

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

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Richard Costa
Operator's Signature

10/16/03
Date

2003 HOUSE JUDICIARY

HB 1495

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Salvatore Riccardi
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10/16/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1274 & 1495

House Judiciary Committee

Conference Committee

Hearing Date 2-5-03

Tape Number	Side A	Side B	Meter #
1		xxx	17-end
Committee Clerk Signature <i>Al Penrose</i>			

Minutes: 13 members present.

Chairman DeKrey: We will open the hearing on HB 1274 and HB 1495. They will be heard together.

Rep. Dave Weller: Introduced HB 1274.

Rep. Boehning: Introduced HB 1495.

Rep. Delmore: Support HB 1495 and HB 1274. I have always been an advocate for the charitable gaming industry. We set it up to give them some money towards their good causes.

Rep. Tom Kelsch: Support - we need to allow the charities to run gaming (see attached testimony and survey, tape 1, side b, 19.4-31).

Rep. Klemin: With this combination of bills, will this allow charities to run casinos with all the games.

Rep. Kelsch: Right now they would be able to operate some type of casino if they want, to operate the games that are allowed now. If both passed, they would be able to operate an

Salvatore Richard
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House Judiciary Committee
Bill/Resolution Number HB 1274 & 1495)
Hearing Date 2-5-03

establishment that had poker and also had the game devices. Whether they would operate a casino like Prairie Knights Casino, I don't know that that would happen, but I don't know of anything that would prohibit that.

Rep. Klemin: Could they?

Rep. Kelsch: I don't think there would be anything to prevent them from doing it now, with the games that are allowed.

Chairman DeKrey: Thank you.

Rick Stenseth, Charitable Gaming Association of ND: We support both bills (tape 1, side b, 33-41).

Rep. Onstad: Has charitable gaming ever considered a joint venture with casinos.

Mr. Stenseth: No, this haven't been pursued, since tribal pacs are negotiated with the Governor and ours are administered by the Legislative body.

Rep. Klemin: I don't know anything about what is in the agreements with the tribes, is there anything in those agreements that would preclude charitable gaming?

Mr. Stenseth: No, I don't think so. Those are individual tribal pacs negotiated with the Governor and don't effect the legislative authority over charitable gaming.

Chairman DeKrey: Thank you.

Remy Brook, Charitable Gaming Association: Support. (43.2-44.6)

Gary Fournier, Gaming Manager for the Greater Grand Forks Convention & Visitors

Bureau: Support (44.8-47.0).

Chairman DeKrey: Thank you.

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House Judiciary Committee
Bill/Resolution Number HB 1274 & 1495)
Hearing Date 2-5-03

Warren DeKrey, ND Council on Gambling Problems: Oppose (Tape 1, side b, 47.7-end,
Tape 2, side a 0-1.8) ND already has legal charitable games.

Chairman DeKrey: Thank you.

Governor Link, ND Council on Gambling Problems: Opposed (Tape 2, side a 1.8-5) What is
the impact of gambling in ND. All we are talking about here is the money that will be raised, at
what cost to the people of ND.

Chairman DeKrey: Thank you.

Wayne Wolf: Opposed (5-11.3) Gambling ruined my life, now that I have my life back, I
moved to North Dakota since South Dakota is filthy with gambling. Don't made ND the same as
SD.

Chairman DeKrey: Thank you.

Warren Wenzel, Methodist pastor: Opposed (see attached testimony, 11.6-16).

Chairman DeKrey: Thank you.

Christina Kendel, ND Family Alliance: Opposed (see attached testimony, 16.1-22.4). Enough
is enough, we are gambling with the future of our children.

Chairman DeKrey: Thank you.

Stephen Wisthoff, ND Council on Gambling Problems: (see attached testimony) Opposed.

Chairman DeKrey: Thank you.

Kurt Luger, Indian Gaming: Opposed (24.6-34.5).

Chairman DeKrey: Thank you. Any questions.

Rep. Onstad: What are the tribal councils doing on behalf of the gambling addiction of your
members.

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Bill/Resolution Number HB 1274 & 1495)
Hearing Date 2-5-03

Mr. Luger: We worked with the 1996, and in 1997 we signed a statewide gambling contract with Mental Health Association. We again increased our contribution this year by 21%, and we also spend \$50,000 on the reservations separately.

Chairman DeKrey: Thank you.

Keith Lauer, A.G's office: The AG is neutral.

Chairman DeKrey: Thank you. We will now close the hearing.

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Jo Costa Rickford
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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1495

House Judiciary Committee

Conference Committee

Hearing Date 2-5-03

Tape Number	Side A	Side B	Meter #
3	x		0-3.5
Committee Clerk Signature <i>Al Penrose</i>			

Minutes: 13 members present.

Chairman DeKrey: What are the committee's wishes in regard to HB 1495.

Rep. Delmore: I move the alternate wording for the amendment, pg 2, replace lines 3-7.

Rep. Maragos: Seconded.

Voice vote: Carried.

Rep. Boehning: I move a Do Pass as amended.

Rep. Kretschmar: Seconded.

4 YES 9 NO 0 ABSENT DO PASS AS AMENDED FAILED

Rep. Grande: I move a Do Not Pass as amended.

Rep. Kingsbury: Seconded.

10 YES 3 NO 0 ABSENT DO NOT PASS AS AMENDED CARRIER: Rep. Bernstein

FISCAL NOTE
 Requested by Legislative Council
 02/07/2003

Amendment to: HB 1495

1A. **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.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$10,510,000	\$181,000	\$25,848,000	\$410,000
Expenditures	\$0	\$0	\$2,323,000	\$0	\$1,812,000	\$0
Appropriations	\$0	\$0	\$2,323,000	\$181,000	\$1,812,000	\$410,000

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	(\$53,000)	(\$119,000)	\$0	(\$114,000)	(\$292,000)	\$0

2. **Narrative:** Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.

The bill would enable licensed gaming organizations to use coin-operated gaming devices in the conduct of games of chance. The bill would prescribe a maximum bet limit, require video surveillance for gaming sites, set a monthly rent limit for each device that is necessary at a site, provide for a fixed gaming tax of 25% on adjusted gross proceeds (gross proceeds less prizes) of devices, require manufacturers of devices to apply for a manufacturer's license, and transfer one percent of the gaming device tax to the compulsive gambling prevention and treatment fund.

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.

General fund revenues represent the estimated increase in gaming and excise tax collections attributed to the use of coin-operated gaming devices in the charitable gaming industry starting January 1, 2004.

Other fund revenues represent one percent of the gaming device tax that would be transferred to the compulsive gambling prevention and treatment fund.

The negative county and city fiscal effect relates to the direct reduction in sales tax revenue and indirect reduction in sales tax state aid distributions caused by the estimated diversion of a certain sum of gross proceeds from bingo (on which sales tax applies) to coin-operated gaming devices.

Qualification: If two or more bills propose to increase gaming activity, each of the bills may impact each other and reduce the combined fiscal effect of the two or more bills.

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.

General fund expenditures are estimated administrative and operating expenses. These expenses include salaries and fringe benefits, contractual services, vendor fees, telecommunications, computer equipment and software, and one-time start-up costs.

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C. **Appropriations:** Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

General fund appropriations equal the estimated general fund expenditures.

Other fund appropriations equals one percent of the gaming device tax that would be transferred to the compulsive gambling prevention and treatment fund.

Name:	Charles Keller/Kathy Roll	Agency:	Office of Attorney General
Phone Number:	328-4482/328-3622	Date Prepared:	02/10/2003

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