

**FISCAL NOTE**  
**Requested by Legislative Council**  
**02/11/2015**

Amendment to: HB 1235

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$20,333		\$17,150	
Appropriations			\$20,333		\$17,150	

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill legalizes electronic quick shot bingo.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bingo system will need to be reviewed on a regular basis to ensure the integrity of the system is maintained.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

N/A

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

As amended, the 2015-17 biennium estimated costs to ensure the integrity of the system is maintained total \$20,333. The estimated 2017-19 biennium costs total \$17,150.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

An appropriation of \$20,333 from the general fund can be added to this bill or to the Office of Attorney General's appropriation bill, Senate Bill No. 2003.

**Name:** Kathy Roll

**Agency:** Office of Attorney General

**Telephone:** 701-328-3622

**Date Prepared:** 02/11/2015

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/14/2015**

Bill/Resolution No.: HB 1235

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill legalizes bingo electronic marking devices.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

There is no anticipated fiscal impact for this bill.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

N/A

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

N/A

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

N/A

**Name:** Kathy Roll

**Agency:** Office of Attorney General

**Telephone:** 701-328-3622

**Date Prepared:** 01/15/2015



**2015 HOUSE JUDICIARY**

**HB 1235**

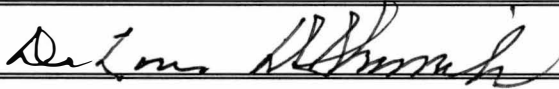
# 2015 HOUSE STANDING COMMITTEE MINUTES

House Judiciary Committee  
Prairie Room, State Capitol

HB 1235  
~~# 22652~~  
1/27/2015  
☐ Subcommittee

☐ Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Relating to the game of bingo; and to declare an emergency.

## Minutes:

Testimony #1, 2,3,4,5,6,7,8,9

**Chairman K. Koppelman:** Opened the hearing with testimony in support.

**Rep. Maragos:** I introduced this on behalf of the Charitable Gaming Association of ND. It has to do with some confusion in regard to a certain game of bingo and whether it is legal or not.

**Alex Kelsch, Attorney with Kelsch, Kelsch, Ruff & Kranda:** (See testimony #1) (2:00-7:30) Went through the testimony.

**Chairman K. Koppelman:** Did they specifically say at one point this is OK and then later when this other game raised concerns they banned both?

**Alex Kelsch:** That is what we believe to be the case. In 2012 that was approved and codified and then members from the AG's office and had actually played the device, but the request for an opinion in the beginning of November regarding this new version of the game is what spurred the opinion.

**Chairman K. Koppelman:** Those administrative rules were promulgated by the Gaming Division of the Attorney General's office.

**Alex Kelsch:** I believe that is correct.

**Bryan Walter:** I am speaking on a technical aspect on the game of quick shot bingo. (Handouts #2, #3, #4) I am a licensed distributor in the state. Plains Game and Distributing and before that I worked for a manufacturer that manufactured these devices. Went over how to use the machine. (10:12 -15:00)

**Rep. L. Klemin:** In this version of this bingo game instead of having each number called out individually they are all zapped like that?

**Brian Walter:** Yes the numbers of pre called by an employee at the beginning of the day. They are announced for all the players and they are put up on the wall for the players to see and when I purchased my card and hit play it brings those up one at a time; and it does my cards as it goes through. Each play of the game the numbers will come up in a different order, but they will come up; the same numbers.

**Rep. L. Klemin:** So you could play a lot of games really fast.

**Brian Walter:** Yes but we typically set the speed of the game slow because most people like the play of the game. They watch the patterns and try to be faster than what the computer is to see what pattern is going to come up.

**Rep. D. Larson:** Does each player get their own machine?

**Brian Walter:** Yes each play would get their own machine. Depending on the size of the location you might have from five to fifteen machines. One of the benefits we have found is that small organizations and sites that maybe couldn't support a full-fledged bingo program could actually offer bingo then.

**Rep. D. Larson:** How expensive are those machines to provide?

**Brian Walter:** The manufacturer provides the machine and each month the person is billed on a per card basis so it is not like they have to come up with \$1000 a month. Say they sold 1000 cards that month then they would be billed for the 1000 cards that were played.

**Rep. D. Larson:** So you provide the machine for free to the place and they pay for the cards?

**Brian Walter:** Yes that is correct.

**Rep. G. Paur:** Is the payout any different between this and those machines?

**Brian Walter:** They are exactly the same. It depends on what the organization chooses to offer. If they offer the paper cards along with this you can play for the exact same prize and the same patterns that you would on the machine.

**Rep. G. Paur:** Is this currently acceptable or legal in the state?

**Brian Walter:** Yes the paper it is. Up until recently the electronic quick shot devices were too.

**Rep. L. Klemin:** I am not sure what is happening. These were legal up until recently?

**Alex Kelsch:** The playing of quick shot bingo device is no longer allowed. The play on a device such as this cannot be done.

**Rep. L. Klemin:** So we had an administrative code provision that allowed these things to be used and that has been repealed. Was it determined there is no statutory authority for the rule or what?

**Alex Kelsch:** Yes that is correct. The AG's office issued an opinion regarding the gaming on the bingo card marking devices and said it was in violation of the statute of code.

**Rep. L. Klemin:** So we had an administrative rule that was adopted with the full hearing requirements etc. and then they changed their mind? So we had an administrative rule that was adopted and then there was an opinion by the Attorney General's office

**Alex Kelsch:** That is correct.

**Traci Ladouceur, representing the Charitable Gaming of ND:** This chart shows the positive impact that this quick shot bingo has had since we have been running in 2010. The State Tax Department put it on as a separate game type in 2012 so the numbers I am representing today here are just from July 2012. (See handout #5) Went over the numbers on the handout.

**Rep. Lois Delmore:** This is for the whole state of ND.

**Traci Ladouceur:** Yes

**Chairman K. Koppelman:** There are two ways an administrative rule can be appealed or the other way is the administration can come before and ask the committee to repeal a section of administration code that is not being used anymore. Do you know how these were repealed?

**Traci Ladouceur:** I will defer that to Deb from the AG's office. We had gone to a gaming meeting and knew they were looking at it. (Handout #6) 84% of their revenue in the two year period came from these machines.

**Chairman K. Koppelman:** Do you see the revenue from charities from charitable gaming is on the flat line or declining. We are continually asked to look at different ideas. I realize this is a little different. This is something you were doing and it was taken away. Do you find that new devices spur revenue?

**Traci Ladouceur:** Yes I think that is the case. It did raise lots of revenue.

**Janelle Mitzel, Development Homes Inc., Grand Forks, ND:** I am here to testify in favor of this bill. (See Testimony #7) Went over the handout. (26:19 -29:20)

**Rep. L. Klemin:** It was only the electronic machine that was considered illegal?

**Janelle Mitzel:** Yes

**Rep. Lois Delmore:** Have you had any complaints about the machine?

**Janelle Mitzel:** The complaints we are having now is that we are not having it in the last two months. Quick shot is convenient and they would be able to play those at their leisure. December 1 we had to stop using this. The last two months the numbers are devastating.

**Rep. Mary Johnson:** It seems to me that quick shot bingo changes the chances so this predetermined sequence of numbers; the risk is what or where the risk is. I don't understand why the paper cards are different than the machines. What prompted the ND Gaming Commission to seek a legal in November of 2014 regarding the machines? The risk is on what card you get? So this whole thing from regular bingo to quick shop changes your chance occurs. Why are the paper cards different than the machines?

**Janelle Mitzel:** We think it was slot type companies were coming in saying that our product with the bingo number on the side of it prompted it. There is clearly a difference on what these products are and that is why we showed the demonstration today.

**Alex Kelsch:** They think it is like a slot machine. You are seeing the numbers pop up and then are marked off. Tab #4 in the first packet on it. We think the presentation of that device.

**Rep. Mary Johnson:** Now it changed my question. Is there two different machines?

**Alex Kelsch:** AG's office is here and can respond. It represents getting away from what bingo is by using a machine.

**Rep. G. Paur:** Are there any other games that can be played on these devices besides your quick shot?

**Brian Walter:** Within the rules that were previously in there it could not offer any other games other than bingo. You are not actually dobbin the cards yourself.

**Rep. D. Larson:** Mr. Kelsch you said in your testimony that you didn't want to expand to these electronic games; then why wouldn't you want to expand to these other types of games, but you are saying that these electronic games are good because of all the good that they do an how popular they are then why wouldn't you want to expand to the other types of electronic gaming also?

**Alex Kelsch:** This device will only be able to use it for bingo quick shot.

**Rep. Kretschmar:** When you play this game are all the winning numbers chosen at once?

**Brian Walter:** Yes they are drawn at the beginning of the session and those are posted. Those same numbers will be played throughout the day.

**Rep. L. Klemin:** Are these electric machines legal for regular bingo now?

**Brian Walter:** Yes since 1997 or 1998 for traditional session of bingo type of play with the live bingo caller. It was in 2010 that we started playing the quick shot bingo.

**Rep. Mary Johnson:** The Attorney General disallowed all of these hand held devices in hopes the Legislature would correct it?

**Brian Walter:** Yes there is confusion on our part as well. The bingo game is not illegal; just the game of quick shot on the device that we were ordered to stop playing.

**Rep. Mary Johnson:** So the reason for the request for an opinion and the reason for the opinion that was issued will get us to the heart of this matter?

**Rep. P. Anderson:** Is this similar to other machines that are in casinos.

**Brian Walter:** We have bingo players but it is just on a machine. We routinely have bingo players with disabilities that are able to play bingo on these devices that couldn't before so there are some benefits there.

**Rep. K. Hawken:** Going back many years we have this thing we are not going to I think that is what is going on. They think we are going to have slot machines and I think that is what is happening here. In this instance it is just bingo in a different formula.

**Rep. Lois Delmore:** Now I can play 10-20 cards if I go into a place.

**Brian Walter:** Quick shot it is 16 cards at one time. On a machine there is a limit of 72 cards for session bingo.

**Rep. Lois Delmore:** So they use these cards in other states?

**Brian Walter:** We were in 34 or 38 states with bingo card marking devices plus military basis; tribal bingo halls etc. They are widely accepted.

**Rep. Brabandt:** The electronic devices we see today are they the same as they were back in the late 90s when you began to use them?

**Brian Walter:** We went to colored and old battery technology to ones that will last roughly 15-16 hours. Screens have gotten bigger and they have added touch screens. The play of the game has remained the same.

**Rep. Brabandt:** Did they receive favorable reaction at the bars for these devices?

**Janelle Mitzel:** Quick shot on the devices is fairly new within four years.

**Rep. Brabandt:** Do most people want these electronic devices?

**Janelle Mitzel:** Yes

**Rep. K. Wallman:** My question is for Charitable Gaming Association of ND. These gaming devices were distributed by the Charitable Gaming Assoc. of ND to the places that have the games. Is that right?

**Traci Ladouceur:** They have provided the equipment and then you purchase the bingo cards from the distributor that is put into the machine.

**Rep. K. Wallman:** Somehow these devices got into the market place so the AG's opinion was to disallow the ones that look like slot machines and the other devices just for bingo got lumped into the opinion?

**Traci Ladouceur:** That is what I am gathering.

**Alex Kelsch:** Exhibit #4; is just added visual stimuli to the game itself.

**Rep. K. Wallman:** So the purpose was to re allow those devices that are strictly for bingo and don't look like slot machines?

**Alex Kelsch:** We feel the bill the way it is drafted now allow what was done previously, but will not allow for those added stimuli.

**Rep. D. Larson:** These devices were fine when they were only playing the traditional type of bingo so when the quick shot and other types of bingo were being disallowed? Is that correct?

**Alex Kelsch:** Quick shot bingo was allowed before on those devices. In 2012 was allowed before in the code and it wasn't until early Nov. of 2014

**Rep. D. Larson:** Do you have any types of new types of bingo are on the horizon that could be added to these machines.

**Rep. Brabandt:** These devices you do not sell to Joe's Bar or whatever. You lease the machines to them.

**Brian Walter:** They are leased to the charitable organization themselves from the distributor.

**Chairman K. Koppelman:** They pay on a per use basis.

**Brian Walter:** Yes

**Chairman K.Koppelman:** Who are the primary users of the device?

**Janelle Mitzel:** Yes it is more useable in the rural areas and bar bingo.

**Chairman K.Koppelman:** Has it drawn business away from the traditional bingo halls?

**Janelle Mitzel:** I think it is enhancing the bingo.

**Don Santer, Chief Operating Officer, NDAD:** (See testimony #8 and newsletter) (52:38-54:00)

**Rep. D. Larson:** We were told you could play 72 games at once. How fast could you play those 72 cards?

**Don Santer:** That is 72 faces for regular bingo session, not for the quick shot bingo session. The quick shot is 16.

Opposition: None

Neutral:

**Deb McDaniel, Office of the Attorney General:** (See Testimony #9) (55:00-56:20) the bill as written would have enforcement issues. We would like to request some time to work with the parties and polish this bill so when it is favored by the committee would fit into the existing gaming law.

**Rep. L. Klemin:** What did the Attorney General do it?

**Deb McDaniel:** We rewrite the new rules every other year so at that time we were looking at the Administrative rules every other year. The previous director November 2013 I became the gaming director and we were looking at the administrative rules to amend them. Previously the bingo card marking devices that only marked the bingo cards that were previously adopted a long time ago those were fine. Then they introduced the quick shot bingo that can also be played on these same devices and when we wrote these rules in the beginning we wrote them as if they were bingo card marking devices. The technology has changed and when we were reviewing the rules and that changes that would need to be made and the manufacturing came in and asked for those standalone devices; that is when we stepped back thinking maybe we were overstepping our bonds and this needs to be presented to the Legislatures to see if it still fits with the statutes. We were concerned it violates the criminal code.

**Rep. L. Klemin:** Is there a written opinion?

**Deb McDaniel:** There was an opinion given to Gaming Commission stating that we believe they were violating the criminal code.

**Chairman K.Koppelman:** Could you provide a copy of that opinion for us?

**Rep. Mary Johnson:** Whether a person can actually mark a card and that is why we are addressing this?

**Deb McDaniel:** No. It is playing a simulated game on a device. You can go play poker with cards or with a video device. We were thinking you are not playing the cards; you are playing the device.

**Rep. Mary Johnson:** But you could play regular bingo on a device?

**Deb McDaniel:** Yes the device can be used for bingo. The device also notifies the player they have won or matched the pattern but the player still has to recognize they matched the



pattern, yelled bingo and it is played within a group and the machine has to be verified by the organization that the pattern has been marked correctly and there is a winner.

**Rep. Mary Johnson:** How is that different than the card? So the chance and everything are the same but because it is a card they have to recognize they won.

**Deb McDaniel:** You look at the quick shot and see you have won and you acknowledge it and take it to the bar. We are concerned if this is within statute or not.

**Chairman K.Koppelman:** I will appoint a subcommittee: Chair. **Rep. L. Klemin:** **Rep. Mary Johnson:** **Rep. P. Anderson:**

**Rep. L. Klemin:** It has been stated the numbers come out one by one on these machines, but are these machines capable of having them come out at one time.

**Deb McDaniel:** The numbers are pre drawn and they can play this by paper or on machine. Yes the numbers are pre drawn. They can play this by paper or on the machine. With the machine the numbers are pre-drawn. The organization has to electronically put them into the computer so the computer can feed them to the machine. I don't know how fast that happens.

**Rep. G. Paur:** I question the speed of this?

**Rep. D. Larson:** In a traditional bingo game they keep playing until someone wins. In this quick shot type of game this is all the numbers you get so over time they could adjust the numbers they are going to draw so they end up having fewer people win, I would guess or not?

**Chairman K. Koppelman:** If we could get this done by Monday that would be great.

Hearing closed.

Minutes of the

(HOUSE) (SENATE) BILL NO. 1235 SUBCOMMITTEE OF THE  
House Judiciary  
STANDING COMMITTEE

Meeting location: Prairie Room

Date of meeting: Feb. 9, 2015

Time meeting called to order: 3:45 p.m.

Members present: Rep. Klemin, M. Johnson, P. Anderson

Others present (may attach attendance sheet):  
Todd Kranda CGAND

Topics discussed: Amendment to HB 1235 § 1

Motion and vote: Motion to Amend § 1 as attached  
Motion carries 3-0

Time of adjournment: 3:50 p.m.

Note: If a motion is made, a description of the motion must be provided along with the member seconding the motion. A recorded roll call vote must be taken and reported for any nonprocedural motion.

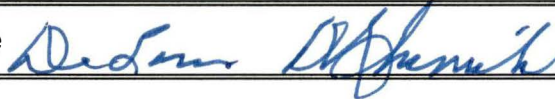
# 2015 HOUSE STANDING COMMITTEE MINUTES

**Judiciary Committee**  
Prairie Room, State Capitol

HB 1235  
2/10/2015  
#23587

☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature



## Minutes:

Proposed amendment 1

**Chairman K. Koppelman:** reopened the meeting on HB 1235.

**Rep. L. Klemin:** The subcommittee met and has a proposed amendment. Handed in the report. (See proposed amendment #1) Went over the proposed amendment. (1:44-3:22) This amendment replaces subsection 1 and 2 and 3 of the bill with what you have on the amendment. This says this device is not a coin operated gaming device.

**Rep. L. Klemin made a motion to move the amendment; Seconded by Rep. K. Hawken:**

**Voice vote carried.**

**Chairman K. Koppelman:** We are on your bill Rep. Maragos and we have just amended the HB 1235 bingo bill and now we have the amended bill before us.

**Alex Kelsch:** The amendments were from the Attorney General's office and they were the proposed language and we reviewed them.

**Do Pass As Amended Motion Made by Rep. Mary Johnson: Seconded by Rep. Lois Delmore:**

Discussion:

**Rep. L. Klemin:** What really bothers me is that you can play these games all day long and nobody has to win anything and that is totally different from bingo. In quick shot bingo it is not required for each bingo game to have a winner which is why I think they really like this game since it has very little expenses. It is really a profit maker and I am not going to support the do pass motion.

**Rep. Mary Johnson:** Those numbers are chosen in advance, but they are still chosen by chance. I don't think it expands anything and I think veteran bingo players understand that there may not be a winner.

**Rep. Maragos:** What precipitated the determination by the AG that they should discontinue the quick shot bingo was a company had devised almost a slot machine type of activity with it? That is what made them change their mind about it being a legal game. This amendment in this bill removes the possibility of that company putting in that slots aspect to this. I would hope the committee would vote affirmatively on this motion.

**Rep. Mary Johnson:** The veteran bingo players have the opportunity to play regular bingo where there is a winner.

**Roll Call Vote: 9 Yes 4 No 0 Absent Carrier: Rep. Mary Johnson:**

*al*  
*2/10/15*

February 10, 2015

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1235

Page 1, line 2, after "of" insert "electronic quick shot"

Page 1, line 6, replace "**Bingo**" with "**Electronic quick shot bingo**"

Page 1, line 7, remove "Bingo" means a game in which a player matches letter and number combinations on"

Page 1, replace lines 8 through 12 with "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."

Page 1, line 13, remove "If a player chooses to play using a bingo card, letter and number combinations may be"

Page 1, replace line 14 with "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."

Page 1, remove lines 15 through 23

Page 2, remove lines 1 through 9

Renumber accordingly

Date: 2-10-15  
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1235

House JUDICIARY Committee

☐ Subcommittee ☐ Conference Committee

Amendment LC# or Description: 15.0773.01001

Recommendation: ☒ Adopt Amendment  
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☐ As Amended ☐ Rerefer to Appropriations  
Other Actions: ☐ Reconsider ☐

Motion Made By Rp. Klemin Seconded By Rp. K. Hawken

Representative	Yes	No	Representative	Yes	No
Chairman K. Koppelman			Rep. Pamela Anderson		
Vice Chairman Karls			Rep. Delmore		
Rep. Brabandt			Rep. K. Wallman		
Rep. Hawken					
Rep. Mary Johnson					
Rep. Klemin					
Rep. Kretschmar					
Rep. D. Larson					
Rep. Maragos					
Rep. Paur					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

VOTE  
CARRIED

Date: 2-10-15  
Roll Call Vote #: 2

2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1235

House JUDICIARY Committee

☐ Subcommittee ☐ Conference Committee

Amendment LC# or Description: 15.0773.01001

Recommendation: ☒ Adopt Amendment  
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☒ As Amended ☐ Rerefer to Appropriations  
Other Actions: ☐ Reconsider ☐

Motion Made By Rep. Johnson Seconded By Rep. Delmore

Representative	Yes	No	Representative	Yes	No
Chairman K. Koppelman		<input checked="" type="checkbox"/>	Rep. Pamela Anderson	<input checked="" type="checkbox"/>	
Vice Chairman Karls		<input checked="" type="checkbox"/>	Rep. Delmore	<input checked="" type="checkbox"/>	
Rep. Brabandt	<input checked="" type="checkbox"/>		Rep. K. Wallman	<input checked="" type="checkbox"/>	
Rep. Hawken	<input checked="" type="checkbox"/>				
Rep. Mary Johnson	<input checked="" type="checkbox"/>				
Rep. Klemin		<input checked="" type="checkbox"/>			
Rep. Kretschmar	<input checked="" type="checkbox"/>				
Rep. D. Larson		<input checked="" type="checkbox"/>			
Rep. Maragos	<input checked="" type="checkbox"/>				
Rep. Paur	<input checked="" type="checkbox"/>				

Total (Yes) 9 No 4

Absent

Floor Assignment Rep. M. Johnson

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**HB 1235: Judiciary Committee (Rep. K. Koppelman, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (9 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). HB 1235 was placed on the Sixth order on the calendar.

Page 1, line 2, after "of" insert "electronic quick shot"

Page 1, line 6, replace "**Bingo**" with "**Electronic quick shot bingo**"

Page 1, line 7, remove "Bingo" means a game in which a player matches letter and number combinations on"

Page 1, replace lines 8 through 12 with "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."

Page 1, line 13, remove "If a player chooses to play using a bingo card, letter and number combinations may be"

Page 1, replace line 14 with "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."

Page 1, remove lines 15 through 23

Page 2, remove lines 1 through 9

Renumber accordingly



**2015 SENATE JUDICIARY**

**HB 1235**

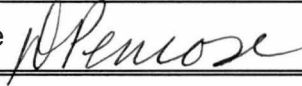
# 2015 SENATE STANDING COMMITTEE MINUTES

**Judiciary Committee**  
Fort Lincoln Room, State Capitol

HB 1235  
3/9/2015  
24487

☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature



**Minutes:**

1,2,3,4,5,6,7,8,9

Ch. Hogue: We will open the hearing on HB 1235.

Rep. Andy Maragos: Sponsor, support. Explained the bill.

Ch. Hogue: Thank you. Further testimony in support.

Todd Kranda, Charitable Gaming of Association of ND: Support (see attached #1).

Sen. Luick: Does the phrase "quick shot", does that just represent that it is electronic over the dauber BINGO.

Todd Kranda: This is new to me. "Quick shot" is a brand or type of a play. You have your normal BINGO where you roll and daub it and you get your lines across. Quick shot is the design where you have the 24 numbers pre-drawn. It's quick, it's right there; you know who the winners are during the session. You don't know what the card reads. Unlike BINGO where you know what the cards all say, and then you want to buy this card because it has my favorite numbers and then you draw. The unknown on a regular BINGO is when the number is drawn. The unknown with quick shot is the actual card. You know what the numbers are, but when you buy this you don't know what the numbers on the card are. There is still a hidden opportunity. You can't pre-play it. Quick shot is just the name given to this type of BINGO variation that the 24 numbers are pre-drawn, displayed, available and then you play it electronically. Bonanza BINGO, I understand, is another variation; I'm not sure what that is.

Sen. Grabinger: Since the Attorney General put the stop on these machines and there is already an administrative rule, why can't the AG's office just determine the guidelines and go about it. Why are we here today, passing a law to do that.

Todd Kranda: I think it's because the administrative code was developed to allow just this type of device which is the same as regular BINGO being played on a portable hand-held, but for quick shot, and then someone came in and said that they can improve on that. I can do something to make it more exciting; it spins and makes noise to give you the feeling of playing slot machines, the BINGO section is over on the side in pretty small letters. That is the problem with this machine, the bells and whistles and that is what the AG shut down. I think it might have been hard to prohibit this without a statute, which now does draw the fine line and establishes that it is only the portable; it's not going to be this slot-like looking machine. The AG's office basically shut down the electronic quick shot; we need to bring back the BINGO part of it. We asked if the AG had a problem with the BINGO part and they said no. We don't have a problem with that, but make it a law; go to the legislature and pass a law. We came up with language to allow the BINGO part of the electronic device but not the slot-like software. We reined it in. We don't want to expand; we want to leave it to what we had with electronic quick shot. We have other interested parties that are not interested in having slot machines in charitable gaming. We agree, we're not looking at treading on other territory with regard to slot machines now being allowed in charitable organizations to operate gaming activities. We're not going there. This is to allow us to go back to the quick shot.

Sen. Nelson: Does anyone still play BINGO with just the plain cardboard cards and M&Ms.

Todd Kranda: I have a couple more people that can answer that; they operate BINGO halls and operated this type of game with quick shot before.

Ch. Hogue: Thank you. Further testimony in support.

Brian Walters, Technician: Todd Kranda introduced Brian, CGAND asked him to appear today to show you how this electronic system works. Brian: I am with Plains Gaming Distributing, and have been asked on behalf of CGAND to just speak to the technical aspect of the electronic quick shot BINGO is played. I brought in a couple of machines that they can show the legislature members. You can either do the paper version or the electronic

version. You match up with a list of patterns that you are playing for. It is up to the charity in how they want to operate. These machines are great for the small communities that might not be able to get enough people together to play regular BINGO (see attached #2,3).

Ch. Hogue: The machine daubs the numbers for the player.

Brian Walters: Yes, just like in a BINGO hall where you play for a session and then you have other people in there. The machine daubs on the machine for you. Those have been in play for the last 15+ years. This does the exact same thing. As the numbers come up, it daubs the cards for you.

Ch. Hogue: Earlier Sen. Luick had a question about the term "quick shot". So it is preselected numbers. It seems to me that with this device you can speed up the amount of play fairly rapidly than a traditional BINGO game. Is that true.

Brian Walters: Technically it would be true but we found that just in play from the players is that they do like a very slow paced game. You can have four BINGO cards to play. Most BINGO players play one BINGO card at a time. It's easier for them to follow right alongside with the other players. The "quick shot" name is actually a manufacturers name that they brand their electronic game board. Within the industry they call it a 24 number BINGO game. Quick Shot is a term that has become very common for it. The speed of the game is determined by the organizations. The manufacturer sets it within their software limits; they tell it how to call the numbers. In the last four years that we've done this, the organizations have actually come back a couple of times and slowed the ball call because they prefer a slow-paced game.

Ch. Hogue: Can the device be taken off the premises and used at other locations.

Brian Walters: If they were an authorized organization that could conduct BINGO and they wanted to sign up with the distributor, then yes they could. You cannot actually take the electronic game out of the building, because that is where the server is located. As soon as a machine is taken out the door, you lose the Wi-Fi signal and the machine is no good.

Sen. Casper: You turn the machine on, hit a button, the numbers fill up on the card, it daubs the numbers for you and then tells you if you won or not.

Brian Walters: That's a very simplified version.

Sen. Casper: It sounds like a slot machine to me. You hit a button and it tells you within so many seconds if you won or not.

Brian Walters: Electronic BINGO has been played in the state for 15 years. If you go into any BINGO halls right now, you are going to see a device very similar to this (handheld machine), people playing BINGO right alongside their BINGO card. The only difference is that we are playing a slightly different version of the game rather than a regular session BINGO, we're playing a quick shot BINGO; the 24 numbers are pre-drawn. Instead of calling numbers until you have a winner, you only call 24 numbers. You would purchase your cards, the machine daubs it.

Sen. Casper: If you were playing quick shot and traditional BINGO with the balls simultaneously, or is it a bunch of people sitting in a room and it's pretty quiet and they are all looking at their machine hitting their button as many times as they can.

Brian Walters: We operate these within BINGO halls and within bars where they offer these. It is kind of a mix of different environments. In the BINGO hall, where they are playing live BINGO game going, they can play this on the side with its own set of numbers.

Sen. Luick: Is there a BINGO anonymous group in ND.

Brian Walters: I don't know.

Deb McDaniel: There is a gambling anonymous group; for all types of addiction.

Ch. Hogue: Thank you. Further testimony in support.

Traci Ladoucuer, ND Association for Disabled, Citizen's Assistance Program, and treasurer for CGAND: Support (see attached #4, 5 and 6).

Ch. Hogue: The devices that were being used to play quick shot BINGO, but the user of the device still has to electronically daub the electronic card.

Traci Ladoucuer: Currently, the devices are not being used for quick shot. They are being used for regular BINGO. There are two BINGO halls for

NDAD that we have a device in it that plays the session BINGO and the Wi-Fi actually daubs the BINGO cards for them and tells the person that they have a BINGO also. Then they have to stop the game of BINGO and get paid.

Ch. Hogue: The device displays the card.

Traci Ladoucuer: Yes.

Ch. Hogue: As the numbers are drawn, it daubs them on the electronic device.

Traci Ladoucuer: On the electronic device that is currently being used. We still are allowed to use the device. The quick shot game is no longer being played, but the regular game is still using it.

Ch. Hogue: After the Attorney General's decision, if your organization wants to play the quick shot, they cannot use the electronic devices and have to use the paper form.

Traci Ladoucuer: Yes, the paper form and we would post the 24 numbers.

Sen. Grabinger: We're talking quick shot here, but when I was managing the BINGO at KC's in Jamestown, we had bonanza BINGO. Are we going to face another bill when people who want to play bonanza BINGO come here.

Traci Ladoucuer: I don't believe so. I'm not aware of that. We do play bonanza BINGO in our Bingo hall also. It's not on these machines.

Ch. Hogue: Thank you. Further testimony in support.

Janelle Mitzel, Development Homes, Inc., CGAND: Support (see attached #7).

Sen. Luick: What is the clientele that plays these games; age groups, gender, etc.

Janelle Mitzel: It is a wide variety of people. I don't have BINGO halls; I offer this in bars and lounge locations. It varies depending on the type of lounges. In some rural areas and Walhalla, ND it is very popular on our BINGO nights. Traditionally BINGO is about 70% are females, by age it might be a little

higher. I also have other locations too in Grand Forks where it goes in a different market. It depends on the bar setting.

Sen. Luick: You think the clientele would change or has changed, the differences between dauber-type of BINGO vs. the quick shot pulling in a different kind of clientele.

Janelle Mitzel: In the long run, yes. BINGO in the last 10-15 years has probably has declined with the exception of the electronic portion of it. The BINGO halls are not doing what they did 15 years ago. We need something to refresh our industry every few years.

Ch. Hogue: Thank you. Further testimony in support.

Don Santer, ND Association for the Disabled: Support (see attached #8).

Sen. Grabinger: The expense of quick shot BINGO is that per machine. How do they charge that; is it on percentage of the use?

Don Santer: I don't know if it is the same for every organization, it is charged on a per face basis, so each time a player purchases a card, a percentage of that is what we pay for. It is the same as with paper BINGO cards, we pay for each individual BINGO card. It's done the same way.

Ch. Hogue: Thank you. Further testimony in support. Testimony in opposition.

Kent Luger, ND Tribal Nations: I represent the 5 tribal gaming facilities in the state. We rise in opposition due to a regulatory concern. As with anything that comes up in the gaming fabric in this state, we view it. When we read the original bill, the device seemed to be a slot machine device. At the time, we were unable to determine how this would be authorized under the current ND Gaming Regulatory requirements. Further, we couldn't find where the game itself had been authorized with any other state or with any other tribe within the region. We finally found two tribal nations in the southeast that have used this game, but no longer use it and if it's not based on a regulatory circumstance, it was based on the reason that it wasn't generating any revenue.

Ch. Hogue: Thank you. Further testimony in opposition. Neutral testimony.

Deb McDaniel, Director, Gaming Division with Office of Attorney General:  
Neutral testimony (see attached 9).

Ch. Hogue: Can we focus on the AG's concern with this device, apparently going back a few years. We've seen the handheld devices and apparently there was a sheet of paper that kind of showed that it had some bells and whistles was that the concern, or was there a different concern.

Deb McDaniel: I became director in November 2013. Before that, these devices were presented to our office as marking devices, which are fine. We do have electronic marking devices that during a BINGO session, they do assist the player in marking the numbers drawn in a regular setting. At the time when these were presented, we understood them to be marking devices. We did a test on the game to see if we could regulate them. We wrote administrative rules, we copied the marking device administrative rules to try and regulate these current quick shot games. When I came aboard, we started to refine the administrative rules on these games and the easiest way to do that is to look around and see if there are current laws on these devices so that you can copy them and maybe refine them. We did not find any, so I did more research and a person came in from a manufacturer with these stands that looked like slot machines. We did more research. It was determined by the AG that these handheld devices or the stand-alone machines might be considered against the criminal code because they take into consideration the amount that the player is putting on the device. You play the game. The game tells the player if they won or not and keeps track of the winnings. If you read the criminal code, it states that a slot machine takes the winnings and keeps track of them and determines the winner of the game. So that's why we notified AG and the AG decided that we may have overstepped our bounds when we wrote the original administrative code for these devices, so that's why we halted them and decided to bring them forth to you to decide whether or not you consider making these a legal game type.

Ch. Hogue: Thank you. Any further neutral testimony. We will close the hearing.



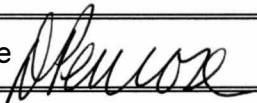
# 2015 SENATE STANDING COMMITTEE MINUTES

**Judiciary Committee**  
Fort Lincoln Room, State Capitol

HB 1235  
3/30/2015  
25589

☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature



## Minutes:

Ch. Hogue: We will take a look at HB 1235. This is about the quick-shot BINGO. There are a couple of non-profit charitable organizations that are strongly support of it. There are other interests that are opposed to it. I'm sure you have heard from both sides.

Sen. Casper: I've done a lot of thinking about this and my concern with the technology was the whole debate about whether it was a slot machine. Essentially you push the button, wait 3 seconds to find out if you won or loss. I was told the maximum is \$16.00. As I thought about that, initially my gut reaction to that, I didn't like that. You can lose \$50.00 on a hand of blackjack in this state really quickly and even lose faster doing pull tabs. So, as far as the rate or speed of play it doesn't make any difference because we are already doing it in other ways. I'm fine with them doing it this way. Frankly, the quick shot BINGO is taking place right now in paper form which may be a little slower but probably not much.

Ch. Hogue: Sen. Mac Schneider had a proposed amendment and we can talk about it conceptually. I didn't bring it down with me but he had proposed that the two original non-profits (ND Association of the disabled and another organization) be to grandfather in the two groups that were using it before the AG acted to revoke authorization and to allow them to continue to use it but not to allow others to use it in the future as sort of a compromise. I don't know if the committee has any interest in that.

Sen. Armstrong: That sounds more like "I'm in a tough spot" solution than a policy solution. The Attorney General's office's perspective, I think their issue is we're one of so few states that do this, that they have to send someone away for training, to get trained on how to regulate it and they'd have to do

that no matter there were three people or not. I'm not a huge fan of allowing certain people to benefit from something if you're not going to actually open it up for everybody to benefit from it. I wouldn't support that amendment. I think it's trying to cut a fine line through there and I think it's one of those deals of whether you're okay with it or not okay with it. If you're not okay with it, you shouldn't be okay with it for anybody.

Sen. Casper: I agree with what Sen. Armstrong said as far as the scope regarding the amendment. The issue of the AG's office sending someone for training isn't the point. These non-profits are potentially missing out on potential revenue from these games.

Ch. Hogue: There is a fiscal impact of \$20,333, is that the training that the AG's office has to do.

Sen. Casper: Read the information from the website regarding the fiscal note.

Sen. Nelson: The way I understand it, this was legal for 4.5 years and they even went as far as to get the administrative rules approved. I understand that all that kind of went away in December when the AG shut it down. At one point in time, we did approve this. It went through Administrative Rules. We had to have had an opinion on this particular type of organization and I'm not convinced that it is a slot machine. I didn't see things whipping around. The numbers are already chosen for this kind of BINGO. I think the trouble stems from them thinking it is a type of slot machine. It's not a slot machine. The other group that had been using this was the Developmental Housing in Grand Forks that used this.

Sen. Casper: In looking at the testimony, the estimated taxes paid on quick shot gross revenue is \$304,000. I think from a policy standpoint, we're getting a pretty good deal. We spend \$20,000; we get \$280,000, that's a 24x return.

Ch. Hogue: I think we should have bigger sports pools, too. The thing I don't like about it, it's one of these mindless games; you get the machine and you decide how much you are going to bet and just press the buttons and everything is done for you. It is a slot machine, it doesn't rotate like a slot machine, but you don't do anything other than press the button. There are slot machines if you play poker, you draw 5 cards and then you decide how many to hold and how many to draw. Maybe that's not a bad thing just because it's mindless, because people like to go into casinos and play mindless games where they don't have to think, they just press the button and put their tokens

in. The other thing that bothers me about it, I just don't like when people mislead. This is called quick shot BINGO but it doesn't seem like it has anything to do with BINGO, other than using the numbers and letters associated with BINGO. It basically daubs those in for you. I got the impression from the Attorney General's office that they were not as vigilant as they should have been. But when they figured out the capabilities of this device, that's when they revoked it, because it wasn't the quick shot where part of it was on the wall where the gambler had to actually think and make an assessment as to whether they won or lost. They were okay with that but not with this form where everything is done for you. I am opposed to it.

Sen. Luick: I'll be voting against it too. I just don't think we need to have a \$280,000 grab. I just don't like it.

Sen. Grabinger: I have a different take on it, because we already play these games, Sen. Armstrong had alluded to that earlier. Bonanza BINGO, I used to manage the BINGO program at the KC's and bonanza BINGO you call them at the beginning of the program before everybody is there. You call the Bonanza and put it up on the board and then patrons buy the \$1.00 cards and open up and daub them according to the numbers that were called earlier. If they win, they win; if not, they lose. It is similar in that same respect with the quick shot. In my understanding from the testimony, the reason the AG had a problem because of that other one that came out with the slot machine looking machine that really didn't have anything to do with the quick shot BINGO but it looked like a slot machine. That's my understanding why they put the halt to the people using the machines. It wasn't because of the machine.

Ch. Hogue: Please explain how bonanza BINGO works again. What happens?

Sen. Grabinger: As the BINGO caller, Bonanza BINGO is 54 numbers or less for a black out. If you black out in that many numbers, you win \$5,000.00. If you call the numbers, whatever the number it is, before the whole BINGO program starts. You call the numbers, put them up on the board and then when they come in, the people walking around selling the tickets, sell them to you and you pay \$1.00 and open it up and daub it according to the numbers up on the board. If you have a blackout within those numbers, you win. If not, you lost \$1.00.

Ch. Hogue: So you the actual patron have to match up what's on your card that you just bought, with the pre-drawn numbers.

Sen. Grabinger: Right. Same as you are doing here, only the machine is doing the daubing for you here. This is no different than other BINGO machines that can play the 10 cards for you, because some people can't daub, they physically can't do it. So they get a machine to actually do the work for them as the game is being called.

Ch. Hogue: They physically cannot daub a number. Meaning that they can't keep up, or they have a physical disability that prevents them doing it.

Sen. Grabinger: They can have both. There are people that go to the BINGO hall, rent the machine instead of buying the cards because that way they can play.

Ch. Hogue: In that situation, where they might be playing 10 cards, the numbers are called one at a time. The numbers aren't all up at once.

Sen. Grabinger: In quick shot and bonanza they are, in regular BINGO, no. My mother goes every Tuesday and I go with her. She goes to the VFW in Jamestown. They play many different games.

Ch. Hogue: It varies based on what people like. Do they play the quick shot?

Sen. Grabinger: They don't have quick shot down there, quick shot is not allowed. I think they might have the bonanza. I haven't gone to that BINGO program. We used to have it at the KC's, bonanza BINGO. I know the BINGO Hall over here, they had bonanza BINGO.

Ch. Hogue: Well, they can still use those devices and still do to play the type of bonanza BINGO that you're talking about.

Sen. Grabinger: I don't think the bonanza, just the regular BINGO they can. Not the bonanza. I don't think bonanza is on a machine.

Ch. Hogue: I thought they could pre-draw the numbers but the machine...let's have a motion.

Sen. Casper: I move a Do Pass.

Sen. Armstrong: Second the motion.

**3 YES 3 NO 0 ABSENT**

**MOTION FAILED**

Sen. Luick: I move a Do Not Pass.

Ch. Hogue: Second the motion.

**3 YES 3 NO 0 ABSENT            MOTION FAILED**

Sen. Armstrong: I move a No Recommendation.

Sen. Casper: Second the motion.

**4 YES 2 NO 0 ABSENT            NO RECOMMENDATION**

**CARRIER: Sen. Casper**

Date: 3/30/15  
Vote # 1

2015 SENATE STANDING COMMITTEE

Roll Call VOTE  
BILL/RESOLUTION NO. 1235

Senate Judiciary Committee

☐ Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation: ☐ Adopt Amendment

☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation

☐ As Amended ☐ Rerefer to Appropriations

☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ \_\_\_\_\_

Seconded By

Motion Made By Sen. Casper

Sen. Armstrong

Senators	Yes	No	Senators	Yes	No
Ch. Hogue		✓	Sen. Grabinger		✓
Sen. Armstrong	✓		Sen. C. Nelson	✓	
Sen. Casper	✓				
Sen. Luick		✓			

Total (Yes) 3 No 3

Absent 0

Floor  
Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

Failed

Date: 3/30/15  
Roll Call Vote #: 2

2015 SENATE STANDING COMMITTEE  
ROLL CALL VOTE

BILL/RESOLUTION NO. 1235

Senate JUDICIARY Committee

☐ Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation: ☐ Adopt Amendment  
☐ Do Pass ☒ Do Not Pass ☐ Without Committee Recommendation  
☐ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ \_\_\_\_\_

Motion Made By Sen. Luick Seconded By Sen. Hogue

Senators	Yes	No	Senators	Yes	No
Chairman Hogue	✓		Sen. Grabinger	✓	
Sen. Armstrong		✓	Sen. C. Nelson		✓
Sen. Casper		✓			
Sen. Luick	✓				

Total (Yes) 3 No 3

Absent 0

Floor Assignment \_\_\_\_\_

*Failed*

Date: 3/30/2015

Roll Call Vote #: 3

2015 SENATE STANDING COMMITTEE  
ROLL CALL VOTE

BILL/RESOLUTION NO. 1235

Senate

**JUDICIARY**

Committee

☐ Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation: ☐ Adopt Amendment  
☐ Do Pass ☐ Do Not Pass ☒ Without Committee Recommendation  
☐ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ \_\_\_\_\_

Motion Made By Sen. Armstrong Seconded By Sen. Casper

Senators	Yes	No	Senators	Yes	No
Chairman Hogue		✓	Sen. Grabinger	✓	
Sen. Armstrong	✓		Sen. C. Nelson	✓	
Sen. Casper	✓				
Sen. Luick		✓			

Total (Yes) 4 No 2

Absent 0

Floor Assignment Sen. Casper



**REPORT OF STANDING COMMITTEE**

**HB 1235, as reengrossed: Judiciary Committee (Sen. Hogue, Chairman) recommends  
BE PLACED ON THE CALENDAR WITHOUT RECOMMENDATION (4 YEAS,  
2 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1235 was placed on the  
Fourteenth order on the calendar.**

**2015 TESTIMONY**

**HB 1235**

**Testimony in Support of HB 1235**  
**House Judiciary Committee**  
**January 27, 2015**

#1  
HB 1235  
1-27-15  
pg 1

Chairman Koppelman, House Judiciary Committee members, for the record my name is Alex Kelsch. I am an attorney with the law firm of Kelsch, Kelsch Ruff & Kranda in Mandan and I appear before you today as a lobbyist on behalf of the Charitable Gaming Association of North Dakota (CGAND) to express support for HB 1235 regarding bingo.

CGAND is a statewide association of charitable gaming organizations. They have a diverse membership varying from clubs to small organizations in all regions of the state and represents a majority of the charitable gaming in North Dakota. The mission of CGAND is to "Preserve gaming as a funding source for charitable purposes." Attached to this testimony is a copy of the Summary of Eligible Use Contributions from the Attorney General's Gaming Division office showing the different types of charitable contributions made and the needs and programs that are supported across the state by the charities.

Several individuals from CGAND and its member organizations are here to testify in support of HB 1235. However, before they do I would like to briefly identify the history of bingo and why HB 1235 is being presented to allow organizations to continue to play bingo as they have been allowed to do the past several years up until just recently.

**Timeline:**

1997: A memorandum from Bob Bennett, Office of Attorney General, was issued to the ND Gaming Division allowing for the use of Electronic, Portable, Hand-Held Bingo Playing Devices.

- Since the late 1990's Bingo Card Marking Devices have been used in ND.
- Administrative rules were adopted and approved by legislators.

2009: Manufacturers and charities were working with ND AG's Office regarding compliance of Quickshot Bingo Card Marking Devices.

March 18<sup>th</sup>, 2010: ND State Gaming Commission requested the Office of Attorney General's Gaming Division conduct a field test for Quickshot bingo games conducted on Bingo Card Marking Devices.

July 21<sup>st</sup>, 2010: Guidelines for Quickshot Bingo Card Marking Devices and record-keeping forms were issued from the AG's Gaming Division. Charities began to test market July/August 2010.

- Deputy Trenbeath from the Office of the Attorney General reviewed and played the Quickshot Bingo Card Marking Devices during the test market period – did not see a problem with them at that time.

Spring 2012: Administrative Code for Quickshot Bingo Card Marking Devices was written and approved by the ND Gaming Commission.

Spring 2012: Office of the Attorney General reviewed and approved new administrative code written for Quickshot Bingo Card Marking Devices.

June 2012: Legislative Rules Committee reviewed and approved new Administrative Code for Quickshot Bingo Card Marking Devices.

July 2012: ND Administrative Rules were adopted to allow for the regulation of Quickshot Bingo Card Marking Devices.

November 13<sup>th</sup> 2014: ND Gaming Commission requested a legal opinion from ND Office of Attorney General in regard to the Quickshot Bingo Card Marking Devices.

November 28<sup>th</sup>, 2014: ND Office of Attorney General issued legal opinion stating Quickshot Bingo Card Marking Devices are not allowed under ND law.

HB1235  
1-27-15

The intention of HB1235 is to allow the Charities to continue playing the game of Bingo, in all of its variations, as has been allowed since the late 90s. HB 1235 was drafted to incorporate the definition of Bingo from the ND Administrative Code and to encompass other forms of bingo that were already being played. I have as part of my packet the sections of the administrative code that pertain to both bingo and quick shot bingo so that you can review what was in place previously and how this bill was formed. This bill does not expand gaming in any way, in fact, it only codifies what has been allowed for years.

As you can see from the time line, it wasn't until recently, despite approvals from the AG's Office, that the game of quickshot bingo became problematic for the AG's Office. Enclosed in the packet is a photo of a proposed electronic bingo device that we believe spurred the opinion from Deputy Trenbeth. This picture is not how bingo has been played on the bingo card marking devices and is not something that CGAND is in favor of. This bill, we believe, prevents the type of game that is pictured from being played. We have a manufacturer here today who will testify as to the logistics of the electronic gaming device and to hopefully give a presentation of what this game actually looks like. Again, it is not our intention to allow the type of gaming pictured to be allowed.

The AG's Office is worried that the type of electronic gaming device pictured would be a violation of NDCC 12.1-28-02(4) which criminalizes coin operated gaming devices. We believe that the bill as drafted would not create any issues with NDCC 12.1-

HB 1235  
1-27-15

28-02(4) and would not violate that section of the Century Code. However, if this committee is more comfortable, I have prepared an amendment to this bill which would clarify and specifically state that a bingo card marking device under subsection 3 is not a "coin operated gaming device" as defined in section 12.1-28-02(4). This amendment has been placed in my packet of testimony as well. Until just yesterday, we hadn't heard from the AG's office as to their concerns with this bill. I understand that a member of the AG's Office is here today and will be presenting concerns and or potential amendments to this bill. CGAND is more than willing to work with the AG's Office to address concerns of the committee and develop amendments that may be necessary.

In conclusion, on behalf of CGAND I ask for your favorable consideration of this legislation and in doing so, I also ask for your support of the local charities that would benefit from this bingo legislation. As stated others are here from the charitable gaming industry to testify and respond to any specific questions. However, I would be willing to try answer any questions at this time.

Please give **HB 1235** a **DO PASS** recommendation.

Mr. Chairman and members of the House Judiciary Committee, I would like to introduce the next speaker. CGAND has asked Brian Walters, a technician, to appear before you today to offer a demonstration of bingo played on card marking devices.

User: DMCDANIE

North Dakota Office of Attorney General  
Summary of Eligible Use Contributions

HB 1235  
1-27-15  
Page: 1  
01/20/15 13:07:11

Fiscal Year: 2014  
Quarter: All

Eligible Code	Description	Check Amount	% of Grand Total
A-02	THE ABUSED	115,821	0.6
A-03	ALCOHOL AND DRUG ABUSE	6,126	0.0
A-04	ANIMAL PROTECTION	10,537	0.1
A-05	ALZHEIMERS	4,146	0.0
A-07	THE BLIND	14,911	0.1
A-08	CANCER	122,118	0.7
A-11	CYSTIC FIBROSIS	263,877	1.4
A-12	DIABETES	12,500	0.1
A-15	THE DISABLED	130,685	0.7
A-18	HEART DISEASE	4,250	0.0
A-20	LEARNING DISABILITIES	1,650	0.0
A-24	MENTAL HEALTH	304,302	1.7
A-25	MULTIPLE SCLEROSIS	50	0.0
A-26	MUSCULAR DYSTROPHY	1,825	0.0
A-27	THE NEEDY	159,796	0.9
A-28	PARALYSIS	1,250	0.0
A-29	DEVELOPMENTALLY DISABLED CITIZENS	1,078,708	5.9
A-30	SENIOR CITIZENS	211,031	1.2
A-32	TERMINALLY ILL	43,270	0.2
A-36	WILDLIFE	418,532	2.3
A-37	YOUTH ACTIVITIES	3,986,968	21.8
A-46	ADULT ACTIVITIES	250,424	1.4
A-47	HEAD INJURIES	3,125	0.0
A-58	HOME ON THE RANGE	22,980	0.1
A-61	MARCH OF DIMES	1,550	0.0
A-64	MEALS ON WHEELS	8,920	0.0
A-65	MEDICAL FACILITIES NON-PROFIT	158,780	0.9
A-67	MEMORIAL FUNDS	5,855	0.0
A-70	NURSING HOMES NON-PROFIT	55,327	0.3
A-80	RONALD MCDONALD HOUSE	5,500	0.0
A-81	RED CROSS	650	0.0
A-82	SALVATION ARMY	13,150	0.1
A-88	SPECIAL OLYMPICS	142,269	0.8
A-90	DISASTER RELIEF ORGANIZATIONS	6,110	0.0
A-91	UNITED FUND/UNITED WAY	4,000	0.0
A-94	YMCA/YWCA	8,075	0.0
A-97	VOLUNTEER SERVICES	18,740	0.1
A-99	OTHER	68,663	0.4

Subtotal Of Contributions: \$7,666,471 Percent to Grand Total: 41.9%

User: DMCDANIE

North Dakota Office of Attorney General  
Summary of Eligible Use Contributions

Page: 2  
01/20/15 13:07:11

Fiscal Year: 2014

Quarter: All

HB 1235  
1-27-15

Eligible Code	Description	Check Amount	% of Grand Total
B-10	RELIGIOUS USES	284,130	1.6
Subtotal Of Contributions:		\$284,130	Percent to Grand Total: 1.6%

Eligible Code	Description	Check Amount	% of Grand Total
C-10	AGRICULTURE	24,655	0.1
C-20	THE ARTS	389,556	2.1
C-25	EDUCATIONAL PUBLIC SERVICES	942,491	5.2
C-30	SAFETY	22,700	0.1
C-40	4-H ACTIVITIES	35,758	0.2
C-50	EDUCATIONAL INSTITUTIONS AND A	1,118,192	6.1
C-75	PERSERVATION OF CULTURAL HERIT	384,102	2.1
C-80	SCHOLARSHIPS	1,269,463	6.9
C-90	VOCATIONAL WORKSHOPS	10,628	0.1
C-99	OTHER	20,762	0.1
Subtotal Of Contributions:		\$4,218,307	Percent to Grand Total: 23.1%

Eligible Code	Description	Check Amount	% of Grand Total
D-10	CAMP GRASSICK	7,989	0.0
D-20	FRATERNAL FOUNDATIONS	129,182	0.7
D-30	LEGION BASEBALL	334,441	1.8
D-40	VETERAN'S CEMETARY	32,685	0.2
D-50	DISABLED OR INJURED VETERANS A	73,479	0.4
D-60	MILITARY FAMILY SUPPORT	49,145	0.3
D-99	OTHER	26,161	0.1
Subtotal Of Contributions:		\$653,082	Percent to Grand Total: 3.6%



User: DMCDANIE

North Dakota Office of Attorney General  
Summary of Eligible Use Contributions

Fiscal Year: 2014  
Quarter: All

HB1235  
1-27-15  
Page: 3  
01/20/15 13:07:11

Eligible Code	Description	Check Amount	% of Grand Total
E-10	SCOUTING ACTIVITIES AND BOYS O	77,436	0.4
E-30	COMMUNITY BANDS, COLOR AND HONOR GUARDS, FLAG	380,265	2.1
E-99	OTHER	14,251	0.1
Subtotal Of Contributions:		\$471,952	Percent to Grand Total: 2.6%

Eligible Code	Description	Check Amount	% of Grand Total
F-10	ERECTION OR MAINTENANCE OF PUB	362,562	2.0
Subtotal Of Contributions:		\$362,562	Percent to Grand Total: 2.0%

Eligible Code	Description	Check Amount	% of Grand Total
G-10	COMMUNITY EMERGENCY SERVICES	921,870	5.0
G-15	DISBURSEMENTS DIRECTLY TO A CI	355,051	1.9
G-25	IMPROVEMENT OF PUBLIC AREAS	146,969	0.8
G-50	PARKS AND RECREATION	1,417,552	7.8
G-60	LAW ENFORCEMENT	32,194	0.2
G-99	OTHER	29,200	0.2
Subtotal Of Contributions:		\$2,902,836	Percent to Grand Total: 15.9%

Eligible Code	Description	Check Amount	% of Grand Total
H-00	LOSS OF THE HOME VICTIMS	17,031	0.1
Subtotal Of Contributions:		\$17,031	Percent to Grand Total: 0.1%

7

User: DMCDANIE

North Dakota Office of Attorney General  
Summary of Eligible Use Contributions

HO 1235  
1-27-15  
Page: 4  
01/20/15 13:07:11

Fiscal Year: 2014  
Quarter: All

Eligible Code	Description	Check Amount	% of Grand Total
I-00	SUFFERERS OF SERIOUS DISABLING	271,248	1.5
Subtotal Of Contributions:		\$271,248	Percent to Grand Total: 1.5%

Eligible Code	Description	Check Amount	% of Grand Total
K-10	ECONOMIC DEVELOPMENT	384,614	2.1
K-30	TOURISM	738,067	4.0
K-99	OTHER	312,192	1.7
Subtotal Of Contributions:		\$1,434,873	Percent to Grand Total: 7.8%

Eligible Code	Description	Check Amount	% of Grand Total
V-00	VOIDED CHECK	0	0.0
Subtotal Of Contributions:		\$0	Percent to Grand Total: 0.0%

Total Of All Contributions: \$18,282,492

--- End of Report ---

8

1181235  
1-27-15

## CHAPTER 99-01.3-04 BINGO

Section	
99-01.3-04-01	Bingo
99-01.3-04-02	Equipment
99-01.3-04-03	Conduct and Play
99-01.3-04-04	Cash Register
99-01.3-04-05	Tickets
99-01.3-04-06	Paper Card Count
99-01.3-04-07	Floorworker Sales Report
99-01.3-04-08	Recordkeeping

**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". 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.

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

**General Authority:** NDCC 53-06.1-01.1

**Law Implemented:** NDCC 53-06.1-01.1

**99-01.3-04-02. Equipment.** An organization shall use this equipment:

1. A device from which balls are withdrawn or a random number generator. If a random number generator is not used, a set of either seventy-five or ninety balls bearing the letters and numbers corresponding to the bingo cards in play. The balls must be stored in a safe storage place when not in use and be available for inspection by a player before a session begins. The balls must be equal size, weight, shape, and balance and must be in a receptacle before each game begins. A flashboard is optional.
2. Hard cards and paper cards, including paper cards that have two numbers in a square or enable a player to select and print numbers on a blank card, may be used. A blank card may be used if:

- a. A card is a two-part carbonless card with a control number and five columns of numbers;
  - b. A player shall legibly print in ink one number in each blank square. A middle square, if any, may be a free space. The numbers cannot be repeated on a card and they must correspond with the letters and numbers of the bingo balls;
  - c. After a card is completed, a player shall provide an employee with the card before the start of the game. An employee shall ensure that the numbers are legible, validate the original and duplicate parts of a card, retain the original part, and return the duplicate part to the player; and
  - d. An employee shall verify a winning player's card and match the card's original part to the duplicate part. A card must be voided if it is illegible or altered.
3. Before conducting a bingo session, an employee shall test the equipment and ensure it is working properly.
  4. An organization may not separate a collated set of paper bingo cards except to apply subsection 10 of section 99-01.3-04-03 or cut up a paper bingo card that has two or more faces on it to separately sell the cards or faces.

**History:** Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2010.

**General Authority:** NDCC 53-06.1-01.1

**Law Implemented:** NDCC 53-06.1-01.1

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

1. These rules and information must be disclosed or made available to players:
  - a. A person may not separate a paper card when there are two or more faces on a sheet;
  - b. A person under eighteen years of age may not play bingo unless an individual, eighteen years of age or older, accompanies a minor when buying a bingo card or package and throughout the session. The adult may not be an employee on duty. This rule does not apply if a person under twenty-one years of age is not allowed on the site or an organization has a permit or prize structure that does not exceed the limit of a permit;
  - c. If an organization does not restrict duplicate paper cards from being in play for a game, it shall disclose or make available

HB1235  
1-27-15

**CHAPTER 99-01.3-04.1**  
**QUICK SHOT BINGO CARD MARKING DEVICES**

Section

99-01.3-04.1-01	Quick Shot Bingo Card Marking Devices
99-01.3-04.1-02	Equipment
99-01.3-04.1-03	Conduct and Play
99-01.3-04.1-04	Recordkeeping

**99-01.3-04.1-01. Quick shot bingo card marking devices.** "Quick shot bingo card marking devices" means a device used to play a quick shot bingo game where letters and numbers are predrawn and players purchase sealed bingo cards on the device which are matched against the predrawn letters and numbers. If a predetermined pattern is achieved, then the player wins a prize based on a specific prize table. Because the game has all of its letters and numbers predrawn, there may or may not be a winning player for each game played. A player is not required to say the word "bingo" before a bingo is awarded. Before a session begins, an employee shall draw or a random number generator shall draw twenty-four balls or numbers comprised of the first five balls or numbers from each of the "B", "I", "G", and "O" rows, and the first four balls or numbers from the "N" row. Up to six additional balls or numbers may be drawn as bonus numbers. Once twenty-four balls or numbers and any bonus balls or numbers, if applicable, are selected, an employee or the related equipment shall enter the numbers into the quick shot bingo site operating system and post the selected balls or numbers prior to starting the session. A quick shot bingo card marking device and related equipment may only be sold or provided to an organization with a state gaming license.

**History:** Effective July 1, 2012.

**General Authority:** NDCC 53-06.1-01.1

**Law Implemented:** NDCC 53-06.1-01.1

**99-01.3-04.1-02. Equipment.** An organization shall use this equipment:

1. A device from which bingo balls are drawn or a random number generator. The device or random number generator must draw from a set of seventy-five balls or numbers used to determine the original twenty-four balls or numbers for play of the game and any bonus numbers, if applicable. If actual bingo balls are used, rather than a random number generator, an organization employee shall ensure that all seventy-five numbers are available prior to the draw.
2. A quick shot bingo card marking device site operating system, including a portable point-of-sale device, which allows an employee to deposit credits received from a player by cash, check, or debit card. All deposits must be received prior to play and no credit play is allowed. The quick shot bingo card marking device site operating system must store all accounting information for a session.

HB1235  
1-27-15

3. A quick shot bingo card marking device that allows a player to play between one and sixteen bingo cards for an individual game. When a player initiates play of the selected cards, the device may automatically mark all of the player's cards with the predrawn 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.

**History:** Effective July 1, 2012.

**General Authority:** NDCC 53-06.1-01.1

**Law Implemented:** NDCC 53-06.1-01.1

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

1. The predrawn numbers for the current session must be posted at the site. The use of a flashboard is optional. Unless there is only one employee on duty, two persons shall verify and attest to the numbers drawn or selected, numbers posted, and numbers entered into the quick shot bingo card marking device site operating system for the current session. Players are not allowed to pick any numbers to match for a quick shot bingo game or bonus feature. No bingo session may extend beyond the end of a business day.
2. Players are responsible for safeguarding their receipt with the designated control number to track all deposits on a quick shot bingo card marking device. A player's receipt must be presented when redeeming prizes or cashing out credits.
3. If a player has a winning prize pattern, all prize winnings must be awarded to players in a separate winnings account on a quick shot bingo card marking device. Automatic transfer by the player of any winnings balance to the credit (deposit) balance on the device is prohibited. All payouts of winnings must be transacted by an organization employee.
4. A player must not be required to forfeit any winnings or make an additional wager in order to receive a bonus game or feature.
5. These rules and information must be disclosed or made available to players:
  - a. If applicable, a person under eighteen years of age may not play 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;
  - b. The actual letters and numbers predrawn by the organization are official;

12

- c. If a person knowingly uses a fraudulent scheme or technique to cheat or skim involving bingo, regardless of the amount gained, the offense is a class C felony punishable by a five thousand dollar fine or five years in jail or both;
  - d. A quick shot bingo card marking device may not be taken outside of the gaming area;
  - e. An employee may only assist a player in how to use a quick shot bingo card marking device;
  - f. No player can use more than one quick shot bingo card marking device at a time during a session;
  - g. If a player attempts to falsify or falsifies a record of win, the prize is forfeited;
  - h. That a player may not sell the remaining credits on a device to another player; and
  - i. A player must present the player's receipt when redeeming prizes or cashing out credits.
6. These policies and information must be disclosed to players:
- a. A policy that if a player has more than one winning bingo pattern on a card, whether the highest prize pattern will be awarded or all winning prize patterns will be awarded;
  - b. A policy in the event that a player has lost the player's receipt;
  - c. A policy when an organization may cancel a session due to power outage, quick shot bingo card marking device site operating system being down, or any transmission problems; and
  - d. If applicable, a policy regarding use of a quick shot bingo card marking device and additional paper bingo cards at the same time.
7. An employee or floorworker must use a point-of-sale device when adding additional credits (deposits) and redeeming winnings for additional credits (deposits) involving a quick shot bingo card marking device provided that all transactions are accounted for according to the manufacturing specifications in section 99-01.3-16-09.4.
8. A quick shot bingo card marking device cannot be reserved for a player. An organization shall provide each player an equal opportunity to use the available devices on a first-come, first-served basis.

HB 1235  
1-27-15

9. An organization may pay a fixed rate per quick shot bingo card marking device or a fixed fee per bingo card sold. No payment for use of a device may be based on a percentage of the gross proceeds or net income earned.
10. A receipt must comply with paragraph 1 of subdivision i of subsection 13 of section 99-01.3-16-09.4.
11. All prizes awarded must be cash.
12. No quick shot bingo games may be played with a progressive prize unless authorized by the attorney general.
13. A separate cash bank must be used with quick shot bingo card marking devices at a site. All deposits must be separately identified from other game types, including other bingo games conducted at a site.
14. Unredeemed credits on a quick shot bingo card marking device are not considered to be gross proceeds but rather is cash profit. Unclaimed prizes on the device are subtracted from total prizes won in calculating the adjusted gross proceeds.
15. An organization shall deactivate an employee password within forty-eight hours of that employee leaving employment. Passwords for employees of a site must be changed every six months.
16. No discount, gift certificates, or promotions are allowed unless authorized by the attorney general.

**History:** Effective July 1, 2012.

**General Authority:** NDCC 53-06.1-01.1

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

**99-01.3-04.1-04. Recordkeeping.** Records must include and be retained for three years from the end of the quarter in which the activity was reported, unless otherwise provided by rule:

1. For each session:
  - a. The quick shot bingo site operating system involving a bingo card marking device must include the summary report for the session according to paragraph 2 of subdivision i of subsection 13 of section 99-01.3-16-09.4.
  - b. The starting and ending cash on hand and IOU records according to section 99-01.3-03-06;
  - c. A summary of the gross proceeds, unplayed credit cashed out, unredeemed credits, prizes, unclaimed prizes, adjusted gross



proceeds, cash profit, cash long and short, and bank deposit. The summaries of all sessions for a quarter must reconcile to the tax return;

- d. Record of win according to section 99-01.3-03-08; and
  - e. Record of the balls or numbers predrawn, including bonus numbers and a record of numbers actually entered into the quick shot bingo card marking device site operating system.
2. Ideal cash bank master records according to subsection 4 of section 99-01.3-03-09.
  3. The cash profit defined in subdivision a of subsection 6 of section 99-01.3-02-01, verification of the amount deposited according to a bank statement, and an audit of the game's activity according to section 99-01.3-03-10.

**History:** Effective July 1, 2012.

**General Authority:** NDCC 53-06.1-01.1

**Law Implemented:** NDCC 53-06.1-01.1

HB 1235  
1-27-15

## CLARIFICATION & STATEMENT OF INTENT FOR

HB 1235  
(BINGO)



**NOTE:** HB 1235 is intended to allow Bingo as well as other forms of Bingo which are commonly played such as Quick Shot Bingo. However, HB 1235 was drafted in such a manner to specifically prohibit the type of device as shown above which has the characteristics and graphics of a slot-like machine despite the fact such bells and whistles have no significance and are only for entertainment purposes. The above type of device is **NOT** intended to be allowed under HB 1235.

HB 1235  
1-27-15

**PROPOSED AMENDMENTS TO  
HOUSE BILL NO. 1235**

Page 2, after line 9, insert:

- "4. A bingo card marking device under subsection 3 is not a "coin operated gaming device" as defined in section 12.1-28-02(4)."

Renumber accordingly

## Quick Shot Bingo Card Marking Devices Common Misconceptions

#2  
HB1235  
pg 1  
1-27-15

STATEMENT: Quick Shot Bingo Card Marking Devices (QSBCMD) are electronic gaming devices or coin operated gaming device.

RESPONSE: **False.** QSBCMD's are neither an electronic gaming device nor a coin operated gaming device.

1. No paper currency, coin, token, ticket or similar object is inserted into these machines. The machines are portable, they have no mechanical mechanism to receive any of these objects. These devices do not have any mechanical mechanism to dispense any paper currency, coin, token, ticket or similar object either.
2. Devices are not stand alone self-contained games, they depend on a site system server to operate and all players play against the same set of bingo numbers.
3. Devices do not have a random number generator. Numbers are pre-called and posted just like paper quick shot bingo games and bonanza bingo games. Card faces are not revealed until after the player has purchased them, also just like paper quick shot and bonanza bingo.
4. Play of quick shot bingo on a QSBCMD is limited to the current session. Players cannot roll over any deposits to the next session and must collect their prizes from an employee prior to the end of the session. This is not true of electronic gaming and coin operated gaming devices.
5. QSBCMD's site system server keeps track electronically of each player's bingo cards purchased and can even print bingo cards to paper. This is not true of electronic gaming and coin operated gaming devices.

STATEMENT: Quick Shot Bingo Card Marking Devices "simulate" a game of quick shot bingo and is a game of chance.

RESPONSE: **False.**

1. These devices do not have a finite number of outcomes that are randomly selected as a slot machine does.
2. The bingo cards are not pre-played.
3. Card faces are not revealed until a player purchases the cards and it is then matched against the pre-drawn numbers and the corresponding boxes are marked on the card. The outcome of the game is not known until card is marked and it is the pattern achieved that determines the win.
4. Possible outcomes are nearly infinite considering the different bingo card configurations and pre-drawn 24 number combinations.

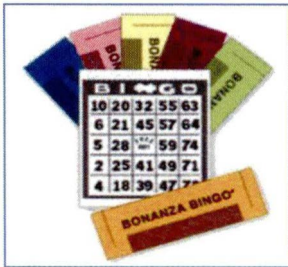
STATEMENT: Quick Shot Bingo Card Marking Devices keeps track of a players' winnings.

RESPONSE: **False.** It is actually the site system server that keeps track of a player's winning cards and the QSBCMD merely displays this for the player. Additionally, the player's winnings are kept separate from any deposits the player has made and can only access these wins by returning to an employee who verifies their winnings and pays out their wins in cash. This is no different than someone who plays paper quick shot or pulltabs and holds their winners and brings them all up to an employee to be verified and paid in cash. Also, certain pulltab dispensing devices in operation in ND keep track of the player's credits and allow you to feed your winning tickets back in through a bar code reader and adds the winnings back to their credits.

STATEMENT: Players can pick their bet amount and denomination played on a Quick Shot Bingo Card Marking Devices .

RESPONSE: **False.** Players can only purchase bingo cards at the price levels the Organization has chosen to offer at the site. Just like in paper session bingo, players have the option in nearly every bingo hall across the state to purchase different levels of bingo cards at different prices with a corresponding different prize value. This is a setting in the QSBCMD site system in which denominations an Organization chooses to offer at the site are configured by the manufacturer.

## Quick Shot Bingo on Paper



### What is it?

A form of Bonanza Bingo that has been played in ND for several decades in which all of the bingo numbers are pre-drawn.

### How are the numbers drawn?

Employee draws 24 bingo numbers via random number generator or bingo ball selection device.

These 24 bingo numbers are posted and used throughout the entire session and all players play the same numbers.

### How do players purchase their cards?

Players purchase sealed bingo cards from an employee at a point of sale system or a floorwalker.

### How do you play the game?

Players match the pre-drawn 24 numbers against their bingo cards and manually mark the corresponding squares.

Players may purchase Quick Shot Bingo cards at any time throughout the bingo session. All wins must be turned in prior to the end of the bingo session and cannot be carried over to the next session. Bingo session may not extend beyond the end of a business day.

### How do you win?

If any of the pre-defined patterns are achieved, the player wins the associated prize. Typically different patterns have a different prize value.

### How does a player collect their winnings?

For any winning cards, Player returns the winning cards to an employee who will verify the win and pay in cash the associated prizes.

## Quick Shot Bingo on Bingo Card

### Marking Device



### What is it?

A form of Bonanza Bingo that has been played in ND since 2010 in which all of the bingo numbers are pre-drawn. Bingo has been played on bingo card marking devices since 1997.

### How are the numbers drawn?

Employee draws 24 bingo numbers via random number generator or bingo ball selection device.

These 24 bingo numbers are posted and used throughout the entire session and all players play the same numbers.

### How do players purchase their cards?

Players give cash to an employee at a point of sale using a site system server to deposit into a temporary account. The player can then access their account to purchase sealed bingo cards from the bingo card marking device.

### How do you play the game?

Players match the pre-drawn 24 numbers against their bingo cards and electronically mark the corresponding squares either manually or automatically via Wi-Fi or RF signal.

Players may purchase Quick Shot Bingo cards at any time throughout the bingo session. All wins must be turned in prior to the end of the bingo session and cannot be carried over to the next session. Bingo session may not extend beyond the end of a business day.

### How do you win?

If any of the pre-defined patterns are achieved, the player wins the associated prize. Typically different patterns have a different prize value.

### How does a player collect their winnings?

For any winning cards, the site system server will keep track of any winning cards and the Player may return at any time to the point-of-sale where an employee will verify any wins and pay in cash the associated prizes. At no time is the player able to use their winnings on their device to "play-back" or purchase additional bingo cards.

WINNERS

NAME \_\_\_\_\_ DATE #4  
 ADDRESS \_\_\_\_\_ HB  
 PHONE \_\_\_\_\_ AMT. PAID 1235  
1-27-15  
pg 1

B I G O				
D 105302				
12	19	44	56	64
4	30	31	50	75
1	20	FREE 3445	60	63
6	21	33	52	66
11	28	41	49	67

PRINTED IN USA

ARROW INTL. INC.

3445

RECYCLABLE



HB1235 #4  
1-27-15  
pg 2



#5  
HB1235  
1-27-15  
PJ 1

**HOUSE BILL 1235  
HOUSE JUDICIARY COMMITTEE  
TESTIMONY SUBMITTED BY TRACI LADOUCEUR  
JANUARY 27<sup>TH</sup>, 2015**

**POSITIVE IMPACT ON CHARITIES IN NORTH DAKOTA FROM  
QUICKSHOT BINGO REVENUE:**

July 1, 2012 through September 30, 2014		
Quickshot Bingo Gross Revenue	\$	15,301,263
Quickshot Bingo Prizes	\$	13,084,676
Quickshot Bingo Revenue after Prizes	\$	2,216,587
Approximate Taxes Paid on Gross Revenue	\$	304,839
* Organizations taxes based on two tier system		
<b>Quickshot Bingo Revenue after Prizes and Taxes</b>		<b>\$ 1,911,748</b>

- These numbers are from the most recent nine quarters out of seventeen quarters in operation. Quickshot Bingo was not required to be reported separately on the required gaming tax returns filed with the Attorney General's office until July 1, 2012 – prior to that it was reported with all other bingo revenue.



#6  
HB1235  
1-27-15  
pg 1

**HOUSE BILL 1235  
HOUSE JUDICIARY COMMITTEE  
TESTIMONY SUBMITTED BY TRACI LADOUCEUR  
JANUARY 27<sup>TH</sup>, 2015**

**CITIZEN ASSISTANCE PROGRAMS REVENUE:**

January 1, 2012 through December 31, 2014			
	All Game Types	Quickshot Bingo	Quickshot %age
CAP Total Gross Revenue	\$ 3,008,969	\$ 1,137,407	38%
CAP Prizes	\$ 2,561,682	\$ 984,273	38%
CAP Revenue after Prizes	\$ 447,287	\$ 153,134	34%
Taxes Paid on Gross Revenue	\$ 30,090	\$ 11,374	38%
Revenue after Prizes and Taxes	\$ 417,197	\$ 141,760	34%
CAP Expenses	\$ 276,960	\$ 23,607	9%
CAP Revenue after Prizes and Taxes	\$ 140,237	\$ 118,153	84%

- Citizen Assistance Programs operates two sites in Grand Forks. These numbers are from one site that offered Quick Shot Bingo as a game type.
- Citizen Assistance Programs is a charitable non-profit organization founded for the purpose of identifying the mentally, physically, or otherwise disadvantaged individuals to extend services to them and to assist individuals who have experienced catastrophic events. Citizen Assistance Programs funds generated by the organization are used for medical equipment and supplies, accessibility and transportation.

# 7  
HB 1235  
1-27-15  
JH

**HOUSE BILL 1235**  
**HOUSE JUDICIARY COMMITTEE**  
TESTIMONY SUBMITTED BY JANELLE MITZEL  
JANUARY 27<sup>TH</sup>, 2015

**DEVELOPMENT HOMES, INC:**

- Nonprofit in Grand Forks providing community based support services to persons with disabilities
- Residential Services including seven groups homes and independent living settings
- Vocational Services including job training and placement
- Family Services including respite care and in-home support
- Approximately 200 children and adults served through all stages of life
- 11<sup>th</sup> largest employer in Grand Forks, employing approximately 450 people

**DHI QUICK SHOT BINGO REVENUE AFTER PRIZES/TAXES/EXPENSES:**

- 2011 - \$293,000                      2012 - \$309,000
- 2013 - \$251,000                      2014 - \$347,000
  - Over \$1.2 Million Revenue in 4 years
  - Over 75% of DHI Gaming Income

**GAMING REVENUE USES:**

- Provides financial funds necessary to supplement new projects, such as bricks & mortar
- Specialized adaptive equipment for persons served
- Urgent/Crisis Care needs for persons served
- Basic Care Needs, such as eyeglasses, shoes, clothing
- Specialized training for professional staff including nurses and social workers
- Grants to ND communities funding local needs, including police equipment, literacy adaptive equipment and software, drug & alcohol prevention, and substance abuse and mental health professional facilitators

Quick Shot Bingo is a useful game type for rural locations because of minimal costs and limited staffing requirements.

These devices had been offered in approximately 55 locations across North Dakota in the 4 ½ years of allowable operation. Due to limited manufacturing resources in 2014 there were 18 locations offering Quick Shot bingo. Organizations, including DHI, were scheduled for additional quick shot locations.

DHI would appreciate your support today to continue providing critical services to the most vulnerable citizens of our state.

#8  
HB 1235  
1-27-15  
pg 1

**HOUSE BILL 1235  
HOUSE JUDICIARY COMMITTEE  
TESTIMONY SUBMITTED BY DON SANTER  
JANUARY 27TH, 2015**

**POSITIVE IMPACT ON CHARITIES IN NORTH DAKOTA FROM QUICKSHOT BINGO REVENUE:**

- North Dakota Association for the Disabled (NDAD) provides direct financial assistance for personal attendant care, medical equipment and supplies, accessibility, medical travel expenses, medication, transportation, and recreational activities for people with disabilities.
- NDAD also provides information, referral and advocacy services – a major goal of NDAD is to assist people in receiving help through other agencies whenever possible. NDAD protects the rights of people with disabilities, doing all we can to ensure they receive services to which they are entitled from the appropriate agencies.
- NDAD generated almost 1 million in gaming revenue from Quick Shot Bingo over the past four years.
- Due to the loss of this revenue NDAD will have to consider cuts to services and direct financial assistance to persons with disabilities in 2015.

North Dakota Association for the Disabled					
	2011	2012	2013	2014	Total
Quick Shot Bingo Gross Revenue	\$3,096,681	\$3,251,196	\$1,859,275	\$1,427,503	\$9,634,655
Quick Shot Prizes	\$2,669,036	\$2,829,305	\$1,586,208	\$1,224,592	\$8,309,141
Revenue after Prizes	\$427,645	\$421,892	\$273,067	\$202,911	\$1,325,514
Taxes Paid on Quick Shot Gross Revenue	\$71,831	\$81,280	\$40,841	\$27,274	\$221,226
Revenue after Prizes and Taxes	\$355,814	\$340,612	\$232,226	\$175,637	\$1,104,288
Expense of Quick Shot Bingo	\$65,753	\$55,304	\$36,593	\$29,279	\$186,929
Revenue after Prizes/Taxes/Expenses	\$290,061	\$285,308	\$195,633	\$146,358	\$917,359



HB1235- #8  
2-25-15



**NDAD**  
*Insider*

In this issue

**Who borrows NDAD equipment P.3**

**Minot woman grateful for NDAD help P.3**

WINTER EDITION 2015

Lisa Nelson and  
her daughter,  
Brooke Carlson

## SIZING UP BROOKE

Forks mom gets right fit for  
daughter via NDAD's free  
equipment loan program

Story and photos by Mike Brue

The doctor gave Brooke Carlson a restriction she simply had to follow: no running, walking or putting weight on her hips for one year's time.

Hardly the type of restriction welcomed by an 8-year-old active in gymnastics since she was 2.

**BROOKE: Continued on Page 2**

### NDAD'S MISSION

*Enhance the quality of lives of  
individuals facing health challenges.*

(2)



## BROOKE

### Continued from Page 1

Still, Brooke recalls the pain she felt in the summer. Her mom, Lisa Nelson, recalls when she realized it was not a minor ache.

"I just assumed she hurt her groin because she had been doing the splits," Nelson said. "We knew it meant business when she asked to see the doctors."

Turns out Brooke has Legg-Calve-Perthes, a childhood disease that involves one hip or occasionally both.

According to Mayo Clinic's website, Legg-Calve-Perthes occurs when the ball portion of the hip joint — the intersection of the pelvis and thighbone — receives inadequate blood supply. That causes the bone to become unstable and even die, which leaves it vulnerable to breaking easily and healing poorly. The ball portion of the joint loses its round shape, introducing friction.

"In an adult, it's an arthritic hip," Nelson said. "In children, we just can't leave that alone because it's growing."

For Brooke, the course of action was to reposition her right hip during a procedure done Sept. 5 at Gillette Children's Specialty Healthcare in St. Paul. She missed several weeks of school.

Brooke and her mom were sent home with an adult wheelchair to use. Brooke adjusted somewhat but she couldn't maneuver the larger chair easily.

It was so large, heavy and awkward that Nelson struggled to lift it in and out of her car. She needed help — usually from her husband, Michael Nelson — but their work schedules meant he wasn't always available to assist.

"We were really just stuck," Carlson recalled.

In mid-October, while seeking a quick, temporary solution, one of the doctors at her employer — Valley Bone and Joint — suggested she try calling charitable nonprofit NDAD, which has a temporary assistive equipment loan program.

Nelson called and learned that a smaller chair was available, and immediately she drove a few minutes to NDAD's Grand



Brooke Carlson, 8, of Grand Forks.

Forks office near Columbia Mall.

"Within five minutes, I had a chair in my car," Nelson recalled. "I was just ecstatic. It was totally perfect."

Brooke's reaction when she saw it: "It's tiny!"

She transferred herself into the smaller chair, took it for a spin and was able to maneuver it much more easily — so much so, her mom made a quick video of her daughter and posted it on NDAD's Facebook page, with their thanks.

The family's Labrador retrievers, Bella and Shadow, were eager to follow Brooke, too.

"Loves it. Doesn't like the thought of having to give it back" once the equipment loan ends, Nelson said.

NDAD short-term equipment loans typically run for up to 90 days.

As for her Legg-Calve-Perthes, Brooke "is really accustomed to it," Nelson said. "She definitely has learned to live with what she has. She does incredibly well. People have been very accommodating, too."

Brooke's time as a gymnast probably is over.

In fact, the Grand Forks girl has been advised to stay away from aggressive impact sports in her life to avoid making her hip issues worse.

"At some point, she probably will need hip replacement — between 35 and 50" years of age, Nelson said. "We need to do as much as we can to protect her" from worsening problems.

Brooke has started swimming several days a week at Grand Forks YMCA pool.

"She took off like a fish as soon as she got in the pool," her mom said.

But the 8-year-old isn't stopping there.

According to her mom, who recently began a second career as a certified health coach, Brooke Carlson's plan "is that she and I open up a yoga studio together."

It just might be an ideal fit.

### About NDAD Insider

Mike Brue - Editor & Communications Director  
mbrue@ndad.org | (701) 795-6605

Please contact us if you'd like more copies.

NDAD Insider is published four times a year.  
Alternating editions are digital publications only.

(3)



## NDAD lends equipment

NDAD's short-term equipment loan program is available through its Grand Forks, Minot, Fargo and Williston offices. It's a free service.

The equipment is used by people who have been injured or who are recovering from illnesses or surgery, and by people with congenital or other long-term health challenges. Some people need the equipment for only a short period of time. Others borrow equipment for days or weeks — up to three months allowed — until they purchase similar equipment themselves, through insurance providers, or with NDAD's help.

The estimated total savings by North Dakota residents who used NDAD's short-term equipment loan program in 2013 was almost \$285,000.

The equipment loan program includes manual and power wheelchairs and accessories; scooters; shower chairs and benches; crutches; walkers, knee walkers, walker trays and transport chairs; bed rails; reachers; transfer benches; portable ramps; canes of various types; IV poles; bathtub and shower safety railings; commodes, gait belts and grab bars; and toilet seat risers, rails and safety frames.

At Grand Forks and Minot, NDAD has accessible vans available for use for short trips.

For more information, call (800) 532-NDAD.



HB 1235  
2-27-15

Images from a 2011 Minot TV news report on KXMC about Dawn Olson's cold, sometimes dangerous power chair winter rides to her job at the time.

## Minot woman says she's 'very, very thankful' for NDAD's accessibility, mobility assistance

An accessible van helps Dawn Olson maneuver the increasingly busy streets of Minot these days. She gives NDAD a share of the credit.

Olson, 55, appreciates the challenges facing people with disabilities, and her career is about helping those people,

Herself a woman with cerebral palsy who uses a power chair full time, Dawn works as an independent living specialist at Independence Inc. Before that, Olson was a consumer liaison at the North Dakota Center for Persons with Disabilities.

Until the past year, Dawn often borrowed a NDAD accessible van that's available for loan for short trips. All she had to do was find a driver to help her — Olson doesn't drive — and then make sure the gas tank was filled when she returned it.

Then, a family in Minot generously gave Dawn an older van after learning she had transportation needs. Still, the van wasn't accessible; she sought a chair lift to make it so, but she couldn't afford it without help.

With general assistance from NDAD, Olson needed to contribute less than \$200 toward the purchase and installation. Plus, she added, NDAD's paperwork "was super easy, and I'm very thankful. Very, very thankful."

"Never in a million years had I thought I would have a van. Thanks to the generosity of friends and fam-

ily, it's possible."

Dawn uses her van when Minot's accessible transit buses aren't available. Rather than fight Minot's heavy traffic, she uses the van only when necessary.

NDAD first assisted Dawn in 2002, shortly after she returned to Minot, where she was raised and where her mother still lives.

Olson had spent 22 years in Utah, first as a Brigham Young University student, then for years as an IRS tax examining clerk. But six months after she was back in North Dakota, Dawn was laid off from her job at Minot's IRS office.

That made the timing of NDAD's assistance all the more helpful, she recalled. The nonprofit organization provided general assistance with a modification of the condominium she purchased, she said.

"I've always, always, always appreciated their support and assistance," Dawn said about NDAD. "They have been so generous to me over the years."

**DID YOU KNOW?** Wheelin' & Dealin' online advertisements, courtesy of NDAD, provide a forum for people to buy or sell new or used assistive equipment. Ads are listed at NDAD.org. To place, remove or extend an ad, please call (800) 532-NDAD.





**NDAD**

*helping others to help themselves*

North Dakota Association for the Disabled, Inc.  
2660 S. Columbia Road  
Grand Forks, ND 58201

**RETURN SERVICE REQUESTED**

Non-Profit Org.  
U.S. Postage Paid  
Fargo, ND  
Permit #1159

NDAD is a nonprofit, charitable organization founded by concerned citizens to assist mentally and physically disadvantaged people in North Dakota, many of whom are not eligible for services from other agencies.

Disabling conditions often are very costly. NDAD was founded on the belief that people with disabilities, when given the opportunity, can live more satisfying, productive lives — and NDAD has helped thousands do just that since its creation in 1975. This often requires the purchase of specialized equipment, medical treatment, or other services.

NDAD provides financial assistance through funds generated by both the organization and community projects. NDAD also provides information and referral services to help people receive assistance through other agencies, when possible.

**It's AMAZING what people can do when there's help.**

**Visit us online at [NDAD.org](http://NDAD.org)**

 [facebook.com/ndad.nd](https://facebook.com/ndad.nd)  
 [ndad.areavoices.com](mailto:ndad.areavoices.com)  
 [twitter.com/ndad4you](https://twitter.com/ndad4you)

## **NDAD OFFICES**

### **GRAND FORKS**

#### **Main Office**

(701) 775-5577  
(800) 532-NDAD

2660 S. Columbia Road  
Grand Forks, ND 58201

#### **FARGO**

(701) 281-8215  
(888) 363-NDAD

21 University Drive N.  
Fargo, ND 58102

#### **MINOT**

(701) 838-8414  
(888) 999-NDAD

1808 20th Ave. S.E.  
Minot, ND 58701

#### **WILLISTON**

(701) 774-0741  
(877) 777-NDAD

P.O. Box 1503  
309 Washington Ave.  
Williston, ND 58801

Please contact NDAD if you would like to be added to or removed from our newsletter mailing list.

House Judiciary Committee  
House Bill No. 1235  
Bingo  
1/27/15

# 9  
HB1235  
1-27-15  
pg 1

Mr. Chairman and members of the Committee, my name is Deb McDaniel. I am the Director of the Gaming Division with the Office of Attorney General.

The Office of Attorney General takes a neutral stance on this bill.

Our office spoke with the prime sponsor and other interested parties and explained that the bill as written would have enforcement issues, among which are the following:

- This bill attempts to define the game and the play of the game, which has historically been done administratively through the rules. The first sentence fails to include the requirement of a pre-designated pattern as part of the definition of bingo – as written it could imply or allow for keno, which is a covering of a certain number of called numbers without a pattern being needed.
- This bill as written also eliminates the requirement of a bingo winner for any bingo game. Currently there is only one type of bingo game in which all the bingo numbers used in the game are predrawn and does not require that there be a winner of that game.

With the permission of the Chairman, we'd like to request some time to work with the sponsor and interested parties to kraft an amendment addressing these issues and possibly tweak or polish the bill to a level, where, if favored by the committee and passed by the House, would fit seamlessly into existing gaming law,

Thank you, Mr. Chairman, and I will try to respond to any questions you may have.



## PROPOSED AMENDMENTS TO HOUSE BILL NO. 1235

Page 1, line 2, after "of" insert "electronic quick shot"

Page 1, line 6, replace "**Bingo**" with "**Electronic Quick Shot Bingo**"

Page 1, replace lines 7 through 23 with:

- "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 pre-drawn 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 prior to 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 section 12.1-28-02(4)."

Page 2, remove lines 1 through 9

Renumber accordingly

**Testimony in Support of HB 1235**

**Senate Judiciary Committee**

**March 9, 2015**

Chairman Hogue, Senate Judiciary Committee members, for the record my name is ~~Alex Kelsch~~ *Todd Kranda*. I am an attorney with the law firm of Kelsch, Kelsch Ruff & Kranda in Mandan and I appear before you today as a lobbyist on behalf of the Charitable Gaming Association of North Dakota (CGAND) to express support for HB 1235 regarding electronic quick shot bingo. The intention of HB1235 is to allow the Charities to continue playing the game of electronic quickshot bingo as they have for the last four years

CGAND is a statewide association of charitable gaming organizations. They have a diverse membership varying from clubs to small organizations in all regions of the state and represents a majority of the charitable gaming in North Dakota. The mission of CGAND is to "Preserve gaming as a funding source for charitable purposes." Attached to this testimony is a copy of the Summary of Eligible Use Contributions from the Attorney General's Gaming Division office showing the different types of charitable contributions made and the needs and programs that are supported across the state by the charities (See Tab #1).

Several individuals from CGAND and its member organizations are here to testify in support of HB 1235. However, before they do I would like to give a brief description of quick shot bingo and identify its history. Quick shot bingo is a variation of the

typical bingo game most are used to playing in the bingo halls. Twenty-four letter and number combinations are drawn at the beginning of a quick shot bingo session and displayed in the establishment. Players are then able to buy sealed bingo cards, open them, and mark the spaces that correspond with the pre-drawn and displayed letters and numbers. Electronic quick shot bingo is the same game as quick shot bingo, but it is played on a portable hand-held bingo device utilizing electronic bingo card images. Once the player buys a card, it appears on their screen and is automatically marked with the pre-drawn letters and numbers. Players using the paper bingo cards and the portable hand-held bingo devices play the game using the same pre-drawn letters and numbers.

Quick shot bingo has been played in North Dakota for years and is currently allowable under the Administrative Code. (See Tab #2). The electronic version of quick shot bingo has been played in North Dakota since mid-2010 and the Administrative Rules were adopted in July of 2012 that allowed for the regulation of electronic quick shot bingo. (See Tab #3). A November 28, 2014 legal opinion from the Attorney General's Office was issued declaring that Electronic Quickshot Bingo Card Marking Devices were not allowable under North Dakota law, specifically, section 12.1-28-02(4) relating to coin-operated gaming devices. As of December 1, 2014, as a result of this AG's Opinion, electronic quick shot bingo is no longer legal in North Dakota. A brief timeline concerning electronic quick shot

HB 1235  
3/9/15

bingo is included in my testimony today. (See Tab #4).

The bill before you today was amended in the House. After the hearing on HB 1235 in the House Judiciary committee, CGAND and the Attorney General's Office worked together to develop the language you see before you today. I have as part of my packet the sections of the administrative code that pertain to both bingo and quick shot bingo so that you can review what was in place previously and how this bill was formed. This bill does not expand gaming in any way, in fact, it only codifies what has been allowed for years.

In conclusion, on behalf of CGAND I ask for your favorable consideration of this legislation and in doing so, I also ask for your support of the local charities that would benefit from this electronic quick shot bingo legislation. Electronic quick shot bingo was a legal game in North Dakota until December 1, 2014. This legislation is not an expansion of gaming. As stated others are here from the charitable gaming industry to testify and respond to any specific questions. However, I would be willing to try answer any questions at this time.

Please give **HB 1235** a **DO PASS** recommendation.

Mr. Chairman and members of the Senate Judiciary Committee, I would like to introduce the next speaker. CGAND has asked Brian Walters, a technician, to appear before you today to offer a demonstration of electronic quick shot bingo.

User: DMCDANIE

North Dakota Office of Attorney General  
Summary of Eligible Use Contributions

Page: 1  
01/20/15 13:07:11

Fiscal Year: 2014  
Quarter: All

Eligible Code	Description	Check Amount	% of Grand Total
A-02	THE ABUSED	115,821	0.6
A-03	ALCOHOL AND DRUG ABUSE	6,126	0.0
A-04	ANIMAL PROTECTION	10,537	0.1
A-05	ALZHEIMERS	4,146	0.0
A-07	THE BLIND	14,911	0.1
A-08	CANCER	122,118	0.7
A-11	CYSTIC FIBROSIS	263,877	1.4
A-12	DIABETES	12,500	0.1
A-15	THE DISABLED	130,685	0.7
A-18	HEART DISEASE	4,250	0.0
A-20	LEARNING DISABILITIES	1,650	0.0
A-24	MENTAL HEALTH	304,302	1.7
A-25	MULTIPLE SCLEROSIS	50	0.0
A-26	MUSCULAR DYSTROPHY	1,825	0.0
A-27	THE NEEDY	159,796	0.9
A-28	PARALYSIS	1,250	0.0
A-29	DEVELOPMENTALLY DISABLED CITIZENS	1,078,708	5.9
A-30	SENIOR CITIZENS	211,031	1.2
A-32	TERMINALLY ILL	43,270	0.2
A-36	WILDLIFE	418,532	2.3
A-37	YOUTH ACTIVITIES	3,986,968	21.8
A-46	ADULT ACTIVITIES	250,424	1.4
A-47	HEAD INJURIES	3,125	0.0
A-58	HOME ON THE RANGE	22,980	0.1
A-61	MARCH OF DIMES	1,550	0.0
A-64	MEALS ON WHEELS	8,920	0.0
A-65	MEDICAL FACILITIES NON-PROFIT	158,780	0.9
A-67	MEMORIAL FUNDS	5,855	0.0
A-70	NURSING HOMES NON-PROFIT	55,327	0.3
A-80	RONALD MCDONALD HOUSE	5,500	0.0
A-81	RED CROSS	650	0.0
A-82	SALVATION ARMY	13,150	0.1
A-88	SPECIAL OLYMPICS	142,269	0.8
A-90	DISASTER RELIEF ORGANIZATIONS	6,110	0.0
A-91	UNITED FUND/UNITED WAY	4,000	0.0
A-94	YMCA/YWCA	8,075	0.0
A-97	VOLUNTEER SERVICES	18,740	0.1
A-99	OTHER	68,663	0.4

Subtotal Of Contributions: \$7,666,471 Percent to Grand Total: 41.9%

HB 1235  
3/6/15

1-5  
User: DMCDANIE

North Dakota Office of Attorney General  
Summary of Eligible Use Contributions

Page: 2  
01/20/15 13:07:11

Fiscal Year: 2014  
Quarter: All

Eligible Code	Description	Check Amount	% of Grand Total
B-10	RELIGIOUS USES	284,130	1.6
Subtotal Of Contributions:		\$284,130	Percent to Grand Total: 1.6%

Eligible Code	Description	Check Amount	% of Grand Total
C-10	AGRICULTURE	24,655	0.1
C-20	THE ARTS	389,556	2.1
C-25	EDUCATIONAL PUBLIC SERVICES	942,491	5.2
C-30	SAFETY	22,700	0.1
C-40	4-H ACTIVITIES	35,758	0.2
C-50	EDUCATIONAL INSTITUTIONS AND A	1,118,192	6.1
C-75	PERSERVATION OF CULTURAL HERIT	384,102	2.1
C-80	SCHOLARSHIPS	1,269,463	6.9
C-90	VOCATIONAL WORKSHOPS	10,628	0.1
C-99	OTHER	20,762	0.1
Subtotal Of Contributions:		\$4,218,307	Percent to Grand Total: 23.1%

Eligible Code	Description	Check Amount	% of Grand Total
D-10	CAMP GRASSICK	7,989	0.0
D-20	FRATERNAL FOUNDATION:	129,182	0.7
D-30	LEGION BASEBALL	334,441	1.8
D-40	VETERAN'S CEMETARY	32,685	0.2
D-50	DISABLED OR INJURED VETERANS A	73,479	0.4
D-60	MILITARY FAMILY SUPPORT	49,145	0.3
D-99	OTHER	26,161	0.1
Subtotal Of Contributions:		\$653,082	Percent to Grand Total: 3.6%

HB 1235  
3/9/15

1-6  
User: DMCDANIE

North Dakota Office of Attorney General  
Summary of Eligible Use Contributions

Page: 3  
01/20/15 13:07:11

Fiscal Year: 2014  
Quarter: All

Eligible Code	Description	Check Amount	% of Grand Total
E-10	SCOUTING ACTIVITIES AND BOYS O	77,436	0.4
E-30	COMMUNITY BANDS, COLOR AND HONOR GUARDS, FLAG	380,265	2.1
E-99	OTHER	14,251	0.1
Subtotal Of Contributions:		\$471,952	Percent to Grand Total: 2.6%

Eligible Code	Description	Check Amount	% of Grand Total
F-10	ERECTION OR MAINTENANCE OF PUB	362,562	2.0
Subtotal Of Contributions:		\$362,562	Percent to Grand Total: 2.0%

Eligible Code	Description	Check Amount	% of Grand Total
G-10	COMMUNITY EMERGENCY SERVICES	921,870	5.0
G-15	DISBURSEMENTS DIRECTLY TO A CI	355,051	1.9
G-25	IMPROVEMENT OF PUBLIC AREAS	146,969	0.8
G-50	PARKS AND RECREATION	1,417,552	7.8
G-60	LAW ENFORCEMENT	32,194	0.2
G-99	OTHER	29,200	0.2
Subtotal Of Contributions:		\$2,902,836	Percent to Grand Total: 15.9%

Eligible Code	Description	Check Amount	% of Grand Total
H-00	LOSS OF THE HOME VICTIMS	17,031	0.1
Subtotal Of Contributions:		\$17,031	Percent to Grand Total: 0.1%

HB 1235  
3/9/15

17  
User: DMCDANIE

North Dakota Office of Attorney General  
Summary of Eligible Use Contributions

Page:  
01/20/15 13:07:11  
HB 1235  
3/9/15

Fiscal Year: 2014  
Quarter: All

Eligible Code	Description	Check Amount	% of Grand Total
I-00	SUFFERERS OF SERIOUS DISABLING	271,248	1.5
Subtotal Of Contributions:		\$271,248	Percent to Grand Total: 1.5%

Eligible Code	Description	Check Amount	% of Grand Total
K-10	ECONOMIC DEVELOPMENT	384,614	2.1
K-30	TOURISM	738,067	4.0
K-99	OTHER	312,192	1.7
Subtotal Of Contributions:		\$1,434,873	Percent to Grand Total: 7.8%

Eligible Code	Description	Check Amount	% of Grand Total
V-00	VOIDED CHECK	0	0.0
Subtotal Of Contributions:		\$0	Percent to Grand Total: 0.0%

Total Of All Contributions: \$18,282,492

--- End of Report ---



**CHAPTER 99-01.3-04  
BINGO**

Section	
99-01.3-04-01	Bingo
99-01.3-04-02	Equipment
99-01.3-04-03	Conduct and Play
99-01.3-04-04	Cash Register
99-01.3-04-05	Tickets
99-01.3-04-06	Paper Card Count
99-01.3-04-07	Floorworker Sales Report
99-01.3-04-08	Recordkeeping

**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". 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.

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

**General Authority:** NDCC 53-06.1-01.1

**Law Implemented:** NDCC 53-06.1-01.1

**99-01.3-04-02. Equipment.** An organization shall use this equipment:

1. A device from which balls are withdrawn or a random number generator. If a random number generator is not used, a set of either seventy-five or ninety balls bearing the letters and numbers corresponding to the bingo cards in play. The balls must be stored in a safe storage place when not in use and be available for inspection by a player before a session begins. The balls must be equal size, weight, shape, and balance and must be in a receptacle before each game begins. A flashboard is optional.
2. Hard cards and paper cards, including paper cards that have two numbers in a square or enable a player to select and print numbers on a blank card, may be used. A blank card may be used if:

- 1-9
- a. A card is a two-part carbonless card with a control number and five columns of numbers;
  - b. A player shall legibly print in ink one number in each blank square. A middle square, if any, may be a free space. The numbers cannot be repeated on a card and they must correspond with the letters and numbers of the bingo balls;
  - c. After a card is completed, a player shall provide an employee with the card before the start of the game. An employee shall ensure that the numbers are legible, validate the original and duplicate parts of a card, retain the original part, and return the duplicate part to the player; and
  - d. An employee shall verify a winning player's card and match the card's original part to the duplicate part. A card must be voided if it is illegible or altered.
3. Before conducting a bingo session, an employee shall test the equipment and ensure it is working properly.
  4. An organization may not separate a collated set of paper bingo cards except to apply subsection 10 of section 99-01.3-04-03 or cut up a paper bingo card that has two or more faces on it to separately sell the cards or faces.

**History:** Effective May 1, 1998; amended effective July 1, 2000; July 1, 2002; July 1, 2010.

**General Authority:** NDCC 53-06.1-01.1

**Law Implemented:** NDCC 53-06.1-01.1

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

1. These rules and information must be disclosed or made available to players:
  - a. A person may not separate a paper card when there are two or more faces on a sheet;
  - b. A person under eighteen years of age may not play bingo unless an individual, eighteen years of age or older, accompanies a minor when buying a bingo card or package and throughout the session. The adult may not be an employee on duty. This rule does not apply if a person under twenty-one years of age is not allowed on the site or an organization has a permit or prize structure that does not exceed the limit of a permit;
  - c. If an organization does not restrict duplicate paper cards from being in play for a game, it shall disclose or make available

**CHAPTER 99-01.3-04.1**  
**QUICK SHOT BINGO CARD MARKING DEVICES**

Section

99-01.3-04.1-01	Quick Shot Bingo Card Marking Devices
99-01.3-04.1-02	Equipment
99-01.3-04.1-03	Conduct and Play
99-01.3-04.1-04	Recordkeeping

**99-01.3-04.1-01. Quick shot bingo card marking devices.** "Quick shot bingo card marking devices" means a device used to play a quick shot bingo game where letters and numbers are predrawn and players purchase sealed bingo cards on the device which are matched against the predrawn letters and numbers. If a predetermined pattern is achieved, then the player wins a prize based on a specific prize table. Because the game has all of its letters and numbers predrawn, there may or may not be a winning player for each game played. A player is not required to say the word "bingo" before a bingo is awarded. Before a session begins, an employee shall draw or a random number generator shall draw twenty-four balls or numbers comprised of the first five balls or numbers from each of the "B", "I", "G", and "O" rows, and the first four balls or numbers from the "N" row. Up to six additional balls or numbers may be drawn as bonus numbers. Once twenty-four balls or numbers and any bonus balls or numbers, if applicable, are selected, an employee or the related equipment shall enter the numbers into the quick shot bingo site operating system and post the selected balls or numbers prior to starting the session. A quick shot bingo card marking device and related equipment may only be sold or provided to an organization with a state gaming license.

**History:** Effective July 1, 2012.

**General Authority:** NDCC 53-06.1-01.1

**Law Implemented:** NDCC 53-06.1-01.1

**99-01.3-04.1-02. Equipment.** An organization shall use this equipment:

1. A device from which bingo balls are drawn or a random number generator. The device or random number generator must draw from a set of seventy-five balls or numbers used to determine the original twenty-four balls or numbers for play of the game and any bonus numbers, if applicable. If actual bingo balls are used, rather than a random number generator, an organization employee shall ensure that all seventy-five numbers are available prior to the draw.
2. A quick shot bingo card marking device site operating system, including a portable point-of-sale device, which allows an employee to deposit credits received from a player by cash, check, or debit card. All deposits must be received prior to play and no credit play is allowed. The quick shot bingo card marking device site operating system must store all accounting information for a session.

- 1-11
3. A quick shot bingo card marking device that allows a player to play between one and sixteen bingo cards for an individual game. When a player initiates play of the selected cards, the device may automatically mark all of the player's cards with the predrawn 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.

**History:** Effective July 1, 2012.

**General Authority:** NDCC 53-06.1-01.1

**Law Implemented:** NDCC 53-06.1-01.1

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

1. The predrawn numbers for the current session must be posted at the site. The use of a flashboard is optional. Unless there is only one employee on duty, two persons shall verify and attest to the numbers drawn or selected, numbers posted, and numbers entered into the quick shot bingo card marking device site operating system for the current session. Players are not allowed to pick any numbers to match for a quick shot bingo game or bonus feature. No bingo session may extend beyond the end of a business day.
2. Players are responsible for safeguarding their receipt with the designated control number to track all deposits on a quick shot bingo card marking device. A player's receipt must be presented when redeeming prizes or cashing out credits.
3. If a player has a winning prize pattern, all prize winnings must be awarded to players in a separate winnings account on a quick shot bingo card marking device. Automatic transfer by the player of any winnings balance to the credit (deposit) balance on the device is prohibited. All payouts of winnings must be transacted by an organization employee.
4. A player must not be required to forfeit any winnings or make an additional wager in order to receive a bonus game or feature.
5. These rules and information must be disclosed or made available to players:
  - a. If applicable, a person under eighteen years of age may not play 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;
  - b. The actual letters and numbers predrawn by the organization are official;

- c. If a person knowingly uses a fraudulent scheme or technique to cheat or skim involving bingo, regardless of the amount gained, the offense is a class C felony punishable by a five thousand dollar fine or five years in jail or both;
  - d. A quick shot bingo card marking device may not be taken outside of the gaming area;
  - e. An employee may only assist a player in how to use a quick shot bingo card marking device;
  - f. No player can use more than one quick shot bingo card marking device at a time during a session;
  - g. If a player attempts to falsify or falsifies a record of win, the prize is forfeited;
  - h. That a player may not sell the remaining credits on a device to another player; and
  - i. A player must present the player's receipt when redeeming prizes or cashing out credits.
6. These policies and information must be disclosed to players:
- a. A policy that if a player has more than one winning bingo pattern on a card, whether the highest prize pattern will be awarded or all winning prize patterns will be awarded;
  - b. A policy in the event that a player has lost the player's receipt;
  - c. A policy when an organization may cancel a session due to power outage, quick shot bingo card marking device site operating system being down, or any transmission problems; and
  - d. If applicable, a policy regarding use of a quick shot bingo card marking device and additional paper bingo cards at the same time.
7. An employee or floorworker must use a point-of-sale device when adding additional credits (deposits) and redeeming winnings for additional credits (deposits) involving a quick shot bingo card marking device provided that all transactions are accounted for according to the manufacturing specifications in section 99-01.3-16-09.4.
8. A quick shot bingo card marking device cannot be reserved for a player. An organization shall provide each player an equal opportunity to use the available devices on a first-come, first-served basis.

9. An organization may pay a fixed rate per quick shot bingo card marking device or a fixed fee per bingo card sold. No payment for use of a device may be based on a percentage of the gross proceeds or net income earned.
10. A receipt must comply with paragraph 1 of subdivision i of subsection 13 of section 99-01.3-16-09.4.
11. All prizes awarded must be cash.
12. No quick shot bingo games may be played with a progressive prize unless authorized by the attorney general.
13. A separate cash bank must be used with quick shot bingo card marking devices at a site. All deposits must be separately identified from other game types, including other bingo games conducted at a site.
14. Unredeemed credits on a quick shot bingo card marking device are not considered to be gross proceeds but rather is cash profit. Unclaimed prizes on the device are subtracted from total prizes won in calculating the adjusted gross proceeds.
15. An organization shall deactivate an employee password within forty-eight hours of that employee leaving employment. Passwords for employees of a site must be changed every six months.
16. No discount, gift certificates, or promotions are allowed unless authorized by the attorney general.

**History:** Effective July 1, 2012.

**General Authority:** NDCC 53-06.1-01.1

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

**99-01.3-04.1-04. Recordkeeping.** Records must include and be retained for three years from the end of the quarter in which the activity was reported, unless otherwise provided by rule:

1. For each session:
  - a. The quick shot bingo site operating system involving a bingo card marking device must include the summary report for the session according to paragraph 2 of subdivision i of subsection 13 of section 99-01.3-16-09.4.
  - b. The starting and ending cash on hand and IOU records according to section 99-01.3-03-06;
  - c. A summary of the gross proceeds, unplayed credit cashed out, unredeemed credits, prizes, unclaimed prizes, adjusted gross

1-14

proceeds, cash profit, cash long and short, and bank deposit. The summaries of all sessions for a quarter must reconcile to the tax return;

- d. Record of win according to section 99-01.3-03-08; and
  - e. Record of the balls or numbers predrawn, including bonus numbers and a record of numbers actually entered into the quick shot bingo card marking device site operating system.
- 2. Ideal cash bank master records according to subsection 4 of section 99-01.3-03-09.
  - 3. The cash profit defined in subdivision a of subsection 6 of section 99-01.3-02-01, verification of the amount deposited according to a bank statement, and an audit of the game's activity according to section 99-01.3-03-10.

**History:** Effective July 1, 2012.

**General Authority:** NDCC 53-06.1-01.1

**Law Implemented:** NDCC 53-06.1-01.1

HB 1235  
3/9/15

### Timeline:

1997: A memorandum from Bob Bennett, Office of Attorney General, was issued to the ND Gaming Division allowing for the use of Electronic, Portable, Hand-Held Bingo Playing Devices.

- Since the late 1990's Bingo Card Marking Devices have been used in ND.
- Administrative rules were adopted and approved by legislators.

2009: Manufacturers and charities were working with ND AG's Office regarding compliance of Quickshot Bingo Card Marking Devices.

March 18<sup>th</sup>, 2010: ND State Gaming Commission requested the Office of Attorney General's Gaming Division conduct a field test for Quickshot bingo games conducted on Bingo Card Marking Devices.

July 21<sup>st</sup>, 2010: Guidelines for Quickshot Bingo Card Marking Devices and record-keeping forms were issued from the AG's Gaming Division. Charities began to test market July/August 2010.

- Deputy Trenbeath from the Office of the Attorney General reviewed and played the Quickshot Bingo Card Marking Devices during the test market period – did not see a problem with them at that time.

Spring 2012: Administrative Code for Quickshot Bingo Card Marking Devices was written and approved by the ND Gaming Commission.

Spring 2012: Office of the Attorney General reviewed and approved new administrative code written for Quickshot Bingo Card Marking Devices.

June 2012: Legislative Rules Committee reviewed and approved new Administrative Code for Quickshot Bingo Card Marking Devices.

July 2012: ND Administrative Rules were adopted to allow for the regulation of Quickshot Bingo Card Marking Devices.

November 13<sup>th</sup> 2014: ND Gaming Commission requested a legal opinion from ND Office of Attorney General in regard to the Quickshot Bingo Card Marking Devices.

November 28<sup>th</sup>, 2014: ND Office of Attorney General issued legal opinion stating Quickshot Bingo Card Marking Devices are not allowed under ND law.



2-1  
3-9-15  
HB 1235

## Quick Shot Bingo on Paper



### What is it?

A form of Bonanza Bingo that has been played in ND for several decades in which all of the bingo numbers are pre-drawn.

### How are the numbers drawn?

Employee draws 24 bingo numbers via random number generator or bingo ball selection device.

These 24 bingo numbers are posted and used throughout the entire session and all players play the same numbers.

### How do players purchase their cards?

Players purchase sealed bingo cards from an employee at a point of sale system or a floorwalker.

### How do you play the game?

Players match the pre-drawn 24 numbers against their bingo cards and manually mark the corresponding squares.

Players may purchase Quick Shot Bingo cards at any time throughout the bingo session. All wins must be turned in prior to the end of the bingo session and cannot be carried over to the next session. Bingo session may not extend beyond the end of a business day.

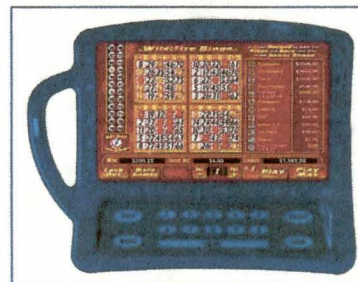
### How do you win?

If any of the pre-defined patterns are achieved, the player wins the associated prize. Typically different patterns have a different prize value.

### How does a player collect their winnings?

For any winning cards, Player returns the winning cards to an employee who will verify the win and pay in cash the associated prizes.

## Quick Shot Bingo on Bingo Card Marking Device



### What is it?

A form of Bonanza Bingo that has been played in ND since 2010 in which all of the bingo numbers are pre-drawn. Bingo has been played on bingo card marking devices since 1997.

### How are the numbers drawn?

Employee draws 24 bingo numbers via random number generator or bingo ball selection device.

These 24 bingo numbers are posted and used throughout the entire session and all players play the same numbers.

### How do players purchase their cards?

Players give cash to an employee at a point of sale using a site system server to deposit into a temporary account. The player can then access their account to purchase sealed bingo cards from the bingo card marking device.

### How do you play the game?

Players match the pre-drawn 24 numbers against their bingo cards and electronically mark the corresponding squares either manually or automatically via Wi-Fi or RF signal.

Players may purchase Quick Shot Bingo cards at any time throughout the bingo session. All wins must be turned in prior to the end of the bingo session and cannot be carried over to the next session. Bingo session may not extend beyond the end of a business day.

### How do you win?

If any of the pre-defined patterns are achieved, the player wins the associated prize. Typically different patterns have a different prize value.

### How does a player collect their winnings?

For any winning cards, the site system server will keep track of any winning cards and the Player may return at any time to the point-of-sale where an employee will verify any wins and pay in cash the associated prizes. At no time is the player able to use their winnings on their device to "play-back" or purchase additional bingo cards.

3-1

# B I N G O



10	24	41	60	64
7	28	33	54	70
3	25	FREE 2279	49	66
1	29	43	55	63
15	22	34	51	74

HB 1235  
3/9/15

2279

3-1  
HB 1235  
3/9/15

**HOUSE BILL 1235  
SENATE JUDICIARY COMMITTEE  
TESTIMONY SUBMITTED BY TRACI LADOUCEUR  
MARCH 9<sup>TH</sup>, 2015**

**POSITIVE IMPACT ON CHARITIES IN NORTH DAKOTA FROM  
QUICKSHOT BINGO REVENUE:**

July 1, 2012 through September 30, 2014			
Quickshot Bingo Gross Revenue	\$	15,301,263	
Quickshot Bingo Prizes	\$	13,084,676	
Quickshot Bingo Revenue after Prizes	\$	2,216,587	
Approximate Taxes Paid on Gross Revenue	\$	304,839	
* Organizations taxes based on two tier system			
<b>Quickshot Bingo Revenue after Prizes and Taxes</b>		<b>\$</b>	<b>1,911,748</b>

- These numbers are from the most recent nine quarters out of seventeen quarters in operation. Quickshot Bingo was not required to be reported separately on the required gaming tax returns filed with the Attorney General's office until July 1, 2012 – prior to that it was reported with all other bingo revenue.

## Quick Shot Bingo Card Marking Devices Common Misconceptions

**STATEMENT:** Quick Shot Bingo Card Marking Devices (QSBCMD) are electronic gaming devices or coin operated gaming device.

**RESPONSE:** **False.** QSBCMD's are neither an electronic gaming device nor a coin operated gaming device.

1. No paper currency, coin, token, ticket or similar object is inserted into these machines. The machines are portable, they have no mechanical mechanism to receive any of these objects. These devices do not have any mechanical mechanism to dispense any paper currency, coin, token, ticket or similar object either.
2. Devices are not stand alone self-contained games, they depend on a site system server to operate and all players play against the same set of bingo numbers.
3. Devices do not have a random number generator. Numbers are pre-called and posted just like paper quick shot bingo games and bonanza bingo games. Card faces are not revealed until after the player has purchased them, also just like paper quick shot and bonanza bingo.
4. Play of quick shot bingo on a QSBCMD is limited to the current session. Players cannot roll over any deposits to the next session and must collect their prizes from an employee prior to the end of the session. This is not true of electronic gaming and coin operated gaming devices.
5. QSBCMD's site system server keeps track electronically of each player's bingo cards purchased and can even print bingo cards to paper. This is not true of electronic gaming and coin operated gaming devices.

**STATEMENT:** Quick Shot Bingo Card Marking Devices "simulate" a game of quick shot bingo and is a game of chance.

**RESPONSE:** **False.**

1. These devices do not have a finite number of outcomes that are randomly selected as a slot machine does.
2. The bingo cards are not pre-played.
3. Card faces are not revealed until a player purchases the cards and it is then matched against the pre-drawn numbers and the corresponding boxes are marked on the card. The outcome of the game is not known until card is marked and it is the pattern achieved that determines the win.
4. Possible outcomes are nearly infinite considering the different bingo card configurations and pre-drawn 24 number combinations.

**STATEMENT:** Quick Shot Bingo Card Marking Devices keeps track of a players' winnings.

**RESPONSE:** **False.** It is actually the site system server that keeps track of a player's winning cards and the QSBCMD merely displays this for the player. Additionally, the player's winnings are kept separate from any deposits the player has made and can only access these wins by returning to an employee who verifies their winnings and pays out their wins in cash. This is no different than someone who plays paper quick shot or pulltabs and holds their winners and brings them all up to an employee to be verified and paid in cash. Also, certain pulltab dispensing devices in operation in ND keep track of the player's credits and allow you to feed your winning tickets back in through a bar code reader and adds the winnings back to their credits.

**STATEMENT:** Players can pick their bet amount and denomination played on a Quick Shot Bingo Card Marking Devices .

**RESPONSE:** **False.** Players can only purchase bingo cards at the price levels the Organization has chosen to offer at the site. Just like in paper session bingo, players have the option in nearly every bingo hall across the state to purchase different levels of bingo cards at different prices with a corresponding different prize value. This is a setting in the QSBCMD site system in which denominations an Organization chooses to offer at the site are configured by the manufacturer.

b-1

**HOUSE BILL 1235**  
**SENATE JUDICIARY COMMITTEE**  
**TESTIMONY SUBMITTED BY TRACI LADOUCEUR**  
**MARCH 9<sup>TH</sup>, 2015**

**CITIZEN ASSISTANCE PROGRAMS REVENUE:**

January 1, 2012 through December 31, 2014			
	All Game Types	Quickshot Bingo	Quickshot %age
CAP Total Gross Revenue	\$ 3,008,969	\$ 1,137,407	38%
CAP Prizes	\$ 2,561,682	\$ 984,273	38%
CAP Revenue after Prizes	\$ 447,287	\$ 153,134	34%
Taxes Paid on Gross Revenue	\$ 30,090	\$ 11,374	38%
Revenue after Prizes and Taxes	\$ 417,197	\$ 141,760	34%
CAP Expenses	\$ 276,960	\$ 23,607	9%
CAP Revenue after Prizes and Taxes	\$ 140,237	\$ 118,153	84%

- Citizen Assistance Programs operates two sites in Grand Forks. These numbers are from one site that offered Quick Shot Bingo as a game type.
- Citizen Assistance Programs is a charitable non-profit organization founded for the purpose of identifying the mentally, physically, or otherwise disadvantaged individuals to extend services to them and to assist individuals who have experienced catastrophic events. Citizen Assistance Programs funds generated by the organization are used for medical equipment and supplies, accessibility and transportation.



**HOUSE BILL 1235**  
**SENATE JUDICIARY COMMITTEE**  
TESTIMONY SUBMITTED BY JANELLE MITZEL  
MARCH 9<sup>TH</sup>, 2015

**DEVELOPMENT HOMES, INC:**

- Nonprofit in Grand Forks providing community based support services to persons with disabilities
- Residential Services including seven groups homes and independent living settings
- Vocational Services including job training and placement
- Family Services including respite care and in-home support
- Approximately 200 children and adults served through all stages of life
- 11<sup>th</sup> largest employer in Grand Forks, employing approximately 450 people

**DHI QUICK SHOT BINGO REVENUE AFTER PRIZES/TAXES/EXPENSES:**

- 2011 - \$293,000                      2012 - \$309,000
- 2013 - \$251,000                      2014 - \$347,000
  - Over \$1.2 Million Revenue in 4 years
  - Over 75% of DHI Gaming Income

**GAMING REVENUE USES:**

- Provides financial funds necessary to supplement new projects, such as bricks & mortar
- Specialized adaptive equipment for persons served
- Urgent/Crisis Care needs for persons served
- Basic Care Needs, such as eyeglasses, shoes, clothing
- Specialized training for professional staff including nurses and social workers
- Grants to ND communities funding local needs, including police equipment, literacy adaptive equipment and software, drug & alcohol prevention, and substance abuse and mental health professional facilitators

Quick Shot Bingo is a useful game type for rural locations because of minimal costs and limited staffing requirements.

These devices had been offered in approximately 55 locations across North Dakota in the 4 ½ years of allowable operation. Due to limited manufacturing resources in 2014 there were 18 locations offering Quick Shot bingo. Organizations, including DHI, were scheduled for additional quick shot locations.

DHI would appreciate your support today to continue providing critical services to the most vulnerable citizens of our state.

**HOUSE BILL 1235**  
**SENATE JUDICIARY COMMITTEE**  
**TESTIMONY SUBMITTED BY DON SANTER**  
**MARCH 9, 2015**

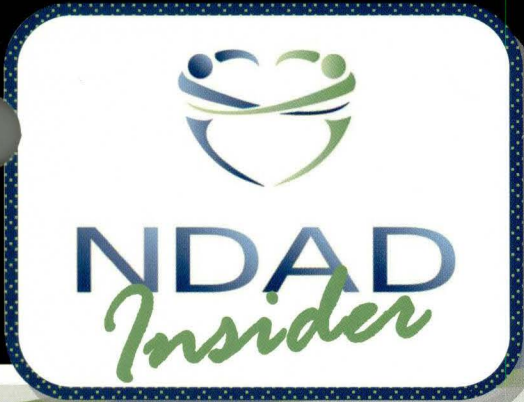
**POSITIVE IMPACT ON CHARITIES IN NORTH DAKOTA FROM QUICKSHOT BINGO REVENUE:**

- North Dakota Association for the Disabled (NDAD) provides direct financial assistance for personal attendant care, medical equipment and supplies, accessibility, medical travel expenses, medication, transportation, and recreational activities for people with disabilities.
- NDAD also provides information, referral and advocacy services – a major goal of NDAD is to assist people in receiving help through other agencies whenever possible. NDAD protects the rights of people with disabilities, doing all we can to ensure they receive services to which they are entitled from the appropriate agencies.
- NDAD generated almost 1 million in gaming revenue from Quick Shot Bingo over the past four years.
- Due to the loss of this revenue NDAD will have to consider cuts to services and direct financial assistance to persons with disabilities in 2015.

<b>North Dakota Association for the Disabled</b>					
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>Total</b>
Quick Shot Bingo Gross Revenue	\$3,096,681	\$3,251,196	\$1,859,275	\$1,427,503	\$9,634,655
Quick Shot Prizes	\$2,669,036	\$2,829,305	\$1,586,208	\$1,224,592	\$8,309,141
Revenue after Prizes	\$427,645	\$421,892	\$273,067	\$202,911	\$1,325,514
Taxes Paid on Quick Shot Gross Revenue	\$71,831	\$81,280	\$40,841	\$27,274	\$221,226
Revenue after Prizes and Taxes	\$355,814	\$340,612	\$232,226	\$175,637	\$1,104,288
Expense of Quick Shot Bingo	\$65,753	\$55,304	\$36,593	\$29,279	\$186,929
Revenue after Prizes/Taxes/Expenses	\$290,061	\$285,308	\$195,633	\$146,358	\$917,359



8-2



## In this issue

- Who borrows NDAD equipment P.3
- Minot woman grateful for NDAD help P.3

WINTER EDITION 2015

Lisa Nelson and  
her daughter,  
Brooke Carlson

# SIZING UP BROOKE

Forks mom gets right fit for  
daughter via NDAD's free  
equipment loan program



The doctor gave Brooke Carlson a restriction she simply had to follow: no running, walking or putting weight on her hips for one year's time.

Hardly the type of restriction welcomed by an 8-year-old active in gymnastics since she was 2.

**BROOKE: Continued on Page 2**

Story and photos by Mike Brue

## NDAD'S MISSION

HB1235  
3/9/15

Enhance the quality of lives of  
individuals facing health challenges.



## BROOKE

### Continued from Page 1

Still, Brooke recalls the pain she felt in the summer. Her mom, Lisa Nelson, recalls when she realized it was not a minor ache.

"I just assumed she hurt her groin because she had been doing the splits," Nelson said. "We knew it meant business when she asked to see the doctors."

Turns out Brooke has Legg-Calve-Perthes, a childhood disease that involves one hip or occasionally both.

According to Mayo Clinic's website, Legg-Calve-Perthes occurs when the ball portion of the hip joint — the intersection of the pelvis and thighbone — receives inadequate blood supply. That causes the bone to become unstable and even die, which leaves it vulnerable to breaking easily and healing poorly. The ball portion of the joint loses its round shape, introducing friction.

"In an adult, it's an arthritic hip," Nelson said. "In children, we just can't leave that alone because it's growing."

For Brooke, the course of action was to reposition her right hip during a procedure done Sept. 5 at Gillette Children's Specialty Healthcare in St. Paul. She missed several weeks of school.

Brooke and her mom were sent home with an adult wheelchair to use. Brooke adjusted somewhat but she couldn't maneuver the larger chair easily.

It was so large, heavy and awkward that Nelson struggled to lift it in and out of her car. She needed help — usually from her husband, Michael Nelson — but their work schedules meant he wasn't always available to assist.

"We were really just stuck," Carlson recalled.

In mid-October, while seeking a quick, temporary solution, one of the doctors at her employer — Valley Bone and Joint — suggested she try calling charitable nonprofit NDAD, which has a temporary assistive equipment loan program.

Nelson called and learned that a smaller chair was available, and immediately she drove a few minutes to NDAD's Grand



Brooke Carlson, 8, of Grand Forks.

Forks office near Columbia Mall.

"Within five minutes, I had a chair in my car," Nelson recalled. "I was just ecstatic. It was totally perfect."

Brooke's reaction when she saw it: "It's tiny!"

She transferred herself into the smaller chair, took it for a spin and was able to maneuver it much more easily — so much so, her mom made a quick video of her daughter and posted it on NDAD's Facebook page, with their thanks.

The family's Labrador retrievers, Bella and Shadow, were eager to follow Brooke, too.

"Loves it. Doesn't like the thought of having to give it back" once the equipment loan ends, Nelson said.

NDAD short-term equipment loans typically run for up to 90 days.

As for her Legg-Calve-Perthes, Brooke "is really accustomed to it," Nelson said. "She definitely has learned to live with what she has. She does incredibly well. People have been very accommodating, too."

Brooke's time as a gymnast probably is over.

In fact, the Grand Forks girl has been advised to stay away from aggressive impact sports in her life to avoid making her hip issues worse.

"At some point, she probably will need hip replacement — between 35 and 50" years of age, Nelson said. "We need to do as much as we can to protect her" from worsening problems.

Brooke has started swimming several days a week at Grand Forks YMCA pool.

"She took off like a fish as soon as she got in the pool," her mom said.

But the 8-year-old isn't stopping there.

According to her mom, who recently began a second career as a certified health coach, Brooke Carlson's plan "is that she and I open up a yoga studio together."

It just might be an ideal fit.

### About NDAD Insider

Mike Brue - Editor & Communications Director  
mbrue@ndad.org | (701) 795-6605

Please contact us if you'd like more copies.

NDAD Insider is published four times a year.  
Alternating editions are digital publications only.

HB1235  
3/9/15



## NDAD lends equipment

NDAD's short-term equipment loan program is available through its Grand Forks, Minot, Fargo and Williston offices. It's a free service.

The equipment is used by people who have been injured or who are recovering from illnesses or surgery, and by people with congenital or other long-term health challenges. Some people need the equipment for only a short period of time. Others borrow equipment for days or weeks — up to three months allowed — until they purchase similar equipment themselves, through insurance providers or with NDAD's help.

Estimated total savings by North Dakota residents who used NDAD's short-term equipment loan program in 2013 was almost \$285,000.

The equipment loan program includes manual and power wheelchairs and accessories; scooters; shower chairs and benches; crutches; walkers, knee walkers, walker trays and transport chairs; bed rails; reachers; transfer benches; portable ramps; canes of various types; IV poles; bathtub and shower safety railings; commodes, gait belts and grab bars; and toilet seat risers, rails and safety frames.

Grand Forks and Minot, NDAD has accessible vans available for use for short trips.

For more information, call (800) 532-NDAD.



Images from a 2011 Minot TV news report on KXMC about Dawn Olson's cold, sometimes dangerous power chair winter rides to her job at the time.

## Minot woman says she's 'very, very thankful' for NDAD's accessibility, mobility assistance

An accessible van helps Dawn Olson maneuver the increasingly busy streets of Minot these days. She gives NDAD a share of the credit.

Olson, 55, appreciates the challenges facing people with disabilities, and her career is about helping those people.

Herself a woman with cerebral palsy who uses a power chair full time, Dawn works as an independent living specialist at Independence Inc. Before that, Olson was a consumer liaison at the North Dakota Center for Persons with Disabilities.

Until the past year, Dawn often borrowed a NDAD accessible van that's available for loan for short trips. All she had to do was find a driver to help her — Olson doesn't drive — and then make sure the gas tank was filled when she returned it.

Then, a family in Minot generously gave Dawn an older van after learning she had transportation needs. Still, the van wasn't accessible; she sought a chair lift to make it so, but she couldn't afford it without help.

With general assistance from NDAD, Olson needed to contribute less than \$200 toward the purchase and installation. Plus, she added, NDAD's paperwork "was super easy, and I'm very thankful. Very, very thankful."

"Never in a million years had I thought I would have a van. Thanks to the generosity of friends and fam-

ily, it's possible."

Dawn uses her van when Minot's accessible transit buses aren't available. Rather than fight Minot's heavy traffic, she uses the van only when necessary.

NDAD first assisted Dawn in 2002, shortly after she returned to Minot, where she was raised and where her mother still lives.

Olson had spent 22 years in Utah, first as a Brigham Young University student, then for years as an IRS tax examining clerk. But six months after she was back in North Dakota, Dawn was laid off from her job at Minot's IRS office.

That made the timing of NDAD's assistance all the more helpful, she recalled. The nonprofit organization provided general assistance with a modification of the condominium she purchased, she said.

"I've always, always, always appreciated their support and assistance," Dawn said about NDAD. "They have been so generous to me over the years."

**DID YOU KNOW?** Wheelin' & Dealin' online advertisements, courtesy of NDAD, provide a forum for people to buy or sell new or used assistive equipment. Ads are listed at NDAD.org. To place, remove or extend an ad, please call (800) 532-NDAD.

HB 1235  
3/9/15



8-5



helping others to help themselves

North Dakota Association for the Disabled, Inc.  
2660 S. Columbia Road  
Grand Forks, ND 58201

Non-Profit Org.  
U.S. Postage Paid  
Fargo, ND  
Permit #1159

**RETURN SERVICE REQUESTED**

HB 1235 3/9/15

NDAD is a nonprofit, charitable organization founded by concerned citizens to assist mentally and physically disadvantaged people in North Dakota, many of whom are not eligible for services from other agencies.

Disabling conditions often are very costly. NDAD was founded on the belief that people with disabilities, when given the opportunity, can live more satisfying, productive lives — and NDAD has helped thousands do just that since its creation in 1975. This often requires the purchase of specialized equipment, medical treatment, or other services.

NDAD provides financial assistance through funds generated by both the organization and community projects. NDAD also provides information and referral services to help people receive assistance through other agencies, when possible.

**It's AMAZING what people can do when there's help.**

**Visit us online at [NDAD.org](http://NDAD.org)**

 [facebook.com/ndad.nd](https://facebook.com/ndad.nd)  
 [ndad.areavoices.com](mailto:ndad.areavoices.com)  
 [twitter.com/ndad4you](https://twitter.com/ndad4you)

## **NDAD OFFICES**

### **GRAND FORKS**

#### **Main Office**

(701) 775-5577  
(800) 532-NDAD

2660 S. Columbia Road  
Grand Forks, ND 58201

#### **FARGO**

(701) 281-8215  
(888) 363-NDAD

21 University Drive N.  
Fargo, ND 58102

#### **MINOT**

(701) 838-8414  
(888) 999-NDAD

1808 20th Ave. S.E.  
Minot, ND 58701

#### **WILLISTON**

(701) 774-0741  
(877) 777-NDAD

P.O. Box 1503  
309 Washington Ave.  
Williston, ND 58801

*Please contact NDAD if you would like to be added to or removed from our newsletter mailing list.*

**Senate Judiciary Committee  
House Bill No. 1235  
Electronic Quick Shot Bingo  
March 9, 2015**

Mr. Chairman and members of the Committee, my name is Deb McDaniel. I am the Director of the Gaming Division with the Office of Attorney General.

The Office of Attorney General takes a neutral stance on this bill.

The Office of Attorney General has worked with the sponsor of this bill to limit the language and ensure that the bill is only addressing the specific game type of electronic quick shot bingo. We feel comfortable that this was accomplished. We would like to point out to the committee that through extensive research we have found that only a few tribal casinos in the south east part of the nation are currently conducting this electronic game. We have not found any states conducting electronic quick shot bingo and have found no laws regulating this game type. North Dakota would be the first state in the nation to regulate this electronic quick shot bingo game.