

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1305

2001 HOUSE JUDICIARY

HB 1305

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1305

House Judiciary Committee

Conference Committee

Hearing Date 02-05-01

Tape Number	Side A	Side B	Meter #
TAPE I	x		01 to 6249
TAPE I		x	01 to 3393
Committee Clerk Signature <i>Joan Diers</i>			

Minutes: Chairman DeKrey opened the hearing on HB 1305. Relating to conduct of poker under the games of chance laws.

Rep Delmore: District 43, SW Grand Forks. Introduced the bill This gives flexibility, removes the limitation of two times a year. Explains the guidelines that are in statute. The Administrative Rules Committee still has oversight.

Rick Stenseth: Representing Charitable Gaming in North Dakota. (see attached testimony) The industry is in a down turn and are looking for ways to revitalize the industry. One of the ways is the game of poker. Asking for flexibility and are willing to work with the gaming commission with the new games. Gives the Gaming Commission the same power over the game as other games. The colored page shows what has been happening over the last two years.

Rep Eckre: On page three, what is the reason for the decline.

Rick Stenseth: We don't know.

Rep Klemin: How would this work in games against the house?

Rick Stenseth: He gives examples of how it would work.

Rep Klemm: Comes on, alnst the house, asks for some more clarification.

Rick Stenseth: Give the clarification with some examples of different games of poker.

Rep Klemm: Asks about a specific game of poker.

Rick Stenseth: Gives examples, and says that they have just begun to explore what is available.

Rep Klemm: The fiscal note shows an amount that he considered a small return.

Rick Stenseth: Mr Keller talked about how he determined that number, based on a five per cent gaming tax.

Rep Klemm: Would that be state wide.

Rick Stenseth: The is correct.

Vice Chr Kretschmar: Are you aware of studies that are being taken in other states?

Rick Stenseth: Yes, there are some, I have the numbers.

Rep Kenner: District 31. Introduced the bill as a primary sponsor who introduced the bill on behalf of the Charitable Gamers in North Dakota.

Rick Stenseth: How the survey results compare to other states, we have a 3.8 weekly gamblers, that ranks second to last in the states surveyed. There are 14 states in the study, South Dakota being the only state that is lower. The higher ones are New York and Mississippi. Our problems are less then states that have broader gambling.

Rep Disrud: Could you review, how before gambling did the charities survive?

Rick Stenseth: Gave examples such as bake sales, bingo etc. Charitable gaming is not the only source for charities.

Rep. Wrangham: Eligible uses have been funded by gambling. In present day, the purpose was not to fund state government and not to establish a gaming industry, it was to fund those eligible uses. Do you know is there is anything that shows good and great things that the money goes to. He asks the group to put together such information.

Rick Stenseth: Thank you for your thoughts, we now have a web site to give you information.

Chairman Dekrey: Thank you for appearing.

Rick Stenseth: I have some amendments and explains them.

Rep. Disrud: Do you have the web site address with you.

Rick Stenseth: Web site is egand.com.

Rep. Klemin: In regard to the amendment, asks for clarification.

Rick Stenseth: Gives the clarification.

Rep. Hawken: District 46. Sponsor on the bill. Spoke in support of HB 1305 and HB 1306.

Although this bill was sponsored by gaming association, it was the actual charities that contacted me. By making the changes they will be able to increase the amount that will go to the charities.

Todd Kranda: lobbyist for Charitable Gaming Association, spoke in support of HB 1305.

Bill Shalhoob: North Dakota Hospitality Association, spoke in support of HB 1305.

Chuck Keller Chief Auditor of the Gaming Commission, from the Attorney General Office.

Reviewed the fiscal note and stated that it was a very conservative estimate, he explained what other states that were contacted and how they arrived at the figure in the fiscal note. Explained about the use of poker tables. Handed out three handouts to clarify a point.

Chairman DeKrey: When did the Indian Casinos come into play here.

Chuck Keller: I believe that the first year was 1991.

Rep Delmore: The religious uses, bingo in the churches, who are we looking at.

Chuck Keller: There are several churches that are licensed, primarily bingo.

Rep Delmore: Can you tell me how many sites, and how many churches are involved.

Chuck Keller: I don't have that information but I can obtain that for you.

Rep Klemm: Asks for clarification on one of the handouts.

Chuck Keller: The top line reflects the total proceeds of all games. Has one more hand out to give an over view by game type.

Rep Grande: Question on the income on the fiscal note, do we have any results on the cost to the state on increased welfare.

Chuck Keller: I don't have that information.

Rep Grande: Are those general fund dollars?

Chuck Keller: It is general fund money.

Rep Grande: This is only the treatment funding for gambling?

Chuck Keller: These amount reflect the gaming disbursements.

Rep Grande: The Charitable Gambling Association puts in money towards compulsive gambling.

Chuck Keller: Some do and this is reflected in this document. Besides this amount the state does appropriate \$150,000.00 to compulsive gambling purposes.

Rep Grande: Your fiscal note has an increase for this bill. We are having to double the need for treatment.

Chuck Keller: The amount is based on the entire gaming industry.

Rep Delmore: That is not all the additional revenue that we are bringing in, what is the total?

Chuck Keller: The years 2001 - 2003, the bottom line including bingo is 21,210,000.00.

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Rep Klemin: Asks for a clarification of the overview hand out.

Chuck Keller: He explains using the forecasted gaming activity chart.

Rep Klemin: Asks for another clarification on another point.

Chuck Keller: This over view is just an over view of certain lines.

Rep Klemin: This is a line item here.

Chuck Keller: Yes.

Rep Maragos: Based on the forecast, do you expect another drop.

Chuck Keller: Yes.

Rep Maragos: To what do you attribute the drop?

Chuck Keller: Indian casino, low Canadian tourism and reduction of the fraternal and vets organization.

Rep Klemin: Just a follow up, the line item we are missing is the allowable expenses.

Chuck Keller: Yes.

Rep Delmore: Do casinos contribute to the gaming problem?

Chuck Keller: Casinos do contribute to the state mental health department.

Rep Delmore: Could you get the amount contributed?

Chuck Keller: Yes.

Rep Grande: Would you include the gambling association how much they contribute.

Chuck Keller: That is not channeled through us.

Rich Stenseth: It is not channeled through us.

Rep Delmore: We don't get state revenue that are paid out from the casinos as we do from charitable gaming?

Chuck Keller: Indian Casino don't contribute.

Chairman DeKrey: If that is all the information that you have for us, thank you for appearing.

Does Kelth have some information for us.

Chuck Keller: Kelth would know how much money the tribes actually disburse.

TAPE (SIDE B)

Rose Stoller: Executive Director of the Mental Health Association. We neither support or are in opposition to the bill. I can answer your question, for the past two years the North Dakota Indian Gaming Association have provided our association with \$85,000.00. This helps with our telephone help line.

Rep Delmore: What per centage of profits is put back into this do we?

Rose Stoller: I can't answer that.

Rep Klemm: What other organizations contribute.

Rose Stoller: Our association does not.

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

Joseph Dirk: testifying for the Moose Clubs, spoke in support of HB 1395.

Ardis Olson: Drake ND spoke in support of HB 1305. She is President of the Charitable Gaming Association of North Dakota.

Chairman DeKrey: Any questions for Ms Olson, thank you for appearing. Remi Brooke:
appearing here on behalf of The Arc (see attached testimony)

Vickie Wagner: Gaming manager of the VFW in Bismarck. Spoke in support of HB 1305.

Vice Chr Kretschmar: Has the level of gaming increased or decreased.

Vickie Wagner: It has been dropping down.

Chairman DeKrey: we will take a ten minute break. Call the committee back to order with opposition to HB 1305.

Tracey Porter: Fort Abraham Lincoln Foundation. Spoke in a neutral position. The foundation gets grants to help with the costs, we wouldn't be able to get grants without help from the gaming funds.

Chairman DeKrey: Anyone wishing to testify in opposition.

Arthur Link: Chairman of the North Dakota Council on Gambling Problems. (see attached testimony).

Rep Delmore: Can you tell me the numbers for the per centage of increase of compulsive gamblers?

Governor Link: I am not sure we have those numbers.

Rep Klemin: Does the report have any conclusions as to why we have the decline in state wide gambling?

Governor Link: I am not sure.

Chairman DeKrey: Any more questions for Governor Link, if not thank you for appearing.

Warren Wenzel: Pastor of the United Methodist Church in Fairmount, North Dakota. (see attached testimony)

Chairman DeKrey: What are the religious uses of gambling money are?

Rev Wenzel: I am not sure.

Rep Klemin: They say we are losing customers to casinos, do you know any other reasons?

Rev Wenzel: I don't have any additional sources of information.

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Rep. Wranham: The study shows fewer people gambling, but the hard core has gone up, does this study show who it is?

Rev. Wenzel: I am not sure.

Rep. Delmore: In light of the question that was just asked, I wonder if it is fair to call this an expansion to gambling.

Rev. Wenzel: When you raise the betting limits etc, it seems to me that is expansion of gambling.

Rep. Mahoney: Carrying that a step further, in doubling the chronic gamblers, as I recall we didn't have an expansion of gambling in North Dakota, at the same time the casinos have been growing, with that in mind, do you think that if we pass the bill, will it tie in hand in hand with this increasing number. Will this bill make it go up or down?

Rev. Wenzel: If you increase gambling, you increase the addiction.

Rep. Mahoney: If gambling has gone down, but the pathological numbers have increased.

Rev. Wenzel: If the gambling is more accessible we will have more problem.

Rep. Maragos: In your handout that has a bar graph, how do you account for hypocrisy of what they believe and what they do?

Rev. Wenzel: You pose an interesting question.

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

Warren DeKrey: Spoke in opposition of HB 1305.

Rep. Maragos: You made an interesting statement about skimming, do you have any evidence of that.

Warren DeKrey: when I said skimming, I was using it literally, taking care of expenses.

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Rep. Maragos: We understand that you are opposed to gaming, would you prefer that the citizens of North Dakota go on the reservation to game or would you prefer that they stay home in their local charities?

Warren DeKrey: There is no way that we can keep people from gambling.

Rep. Maragos: I would like you to answer the question, what is your preference.

Warren DeKrey: I would rather have the local community.

Rep. Disrud: The \$25.00 is an issue, would you be able to a lower amount?

Warren DeKrey: That might be an option.

Chairman DeKrey: If there are no further questions, we will close the hearing on HB 1305.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1305a

House Judiciary Committee

Conference Committee

Hearing Date 02-14-01

Tape Number	Side A	Side B	Meter #
TAPE I	x		01 to 1028
Committee Clerk Signature <i>Joan Diers</i>			

Minutes: Chairman DeKrey called the committee to order we will take up HB 1305. This bill relates to poker under the games of chance. What are the committee wishes.

DISCUSSION

COMMITTEE ACTION

Vice Chr Kretschmar moved the amendments, seconded by Rep Grande. Further discussion on the amendments. A voice vote was taken, motion passes.

Chairman DeKrey: what are the wishes of the committee. Vice Chr Kretschmar moved a DO PASS as amend, seconded by Rep Delmore.

DISCUSSION

The clerk will call the roll on a DO PASS as amend. The motion passes with 11 YES, 4 NO and 0 ABSENT. Carrier Vice Chr Kretschmar.

