

MEMO

TO: Administrative Rules Committee

FROM: James P. Wang, Chairperson, State Gaming Commission

RE: N.D.A.C. Article 99-01.3 - Games of Chance

DATE: March 14, 2016

This is a reply to the North Dakota Legislative Council's February 24, 2016, email. The procedures followed by the Gaming Commission in adopting the Games of Chance rules to be published in the April 2016 supplement to the North Dakota Administrative Code are:

1. **Question:** Whether the rules resulted from statutory changes made by the Legislative Assembly.

Response: Changes were made due to House Bills Nos. 1161, 1231, 1235, 1448, and Senate Bills Nos. 2099 and 2184. The rules also resulted from addressing industry issues and clarifying the rules.

2. **Question:** Whether the rules related to federal statute or regulation.

Response: No.

3. **Question:** A description of the rulemaking procedures followed in adopting the rules.

Response: On behalf of the State Gaming Commission, the Gaming Division of the Office of Attorney General drafted a working document of proposed rule changes. The document reflected input from a variety of sources including, input from an 18 person volunteer Gaming Advisory Board representing all areas of the gaming industry. The Gaming Commission, Advisory Board, representatives of the Gaming Division, organizations, and distributors met to critique the working document. It was revised for public hearings.

A notice of public hearing was filed with the Legislative Council on October 30, 2015. The notice was published once in all official county newspapers. A copy of the full notice and proposed rules were e-mailed to each sponsor and co-sponsor of legislation on November 9, 2015.

A Memorandum was sent to all gaming organizations, distributors, manufacturers, Advisory Board members, Gaming Commission members, and other interest parties notifying them of scheduled public hearings. Copies of the proposed rules were available at the hearings and, on request, were sent free to any interested person. A copy of the proposed rules was also placed on the Office of Attorney General's web page.

Public hearings were held in Bismarck, Grand Forks, and Fargo on December 14-16, 2015. Seventy-two people attended the hearings and a written record was made of the comments. The State Gaming Commission, Gaming Advisory Board, and Gaming Division evaluated the comments. The Commission adopted many of the proposed rules without major change, adopted a few of the proposed rules after changing them by compromise or clarification, and did not adopt some of the proposed rules.

The Office of Attorney General examined and approved the State Gaming Commission's final version of adopted rules as to their legality. The Commission through the Office of Attorney General's Gaming Division filed the rules with the Legislative Council.

4. **Question:** Whether any person presented a written or oral concern, objection, or complaint for agency consideration with regards to these rules.

Response: Yes. Reference the attached January 6, 2016, document titled "**Public Comments on Proposed Gaming Rules**". This document includes a summary of all oral and written public comments, and the decision of the Gaming Commission on each comment.

5. **Question:** The approximate cost of giving public notice and holding public hearings on the rules and the approximate cost of developing and adopting the rules.

Response: The approximate cost is:

Publishing notices of public hearings	\$2,426
Mailing notice of the public hearings	\$ 230
Printing/copying proposed rules	\$ 363
Mailing proposed rules	\$ 20
Holding public hearings	<u>\$ 455</u>
Total	\$3,494

Note: The total amount excludes the cost of staff time of about 250 hours applied in drafting, typing, proofreading, and critiquing the proposed rules and participating in public hearings and meetings.

6. **Question:** An explanation of the subject matter of the rules and the reasons for adopting the rules.

Response: The rules address statutory changes, industry issues, and clarify items.

The rules relate to organization licenses and permits; general rules; accounting rules; bingo; electronic quick shot bingo devices; raffles; fifty-fifty raffle systems; pull tabs; sports pools; twenty-one; poker; calcuttas; paddlewheels; pull tab and prize board dispensing devices; eligible uses; distributors; and manufacturers.

7. **Question:** Whether a regulatory analysis was required by North Dakota Century Code (NDCC) Section 28-32-08 and whether a regulatory analysis was issued.

Response: A regulatory analysis was not required or issued.

8. **Question:** Whether a regulatory analysis or economic impact statement of impact on small entities was prepared and issued as required by NDCC Section 28-32-08.1.

Response: Yes. Reference the October 30, 2015, documents titled “**Small Entity Regulatory Analysis on Proposed Administrative Rules**” and “**Small Entity Impact Statement on Proposed Administrative Rules**”.

9. **Question:** Whether these rules have a fiscal effect on state revenues and expenditures, including any effect on funds controlled by your agency.

Response: No.

10. **Question:** Whether a constitutional takings assessment was prepared as required by NDCC Section 28-32-09.

Response: A constitutional taking assessment was not required or prepared.

11. **Question:** If the rules were adopted as emergency (interim final) rules under NDCC Section 28-32-03.

Response: No.

STATE GAMING COMMISSION
c/o Office of Attorney General
600 E. Boulevard Ave., Dept. 125
Bismarck, ND 58505-0040

Public Comments on Proposed Gaming Rules
January 6, 2016

LIST OF WRITTEN COMMENTS (ATTACHED) AND SUMMARY OF VERBAL PUBLIC COMMENTS ON PROPOSED NEW RULES, AMENDMENTS, AND REPEAL OF RULES RELATED TO NORTH DAKOTA ADMINISTRATIVE CODE ARTICLE 99-01.3, GAMES OF CHANCE ADMINISTRATIVE RULES.

Notification and Conduct of Public Hearings

1. Notification was sent to the North Dakota Newspaper Association for publication in the 52 county newspapers during the week of November 15 – 21, 2015.
2. Notifications were mailed to distributors, organizations, manufacturers, and members of the Gaming Advisory Board and State Gaming Commission on November 23, 2015.
3. Notification was placed in the December 2015 edition of the Gaming Update newsletter which was mailed and published online on December 4, 2015.
4. The Office of Attorney General conducted three public hearings for the State Gaming Commission as follows:

<u>Date</u>	<u>City</u>	<u>Attendance</u>
December 14, 2015	Bismarck	22
December 15, 2015	Grand Forks	25
December 16, 2015	Fargo	25

Written Comments

1. E-mail from Karen Breiner, Plains Art Museum dated December 10, 2015, proposing change to termination deadline.
2. Letter from Gregory Salwei, Tri-County Exhibitors, received December 10, 2015, proposing raffle board changes.
3. Memo from Michelle Welder, Gaming Division Auditor, dated December 28, 2015, regarding bingo winner requirement.
4. Letter from Kathleen Meagher, Special O President, dated December 23, 2015, regarding proposed change for deposits into the gaming account.
5. Letter from Pete Bushey, Free Poker Network Gaming, dated December 16, 2015, regarding testimony presented at December 16, 2015 public hearing for poker changes.
6. E-mail from Frank Portscheller, Western Distributing & Teammakers, dated November 13, 2015, regarding proposed change to allow an employee to work for a distributor and organization.
7. Letter from Eric Casey, Planet Bingo, dated December 15, 2015, regarding proposed bingo changes for manufacturers.

8. E-mail from Kristi Eisenzimmer, Mr. Ed's Bingo & Casino Supply, (written comment #42) on December 28, 2015, proposing paddlewheel change.
9. Forty-five copies of written testimony provided at public hearings on December 14, 15, and 16, 2015, regarding changes for various proposed rules.

Legend to Status – Decision by the Gaming Commission at its Meeting of January 6, 2016

- A – The proposed new rule, amendment, or repealed rule was adopted without major change.
- C – The proposed new rule, amendment, or repeal was partially changed by compromise or clarification.
- N – The proposed new rule, amendment, or repealed rule was not adopted or the rule was deleted.
- N/A – The comment, such as a question or remark, was not expressed to change a proposed new rule, amendment, or repealed rule, or the comment is moot because of other action taken on that or a related rule.

Public Comments

Chapter 99-01.3-01 – Organization Licenses and Permits

<u>Number</u>	<u>Page</u>	<u>Citation</u>	<u>Comment</u>	<u>Status</u>
N/A	N/A	N/A	Question and comment about site authorization form.	N/A

Chapter 99-01.3-02 – General Rules

<u>Number</u>	<u>Page</u>	<u>Citation</u>	<u>Comment</u>	
1.	6	99-01.3-02-01(15)	Request to add language that includes an individual and/or business entity be allowed to purchase a game piece to allow businesses to purchase raffle tickets.	A
2.	8	99-01.3-02-02(8)	See written comment #1.	N
3.	9	99-01.3-02-03(6)	See written comments #'s 3, 4, 5, & 6. Additional comment: Bingo card marking devices allows disabled individuals under the age of 18 to play bingo.	C
4.	9	99-01.3-02-03(13)	See written comments #'s 2, 3, 4, 5, & 6.	C
5.	10	99-01.3-02-04(1)	See written comment #34.	C
6.	15	99-01.3-02-10	See written comments #'s 3, 4, & 5.	C

Chapter 99-01.3-03 – Accounting Rules

7.	18	99-01.3-03-02(3)	See written comments #'s 7, 8, 9, & 10. Additional comment: Organization may not be able to contact attorney general prior to the deposit if needed on weekend.	C
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8. 23 99-01.3-03-06(3) See written comments #'s 7, 8, & 9. A

Chapter 99-01.3-04 – Bingo

9. 30 99-01.3-04-01 See written comments #'s 11, 12, 13, 14, & 15. Additional comment: Customers like and understand bonus games. C

10. 35 99-01.3-04-03(11)(p) See written comments #'s 2, 12, 13, 14, & 15. (AG Note: some testimony is incorrectly identified as subdivision "o") C

11. 36 99-01.3-04-03(15) See written comment #16. C

12. 36 99-01.3-04-03(17) See written comments #'s 13, 14, & 15. No changes proposed – commented on as point of discussion. N/A

13. 37 99-01.3-04-03(24) See written comment #53. N/A

14. 38 99-01.3-04-03(30)(c) See written comments #'s 13, 14, & 15. A

15. 39 99-01.3-04-04(4) See written comments #'s 12, 13, 14, & 15. A

Chapter 99-01.3-04.1 – Electronic Quick Shot Bingo

16. 43 99-01.3-04.1-02(3) See written comments #'s 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, & 33. Additional verbal comment: Agrees with eliminating \$2 limit on electronic quick shot bingo. C

(AG Note: Addendum for additional language to this citation was introduced – no comments received.) A

17. 44 99-01.3-04.1-03(5) See written comment #17. A

18. 46 99-01.3-04.1-03(17) See written comments #'s 2, 17, & 18. C

Chapter 99-01.3-05 – Raffles

19.	48	99-01.3-05-01	See written comment #34.	C
20.	48	99-01.3-05-02(3)	Request to allow a player's email address to be used in lieu of a telephone number as an option.	C
21.	49	99-01.3-05-02(4)	See written comment #34.	N

Chapter 99-01.3-07 – Sports Pools

22.	66	99-01.3-07-01	(AG Note: Addendum for additional language to this citation was introduced – no comments received)	A
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Chapter 99-01.3-08 – Twenty-One

23.	70	99-01.3-08-01(3)	See written comments #'s 35, 37, 38, & 39. Additional verbal comment: Agrees with recommendation of allowing two quarters in a row. Recommend that it be tied with proposed 99-01.3-08-04(9).	C
24.	71	99-01.3-08-03(1)	See written comments #'s 35, 37, & 38.	A
25.	74	99-01.3-08-04(3)	See written comments #'s 35, 36, 37, 38, & 39. Additional verbal comment: Leave it up to charities to determine the design of the layout. With digital cameras it is easy to determine what chips are being placed on the table.	C
26.	74	99-01.3-08-04(9)	See written comments #'s 35, 37, 38, & 39. Additional verbal comment: Allow an individual to review video surveillance at a site they worked at, but cannot view their own video.	C

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|-----|----|------------------------------|--|---|
| 27. | 75 | 99-01.3-08-04(11) | Question whether it is necessary to have video approved again if only a DVR is switched out. Under old language it was not necessary unless camera or camera locations were changed. | A |
| 28. | 88 | 99-01.3-08-13 (Player rules) | See written comments #'s 35, 36, 37, 38, & 39. Additional verbal comment: Hearing aids and vocal assistance devices would count as an electronic communication device. | N |

Chapter 99-01.3-09 – Poker

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|-----|-----|---------------------|--|---|
| 29. | 93 | 99-01.3-09-02(12) | See written comment #40. Additional verbal comment: Agrees with striking the definition. | A |
| 30. | 94 | 99-01.3-09-02(27) | See written comment #40. Additional verbal comment: Agrees with striking the definition. | A |
| 31. | 94 | 99-01.3-09-03(2) | See written comment #41. Additional verbal comment: Agree that dealers should not be able to play in tournaments they are involved in but should be able to play in other tournaments that the dealers are not participating in. | A |
| 32. | 96 | 99-01.3-09-04(3) | See written comment #40. Additional verbal comment: Agrees with recommendation made by CGAND. | C |
| 33. | 100 | 99-01.3-09-05(1)(c) | See written comment #40. Additional verbal comment: Agrees with recommendation made by CGAND. | A |
| 34. | 100 | 99-01.3-09-05(2) | See written comment #40. Additional verbal comment: Agrees with recommendation made by CGAND. | C |

35.	101	99-01.3-09-05(4)	Strike language (see written comment #40). Additional verbal comments: Chips are not kept with the cashier but are distributed to the player seats and are monitored. Agrees with recommendation made by CGAND to strike the proposed rule.	C
36.	102	99-01.3-09-06 (Player rules)	See written comment #40.	A

Chapter 99-01.3-11 – Paddlewheels

37.	107	99-01.3-11-02(1)	See written comment #42.	N
38.	108	99-01.3-11-02(5)	Request to strike the language which prohibits carrying over a partial series of paddlewheel tickets to another quarter.	N
39.	109	99-01.3-11-04(2)	See written comment #45. Additional verbal comment: request to strike the requirement to have two employees on duty to conduct paddlewheels.	N
40.	112	99-01.3-11-06(1)(g)	See written comments #'s 43, 44, & 46.	N
41.	112	99-01.3-11-06(1)(i)	See written comments #'s 43, 44, 45, & 46.	N
42.	112	99-01.3-11-06(1)(j)	See written comments #'s 43, 44, 45, & 46. (AG Note: typo in the draft – incorrectly listed as “h” and should be “j”.)	N

Chapter 99-01.3-15 – Distributors

43.	137	99-01.3-15-02(3)(a)	See written comment #41.	A
44.	137	99-01.3-15-02(3)(b)	See written comments #'s 41, 47, 48, 49, & 50.	C

45.	138	99-01.3-15-02(6)	Question as to what standard green is for twenty-one tables. Different distributors use different manufacturers. With digital opportunities now tables can be designed to be more marketable. Comes back to the view of the table and chips and whether the operator can tell what is occurring in the moment and review for audit purposes.	N/A
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Chapter 99-01.3-16 – Manufacturers

46.	151	99-01.3-16-03(9)	See written comments #'s 51 & 52.	N
47.	157	99-01.3-16-09.1(1)	See written comments #'s 51, 52, & 53.	C
48.	158	99-01.3-16-09.1(1)(c)&(7)	See written comments #'s 16, 51, & 52.	A
49.	160	99-01.3-16-09.4(2)	(AG Note: Addendum for additional language to this citation was introduced – no comments received)	A
50.	161	99-01.3-16-09.4(5)	See written comments #'s 33, 51, & 52.	C
51.	161	99-01.3-16-09.4(11)	See written comments #'s 51 & 52.	C
52.	165	99-01.3-16-09.4(25)	(AG Note: Addendum for new language for this citation was introduced – no comments received)	A
53.	167	99-01.3-16-09.5(5)	Rewording may be necessary as battery backup refers to loss of power in a short interim or when there is a power up or down. However, the requirements of 99-01.3-16-09.5(2)(g) is maintained internally by the internal battery and is not related to battery backup. Therefore, that section may need to be separated from the battery backup section and a time limit defined for the reports to be produced.	C

State Gaming Commission
c/o Office of Attorney General
Gaming Division

Small Entity Economic Impact Statement on Proposed Administrative Rules
North Dakota Administrative Code Article 99-01.3 Games of Chance

The Office of Attorney General's Gaming Division prepared this 'Small Entity Economic Impact Statement' on behalf of the State Gaming Commission before it adopted proposed rules on the games of chance law. The office considered the impact of the proposed rules on each of these items:

1. Entities subject to proposed rules.

Statement: Only North Dakota based gaming organizations and distributors that are licensed by the Office of Attorney General will be subject to the proposed rules.

2. The administrative and other costs required for complying with the proposed rules.

Statement: The State Gaming Commission and Office of Attorney General appoints a 18 person Gaming Advisory Board with representation from the industry, legislature, and local law enforcement to review all proposed rules to assure that all requirements are not overly burdensome and are in the best interest of the gaming industry.

3. The probable cost and benefit to private persons and consumers who are affected by proposed rules.

Statement: There are no probable costs to private persons and consumers affected by the proposed rules. The benefit to private persons and consumers is the entertainment value of playing games of chance and having a fair and honest chance to win.

4. The probable effect of proposed rules on state revenues.

Statement: There is no probable effect on state revenue from the proposed rules.

5. Any less intrusive or less costly alternative methods of achieving the purpose of the proposed rules.

Statement: For the reasons expressed in the 'Regulatory Analysis,' less intrusive or less costly alternative methods of achieving the purpose of the proposed rules is generally not possible. The State Gaming Commission must apply a high level of regulatory control to minimize financial and criminal risk.

State Gaming Commission
c/o Office of Attorney General
Gaming Division

Small Entity Regulatory Analysis on Proposed Administrative Rules
North Dakota Administrative Code Article 99-01.3 Games of Chance

PURPOSE

In accordance with North Dakota Century Code (N.D.C.C.) § 28-32-08.1, this is a regulatory analysis and economic impact statement regarding the effect of proposed administrative rules on organizations and distributors (small entities) that operate games of chance or sell gaming equipment in the State of North Dakota.

The proposed rules that will affect organizations and distributors are:

Section 99-01.3-01	Organization Licenses and Permits
Section 99-01.3-02	General Rules
Section 99-01.3-03	Accounting Rules
Section 99-01.3-04	Bingo
Section 99-01.3-04.1	Electronic Quick Shot Bingo
Section 99-01.3-05	Raffles
Section 99-01.3-05.1	Fifty-Fifty Raffle Systems
Section 99-01.3-06	Pull Tabs, Club Special, Tip Board, Seal Board, Prize Board, and Punchboard
Section 99-01.3-07	Sports Pools
Section 99-01.3-08	Twenty-one
Section 99-01.3-09	Poker
Section 99-01.3-10	Caluttas
Section 99-01.3-11	Paddlewheels
Section 99-01.3-12	Pull Tab Dispensing Devices
Section 99-01.3-12.1	Prize Board Dispensing Devices
Section 99-01.3-14	Eligible Uses
Section 99-01.3-15	Distributors
Section 99-01.3-16	Manufacturers

SMALL ENTITY REGULATORY ANALYSIS

The Office of Attorney General's Gaming Division prepared this 'Small Entity Regulatory Analysis' on behalf of the Sate Gaming Commission, before it adopted proposed rules on the law, N.D.C.C. chapter 53-06.1 (Games of Chance). Through this analysis, the division considered the impact of the proposed rules on the public health, safety, and welfare in addressing the objectives of the law, and considered each of these methods for reducing the impact of the proposed rules on small entities by:

1. Establishing less stringent compliance or reporting requirements;
2. Establishing less stringent schedules or deadlines for compliance or reporting requirements;
3. Consolidating or simplifying compliance or reporting requirements;
4. Establishing performance standards for organizations and distributors to replace design or operational standards required by proposed rules; and
5. Exempting organizations and distributors from all or part of the requirements contained in proposed rules.

In regard to methods 1, 2, 4, and 5 above, the proposed rules do not unilaterally impose compliance or reporting requirements, schedules or deadlines, or performance standards on all organizations and distributors. Rather, organizations and distributors, as a condition of licensure to operate games of chance and sell gaming equipment, voluntarily agree to comply with certain compliance or reporting requirements, schedules or deadlines, or performance standards which would not otherwise apply to them. Nonprofit organizations comply with the proposed rules in exchange for financial support of eligible uses with net proceeds earned and distributors for financial gain (sales revenue) will, on an annual license renewal basis, make informed decisions whether this benefit exceeds their cost and or inconvenience of complying with the rules by renewing or not renewing their licenses.

In regard to method 3 above, the proposed rules implemented changes that allow select organizations to reduce the cost of conducting games by offering less stringent requirements while maintaining control over vulnerable assets.

The primary mission of the gaming industry is to maximize net proceeds earned for the benefit of charitable uses. The economic interests of the gaming organizations and distributors are basically linked – both apply high standards of administrative and operational controls to ensure the integrity of the gaming industry. The proposed rules reflect this commitment.

To be profitable, the gaming industry must maintain a positive public image, and players must be confident that the games are fair and honest. The success of the gaming industry is dependant on how well it is regulated, through rules, to maintain its public image and confidence. If a gaming organization or distributor is a small business, its size cannot be a discretionary factor for imposing less stringent compliance or reporting requirements, schedules or deadlines, performance standards, or exempting them from compliance. Otherwise, the gaming industry would fail its responsibility to protect the industry and its customer from crimes that could cause irreparable harm to the public image and confidence, including a major reduction in net proceeds. This responsibility cannot be diminished, disclaimed, evaded, or ignored because a gaming organization or distributor is a small business.

Notwithstanding the above, the State Gaming Commission deleted and revised rules to reduce the impact of the rules on small and large organizations, including:

1. Deleted a rule that would have required an organization to:
 - A. Complete a report for each floorworker for bonanza bingo games.
2. Revised the rules to:
 - A. Implement new law changes passed by the 2015 legislative assembly which include House Bills 1161, 1231, 1235, 1448, and Senate Bills 2009 and 2184;
 - B. Clarify the intent of several rules to ensure that unnecessary procedures are not being performed;
 - C. Implement rules for the conduct and play of electronic quick shot bingo, fifty-fifty raffle systems, and poker; and
 - D. Implement manufacturing testing requirements for electronic quick shot and bingo marking systems.

The gaming rules are comprehensive, yet reasonable, and generally reflect reasonable internal controls to ensure the integrity, security, and fairness to gaming operations in the state.

Welder, Michelle R.

To: McDaniel, Deborah A.
Subject: RE: Rule 99-01.3-02-02. Record Check

From: Karen Breiner [mailto:kbreiner@plainsart.org]
Sent: Thursday, December 10, 2015 7:57 AM
To: McDaniel, Deborah A.
Subject: RE: Rule 99-01.3-02-02. Record Check

Deb,

I would like to proposed that we change this rule to allow 15 days to terminate. This way we will allow the employee time to contest the information.

Karen Breiner
Gaming Manager
Plains Art Museum
701.237.9704 Big Top Bingo
701.367.6673 Cell

From: Karen Breiner [mailto:kbreiner@plainsart.org]
Sent: Monday, November 09, 2015 9:01 AM
To: McDaniel, Deborah A.
Cc: Harley Sprenger
Subject: Rule 99-01.3-02-02. Record Check

Deb,

Has a legal team reviewed Rule 99-01.3-02-02 (8) lately? This rule states that we have to terminate within 5 days of receiving a copy of the record check. With all of the new laws regarding background checks, does this rule violate other state and federal employment laws?

We had an incident where we had a hard time reading the conviction report. When we discussed it with the employee she said the information was incorrect, or we were not reading it correctly.

Don't we (shouldn't we) have to give the employee a copy of the report and give them time to dispute it?

Karen Breiner
Gaming Manager
Plains Art Museum
701.237.9704 Big Top Bingo
701.367.6673 Cell

99-01.3-02-03. Restrictions and requirements.

13. A malfunction of a fifty-fifty raffle system, site system with bingo card marking devices, or electronic quick shot bingo site operating system with card marking devices which affects the security or integrity of the system or the outcome of a game must be reported to the attorney general within two business days of date of occurrence.

It is not always possible to tell if a malfunction has occurred within 2 days, especially if the occurrence happens on a weekend and the Manufacturer must determine if one has occurred. Recommend changing to: "...within two business days of date of determination of malfunction."

99-01.3-04-03. Conduct and play.

11. p. An organization must back up all of a site system's accounting information for a session on a separate electronic media file immediately after that session and retain the backup file for three years from the end of the quarter in which the activity was reported on a tax return. The accounting information must comply with subsection 1 of section 99-01.3-16-09.1.

These backups are set to automatically occur at a time when the site is not in play (3 AM for example) and do so automatically so that the backup is not reliant on human interaction that may forget to initiate it. Recommend stating this as "...after that session and prior to the ~~next~~ start of the next business day..."

99-01.3-04.1-03. Conduct and play

17. An organization must back up all of an electronic quick shot bingo site operating system's accounting information for a session on a separate electronic media file immediately after that session and retain the backup file for three years from the end of the quarter in which the activity was reported on a tax return. The accounting information must comply with subsection 12 of section 99-01.3-16-09.4.

These backups are set to automatically occur at a time when the site is not in play (3 AM for example) and do so automatically so that the backup is not reliant on human interaction that may forget to initiate it. Recommend stating this as "...after that session and prior to the ~~next~~ start of the next business day..."

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Quickshot Bingo and Bingo Card Marking Devices – Manufacturer’s Section:

On July 6th 2015, the ND Gaming Division put out a memo stating that Manufacturers of Bingo Card Marking Devices and Electronic Quickshot Bingo Devices will now be required to submit their systems for certified lab testing and included a new draft of rules that they must comply with. Manufacturers currently operating Bingo Card Marking Devices must have their system submitted for lab testing within 30 days and had until January 27th 2016 to have their system tested and approved.

Any Electronic Quickshot Bingo Manufacturers that were operating prior to the shutdown of Quickshot Bingo were allowed to operate again as of August 1st 2015, but must have their system submitted for lab testing first and had 180 days from submission to have their system tested and approved.

On October 22nd 2015 the ND Gaming Division put out changes to the rules draft from July 6th, most manufacturers had already begun or in some cases completed changes from the previous rules draft.

While I believe that lab testing of the systems is a good thing for the industry and many of the changes to the rules were necessary, late requirement changes add unnecessary time and expense. As early as 2 weeks ago there was discussion of making a few more changes to the manufacturer’s section, and who knows if more will come out of these hearings. Higher manufacturer costs translate into higher charity costs.

Lab testing can cost from \$10K - \$30K and my fear is that a Manufacturer will be completed with their programming and testing, only to have a rule change that means that they will have to complete the whole process again. Ultimately it may cause a manufacturer to question the financial viability of operating in our market.

In the future I would urge that the rules process be completed prior to enforcing compliance from the Manufacturers and allow them adequate time after passage of new rules to attain compliance.

Thank you,

Brian Walter – Plains Gaming Distributing
bwalter@plainsgaming.com
218-230-3713

Monday, December 14, 2015

**Public Comment on Proposed Amendments to the
Games of Chance Administrative Rules**

Before the State Gaming Commission, Bismarck, ND

Submitted by Don Santer

I appear today on behalf of the North Dakota Association for the Disabled (NDAD) as the CEO and gaming manager to offer comment on the proposed amendments to the Games of Chance Administrative Rules. Specifically, I will be addressing concerns NDAD has with proposed amendments to the General Rules Section as follow:

99-01.3-02-03. Restrictions and requirements. #6 last sentence

A person under the age of eighteen may not play electronic quick shot bingo. ~~or use a bingo card marking device to play bingo.~~

- Our bingo halls have allowed players under the age of 18 to utilize bingo card marking devices in bingo halls since 1998. If they are allowed to play bingo on paper they should not be prohibited to play bingo with a marking device.

99-01.3-02-03. Restrictions and requirements. #13

A malfunction of a fifty-fifty raffle system, site system with bingo card marking devices, or electronic quick shot bingo site operating system with card marking devices, which affects the security or integrity of the system or the outcome of a game must be reported to the attorney general by the next business day from the date of occurrence determination of malfunction.

- It may take more than one business day to determine a malfunction occurred. If one or two days pass before determination a malfunction has occurred; the organization would be in violation of this rule, even if they report it to the attorney general the day it is discovered.

99-01.3-02-10. Acknowledgment of the gaming law and rules. #1

An employee shall read and acknowledge in writing, within ~~thirty~~ sixty days of employment and the effective date of new gaming laws or rules, that the person has read and understands the provisions that relate to the person's job duties.

- I have extensive experience in the development of training programs for new employees. New employees do not typically understand the rules they are reading until after they have had an opportunity to perform the job responsibilities. Thirty days is insufficient time to accomplish "informed consent" to understanding all applicable rules and laws. The reading may occur early on but the understanding of the rules would be more reasonable if they had 60 days.

In conclusion, NDAD appreciates the opportunity to provide comment this morning. We respectfully ask for your favorable consideration of our request.

**Charitable Gaming Association of North Dakota
Public Hearing Testimony
Submitted by CGAND Executive Board
December 2015**

General Rules Section

Restrictions & Requirements – Pg. 9 – 6. A person under the age of eighteen may not play electronic quick shot bingo. or use a bingo card marking device to play bingo.

- Under 18 have been playing bingo card marking devices in bingo halls since 1998.

Page 9 - 13. A malfunction of a fifty-fifty raffle system, site system with bingo card marking devices, or electronic quick shot bingo site operating system with card marking devices, which affects the security or integrity of the system or the outcome of a game must be reported to the attorney general by the next business day from the date of occurrence determination of malfunction.

- Charities need more than one business day to determine if a malfunction occurred. If required to report by next business day the charity in conjunction with manufacturer will not have time to determine if an actual malfunction occurred. BJ shift managers and bingo cashiers will then be reporting to the Office of Attorney General, rather than gaming managers.

Acknowledgment of Gaming Law & Rules - Pg. 15 - 1. An employee shall read and acknowledge in writing, within ~~thirty~~ sixty days of employment and the effective date of new gaming laws or rules, that the person has read and understands the provisions that relate to the person's job duties.

- New dealers/cashiers/bingo workers do not understand the rules within 30 days. The reading of the rules would be more effective if occurred within 60 days.

**Charitable Gaming Association of North Dakota
Public Hearing Testimony
Submitted by CGAND Executive Board
December 2015**

General Rules Section

Restrictions & Requirements – Pg. 9 – 6. A person under the age of eighteen may not play electronic quick shot bingo. ~~or use a bingo card marking device to play bingo.~~

- Strike bingo card marking device.
- Under 18 years of age have been playing bingo card marking devices in bingo halls since 1998.

Page 9 - 13. A malfunction of a fifty-fifty raffle system, site system with bingo card marking devices, or electronic quick shot bingo site operating system with card marking devices, which affects the security or integrity of the system or the outcome of a game must be reported to the attorney general by the next business day from the date of occurrence determination of malfunction.

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Karen fl.

Development Homes, Inc.
Public Hearing Testimony
Submitted by Jenna Magee
Gaming Support Specialist
December 2015

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- New dealers/cashiers/bingo workers do not understand the rules within 30 days. The reading of the rules would be more effective if occurred within 60 days.

Jenna Magee
12-15-15

Prairie Public Broadcasting, Inc.

Public Hearing Testimony

December 2015

**CHAPTER 99-01.3-02
GENERAL RULES**

99-01.03-02-03. Restrictions and Requirements

6. A person under the age of twenty-one may not conduct or play games, except bingo and raffles, and, at an alcoholic beverage establishment, may not be a member of a drop box cash count team. An employee under the age of eighteen may not count drop box cash. A person under the age of sixteen may not conduct bingo. A person under the age of eighteen may not play electronic quick shot bingo or use a bingo card marking device to play bingo.

Strike the last sentence:

A person under the age of eighteen may not play electronic quick shot bingo or use a bingo card marking device to play bingo.

They can legally play bingo in ND at any age, why are we restricting them from quickshot and bingo card marking devices?

13. A malfunction of a fifty-fifty raffle system, site system with bingo card marking devices, or electronic quick shot bingo site operating system with card marking devices, which affects the security or integrity of the system or the outcome of a game must be reported to the attorney general by the next business day from the date of occurrence.

Change occurrence to "when it is determined there was a malfunction"

We need time to determine what happened. When something goes wrong it is not always a system malfunction.

It could be days before you know what the problem affected.

Prairie Public Broadcasting, Inc.

Public Hearing Testimony

December 2015

CHAPTER 99-01.3-02
GENERAL RULES

99-01.03-02-03. Restrictions and Requirements

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Brad

Prairie Public Broadcasting, Inc.

Public Hearing Testimony

December 16, 2015

**CHAPTER 99-01.3-02
GENERAL RULES**

99-01.03-02-03. Restrictions and Requirements

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Strike the last sentence:

A person under the age of eighteen may not play electronic quick shot bingo or use a bingo card marking device to play bingo.

They can legally play bingo in ND at any age, why are we restricting them from quickshot and bingo card marking devices?

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Change occurrence to "when it is determined there was a malfunction"

We need time to determine what happened. When something goes wrong it is not always a system malfunction.

It could be days before you know what the problem affected.

Monday, December 14, 2015

**Public Comment on Proposed Amendments to the
Games of Chance Administrative Rules**

Before the State Gaming Commission, Bismarck, ND

Submitted by Don Santer

I appear today on behalf of the North Dakota Association for the Disabled (NDAD) as the CEO and gaming manager to offer comment on the proposed amendments to the Games of Chance Administrative Rules. Specifically, I will be addressing concerns NDAD has with a proposed amendments to the Accounting Rules Section as follow:

99-01.3-03-02. Gaming Account, #3

Organizations shall reimburse the gaming account as required by section 99-01.3-03-05 and may deposit raffle nongaming funds, bingo dauber receipts, fees from players who use bingo card marking devices, and prizes paid by an insurance company to an organization for payment to a player. The attorney general shall be notified prior to Any-any additional deposit of nongaming funds into a gaming account ~~should be communicated to the attorney general.~~

- We ask to keep the current language – Any additional deposit of nongaming funds into a gaming account should be communicated to the attorney general.
- Organizations may need to transfer funds into a gaming account to meet immediate financial obligations.
- We do not understand the purpose of prior notification if approval is not required.

99-01.3-03-06. Gross proceeds, IOUs, documenting cash and chip banks, #3

An organization shall document the daily starting and ending chip banks for casino and betting chips including, on the date of a poker event occasion, ~~an organization's the~~ no-value poker chips.

- Take out the counting of the chips for poker and return to the original language – what is current law.
- This was already debated and decided in 2011 by the Gaming Commission.
- The chips are already accounted for by the distributors.

In conclusion, NDAD appreciates the opportunity to provide comment this morning. We respectfully ask for your favorable consideration of our request.

**Charitable Gaming Association of North Dakota
Public Hearing Testimony
Submitted by CGAND Executive Board
December 2015**

Accounting Rules Section

Gaming Account – Pg. 18 - 3. Organizations shall reimburse the gaming account as required by section 99-01.3-03-05 and may deposit raffle nongaming funds, bingo dauber receipts, fees from players who use bingo card marking devices, and prizes paid by an insurance company to an organization for payment to a player. ~~The attorney general shall be notified prior to any additional deposit of nongaming funds into a gaming account. should be communicated to the attorney general.~~

- Return to Original Language – Any additional deposit of nongaming funds into a gaming account should be communicated to the attorney general.
- Organizations may need to transfer funds into a gaming account to meet immediate financial obligations.
- What is the purpose of prior notification if approval is not required?

Gross Proceeds, IOUs, Documentation Cash & Chip Banks - Page 23 #3 – take out the counting of the chips and return to the original language – what is current law.

- This was already debated and decided in 2011 by the Gaming Commission.
- The chips are already accounted for by the distributors.

**Charitable Gaming Association of North Dakota
Public Hearing Testimony
Submitted by CGAND Executive Board
December 2015**

Accounting Rules Section

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- Return to Original Language – Any additional deposit of nongaming funds into a gaming account should be communicated to the attorney general.
- Organizations may need to transfer funds into a gaming account to meet immediate financial obligations.
- What is the purpose of prior notification if approval is not required?

Gross Proceeds, IOUs, Documentation Cash & Chip Banks - Page 23 #3 – take out the counting of the chips and return to the original language – what is current law.

- This was already debated and decided in 2011 by the Gaming Commission.
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Karen

**Charitable Gaming Association of North Dakota
Public Hearing Testimony
Submitted by CGAND Executive Board
December 2015**

Accounting Rules Section

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- Return to Original Language – Any additional deposit of nongaming funds into a gaming account should be communicated to the attorney general.
- Organizations may need to transfer funds into a gaming account to meet immediate financial obligations.
- What is the purpose of prior notification if approval is not required?

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- The chips are already accounted for by the distributors.

**Development Homes, Incorporated
Public Hearing Testimony
Submitted by Jenna Magee
December 2015**

Accounting Rules Section

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- Return to Original Language – Any additional deposit of nongaming funds into a gaming account should be communicated to the attorney general.
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- The chips are already accounted for by the distributors.

Jenna Magee
12-15-15

Special Olympics
North Dakota



December 23, 2015

TO: Deb McDaniel
Office of the Attorney General, Gaming Division

FROM: Kathleen Meagher, Pres/CEO

RE: Proposed Administrative Rule Changes

For the most part, Special Olympics North Dakota (SOND) supports most of the proposed changes in the draft document of the ND Games of Chance Administrative Rules presented at the public hearings throughout ND.

Please use this as a written request to change the following:

Accounting Rules Section – page 18

99-01.3-03.02 Gaming Account

3. Organizations shall reimburse the gaming account as required by section 99-01.3-03-05 and may deposit raffle nongaming funds, bingo dauber receipts, fees from the players who use bingo card marking devices, and prizes paid by an insurance company to an organization for payment to a player.

*** Return to the Original Language OR DELETE any sentences following the first sentence (see above).

NOTE: The Gaming Advisory Board voted to get rid of the last sentence. There was no support for this.

Submitted

11
lot 2



STATE OF NORTH DAKOTA
OFFICE OF ATTORNEY GENERAL
STATE CAPITOL
600 E BOULEVARD AVE DEPT 125
BISMARCK, ND 58505-0040
(701) 328-2210 FAX (701) 328-2226
www.ag.nd.gov

Wayne Stenehjem
ATTORNEY GENERAL

MEMORANDUM

TO: Gaming Commission

FROM: Michelle Welder, Auditor, Gaming Division *Michelle Welder*

RE: Bingo draft rule

DATE: December 28, 2015

The purpose of this commentary is to provide explanatory information regarding the proposed change to § 99-01.3-04-01 (Bingo) which reads, "Except for quick shot bingo, there must be a winning player for each bingo game". The recommendation from our office to restore that language as part of the definition of bingo is based on several factors.

Historically, the verbiage describing bingo and/or the intent of the conduct of bingo has been that each game has a winner, with the exception of a game in which all of the numbers are pre-called, such as a paper card quick shot game. Promulgation of certain bingo rules since 1986 has clearly demonstrated that intent by such wording as "there must be a winning player" or "the winner of each game". Throughout the administrative rules for bingo, the terminology of "each game" has been consistently used. If a pre-determined pattern is selected and a prize amount established, a game is created and should therefore be played until a winner is determined.

Secondly, the definition of bingo under the Internal Revenue Code and Treasury Regulations is as follows:

The Code and Regulations define *bingo* as a game of chance played with cards that are typically printed with five rows of five squares each. Participants place markers over randomly called numbers on the cards in an attempt to form a pre-selected pattern such as a horizontal, vertical, or diagonal line or all four corners. The first participant to form the pre-selected pattern wins the game. In addition, for a game to meet the legal definition of bingo, wagers must be placed, winners must be determined and prizes or other property must be distributed in the presence of all persons placing wagers in that game.

Third, according to the bingo standards adopted by North American Gaming Regulators Association (NAGRA):

"**Bingo**" means the traditional game of chance played for a prize determined prior to the start of the game, using paper or cards imprinted with numbers, and a set of designators, which are contained in a selection device...

#11
2 of 2

Players who have paid consideration for the cards or paper they are holding compete for prizes by covering numbers imprinted on their cards when similar designators are randomly drawn and called. A winner is the first player to cover a predetermined arrangement of numbers as per the game or house rules. The game begins when the first number is called and ends when a player has covered the predetermined arrangement and declares bingo and the winning card or face is independently verified.

Lastly, it is important to note that a few organizations designate some games as "bonus games" which are played on the same card as another game, but if the pattern has not been achieved within a certain number of balls being called, the game is concluded. Typically, the achieving of the desired pattern within a designated amount of numbers merely is used when setting the dollar valuation of the prize – i.e. if the prize is not attained with the stated amount of numbers, a reduced consolation amount is awarded. If an organization offers a "bonus" or any other game, a winner should be declared, otherwise to offer a game in which it is highly improbable (although not impossible) for there to be a winner seems to be a contradiction of bingo in itself.

Prairie Public Broadcasting, Inc.

Public Hearing Testimony

December 2015

CHAPTER 99-01.3-04

BINGO

99-01.3-04-01. Bingo.

"Bingo" is when a player buys a card or uses a bingo card marking device and marks squares, or a radio frequency signal or Wi-Fi transmission marks squares on a marking device, as a caller announces a letter and number or only a number for speedball bingo. Speedball bingo is a game in which a bingo caller announces the drawn numbers in a fast manner. A winning player of a game is the player who first covers a predetermined pattern of squares by matching letters and numbers on a bingo card with balls drawn and called for that or another game and timely calls out the word "bingo". Except for quick shot bingo, there must be a winning player for each bingo game. Quick shot bingo is a bingo game in which all of the numbers are predrawn and that may or may not have a winning player and if there is a winning player, the player is not required to timely call out the word "bingo". Bonanza bingo is a game in which a bingo caller predraws a certain quantity of balls before a session begins for a predetermined pattern and unless a player has already won, the caller will draw additional balls until a player wins the game. In both quick shot and bonanza bingo games, players may buy and play the cards throughout the session.

Add "and bonus games" so it reads Except for quick shot bingo and bonus games, there must be a winning player for each bingo game.

We have played a bonus game on the bonanza off and on for 20 plus years, the program explains it, the customers understand it is a bonus. Why are we taking this away from them?

99-01.3-04-03. Conduct and play.

11 P. An organization shall back up all of a site system's accounting information for a session on a ~~report or separate electronic media immediately after that session~~ file by the end of the business day and retain the backup file for three years from the end of the quarter in which the activity was reported on a tax return. The accounting information must comply with subsection 1 of section 99-01.3-16-09.1. Change "by the end of the business day" to "before the start of the next business day"
The backup can be scheduled to run in the middle of the night.

99-01.3-04-04. Cash register.

~~5.4.~~ All transactions and control totals; including the number of and total value for each type of card or package sold, discounts applied to each type of card and package sold, and total gross receipts; must be recorded on an internal tape or session report that must be retained with the daily records. If a cash register is also used for a purpose other than bingo, the internal tape or session report from the other use must also be retained.

Strike "type of card"

Discounts apply to a package as a whole, not to the individual cards in the pack.

Prairie Public Broadcasting, Inc.

Public Hearing Testimony

December 16, 2015

CHAPTER 99-01.3-04

BINGO

99-01.3-04-01. Bingo.

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Change" by the end of the business day" to "before the start of the next business day"

The backup can be scheduled to run in the middle of the night.

**Charitable Gaming Association of North Dakota
Public Hearing Testimony
Submitted by CGAND Executive Board
December 2015**

Bingo Section

Page 30 – Addition made to eliminate lead up games – Except for quick shot bingo and bonus games, there must be a winning player for each bingo game.

- Add in bonus games.
- See page 36 #17 – This was debated, then revised by the ND Gaming Commission in 2011/2012 to clarify this issue. *A player may bingo more than one time on the same card when an organization conducts continuation games of more than one pattern on the same card. An organization may also conduct bonus games where multiple winning patterns may be played on the same card and where one or all of the prize patterns has a winner.
- Bingo halls, bar bingo and club bingos conduct bonus games where multiple patterns may be played on the same card and where one or all of the prize patterns has a winner. This was clarified previously by the Gaming Commission, as charities have conducted these types of bingo games for over 30 years.

Pg. 35 o. An organization shall back up all of a site system's accounting information for a session on a report or separate electronic media immediately after that session file by the end of the business day prior to the start of the next business day and retain the backup file for three years from the end of the quarter in which the activity was reported on a tax return. The accounting information must comply with subsection 1 of section 99-01.3-16-09.1.

- Standard technological practice – programmed to back up in middle of night, rather than have employees backing up files.

Pg. 38 30. C. Game description, color and type of card and prize for each game;

- Too confusing for players when multiple types of cards for one game is listed, such as 6v1, 1v1, 3v1, 6v6, barber pole, tint, border, striped, solid, etc.

Pg. 39 4. All transactions and totals; including the number of and total value for each type of card or package sold, discounts applied to each type of card and package sold,

- For Bingo Halls – Computer generated reports discount packages rather than individual cards due to multiple values of cards in a package.

**Charitable Gaming Association of North Dakota
Public Hearing Testimony
Submitted by CGAND Executive Board
December 2015**

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Monday, December 14, 2015

**Public Comment on Proposed Amendments to the
Games of Chance Administrative Rules**

Before the State Gaming Commission, Bismarck, ND

Submitted by Don Santer

I appear today on behalf of the North Dakota Association for the Disabled (NDAD) as the CEO and gaming manager to offer comment on the proposed amendments to the Games of Chance Administrative Rules. Specifically, I will be addressing concerns NDAD has with proposed amendments to the Bingo Section as follow:

99 01.3 04 01. Bingo. Paragraph 1; sentence 3-4

...A winning player of a game is the player who first covers a predetermined pattern of squares by matching letters and numbers on a bingo card with balls drawn and called for that or another game and timely calls out the word "bingo". Except for quick shot bingo, there must be a winning player for each bingo game.

- We would like to add "and bonus games" to the added wording of the 4th sentence.
- **99 01.3 04 03. Conduct and play #17** –was debated and revised by the ND Gaming Commission in 2011/2012 to clarify this issue.

A player may bingo more than one time on the same card when an organization conducts continuation games of more than one pattern on the same card. An organization may also conduct bonus games where multiple winning patterns may be played on the same card and where one or all of the prize patterns has a winner.

- Bingo halls, bar bingo, and club bingos conduct bonus games where multiple patterns may be played on the same card and where one or all of the prize patterns has a winner.
- Charities have conducted these types of bingo games for over 30 years.

99-01.3-04-03. Conduct and play. #11, p (O)

An organization shall back up all of a site system's accounting information for a session on a report or separate electronic media immediately after that session file by the end of the business day prior to the start of the next business day and retain the backup file for three years from the end of the quarter in which the activity was reported on a tax return. The accounting information must comply with subsection 1 of section 99-01.3-16-09.1.

- We ask to change "by the end of the business day" to "prior to the start of the next business day". We believe this will still accomplish the intended goal. This is a standard technological practice and can be programmed to back up during closed hours, rather than relying on employees manually backing up files and risking error.

99-01.3-04-03. Conduct and play. #38, c

An organization shall have a written bingo program for each session. However, if the program does not change each day or session, an organization may retain one program and record the dates on which it applied. A program must contain:

- a. Name of a site and organization;
- b. Date or dates of the sessions;
- c. ~~Description~~Game description, color and type of card and prize ~~for each game; and the game's prize; and~~

- We request striking "and type of card" from the new wording.
- We feel this is too confusing for players when multiple types of cards for one game is listed, such as 6v1, 1v1, 3v1, 6v6, barber pole, tint, border, striped, solid, etc.

99-01.3-04-04. Cash register, #4

All transactions and ~~control~~-totals; including the number of and total value for each type of card or package sold, discounts applied to each type of card and package sold, and total gross receipts; must be recorded on an internal tape or session report that must be retained with the daily records. If a cash register is also used for a purpose other than bingo, the internal tape or session report from the other use must also be retained.

- We are asking to strike, "to each type of card and package sold"
- For Bingo Halls – Computer generated reports discount packages rather than individual cards due to multiple values of cards in a package.

In conclusion, NDAD appreciates the opportunity to provide comment this morning. We respectfully ask for your favorable consideration of our request.

Development Homes, Incorporated
Public Hearing Testimony
Submitted by Janelle Mitzel
Gaming Director
December 2015

Bingo Section

Page 30 – Addition made to eliminate lead up games – Except for quick shot bingo and bonus games, there must be a winning player for each bingo game.

- Add in bonus games.
- See page 36 #17 – This was debated, then revised by the ND Gaming Commission in 2011/2012 to clarify this issue. *A player may bingo more than one time on the same card when an organization conducts continuation games of more than one pattern on the same card. An organization may also conduct bonus games where multiple winning patterns may be played on the same card and where one or all of the prize patterns has a winner.
- Bingo halls, bar bingo and club bingos conduct bonus games where multiple patterns may be played on the same card and where one or all of the prize patterns has a winner. This was clarified previously by the Gaming Commission, as charities have conducted these types of bingo games for over 30 years.

Pg. 35 o. An organization shall back up all of a site system's accounting information for a session on a report or separate electronic media immediately after that session file by the end of the business day prior to the start of the next business day and retain the backup file for three years from the end of the quarter in which the activity was reported on a tax return. The accounting information must comply with subsection 1 of section 99-01.3-16-09.1.

- Standard technological practice – programmed to back up in middle of night, rather than have employees backing up files.

Pg. 38 30. C. Game description, color and ~~type of card~~ and prize for each game;

- Too confusing for players when multiple types of cards for one game is listed, such as 6v1, 1v1, 3v1, 6v6, barber pole, tint, border, striped, solid, etc.

Pg. 39 4. All transactions and totals; including the number of and total value for each type of card or package sold, discounts applied to each type of card and package sold,

- For Bingo Halls – Computer generated reports discount packages rather than individual cards due to multiple values of cards in a package.

99-01.3-04.3

Pg. 36 #15. If a game has an actual or potential prize valued at five hundred dollars or greater, an employee shall use an electronic bingo card verifier; record in writing the called numbers and the sequence in which they were drawn; or audio recording of the bingo caller calling the balls. When a player bingos, an employee shall retain the bingo card verifier record, the written record, or audio record, which includes the following and retain these records for three nine months:

- Nine months is a tremendous amount of data, whether it be recorded or printed out. If someone has not come forward within three months to voice a problem, I doubt they will.

158 99-01.3-16-04.1

Pg. 157 #1(c) Print a summary report for each session containing the date and time of the report, name of site, date of the session, ~~sequential~~ consecutive session number, total number of accounts established, total number of transactions, total number and dollar value of voided transactions, number of ~~electronic bingo card images downloaded~~, ~~number of devices used~~, the number of and total value for each type of card or package sold, discounts applied to each type of card and package sold, total dollar value of credits sold, total dollar value of unused credits cashed out, total gross proceeds, and, for each transaction, list:

- Needs to have "discounts applied to each type of card and package sold" removed

Manufacture Section

Prairie Public Broadcasting, Inc.

Public Hearing Testimony

December 2015

CHAPTER 99-01.3-04.1

ELECTRONIC QUICK SHOT BINGO CARD MARKING DEVICES

99-01.3-04.1-02. Equipment

3. A An electronic quick shot bingo card marking device that allows a player to play between one and sixteen bingo cards for an individual game. Cost per card may not exceed two dollars. When a player initiates play of the selected cards, the device may automatically mark marks all of the player's cards with the pre-drawn numbers. The device may randomly mark the predrawn numbers in any order for each game played. No auto-daub feature which initiates play of a new game without a player's interaction is allowed.

Change to "Cost per game may not exceed \$32.

By law bingo does not have any spend restrictions. This should be the customers decision.

99-01.3-04.1-03. Conduct and play.

5. a. ~~If applicable, a~~A person under eighteen years of age may not play electronic quick shot bingo unless an individual, eighteen years of age or older, accompanies a minor when buying bingo cards on a quick shot bingo card marking device;

Go back to the original language, allowing them to play electronic quick shot with an adult present.

They can legally play bingo in ND at any age.

17. An organization shall back up all of an electronic quick shot bingo site operating system's accounting information for a session on a separate electronic media file by the end of the business day and retain the backup file for three years from the end of the quarter in which the activity was reported on a tax return. The accounting information must comply with subsection 12 of section 99-01.3-16-09.4. Change" by the end of the business day" to "before the start of the next business day"

We can program the system to run the backup in the middle of the night.

Prairie Public Broadcasting, Inc.

Public Hearing Testimony

December 16, 2015

CHAPTER 99-01.3-04.1

ELECTRONIC QUICK SHOT BINGO CARD MARKING DEVICES

99-01.3-04.1-02. Equipment

3. A An electronic quick shot bingo card marking device that allows a player to play between one and sixteen bingo cards for an individual game. Cost per card may not exceed two dollars. When a player initiates play of the selected cards, the device may automatically mark marks all of the player's cards with the pre-drawn numbers. The device may randomly mark the predrawn numbers in any order for each game played. No auto-daub feature which initiates play of a new game without a player's interaction is allowed.

Set the maximum cost per game, rather than per card.

99-01.3-04.1-03. Conduct and play.

5. a. ~~If applicable, a~~ A person under eighteen years of age may not play electronic quick shot bingo unless an individual, ~~eighteen years of age or older, accompanies a minor when buying bingo cards on a quick shot bingo card marking device;~~

Go back to the original language, allowing them to play electronic quick shot with an adult present.

They can legally play bingo in ND at any age.

17. An organization shall back up all of an electronic quick shot bingo site operating system's accounting information for a session on a separate electronic media file by the end of the business day and retain the backup file for three years from the end of the quarter in which the activity was reported on a tax return. The accounting information must comply with subsection 12 of section 99-01.3-16-09.4.

Change" by the end of the business day" to "before the start of the next business day"

We can program the system to run the backup in the middle of the night.

**Charitable Gaming Association of North Dakota
Public Hearing Testimony
Submitted by CGAND Executive Board
December 2015**

Electronic Quick Shot Bingo Section

99-01.3-04.1-02

Page 43 – 3. – Limiting price of quick shot bingo cards – ~~Cost per card may not exceed two dollars.~~ Strike

- Bingo betting wagers in North Dakota are unlimited. Paper quick shot bingo wagers in North Dakota are unlimited.
- Charities have been operating different pricing options for electronic quick shot bingo since 2010, and consumers have enjoyed the multiple options.
- ND legislators passed a bill **not including** a limit for the cost of electronic quick shot bingo cards. Historically betting limits are established through the legislative process.
- New manufacturing specifications and lab testing requirements were issued in July 2015 and again in October 2015 by the Office of the Attorney General. Additional security measures and reporting requirements will now be required by regulation. All electronic concerns should now be met.
- Limitations by ND Statute for other Game Types played by ND Charities:
 - i. Bingo – Unlimited
 - ii. Bingo played on Electronic Bingo Card Marking Devices - Unlimited
 - iii. Blackjack - \$50 for initial two hands per round/Max. dollars allotted \$500 for two hands
 - iv. Paddlewheel - \$20 per spin
 - v. Sports Pools - \$25 per square
 - vi. Raffle – Unlimited
 - vii. Poker – Single Bet \$1, with 3 raises at \$1 each; non-tournament \$2/half hour of playing time (does not include tournament fees)
- Charities have offered a reasonable compromise in regard to betting limits of an aggregate betting wager of \$32 per bingo game that should be considered by the ND Gaming Commission and is supported by CGAND.

99-01.3-04.1-03 conduct and play

Pg. 46 17 An organization shall back up all of an electronic quick shot bingo site operating system's accounting information for a session on a separate electronic media file by the end of the business day prior to the start of the next business day and retain the backup file for three years from the end of the quarter in which the activity was reported on a tax return. The accounting information must comply with subsection 12 of section 99-01.3-16-09.4.

- Standard technological practice – programmed to back up in middle of night, rather than have employees backing up files.



Monday, December 14, 2015

**Public Comment on Proposed Amendments to the
Games of Chance Administrative Rules**

Before the State Gaming Commission, Bismarck, ND

Good morning. My name is Ken Tupa and I appear today on behalf of the North Dakota Association for the Disabled (NDAD) to offer comment on the proposed amendments to the Games of Chance Administrative Rules. Specifically, I will address concerns NDAD has with a proposed amendment to electronic Quick Shot Bingo. We are opposed to the amendment in subsection 3 of Section 99-01.3-04.1-02 (page 43 of the proposed amendments) that places a two dollar per card limit for electronic Quick Shot Bingo.

The North Dakota Association for the Disabled is a nonprofit, charitable organization founded for the purpose of assisting people with mental and physical disabilities in the state of North Dakota, many of whom are not eligible for services from other agencies. NDAD has offices in Grand Forks, Fargo, Minot and Williston and operates charitable gaming sites in Grand Forks, Fargo, Bismarck, and Minot.

NDAD provides direct financial assistance, to individuals in need, for personal attendant care, accessibility, medical equipment and supplies, medication and medical travel. For over 4 years (up to December, 2014), NDAD generated almost \$1 million in gaming revenue from electronic Quick Shot Bingo to help provide this assistance.

The proposed amendments to the Games of Chance Rules relating to electronic Quick Shot Bingo follow the passage earlier this year of HB 1235. During the legislative process, NDAD and other charities provided information to legislators and committees regarding the game, the history of the game, and the process. We worked with the Gaming Division of the Attorney General's office on language that ultimately became the bill that passed. The language of the

bill we feel is consistent with the game of electronic Quick Shot Bingo that had been approved and was provided by charities for nearly 4 ½ years up to December, 2014, when it was decided by the Gaming Commission to halt it, deferring to Legislative approval. Neither paper nor electronic Quick Shot Bingo had ever been subject to per card dollar limits or dollar limits in general.

HB 1235 does not authorize the placing of limits on electronic Quick Shot Bingo. As has been mentioned, for the 4 ½ years charities were permitted to provide this game, dollar per card limits were never required or established. In fact, dollar limits were not discussed or brought forth during the legislative process as part of collaborative efforts to draft the language in HB 1235. Again, the language in the bill is consistent with the game of electronic Quick Shot Bingo as had been approved and provided by charities up to December, 2014. Therefore, we feel this proposed amendment to subsection 3 of Section 99-01.3-04.1-02 (page 43 of the proposed amendments) that would set a dollar per card limit on electronic Quick Shot Bingo is not consistent with the statute and should be deleted.

While we strongly feel setting a dollar per card limit on electronic Quick Shot Bingo is not authorized or consistent with the statute or the intent of HB 1235, if it is the position of the Gaming Commission to implement a limit regardless of this inconsistency, we would suggest the currently proposed amendment language be deleted and replaced with language for an aggregate limit on all cards versus a per card limit.

subsection 3 of Section 99-01.3-04.1-02 (page 43 of the proposed amendments)

- **Delete:** "Cost per card may not exceed two dollars."
- **Replace with:** "The aggregate cost of all cards played per game may not exceed thirty-two dollars."

Electronic Quick Shot Bingo allows for the playing of up to 16 cards. While we do not agree with the two dollar per card limit for the reasons stated, using that limit results in a total limit of \$32 if all cards are played. *(As a point of information, this \$32 limit is still significantly less than for instance, a blackjack (21) player's limit of playing two hands at the \$25 per hand limit for a total of \$50 per hand).*

Charities have players that enjoy the ability to select different levels of wagers. As noted, in "21," a player can make a wager anywhere between \$1 and \$25 per hand. For paddle wheel, a player can wager anywhere between \$1 and \$20 per play. For regular bingo sessions, players may purchase higher-priced cards for chances to win larger payouts, depending on the

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page 3

program. There are no limits for prices on bingo cards or quick shot bingo cards (paper). Pull tabs are generally sold as \$1 or \$2 tickets however there is no limit on how many can be purchased at one time.

As is common for any industry, charities have to stay competitive and relevant with their customers. Players have different preferences and charities need to have flexibility to appeal to these preferences, as is the case with the games aforementioned. With respect to electronic Quick Shot Bingo, it is no different. Limiting electronic Quick Shot Bingo to \$2 per card restricts this flexibility, which is available for other games, and eliminates the ability for the charities to set a range of options that appeal to different customers. Using an aggregate limit instead of per card limit provides "cards per play" flexibility for the customer. A customer may wish to play only 2 cards at \$5 per card, rather than 16 cards at \$2 per card. Regardless, the customer should at minimum have the flexibility to set their cards per play in relation to their desired play dollar limit, as is the case with many of the other games.

In conclusion, NDAD appreciates the opportunity to provide comment this morning. We respectfully ask for your favorable consideration of our request to remove the dollar per card limit language in subsection 3 of Section 99-01.3-04.1-02 (page 43 of the proposed amendments). Further, we ask that the final rules approved by the Gaming Commission not be inconsistent with the electronic Quick Shot Bingo statute (Chapter 53-06.1, Games of Chance, Section 53-06.1-10.2) with inclusion of any language seeking to set any dollar or dollar per card limits on the game of electronic Quick Shot Bingo.

Thank you for your time.

Other representatives from NDAD will be providing additional comment for your consideration today on other sections of the proposed amendments to the rules.

Kelsch Kelsch Ruff & Kranda

C. F. Kelsch
1890 - 1987

William C. Kelsch
1932 - 2012

Attorneys at Law
Mandan, North Dakota

Thomas F. Kelsch
Retired

 MERITAS LAW FIRMS WORLDWIDE

ARLEN M. RUFF, P.C.
THOMAS D. KELSCH, P.C.
TODD D. KRANDA, P.C.*
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*Also Licensed in Minnesota
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103 Collins Avenue
P.O. Box 1266
Mandan, ND 58554-7266
Phone (701) 663-9818
1-888-663-9818
Fax (701) 663-9810
Website www.kelschlaw.com

**Public Hearing Testimony
on the
Proposed Amendments to the Games of Chance Administrative Rules
Before the
Office of Attorney General - State Gaming Commission
Monday, December 14, 2015**

Good morning, for the record my name is Todd D. Kranda. I am an attorney with the law firm of Kelsch Kelsch Ruff & Kranda located in Mandan, North Dakota. I appear today at this public hearing on behalf of Charitable Gaming Association of North Dakota, commonly referred to as CGAND, to express concern about a specific proposed amendment dealing with electronic Quick Shot Bingo.

Initially I would like to provide some brief background information on CGAND which is a statewide association of charitable gaming organizations. CGAND has a diverse membership varying from clubs to small charitable gaming organizations in all regions of North Dakota. The mission of CGAND is to "Preserve gaming as a funding source for charitable purposes." There are numerous programs, services and worthy causes that are supported by charitable gaming. If you are not familiar with and are interested there is a Summary of Eligible Use Contributions for the 2014 Fiscal Year document available from the North Dakota Attorney General Gaming Division that outlines the contributions made and activities supported by charitable gaming.



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page 2 of 10

During this past 2015 Legislative Session, the North Dakota Legislature codified in statute the charitable game commonly known as electronic Quick Shot Bingo. House Bill No 1235 was passed by the ND Legislature and became law on August 1, 2015. CGAND was a primary sponsor and supporter of the legislative action to codify electronic Quick Shot Bingo which the charities had been allowed to offer and operate in numerous locations for over 4 ½ years before it was temporarily stopped. Quick Shot Bingo paper games have been in existence for over 30 years.

The Attorney General's office with the collaboration of the charities created the version of the statute that was passed by the ND Legislature with HB 1235. A copy of the Enrolled version of HB 1235 as passed and filed with the ND Secretary of State's office is attached. The electronic Quick Shot Bingo statute is found within Chapter 53-06.1, Games of Chance, at Section 53-06.1-10.2 NDCC.

The specific provision within the Proposed Amendments to the Games of Chance Administrative Rules that is a concern is found within Section 99-01.3-04.1-02 ND Admin. C. There is a provision being proposed within subsection 3 of Section 99-01.3-04.1-02 that would establish and limit the cost per card to two dollars which condition exceeds the provisions of the statute and law being implemented. That specific section can be found at page 43 of the Proposed Amendments to the Games of Chance Administrative Rules.

There was no prior cost per card established when the charities were allowed to offer and operate electronic Quick Shot Bingo in the past. Charities were allowed to determine the price points for offering electronic Quick Shot Bingo.

There are no similar cost per card limits established in the Administrative Code gaming provisions for Bingo, Speedball Bingo, Bonanza Bingo or Quick Shot Bingo paper cards. Also, no similar limits are established in the Administrative Code gaming provisions for certain other charitable game types of Raffles (Chap 99-01.3-05), Fifty-Fifty Raffles (Chap 99-01.3-05.1), and Calcuttas (Chap

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pg 3 of 10

99-01.3-10). There are certain limits set by the ND Legislature in statute for Poker (Section 53-06.1-07.2 NDCC), Paddlewheels (Section 53-06.1-07.4 NDCC), Punchboards and Pull Tabs (Section 53-06.1-08 NDCC) and Twenty-One (Section 53-06.1-07.10 NDCC) with consistent and corresponding Administrative Rules for each such game type. There is also a maximum cost established for Sports Pools of \$25 per line or square under Section 53-06.1-09 NDCC which is consistent with the Administrative Rules in Chapter 99-01.3-07 ND Admin. C.

Additionally and more importantly, nothing was discussed and established for a cost per card limit when the ND Legislature considered and passed electronic Quick Shot Bingo legislation, HB 1235. The proposed amendment to establish and limit the cost of an electronic Quick Shot Bingo card to two dollars is not consistent with the electronic Quick Shot Bingo statute and should be deleted.

In the alternative, some charities within CGAND are willing to discuss and recognize that if such a per card cost limit is implemented regardless of the inconsistency with the statute then there should be, at a minimum, a formula or an aggregate amount applied to electronic Quick Shot Bingo activity. This aggregate concept will be discussed subsequently by another gaming entity representative.

In conclusion, on behalf of CGAND I ask for your favorable review and consideration of this concern and as a result a modification of the proposed administrative rule to remove and eliminate the two dollar cost per card limitation for electronic Quick Shot Bingo.

**Sixty-fourth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 6, 2015**

HOUSE BILL NO. 1235
(Representatives Maragos, Delmore, Karls)
(Senators Casper, Hogue, Nelson)

AN ACT create and enact a new section to chapter 53-06.1 of the North Dakota Century Code, relating to the game of electronic quick shot bingo.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

Electronic quick shot bingo.

1. Electronic quick shot bingo is a bingo game played on portable hand-held bingo devices utilizing electronic bingo card images. The bingo game is played using twenty-four predrawn letters and numbers and may use up to six bonus letters and numbers to achieve predetermined patterns. The letters and numbers may only be drawn by the organization either manually or with the use of a random number generator, once during a business day and before the beginning of any session. It is not required for each bingo game to have a winner. The bingo devices used in conjunction with a site operating system automatically daubs the called letters and numbers via a radio frequency signal or wi-fi transmission on a maximum of sixteen electronic bingo cards for an individual game. The site operating system, including the point-of-sale, allows an employee to deposit credits received from a player by cash, check, or debit card to a temporary credit account to be used by a player for the purchase of electronic bingo cards. The devices may determine a winning bingo and must accumulate the winning prize amounts in a separate winnings account which may only be redeemed by an employee.

2. An electronic quick shot bingo marking device under subsection 1 is not a "coin-operated gaming device" as defined in subsection 4 of section 12.1-28-02.

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page 5 of 10

Michael B. Miller
Speaker of the House

Mark W. Jensen
President of the Senate

Buell J. Reich
Chief Clerk of the House

Janet Chamberlain
Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-fourth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1235.

House Vote: Yeas 54 Nays 36 Absent 4

Senate Vote: Yeas 25 Nays 21 Absent 1

Buell J. Reich
Chief Clerk of the House

Received by the Governor at 2:12 P. M. on April 7, 2015.

Approved at 2:01 P. M. on April 9, 2015.

Jack Dalrymple
Governor

Filed in this office this 9th day of April, 2015,
at 4:37 o'clock P. M.

Alvin J. Jensen
Secretary of State

Kelsch Kelsch Ruff & Kranda

C. F. Kelsch
1890 - 1987

Attorneys at Law
Mandan, North Dakota

Thomas F. Kelsch
Retired

William C. Kelsch
1932 - 2012



ARLEN M. RUFF, P.C.
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ALEXANDER S. KELSCH
CHRISTOPHER G. LINDBLAD

103 Collins Avenue
P.O. Box 1266
Mandan, ND 58554-7266
Phone (701) 663-9818
1-888-663-9818
Fax (701) 663-9810
Website www.kelschlaw.com

*Also Licensed in Minnesota
**Also Licensed in South Dakota

Public Hearing Testimony on the Proposed Amendments to the Games of Chance Administrative Rules Before the Office of Attorney General - State Gaming Commission Tuesday, December 15, 2015

Good morning. Unfortunately, I am not able to be present in person to provide this testimony. For the record my name is Todd D. Kranda. I am an attorney with the law firm of Kelsch Kelsch Ruff & Kranda located in Mandan, North Dakota. I am submitting this written testimony on behalf of Charitable Gaming Association of North Dakota, commonly referred to as CGAND, to express concern about a specific proposed amendment dealing with electronic Quick Shot Bingo.

Initially I would like to provide some brief background information on CGAND which is a statewide association of charitable gaming organizations. CGAND has a diverse membership varying from clubs to small charitable gaming organizations in all regions of North Dakota. The mission of CGAND is to "Preserve gaming as a funding source for charitable purposes." There are numerous programs, services and worthy causes that are supported by charitable gaming. If you are not familiar with and are interested there is a Summary of Eligible Use Contributions for the 2014 Fiscal Year document available from the North Dakota Attorney General Gaming Division that outlines the contributions made and activities supported by charitable gaming.



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page 7 of 10

During this past 2015 Legislative Session, the North Dakota Legislature codified in statute the charitable game commonly known as electronic Quick Shot Bingo. House Bill No 1235 was passed by the ND Legislature and became law on August 1, 2015. CGAND was a primary sponsor and supporter of the legislative action to codify electronic Quick Shot Bingo which the charities had been allowed to offer and operate in numerous locations for over 4 ½ years before it was temporarily stopped. Quick Shot Bingo paper games have been in existence for over 30 years.

The Attorney General's office with the collaboration of the charities created the version of the statute that was passed by the ND Legislature with HB 1235. A copy of the Enrolled version of HB 1235 as passed and filed with the ND Secretary of State's office is attached. The electronic Quick Shot Bingo statute is found within Chapter 53-06.1, Games of Chance, at Section 53-06.1-10.2 NDCC.

The specific provision within the Proposed Amendments to the Games of Chance Administrative Rules that is a concern is found within Section 99-01.3-04.1-02 ND Admin. C. There is a provision being proposed within subsection 3 of Section 99-01.3-04.1-02 that would establish and limit the cost per card to two dollars which condition exceeds the provisions of the statute and law being implemented. That specific section can be found at page 43 of the Proposed Amendments to the Games of Chance Administrative Rules.

There was no prior cost per card established when the charities were allowed to offer and operate electronic Quick Shot Bingo in the past. Charities were allowed to determine the price points for offering electronic Quick Shot Bingo.

There are no similar cost per card limits established in the Administrative Code gaming provisions for Bingo, Speedball Bingo, Bonanza Bingo or Quick Shot Bingo paper cards. Also, no similar limits are established in the Administrative Code gaming provisions for certain other charitable

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page 8 of 10

game types of Raffles (Chap 99-01.3-05), Fifty-Fifty Raffles (Chap 99-01.3-05.1), and Calcuttas (Chap 99-01.3-10). There are certain limits set by the ND Legislature in statute for Poker (Section 53-06.1-07.2 NDCC), Paddlewheels (Section 53-06.1-07.4 NDCC), Punchboards and Pull Tabs (Section 53-06.1-08 NDCC) and Twenty-One (Section 53-06.1-07.10 NDCC) with consistent and corresponding Administrative Rules for each such game type. There is also a maximum cost established for Sports Pools of \$25 per line or square under Section 53-06.1-09 NDCC which is consistent with the Administrative Rules in Chapter 99-01.3-07 ND Admin. C.

Additionally and more importantly, nothing was discussed and established for a cost per card limit when the ND Legislature considered and passed electronic Quick Shot Bingo legislation, HB 1235. The proposed amendment to establish and limit the cost of an electronic Quick Shot Bingo card to two dollars is not consistent with the electronic Quick Shot Bingo statute and should be deleted.

In the alternative, some charities within CGAND are willing to discuss and recognize that if such a per card cost limit is implemented regardless of the inconsistency with the statute then there should be, at a minimum, a formula or an aggregate amount applied to electronic Quick Shot Bingo activity. This aggregate concept will be discussed subsequently by another gaming entity representative.

In conclusion, on behalf of CGAND I ask for your favorable review and consideration of this concern and as a result a modification of the proposed administrative rule to remove and eliminate the two dollar cost per card limitation for electronic Quick Shot Bingo.

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**Sixty-fourth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 6, 2015**

HOUSE BILL NO. 1235
(Representatives Maragos, Delmore, Karls)
(Senators Casper, Hogue, Nelson)

AN ACT create and enact a new section to chapter 53-06.1 of the North Dakota Century Code, relating to the game of electronic quick shot bingo.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

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1. Electronic quick shot bingo is a bingo game played on portable hand-held bingo devices utilizing electronic bingo card images. The bingo game is played using twenty-four predrawn letters and numbers and may use up to six bonus letters and numbers to achieve predetermined patterns. The letters and numbers may only be drawn by the organization either manually or with the use of a random number generator, once during a business day and before the beginning of any session. It is not required for each bingo game to have a winner. The bingo devices used in conjunction with a site operating system automatically daubs the called letters and numbers via a radio frequency signal or wi-fi transmission on a maximum of sixteen electronic bingo cards for an individual game. The site operating system, including the point-of-sale, allows an employee to deposit credits received from a player by cash, check, or debit card to a temporary credit account to be used by a player for the purchase of electronic bingo cards. The devices may determine a winning bingo and must accumulate the winning prize amounts in a separate winnings account which may only be redeemed by an employee.
2. An electronic quick shot bingo marking device under subsection 1. is not a "coin-operated gaming device" as defined in subsection 4 of section 12.1-28-02.

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pg 10 of 10

Walter D. Rife
Speaker of the House

John M. Gey
President of the Senate

Bull T. Riel
Chief Clerk of the House

John A. Thibodeau
Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-fourth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1235.

House Vote:	Yeas 54	Nays 36	Absent 4
Senate Vote:	Yeas 25	Nays 21	Absent 1

Bull T. Riel
Chief Clerk of the House

Received by the Governor at 2:12 P. M. on April 7, 2015.

Approved at 2:01 P. M. on April 9, 2015.

Jack Dabrymple
Governor

Filed in this office this 9th day of April, 2015,

at 4:37 o'clock P. M.

Alvin D. Jensen
Secretary of State

Electronic Quick Shot Bingo

Public Hearing Testimony

December 2015

Sandi Marshall

My name is Sandi Marshall and I serve as the CEO of Development Homes, Inc. Thank you for the opportunity to provide comments on the proposed amendments to ND Admin Code article 99-01.3. I specifically would like to address the proposed amendment to section 99-01.3-04.1-02 that would limit the cost of one card to not exceed \$2 in relation to Quick Shot Bingo. I would urge the State Gaming Commission to eliminate this newly proposed limitation.

The Notice of Intent to Amend Administrative Rules stated that the proposed amendment is not expected to have an impact on the regulated community in excess of \$50,000. Consequently, no regulatory analysis was required. I would contend that charities like the one I represent, would be impacted to a potentially far greater degree should the \$2 limitation be adopted.

Electronic Quick Shot bingo has been a major funding source for our agency for most of the past 6 years. I would also contend that the financial impact on the state would be negatively affected by a reduction in gaming taxes that would be collected as a result of this change, and that the local economy would be negatively impacted by charities having fewer dollars to reinvest in our communities. This would be an unfortunate unintended consequence.

The \$2 limit on Quick Shot would also have a significant negative impact on the services we are able to provide to individuals in our area with intellectual and developmental disabilities. Today, you will hear from several of our staff and stakeholders who will share stories and information about how the people we serve benefit from the resulting gaming trust funds.

While DD services are largely funded by our contracts with the NDDHS, there are many items that are not covered by our service payments, or that people simply cannot afford on their extremely limited incomes. The people we serve are all low-income, and many have little discretionary funds to spend on necessities like

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page 2

clothing, medical equipment and expenses not covered by Medicaid, much less funds to become active participants in the community. This is a matter of quality of life for our state's most vulnerable citizens.

In addition to the impact on individuals, DHI has also been able to build and purchase residential properties that enable our low-income clients to live in regular housing throughout the community, that are both affordable and accessible. Gaming trust funds have been immeasurably helpful in being able to address this critical housing need. The funds have also been used to help individuals move out of group care into their own apartments, and to pay the upfront costs of damage deposits and furniture purchases. All of these major purchases would not be possible if our Quick Shot bingo is severely limited.

We ask you to consider the facts. Charities have been offering different pricing options with Quick Shot since 2010. This game has never been subject to pricing limits by the legislature or in previously approved regulations. On the other hand, paper Quick Shot bingo card pricing remains unlimited. This is a discrepancy that defies logic. For these reasons, we request that the \$2 limitation on electronic bingo be eliminated.

Thank you for your time today.

Signed  Date 12-15-15
Sandi Marshall

Development Homes, Incorporated
Public Hearing Testimony
Submitted by Janelle Mitzel
DHI Gaming Director
December 2015

Electronic Quick Shot Bingo Section

Page 43 – 3. Limiting price of quick shot bingo cards – Cost per card may not exceed two dollars.

- Charities have been operating different pricing options for electronic quick shot bingo since 2010.
- North Dakota Quick shot bingo operations were halted on December 1st, 2014 due to a legal opinion written by the ND Attorney General's Office, requested by the ND Gaming Commission. At that time the charities were encouraged by the ND Gaming Commission and the Office of Attorney General to tackle this issue legislatively.
- In January 2015 CGAND & ND Charities sponsored legislation to allow for the operation of quick shot bingo by the ND charitable gaming industry. Legislation was passed legalizing electronic quick shot bingo during the 64th Legislative Assembly and signed by Governor Dalrymple in the spring of 2015.
- CGAND members spent numerous days at the ND capitol in Bismarck. Testimony was given in two committees and electronic quick shot bingo was demonstrated and used by legislative committee members.
- CGAND originally proposed a bill to define and legalize electronic quick shot bingo. After the first hearing in the House Judiciary Committee the Gaming Division expressed some opposition regarding the language of the bill. Legislators urged both parties to work together to find suitable language. At that time the Office of the Attorney General re-wrote the legislative bill, with duplicate language from the gaming regulations. CGAND agreed to the new language proposed by the Gaming Division. The re-written bill by the Office of Attorney General is what the new law became.
- Bingo cards are unlimited in price in the state of North Dakota. Not at any time during the legislative process did the Office of the Attorney express a concern with the betting limits. When they were re-writing the bill they did not express any concern with the betting limits. The passage of the electronic quick shot bingo bill without betting limits was by design, in step with regular bingo on paper bingo cards.
- All betting limits for game types are in law, not regulation. Historically betting limits are set by legislators. They only limitation in regulation are poker tournament events, while live poker game betting limits are set in statute.

- Limitations by law for other Game Types played by ND Charities:
 - i. Bingo & Quick Shot Bingo – Unlimited
 - ii. Bingo played on Electronic Bingo Card Marking Devices - Unlimited
 - iii. Blackjack - \$50 for initial two hands per round/Max dollars allotted \$500 for two hands
 - iv. Paddlewheel - \$20 per spin
 - v. Sports Pools - \$25 per square
 - vi. Raffle – Unlimited
 - vii. Poker – Single Bet \$1, with 3 raises at \$1 each; non-tournament \$2/half hour of playing time
- Electronics are user-friendly game types, with betting amounts and wins clearly stated and highlighted on the computer screens. Customers have to purchase credits for the machine at a cashier POS system, and clearly know how much they are spending when purchasing. Wins are collected in a separate category and have to be cashed out. They are not allowed to be re-played. Customers continuously have to purchase at a cashier station whether it is their original money, or from the wins achieved. Customers are not being misled when they are constantly re-purchasing for continuation of play.
- Development Homes, Inc. has electronic quick shot bingo players that will play cards at a higher wagering level. However, instead of playing 16 cards at a higher level, customers will play only one or two at a higher level. Many of our customers do not want to play multiple cards at lower pricing levels, rather a few select cards at a higher wager. The aggregate betting is parallel, but structured differently. This newly proposed rule eliminates offering prize options for the charities and players.
- Development Homes, Inc. supports the alternative proposal of the aggregate cost of all cards played per game not exceed \$32.

Electronic Quick Shot Bingo

Public Hearing Testimony

December 2015

Tammy Slininger

Chapter 99-01-3:04.1

Good morning, my name is Tammy Slininger and I am the mother of Josh. My son Josh has Autism and lives at Columbia Place. Columbia Place is a five unit townhome that provides support to young adults with Autism Spectrum Disorders that have extraordinary support needs requiring therapeutic techniques that include structured routines, sensory diets, visual cues, social stories, daily schedules, and positive behavioral supports.

I am here today to urge you to not regulate quick shot bingo, because of the important role that gaming funds play in the supplemental support of persons with autism, like my son Josh. The cost of raising a child with autism according to CDC estimates is about \$30,000 a year as opposed to raising a child without autism which approximately \$11,000.

Gaming funds bridges the gap between what is paid for by the state and federal government and what is necessary in order for individuals like Josh to thrive. For persons with autism, like Josh, gaming funds can be used to pay for crucial medical equipment, specialized sensory equipment and even medicine.

For example, one year MA (medical assistance) only approved payment of 300mg per month of medicine when Josh was prescribed 375 mg per month. In an instance like that, gaming funds could be used to fill that gap until one could petition Medicaid to change their policy.

Medicaid also limits the amount of repairs on medical equipment that it will pay for to one per year. So far this year, Josh has already had five repairs made to his wheelchair. It is not Josh's fault or the quality of the wheelchair that has resulted in these repairs it is normal wear and tear when you have a disability. Gaming funds can help me and other families with making the repairs necessary when they happen and that is why gaming funds are so important.

I ask that you vote no on any unnecessary regulation.

Signed Tammy Slininger Date 12/15/15
Tammy Slininger

Pam Heyd
Officer of the Board of Directors & Elected Treasurer of the Board
ARC Upper Valley
Grand Forks, North Dakota

The ARC Upper Valley is a North Dakota non-profit organization, operating charitable gaming in Fargo and Grand Forks. The ARC operates both blackjack and machines sites in these areas.

As a charity continuously searching for additional revenue to support our valuable causes, we are considering the new game type of electronic quick shot bingo. It is my understanding that this newer game type will be available to all charities in early 2016, and we are looking forward to offering this at some of our locations.

The newly proposed rules has now incorporated a \$2 limit per card for electronic quick shot bingo. We would like to see this stricken from the rules. Charities have been operating unlimited betting on electronic quick shot since its inception in North Dakota. We would support an aggregate wager limitation, rather than a card wager limitation. This will allow charities to structure different prize levels within this game type.

Electronic Quick Shot Bingo

Public Hearing Testimony

December 2015

Barb Durgin

My name is Barb and I work with the social capital program which facilitates people with disabilities to be more involved with our community. I speak today to against any limits on quick shot bingo.

For so many years, people with intellectual disabilities were excluded from living within the mainstream community. Once they did have the opportunity to move into our communities they tended to become isolated as they did not have the resources to be active members of the community. Developing links into our community has a significant impact on the quality of life of the people that we support.

The quality of a person's social network can affect both their physical and mental wellbeing. People with disabilities need to be supported on an individual basis when engaging in social interaction in the community and with that individualized support, individuals with intellectual disabilities can increase their status within our community as well as their own personal outlook on life.

It is through the availability of gaming funds that we are able to support people to be part of our community of Grand Forks and more importantly to give back to our community. This includes volunteering at local food pantries, volunteering at St. Joseph's summer lunch program and working at the Salvation Army. We also support persons with developmental disabilities to become active members at local churches and service groups (which often charge membership dues). Additionally, we have several leadership programs which develop our consumer's creativity. These programs such as our art program and our speakers bureau provide platforms for enhanced communication which gives them leadership skills for to be self-advocates for their needs. Encouraging people that we support to explore their interests gives them the opportunity to be full members of our community.

Additionally, through these connections people we support are able to meet people, build relationships and make lasting friendships.

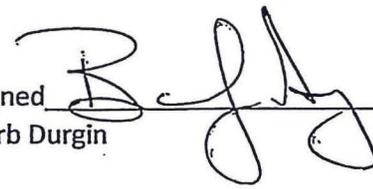
While, this gaming money serves a wonderful purpose to strengthen the social fabric of our community. It also serves an important role for medical equipment and even medication gaps that Medicare or Medical Assistance will not fund. A very high percentage of people with disabilities live on fixed incomes with little or no money to be able to spend on other items. For example, if a person uses a wheelchair and a walker, Medical Assistance will not cover both items, it is either one or the other. Even though it

has been recommended by their physical/occupational therapist to use both to stop any atrophy of muscles. With the use of gaming funds, consumers or their guardians do not have to chose between the two items, enabling them to have both pieces of equipment for a greater quality of life.

Also, gaming funds assists with clothing needs - people have very limited budgets and to purchase a new winter coat or boots, would take a majority of their monthly budget. With gaming funds, we are able to ensure that they have the clothing items that they need- especially in the cold climates of North Dakota.

There are many personal stories of how the gaming funds have been used to make people's lives better. Each story is unique and personal and that is why I urge you to not support any regulation that would limit quick shot bingo.

Thank you for your time today.

Signed  Date 12/15/15

Barb Durgin

Public Hearing Testimony

Submitted by Adam Badolato



Proprietor of Rumors Bar & Lounge

2393 27th Ave South Apt. 110

Grand Forks, ND 58201

December 15th, 2015

- I am a bar^o owner in Grand Forks- Rumors Bar & Lounge
- By Dec. 1st 2014 Rumors had a large customer base that came in just to play electronic quick shot bingo
- When electronic quick shot bingo was pulled Dec 1st 2014 we thought the customers would still come in and play other games of chance. That was not the case- There are many customers that quit coming in due to us not having electronic quick shot bingo
- We started seeing those customers back when electronic quick shot bingo was allowed to operate again on Aug 1st 2015.
- Radio advertisements have helped bring those customers back in after Aug 1st 2015
- Customers who would normally only stay for the paper bingo programs are staying in the bar to play electronic quick shot bingo after the session is over
- With the loss of electronic quick shot bingo we saw a direct impact in our profit margin
- When you own a small business, every customer that walks through the door impacts the bottom line
- The loss of revenue for our small business impacts the loss of tax revenue we pay to the state of North Dakota
- North Dakota is a business friendly state- they want small businesses to succeed
- We are asking for your support in this matter to please consider an alternative option opposed to a two dollar limit per card

Public Hearing Testimony submitted by-

Isaac Perala

1220 A Darwin Drive

Grand Forks, ND 58201

- Site Manager at Rumors Bar & Lounge
- Rumors was the first bar in the state of North Dakota to operate Electronic Quick Shot Bingo in 2010
- We currently operate both paper bingo and Electronic Quick Shot bingo
- Paper Bingo and electronic quick shot bingo is currently unlimited in the state of North Dakota
- Rumors runs a paper bingo game that is \$10 per card several days throughout the week
- Electronic quick shot bingo is a major revenue source for gaming operations for the charity
- From Dec. 1st 2014 to Aug. 1st 2015 Rumors experienced a revenue decrease due to electronic quick shot bingo being shut down
- Customers enjoy playing electronic quick shot bingo and it was very apparent when the new law went into effect Aug 1st 2015-we have seen many customers that we did not see in that 8 months due to the discontinuation of electronic quick shot bingo
- We have seen a drop in other game type play over the last year and being able to offer our players something new and different has helped bring our business back up
-  Putting a \$2 limit per card will dramatically decrease our revenue for electronic quick shot bingo as well as our other games of chance because those players will eventually stop coming in again
- A majority of the players that play at Rumors are only playing 1 to 2 cards at the higher amount as opposed to playing all cards offered at max amount
- I would support having an aggregate wager limit that has been proposed by the charities

Isaac Perala

12/15/15

Public Hearing Testimony

Submitted by-

Bill Tyrrell



BTAB, INC.

1003 21th Ave South

Grand Forks, ND

- Small business owner-BTAB, Inc.
- I am also a player of electronic quick shot bingo
- My small business has had a solid electronic quick shot bingo customer base built up over 5 years
- I saw a direct impact when electronic quick shot bingo was shutdown in 2014 and I can only assume the charities did as well
- I value the diversity of the charitable game types offered and my small business revenue is affected by the traffic of the gaming customers
- Charities should have some marketing options in regard to cost and prize payouts
- I enjoy playing one card at \$5 per card because it gives me the opportunity for a larger prize payout
- My experience with my customers is they are playing fewer cards up to \$5 per card
- I ask that the Gaming Commission would please consider an alternative to the two dollar limit, such as elimination or an aggregate wager limit

Electronic Quick Shot Bingo

Public Hearing Testimony

December 2015

Comments by Scott Anderson

- My name is Scott Anderson and I am testifying today in my role as program director for Development Homes and while I have not played quick shot bingo, I do enjoy social gaming. I understand that you are considering a rule change that would limit the betting amount for quick shot bingo cards to \$2. I urge you to vote against this and to keep the quick shot bingo levels where they are.
- I am opposed to this rule for two important reasons; 1) Bingo betting in North Dakota is unlimited including paper quick shot. 2) The funding that our organization receives makes a tremendous differences in the lives of persons with disabilities.
- Speaking about the first point, social gamers enjoy the game. Like myself, the majority of players play the game for entertainment purposes and win or lose walk away. Limiting the betting may make the game uninteresting for some players, which would limit the revenue this organization receives.
- More importantly, the income generated from these games have a lasting impact on the lives of the people that we support. Today you may hear a lot about inclusion and that is the key to everything that we do. In order to thrive, we want people to be fully a part of our community-living, working and playing.
- Understandably, as stewards of the tax payers dollars, the state provides a very tight budget for persons with disabilities. Basic necessities are paid for but any extras are limited to \$100.00 and in the case of children it is limited to \$65.00.
- Extras include clothes, OTC medicines, a cup of coffee with a friend, medical equipment and other incidentals. We often have to request gaming funds for the children in our children's group home three times a year just for clothing –because they are growing.
- Most of the people that we support, are at or below the poverty line. Many of our clients/consumers cannot work to support themselves and often those that do, do not make much more than minimum wage.
- The income from the gaming dollars serves as an important bridge to offset costs and also provides funding for some programs.
- Once such program is our Speakers Bureau-which was created as way to connect with the community in a meaningful and instructive way. A young woman, D, joined toastmasters which was in part funded by gaming money. She was invited to speak at an event at a local theater about her experiences as a person with disabilities. After arriving at the event, she was over taken with anxiety and cried and left the event before speaking. Six months later after participating in

Public Hearing Testimony

Submitted by

Josh Keckler



2250 S. 34th Street APT 602

Grand Forks, ND 58201

- I have been in gaming in the state of North Dakota for 13 years now
- I have experience with both on site play and from an administrative position
- When electronic quick shot bingo first came to the state of North Dakota I was the Gaming Manager for Citizen's Assistance Program, better known as CAP
- Quick shot bingo was very important to some of the CAP sites, and CAP saw a dramatic change in their revenue
- Since my transition from Gaming Manager at CAP to an on-site blackjack dealer, I experienced first-hand how much business the charity had lost due to the shutdown of electronic quick shot bingo on Dec 1st 2014
- As an on-site employee I see a variety of people who enjoy playing electronic quick shot bingo
- Working in the coin-op business I see the way technology is changing, I also see how well it is being perceived.
- A majority of the customers who play electronic quick shot bingo understand how to play the game and also understand how to change the amount wagered and the number of cards they would like to play
- I ask the Gaming Commission to consider an alternative option rather than the two dollar limit

Public Hearing Submitted by-

Nick Storm

1605 Rider Road

Grand Forks, ND 58201

- **I work for Development Homes- I am the Site Manager at Charlie Brown's in Grand Forks**
- **Charlie Brown's Bar is one of the largest electronic quick shot providers in the state of North Dakota**
- **Charlie Brown's gaming has been offering different prices on electronic quick shot bingo since 2010**
- **Electronic quick shot bingo is a major funding source for not only the charity, but for the bar in increased traffic. Limiting the cost per card to \$2 could decimate our revenue**
- **Pull tab revenue decreased dramatically in the early 2000s in the Grand Forks market**
- **Electronic quick shot bingo has been a great new source of revenue for the charities that have seen that decline in pull tab sales**
- **Grand Forks charities manage very successful bingo operations and as a result electronic quick shot bingo has really grown and has had a positive financial impact**
- **The device is very user-friendly. Customers manually select the number of cards they want to play, and the betting denomination**
- **The device clearly states the amount that is wagered per card and is always set to the minimum bet by default every time a new receipt is issued**
- **The majority of a higher level players only play 1 to 2 cards as opposed to playing all 4 - 6 cards at max bet**
- **I would support having an aggregate wager limit that has been proposed by the charities**



Public Hearing Testimony

Submitted by- April Koether *AKoether* 12/15/15

2857 18th Street NE

Manvel, ND 58256

I have worked in charitable gaming for seven years, and I am an electronic quick shot bingo player.

It is my understanding that in the newly proposed regulations the state of North Dakota is going to limit the betting wager for quick shot bingo cards. After nearly five years of unlimited play, it is unclear to me why a limit is now necessary.

Electronic quick shot bingo is very user friendly and very controlled. As a player I am required to select the number of cards and amount I would like to wager per card every time I enter my receipt number. The electronic device automatically defaults to the minimum wagering amount every time a new purchase or winning redemption occurs. You cannot replay any winnings without cashing out at a point-of-sale terminal first. As a player I have time to think about how much I would like to re-purchase for quick shot cards. I like having the option to play only one card at a higher wager, it allows me the opportunity to win a higher prize payout. I ask the Gaming Commission to reconsider the decision to place a two dollar per card limit.

99 01.3 04.1 02. Equipment (Quickshot – page 43)

3. An electronic quick shot bingo card marking device that allows a player to play between one and sixteen bingo cards for an individual game. Cost per card may not exceed two dollars.

- and -

99-01.3-16-09.4. Manufacturing specifications – Electronic quick shot bingo site operating systems with card marking devices (page 161).

5. No card marking device can allow more than sixteen single-faced cards per game. The cost per play cannot exceed two dollars per card.

Regarding both of these sections in reference to the proposed cost per card limit on the Quickshot Bingo Devices, and after discussion with a couple of the manufacturers of these devices, any denomination limit placed on these devices is an easily configurable database setting that does not involve having to make changes to any of the program code.

Whether the limit be a per card limit or an aggregate limit, the manufacturer would set a maximum allowed cost per card in compliance with state regulations. For an aggregate limit, manufacturers would set a maximum cost per card based on the maximum number of cards that could be played at one time. For instance, if the maximum aggregate limit was set at \$32, and the particular game in question had a maximum number of 8 cards, then the per card limit would be set at \$4 to ensure that the \$32 aggregate limit would not be exceeded if playing maximum number of cards.

Thank you,

Gerald Parker – Plains Gaming Distributing
gparker@plainsgaming.com
218-790-2323

Submitted to AG office



TRI-COUNTY EXHIBITORS

PO BOX 782
WISHEK, ND 58495
www.tricofair.com

To: ND Attorney General- Gaming Division

Re: Proposed gaming rules

Please consider the following at your December 14, 2015 hearing.

I see that some of the regulations address the issue of raffle boards which have become quite popular with licensed and local organizations. Here are a couple of requests regarding raffle boards.

1. Allow the organization to make the raffle board and have the distributor issue a gaming stamp. The gaming boards the distributors are sending out are only 1/4 th the size of the 2'x3' board we make, ours being on large poster material and theirs on a ledger paper sheet. Theirs is too small to notice on the wall of the bar. As long as the proper information is on the board and it has a gaming stamp, it shouldn't matter who makes it.
2. Currently I believe the rules allow the lessor's employee to sell raffle tickets. We would like that ability to extend to raffle boards. Small organizations like ours cannot afford to pay to have someone sit at the bar to sell the squares on the board.
3. As we were informed, the boards are to be sold as part of a one day event. This doesn't happen in small rural areas. Instead we would like to be able to run the raffle board just as a coin board where it stays open it is sold out and then the drawing made. If we have to set a date then in some cases depending on what time of the year or what the prize is, the board doesn't sell out and we don't take in enough money to even pay for the prize, yet in other cases it sells out in a couple of weeks.

These boards can be an inexpensive way for small organizations to generate a resonable net profit with minimal expense and from what I understand there are quite a few local organizations such as rodeo clubs, booster clubs etc, with local permits that utilize these to raise funds for their events. Thank you for considering our requests.

Sincerely,

Gregory J. Salwei
Gaming Manager
Tri-County Exhibitors

RECEIVED
ATTY. GENERAL'S LICENSING DEPT.

DEC 10 2015

Check _____
Draft _____
Cash _____ M.O. _____

Monday, December 14, 2015

**Public Comment on Proposed Amendments to the
Games of Chance Administrative Rules**

Before the State Gaming Commission, Bismarck, ND

Submitted by Byron Newnam

I appear today on behalf of the North Dakota Association for the Disabled (NDAD) as the Minot area gaming Director to offer comment on the proposed amendments to the Games of Chance Administrative Rules. Specifically, I will be addressing concerns NDAD has with proposed amendments to the Twenty-One Section as follow:

99-01.3-08-01. Twenty-one, #3

For a site at which total twenty-one prizes exceeded total twenty-one gross proceeds for a quarter, an organization shall contact the attorney general within thirty days of the quarter ending to present develop an action plan to resolve the situation. In addition, twenty-one percent-of-hold records must be maintained for each dealer at for that site for twelve continuous weeks. Percent-of-hold is computed as adjusted gross proceeds divided by gross proceeds.

- We feel the organization should present an action plan intended to resolve the situation rather than expect the AG's office to develop the plan.

99-01.3-08-03. Casino chips, #1

Last sentence...An organization may not use a different chip of the same value at a site, except for a commemorative chip.

- We would like the last sentence struck.
- We have sites that currently utilize chips that are no longer available to purchase for replacement. This rule requires my organization to purchase all new chips for a denomination if through loss and damage our supplies run too low to operate effectively. This also becomes an excessive financial burden because manufacturers require a minimum purchase that far exceeds what is needed for a single denomination at a site.
- When we open a new site, add a table, or expand the number of game types in a location we need additional chips. This rule requires our organization to purchase more chips than would be necessary if we could use different chips.
- The chips are still required to have the organization listed on them.
- Surveillance footage can still be required to discern the value and organization of origin

99 01.3 08 04. Video surveillance system, #3

A playing surface must be the standard green, and may not contain imprinted graphics (including within the betting and tip spaces) unless authorized by the attorney general. Red or maroon and black jumbo-faced playing cards may be used.

- There is not a standard green available. Each manufacturer produces different hues and sheen depending on the type of fabric utilized and the dye lot
- We feel we should have the option for graphics as long as we ensure camera footage is capable of displaying the difference between the card and chip edges from the playing surface.
- We suggest wording such as: The recording system must be able to provide acceptable contrast between the cards, chips, and the playing surface as to provide a positive identification of the denominations, values, and location of the cards and chips in play.

99 01.3 08 04. Video surveillance system, #9

For a site that requires video surveillance, if percent-of-hold at that site is less than ten percent for a quarter, a minimum of one hour per week of video surveillance for each table at that site must be reviewed and documented by an individual other than the employees who were dealing at the site during the quarter. The review of video surveillance must be continued until the site has established a percentage-of-hold of ten percent or greater for one full quarter.

- We suggest elimination of the required surveillance viewing and instead require an action plan from the charity.
- Another possible solution is to create wording similar to pull tab rules requiring the organization to present an explanation for a low percent of hold and determine if a required review is necessary.
- Not all sites are able to reach current state averages. Percent of hold is greatly affected by the tipping habits of the players in a region. It would make more sense to review historical data for the site to determine if there is a concerning drop in hold.
- Optimal basic strategy (not advantage play) is only 0.32224%. A basic strategy card would get the % of hold below 10%. The Math is \$bet X advantage X hands/hour. A \$25 player is worth under \$5/hr if they play properly. Obviously their value is under a 10% hold. I try to only play where they can afford my action. If I tip over \$5/hr the house has a negative realization from me. (Assuming I straight bet rather than tip bet.) Backing me off, would remove any play from my wife, who is wildly profitable for the house. This rule could create an environment where removing my action is needed. I believe each individual charity should decide whether my action has enough residual value to keep. There are some who do not believe it is. I think that my acting as a skill to create fun action, as well as other advantages to my play make it worthwhile. I really hate being backed off from our crazy friendly game. I don't want another reason to be told I cannot play.

99 01.3 08 13. Disclosure, Player Rules:

The use of any electronic device for communication at the table is prohibited.

The placement of any electronic device on the table is prohibited.

- This rule would be extremely difficult to enforce. With the new technology available watches are now as capable as smart phones and can be difficult to distinguish from non-communication versions. This makes it possible for employees to arbitrarily choose to enforce at a whim when a player exposes their phone.
- This rule is also vague. Hearing aids and speech assistive devices would fall into this category.
- We feel this rule is contrary to good customer service. With the proliferation of mobile devices and a communication-centric population we would be required to chase the majority of our players away from the table.
- We see no real regulatory benefit for this rule and suggest leaving it up to each charity to adopt as part of their house policies or not.

In conclusion, NDAD appreciates the opportunity to provide comment this morning. We respectfully ask for your favorable consideration of our request.

PUB 21
Public Hearing Testimony
Submitted by Shane Johnson, Bar Manager
December 14, 2015

I have concerns with some of the new draft rules being suggested to the state gaming commission. The following are my concerns

99 01.3 08 04. Video surveillance system, #3

A playing surface must be the standard green, and may not contain imprinted graphics (including within the betting and tip spaces) unless authorized by the attorney general. Red or maroon and black jumbo-faced playing cards may be used.

- The limitation of color choices for the gaming tables presents no options for matching new décor of my establishment. Enjoyable gaming is as much a benefit to the bar as it is to the charity that operates it. It is difficult enough to create desirable environment that customers are drawn too. Allowing color options can help create a unique environment that blends into the design of the bar.
- I also think we should have the option for graphics playing surface. For years the charities have worked in collaboration with the host bar to add bar logos on the playing surface.

99 01.3 08 13. Disclosure, Player Rules:

The use of any electronic device for communication at the table is prohibited.

The placement of any electronic device on the table is prohibited.

- This rule would be extremely detrimental to good customer service. Smart phones are a norm for my customers. My customers don't even think about answering their phones anymore. It is now second nature. This rule would require the dealer to ask the player to stop using their phone or leave. This is the same as asking the customer to leave the bar.
- I don't think this rule will even be effectively enforceable at least not without damaging customer relationships.
- I have the same objections to this additional rule in the paddlewheels section.

Thank you for hearing my comments.

Development Homes, Incorporated
Public Hearing Testimony
Submitted by Jenna Magee, Gaming Support Specialist
December 2015

Twenty-One Section

Page 70 - 3. – For a site at which total twenty-one prizes exceeded total twenty-one gross proceeds for a quarter, an organization shall contact the attorney general within thirty days of the quarter ending to present develop an action plan to resolve the situation. In addition, twenty-one percent-of-hold records must be maintained for each dealer at for that site for twelve continuous weeks. Percent-of-hold is computed as adjusted gross proceeds divided by gross proceeds.

Casino Chips - Pg. 71 - 1. ~~An organization may not use a different chip of the same value at a site, except for a commemorative chip.~~

- Advisory Board recommended to strike. Too expensive to order all new chips for a site when only needing additional or replacement chips.

Video Surveillance System - Pg. 74 - 3. ~~A playing surface must be the standard green, and may not contain imprinted graphics (including within the betting and tip spaces) unless authorized by the attorney general. Red or maroon and black jumbo-faced playing cards may be used.~~

- There is not a standard green.
- Charities should have the option for graphics, and need to ensure camera views will be approved.
- Return to original language.

Page 74 - #9 – For a site that requires video surveillance, if percent of hold at that site is less than ten percent for a quarter, a minimum of one hour per week of video surveillance for each table at that site must be reviewed and documented by an individual other than the employees who were dealing at the site during the quarter. The review of video surveillance must be continued until the site has established a percentage of hold of ten percent or greater for one full quarter.

Options:

- Eliminate, and instead require an action plan from the charity.
- Review historical data for sites.
- Adjust the 10% to a lower percentage.

7.5% ?

Pg. 88 Player Rules: The use of any electronic device for communication at the table is prohibited. The placement of any electronic device on the table is prohibited.

- Impossible to enforce.
- Whether a charity allows cell phones should not be a regulatory issue.
- Charities should determine this in their house policies.

Jenna Magee
12-15-15

**Charitable Gaming Association of North Dakota
Public Hearing Testimony
Submitted by CGAND Executive Board
December 2015**

Twenty-One Section

Page 70 - 3. – For a site at which total twenty-one prizes exceeded total twenty-one gross proceeds for a quarter, an organization shall contact the attorney general within thirty days of the quarter ending to present ~~develop~~ an action plan to resolve the situation. In addition, twenty-one percent-of-hold records must be maintained for each dealer ~~at~~ for that site for twelve continuous weeks. Percent-of-hold is computed as adjusted gross proceeds divided by gross proceeds.

Casino Chips - Pg. 71 - 1. ~~An organization may not use a different chip of the same value at a site, except for a commemorative chip.~~

- Advisory Board recommended to strike. Too expensive to order all new chips for a site when only needing additional or replacement chips.

Video Surveillance System - Pg. 74 - 3. ~~A playing surface must be the standard green, and may not contain imprinted graphics (including within the betting and tip spaces) unless authorized by the attorney general. Red or maroon and black jumbo-faced playing cards may be used.~~

- There is not a standard green.
- Charities should have the option for graphics, and need to ensure camera views will be approved.
- Return to original language.

Page 74 - #9 – ~~For a site that requires video surveillance, if percent of hold at that site is less than ten percent for a quarter, a minimum of one hour per week of video surveillance for each table at that site must be reviewed and documented by an individual other than the employees who were dealing at the site during the quarter. The review of video surveillance must be continued until the site has established a percentage of hold of ten percent or greater for one full quarter.~~

Options:

- Eliminate, and instead require an action plan from the charity.
- Review historical data for sites.
- Adjust the 10% to a lower percentage.

Pg. 88 Player Rules: ~~The use of any electronic device for communication at the table is prohibited. The placement of any electronic device on the table is prohibited.~~

- Impossible to enforce.
- Whether a charity allows cell phones should not be a regulatory issue.
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**Charitable Gaming Association of North Dakota
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**Charitable Gaming Association of North Dakota
Public Hearing Testimony
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Twenty-One Section 99-01.3-08-01-

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Options:

- Eliminate, and instead require an action plan from the charity.
- Review historical data for sites.
- Adjust the 10% to a lower percentage.

Pg. 88 Player Rules: The use of any electronic device for communication at the table is prohibited. The placement of any electronic device on the table is prohibited.

- Impossible to enforce.
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Prairie Public Broadcasting, Inc.

Public Hearing Testimony

December 2015

**CHAPTER 99-01.3-08
TWENTY-ONE**

99-01.3-08-01. Twenty-one.

3. For a site at which total twenty-one prizes exceeded total twenty-one gross proceeds for a quarter, an organization shall contact the attorney general within thirty days of the quarter ending to develop an action plan to resolve the situation. In addition, twenty-one percent-of-hold records must be maintained for each dealer at that site for twelve continuous weeks. Percent-of-hold is computed as adjusted gross proceeds divided by gross proceeds.

Change "a" to "Two quarters"

At small sites open only a few days a week, a big loss in one night can put the percent of hold into the negative for the quarter.

Change "to develop" to "with" **Let the organizations manage the site and the problem, if a problem exists.**

Delete "at that site" **We would like to keep these reports at the main office.**

99-01.3-08-04. Video surveillance system.

3. A playing surface must be the standard green, and may not contain imprinted graphics (including within the betting and tip spaces) unless authorized by the attorney general. Red or maroon and black jumbo-faced playing cards may be used.

Delete "and may not contain imprinted graphics (including within the betting and tip spaces)"

As long as we can clearly view the action on the table, why can we not have our Name and Logo's on our tables?

9. ~~Limits its~~ For a site that requires video surveillance, if percent-of-hold at that site is less than ten percent for a quarter, a minimum of one hour per week of video surveillance for each table at that site must be reviewed and documented. The review must be completed by an individual who did not conduct twenty-one at the site on the day selected for review. The review of video surveillance must be continued until the site has established a percent-of-hold of ten percent or greater for one full quarter.

Change "ten percent for a quarter" to "7.5% for 2 quarters"

At 1 table sites, a big loss in one night can bring the percent of hold down to 10% or less. At a site with heavy \$25 play it is not unusual to have a low percent of hold. Your office watched about 100 hours from Dempsey's and did not find anything wrong, the comment I received from your office was "You have a lot of \$25 play" Let the organization manage the site and the problem.

99-01.3-08-13. Disclosure.

The use of any electronic device for communication at the table is prohibited

The placement of any electronic device on the table is prohibited

Delete both lines.

How does this pertain to regulating the game? It is a decision that should made by the organizations.

Prairie Public Broadcasting, Inc.

Public Hearing Testimony

December 2015

CHAPTER 99-01.3-08
TWENTY-ONE

99-01.3-08-01. Twenty-one.

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Prairie Public Broadcasting, Inc.

Public Hearing Testimony

December 16, 2015

CHAPTER 99-01.3-08
TWENTY-ONE

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Change "a" to "Two quarters"

At small sites open only a few days a week or with only one table, a big loss in one night can put the percent of hold into the negative for the quarter.

Change "to develop" to "with" Let the organizations manage the site and the problem, if a problem exists.

Delete "at that site" We would like to keep these reports at the main office.

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**Charitable Gaming Association of North Dakota
Public Hearing Testimony
Submitted by CGAND Executive Board
December 2015**

Poker Section

Definitions - Pg. 93 - 12. ~~"Chip dumping" is a strategy whereby one player deliberately loses chips to another player.~~

Pg. 94 27. ~~"Soft play" is failing to bet or raise in a situation that would normally merit it; to intentionally go easy on a player.~~

- Both chip dumping and soft play are extremely difficult to enforce or regulate.

Conduct and Play - Pg. 96 - 3. ~~The organization shall have two separate additional decks of cards available at each table. The color of the backs of the cards of the two decks must be of a different predominant color. A player may request that the dealer change decks. If such a request is made, the dealer shall switch the decks at the end of that hand.~~

Tournaments Pg. 100 1c. ~~Structure of the tournament prize payouts, once determined; and~~

2. ~~Each table will set a maximum of ten eleven players.~~

4. ~~Tournament chips will be distributed directly to the player at the time of registration.~~

Page 101 Player Rules: ~~The use of any electronic device for communication at the table is prohibited. The placement of any electronic device on the table is prohibited. Ethical play: Any player who soft plays a hand shall be penalized. The penalty may include either chip forfeiture or disqualification or both. Any player involved in chip dumping and other forms of collusion shall be disqualified.~~

- Cell phone restrictions Impossible to enforce.
- Whether a charity allows cell phones should not be a regulatory issue.
- Charities should determine this in their house policies.

**Charitable Gaming Association of North Dakota
Public Hearing Testimony
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December 2015**

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December 16, 2015

FPN Gaming
Brook Lyter, Owner
Pete Bushey, Manager

Re: Proposed rule changes concerning poker tournaments and distributor restrictions

FPN Gaming has serious concerns about the proposed change to disallow employees of distributor companies to participate in poker tournaments that we consult in or rent equipment to.

We feel this is an unfair and unnecessary restriction based on the following points:

1. Accounting controls are already in place to prevent chips from being added to tournaments:
 - a. The charity is required to account for the total chips available before and after each tournament.
 - b. Chips are clearly visible to all players seated at the table at all times and players routinely monitor opponent chip counts.
 - c. During breaks players are not allowed to stand at the table and dealers/directors watch over the tournament area.
 - d. When players are moved, players must keep their chips visible at all times.
2. Charity employees have the same access to equipment/chips as distributor employees do and are not required to purchase or use chips from a distributor. Therefore, the chips can come from anywhere.

Also, concerning the restriction on distributors operating the games, FPN is against putting restrictions in place regarding the types of games they can operate at a site. With the manufacturing specifications, there is no way for a distributor that is working for an organization to tip off players to how to find winners, etc. This would also be against the law if a distributor were to do this. We currently have several employees working for organization and this rule change would force them to give up one job or the other.

The integrity of the game has always been important to us and we feel do an excellent job of training charities how to run a good, secure game. All of our employees are faithful poker players. It is their passion to play in tournaments. Restricting them from participating will make it harder for us to retain good employees. FPN Gaming is involved with the vast majority of tournaments on the east half of the state in one form or another. We rely on the poker community (players) for help/assistance and have maintained an excellent reputation for administering fair games.

Public Comment on Chapter 99-01.3-11 – Paddlewheels

99-01.3-11-02(1) (Paddlewheels – Excluding the use of a table)

All paddlewheel tickets of a card must be preprinted and contain one or more numbers or symbols corresponding to a paddlewheel. A number or symbol cannot be repeated on any of the tickets of a card number. A ticket must have a game serial number corresponding to the number printed ~~on the ticket card's stub~~ on the master flare. A master flare for a series of paddlewheel ticket cards must state the type of paddlewheel tickets, cost per ticket, range of card numbers, have a state gaming stamp affixed to it bearing the card number of the lowest-numbered ticket card, and be posted.

Manufacturers do not make paddlewheel ticket stubs distributors must print these stubs. Distributors have hardships finding the same paper stoke and color to match the paddlewheel tickets and producing the stubs seems redundant when the same information is on the master flare. Also, card stubs are small and easy to lose and the organization has to keep the flare with the state gaming stamp affixed by rule.

See enclosed samples of master flare, paddlewheel tickets and ticket stub.

#42
page 3

007501

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1

2

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4

5

6

31

32

33

34

35

36

30 x 2 = 60—USA

~~The Serial No.
on this turn is: 007501
Prize: _____
Winning No. _____~~

Monday, December 14, 2015

**Public Comment on Proposed Amendments to the
Games of Chance Administrative Rules**

Before the State Gaming Commission, Bismarck, ND

Submitted by Byron Newnam

I appear today on behalf of the North Dakota Association for the Disabled (NDAD) as the Minot area gaming director to offer comment on the proposed amendments to the Games of Chance Administrative Rules. Specifically, I will be addressing concerns NDAD has with proposed amendments to the Paddlewheels Section as follow:

99-01.3-11-06. Disclosure. # 1 – g

A player may not take a betting chip away from the table and must be at the table to win. Otherwise, the player's bet is void.

- We feel this rule should be rewritten. Players want to maintain possession of their betting chips when they take a momentary break. Otherwise they will be required to exchange for casino chips and disrupt the normal table play.

99-01.3-11-06. Disclosure. # 1 – i & j (h)

i - The use of any electronic device for communication at the table is prohibited.

j - The placement of any electronic device on the table is prohibited.

- This rule would be extremely difficult to enforce. With the new technology available watches are now as capable as smart phones and can be difficult to distinguish from non-communication versions. This makes it possible for employees to arbitrarily choose to enforce at a whim when a player exposes their phone.
- This rule is also vague. Headphones/earbuds, hearing aids, and speech assistive devices would fall into this category.
- We feel this rule is contrary to good customer service. With the proliferation of mobile devices and a communication-centric population we would be required to chase the majority of our players away from the table.
- We see no real regulatory benefit for this rule and suggest leaving it up to each charity to adopt as part of their house policies or not.

In conclusion, NDAD appreciates the opportunity to provide comment this morning. We respectfully ask for your favorable consideration of our request.

Development Homes, Incorporated
Public Hearing Testimony
Submitted by Jenna Magee
December 2015

Paddlewheels Section

~~Disclosure Pg. 112 g. A player may not take a betting chip away from the table and must be at the table to win. Otherwise, the player's bet is void.~~

- ~~Players will take chips when they take a momentary break.~~
- ~~May require player to be a table to win.~~

~~Pg. 112 i & j (h). The use of any electronic device for communication at the table is prohibited. The placement of any electronic device on the table is prohibited.~~

- ~~Impossible to enforce.~~
- ~~Whether a charity allows cell phones should not be a regulatory issue.~~
- ~~Charities should determine this in their house policies.~~

Jenna Magee
12-15-15

Prairie Public Broadcasting, Inc.

Public Hearing Testimony

December 16, P2015

CHAPTER 99-01.3-11
PADDLEWHEELS

99-01.3-11-06. Disclosure.

1. i The use of any electronic device for communication at the table is prohibited.
h. The placement of any electronic device on the table is prohibited.

Delete both lines.

How does this pertain to regulating the game? It is a decision that should made by the organizations.

99-01.3-11-04. Opening and closing a table, number of employees, chip bank services, procedure for accepting currency and chips, and drop box.

2. An organization may not conduct paddlewheels unless two employees are on duty at the site.

Delete the entire sentence.

Allow charities to open the paddlewheel with one employee on duty, the same as twenty-one and pull tabs.

3 is manck public hearing

#45

2-32

Prairie Public Broadcasting, Inc.

Public Hearing Testimony

December 2015

**CHAPTER 99-01.3-11
PADDLEWHEELS**

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Public Hearing Testimony
Submitted by CGAND Executive Board
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Prairie Public Broadcasting, Inc.

Public Hearing Testimony

December 2015

**CHAPTER 99-01.3-15
DISTRIBUTORS**

99-01.3-15-02. Restrictions and requirements.

3. An officer, director, shareholder, agent, or employee of a distributor may not:
- b. Conduct games at of pull tabs, prize boards, pull tab and prize board dispensing devices, club specials, seal boards, raffle boards, tip boards, sports pool boards, punchboards, or calcutta boards for an organization's site unless the organization discloses to players organization, that is provided or sold by that distributor employees are allowed to conduct at that site; or

Delete "Pull tabs", "Pull tab dispensing devises" and "calcutta boards"

There is no inside information on these games, the distributor employee does not know anything more then any other employee. Let the organizations decide who they want to employ.

Prairie Public Broadcasting, Inc.

Public Hearing Testimony

December 16, 2015

CHAPTER 99-01.3-15

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There is no inside information on these games, the distributor employee does not know anything more than any other employee. Let the organizations decide who they want to employee.

6

**Charitable Gaming Association of North Dakota
Public Hearing Testimony
Submitted by CGAND Executive Board
December 2015**

Distributors Section

Pg. 137 3b. Conduct games of ~~pull tabs~~, prize boards, ~~pull tab and prize board~~ dispensing devices, club specials, seal boards, raffle boards, tip boards, sports pool boards, punchboards, or calcutta boards for an organization, that is provided or sold by that distributor

- This should be an organization's decision.

**Charitable Gaming Association of North Dakota
Public Hearing Testimony
Submitted by CGAND Executive Board
December 2015**

Distributors Section

| Pg. 137 3b. Conduct games of ~~pull tabs~~, prize boards, ~~pull tab and prize board~~ dispensing devices, club specials, seal boards, raffle boards, tip boards, sports pool boards, punchboards, or calcutta boards for an organization, that is provided or sold by that distributor

- This should be an organization's decision.

Development Homes, Incorporated
Public Hearing Testimony
Submitted by Jenna Magee
December 2015

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Pg. 137 3b. Conduct games of pull tabs, prize boards, pull tab and prize board dispensing devices, club specials, seal boards, raffle boards, tip boards, sports pool boards, punchboards, or calcutta boards for an organization, that is provided or sold by that distributor

- Eliminate pull tabs and pull tab dispensing devices. The distributors do not have an access to inside information for these game types.
- This should be an organization's decision.

Jenna Magee
12-15-15

Welder, Michelle R.

To: McDaniel, Deborah A.
Subject: RE: Regarding proposed rules changes

Hi again Deb; thanks for the reply.

After a little more thought on that proposed rule, I also see no worry regarding a calcutta board; since the winner is determined by the outcome of an event; not a seal or a number; so no one would have any way to know who was going to win the calcutta; because that is determined by the competition; not a seal number or whatever.

I don't think there are many calcuttas any way; but I see no reason to include those in that rule; so here is what I would propose the new language for 99-01.3-15-02. 3(b)

"conduct of games of prize boards, prize board dispensing devices, club specials, seal boards, raffle boards, tip boards, sports pool boards, or punchboards for an organization, that is provided or sold by that distributor, or...."

Thanks again,

Frank

In a message dated 11/12/2015 8:35:12 A.M. Central Standard Time, dmcdanie@nd.gov writes:

Frank,

Thank you very much for writing in with your proposal.

I will make sure that this is addressed at the joint Gaming Commission/ Advisory Board meeting tentatively set for Wednesday, January 6, 2015, in Bismarck.

Deb McDaniel

Director of Gaming

ND Office of Attorney General

Gaming Division

600 East Boulevard Avenue, Dept. 125

Bismarck, ND 58505-0040

Telephone: (701) 328-4849

Fax: (701) 328-3535

Email to: dmcदानie@nd.gov

www.ag.nd.gov

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page 2

From: Blprkfranc@aol.com [<mailto:Blprkfranc@aol.com>]
Sent: Wednesday, November 11, 2015 10:54 AM
To: McDaniel, Deborah A.
Cc: magic@blakekrabseth.com; jamespwang@gondtc.com
Subject: Regarding proposed rules changes

Hello Deb,

It's Frank Portschteller, from Fargo.

I work in sales for Western Distributing; and also deal blackjack part time for Teammakers here in Fargo. I have worked in the industry since the very beginning in the early 1980's, which is 35 years. Approximately half of that time, I have worked for both a distributor and a gaming organization at the same time.

I was with Brent Brooks in Bismarck last week when he met with you regarding some surveillance issues; and I understand you two had a conversation about the proposed rules regarding an employee of a distributor conducting games at a site where that distributor had provided games to the charity.

I believe I understood from Brent that you both agreed that there COULD be an issue with types of games the distributors actually make, but there really isn't an issue with pulltabs.

I do agree that there could be an issue with some types of games that the distributor actually produces; for example sports pool boards, coin boards etc., where the distributor employee might know, for example, which number was under

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page 3

a seal. I do not however see that there is any problem with pulltabs or pulltab dispensing devices; since the distributors have nothing to do with the manufacture of pulltab games. A distributor employee has NO information with pulltab games as to where the winners might be or whatever.

It seems that in the proposed rules; if you simply dropped "pulltabs" and "pulltab dispensing devices" from the language in 99-01.3-15-02, item 3, subsection b, that would take care of this.

We already have rules and law in place that prohibits ANY employee from providing any jar information to pulltab players; so if anyone perceives a potential problem with a distributor employee "directing" a player to their game over a competitors game; this is already taken care of.

Thanks so much,

Frank R. Portscheller

**Development Homes, Incorporated
Public Hearing Testimony
Submitted by Janelle Mitzel
December 2015**

Manufacturers Section

Restrictions and Requirements Pg. 151 – 9. Combinations of winning pull tabs displayed on a flare must depict the actual winning combinations of pull tabs in a deal.

- Strike this.
- This cannot be guaranteed by the manufacturer. Very common for collations to be slightly different, with same amount of prizes in deal.

Pg. 157 & 161 Manufacturing Specifications - Site Systems with Bingo & Electronic Quick Shot
Bingo Site Operating Systems Pg. 157 & 161

Server based accounts must be assigned a minimum five digit randomly selected account number, which cannot be reused for three years.

- Strike this.
- Accounts are closed that day and are not re-usable.

Pg. 158 (7) Selling price of each card or package, discounts applied to each card or package, dollar value of credits sold, dollar value of unused credits cashed out, and gross proceeds.

Page 161 6. No card marking device can allow more than sixteen single-faced cards per game.
~~The cost per play cannot exceed two dollars per card.~~

- Reasons stated earlier in testimony.

3 is mandatory public hearing

**Charitable Gaming Association of North Dakota
Public Hearing Testimony
Submitted by CGAND Executive Board
December 2015**

Manufacturers Section

Manufacturing Section

Restrictions and Requirements Pg. 151 – 9. Combinations of winning pull tabs displayed on a flare must depict the actual winning combinations of pull tabs in a deal.

- This cannot be guaranteed by the manufacturer. Very common for collations to be slightly different, with same amount of prizes in deal.

Pg. 157 & 161 Manufacturing Specifications - Site Systems with Bingo & Electronic Quick Shot
Bingo Site Operating Systems Pg. 157 & 161

Server based accounts must be assigned a minimum five digit randomly selected account number, which cannot be reused for three years.

- Accounts are closed that day and are not re-usable.

Pg. 158 (7) Selling price of each card or package, discounts applied to each card or package, dollar value of credits sold, dollar value of unused credits cashed out, and gross proceeds.

Page 161 6. No card marking device can allow more than sixteen single-faced cards per game. The cost per play cannot exceed two dollars per card.

- Reasons stated earlier in testimony.

**Charitable Gaming Association of North Dakota
Public Hearing Testimony
Submitted by CGAND Executive Board
December 2015**

Manufacturers Section

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Page 161 6. No card marking device can allow more than sixteen single-faced cards per game.
The cost per play cannot exceed two dollars per card.

- Reasons stated earlier in testimony.

**Charitable Gaming Association of North Dakota
Public Hearing Testimony
Submitted by CGAND Executive Board
December 2015**

Manufacturers Section

99-01.3-16-03. Restrictions

Manufacturing Section

Restrictions and Requirements Pg. 151 – 9. Combinations of winning pull tabs displayed on a flare must depict the actual winning combinations of pull tabs in a deal.

- This cannot be guaranteed by the manufacturer. Very common for collations to be slightly different, with same amount of prizes in deal.

X Pg. 157 & 161 Manufacturing Specifications - Site Systems with Bingo & Electronic Quick Shot
Bingo Site Operating Systems Pg. 157 & 161

Server based accounts must be assigned a minimum five digit randomly selected account number, which cannot be reused for three years.

- Accounts are closed that day and are not re-usable.

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Page 161 6. No card marking device can allow more than sixteen single-faced cards per game.

The cost per play cannot exceed two dollars per card.

- Reasons stated earlier in testimony.



Corporate Office
75190 Gerald Ford Dr
Palm Desert, CA 92211
P: (760) 773-0197
F: (760) 346-9064

Midwest Office
808 Century Blvd.
Suite 100
Lansing, MI 48917
P: (517) 321-8434
F: (517) 321-8435

Web
planetinfo@planetbingo.com
www.planetbingo.com

December 15th, 2015

State of North Dakota
Office of the Attorney General
Deb McDaniel, Director, Gaming Division
State Capital, 600 E. Boulevard Ave., Dept 125
Bismarck, ND 58505

**Re: Amendments to North Dakota Admin Code article 99-01.3
Written Comments from Planet Bingo®**

Dear Deb,

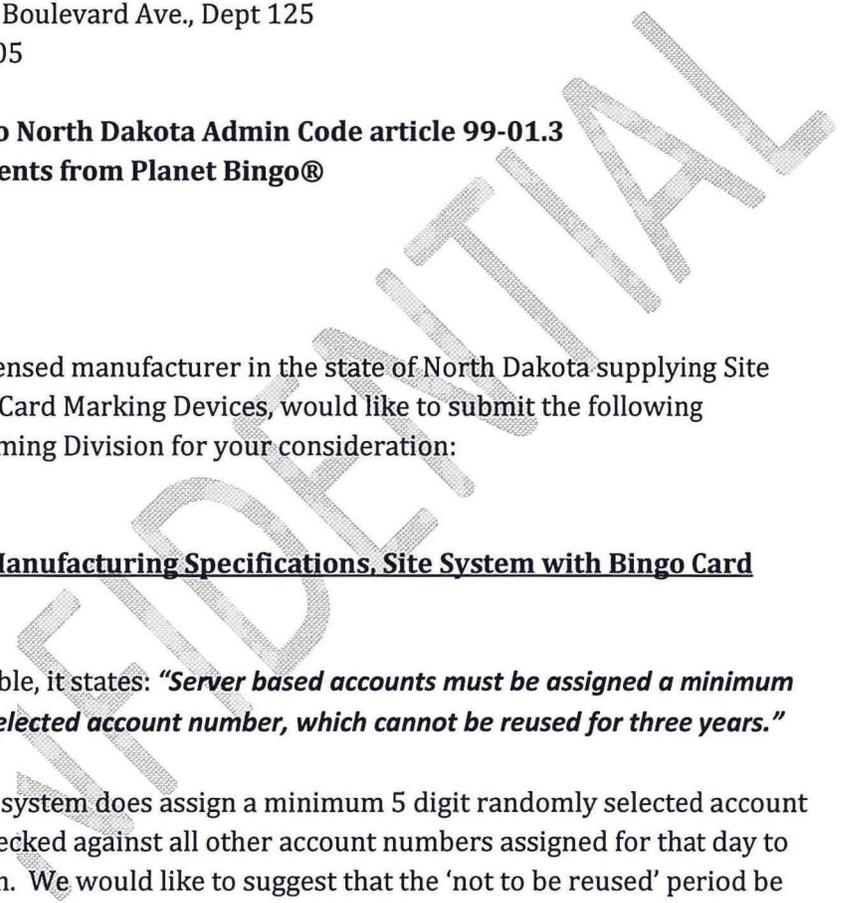
Planet Bingo®, a licensed manufacturer in the state of North Dakota supplying Site Systems with Bingo Card Marking Devices, would like to submit the following comments to the Gaming Division for your consideration:

99-01. 3-16-09.1, Manufacturing Specifications, Site System with Bingo Card Marking Devices

In Section 1, preamble, it states: *“Server based accounts must be assigned a minimum five digit randomly selected account number, which cannot be reused for three years.”*

COMMENT: Planet’s system does assign a minimum 5 digit randomly selected account number, which is checked against all other account numbers assigned for that day to eliminate duplication. We would like to suggest that the ‘not to be reused’ period be shortened from ‘three years’ to ‘within any given day.’ There are numerous redundancies in the system including a date and time stamp on every account and associated transaction that make an account number issued for a particular day unique. To cross-check every assigned account number against 3 years of history will require development work (on our part) and the possibility of slowing down transactions at the cashiering level.

Section 1 also contains language defining **“Receipt Number”** and **“Transaction Number”** requirements, in the preamble and in subsections 1(a), (b), and (c). These numbers are required to be a minimum of 6-digits and non resettable, and in the case



of Transaction Numbers for “Server based accounts,” consecutive and not to be reset at the end of each session.

COMMENT: Per our discussion, Deb, the objective of differentiating the Receipt Number and the Transaction Number as described in the proposed rule is to capture consecutive records of transactions that may not be ‘physically’ receipted, which with server based accounts is the result of bingo players making purchases, e.g. of additional bingo cards, from their device. The Planet Bingo® system treats all transactions... those made at the cashier and those made from the card marking device... as receiptable, and hence we provide one number... the receipt number... which satisfies the criteria specified for both Receipt and Transaction numbers as the proposed rules describe. Our receipt numbers are fully integrated to record consecutive transactions whether these are made at the cashier or from the card marking device.

Currently, Section 1 states:

“Transaction numbers for server based accounts must be a minimum six digit nonresettable consecutive number, which do not reset at the end of each session.”

We would respectfully suggest the addition of language such as this:

The Receipt number may be used as the Transaction number where the site system Receipt number meets all of the requirements of the Transaction number as defined.

Section 1 (c): In this section we find the requirement that the site system be able to print a summary report showing “discounts applied to each type of card and package sold.”

COMMENT: Our system currently shows discounts applied to entire transaction. For example, a player might be purchasing a paper package and an electronic bingo package and apply a coupon for \$5.00 off of a purchase. We record the discount against the value of the entire transaction; we are not clear on why it would need to be shown as applied to “each type of card and package sold.” It can be done, but we believe it will add a layer of complexity to the cashiering process that might be unnecessary.

99.01.3-04.03, Rules of Conduct and Play, #24: Bonanza Bingo

COMMENT: Planet Bingo's® Bingo Card Marking Device system has a feature allowing electronic Bonanza Bingo cards to be sold and traded from the player's card-marking device (as described in 24(c): sell or exchange of cards throughout the session).

Our system complies with the criteria in this section where applicable (the language in clearly envisions a 'paper only' Bonanza Bingo card). Compliance 'where applicable' such as reporting and recording of traded cards may suffice to allow our electronic Bonanza Bingo feature to be implemented in North Dakota, but we would like to confirm this with the Gaming Division.

One possible solution would be the addition of language in this section, perhaps a '24(h),' to the effect of "These rules *apply, where applicable, to electronic Bonanza Bingo cards managed through an approved site system with card marking devices.*"

January 27th, 2016 deadline for certification against the proposed rules.

COMMENT: Manufacturers were notified on July 2nd of 2015 that they had to initiate testing of their system against the proposed rules within 30 days, and be fully certified as compliant by January 27th, 2016. That said, testing must ultimately be concluded against FINAL rules, all changes having been made, and with those final rules not yet promulgated **we would ask for an extension of the deadline for certification.** Once final rules are adopted, manufacturers may (or may not) require development time to bring their systems into compliance followed by lab submittal and testing for certification.

Deb, thank you for your consideration, and we do look forward to responses to our written comments and plan to attend the January 6th meeting in Bismarck.

Eric Casey
Planet Bingo®
760 808 6584