

Sixty-fifth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1216

Introduced by

Representatives Maragos, Brabandt, Delmore, Dockter, D. Johnson, Kasper, Nathe, Schatz,
Schmidt

Senators Armstrong, Poolman, Schaible

1 A BILL ~~for an Act to create and enact a new section to chapter 53-06.1 of the North Dakota~~
 2 ~~Century Code, relating to electronic pull tabs; and to amend and reenact section 53-06.1-01,~~
 3 ~~subsection 4 of section 53-06.1-01.1, subsection 1 of section 53-06.1-06, subsection 5 of~~
 4 ~~section 53-06.1-11, and section 53-06.1-14 of the North Dakota Century Code, relating to the~~
 5 ~~use of electronic pull tabs and electronic pull tab devices.~~ for an Act to amend and reenact
 6 section 53-06.1-01, subsection 4 of section 53-06.1-01.1, subsection 1 of section 53-06.1-06,
 7 subsection 5 of section 53-06.1-11, and section 53-06.1-14 of the North Dakota Century Code,
 8 relating to the use of electronic pull tabs and electronic pull tab devices.

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

10 ~~SECTION 1. AMENDMENT.~~ Section 53-06.1-01 of the North Dakota Century Code is
 11 ~~amended and reenacted as follows:~~

12 ~~53-06.1-01. Definitions.~~

13 ~~As used in this chapter:~~

14 ~~1. "Adjusted gross proceeds" means gross proceeds less cash prizes, cost of~~
 15 ~~merchandise prizes, gaming tax, and federal excise tax imposed under section 4401~~
 16 ~~of the Internal Revenue Code [26 U.S.C. 4401].~~

17 ~~2. "Charitable organization" means an organization whose primary purpose is for relief of~~
 18 ~~poor, distressed, underprivileged, diseased, elderly, or abused persons, prevention of~~
 19 ~~cruelty to children or animals, or similar condition of public concern.~~

20 ~~3. "Civic and service organization" means an organization whose primary purpose is to~~
 21 ~~promote the common good and social welfare of a community as a sertoma, lion,~~
 22 ~~rotary, jaycee, kiwanis, or similar organization.~~

- 1 ~~4.~~ "Closely related organization" means an organization that controls, is controlled by, or
2 is under common control with another organization. Control exists when an
3 organization has the authority or ability to elect, appoint, or remove a majority of the
4 officers or directors of another organization or, by policy, contract, or otherwise, has
5 the authority or ability to directly or indirectly direct or cause the direction of the
6 management or policies of another organization.
- 7 ~~5.~~ "Distributor" means a person that sells, markets, or distributes equipment designed for
8 use in the conduct of games.
- 9 ~~6.~~ "Educational organization" means a nonprofit public or private elementary or
10 secondary school, two-year or four-year college, or university.
- 11 ~~7.~~ "Electronic pull tab device" means a device, approved by the attorney general, which
12 upon the insertion of cash, dispenses and displays an electronic pull tab in which the
13 player may win credits that can be redeemed for cash or used to purchase more pull
14 tabs. The term does not include a device that directly dispenses coins, cash, tokens,
15 or anything else of value other than a credit ticket voucher.
- 16 ~~8.~~ "Eligible organization" means a veterans, charitable, educational, religious, fraternal,
17 civic and service, public safety, or public-spirited organization domiciled in North
18 Dakota or authorized by the secretary of state as a foreign corporation under chapter
19 10-33, incorporated as a nonprofit organization, and which has been regularly and
20 actively fulfilling its primary purpose within this state during the two immediately
21 preceding years. However, an educational organization does not need to be
22 incorporated or be in existence for two years. An organization's primary purpose may
23 not involve the conduct of games. The organization may be issued a license by the
24 attorney general. For purposes of this section, a foreign corporation authorized under
25 chapter 10-33 is not an eligible organization unless authorized to conduct a raffle
26 under chapter 20.1-04 or 20.1-08 and may not conduct a game other than a raffle
27 under chapter 20.1-04 or 20.1-08.
- 28 ~~8.9.~~ "Fraternal organization" means an organization, except a school fraternity, which is a
29 branch, lodge, or chapter of a national or state organization and exists for the common
30 business, brotherhood, or other interests of its members. The organization must have

1 qualified for exemption from federal income tax under section 501(c)(8) or 501(c)(10)
2 of the Internal Revenue Code.

3 ~~9.10.~~ "Games" means games of chance.

4 ~~10.11.~~ "Gross proceeds" means all cash and checks received from conducting games.

5 ~~11.12.~~ "Licensed organization" means an eligible organization licensed by the attorney
6 general.

7 ~~12.13.~~ "Manufacturer" means, for a pull tab or bingo card, a person who designs, prints,
8 assembles, or produces the product. For a pull tab or bingo card dispensing device or,
9 bingo card marking device, or electronic pull tab device, a manufacturer means the
10 person who directly controls and manages development of and owns the rights to the
11 proprietary software encoded on a processing chip that enables the device to operate.

12 ~~13.14.~~ "Net income" means gross proceeds less cash prizes, cost of merchandise prizes, and
13 expenses to conduct the gaming activity.

14 ~~14.15.~~ "Net proceeds" means adjusted gross proceeds less allowable expenses and gaming
15 tax.

16 ~~15.16.~~ "Permit" means a local permit or charity local permit issued by a governing body of a
17 city or county to a nonprofit organization or group of people domiciled in North Dakota.

18 ~~16.17.~~ "Person" means any person, partnership, corporation, limited liability company,
19 association, or organization.

20 ~~17.18.~~ "Prize board" means a board used with pull tabs to award cash or merchandise prizes.

21 ~~18.19.~~ "Public safety organization" means an organization whose primary purpose is to
22 provide firefighting, ambulance service, crime prevention, or similar emergency
23 assistance.

24 ~~19.20.~~ "Public spirited organization" means an organization whose primary purpose is for
25 scientific research, amateur sports competition, safety, literary, arts, preservation of
26 cultural heritage, educational activities, educational public service, youth, economic
27 development, tourism, community medical care, community recreation, or similar
28 organization, which does not meet the definition of any other type of eligible
29 organization. However, a nonprofit organization or a group of people recognized as a
30 public spirited organization by a governing body of a city or county for obtaining a
31 permit does not need to meet this definition.

1 ~~20.21.~~—"Religious organization" means a church, body of communicants, or group gathered in
2 common membership whose primary purpose is for advancement of religion, mutual
3 support and edification in piety, worship, and religious observances.

4 ~~21.22.~~—"Veterans organization" means any congressionally chartered post organization, or
5 any branch or lodge or chapter of a nonprofit national or state organization whose
6 membership consists of individuals who are or were members of the armed services
7 or forces of the United States. The organization must have qualified for exemption
8 from federal income tax under section 501(c)(19) of the Internal Revenue Code.

9 — **SECTION 2. AMENDMENT.** Subsection 4 of section 53-06.1-01.1 of the North Dakota
10 Century Code is amended and reenacted as follows: —

11 — 4. — The commission shall adopt rules in accordance with chapter 28-32, to administer and
12 regulate the gaming industry, including methods of conduct, play, and promotion of
13 games; minimum procedures and standards for recordkeeping and internal control;
14 requiring tax returns and reports from organizations or distributors; methods of
15 competition and doing business by distributors and manufacturers; acquisition and use
16 of gaming equipment; quality standards or specifications for the manufacture of pull
17 tabs, paper bingo cards, electronic pull tab devices, pull tab and bingo card dispensing
18 devices, and bingo card marking devices; to ensure that net proceeds are used for
19 educational, charitable, patriotic, fraternal, religious, or public spirited uses; to protect
20 and promote the public interest; to ensure fair and honest games; to ensure that fees
21 and taxes are paid; and to prevent and detect unlawful gambling activity.

22 — **SECTION 3. AMENDMENT.** Subsection 1 of section 53-06.1-06 of the North Dakota
23 Century Code is amended and reenacted as follows: —

24 — 1. — No person, except a member, volunteer, an employee of a licensed organization or an
25 organization that has a permit, or an employee of a temporary employment agency
26 who provides services to a licensed organization, may manage, control, or conduct
27 any game. "Member" includes a member of an auxiliary organization. In conducting
28 pull tabs, prize boards, or bingo through a dispensing device, electronic pull tabs
29 through an electronic pull tab device, selling raffle tickets, or conducting sports pools,
30 the attorney general may allow an employee of an alcoholic beverage establishment to
31 provide limited assistance to an organization.

1 — ~~**SECTION 4.** A new section to chapter 53-06.1 of the North Dakota Century Code is created~~
2 ~~and enacted as follows:~~

3 — ~~**Electronic pull tab and electronic pull tab device requirements.**~~

4 — ~~1. An electronic pull tab deal also must be available in paper from a distributor.~~

5 — ~~2. An electronic pull tab device must be located at an organization's licensed site and~~
6 ~~only may be used for the conduct of electronic pull tabs.~~

7 — ~~**SECTION 5. AMENDMENT.** Subsection 5 of section 53-06.1-11 of the North Dakota~~
8 ~~Century Code is amended and reenacted as follows:~~

9 — ~~5. For a site where bingo is not the primary game:~~

10 — ~~a. If twenty-one or paddlewheels is conducted, the monthly rent may not exceed~~
11 ~~two hundred dollars multiplied by the necessary number of tables based on~~
12 ~~criteria prescribed by gaming rule. For each twenty-one table with a wager~~
13 ~~greater than five dollars, an additional amount up to one hundred dollars may be~~
14 ~~added to the monthly rent. If pull tabs is also conducted involving only a jar bar,~~
15 ~~the monthly rent for pull tabs may not exceed an additional one hundred~~
16 ~~seventy-five dollars. If pull tabs is conducted involving only a dispensing device,~~
17 ~~electronic pull tab device, or both a jar bar and dispensing device or electronic~~
18 ~~pull tab device, the monthly rent for pull tabs may not exceed an additional three~~
19 ~~hundred twenty-five dollars.~~

20 — ~~b. If twenty-one and paddlewheels are not conducted but pull tabs is conducted~~
21 ~~involving either a jar bar or, dispensing device, or both electronic pull tab device,~~
22 ~~or any combination, the monthly rent may not exceed four hundred dollars.~~

23 — ~~**SECTION 6. AMENDMENT.** Section 53-06.1-14 of the North Dakota Century Code is~~
24 ~~amended and reenacted as follows:~~

25 — ~~**53-06.1-14. Distributors and manufacturers.**~~

26 — ~~1. A manufacturer of pull tabs, bingo cards, electronic pull tab devices, or bingo card~~
27 ~~marking devices shall apply annually for a license and pay a license fee of four~~
28 ~~thousand dollars. A manufacturer of pull tab dispensing devices shall apply annually~~
29 ~~for a license and pay a license fee of one thousand dollars. A manufacturer of fifty-fifty~~
30 ~~raffle systems shall apply annually for a license and pay a license fee of five hundred~~
31 ~~dollars. A distributor shall apply annually for a license and pay a license fee of one~~

1 thousand five hundred dollars. Application must be made before the first day of April in
2 each year on a form prescribed by the attorney general.

3 ~~2.~~ A licensed distributor may not sell, market, or distribute gaming equipment except to a
4 licensed distributor, licensed organization, organization that has a permit, or other
5 person authorized by gaming rule or the attorney general. A manufacturer of a pull tab
6 dispensing device, pull tab, electronic pull tab device, bingo card marking device,
7 bingo card, or fifty-fifty raffle system may only sell, market, or distribute the
8 manufacturer's pull tab dispensing device and processing chip encoded with
9 proprietary software, pull tab, electronic pull tab device, bingo card marking device,
10 bingo card, or fifty-fifty raffle system to a licensed distributor. A licensed distributor may
11 purchase or acquire a pull tab dispensing device and processing chip encoded with
12 proprietary software, pull tab, electronic pull tab device, bingo card marking device,
13 bingo card, or fifty-fifty raffle system only from a licensed manufacturer or licensed
14 distributor. However, a distributor may purchase or acquire a used pull tab dispensing
15 device or electronic pull tab device from a licensed organization. A distributor may not
16 duplicate a manufacturer's processing chip encoded with proprietary software. No
17 gaming equipment or prize may be sold or leased at an excessive price.

18 ~~3.~~ A licensed distributor shall affix a North Dakota gaming stamp to each deal of pull tabs
19 and bingo cards, raffle board, punchboard, sports pool board, calcutta board, and
20 series of paddlewheel ticket cards sold or otherwise provided to a licensed
21 organization and shall purchase the stamps from the attorney general for thirty-five
22 cents each. Ten cents of each stamp sold by the attorney general, up to thirty-six
23 thousand dollars per biennium, must be credited to the attorney general's operating
24 fund to defray the costs of issuing and administering the gaming stamps.

25 ~~4.~~ A licensed organization, organization that has a permit, licensed manufacturer, or
26 North Dakota wholesaler of liquor or alcoholic beverages may not be a distributor or
27 stockholder of a distributor. A distributor may not be a stockholder of a manufacturer.

28 ~~5.~~ In addition to the license fee, the attorney general may require advance payment of
29 any fee necessary to pay the cost of a record check of an applicant according to
30 subdivision c of subsection 5 of section 53-06.1-06.

- ~~6. A licensed manufacturer may not refuse to sell deals of pull tabs, paper bingo cards, or gaming equipment to a licensed distributor unless:~~
- ~~a. A specific deal of pull tabs is sold on an exclusive basis;~~
 - ~~b. The manufacturer does not sell deals of pull tabs, paper bingo cards, or gaming equipment to any distributor in the state;~~
 - ~~c. A gaming law or rule prohibits the sale;~~
 - ~~d. The distributor has not provided the manufacturer with proof of satisfactory credit or is delinquent on any payment owed to the manufacturer; or~~
 - ~~e. The distributor has not met the manufacturer's standard minimum order quantity and freight terms.~~

SECTION 1. AMENDMENT. Section 53-06.1-01 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-01. Definitions.

As used in this chapter:

1. "Adjusted gross proceeds" means gross proceeds less cash prizes, cost of merchandise prizes, gaming tax, and federal excise tax imposed under section 4401 of the Internal Revenue Code [26 U.S.C. 4401].
2. "Charitable organization" means an organization whose primary purpose is for relief of poor, distressed, underprivileged, diseased, elderly, or abused persons, prevention of cruelty to children or animals, or similar condition of public concern.
3. "Civic and service organization" means an organization whose primary purpose is to promote the common good and social welfare of a community as a sertoma, lion, rotary, jaycee, kiwanis, or similar organization.
4. "Closely related organization" means an organization that controls, is controlled by, or is under common control with another organization. Control exists when an organization has the authority or ability to elect, appoint, or remove a majority of the officers or directors of another organization or, by policy, contract, or otherwise, has the authority or ability to directly or indirectly direct or cause the direction of the management or policies of another organization.
5. "Distributor" means a person that sells, markets, or distributes equipment designed for use in the conduct of games.

- 1 6. "Educational organization" means a nonprofit public or private elementary or
2 secondary school, two-year or four-year college, or university.
- 3 7. "Electronic pull tab device" means a device, approved by the attorney general, which
4 electronically displays pull tabs.
- 5 8. "Eligible organization" means a veterans, charitable, educational, religious, fraternal,
6 civic and service, public safety, or public-spirited organization domiciled in North
7 Dakota or authorized by the secretary of state as a foreign corporation under chapter
8 10-33, incorporated as a nonprofit organization, and which has been regularly and
9 actively fulfilling its primary purpose within this state during the two immediately
10 preceding years. However, an educational organization does not need to be
11 incorporated or be in existence for two years. An organization's primary purpose may
12 not involve the conduct of games. The organization may be issued a license by the
13 attorney general. For purposes of this section, a foreign corporation authorized under
14 chapter 10-33 is not an eligible organization unless authorized to conduct a raffle
15 under chapter 20.1-04 or 20.1-08 and may not conduct a game other than a raffle
16 under chapter 20.1-04 or 20.1-08.
- 17 ~~8-9.~~ "Fraternal organization" means an organization, except a school fraternity, which is a
18 branch, lodge, or chapter of a national or state organization and exists for the common
19 business, brotherhood, or other interests of its members. The organization must have
20 qualified for exemption from federal income tax under section 501(c)(8) or 501(c)(10)
21 of the Internal Revenue Code.
- 22 ~~9-10.~~ "Games" means games of chance.
- 23 ~~10-11.~~ "Gross proceeds" means all cash and checks received from conducting games.
- 24 ~~11-12.~~ "Licensed organization" means an eligible organization licensed by the attorney
25 general.
- 26 ~~12-13.~~ "Manufacturer" means, for a pull tab or bingo card, a person who designs, prints,
27 assembles, or produces the product. For a pull tab or bingo card dispensing device or
28 bingo card marking device, a manufacturer means the person who directly controls
29 and manages development of and owns the rights to the proprietary software encoded
30 on a processing chip that enables the device to operate.

- 1 ~~13.14.~~ "Net income" means gross proceeds less cash prizes, cost of merchandise prizes, and
2 expenses to conduct the gaming activity.
- 3 ~~14.15.~~ "Net proceeds" means adjusted gross proceeds less allowable expenses and gaming
4 tax.
- 5 ~~15.16.~~ "Permit" means a local permit or charity local permit issued by a governing body of a
6 city or county to a nonprofit organization or group of people domiciled in North Dakota.
- 7 ~~16.17.~~ "Person" means any person, partnership, corporation, limited liability company,
8 association, or organization.
- 9 ~~17.18.~~ "Prize board" means a board used with pull tabs to award cash or merchandise prizes.
- 10 ~~18.19.~~ "Public safety organization" means an organization whose primary purpose is to
11 provide firefighting, ambulance service, crime prevention, or similar emergency
12 assistance.
- 13 ~~19.20.~~ "Public-spirited organization" means an organization whose primary purpose is for
14 scientific research, amateur sports competition, safety, literary, arts, preservation of
15 cultural heritage, educational activities, educational public service, youth, economic
16 development, tourism, community medical care, community recreation, or similar
17 organization, which does not meet the definition of any other type of eligible
18 organization. However, a nonprofit organization or a group of people recognized as a
19 public-spirited organization by a governing body of a city or county for obtaining a
20 permit does not need to meet this definition.
- 21 ~~20.21.~~ "Pull tab" means a folded or banded ticket or jar ticket, a pull tab card with break-open
22 tabs, or an electronic pull tab displaying concealed numbers or symbols or
23 combinations of concealed numbers and symbols which are exposed by a player to
24 determine the outcome. The terms "pull tab" and "jar ticket" are used interchangeably
25 unless otherwise stated. A winning pull tab contains certain symbols, numbers, or
26 combinations of symbols and numbers and may contain multiple winning symbols,
27 numbers, or combinations of symbols and numbers which have been previously
28 designated as winning symbols or numbers.
- 29 22. "Religious organization" means a church, body of communicants, or group gathered in
30 common membership whose primary purpose is for advancement of religion, mutual
31 support and edification in piety, worship, and religious observances.

1 ~~21-23.~~ "Veterans organization" means any congressionally chartered post organization, or
2 any branch or lodge or chapter of a nonprofit national or state organization whose
3 membership consists of individuals who are or were members of the armed services
4 or forces of the United States. The organization must have qualified for exemption
5 from federal income tax under section 501(c)(19) of the Internal Revenue Code.

6 **SECTION 2. AMENDMENT.** Subsection 4 of section 53-06.1-01.1 of the North Dakota
7 Century Code is amended and reenacted as follows:

- 8 4. The commission shall adopt rules in accordance with chapter 28-32, to administer and
9 regulate the gaming industry, including methods of conduct, play, and promotion of
10 games; minimum procedures and standards for recordkeeping and internal control;
11 requiring tax returns and reports from organizations or distributors; methods of
12 competition and doing business by distributors and manufacturers; acquisition and use
13 of gaming equipment; quality standards or specifications for the manufacture of pull
14 tabs, paper bingo cards, electronic pull tab devices, pull tab and bingo card dispensing
15 devices, and bingo card marking devices; to ensure that net proceeds are used for
16 educational, charitable, patriotic, fraternal, religious, or public-spirited uses; to protect
17 and promote the public interest; to ensure fair and honest games; to ensure that fees
18 and taxes are paid; and to prevent and detect unlawful gambling activity.

19 **SECTION 3. AMENDMENT.** Subsection 1 of section 53-06.1-06 of the North Dakota
20 Century Code is amended and reenacted as follows:

- 21 1. No person, except a member, volunteer, an employee of a licensed organization or an
22 organization that has a permit, or an employee of a temporary employment agency
23 who provides services to a licensed organization, may manage, control, or conduct
24 any game. "Member" includes a member of an auxiliary organization. In conducting
25 pull tabs, prize boards, or bingo through a dispensing device, selling pull tabs through
26 a pull tab device, selling raffle tickets, or conducting sports pools, the attorney general
27 may allow an employee of an alcoholic beverage establishment to provide limited
28 assistance to an organization.

29 **SECTION 4. AMENDMENT.** Subsection 5 of section 53-06.1-11 of the North Dakota
30 Century Code is amended and reenacted as follows:

- 31 5. For a site where bingo is not the primary game:

- 1 a. If twenty-one or paddlewheels is conducted, the monthly rent may not exceed
2 two hundred dollars multiplied by the necessary number of tables based on
3 criteria prescribed by gaming rule. For each twenty-one table with a wager
4 greater than five dollars, an additional amount up to one hundred dollars may be
5 added to the monthly rent. If pull tabs is also conducted involving only a jar bar,
6 the monthly rent for pull tabs may not exceed an additional one hundred
7 seventy-five dollars. If pull tabs is conducted involving only a dispensing device,
8 electronic pull tab device, or ~~both~~ a jar bar and dispensing device or electronic
9 pull tab device, the monthly rent for pull tabs may not exceed an additional three
10 hundred twenty-five dollars.
- 11 b. If twenty-one and paddlewheels are not conducted but pull tabs is conducted
12 involving either a jar bar or dispensing device, or ~~both~~ electronic pull tab device,
13 or any combination, the monthly rent may not exceed four hundred dollars.

14 **SECTION 5. AMENDMENT.** Section 53-06.1-14 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **53-06.1-14. Distributors and manufacturers.**

- 17 1. A manufacturer of pull tabs, bingo cards, electronic pull tab devices, or bingo card
18 marking devices shall apply annually for a license and pay a license fee of four
19 thousand dollars. A manufacturer of pull tab dispensing devices shall apply annually
20 for a license and pay a license fee of one thousand dollars. A manufacturer of fifty-fifty
21 raffle systems shall apply annually for a license and pay a license fee of five hundred
22 dollars. A distributor shall apply annually for a license and pay a license fee of one
23 thousand five hundred dollars. Application must be made before the first day of April in
24 each year on a form prescribed by the attorney general.
- 25 2. A licensed distributor may not sell, market, or distribute gaming equipment except to a
26 licensed distributor, licensed organization, organization that has a permit, or other
27 person authorized by gaming rule or the attorney general. A manufacturer of a pull tab
28 dispensing device, pull tab, electronic pull tab device, bingo card marking device,
29 bingo card, or fifty-fifty raffle system may only sell, market, or distribute the
30 manufacturer's pull tab dispensing device and processing chip encoded with
31 proprietary software, pull tab, electronic pull tab device, bingo card marking device,

1 bingo card, or fifty-fifty raffle system to a licensed distributor. A licensed distributor may
2 purchase or acquire a pull tab dispensing device and processing chip encoded with
3 proprietary software, pull tab, electronic pull tab device, bingo card marking device,
4 bingo card, or fifty-fifty raffle system only from a licensed manufacturer or licensed
5 distributor. However, a distributor may purchase or acquire a used pull tab dispensing
6 device or electronic pull tab device from a licensed organization. A distributor may not
7 duplicate a manufacturer's processing chip encoded with proprietary software. No
8 gaming equipment or prize may be sold or leased at an excessive price.

9 3. A licensed distributor shall affix a North Dakota gaming stamp to each deal of pull tabs
10 and bingo cards, raffle board, punchboard, sports pool board, calcutta board, and
11 series of paddlewheel ticket cards sold or otherwise provided to a licensed
12 organization and shall purchase the stamps from the attorney general for thirty-five
13 cents each. Ten cents of each stamp sold by the attorney general, up to thirty-six
14 thousand dollars per biennium, must be credited to the attorney general's operating
15 fund to defray the costs of issuing and administering the gaming stamps.

16 4. A licensed organization, organization that has a permit, licensed manufacturer, or
17 North Dakota wholesaler of liquor or alcoholic beverages may not be a distributor or
18 stockholder of a distributor. A distributor may not be a stockholder of a manufacturer.

19 5. In addition to the license fee, the attorney general may require advance payment of
20 any fee necessary to pay the cost of a record check of an applicant according to
21 subdivision c of subsection 5 of section 53-06.1-06.

22 6. A licensed manufacturer may not refuse to sell deals of pull tabs, paper bingo cards, or
23 gaming equipment to a licensed distributor unless:

- 24 a. A specific deal of pull tabs is sold on an exclusive basis;
- 25 b. The manufacturer does not sell deals of pull tabs, paper bingo cards, or gaming
26 equipment to any distributor in the state;
- 27 c. A gaming law or rule prohibits the sale;
- 28 d. The distributor has not provided the manufacturer with proof of satisfactory credit
29 or is delinquent on any payment owed to the manufacturer; or
- 30 e. The distributor has not met the manufacturer's standard minimum order quantity
31 and freight terms.