a particular game of pull-tabs, punchboard or sports-pool and which is associated with a specific deal, punchboard or sports-pool board.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-17

10-04-09-02. EQUIPMENT FOR GAMES OF CHANCE. For purposes of administering Section 53-06.1-14, N.D.C.C., the term "Equipment for games of chance" found in that section shall mean any device, apparatus or implement usable in the conduct of games of chance,

whether or not specifically designed for the purpose, but excluding tables and chairs normally used in the occupancy of a premise.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-14

10-04-09-03. RESTRICTIONS ON DISTRIBUTORSHIP INTEREST.

1. No organization which is licensed or authorized to conduct games of chance shall be a distributor.

2. No person who is an officer, director, or manager of any licensed or authorized eligible organization shall be an officer, director, shareholder, (directly or indirectly) proprietor, or employee of a distributorship, nor shall such person have any financial interest whatsoever in such distributorship.

3. No person who is an officer, director, shareholder (directly or indirectly), partner, or proprietor of a whole-sale alcoholic beverage business shall be an officer, director, shareholder, partner, proprietor, or employee of a distributorship, nor shall such person have any financial interest whatsoever in such distributorship.

4. No distributor shall be a lessor of premises, directly or indirectly, to a licensee.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-14
N.D.C.C. 53-06.1-17

10-04-09-04. CHANGES IN OWNERSHIP-PERSONNEL. Additions or deletions of any employees, agents or other personnel engaged in the business of the distributor or any change in the management, directorship or equity ownership of the distributorship shall be reported monthly to the attorney general on forms supplied by the attorney general.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-14
N.D.C.C. 53-06.1-17

10-04-09-05. MARKING AND IDENTIFICATION OF EQUIPMENT FOR GAMES OF CHANCE.

1. The manufacturer's serial number shall appear on all gaming devices. The name of the club, club number, or other information may appear on such devices but only in addition to and not in replacement of, the manufacturer's serial number. Serial numbers may not be special ordered, but shall be as provided by the manufacturer in its ordinary course of business.

2. A distributor shall be responsible for placing a state identification stamp on each pull-tab deal, punchboard, and sports-pool board that is sold or otherwise disposed of. This rule shall not apply to sales by distributors to out-of-state customers for use out-of-state.

3. Consecutively numbered stamps will be furnished to each distributor by the attorney general. The distributor shall write the manufacturer's serial number in the space provided and affix the stamps to the front of the flare before

making delivery to any licensed or authorized organization.

4. The flares will be furnished to the purchaser with each such deal.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-14
N.D.C.C. 53-06.1-17

10-04-09-06. BOOKS AND RECORDS TO BE KEPT. Each distributor shall maintain records that contain the following information relative to the purchase and sale of gaming equipment and material.

1. Purchase invoices for all equipment for games of chance distributed to licensed or authorized organizations.

2. Sales invoices for all equipment for games of chance distributed to licensed or authorized organizations.

The sales invoices shall be on a standard form prescribed by the attorney general, and shall have the following information as a minimum:

a) Date shipped.

b) Invoice number.

c) The name and address (city or town) of the licensed or authorized eligible organization.

d) License or permit number of the organization.

e) Quantity (by deals for pull tabs, by the number of boards for punchboards and sports-pools).

f) Description of the equipment.

g) Gaming stamp numbers.

3. A gaming stamp log in which the gaming stamp numbers

and the manufacturer's serial numbers are recorded shall be maintained.

4. The above records shall be kept for a period of three calendar years.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-14

10-04-09-07. EXAMINATION OF BOOKS AND RECORDS. The attorney general and his agents shall have the power to examine or cause to be examined the books and records of any distributor to the extent that such books and records relate to any transaction connected to the sale of gaming equipment and materials in the state of North Dakota or to information that is required to be furnished to the attorney general under the statutes and regulations pertaining to games of chance, and no distributor shall prohibit, interfere with, or otherwise impede such examination, but shall cooperate and assist with such examination, and provide such information as may be requested.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-14

10-04-09-08. DISTRIBUTORS TO SELL ONLY TO LICENSED ORGANIZATIONS. No distributor shall sell or otherwise dispose of equipment for games of chance to any organization which has not first been licensed by the attorney general or authorized by the local governing body to conduct raffles and/or bingo in accordance with

Rule 10-04-04-05.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-14

10-04-09-09. DISTRIBUTORS INFORMATION REPORTS. Each distributor shall file a copy of each sales invoice, as described in Rule 10-04-09-06.2 with the attorney general by the tenth day of the month following the month in which such invoice was prepared along with the gaming stamp log described in Rule 10-04-09-06.3. A catalog of all equipment for games of chance offered to eligible organizations shall be furnished to the attorney general and shall be updated monthly as needed.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-14

10-04-09-10. REBATE OF PURCHASE PRICES BY DISTRIBUTOR. Rebates of purchase prices or discounts allowed by a distributor shall be separately stated on the original purchase invoice or separately invoiced on a credit advice referenced to the original sales invoice.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-14
N.D.C.C. 53-06.1-17

10-04-09-11. DOMESTIC MANUFACTURE. Any person manufacturing equipment for games of chance within the state of North Dakota

shall first register such manufacturing activity with the attorney general before selling, marketing or otherwise distributing such equipment, in or out of state.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-14
N.D.C.C. 53-06.1-17

CHAPTER 10-04-10

VIOLATIONS

Section 10-04-10-01
Section 10-04-10-02

Reserved
Ineligible Use of Net Proceeds by Donee

10-04-10-01. RESERVED

10-04-10-02. INELIGIBLE USE OF NET PROCEEDS BY DONEE.

1. In order to ensure that the entire net proceeds of games of chance are devoted to eligible uses, the attorney general shall have the power to cause a donee individual or organization to produce records sufficient to determine the actual use of the net proceeds received.

2. Any person or organization receiving gaming proceeds from an eligible organization for a permissible use, and subsequently using such proceeds for a nonpermissible use, shall reimburse the donor organization for all funds which the attorney general determines is a nonpermissible use under Section 53-06.1-01(6) of the North Dakota Century Code.

History: Effective September 21, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-17

CHAPTER 10-04-11

TRANSITION RULES

Section 10-04-11-01	Definitions
Section 10-04-11-02	Specific Adaptations
Section 10-04-11-03	Gaming Tax and Net Proceeds
Section 10-04-11-04	Stamp Registration

10-04-11-01. DEFINITIONS.

1. "Transition" is that series of occurrences required to accomplish the continuity of the games of chance industry which is affected by the expiration of 1979 Sess. Laws, Chapter 531, and the inception of N.D.C.C. 53-06.1

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-17

10-04-11-02. SPECIFIC ADAPTATIONS.

1. Organizations licensed by the attorney general under Chapter 531, S.L. 1979 on April 1, 1981, shall automatically receive a class A license for the year beginning July 1, 1981 and ending June 30, 1982.

2. All eligible organizations that had been previously permitted by the governing body of either a city or county to conduct games of chance (other than raffles or bingo) for a period of time running beyond June 30, 1981 MUST make a new application as provided by Chapter 53-06.1, N.D.C.C., and receive a license from the attorney general before conducting any games of chance.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-17

10-04-11-03. GAMING TAX AND NET PROCEEDS. The provisions contained in 1979 Sess. Laws, Chapter 531, and the regulations thereunder for filing a North Dakota Games of Chance tax return and the devoting of net proceeds for the second quarter of 1981 ending June 30, 1981, shall be applicable commencing 12:01 a.m. July 1, 1981.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-17

10-04-11-04. STAMP REGISTRATION. Every eligible organization shall file a listing of all Gaming Stamp numbers affixed to games on hand or still in play as at June 30, 1981.

History: Effective July 1, 1981

General Authority
N.D.C.C. 53-06.1-17

Law Implemented
N.D.C.C. 53-06.1-17

CROSS REFERENCE

N.D.C.C. 53-06.1

Rules

Section 01	NONE
02	10-04-03-02 10-04-07-11
03	10-04-01-02;06 10-04-04-02;04;05 10-04-06-05
04	NONE
05	NONE
06	10-04-01-03 10-04-04-02 10-04-05-02;03 10-04-06-05
07	10-04-02-02;03;04;05;06;07;08
08	NONE
09	NONE
10	NONE
11	10-04-05-04 10-04-07-07;08;09
12	10-04-08-02;03;05;06;07
13	NONE
14	10-04-01-05 10-04-09-02;03;04;05;06;07;08;09;10;11
15	NONE
16	NONE
17	10-04-01-03;04 10-04-04-03;05 10-04-05-04;05 10-04-06-02;03;04 10-04-07-02;03;04;05;06;08;09;10;11 10-04-08-03;04;06;07 10-04-09-03;04;05;10;11 10-04-11-02;03;04

CHAPTER 53-06.1
GAMES OF CHANCE

53-06.1-01. Definitions.

1. "Adjusted gross proceeds" means gross proceeds less cash prizes or the price of merchandise prizes.
2. "Bona fide guest" means a person who is not a member of an eligible organization, but who is allowed to use the facilities of the organization when invited by a member or the organization in accordance with the eligible organization's bylaws, articles of incorporation, charter, rules, or other written statement.
3. "Charitable organization" means any nonprofit organization operated for the relief of poverty, distress, or other condition of public concern within this state, which has been so engaged within this state for two years.
4. "Civic and service club" means any branch, lodge, or chapter of a nonprofit national or state organization which is authorized by its written constitution, charter, articles of incorporation, or bylaws to engage in a civic or service purpose within this state, which shall have existed in this state for two years. "Civic and service club" also means a similar local nonprofit organization, not affiliated with a state or national organization, which is recognized by resolution adopted by the governing body of the city in which the organization conducts its principal activities, or by the governing body of a county if such organization conducts its principal activities outside the limits of a city but within a county. Such club shall have existed in this state for two years.
5. "Distributor" means a person, firm, corporation, association, or organization which sells, markets, or otherwise distributes raffle tickets, bingo equipment, or any other implements of gambling usable in the lawful conduct of games of chance under this chapter, to an organization licensed or authorized to conduct such games of chance under this chapter. "Distributor" does not include a resident printer who prints raffle tickets at the request of a licensed or authorized organization, and who sells or otherwise distributes such raffle tickets to such organization.

6. "Educational, charitable, patriotic, fraternal, religious, or other public-spirited uses" are:
 - a. Uses benefiting those organizations which are exempt from federal taxation under section 501(c) (3) of the Internal Revenue Code.
 - b. Uses benefiting an organization registered with the North Dakota secretary of state under chapter 50-22.
 - c. Uses benefiting an indefinite number of persons either by bringing them under the influence of education or religion or relieving them of disease, suffering, or constraint.
 - d. Fraternal uses specified by an organization's constitution, charter, or bylaws not of direct benefit to the eligible organization or any member thereof.
 - e. Uses increasing comprehension of and devotion to the principles upon which the nation was founded, not of direct benefit to the eligible organization or any member thereof.
 - f. The erection or maintenance of public buildings or works.
 - g. Uses otherwise lessening the burden of government.
 - h. Uses benefiting a definite number of persons who are the victims of loss of home or household possessions through explosion, fire, flood, or storm and the losses uncompensated by insurance.
 - i. Uses benefiting a definite number of persons suffering from a seriously disabling disease or injury causing severe loss of income or incurring extraordinary medical expense which is uncompensated by insurance.

Such uses do not include the erection, acquisition, improvement, maintenance, or repair of real, personal, or mixed property unless it is used exclusively for one or more of the stated uses. Uses shall not include any activities consisting of attempts to influence legislation or participation in any political campaign on behalf of any active official or person who is or has been a candidate for public office.

7. "Educational organization" means any nonprofit public or private elementary or secondary school in this state which has been in existence for two years.
8. "Eligible organization" means bona fide nonprofit veterans, charitable, educational, religious, and

fraternal organizations, civic and service clubs, and other public-spirited organizations as defined by this chapter, which may be licensed by the attorney general or authorized by the governing body of a city or county to conduct games of chance under this chapter.

9. "Entire net proceeds" or "net proceeds" means the adjusted gross proceeds less such expenses, charges, fees, taxes, and deductions as are specifically authorized under this chapter.
10. "Fraternal organization" means a nonprofit organization within this state, except college and high school fraternities, which is a branch, lodge, or chapter of a national or state organization and exists for the common business, brotherhood, or other interests of its members. Such organization shall have existed within this state for two years.
11. "Gross proceeds" means all moneys collected or received from games of chance and admissions thereto.
12. "Licensee" means an eligible organization licensed under the provisions of this chapter.
13. "Licensing authority" means the attorney general.
14. "Member" means a person who has qualified for and been admitted to membership in an eligible organization pursuant to its bylaws, articles of incorporation, charter, rules, or other written statement, and who pays regular monthly, annual, or other periodic dues or is a fully paid life member of the eligible organization. "Member" includes auxiliary members, but excludes social and honorary members.
15. "Other public-spirited organization" means a nonprofit organization recognized by the governing body of a city or county by resolution as public-spirited and eligible to conduct games of chance under this chapter.
16. "Religious organization" means any nonprofit organization, church, body of communicants or group gathered in common membership for mutual support and edification in piety, worship, and religious observances which has been so gathered or united in this state for two years.
17. "Veterans organization" means any congressionally chartered organization within this state, or any branch or lodge or chapter of a nonprofit national or state organization within this state, the membership of which consists of individuals who were members of the armed services or forces of the United States. Such

organizations shall have been in existence in this state for two years.

53-06.1-02. Organizations eligible under chapter - Use of net proceeds. Nonprofit veterans, charitable, educational, religious, and fraternal organizations, civic and service clubs, and public-spirited organizations, as those terms are defined by this chapter, are eligible to conduct games of chance under the conditions of this chapter. The entire net proceeds of such games of chance are to be devoted to educational, charitable, patriotic, fraternal, religious, or other public-spirited uses as defined by this chapter. Notwithstanding any other provision of this chapter, an eligible organization, which is not required to be licensed by the attorney general, may use the net proceeds of such games of chance to directly benefit the eligible organization; however, none of the proceeds may be used for capital improvements or the purchase of furnishings. For purposes of this section, a capital improvement is defined as the construction, renovation, remodeling, or repair of a building which tends to enhance its value, beauty, or utility or to adapt it for further purposes. For purposes of this section, a furnishing is defined as furniture, draperies, or equipment.

53-06.1-03. Licensure - Exceptions for raffles and bingo - City and county licensure - Fees - Suspension and revocation.

1. Eligible organizations desiring to conduct games of chance shall annually apply for a license from the attorney general before July first on forms provided by the attorney general and shall include with the application a fifty dollar license fee. However, an eligible organization desiring to conduct raffles or bingo in which the primary prize does not exceed one thousand dollars, and the aggregate does not exceed two thousand dollars, shall apply directly to the governing body of the city in which it conducts its principal activities or, if its principal activities are conducted within a county but outside the limits of a city, it shall apply to the board of county commissioners for a license. Applications for the conduct of raffles and bingo subject to authorization by a city or county shall be made on forms provided by the attorney general and shall be accompanied by a ten dollar permit fee payable to the city or county governing body.
2. The attorney general shall license such organizations which conform to the requirements of this chapter by issuing licenses as follows:
 - a. A class A license to an eligible organization licensed as a retail alcoholic beverage dealer in North Dakota that maintains a building for the use of its members and guests, and that offers meals or liquor or both as part of its operation.

b. A class B license to any other eligible organization.

The attorney general may deny a class B license to an otherwise eligible organization if the organization is connected, directly or indirectly, to the holder of a North Dakota retail alcoholic beverage license.

3. Games of chance shall be operated or conducted only on premises or sites set forth in the application as follows:

a. Class A license applicants shall be limited to one location. A special permit for an alternate location may be granted by the attorney general for a single specific occasion upon written request.

b. Class B license applicants shall first secure approval of the proposed site or sites on which it intends to conduct games of chance under this chapter from the governing body of the city, if within city limits, or the county, if outside city limits, where the site or sites are located. This approval or permit, which may be granted at the discretion of the governing body, must accompany the license application to the attorney general. The governing body may charge a ten dollar fee for this permit.

c. Rented premises shall be subject to rules adopted by the attorney general.

d. Only one eligible organization at a time may conduct games of chance at a specific location.

e. Licenses, rules of play, and state identification devices shall be displayed on forms and in the manner specified in rules adopted by the attorney general.

4. The attorney general shall have the power, on his or her motion, based on reasonable ground or upon written complaint, to suspend or revoke, under the provisions of chapter 28-32, any license granted under this chapter for violations by the licensee, or any officer, director, agent, member, or employee of the licensee, of this chapter or any rule or regulation adopted under this chapter.

53-06.1-04. College fraternities and sororities allowed to conduct raffles - Use of proceeds. A college fraternity or sorority recognized by the administration of a North Dakota college or university shall be eligible to conduct raffles and bingo under the provisions of this chapter. The entire net proceeds of such raffles shall be devoted to educational, charitable, patriotic, or other public-spirited uses as defined by this chapter.

53-06.1-05. City approval for raffles. A college fraternity or sorority shall apply in writing to the governing body of the city in which it is located, or to the board of county commissioners where the college is located outside the geographical limits of a city, for permission to conduct a raffle at least thirty days prior to each occasion. The application shall state the time, place, and educational, charitable, patriotic, or other public-spirited uses to which the proceeds will be devoted. The applicant fraternity or sorority shall include a signed acknowledgment by the administration of the college or university that the applicant is a recognized fraternity or sorority. The governing body may at its own discretion, and upon application by a fraternity or sorority, grant permission for raffles and bingo to be held at specifically designated times and places for specific uses covering a one-year period. The governing body may by ordinance or resolution establish authorization fees not to exceed ten dollars for an authorization for one occasion and not to exceed twenty-five dollars for an authorization covering more than one occasion. If the governing body, at its own discretion, chooses to authorize raffles or bingo pursuant to this chapter, the governing body may do so by resolution.

53-06.1-06. Persons permitted to conduct games of chance - Premises - Equipment - Expenses - Compensation.

1. No person, except a member or employee of an eligible organization or a member of an organization auxiliary to an eligible organization, may assist in the holding, operating, or conducting of any game of chance under this chapter.
2. No item of expense incurred in connection with the holding, operating, or conducting of any game of chance held, operated, or conducted pursuant to this chapter shall be deducted from adjusted gross proceeds, except bona fide expenses in reasonable amounts as provided under section 53-06.1-11. No games of chance shall be conducted with any equipment other than equipment owned by or rented at a reasonable rate from an eligible organization.
3. The governing board of an eligible organization shall be primarily responsible for the proper determination and distribution of the entire net proceeds of any game of chance held in accordance with this chapter.
4. The premises where any game of chance is being held, operated, or conducted, or where it is intended that such game will be held, shall be open to inspection by the licensing authority, its agents and employees, by representatives of the governing body authorizing games of chance, and by peace officers of any political subdivision of this state.

5. When any merchandise prize is awarded in a game of chance, its value shall be its current retail price. No merchandise prize shall be redeemable or convertible into cash directly or indirectly.
6. Equipment, prizes, and supplies for games of chance shall not be purchased or sold at prices in excess of the usual price thereof.
7. The entire net proceeds derived from the holding of games of chance must be devoted within three months from the date such proceeds were earned to the uses permitted by this chapter. Any organization desiring to hold the net proceeds of games of chance for a period longer than three months from the date such proceeds were earned must apply to the licensing authority or governing body, as the case may be, for special permission, and upon good cause shown, the licensing authority or governing body may grant the request.
8. Only the members of an organization licensed as a class A licensee by the attorney general under this chapter and their spouses and bona fide guests may participate in playing games of chance conducted by such licensed organization.
9. No person, firm, corporation, association, or organization convicted of a felony or a class A misdemeanor, or determined by the attorney general to have participated in organized crime or unlawful gambling, shall be permitted to sell, distribute, conduct, or assist in games of chance under this chapter.

53-06.1-07. Games of chance allowed. Eligible organizations shall be permitted to conduct the following games of chance:

1. Eligible organizations licensed by the attorney general shall be permitted to conduct bingo, raffles, pull tabs, jars, punchboards, twenty-one, and sports pools for professional sports only.
2. College fraternities or sororities may conduct raffles and bingo.

53-06.1-08. Punchboards and jars - Sale of chances. No person or organization engaged in the selling of chances from jars or punchboards under this chapter shall discard the chances from any jar or punchboard once the contents of such jar or punchboard are offered for sale to eligible participants, unless all of the highest denomination of winners have been sold.

53-06.1-09. Sports pools - Control by licensee - Rules posted. Any licensee or other eligible organization may allow the playing of sports pools on the premises or authorized site. Sports pools shall be allowed for professional sports only. If sports pools are allowed, they shall be conducted and controlled by the licensee or other eligible organization. Any rules affecting the conduct of sports pools or requirements of participants shall be clearly posted. The maximum wager on any sports pool shall not exceed five dollars. The amounts paid to sports pool participants in prizes shall not exceed two-thirds of the gross proceeds.

53-06.1-10. Twenty-one - Sale of chips - Redemption - Wager - Limit - Rules of play. Any licensee or other eligible organization may conduct and control the playing of the card game twenty-one on the licensee's or eligible organization's premises or authorized site, but at no other location. No money shall be allowed on the table. The licensee or eligible organization shall provide playing chips of various denominations to the participants. Chips shall be redeemed by the licensee or eligible organization for their full value. A maximum limit per wager shall be two dollars and no player may play more than two hands. Only the player actually playing a hand may place a wager on any hand. Twenty-one is a card game played by a maximum of seven players and one dealer. The dealer shall be a representative of the eligible organization sponsoring the game of chance. All players play their hand against the dealer's hand. In order to remain in the hand being dealt, neither the player nor the dealer may play a hand with a count greater than twenty-one. A count of twenty-one obtained with two cards is termed a natural twenty-one and is entitled to an automatic pay out. In the case of matching or tie count between the player and the dealer no winner is declared and both persons keep their wager. Each licensee or eligible organization conducting twenty-one shall post rules relating to the conduct of the game in a conspicuous location near where the game is played.

53-06.1-11. Statement of receipts - Expenses.

1. All moneys collected or received from games of chance and admissions thereto, except cash prizes of one hundred dollars or less paid immediately, shall be deposited in a special account of the eligible organization which shall contain only such money. Cash prizes of more than one hundred dollars, the purchase prices of merchandise prizes, and all expenses for such games of chance shall be withdrawn from such account by consecutively numbered checks duly signed by a specified officer or officers of the eligible organization and payable to a specific person or organization. There shall also be written on the check the nature of the expense or prize for which the check is drawn. No check shall be drawn to "cash" or a fictitious payee.

2. No part of the net proceeds after they have been given over to another organization shall be used by the donee organization to pay any person for services rendered or materials purchased in connection with the conducting of games of chance by the donor organization.
3. No item of expense incurred in connection with holding, operating, or conducting any game of chance pursuant to this chapter shall be deducted from adjusted gross proceeds, except bona fide expenses of a reasonable amount actually and necessarily incurred and directly attributable only to the conduct of the games of chance. Bona fide expenses shall not include overhead, capital costs, and general maintenance. Total expenses for games of chance shall not exceed thirty-five percent of the total adjusted gross proceeds from each such occasion. The figure used for adjusted gross proceeds shall be as determined in subsection 1 of section 53-06.1-01 before any reduction for taxes.
4. Expense payments for games of chance deductible from adjusted gross proceeds shall be made only for the following purposes:
 - a. The purchase of necessary goods, wares, and merchandise.
 - b. The securing of services reasonably necessary for repair of equipment, and for operating or conducting games of chance.
 - c. For rent if the premises or equipment are rented, or for janitorial services if premises are not rented.
 - d. For accountant's fees.
 - e. For license fees.

53-06.1-12. Tax based on adjusted gross proceeds. A tax of five percent of the total adjusted gross proceeds received by a licensed eligible organization shall be paid to the licensing authority for deposit in the general fund on a quarterly basis in such manner and upon such forms as shall be prescribed by the licensing authority by rule. The figure used for adjusted gross proceeds shall be as determined in subsection 1 of section 53-06.1-01 before any reduction for expenses. The amount of this tax shall be paid from adjusted gross proceeds and not charged against the percentage limitation of expenses.

53-06.1-13. Examination of books and records. The licensing authority and its agents, and representatives of the governing body

of a city or county with respect to eligible organizations authorized by that governing body, shall have the power to examine or cause to be examined the books and records of any eligible organization licensed or authorized to conduct games of chance under this chapter to the extent that such books and records relate to any transaction connected with holding, operating, or conducting any game of chance.

53-06.1-14. Distributors - Licensure. Every distributor shall annually apply for a license upon a form prescribed by the attorney general before the first day of April in each year and shall submit a one thousand dollar license fee. Each applicant shall provide such necessary and reasonable information as the attorney general may require.

Every nonresident manufacturer or distributor of raffle tickets or equipment for games of chance doing business in this state shall appoint a North Dakota agent who shall be licensed as a distributor. No distributor shall sell, market, or otherwise distribute raffle tickets or equipment for games of chance except to eligible organizations.

Every eligible organization shall acquire all raffle tickets or equipment for games of chance from a distributor licensed under this chapter, unless the raffle tickets or equipment for games of chance are printed, manufactured, or constructed by the eligible organization or unless the raffle tickets are obtained from a resident printer who has printed the raffle tickets at the request of the organization. At no time shall any eligible organization print, manufacture, or construct any raffle tickets or equipment for games of chance for sale to any other eligible organization.

No licensed or authorized eligible organization shall be a distributor. No distributor may be a wholesaler of liquor or alcoholic beverages.

The attorney general shall have the power, on his own motion based on reasonable grounds or on written complaint, to suspend or revoke a license in accordance with chapter 28-32 for violation, by the licensee or any officer, director, agent, member, or employee of the licensee, of this chapter or any rule adopted under this chapter.

53-06.1-15. Form and display of license. Each license or authorization required under this chapter shall contain a statement of the name and address of the licensee or authorized eligible organization and such other information as the licensing or authorizing authority may designate.

Each license or resolution issued for the conduct of any game or games of chance shall be conspicuously displayed at the place where the same is to be conducted at all times during any game of

chance and for at least thirty minutes thereafter. The sale of a raffle ticket shall not require the display of the license or authorizing resolution.

53-06.1-16. Violation of chapter - Misdemeanor - Forfeiture of licensure - Ineligibility for year. Any person who knowingly makes a false statement in any application for a license or authorizing resolution or in any statement annexed thereto, or who fails to keep sufficient books and records to substantiate the receipts, expenses, or uses resulting from games of chance conducted under this chapter, or who falsifies any books or records so far as they relate to any transaction connected with the holding, operating, and conducting of any game of chance, or who violates any of the provisions of this chapter, any rule adopted under this chapter, or of any term of a license shall be guilty of a class A misdemeanor. If convicted, such organization or person shall forfeit any license or authorizing resolution issued to it pursuant to this chapter and shall be ineligible to reapply for a license or authorization for two years thereafter.

53-06.1-17. Rules. The licensing authority shall adopt rules in accordance with chapter 28-32, relating to but not limited to methods of play, conduct, and promotion of games of chance; methods, procedures, and minimum standards for accounting and recordkeeping; requiring reports by licensees and authorized organizations; methods of competition and doing business by distributors; and marking or identification of raffle tickets, bingo equipment, jars, pull tabs, punchboards, or any other implements of gambling used or distributed in this state to implement or effectuate the provisions and purposes of this chapter; to ensure that the entire net proceeds of games of chance are devoted to educational, charitable, patriotic, fraternal, religious, or other public-spirited uses as defined by this chapter; to define capital improvements and furnishings; to protect and promote the public interest; to ensure fair and honest games of chance; to ensure that fees and taxes are paid; and to seek to prevent or detect unlawful gambling activity.

*Game use
are playing
now*

DUNSEITH BINGO BARN

1 1/2 miles west of Dunseith

Early Bird Games

50%/50% split games or	guaranteed
6:00 p.m.	\$50.00
6:15 p.m.	\$50.00
6:30 p.m.	\$50.00
6:45 p.m.	\$50.00

Regular Session

	7:00 p.m.
Game 1 Regular Bingo	\$50.00
Game 2 Regular Bingo	\$50.00
Game 3 Callers Choice	\$100.00
Game 4 Bonanza #1	\$50.00
Game 5 Bonanza #2	\$75.00
Game 6 Bonanza blackout	\$100.00
Game 7 Regular Bingo	\$50.00
Game 8 Regular Bingo	\$50.00
Game 9 Big Picture Frame	\$1,000.00
in <u>46</u> number of draws	
number starts at 40	
consolation	\$250.00
Game 10 X Bingo special	\$1,000.00
in <u>23</u> number or draws	
consolation	\$100.00
1 number added each Friday	
starting at 20 numbers	

*Played in
3 Parts*

*1 member
collected each night*

Half time break-----

Regular price schedule

1st card	required	\$5.00
1 sheet of 3 regular games		\$5.00
3 Bonanza cards		\$1.00
7 Bonanza cards		\$2.00
3 special X cards		\$1.00
3 early bird cards		\$1.00
3 75%/25% split cards		\$1.00
Halftime-----all regular cards 1/2 price		

2nd Half

Game 11 Regular Bingo	\$50.00
Game 12 Regular Bingo	\$100.00
Game 13 Callers Choice	\$100.00
Game 14 Bonanza 1	\$50.00
Game 15 Bonanza 2	\$75.00
Game 16 Bonanza 3 Blackout	\$100.00
Game 17 Regular Bingo	\$50.00
Game 18 Regular Bingo	\$100.00
Game 19 Callers Choice	\$100.00
Game 20 Blackout Bingo	\$2,000.00
in <u>45</u> numbers	
starts at 50 numbers with	
1 number added each night	
until gives Starts at 50	
numbers	
consolation <i>until it goes</i> \$500.00	
Game 21 75%/25% Split game	
with a guaranteed	\$200.00
	or more

Total guaranteed each night is \$2,500.00 with jackpot prizes of \$4,000.00 possible

GAMES EVERY WEDNESDAY, FRIDAY AND SATURDAY

Special package	\$15.00
you get	
9 regular game cards	
14 bonanza game cards	
1 special X Bingo card	
1 75%/25% split card	
save money on this package	
1st card required for package purchase	

Herman Martinson, site manager

Work Groups

- Dunseith American Legion
- Dunseith Golf Boosters
- Kights of Columbus
- Eastern Star
- Senior Meals (Meals on Wheels)
- Dunseith Day Care

- Masons
- Altar Society
- Jaycee Women
- Rolette County Historical
- Dunseith Legion Auxillary

If they win ^{\$}600. or more, we have to
keep track of it, and give them a 1099
form to fill in with their income tax .

NORTH DAKOTA GAMING TAX RETURN INSTRUCTIONS

FORM G-1

GENERAL INSTRUCTIONS

1. Who must file: Every organization licensed to conduct games of chance in North Dakota must file a North Dakota gaming tax return each quarter. A tax return must be filed if the organization did or did not conduct gaming. There are no exceptions to the filing requirement. Failure to file a tax return can subject the organization's license to be suspended or revoked.

2. Where to file or obtain additional forms and instructions: Completed tax returns and written requests for information, extensions, and/or tax forms should be mailed to the Office of the Attorney General, State Capitol, Bismarck, North Dakota 58505.

If you have questions in completing the tax return or need tax forms and instructions you can call (701) 224-4848. In-state calls may be directed to the toll-free number 1-800-472-2600.

3. Time for filing: The tax return and payment of the tax due must be postmarked, or if hand-delivered, received in the Attorney General's Office by the last business day of the first month following the end of a quarter. Business days are defined as Monday through Friday, not including State holidays.

Quarters are on a fiscal year basis and begin and end as follows: Quarter No. 1 begins July 1 and ends September 30; Quarter No. 2 begins October 1 and ends December 31; Quarter No. 3 begins January 1 and ends March 31; Quarter No. 4 begins April 1 and ends June 30.

Any Class B organization that has received a site authorization for a period of three calendar months or less must file a tax return and remit the tax due for that period within thirty days from the date the site authorization expires.

An incomplete tax return will not be considered timely filed unless corrected and returned by the due date for filing. Delays in mailing, mail pickups, and postmarking are the responsibility of the organization.

4. Extension of time for filing: Extensions for filing the tax return may be granted for good cause with the approval of the Attorney General by submitting a signed written request indicating the quarterly tax return to be filed, reason for the request, date an extension is requested to, license classification (A or B) and number. The reason for the request should be clearly stated to describe the circumstances beyond the organization's control which have caused the unavoidable delay in filing the tax return.

A request must be submitted in sufficient time to enable the Attorney General to consider and act on the request before the regular due date of the tax return. Approved extensions to file do not extend the date for devoting the net proceeds.

A reply either approving or rejecting the request will be mailed to the organizations and must be attached to the tax return when filed. Retain a copy of the reply for your records.

5. Late filed returns: If a tax return is filed after the due date without an approved extension, it will be considered to be filed untimely. The tax return will be considered delinquent and the license of the organization may be suspended or revoked. The due date is explained in Section 3.

6. How to pay: If tax is due, the amount due must be paid when the tax return is filed. Payment should be made by check payable to Attorney General.

7. Amended returns: If an organization discovers an error on the tax return after it was filed, an amended tax return must be filed. Tax return forms for the quarter to be amended may be obtained from the Attorney General's Office. Section 2 explains the request procedure.

8. Mailing instructions: Incomplete tax returns will not be processed but will be returned to the organization for completion.

Please verify all arithmetic on the tax return.

The president, commander, exalted ruler, etc., and the preparer must sign the tax return and include the date of signing.

Enclose a check for the tax due as indicated by line 27, page 1, payable to Attorney General.

Mail by the due date explained in Section 3. Use the envelope supplied and place proper postage on the envelope before mailing.

Keep a copy of the tax return for your records.

9. Tax return accompanying schedules: The North Dakota gaming tax return, Form G-1, is comprised of pages 1 and 2, plus the following schedules:

Schedule A - Class B Site Accounting. This schedule is used exclusively by Class B organizations to record the gaming activity of the site(s) authorized to conduct gaming. Each Schedule A will accommodate the reporting of two sites. The total of the Schedule A(s) must reconcile with the amounts reported on page 1. See instructions on Schedule A.

Schedule B - Record of State Gaming Stamp Activity. This schedule is used by Class A and B organizations to record the gaming activity of each game of "pull tabs/jar tickets," "punchboards," and "professional sports pool boards" played during the quarter and reported on page 1. See instructions on Schedule B.

Schedule C - Record of Eligible Use Contributions. This schedule is used by Class A and B organizations to record the disbursement of net proceeds for eligible uses. For Class A organizations, the disbursements must be from the general gaming bank account. For Class B organizations, the disbursements must be from the charitable gaming trust fund bank account. See instructions on Schedule C.

These are the forms I have to fill out each quarter - I made these out at the bank from the originals - I do not need them back.

NORTH DAKOTA GAMING TAX RETURN INSTRUCTIONS

FORM G-1

SPECIFIC INSTRUCTIONS

PART 1. GAMING ACTIVITY

Line 6. Gross Proceeds - Enter the actual total amount of the money contained in the drop box during the quarter.

Prizes - For the quarter, enter the total of the daily differences between the opening cash bank and closing cash bank; plus or minus the dollar value of the difference between the chip bank at the beginning of the quarter and the dollar value of the chip bank at the end of the quarter, net of the dollar value of any chip purchases that were added to the chip bank during the quarter. Example - If the dollar value of the chip bank difference represents a decrease, the dollar value is subtracted from the total cash bank difference, and vice versa.

Adjusted Gross Proceeds - Enter the difference between the Gross Proceeds and the Prizes.

Line 7. Include interest earned on checking accounts, certificates of deposit, and other securities relating to the funds of the general gaming bank account(s). The amount should, as a minimum, equal the total interest earned as reported on a quarterly basis in the General Gaming Bank Account section of PART IV. Interest earned on the charitable gaming trust fund bank account of Class B organizations isn't taxable. Refer to PART V, line 39.

Line 8. Include items such as the TOTAL amount of cash long (short) from Schedule B; cash long (short) from bingo, raffles, and twenty-one; and the payback from theft.

PART II. EXPENSE COMPUTATION

Line 10. Beginning inventory is the actual cost of deals of pull-tabs/jar tickets, punchboards, and professional sports pool boards on hand at the beginning of the quarter. It must equal the ending inventory, line 13, reported on the previous quarter's tax return.

Line 11. Purchases are the actual cost of all equipment for games of chance, except capital costs, including deals of pull-tabs/jar tickets, punchboards, and professional sports pool boards, and minor items such as pencils, crayons, tickets, envelopes, and paper clips bought during the quarter. Do not include capital cost items purchased, leased, or rented.

Line 13. Ending inventory is the actual cost of deals of pull-tabs/jar tickets, punchboards, and professional sports pool boards on hand at the end of the quarter.

Line 14. Cost of goods used is the expense incurred during the quarter for the cost of the games and minor items actually used to conduct the gaming activity. Expense on the accrual basis.

Line 15. Enter the reasonable compensation, employer paid benefits, and payroll taxes paid for employees directly engaged in conducting or assisting in conducting gaming. Payroll taxes include the organization's FUTA, unemployment, workmen's compensation, and employer share of FICA taxes. If an employee performs services related and unrelated to gaming, that employee's total hours worked must be pro-rated between gaming and non-gaming activities and expensed accordingly. Expense on the cash basis.

Line 16. Enter the reasonable labor and material charges for the repair of equipment for games of chance. Expense on the cash basis.

Line 17. Enter the rent expense if the gaming premises or equipment are rented. At a site(s) where the game of twenty-one is conducted, the maximum monthly rent expense at that site cannot exceed one hundred fifty dollars (\$150.00) multiplied by the number of tables necessary on which the game of twenty-one is actually played. In the rectangular box on line 17, enter the number of twenty-one tables on which the game of twenty-one was actually played at all sites. Include the reasonable rental fee for equipment other than equipment for games of chance on a specific occurrence (i.e., tables and chairs at a bingo event). Attach a schedule listing all equipment rent expense, by site: lessor, date of rental, term, equipment type, purpose, date of payment, and check amount. Expense on the cash basis.

Line 18. Enter the janitorial services expense if the gaming premises are not rented. A site can either have janitorial services expense or rent expense, but not both. Expense on the cash basis.

Line 19. Enter the reasonable accounting and bookkeeping fees, directly attributable to games of chance accounting and administrative functions. Include service fees of the general gaming bank account(s) and charitable gaming trust fund bank account. Expense on the cash basis.

Line 20. License fee is that fee(s) paid the Attorney General's Office by eligible organizations applying for a gaming license. A fifty dollar license fee is required with each application. Do not deduct the 5% gaming tax nor the site/permit fee(s) paid the governing body of a city or county where the site(s) are located as they are not an allowable expense. Expense on the cash basis.

Line 22. Enter the allowable expense limitation.

For Class A organizations, enter 38% in the rectangular box on line 22 and then multiply 38% times the adjusted gross proceeds reported in PART I, line 9, column C.

For Class B organizations, the percentage is 38% if gaming activity was conducted at only one site during the quarter. The percentage is 35% if gaming activity was conducted at two or more sites at any time during the quarter. Gaming activity at a site is not to be regarded as a separate site if the gaming activity was an isolated, incidental, or special occasion. Enter the correct percentage, either 38% or 35%, in the rectangular box on line 22 and then multiply that percentage times the adjusted gross proceeds reported in PART I, line 9, column C.

Line 23. Allowable expenses are the smaller of either the actual expenses reported on line 21 or the expense limitation reported on line 22. Enter the lesser of the two amounts.

If the actual expenses, line 21, exceed the allowable expenses, line 23, the excess gaming expenses must be reimbursed to the general gaming bank account by the organization from non-gaming sources, by the filing due date of the tax return.

PART III. NET PROCEEDS

Line 25. North Dakota gaming tax is computed at 5% of adjusted gross proceeds up to \$600,000.00, plus 20% of adjusted gross proceeds exceeding \$600,000.00. Adjusted gross proceeds is the amount reported in PART I, line 9, column C.

Line 26. Class B organizations are entitled to a tax credit for the site/permit fee(s) paid the governing body of a city or county where the site(s) is located. The site/permit fee(s) paid during a quarter is to be taken as a direct tax credit on the same quarter's tax return. Include any tax credit carryforward from the previous quarter's tax return. The instruction for line 27 explains the tax credit carryforward. The site/permit fee(s) paid is not an allowable expense. Attach evidential documentation such as copies, front and back, of the cancelled check(s) supporting the payment of the site/permit fee(s).

Line 27. Remit the tax due payable to Attorney General.

If line 26, Class B credit for site/permit fee(s) paid, is greater than line 25, gaming tax, then the excess credit becomes a tax credit carryforward to be reported on line 26 of the following quarter's tax return. Tax due cannot be less than zero. Deduct on the accrual basis.

Line 28. Subtract line 27 from line 24 and carry the amount to PART IV, line 30.

The Net Proceeds earned during the quarter must be devoted by the last day of the following quarter.

PART IV. NET PROCEEDS CARRY-OVER

Line 29. Enter the Net Proceeds Carry-Over, line 36, from the previous quarter's tax return. If the Attorney General's Office adjusted the amount as reported on the previous tax return, or if an amended return was filed, enter the adjusted or amended amount.

Line 30. Enter the Net Proceeds amount from Part III, line 28.

Line 31. Include items such as uncashed checks and returned eligible use contributions. Attach a detailed explanation of the adjustment.

Line 33. Class A organizations only. All eligible use contributions must be reported. Enter the TOTAL amount from Schedule C, representing the total of all eligible use contributions paid during the quarter. Attach Schedule C to the tax return.

Line 34. Class B organizations only. Enter the amount of net proceeds transferred from the general gaming bank account to the charitable gaming trust fund bank account. Carry the amount to PART V, line 38.

PART V. TRUST FUND CARRY-OVER

Line 37. Class B organizations only. Enter the Trust Fund Carry-Over, line 43, from the previous quarter's tax return. If the Attorney General's Office adjusted the amount as reported on the previous tax return, or if an amended return was filed, enter the adjusted or amended amount.

Line 39. Class B organizations only. Include interest earned on checking accounts, certificates of deposit, and other similar securities relating to the funds of the charitable gaming trust fund bank account. The amount should, as a minimum, equal the total interest earned as reported on a quarterly basis in the Charitable Gaming Trust Fund Bank Account section of PART V. The interest earned is not taxable and therefore not reportable in PART I, line 7.

Line 40. Class B organizations only. Include items such as uncashed checks and returned eligible use contributions. Attach a detailed explanation of the adjustment.

Line 42. Class B organizations only. All eligible use contributions must be reported. Enter the TOTAL amount from Schedule C, representing the total of all eligible use contributions paid during the quarter. Attach Schedule C to the tax return.

NORTH DAKOTA GAMING TAX RETURN (TO BE FILED BY CLASS A AND CLASS B GAMING ORGANIZATIONS) QUARTERLY RETURN

Mail to: Office of Attorney General, State Capitol, Bismarck, North Dakota 58505

Quarter Year Dunseith Community Betterment ATTN: Helen Doeling Dunseith, ND 58329 License Number Class B-030

Yes No Is this an amended return? Yes No Is this a final return due to a non-renewal of license? Yes No Is an extension to file attached? Yes No Is an approval for deferring the devotlon of net proceeds attached?

IMPORTANT: READ INSTRUCTIONS BEFORE COMPLETING THE RETURN

PART I GAMING ACTIVITY Table with columns: A Gross Proceeds, B Prizes, C Adjusted Gross Proceeds. Rows include Bingo, Raffles, Pull-Tabs, Punch Boards, Professional Sports Pools, Twenty-one, Interest, Other, and TOTALS.

PART II EXPENSE COMPUTATION Table with rows 10-23 including Beginning Inventory, Purchases, Goods available for use, Ending inventory, Cost of goods used, Compensation of gaming personnel, Repairs, Rent, Janitorial services, Accounting fees, License fees, Total, and ALLOWABLE EXPENSES.

PART III NET PROCEEDS Table with rows 24-28 including Balance, Gaming tax, Class B only, Tax due, and NET PROCEEDS.

REMIT AMOUNT ON LINE 27—MAKE CHECK PAYABLE TO "ATTORNEY GENERAL"

DO NOT WRITE IN THIS SPACE

SIGNATURE AND VERIFICATION

I declare under the penalties of Section 12.1-11-02, N.D.C.C., which provides for a Class A misdemeanor for making a false statement in a government matter, that this return, including any accompanying schedules and statements, has been examined by me and to the best of my knowledge and belief is a true, correct and complete return.

Date Signature of president, commander, exalted ruler, etc. Title

Date Signature of individual or firm preparing this return Preparer telephone number

PART IV NET PROCEEDS CARRY-OVER

29. Net proceeds carry-over from prior quarter (See Instructions).....		
30. Add: Net proceeds — line 28, page 1.....		
31. Adjustment (See Instructions).....		
32. Balance — sum of lines 29, 30, plus or minus line 31.....		
33. Class A only — eligible use contributions paid this quarter — Attach Schedule C (See Instructions).....		
34. Class B only — net proceeds transferred to Trust Fund Account this quarter — line 38 below (See Instructions).....		
35. Enter amount — for Class A from line 33; for Class B from line 34.....		
36. NET PROCEEDS CARRY-OVER — line 32 less line 35.....		

GENERAL GAMING BANK ACCOUNT

This section is for reporting information on the General Gaming Bank Account(s) of Class A and Class B gaming organizations.

For Class A gaming organizations only: Indicate below the organization's general gaming bank account number, bank name, and bank city.

Class A -- General Gaming Bank Account Number

Bank Name

Bank City

For Class B gaming organizations only: report the organization's general gaming bank account number(s), bank name(s), and bank city/cities on Schedule A, Class B Site Accounting.

For Class B gaming organizations only: has the organization established a separate general gaming bank account for each license? YES NO

For Class A and Class B gaming organizations, enter below the general gaming bank account information on a quarterly basis representing the total of each of the three months' deposits, interest earned, checks and withdrawals, and service fees as accounted for by the check register(s). DO NOT use the monthly bank account statements as the source for the check register information. The quarter beginning balance is the previous quarter's ending balance, and must also equal the beginning check register balance(s) for the first month of the quarter for which this tax return is being filed. The quarter ending balance is the quarter beginning balance plus total deposits and total interest earned, minus total checks and withdrawal and total service fees, and must also equal the ending check register balance(s) for the third month of the quarter for which this tax return is being filed. For Class J gaming organizations only, the general gaming bank account information must be reported as a consolidation of the separate general gaming bank accounts required to be established for each license issued. DO NOT include the charitable gaming trust fund bank account.

CHECK REGISTER INFORMATION

Quarter Beginning Balance	Total Deposits	Total Interest Earned	Total Checks & Withdrawals	Total Service Fees	Quarter Ending Balance
\$	+	+	-	-	= \$

PART V: CLASS B ONLY

TRUST FUND CARRY-OVER

37. Trust fund carry-over from prior quarter (See Instructions).....		
38. Add: Net proceeds transferred from General Gaming Bank Account — line 34 above.....		
39. Interest (See Instructions).....		
40. Adjustment (See Instructions).....		
41. Balance — sum of lines 37, 38, 39 plus or minus line 40.....		
42. Less: eligible use contributions paid this quarter — Attach Schedule C (See Instructions).....		
43. TRUST FUND CARRY-OVER — line 41 less line 42.....		

CHARITABLE GAMING TRUST FUND BANK ACCOUNT

This section is for reporting information on the Charitable Gaming Trust Fund Bank Account of Class B gaming organizations only.

Charitable Gaming Trust Fund Bank Account Number

Bank Name

Bank City

The charitable gaming trust fund bank account information requested below is to be reported on a quarterly basis representing the total of each of the three months' deposits, interest earned, checks and withdrawals, and service fees as accounted for by the check register. DO NOT use the monthly bank account statements as the source for the check register information. The quarter beginning balance is the previous quarter's ending balance, and must also equal the beginning check register balance for the first month of the quarter for which this tax return is being filed. The quarter ending balance is the quarter beginning balance plus total deposits and total interest earned, minus total checks and withdrawals and total service fees, and must also equal the ending check register balance for the third month of the quarter for which this tax return is being filed. DO NOT include the general gaming bank account(s).

CHECK REGISTER INFORMATION

Quarter Beginning Balance	Total Deposits	Total Interest Earned	Total Checks & Withdrawals	Total Service Fees	Quarter Ending Balance
\$	+	+	-	-	= \$

CLASS B SITE ACCOUNTING

Staple

Name of Organization _____

Site License Number B - _____ (_____) _____

Site Location Trade Name _____

Site License Number B - _____ (_____) _____

Site Location Trade Name _____

PART I GAMING ACTIVITY

- 1. Bingo
- 2. Raffles
- 3. Pull-Tabs
- 4. Punch Boards
- 5. Professional Sports Pools
- 6. Twenty-one (See Instructions)
- 7. Interest (See Instructions)
- 8. Other (See Instructions)
- 9. TOTALS — sum of lines 1, 2, 3, 4, 5, 6, 7, and 8

	A Gross Proceeds	B Prizes	C Adjusted Gross Proceeds
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			

	A Gross Proceeds	B Prizes	C Adjusted Gross Proceeds
7.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			

PART II EXPENSE COMPUTATION

- 10. Beginning inventory (See Instructions)
- 11. Purchases (See Instructions)
- 12. Goods available for use — line 10 plus line 11
- 13. Ending inventory (See Instructions)
- 14. Cost of goods used — line 12 less line 13 (See Inst.)
- 15. Compensation of gaming personnel (See Inst.)
- 16. Repairs — Services and materials (See Instructions)
- 17. Rent — Enter number of twenty-one tables (See Inst.)
- 18. Janitorial services (See Instructions)
- 19. Accounting fees (See Instructions)
- 20. License fees (See Instructions)
- 21. TOTAL — sum of lines 14, 15, 16, 17, 18, 19, and 20

10.			
11.			
12.			
13.			
14.			
15.			
16.			
17.			
18.			
19.			
20.			
21.			

10.			
11.			
12.			
13.			
14.			
15.			
16.			
17.			
18.			
19.			
20.			
21.			

Total number of sites authorized _____

Site ___ of ___

Site ___ of ___

INSTRUCTIONS

Enter the 6-character site license number for each site authorized to conduct games of chance whether the organization did or did not conduct gaming at the site. The site license number(s) is to be taken directly from the 'Site Authorization' form and is of 6-characters. Example: If a site license number on the 'Site Authorization' form is B-100(01)A, it must be entered as B-100(01)A. If a site did not conduct gaming, enter the 6-character site license number and write 'no activity' across the site accounting schedule.

GENERAL GAMING BANK ACCOUNT

General gaming bank account number for this license _____

Bank Name _____

Bank City _____

GENERAL GAMING BANK ACCOUNT

General gaming bank account number for this license _____

Bank Name _____

Bank City _____

Refer to the specific instructions for PARTS I and II relating to page 1 of the tax return. However, for PART II, line 17 'rent,' for each site license number enter in the rectangular box the number of twenty-one tables on which the game of twenty-one was actually played.

Each site accounting schedule line item (i.e., bingo) amount reported in PART I, Gaming Activity, and PART II, Expense Computation, must be totaled for all site license numbers and transferred to page 1 of the tax return.

An organization is required, as of July 1, 1983, to establish a separate general gaming bank account for each active license issued for a particular city, town or county. The number of accounts required is determined by how many different numbers there are within the parentheses of the site license numbers issued — each number signifies a different city, town or county. Example: If the numbers in parentheses are 01, 02, 03 and 04, four accounts are required. Several authorized sites located within the same city require one bank account for that city.

INSTRUCTIONS

Schedule B, Record of State Gaming Stamp Activity, is used by Class A and Class B organizations to record the gaming activity of each game of "pull-tabs/jar tickets," "punchboards," and "professional sports pool boards" removed from play during the quarter.

For Class B organizations, a Schedule B must be completed for each site authorized to conduct gaming regardless if the site(s) did or did not conduct gaming of any type. A Schedule B for a site may consist of several pages. The number of Schedule B's to be completed must equal the total number of sites authorized. If a site did not conduct gaming, enter the information for "Site Location Trade Name," "Site License Number," "Quarter," and "Site Page" on the Schedule B and write "no activity" across the middle.

Class A and Class B organizations must complete the Site Location Trade Name as follows:

Class A — Enter the name of the organization.

Class B — Enter the trade name of the particular site. The Site Location Trade Name for each Schedule B would be completed the same as it is completed for its respective Schedule A, Class B Site Accounting.

Class A and Class B organizations must complete the Site License Number as follows:

Class A — Enter the organizations's license classification "A" in the space preceding the hyphen. Enter the 3-digit license number in the 3 spaces following the hyphen. Do not complete the two spaces within the parenthesis nor the space following the right parenthesis. A Class A organization would only have one site. For example, a completed Class A Site License Number would appear as A-0 0 1 (_ _).

Class B — Enter the organization's license classification "B" in the space preceding the hyphen. Enter the 6-character site license number in the 6 spaces following the hyphen. The site license number(s) is to be taken directly from the "Site Authorization" form and is of 6 characters. The 5th character which is to be entered in the space following the right parenthesis will always be an alphabetic character. The Site License Number for each Schedule B would be completed the same as it is completed for its respective Schedule A, Class B Site Accounting. For example, a completed Class B Site License Number would appear as B-0 0 1 (0 1) A.

The Quarter should be entered, for example, as July 1 to September 30, 1984.

The Site Page should be sequentially numbered for each site Schedule B.

Each game of "pull-tabs/jar tickets," "punchboards," and "professional sports pool boards" removed from play during the quarter must be recorded on Schedule B. One row would represent the gaming activity of each game.

All unsold/defective and redeemed winning pull-tabs and jar tickets must be sorted by game serial number; however, for commingled deals they do not need to be sorted by game serial number.

For Class A and Class B organizations, the actual gross proceeds, actual prizes, and actual adjusted gross proceeds of each Schedule B must be totaled, by game code (refer to definitions). This can be easily accomplished by using, during the quarter, a separate page(s) of a Schedule B for a site to account for the gaming activity of each game code. The cash long (short) must be totaled for all game codes combined. If cash is short, place parenthesis () in front of and behind the amount. These totals are then transferred — Class A organizations report the totals on the respective line/column of page 1 of the gaming tax return; Class B organizations report the totals on the respective line/column of the site's particular Schedule A, Class B Site Accounting. The cash long (short) is reported on line 8, Other. The totals transferred, by game code, must equal the totals computed on the site Schedule B.

For single deals of pull-tabs/jar tickets, separate cash banks must be maintained for each deal in order to determine the actual cash profit. Every column must be completed for each deal.

COMMINGLED DEALS

For commingled deals of pull-tabs/jar tickets, when the deals are identical as to Name of Game, Ideal Gross Proceeds, Ideal Prizes, and Ideal Adjusted Gross Proceeds, the following fields need to be completed only for the first deal listed on each page: Name of Game, Game Code, Date Removed, Cost Per Play, Ideal Gross Proceeds, Ideal Prizes, \$ Amount Unsold/Defective, Actual Gross Proceeds, Actual Prizes, Actual Adjusted Gross Proceeds, Actual Cash Profit, and Cash Long (Short). For the remaining deals on each page, draw a vertical wavy line down the center of each of these fields to represent a duplication of the information.

The fields identified as Gaming Stamp No., Game Serial No., and Date Placed must be completed for each deal reported. The information must be printed legibly.

The information related to the field Date Removed is the month and day when the commingled deal as a whole was removed from play. This field needs to be completed only for the first deal listed on each page when the vertical wavy line is drawn, as referenced above.

When the commingled deal as a whole is removed from play, the total dollar amounts of \$ Amount Unsold/Defective, Actual Prizes, and Actual Cash Profit must be determined. The total dollar amounts for each of these three fields must then be prorated between all the deals commingled by dividing the total dollar amounts by the number of deals in the commingled deal. Enter the prorated amounts in the field for the first deal listed on each page. For the remaining deals on each page, draw a vertical wavy line down the center of each of these fields to represent a duplication of the information.

Compute Actual Gross Proceeds, Actual Adjusted Gross Proceeds, and Cash Long (Short) by referring to the calculation defined for these fields in the definitions. Enter these amounts in the field for the first deal listed on each page. For the remaining deals on each page, draw a vertical wavy line down the center of each of these fields to represent a duplication of the information.

Each time a new commingled deal is started or if several commingled deals are played at the same time during the quarter, use a separate page(s) to record each commingled deal. Do not record deals from more than one commingled deal on the same page.

DEFINITIONS

Name of Game — The name of the game (i.e., Century 100, Giant 50's).

Game Code — Code representing the type of gaming activity — game code "3" represents pull-tabs/jar tickets; game code "4" represents punchboards; game code "5" represents professional sports pool boards. The game code corresponds to the respective line number on page 1 of the gaming tax return (Class A), and Schedule A, Class B Site Accounting, (Class B), where each type of gaming activity is reported.

Gaming Stamp No. — Six-digit number preprinted on the orange State of North Dakota gaming stamp that is affixed to the flare of the deal, or to the face of each punchboard and professional sports pool board.

Game Serial No. — Alpha/numeric number written on the orange State of North Dakota gaming stamp by the licensed distributor. The game serial number corresponds with the serial number preprinted by the manufacturer on each pull-tab/jar ticket of the deal, punchboard, and professional sports pool board.

Date Placed/Removed — Dates representing the month and day in which the particular game was placed in play and the month and day in which the game was removed from play (i.e., 04-01|04-08).

Cost Per Play — Actual cost to the player for each pull-tab/jar ticket / punchboard hole / professional sports pool square.

Ideal Gross Proceeds — Total dollar amount brought into the game if all the pull-tabs/jar tickets / punchboard holes / professional sports pool squares are sold.

Ideal Prizes — Total dollar amount paid out if all major winners and consolations are redeemed.

\$ Amount Unsold/Defective — Total dollar amount of pull-tabs/jar tickets / punchboard holes / professional sports pool squares that remained unsold, or were not sold due to defectiveness, when the game was removed from play.

Actual Gross Proceeds — Dollar amount representing Ideal Gross Proceeds minus \$ Amount Unsold/Defective.

Actual Prizes — Actual dollar amount paid out for the major winner and consolations that were actually redeemed as prizes.

Actual Adjusted Gross Proceeds — Dollar amount representing Actual Gross Proceeds minus Actual Prizes.

Actual Cash Profit — Dollar amount representing the actual cash profit resulting from the game removed from play. It is the actual dollar amount of cash (profit) for a bank deposit. The amount of Actual Cash Profit could differ from the actual bank deposit if a certain sum of cash was withheld to recover a starting cash bank due to loss on a deal.

Cash Long (Short) — Dollar amount representing the difference between the Actual Adjusted Gross Proceeds and Actual Cash Profit related to each game. Cash is long if the Actual Cash Profit exceeds the Actual Adjusted Gross Proceeds. Cash is (short) if the Actual Cash Profit is less than the Actual Adjusted Gross Proceeds. If cash is short place parenthesis () in front of and behind the amount.

ELIGIBLE USE CODES FOR SCHEDULE C

Schedule C, Record of Eligible Use Contributions, is used by Class A and Class B organizations to record the disbursement of net proceeds for eligible uses. The Schedule C has been designed to enable the organization to identify, by a code, the particular eligible use for which the disbursement was made.

A three-position "Eligible Use Code" has been assigned to each of the most common eligible uses. Find the eligible use. Enter the eligible use code in the proper space located under the column heading "Eligible Use Code." Enter the 1-character letter in the space preceding the hyphen. Enter the 2-digit number in the two spaces following the hyphen.

IMPORTANT: The use of the funds disbursed to the listed groups or associations must fall within the eligible uses as defined by Section 53-06.1(6) (a-1) of the North Dakota Century Code. Such uses do not include the erection, acquisition, improvement, maintenance, or repair of real, personal, or mixed property unless it is used exclusively for one or more of the stated uses. Uses shall not include any activities consisting of attempts to influence legislation or participation in any political campaign on behalf of any active official or person who is or has been a candidate for public office.

The Law should be used to ultimately determine whether a disbursement of funds to any party is an eligible use.

CHARITABLE USES:

Eligible Use Code	Eligible Uses
A-02	Associations related to the Abused
A-03	Associations related to Alcohol and Drug Abuse
A-04	Associations related to Animal Protection
A-05	Associations related to Arthritis
A-06	Associations related to Birth Defects
A-07	Associations related to the Blind
A-08	Associations related to Cancer
A-09	Associations related to Cerebral Palsy
A-10	Associations related to the Crippled
A-11	Associations related to Cystic Fibrosis
A-12	Associations related to the Deaf
A-13	Associations related to Dental Health
A-14	Associations related to Diabetes
A-15	Associations related to the Disabled
A-16	Associations related to Epilepsy
A-17	Associations related to the Handicapped
A-18	Associations related to Heart Disease
A-19	Associations related to Kidney Disease
A-20	Associations related to Learning Disabilities
A-21	Associations related to Leprosy
A-22	Associations related to Liver Disease
A-23	Associations related to Lung Disease
A-24	Associations related to Mental Health
A-25	Associations related to Multiple Sclerosis
A-26	Associations related to Muscular Dystrophy
A-27	Associations related to the Needy
A-28	Associations related to Paralysis
A-38	Associations related to Refugees
A-39	Associations related to Rehabilitation of Ex-Offenders
A-29	Associations related to Retarded Citizens
A-30	Associations related to Senior Citizens
A-31	Associations related to Skin Disease
A-40	Associations related to Suicide Prevention
A-32	Associations related to the Terminally Ill
A-33	Associations related to Tuberculosis
A-34	Associations related to Venereal Disease
A-35	Associations related to Viral Disease
A-36	Associations related to Wildlife
A-37	Associations related to Youth
A-49	Big Brother/Big Sister Programs
A-51	Dakota Boys Ranch
A-52	Easter Seal Society
A-55	Emergency Relief Funds (General)
A-58	Home on the Range for Boys
A-61	March of Dimes
A-64	Meals on Wheels
A-65	Medical Facilities (Non-Profit)
A-67	Memorial Funds
A-70	Nursing Homes
A-73	Open Your Heart
A-76	Red Cross
A-79	Right to Life
A-82	Salvation Army
A-85	School of Hope
A-88	Special Olympics
A-91	United Fund/United Way
A-94	YMCA/YWCA
A-97	Volunteer Services
A-99	Other

RELIGIOUS USES:

B-10	Cemetery
B-20	Religious Institutions
B-99	Other

EDUCATIONAL USES:

C-05	American Foreign Student Exchange
C-10	Associations related to Agriculture
C-20	Associations related to the Arts
C-25	Associations related to Educational Public Services
C-30	Associations related to Safety
C-40	Associations related to Scientific Research
C-50	Educational Institutions and Activities
C-60	Head Start
C-70	Historical Societies
C-80	Scholarships
C-90	Vocational Workshops
C-95	Zoos
C-99	Other

FRATERNAL USES:

D-10	Camp Grassick
D-20	Fraternal Foundations
D-30	Legion Baseball
D-40	Veteran's Associations
D-50	Veteran's Relief Funds
D-99	Other

PATRIOTIC USES:

E-10	Boy Scouts
E-20	Boys State
E-30	Drum and Bugle Corps
E-40	Flags
E-50	Girl Scouts
E-60	Girls State
E-70	Patriotic Celebrations
E-80	U.S. Olympics
E-90	Uniforms
E-99	Other

USES FOR THE ERECTION OR MAINTENANCE OF PUBLIC BUILDINGS OR WORKS:

F-10	Erection of Public Buildings or Works
F-20	Maintenance of Public Buildings or Works
F-99	Other

USES LESSENING THE BURDEN OF GOVERNMENT:

G-10	Ambulance Squads
G-20	Fire Departments
G-25	Improvements of Public Areas
G-30	Libraries
G-40	Monuments
G-50	Parks and Recreation
G-60	Police Departments
G-70	Sheriff's Departments
G-99	Other

USES BENEFITING A DEFINITE NUMBER OF PERSONS WHO ARE THE VICTIMS OF LOSS OF HOME OR HOUSEHOLD POSSESSIONS THROUGH EXPLOSION, FIRE, FLOOD, OR STORM AND THE LOSSES UNCOMPENSATED BY INSURANCE:

H-00	Uses described above.
------	-----------------------

USES BENEFITING A DEFINITE NUMBER OF PERSONS SUFFERING FROM A SERIOUSLY DISABLING DISEASE OR INJURY CAUSING SEVERE LOSS OF INCOME OR INCURRING EXTRAORDINARY MEDICAL EXPENSE WHICH IS UNCOMPENSATED BY INSURANCE:

I-00	Uses described above.
------	-----------------------

BILL = SB0549
CHAMBER = S
DATE = 05/24/84
PAGE 4 = 03261
YEAR; = 84
BILL SB0549
PAGE 03261
DATE 05/24/84
CHAMBER SENATE
TEXT CS SB 549 RLS 3RD

Yeas: 10 Fahrenkamp, Faiks, Ferguson,
Fischer Vic, Gilman, Josephson,
Mulcahy, Rodey, Sturgulewski,
Ziegler
Nays: 8 Bennett, Eliason, Fischer Paul,
Halford, Kelly, Kerttula, Pettyjohn,
Ray
Absent: 2 Moss, Sackett
Eliason changed his vote from yea to nay
Gilman changed his vote from nay to yea

Ray changed his vote from yea to nay
and so, CS FOR SENATE BILL NO. 549 (RLS) failed.
Senator Ray moved and asked unanimous consent that the roll
call on the passage of the bill be considered the roll call
on the effective date clause. Without objection, it was so
ordered.

Senator Kerttula gave notice of reconsideration on CS FOR
SENATE BILL NO. 549 (RLS).

END OF DOCUMENT

BILL = SB0549
CHAMBER = S
DATE = 05/25/84
PAGE = 03277
YEAR = 84

BILL SB0549
PAGE 03277
DATE 05/25/84
CHAMBER SENATE

TEXT Senator Kerttula requested the reconsideration on \$CS FOR \$SENATE BILL NO. 549 (RLS) (games of chance and contests of skill; efd) be taken up.

SENATE BILLS IN THIRD READING

CS FOR SENATE BILL NO. 549 (RLS) was before the Senate on reconsideration.

The question to be reconsidered is: "Shall CS FOR SENATE BILL NO. 549 (RLS) (games of chance and contests of skill; efd) pass the Senate?" The roll was taken with the following result:

CSSB 549 RLS RECON

Yeas: 15 Bennett, Eliason, Fahrenkamp, Faiks, Ferguson, Fischer Paul, Fischer Vic, Halford, Josephson, Kerttula, Mulcahy, Ray, Rodey, Sturgulewski, Ziegler
Nays: 3 Gilman, Kelly, Pettyjohn
Absent: 2 Moss, Sackett

and so, CS FOR SENATE BILL NO. 549 (RLS) passed the Senate on reconsideration.

Senator Ray moved and asked unanimous consent that the roll call on the passage of the bill be considered the roll call on the effective date clause. Without objection, it was so ordered.

CS FOR SENATE BILL NO. 549 (RLS) was engrossed, signed by the President and Secretary and transmitted to the House for consideration.

SEARCH - QUERY
00001 BINGO.TEXT.

SF0504840850 DOCUMENT# 2 OF 4

CHAMBER = S
DATE = 050484
TIME = 0850
YEAR = 84
MEETING ID

SENATE FINANCE COMMITTEE

MAY 4, 1984

8:50 A.M.

CALL TO ORDER

CO-CHAIRMAN JOHN SACKETT CONVENED THE MEETING AT APPROXIMATELY 8:50 A.M.

PRESENT

MEMBERS PRESENT: SENATORS SACKETT, JOSEPHSON, FAIKS, V. FISCHER AND FERGUSON. SENATORS BENNETT AND MULCAHY WERE ABSENT.
ALSO PRESENT: MIKE GREANY, DIRECTOR, LEGISLATIVE FINANCE; JANE BYERS MAYNARD, DIRECTOR FOR SPECIAL PROGRAMS, POSTSECONDARY EDUCATION COMMISSION; JIM ROBISON, COMMISSIONER, DEPARTMENT OF LABOR; EILEEN PLATE, SPECIAL ASSISTANT, DEPARTMENT OF LABOR; LOIS COOK, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF COMMERCE AND ECONOMIC AFFAIRS; JACK RODERICK, DIRECTOR, OFFICE OF ENERGY, DEPARTMENT OF COMMERCE AND ECONOMIC AFFAIRS; MARTIN J. RICHARD, DIRECTOR OF PUBLIC SERVICES, DEPARTMENT OF REVENUE; DON BULLOCK, REVENUE HEARING EXAMINER, DEPARTMENT OF REVENUE; BRUCE BOTELHO, DEPUTY COMMISSIONER OF TAXATION; DEPARTMENT OF REVENUE; STEVE HOLE, DEPARTMENT OF EDUCATION; WILLIAM D. THOMSON, DIRECTOR, DEPARTMENT OF EDUCATION; JOAN BROWN, BUDGET ANALYST, DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT; AND AIDES TO LEGISLATORS.

SUMMARY INFO

SB 527 AN ACT RELATING TO STATE AND MUNICIPAL TAX EXEMPTIONS.

HELD IN COMMITTEE.
SB 549 AN ACT RELATING TO GAMES OF CHANCE AND CONTESTS OF SKILL.
HELD IN COMMITTEE.
HB 194 AN ACT RELATING TO THE EDUCATION OF EXCEPTIONAL CHILDREN.
REPORTED OUT SCS FOR CSHB 194(HESS) WITH INDIVIDUAL
RECOMMENDATIONS.
HB 504 AN ACT ESTABLISHING THE TEACHER SCHOLARSHIP LOAN PROGRAM.
REPORTED OUT SCS FOR CSHB 504(FINANCE) WITH INDIVIDUAL
RECOMMENDATIONS.
HB 654 AN ACT RELATING TO ALASKA FOREIGN OFFICES.
HELD IN COMMITTEE.
HB 680 AN ACT RELATING TO THE RECOVERY AND PRODUCTION OF OIL AND
NATURAL GAS.
REPORTED OUT CSHB 680 (L & C) WITH INDIVIDUAL RECOMMENDATIONS.
HB 681 AN ACT RELATING TO DEFAULT ON AND COLLECTION OF STUDENT
LOANS.
REPORTED OUT CSHB 681 (FIN) AM WITH INDIVIDUAL RECOMMENDATIONS.
SB 373 AN ACT ESTABLISHING AN ASBESTOS HEALTH HAZARD PROGRAM.
DISCUSSION WAS HELD AND THE BILL WAS HELD IN COMMITTEE UNTIL THE
FOLLOWING WEEK.
SB 374 AN ACT MAKING SPECIAL APPROPRIATIONS FOR AN ASBESTOS HEALTH
HAZARD PROGRAM.
HELD IN COMMITTEE.

SB 303 AN ACT RELATING TO THE PRACTICE OF SOCIAL WORK.
REPORTED OUT CS FOR SB 303(FINANCE) WITH A NEW TITLE AND
INDIVIDUAL RECOMMENDATIONS.

TEXT

SB 527

CO-CHAIRMAN SACKETT ANNOUNCED THAT SB 527 WOULD BE PLACED AT THE
BOTTOM OF THE AGENDA IN ORDER THAT AN AMENDMENT MAY BE PREPARED.

SB 549

CO-CHAIRMAN MOVED FOR SB 549 (AN ACT RELATING TO GAMES OF CHANCE AND
CONTESTS OF SKILL) BE BROUGHT ON FOR DISCUSSION.

SENATOR FERGUSON, HAVING BEEN ASSIGNED THIS BILL, GAVE THE COMMITTEE
BACKGROUND INFORMATION AS TO WHY THIS LEGISLATION WAS INTRODUCED,
GAVE A SECTIONAL ANALYSIS OF CSSB 549 AND TOLD OF THE CHANGES MADE BY
THE COMMITTEE SUBSTITUTE. A COPY OF HIS TESTIMONY IS ATTACHED TO
THESE MINUTES. HE FURTHER CALLED ATTENTION TO THE POSITION PAPER BY
THE DEPARTMENT OF REVENUE AND INFORMED THE COMMITTEE THERE WERE
PEOPLE AVAILABLE FROM THE DEPARTMENT TO ANSWER ANY QUESTIONS
REGARDING THE COMMITTEE SUBSTITUTE.

MR. MARTIN RICHARD, DIRECTOR OF PUBLIC SERVICES FOR THE DEPARTMENT OF
REVENUE INTRODUCED MR. DON BULLOCK, REVENUE HEARING EXAMINER WITH THE
DEPARTMENT AND TOLD THE COMMITTEE MR. BULLOCK COULD GO THROUGH AND
GIVE A BRIEF SECTION BY SECTION EXPLANATION IF THE COMMITTEE WISHED.
DON BULLOCK

MR. BULLOCK INFORMED THE COMMITTEE HE HAD ASSISTED THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE IN DRAFTING THIS BILL. HE STATED THE
FIRST SECTION OF THE BILL WOULD REPEAL THE \$20 PERMIT FEE WHICH
CURRENTLY EXISTS ON THE LAW AND WOULD INCREASE IT TO \$50 FOR MOST
APPLICATIONS. IT WOULD PROVIDE FOR A SPECIAL PERMIT WHICH WOULD
ALLOW OPERATORS TO OPERATE GAMES ON BEHALF OF OTHER ORGANIZATIONS.
IT WOULD PROVIDE FOR A FEE ON THE GROSS RECEIPTS RATHER THAN THE NET
PROCEEDS AS CURRENTLY EXISTS ON THE LAW. HE SAID THEY FELT THE 1.5%
FEE BASED ON THE GROSS RECEIPTS WOULD BE MORE DIRECTLY RELATED TO THE
EXTENT OF THE GAMBLING ACTIVITY AND WOULD PROVIDE SUFFICIENT FUNDING
INTO THE GENERAL FUND TO SUPPORT AN APPROPRIATION TO THE DEPARTMENT

OF REVENUE FOR THE ENFORCEMENT OF GAMES OF CHANCE AND SKILL.

SECTION 2 WOULD ALLOW CITIES AND ORGANIZED BOROUGHS TO ASSESS AN ADDITIONAL 1/2 OF A PERCENT FEE WHICH WOULD BE COLLECTED BY THE DEPARTMENT OF REVENUE AND REFUNDED TO THE MUNICIPALITIES FOR COSTS ASSOCIATED WITH GAMES OF CHANCE AND SKILL. THERE WAS NO SPECIAL DESIGNATION OF THE USE OF THIS MONEY BUT IT WOULD BE AVAILABLE FOR INCREASED POLICE PROTECTION, TRAFFIC CONTROL OR WHATEVER WAS NECESSARY.

SECTION 3 MAKES A CHANGE IN THE NOTICE REQUIREMENTS BY POTENTIAL PERMITTEES. PRESENTLY THERE IS A REQUIREMENT THAT PEOPLE PLANNING THESE ACTIVITIES NOTIFY THE CITY & BOROUGH OF WHICH THE ACTIVITIES ARE GOING TO BE HELD AND THE CITY AND BOROUGH ARE LIMITED TO A PROTEST BASED ON THE QUALIFICATIONS OF THE ORGANIZATION. THIS LEGISLATION WOULD EXPAND THE BASIS FOR THE PROTEST FOR THE COMMUNITIES TO PROTEST THE ACTIVITY IF THEY FEEL IT'S NOT IN THE BEST PUBLIC INTEREST OF THEIR AREA. IT WOULD ALSO ALLOW THE COMMISSIONER OF REVENUE TO LIMIT THE LOCATIONS WHERE THE ACTIVITIES ARE GOING TO BE CONDUCTED. THE ONLY LIMITATIONS AT THE PRESENT TIME ARE FOR MUNICIPALITIES.

SECTION 4 RE-WRITES THE SECTION OF THE LAW GIVING THE COMMISSIONER OF REVENUE THE POWERS TO REGULATE IN THIS AREA.

SECTION 5, AT THE PRESENT TIME, THE COMMISSIONER OF REVENUE HAS THE POWER TO ASSESS PERMIT HOLDERS FOR THE COST OF AN EXAMINATION TO MAKE

SURE THEY ARE CONFORMING WITH THE LAW. HE SAID GIVEN THEY WERE GIVEN THE APPROPRIATION ASKED FOR IN THE FISCAL NOTE, IT WOULD NOT BE NECESSARY TO CHARGE THE PERMIT HOLDER FOR THEIR OWN AUDIT.

SECTION 6 CONTAINS THE REPORTING REQUIREMENTS FOR GROUPS CONDUCTING THEIR OWN ACTIVITIES. THEY WOULD HAVE TO SUBMIT MONTHLY REPORTS FOR THE MONTHS IN WHICH THE ACTIVITIES ARE CONDUCTED AND AN ANNUAL SUMMARY AND PAYMENT OF ADDITIONAL LICENSE FEE WOULD BE DUE BY JANUARY 31. THE JANUARY 31 REPORT OF THE SUCCEEDING YEAR WOULD SUMMARIZE THEIR ACTIVITIES FOR THE YEAR AND THEIR GROSS RECEIPTS LICENSE FEE WOULD BE PAID THEN.

SECTION 7 REQUIRES REPORTS FOR ACTIVITIES CONDUCTED BY QUALIFIED OPERATORS AND THE QUALIFIED OPERATOR WOULD BE THOSE LICENSED BY THE DEPARTMENT TO CONDUCT GAMES FOR OTHER ORGANIZATIONS. THE FILINGS WOULD ALSO BE REQUIRED UNDER PENALTY OF PERJURY. THE COMMISSIONER CAN GRANT FILING EXTENSIONS BUT NOT PAYMENT EXTENSIONS. IF AN ORGANIZATION IS DELINQUENT IN THE FILING OR PAYMENT OF THE FEE, THEIR ACTIVITIES WOULD BE SUSPENDED UNTIL THEY WERE BROUGHT BACK INTO COMPLIANCE WITH THE LAW.

SECTION 8 ALLOWS FOR PAYMENT FOR PERSONAL SERVICES TO AN EMPLOYEE OF A QUALIFIED OPERATOR. HE SAID AT THE PRESENT TIME THERE WERE NO PROVISIONS FOR PAYING OPERATORS.

SECTION 9 ADDS 2 NEW SUBSECTIONS TO AS 05.15.160. THE FIRST IS THAT THE TOTAL ANNUAL AUTHORIZED EXPENSES WOULD BE LIMITED TO 25% AND SUBSECTION (C) WOULD REQUIRE THAT NO LESS THAN 25% OF THE GROSS RECEIPTS BE DEDICATED AS NET PROCEEDS TO THE QUALIFIED ORGANIZATION. THE PURPOSE OF THIS SECTION IS TO BRING BACK SOME OF THE ABUSE THE DEPARTMENT HAS SEEN AND UNUSUAL EXPENSES THAT HAVE BEEN INCURRED IN THE OPERATIONS OF THE GAMES. THE PURPOSE OF THE LAW WHEN ENACTED IN 1960 WAS TO ONLY ALLOW GAMBLING WITH THE IDEA THAT THE NET PROCEEDS WOULD BE USED FOR CERTAIN LEGISLATIVELY APPROVED USES.

SECTION 10 CONTAINS SPECIAL RULES FOR ACTIVITIES CONDUCTED BY OPERATORS. HE SAID THIS WAS MOSTLY DESIGNED TO PROTECT THE PERMIT HOLDERS WHO CAN'T OPERATE THEIR OWN GAMES. A QUALIFIED OPERATOR

COULD ONLY OPERATE A GAME FOR ANOTHER PERMIT HOLDER ONCE EVERY 24 HOURS. THIS WOULD SIMPLIFY THE ACCOUNTING. THERE IS ALSO A REQUIREMENT THAT THE QUALIFIED OPERATOR'S PAY THE NET PROCEEDS WITHIN 15 DAYS OF THE ACTIVITY AND EXPLAINS THE COMPUTATION OF NET PROCEEDS WHICH IS THE GROSS RECEIPTS MINUS THE AUTHORIZED EXPENSES, MINUS THE GROSS RECEIPTS FEE, MINUS PRIZES AND THIS SHOULD EQUAL 25% OF THE NET PROCEEDS THAT IS LEFT.

SECTION 11 WOULD ALLOW THE COMMISSIONER OF REVENUE TO DESIGNATE DIFFERENT INSTRUMENTS OR MACHINES WHICH COULD BE USED.

SECTION 13 DEFINES NET PROCEEDS AND TAKES INTO ACCOUNT SOME OF THE CHANGES MADE LAST YEAR IN LEGISLATION.

SECTION 14 INTRODUCES DEFINITION OF AUTHORIZING PERMITTEE, AND QUALIFIED OPERATIONS.

SECTION 15 WOULD MAKE THE ACT EFFECTIVE JULY 1, 1984. THIS WOULD MAKE THE FIRST 6 MONTHS COVERED UNDER THE CURRENT LAW AND THE LAST 6 MONTHS UNDER THE NEW LAW.

THERE WERE CONCERNS RAISED BY MEMBERS AS TO PERMITTING QUALIFIED ORGANIZATIONS CONDUCTING BINGO GAMES FOR SOMEONE ELSE, AS WELL AS THE AMOUNT FOR MAXIMUM PRIZES AND THE 25% AUTHORIZED EXPENSES.

SENATOR JOSEPHSON RAISED CONCERN THAT MANY OF THE PARTICIPANTS IN BINGO GAMES ARE IN LOWER INCOME LEVELS, AND FELT THIS MIGHT NOT BE GOOD PUBLIC POLICY TO REDUCE THE AMOUNT PEOPLE RECEIVED.

SENATOR JOSEPHSON FELT IN MANY OF THE STATES WHERE THEY HAVE CERTAIN

TYPES OF GAMBLING, THE OBJECTIVE OF THE STATE REGULATOR IS TO MAKE SURE THERE IS SOME POSSIBILITY OF A RETURN TO THOSE PARTICIPATING, ESPECIALLY IF THE MONEY IS DERIVED FROM THE LOW INCOME SEGMENT. HE EXPRESSED CONCERN THAT THIS WOULD GO IN THE OPPOSITE DIRECTION, SAYING THE GAMES WOULD BE ALLOWED IF YOU DON'T PROVIDE MORE THAN 50% IF YOUR EXPENSES ARE 25% OF GROSS RECEIPTS, IF YOU DON'T MAKE MORE THAN 50% AVAILABLE FOR PRIZES. HE FELT THEY SHOULD ENCOURAGE THE ORGANIZATION TO MAXIMIZE THE PRIZES.

MR. RICHARDS FELT THERE WAS A TRADE OFF BETWEEN THE PRIZES AND THE NET PROCEEDS. THE NET PROCEEDS ARE WHAT THE PURPOSE OF CHARITABLE GAMBLING IS AND THAT IS TO PROVIDE FUNDS FOR CHARITABLE PURPOSES. THE MONEY BEING REDUCED IN PRIZES IS BEING GUARANTEED TO GO TOWARDS A CHARITABLE PURPOSE.

SENATOR SACKETT ASKED IF THE DEPARTMENT HAD A SPECIFIC LIST OF CHANGES THAT ARE MADE FROM EXISTING LAW WHICH WOULD SHOW WHAT THIS WOULD DO IF THIS BILL WERE ENACTED.

SENATOR JOSEPHSON FELT IT WOULD BE BETTER TO AUTHORIZE THE DEPARTMENT TO COLLECT THE DATA AND ANALYZE WHAT IS GOING ON BEFORE LIMITATIONS ARE MADE ON SUCH ISSUES AS THE PRIZES.

SENATOR SACKETT SAID HE WOULD LIKE TO HAVE A LIST DRAFTED OF THE CHANGES THAT WILL TAKE PLACE.

SENATOR FISCHER SAID HE WOULD BE INTERESTED IN HAVING A FEEL FOR WHAT THE MINIMUM WOULD BE THAT THEY WOULD HAVE TO DEAL WITH. HE SAID COOK INLET NATIVE ASSOCIATION HAD A PROBLEM HE WOULD LIKE TO SEE DEALT WITH.

SENATOR FAIKS WANTED AN EXPLANATION OF COMMENTS MADE WITH REGARD TO "LEGALIZING GAMBLING" IN A CERTAIN SENSE. SHE WANTED TO KNOW EXACTLY WHAT WAS BEING LEGALIZED AND WHAT THE SCOPE OF THAT MIGHT BE.

SENATOR SACKETT ASKED THE DEPARTMENT TO PROVIDE, IN WRITING, AN EXPLANATION OF EVERYTHING THAT IS COVERED IN THIS LEGISLATION, WITH REGARD TO THE DIFFERENT GAMES OF CHANCE. SENATOR SACKETT ALSO SAID WITH REGARD TO THE \$46,200.00 FISCAL NOTE, HE WOULD LIKE A WRITTEN ANALYSIS AS TO HOW THIS TIES INTO THE EXISTING PUBLIC SERVICES BRU

WHERE THEY PRESENTLY HAVE \$1,455,700.00. HE WANTED MORE BACKUP IN TERMS OF EXPLANATIONS OF THESE SPECIFIC THINGS. THE DEPARTMENT AGREED TO GET THIS TO THE COMMITTEE IN 24 HOURS.

SB 374 AND SB 373

CO-CHAIRMAN SACKETT MOVED THAT SB 374 (AN ACTING MAKING SPECIAL APPROPRIATIONS FOR AN ASBESTOS HEALTH HAZARD PROGRAM) AND SB 373 (AN ACT ESTABLISHING AN ASBESTOS HEALTH HAZARD PROGRAM) BE BROUGHT ON FOR DISCUSSION. HE INFORMED THE COMMITTEE PEOPLE WERE PRESENT TO ANSWER SOME QUESTIONS, BUT DUE TO THE SIGNIFICANCE OF THE ENTIRE SITUATION, HE WAS GOING TO ASK FOR AN ADDITIONAL HEARING THE FOLLOWING WEEK.

SENATOR JOSEPHSON INTRODUCED JIM ROBISON, COMMISSIONER OF THE DEPARTMENT OF LABOR AND EILEEN PLATE, ASSISTANT TO THE COMMISSIONER, AND ASKED THEM TO SPEAK TO THE COMMITTEE.

SENATOR JOSEPHSON ASKED EILEEN PLATE TO SPEAK TO THE FEDERAL REGISTER FOR MAY 27, 1982, EPA REGULATIONS WHICH MANDATED A NATIONAL SCHOOL INSPECTION PROGRAM TO DETERMINE THE LEVELS OF ASBESTOS. HE ASKED WHAT ALASKA HAS DONE PURSUANT TO THE REGULATIONS. SHE SAID THE INFORMATION WHICH SHE HAD RECEIVED FROM EPA WAS THAT A SURVEY HAD BEEN DONE TO SEE HOW MANY SCHOOLS HAD COMPLETED THEIR SURVEY AND SAMPLING AND IT WAS ESTIMATED FROM THE RESULTS THAT APPROXIMATELY 50% OF THE SCHOOLS HAD COMPLETED THAT AND HAD IDENTIFIED A POTENTIAL 550 SCHOOL BUILDINGS IN THE STATE. SHE FELT THERE WERE PROBABLY 220 SCHOOLS LEFT IN THE STATE YET TO BE SURVEYED.

SENATOR JOSEPHSON ASKED IF THEY KNEW OF ANY DETERMINATIONS AS TO THE LEVELS OF ASBESTOS IN PUBLIC FACILITIES, STATE OR ANY OTHER BUILDINGS OTHER THAN SCHOOL BUILDINGS. COMMISSIONER ROBISON SAID THE ONLY OTHER ONE HE KNEW WAS API AND THEY HAD WORKED OUT A DEAL WITH API ON HOW TO DEAL WITH IT WHEN THINGS ARE REPAIRED. HE SAID ALSO THE ALASKA RAILROAD STUDY SHOWED SOME ASBESTOS IN THEIR BUILDINGS AND HE FELT THIS WAS ALL THAT HAD BEEN DONE.

SENATOR JOSEPHSON ASKED IF THERE WERE SANCTIONS IMPOSED BY EPA THAT MAKE IT NECESSARY TO DO SOMETHING ABOUT THE ASBESTOS PROBLEMS. EILEEN PLATE SAID SHE WAS NOT AWARE THERE WERE. THERE WAS DISCUSSION REGARDING POSSIBLE LIABILITY AND THE FACT THAT ASBESTOS MANUFACTURERS ARE BEING SUED BY ABOUT 20,000 PEOPLE.

SENATOR JOSEPHSON SUMMARIZED BY SAYING, "WE DON'T KNOW WHAT ASBESTOS LEVELS THERE ARE IN STATE BUILDINGS AND THE EPA REGULATIONS DON'T APPLY TO OTHER THAN SCHOOL BUILDINGS." HE ASKED HOW API WAS ABLE TO WORK AROUND THEIR PROBLEM WITH ASBESTOS RATHER THAN REMOVE IT.

COMMISSIONER ROBISON SAID IT DEPENDED ON WHAT TYPE OF MASK THEY USE, THE AMOUNT OF PEOPLE GOING INTO AN AREA ARE LIMITED, AND THEY HAVE TAKEN SCHOOLING ON HOW TO DEAL WITH IT AND HANDLE IT. HE SAID IT DEPENDED ON WHAT STATE THE ASBESTOS IS IN, HOW THE AIR MOVEMENT IS AS TO WHETHER OR NOT THEY MIGHT BE ABLE TO SPRAY IT. HE SAID THEY DO TRY TO STABILIZE IT RATHER THAN REMOVE IT DUE TO THE EXPENSE.

SENATOR SACKETT ASKED COMMISSIONER ROBISON IF THE DEPARTMENT HAD PERFORMED A STATEWIDE INVENTORY OR IF ANY DEPARTMENT IN THE ADMINISTRATION HAD DONE THIS. MS. PLATE SAID SHE UNDERSTOOD EPA DID A MAIL SURVEY OF THE SCHOOL DISTRICTS.

SENATOR SACKETT INFORMED THE COMMITTEE THIS LEGISLATION WOULD BE TAKEN UP AGAIN ON MONDAY.

HB 194

CO-CHAIRMAN SACKETT MOVED THAT CS FOR HB 194 (HESS) (AN ACT RELATING TO THE EDUCATION OF EXCEPTIONAL CHILDREN) BE BROUGHT ON FOR DISCUSSION. SENATOR FAIKS, HAVING BEEN ASSIGNED THE BILL, INFORMED THE COMMITTEE THE FISCAL NOTE THAT HAD BEEN PREPARED FOR SENATE