

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1237

2001 HOUSE JUDICIARY

HB 1237

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1237

House Judiciary Committee

Conference Committee

Hearing Date 02-05-01

Tape Number	Side A	Side B	Meter #
TAPE II	x		4267 to 6253
TAPE II		x	01 to 6263
TAPE III	x		01 to 287
Committee Clerk Signature <i>Joan Diers</i>			

Minutes: Chairman DeKrey opened the hearing on HB 1237. Relating to the use of electronic devices for playing games of chance.

Rep Devlin: District 23 This bill grew out of a problem for Administrative Rules. The Rules Committee felt that allowing you to play 72 cards at a time was an explanation of gambling and should have come before the legislature. The Gaming Commission felt that they had the authority to do this and it sounded to us that it was an explanation and so should be brought before the Legislature. There have been amendments passed out to the Committee, these deal with portable electronic handheld devices.

Chairman DeKrey: The most objection was to the amount of cards being set at 72 and the handheld devices would be of use to the handicapped.

Rep Devlin: I am not seeking a particular result, I just feel that this is something that the Legislature should be setting policy on.

Rep Delmore: How likely would most people be to be playing 72 games?

Rep Devlin: It is more prevalent that we know. I have no objection to them doing it, but the policy should be set by the Legislature. This is expanding gambling.

Rep Delmore: we you like a lower number and allowing the devices to be used.

Rep Delvin: I just felt that the Legislature should be making the decision.

Rep Klemin: This device would allow someone who cannot play manually, to play 72 cards.

Rep Devlin: We would allow the disabled.

Rep Klemin: We would be allowing someone who is disabled to use the device and play more cards.

Rep Devlin: You could certainly make that judgment, but that a disabled person may need a device.

Chairman DeKrey: My problem with this is then we get into the definition of who is disabled and who will determine who can play.

Rep Devlin: There are machines out there to do all things.

Rep Maragos: Did Administrative Rules Committee institute the part of the code, that says you stop that right away. Did they have the authority?

Chairman DeKrey: The Administrative Rules committee does not have the authority under statute at this time.

Rep Maragos: I thought that we gave power to the Rules Committee to review and suspend rules.

Chairman DeKrey: We are given five categories for which we can suspend a rule and that criteria was used and we could not suspend that rule.

Rep Maragos: You determined that the law was violated.

Rep Devlin: The Attorney General ruled that the Gaming Committee does have the right and the Rules Committee doesn't have the power to suspend.

Rep Maragos: What could the Administrative Rules Committee done with this rule.

Rep Devlin: We could do nothing with this rule, except bring it back to the Legislature.

Chairman DeKrey: We could have voided the rule.

Rep Maragos: He says you couldn't.

Rep Devlin: we could have voided, but we had no authority to do it once the Attorney General says we can't.

Rep Maragos: Couldn't this be set aside.

Rep Klemin: How many devises that you can play at one item.

Rep Devlin: Someone else will answer that.

Rep Maloney: I need to review the process, the Gaming Division of the Attorney Generals office reviewed this, then it went to the Gaming Rules Committee, they approved it and then it came to the Administrative Rules Committee. A majority of your committee felt that it was an expansion of gambling, was there a vote.

Rep Devlin: We did not take a vote on it, it was just a feeling.

Rep Mahoney: Who plays these devises.

TAPE II SIDE B

Rep Mahoney continues with his questions. Would it give the handicapped an advantage. Would other people be using them.

Rep Devlin: I have talked to the companies that make them and it would not make sense for them to have them in North Dakota if it were limited.

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Rep Mahoney: How would this be an explanation of gambling.

Rep Devlin: He goes on to explain the feeling of the committee.

Rep Mahoney: Was there a limitation before on the number of bingo cards.

Rep Devlin: Not to my knowledge.

Rep Delmore: It comes down to the amount of money you can play. Gives an example of her point.

Rep Devlin: You can do that now. The argument wasn't on that issue, it was on who has the authority to make the change in that fashion.

Rep Delmore: You are saying it is skill, verses the luck of the draw.

Rep Devlin: Money is a concern, but it goes back to the expansion issue.

We have a Gaming Commission, aren't they charged with making the rules?

Rep Devlin: Yes, they have certain amount of authority, We though that the Legislature should make this decision.

Rep Disrud: Can the Gaming Committee limit the number of cards and gamin devises?

Rep Devlin: The statue allows you to do the same thing now, but I can amend.

Chairman DeKrey: The last Legislative session we gave the Gaming Commission more authority to write rules.

Vice Chr Kretschmar: Under present statute, there is nothing that prohibits the number of cards.

Rep Devlin: That is correct.

Vice Chr Kretschmar: How is this an expansion of gambling.

Rep Devlin: He explains the devises and how that system works.

Rep Delmore: Aren't there already some people who play more cards than I do.

Rep Devlin: We were shocked that people can play over 20 cards.

Chairman DeKrey: If there are no further questions, thank you for appearing.

Chuck Keller: Chief Auditor, Gaming Division of the office of the Attorney General. This is a policy issue. Does the commission have that broad authority. We are neutral.

Rep Mahoney: Could you run through the process of how these machines are used.

Chuck Keller: He proceeds to give the committee the information.

Rep Maragos: Can you project with the rules of probability, how much of an advantage someone has when playing 72 cars as opposed to playing one card. Is a fairness question here.

Chuck Keller: Both have a fair and honest chance to win, but the person with more cards has a better per centage chance to win.

Rep Delmore: This bill is already in HB 1089?

Chuck Keller: If HB 1237 passes, the Gaming Commission will be required to remove all references to gaming devises from Administrative Rules.

Rep Mahoney: Did your office conduct tests or follow the testing of these devises.

Chuck Keller: Yes.

Rep Mahoney: Did your office give final approval and consider this not to be an expansion of gambling.

Chuck Keller: The determination of the Attorney Generals office preceded the test.

Rep Mahoney: So at that point you had no reason to see it as expansion.

Chuck Keller: That is correct.

Rep Mahoney: The Gaming Commission voted to adopt the rules on this machine.

Chuck Keller: Yes, but there were many members that thought this was an expansion and that the Legislature should be the one to decide.

Rep Grande: How many cards can someone play without a devise?

Chuck Keller: The best players can play up to 36 cards.

Rep Grande: Would table size be a problem?

Chuck Keller: I don't think so.

Rep Grande: One devise can play 71 cards?

Chuck Keller: 72.

Rep Grande: How many cards can I purchase?

Chuck Keller: It depends on the packages that are sold.

Rep Grande: How many packages am I allowed to purchase.

Chuck Keller: You would purchase one package for one machine.

Rep Grande: How many machines can I use at one time.

Chuck Keller: Each player can use one machine. Each organization is allowed to set the policy however.

Rep Disrud: What does the research show on pathological gamblers and the number of cards.

Chuck Keller: It would depend on how many you play, how much you pay and how often you would play.

Rep Disrud: Now we are talking about limiting the number and the problem gambler.

Would this be a problem gambler.

Chuck Keller: I don't know.

Chairman DeKrey: If there are no further questions, thank you for appearing. The committee will be in recess until 3:00 pm today.

Vice Chr Kretschmar reopens the hearing on HB 1237. Any further testimony on HB 1237.

Traci LaDoucer: North Dakota Association for the Disabled (see attached)

Rep Klemin: The first part of this bill, how will we determine if the person is disabled.

Traci LaDoucer: It would be very difficult to determine.

Rep Delmore: If there was a way to amend this bill to the number 30 how would you feel about that?

Traci LaDoucer: 60 would be nicer number.

Vice Chr Kretschmar: Are your people using the devise now.

Traci LaDoucer: Yes.

Rep Mahoney: How many games are being played, is it up to 72?

Traci LaDoucer: The specialty packages are up to 60 cards, we have different levels for different spending.

Rep Mahoney: Is there a lot of people who use these for convenience?

Traci LaDoucer: Yes.

Rep Fairfield: Do you pay extra for the machine.

Traci LaDoucer: You only pay for the package, the machine is included.

Rep Fairfield: You pay the same for the package whether you use the machine or not.

Traci LaDoucer: Yes.

Vice Chr Kretschmar: Any other questions, if not, thank you for appearing.

Todd Kranda: appearing on behalf of the Charitable Gaming Commission, we followed the process and the rule is proper and so with that we are opposed to HB 1237.

Vice Chr Kretschmar: Thank you for appearing.

Rep Mahoney: I have flyers of what the machine looks like.

Ben Clapp: Chief Financial Officer of the Plains Art Museum. (see attached testimony)

Rep Mahoney: You don't see this as an expansion of gambling.

Ben Clapp: No.

Rep Mahoney: How many cards are played in one game.

: Ben Clapp In an evening session with 350 people, about 45,000 games.

Rep Mahoney: How many do the people play.

Ben Clapp: It is around 6 faces that people play. There is a cost to use the machine so we have to have the package levels quite high.

Rep Klemin: Are you making more money from the fewer people playing. And the brochure is says it allows people to spend more money.

Ben Clapp: If you look at it as a per person spending, yes, it is not increasing the over all dollar amount and the people playing.

Rep Kingsbury: what is a package?

Ben Clapp: The session is 2 and one half hours of a series of games. The person buys a package, the package may be 12 cards or up to 48 faces with a machine.

Rep Fairfield: What is a face?

Ben Clapp: One face, one card.

Rep Fairfield: One face, one card.

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Ben Clapp: The smallest package is three and with a machine it is 12.

Rep Fairfield: You said it is really not cost effective to use the smaller number.

Ben Clapp: As an average it is 40 to 42 range.

Rep Fairfield: The purpose of the machine is to get the people to buy larger packages.

Ben Clapp: There are two ways to play more faces, one is to slow down the count.

Rep Grande: A packet, how many bingo games would be played in the night with my packet.

Ben Clapp: There are 3 faces on one sheet, and you have 10 sheets of paper and each sheet is a game.

Rep Grande: How much does 30 faces cost?

Ben Clapp: \$15.00.

Rep Grande: People can play up to 30 faces at one time.

Ben Clapp: Can be 12 faces to a sheet, so they play more sheets.

Rep Grande: How much for 12 face sheets.

Ben Clapp: \$15.00, but there are discounts during the night.

Rep Grande: What is the average, what is the cost.

Ben Clapp: The cost would be \$30.00 per person spending.

Rep Grande: Is it a \$1.00 a face.

Ben Clapp: NO.

Rep Klemin: How many states allow these devices.

Ben Clapp: I don't know, about 12 I think.

Rep Fairfield: Are there volume discounts.

Ben Clapp: Yes.

Vice Chr Kretschmar: Are there any other questions, if not thank you for appearing.

Joseph Dirk: appearing on behalf of the Moose organization, he spoke in opposition to HB 1237.

We can't have anything in the building unless we have control of it, with this we could not.

Rep Klemm: This bill would prohibit the devise.

Joseph Dirk: We can't use the machine.

Rep Mahoney: A comment, these devises just came into use the last couple of years, do you think that they might become a useful tool.

Joseph Dirk: I watch people playing just cards and there is more gaming and less income.

Vice Chr Kretschmar: If there are no further questions, thank you for appearing.

Vickie Wagner: manager of gaming VFW in Bismarek and the Council of Gaming , 36 faces are the maximum that you can reach. I also attended the hearing on the compact and testified against them.

Vice Chr Kretschmar: If there are no questions, thank you for appearing. (attach is a copy of their letter to the governor).

Rep Wrangham: I would like to ask a question of Ben Clapp, Did you ask the Attorney General to put them (devises) in play and approve them?

Ben Clapp: We have always worked closely with that office, but they came to us and asked us to be a part of the study.

Rep Wrangham: But you did do the testing to see if they would help.

Ben Clapp: We did invest a great deal of time and money into these machines, but we needed the approval from the Gaming Committee and the Administrative Rules Committee.

Rep Wrangham: what will happen to your investment if these devise are not allowed to be used.

