

**2015 HOUSE JUDICIARY**

**HCR 3054**

# 2015 HOUSE STANDING COMMITTEE MINUTES

Judiciary Committee  
Prairie Room, State Capitol

HCR 3054  
3/10/2015  
24588

- Subcommittee  
 Conference Committee



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

Relating to the authorization of casinos and casino-style games of chance in the state.

## Minutes:

Handout #1,

**Chairman K. Koppelman:** Opened the hearing on HCR 3054 with testimony in support.

**Rep. Maragos:** Introducing this bill. (See handout #1) This would put the question on the general election ballot on removing the restriction for casinos from the constitution.

**Rep. Mary Johnson:** Your email from Mr. Hauf says that he would like to be the bulk of the profits to education.

**Rep. Maragos:** The first thing you have to do is remove the restriction and then we would develop the legislation with regard to operation of casinos in the state.

**Rep. Mary Johnson:** But here it limits now in section 3?

**Rep. Maragos:** Yes, casinos now are illegal in the constitution.

**Rep. Mary Johnson:** So there is a statue out there that oversees the game of chance?

**Rep. Maragos:** If it would come to pass then a whole new section would have to be put in to statute for regulating casinos.

**Rep. Brabandt:** Would there be any restriction on the number of casinos?

**Rep. Maragos:** The legislature could put any perimeters they want to.

**Rep. Lois Delmore:** Are there some people who have contacted you that are very interested in the money it would take to open a casino or to do whatever?

**Rep. Maragos:** Legislative Counsel used that term in order to separate the casinos that are already here. Technically charitable gaming can have casinos, but it's a charitable

gaming and so to remove the restriction to accomplish what I think this gentleman would like you would have to remove the restriction of casinos from the constitution.

**Rep. P. Anderson:** How many casinos do we have now?

**Rep. Maragos:** We have five now.

**Rep. P. Anderson:** So actually we already do have casinos already in North Dakota?

**Rep. Maragos:** Yes they are geographically regulated.

**Rep. D. Larson:** I remember when at the time it was going to generate a lot of income for the reservations. Has that happened?

**Rep. Maragos:** We are not privy under the tribal gaming contract only the Governor or the Attorney General are allowed to review the proprietary financial information of the casinos but if you want my own perception I have to believe the economically it's done what is has supposed to, it has created jobs on the reservations and I think they probably are also gathering resources from those operations to spend for the benefit of their tribes.

**Vice Chairman Karls:** Your citizen is concerned about donating this money to education but what about the private charities that run gaming now that would be displaced or run out of business by for profit casinos.

**Rep. Maragos:** That is a very good point and that will be your decision on whether his is a good idea or not.

Opposition:

**Kurt Louger, Represents the ND Tribal Nations of ND:** I am always hesitant to oppose my dear friend Andy Maragos. But none the less with the landscape and the language in the bill I must be here today. The North Dakota Tribal Nation gaming industry has been operating in North Dakota since 1992. Together the Tribal Nations the North Dakota Executive Branch and North Dakota Legislature has worked diligently to keep a balance in gaming activities within the state. The central intent by all parties was to insure that the North Dakota Tribal Gaming Industry would be an enhancement to on reservation employment. They have been successful. We currently have 2,126 FTE's working for our establishments. That number went from zero. As you know creating industry and jobs where we live in the rural area has been a difficult thing over the decades and this is a success story. 64 percent of our tribal gaming employees are enrolled tribal members. This is the highest percentage of Native Americans working in the tribal gaming industry in the United States. In addition our employment force consists of second income, farm ranch families, retired professionals, recent college graduates and beginning employment. HCR 3054 would be devastating to that employment force. The North Dakota tribal gaming operations and their business purchased goods and services from North Dakota businesses in 2014 in excess of 70 million dollars within this state. The North Dakota tribal gaming operations made purchases in a 113 communities within the state of North Dakota. Our records show that Fargo, Grand Forks, Devil Lake, Minot, Bismarck, Mandan,

Dickinson and Williston businesses benefit most from our purchasing of goods and services. HCR 3054 would have a direct negative impact on that situation. Since 1992 the five tribal nations located in North Dakota have spent over 150 million dollars in the existing infrastructure. That includes gaming floors, event centers, highway accesses and business such as marinas, golf courses you name it we built it. The North Dakota tribal gaming operations currently have 35 million dollars in new construction and renovation listed for construction season 2015. North Dakota gaming operations are critical components in the North Dakota Churs Industry, which is the third largest industry in this state. North Dakota tribal gaming revenues are used to support such program and services as elderly care, early childhood education, post-secondary education, youth services, drug and alcohol prevention and education programs, law enforcement services, emergency services and health care programs and set asides for tribal economical projects outside of gaming. Our surveys show that more than 70 percent of North Dakota residents agree with the availability of gaming within this state is satisfactory. The North Dakota tribal nations are unaware that the North Dakota public is counting for more gaming activities in this state. In closing I respectfully ask that you are opposed to HCR 3054.

**Rep. Kretschmar:** I believe that the various tribes make agreements with the State of ND, are those agreements in place now and how long do they run?

**Kurt Louger:** We have renegotiated in 2013 and we are in compliance and we have had a long successful relationship.

**Rep. Kretschmar:** How many years do the agreements work?

**Kurt Louger:** The original one was on a two or three year basis. We have elongated it to a ten plus five. The reasoning behind that was that our gaming facilities and we were able to persuade the leadership, the legislature and the governor that the duration was so short that we had very difficult time in financing those.

**Chairman K. Koppelman:** You mentioned legislature leadership has been part of that negotiating team, how long has that been the case?

**Kurt Louger:** The tribes with the help of then Senator Stenehjem definitely went out of the way. We didn't even like it there is no reason to reach any agreement with any state when there is back lash to it and we actually asked and the governor was very gracious that instead of going through what we had seen around us in other states and the backlash that the legislature did not have any input into it, that we would address it up front, because we were confident in the people and the people that represent this state would see our dilemma and our future could be. In the last two negotiation sessions that has changed and you are correct in the first one the case was strictly between the governor and the tribe.

**Rep. Brabandt:** Are there casinos on the reservation in every state in the union?

**Kurt Louger:** Nearly, Alaska might be one of the last and I believe they might be just about to open up some of their first reservation.

**Neutral:** None

Hearing closed.

**Rep. Kretschmar:** I would move a Do Not Pass on HCR 3054

**Rep. Lois Delmore:** Second

**Rep. Kretschmar:** As I look at the resolution if it would become part of our constitution there would need to be quite a few statutes in act that are amended, because there is no definition in the resolution to what a casino is. I do not believe at this point in time that North Dakota is ready to establish for profit casinos.

Do Not Pass Motion

Made by Rep. Kretschmar.

Seconded by Rep. Lois Delmore.

Total Yes 12. No 1. Absent 0.

Motion Carries.

Floor assignment Representative Kretschmar.

Date: 3-10-15  
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. HR3054

House JUDICIARY Committee

Subcommittee  Conference Committee

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

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

Motion Made By Rep. Kretschmar Seconded By Rep. Delmore

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) 12 No 1

Absent 0

Floor Assignment Rep. W. Kretschmar

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

**REPORT OF STANDING COMMITTEE**

**HCR 3054: Judiciary Committee (Rep. K. Koppelman, Chairman)** recommends **DO NOT PASS** (12 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). HCR 3054 was placed on the Eleventh order on the calendar.

**2015 TESTIMONY**

**HCR 3054**

**Re: casinos in nd**

Ron Hauf [rhauf@outlook.com]

**Sent:** Saturday, March 07, 2015 10:20 AM

**To:** Maragos, Andrew G.

#1  
SB 3054  
3-10-15

thank you for your visit and email

I would like to offer the following:

1. because of the State lottery gambling in ND is now open.
2. Many of the school districts have problems passing bond issues.
3. I would like to see casinos in our cities and give the bulk of the profits to education.
4. *I understand that the Constitution needs to be changed and I would like to see Legislators vote in favor of this.*
5. *Education in our state needs this extra income.*

Thank you, Ronald Hauf

**From:** Maragos, Andrew G.

**Sent:** Wednesday, February 25, 2015 9:20 AM

**To:** Ron Hauf

**Subject:** RE: casinos in nd

Hi Ron, as I suggested, to allow casinos in the cities would require a change to the ND constitution. I put in a resolution to put it on the ballot. Let me know if you would like to testify.

Andy Maragos

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**From:** Ron Hauf [rhauf@outlook.com]

**Sent:** Tuesday, February 17, 2015 11:23 AM

**To:** Maragos, Andrew G.

**Subject:** casinos in nd

I met you in Minot at Brentmoor assisted living

did you ever try to anything on casinos in ND as we discussed.

Ron Hauf