

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2140

2007 SENATE JUDICIARY

SB 2140

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2140

## Senate Judiciary Committee

Check here for Conference Committee

Hearing Date: January 15, 2007

Recorder Job Number: 1127

Committee Clerk Signature *Mina L Solberg*

**Minutes:** Relating to raffle prizes – real estate

**Senator David Nething**, Chairman called the Judiciary committee to order. All Senators were present. The hearing opened with the following testimony:

### Testimony In Support of Bill:

**Duane Espegard** – Introduced the bill (meter :50) Gave testimony – Att. #1

**Sen. Nelson** asked the question if farm land would be included in this bill? Yes.

**Mr. Espegard** discussed the history of the raffle in relationship to the Attorney General's office (meter 2:43)

**Sen Fiebiger** questioned why real estate had be excluded in the original bill. (meter 4:02)

There was no reason for it to be excluded, it had been in the language of the state the bill was modeled after.

**Sen. Olafson** sited his concerns about a "clean" title. (meter 4:29) Discusion of the process the charity had to take to meet the I.R.S. laws and that it had to go through the formal closing procedures as any other house selling-they could not by pass this step and go from donator to the winner.

**Sen. Nick Hacker**, Dist #42 (meter 6:11) further introduced the bill sighting the organizations that approached him and the history of it. The emergency clause was due to an up-coming event this spring that a home builder in Fargo had donated a brand new house towards.

**Clause Lemke** – ND Realtors Assoc. (meter 7:50) The association is in favor of the bill. He also sited the importance of following the legal structure currently in law as a protection mechanism.

**Nakhet Hendricks** – Ex. Dir. Fargo Moorhead Human Society (meter 8:27) gave testimony – Att. #2

**Judy Green** – Ex Dir. YWCA Cass Clay (meter 11:42) gave testimony – Att. #3

**Sen. Nelson** questioned why, in the current structure, they can not already “donate” a home (meter 15:38) This is different then the “Tour of Homes” and a raffle.

**Leanne Jordahl** – Stood up to testify that her and her husband would like to donate a home and how unlike the previous donated house who sold “raffle tickets” and made money off of selling that home. They were donating this house 100%. (meter17:08)

**Todd Kranda** – ND Charitable Gaming Assoc. (meter 18:53) Our organization is in support of this bill.

**Sen. Olafson** questioned about “problematic real estate?” Discussion (meter 19:20) of already existing current process that would protect the organization from this i.e., IRS Laws and the charity has the option to set criteria's or not accept at all.

**Testimony in Opposition of the Bill:**

**Warren DeKrey**, Chrm of the ND Council on Gambling Problems – Gave Testimony (meter 20:49) Att. #4. Sighting his concerns with the “slow whittle” away with the expansion of gambling”. Chart of gambling approve since 1977 – Att. #5

**Sen. Nething** stated to Mr. DeKrey that this is already in law and they were only changing a process, so this would not "expand" gaming, would it? No it would not.

**Testimony Neutral to the Bill:**

**Keith Lauer**, Office of the Attorney General – (meter 24:49) Att. #6 Discussed I.R.S. process. Att. #7a Determining the Value of Donated Property-IRS Publication 561, Att.#7b Instruction form and Att. #7c Noncash Charitable Cont. Form.

Raffles are the most profitable for charities. Sited statistics (meter 26:27)

**Senator David Nething**, Chairman closed the hearing.

## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2140

Senate Judiciary Committee

Check here for Conference Committee

Hearing Date: January 11, 2007

1-17-07

Recorder Job Number: 1293

Committee Clerk Signature *Maura L Solbey*

**Minutes:** Relating to raffle prizes – real estate.

**Senator David Nething**, Chairman called the Judiciary committee to order. All Senators were present. The hearing opened with the following committee work:

**Sen. Lyson and Sen. Nething** stated that as much as he disliked gambling, the people in support of this issue are not the people who can't afford it, but who can. Discussed this along with the complex IRS documentation. Sen. Nething also stated that Casino Gambling and later 911 and Hurricane Katrina has hurt local charities and this might be of assistance to them. Sen. Nething stated that charities can have specific guidelines of what they accept for example; Salvation Army, close must be clean, not torn and in good condition. Discussed IRS Determining of value , Pub. #561.

**Senator David Nething**, Chairman closed the hearing.

**Sen. Lyson** made the motion to Do Pass and **Sen. Olafson** seconded the motion. All members were in favor and the motion passes.

Carrier: **Sen. Nelson**

**Senator David Nething**, Chairman closed the hearing.



**REPORT OF STANDING COMMITTEE (410)**  
January 17, 2007 2:49 p.m.

**Module No: SR-11-0713**  
**Carrier: Nelson**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**SB 2140: Judiciary Committee (Sen. Nething, Chairman) recommends DO PASS**  
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2140 was placed on the  
Eleventh order on the calendar.



2007 HOUSE JUDICIARY

SB 2140

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2140

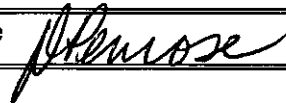
House Judiciary Committee

Check here for Conference Committee

Hearing Date: 1/31/07

Recorder Job Number: 2343

Committee Clerk Signature



Minutes:

**Chairman DeKrey:** We will open the hearing on SB 2140.

**Nukhet Hendricks, Exec. Director of FM Humane Society:** (see attached testimony).

**Rep. Klemin:** Can you provide some history as to why we have this bill before us, and what is going on that you want to have a raffle for real estate.

**Nukhet Hendricks:** Jordahl Custom Homes is a great supporter of the Humane Society, and they want to donate us a house, that is already built, with no cost to us, and in return we are going to sell raffle tickets to raffle this home to a lucky winner. While we were thrilled, as an organization, for the opportunity; unfortunately we found out that the law did not allow Jordahl Custom Homes to raffle real estate. You can raffle an automobile or motorcycle, but couldn't raffle real estate. This would allow charitable organizations to be able to raffle a home.

**Rep. Klemin:** There is an emergency clause on here, what is the need for that.

**Nukhet Hendricks:** Well, if this bill is passed, we can start the procedures of getting this in place, because there is a House and Garden show at the end of February and we want to start selling tickets and award the house at the Parade of Homes in May.

**Rep. Delmore:** There is no limit on this bill as to what the real estate could be worth. In other words, if I had an organization in my town that wants to raffle off a \$100,000 house, under this that could be done.

**Nukhet Hendricks:** Correct.

**Rep. Delmore:** Any organization that's licensed, whether it's charitable or not would be eligible to do this, is that correct.

**Nukhet Hendricks:** That was my understanding.

**Rep. Kretschmar:** I would read the bill that it has to be a licensed organization for charitable gaming.

**Nukhet Hendricks:** You do need to have a license to raffle with the city of Fargo.

**Chairman DeKrey:** Thank you for appearing this morning. Further testimony in support.

**Klaus Lembke, ND Association of Realtors:** We were asked by Sen. Hacker to look at this bill, and we do not have any objections. I think this is a noble effort on a non-profit and they should be qualified. We have no objection, we support this bill.

**Rep. Klemin:** How many licensed organizations are there now in ND.

**Klaus Lembke:** I don't know. I know how many licensed realtors there are.

**Rep. Klemin:** The way I read this bill, it doesn't say whether the entire amount will go to the charity, or if part of it will go to the homeowner.

**Klaus Lembke:** I don't know. I do know that in order to be a 503(c) qualified, they have tremendous restrictions and obligations to retain that tax exempt status.

**Rep. Klemin:** You may remember several years ago, that there was a piece of legislation for a bill like this, because somebody couldn't sell his house and wanted to raffle it off and give part of the money to charity.

**Klaus Lembke:** Yes, I remember that bill.

**Chairman DeKrey:** Thank you. I have some questions for Keith Lauer, AG's office. A raffle like this for a licensed organization, does the state get any taxes off this.

**Keith Lauer, AG's office:** The tax rate for charitable gaming organizations for raffles runs from 5-20%. The cutoff is \$200,000, so for the first \$200,000 of adjusted gross proceeds, after the cost of prizes, the tax rate is 5%; then from \$200,000-400,000 is 10%, from \$400,000-600,000 it's 15%, and anything above that amount is 20%.

**Chairman DeKrey:** So the gross receipts of the tickets that they would sell for the raffle would be taxed at 5%.

**Keith Lauer:** Not the gross receipts, but after the costs of the prizes. Now if it were a donated prize, it would have a zero cost to the organization. So the full amount in that case, if the real estate was donated, the full extent of the receipts from that raffle would be taxed at the graduated rate.

**Chairman DeKrey:** Does the AG's office have an opinion on this bill.

**Keith Lauer:** We're taking a neutral position on this. I did research and provide for you a history of real estate. This is similar to the history that you would have seen the other day about some of the limits that were put in. This particular limit was put in 1983, where it said merchandise prizes for raffles are restricted to any property which may vary, but not real estate. I went back to the legislative history on that. It was a SB back in 1983, 2067. There was a legislative study that was done between the 1981 and 1983 session about charitable gambling, because it had expanded so greatly in its early years, that the legislature decided that they were going to study the issue of charitable gambling. There were a lot of things that were introduced during the 1983 session. This particular language regarding the raffles was added as an amendment to that Interim Study. I did talk to a number of individuals including AG Stenehjem, who was on the Senate Judiciary Committee at that time, and he doesn't recall

why real estate was excluded. He was thinking that it was probably because they wanted to limit raffles somewhat, they put in the cash limits, etc.

**Rep. Klemin:** How many licensed organizations are there that can do this.

**Keith Lauer:** There's about 350 organizations that obtain a license through our office on an annual basis. They would not be able to do a raffle of real estate with just a local permit, at least not very likely because of the restrictions, which are restricted to a \$2500 max. prize limit with a total prizes in the year of \$12,000. I can't imagine that there would be too many real estate properties that would be worth \$2500.00.

**Rep. Klemin:** Under this bill, this real estate is not restricted to any amount, it could be raw land, agricultural land.

**Keith Lauer:** That's correct. Potentially I suppose if the value of the land didn't run more than \$2500, it could actually be under a local permit and there would be no taxes on that particular prize.

**Rep. Klemin:** You mentioned the taxes of 5% on the first \$200,000 values, and you mentioned expenses which were about 53% now.

**Keith Lauer:** It is only after prizes that you tax the adjusted gross, and then the expenses come out after that. So it's not after expenses that the tax rate is on it is strictly after prizes.

**Rep. Klemin:** If we had a \$200,000 house and someone says to the charity, I'll sell you this house for \$100,000, you can raffle it off for \$200,000. Would that be alright.

**Keith Lauer:** If they in fact paid that individual \$100,000 for that house, that would be their cost and they would only be taxed on the gross receipts less than the \$100,000. It's my understanding from the IRS, after doing some research on the IRS regulations on donating property and if, in fact, you're donating something other than cash or stock, the IRS does require an appraisal if the value is over \$5,000. In some cases, you have to provide a

separate form on your income tax as the individual doing that, so when you saying that the house is \$200,000, if in fact the appraisal came out that the property was only valued at \$100,000 and the person sold it to the charity, they would get no deduction from the IRS on that.

**Rep. Klemin:** As I understand the purpose of the appraisal requirement, is to validate the amount you're claiming as a charitable deduction. The charity itself is not taxed.

**Keith Lauer:** You're establishing a value of \$200,000 on that house, if in fact, they are selling it to the charity for \$100,000, and that's all it is appraised for, there is no deduction for that individual. There is nothing in the bill that says the prize has to be donated. It can be purchased from someone and raffled off.

**Rep. Klemin:** If they donated at less than cost, then can you get the other amount.

**Keith Lauer:** Yes, they could in that case. There is nothing in the bill that says the prize has to be donated, it can be purchased by the charity, and then turn around and raffled off.

**Rep. Klemin:** I've seen bills like this up here before, where the person testifying maybe can't sell his house, so he wanted to raffle it off and give part of the proceeds to charity, then that would be a good way to sell his house. Would that be possible under this bill.

**Keith Lauer:** I suppose he could try. I don't know if he could get anymore for his house that way, because like we talked about, what kind of deduction would they get on their income tax, they could think their house was worth \$200,000 and they say I'm willing to sell it to the charity for \$100,000, but if that appraises out at \$100,000, they're getting nothing for the donation part of it at that point in time, because they have been paid in full for the appraised value by the charity. Granted, if they donated it, then they could probably get a \$100,000 deduction rather than \$200,000, because that is what the appraised value is.

**Rep. Delmore:** If we take out the local entities, that probably wouldn't do that, would that reduce the number of organizations.

**Keith Lauer:** That 350 are only licensed organizations with the state. Local permits issued each year in addition to the 350 licensed organizations, probably run around 350-500 local permits. There are a lot of schools, etc. that get a city permit, because the prizes can't exceed \$12,000 value total for an entire year. In those cases, all they do is go to the city, get a local permit, the local city can't charge them more than \$25 for the local permit. But there is no reporting to our office. All we get is a copy of the application.

**Rep. Delmore:** Because of the limits, they would probably not raffle real estate.

**Keith Lauer:** The primary prize, under local permit, cash prizes are still limited to the \$1000 that we have for raffles. But merchandise prizes under a local permit are limited to \$2500; with all prizes in a year's time not exceeding \$12,000. That limits a lot of those, doesn't prohibit it in this bill.

**Rep. Delmore:** Could I use all \$12,000 at one time, say if I found some real estate for \$12,000 that I would sell.

**Keith Lauer:** No, there is a \$2500 maximum single prize that can be offered as a top prize, and a \$12,000 a year limit for all prizes. You could certainly have one raffle where you give away \$12,000 worth of prizes, but the maximum single prize that you could offer under that is \$2500. The total of all your prizes couldn't exceed the \$12,000. The real estate could only be up to \$2500.

**Rep. Klemin:** There is no restriction on how the licensed organization could acquire this real estate, so conceivably it appears that you could buy some real estate and raffle it off, or somebody could give them some real estate and they could raffle it off. If you leave a house to an organization in your Will, and then they could raffle it off, do you see any restriction on this.

**Keith Lauer:** I think that's correct. You have no limitations on how they could obtain that particular property. They could purchase it, it could be donated. If you left it in a Will, they could get it as a donation and decide that's how they want to do it. We do get a number of inquiries over the years by people who have wanted to do it, but because those individuals are not non-profit organizations, they are unable to run raffles personally to do that.

**Rep. Klemin:** If somebody is going to raffle off some real estate, can they say in the raffle that if they don't sell enough tickets, they aren't going to do it.

**Keith Lauer:** There is a provision in the administrative rules that state that if a charity wants to extend a raffle, they can contact our office and you give them permission to extend the raffle. If in fact, they do that, they have to refund all the money to all the participants and if they change the raffle date and extend it out there, because maybe they haven't recovered the cost of the prizes, they have to make public announcements indicated that there has been a change in the date of the raffle drawing, or notify all the individual participants in that raffle somehow. There are provisions in the administrative rules that do allow some extensions on raffles, but under limited circumstances and with public knowledge that this has happened. We occasionally will get those too, where someone is overly optimistic thinking they could sell a certain number of tickets and recover the cost of the prizes, and they haven't been able to do that and provided that they do some kind of public announcement or contact the participants, we will sometimes grant them that. You want the charity to make some money off the raffles.

**Chairman DeKrey:** Thank you. Further testimony in support of SB 2140.

**Sen. Nick Hacker:** I would ask for your support on this bill. The reason for the rush, is because one of the organizations would like to do this in February. There is an individual that wanted to be here that was unable to make it (see attached testimony) that also supports it.

**Chairman DeKrey:** Thank you. Further testimony in support.



**Dawn Cruff-Kartes, Jordahl Custom Homes, Inc.:** (see attached testimony).

**Rep. Klemin:** There is nothing to stop you from donating this house, they just wouldn't be able to raffle it.

**Dawn Cruff-Kartes:** That is my understanding. I think they would have to turn around and sell it. We thought that a raffle would be a good way for them to raise money. The house and lot are going to run about \$150,000, so that hopefully between the two of them they would raise more money and gain support.

**Rep. Meyer:** Could you donate the house and then they could turn around and sell it outright.

**Dawn Cruff-Kartes:** I believe that is in place now. We are trying to amend the bill so that the raffle could include real estate, to look at trying to gain as much as then can for the charities.

**Chairman DeKrey:** Thank you. Further testimony in support.

**Judy Green, Exec. Dir./YWCA Cass Clay:** (see attached testimony).

**Rep. Delmore:** Do you have any idea of how many tickets and how much for each ticket for the raffle.

**Judy Green:** The intent that Jordahl Custom Homes has, is that the raffle ticket price would be \$50 and we would hope to sell anywhere between 3000-6000 tickets between our organizations. The proceeds from those ticket sales would go directly to the organization.

**Rep. Klemin:** Since you have two non-profits that are going together on the single raffle, how would that work.

**Judy Green:** That is their intent. The donor actually approached both of our organizations. Leanne Jordahl, who will be speaking next, actually is on the board of directors for the Humane Society and is also very supportive of both of our agencies. We both work hard to prevent abuse, whether it's to animal or women and children that we serve.

**Rep. Klemin:** So you have a joint raffle, under whose license is this being done.

**Judy Green:** I believe that Leanne will answer that question.

**Rep. Koppelman:** Do you know how the taxation would work for the winner of the raffle.

Does the house become taxable property, taxable income.

**Judy Green:** I believe it is a donated house. So it comes up zero property. They will have to pay their property taxes and everything else once they become the owner of that house.

**Rep. Koppelman:** I guess what I'm referring to is income tax. If the house is worth \$150,000 and the family that wins it, has an income of \$30,000 that year.

**Chairman DeKrey:** It would be ordinary income. You would give them a 1099 from the charitable organization. So if they win a \$150,000 house, I think they would owe tax on that amount. Thank you for appearing this morning. Further testimony in support.

**Leanne Jordahl, Jordahl Custom Homes:** (see attached testimony). The emergency clause is because we wanted to start selling tickets at the February House and Garden show and awarding the prize in May at the Parade of Homes. During that time, the two organizations will have the opportunity to present more education and awareness of why their organizations are participants in the community. The reason that we thought the raffle would be better than just selling it, was because it was showing that they are still willing to work for their organization and they are going to go out and generate that support and that education. It would be a bigger deal because it's not something that has been done before. So rather than just turning around and selling it, by having the raffle they can do more with it, as far as, however hard they are willing to work, determines the amount of money they can make. For example, if the tickets were \$50 each and each organization sold 2000 tickets that would be \$150,000 each. So it's a way for the organization to make as much money as they are willing to go work for. Once Jordahl Custom Homes donates the property to the charity, then we're out of it. The license would be under the charitable organization. I believe we have some

people working on the details but I believe it would fall under one of the license agents. That is something that is still being worked out with the legal team. The winner of the prize would be subject to any and all federal and state income taxes that would be payable to their acceptance of the prize. Let's say somebody didn't want to do that, they could turn around and sell the house. What happens to it after it is given away is not our problem. The person would be subject to the taxes with that. That is why I am asking for the support.

**Rep. Klemin:** What is the market value of the house.

**Leanne Jordahl:** The market value of the house would be approx. \$150,000.

**Rep. Klemin:** So if the two organizations sell 4,000 tickets at \$50 each and make \$100,000, before expenses of tickets, etc. for one.

**Leanne Jordahl:** Each group would receive that amount, for example.

**Rep. Klemin:** If they chose not to go to all this work to raffle it off, they could just sell it and make \$75,000 each.

**Leanne Jordahl:** They sure could, but the plan was that they could generate excitement with the raffle and also increase the education and awareness of their organizations through the raffle and why it's happening, and it's for a set period of time. So they would be able to include it in their budgeting because as non-profit organizations we have to set a budget, have it approved and so if we have a goal of how much we are going to make, we can include that in our yearly budget. If you sell it, you aren't assured that price, you might have to decrease it, and that wasn't the intent. The intent was so that they could generate excitement because it is such a big event that's never been done before.

**Rep. Klemin:** Does your gift of this house contingent on being to raffle it off.

**Leanne Jordahl:** Yes.

**Rep. Klemin:** So they can't just sell the house if the bill fails.

**Leanne Jordahl:** I'm not going to say that, then we'll look at some other way to support them and do something fun and big. Our intent was not to just give them a lump sum of money. We wanted to do something that would help them grow their education in the community and raise awareness, and generate excitement. We would do something else, because we are very supportive of the two organizations and we want to see them flourish. We wouldn't give up on them.

**Chairman DeKrey:** Thank you. Further testimony in support of SB 2140. Testimony in opposition.

**Warren DeKrey, Council on Gambling:** I have no written testimony. My comment is that this appears to be one incident and we are asking for an emergency clause. It seems to me like it is micromanaging. My question is, is the emergency clause good legislation.

**Chairman DeKrey:** Thank you. Further testimony in opposition. We will close the hearing.

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2140

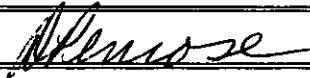
House Judiciary Committee

Check here for Conference Committee

Hearing Date: 1/31/07

Recorder Job Number: 2464

Committee Clerk Signature



Minutes:

**Chairman DeKrey:** We will take a look at SB 2140.

**Rep. Boehning:** I move a Do Pass.

**Rep. Kretschmar:** Second.

**Chairman DeKrey:** Personally, I am going to vote against a Do Pass motion, because I've got a real problem with raffling off real estate. Right now, you can't will land to certain organizations like Ducks Unlimited and those types of groups because we're real sensitive in ND about those types of groups. So if this bill prevails, my fear is that in the rural areas, they could give their land to Ducks Unlimited, then Ducks could turn around and raffle it off to a nationwide audience and probably end up with some out-of-state guy having the land right next to you, that you rented or owned, or whatever, and it's going to be his hunting paradise. I think the implications of this raffling off real estate are pretty big. While these people came up with a great idea and they want to help charities, but they can do exactly what they want to do, by turning around and sell that house and going out and begging people for donations. That seems to be lost in all this. The charitable organizations can still go out and ask for donations. I think the advent of charitable gaming has kind of been the death of some of our charities,

because they've gotten fat and lazy, and then they lost interest in their organization, because none of them were involved, so they fell by the wayside, and now the money quits coming in.

**Rep. Meyer:** Because they can go out if they want to do this, they can accomplish the same thing can't they, by just giving them the house.

**Chairman DeKrey:** If they want donations, they can go down the streets of Fargo like we do when we are campaigning.

**Rep. Boehning:** I guess when we have people coming forward that want to do something for the groups, it will spark some interest in those groups. I, for one, don't like to have someone call and ask me for money, that's the reason for the "Don't Call List". I don't want people coming to my door and asking for money. If you want to buy a raffle ticket you can and if you don't want to, you don't have to. If people are willing to do this, let's take it.

**Rep. Klemin:** Well we've got 350 sites that could be licensed organizations that can be doing this under this bill. I think that once this is allowed, there will be a lot more than 350 that will be licensed organizations just to do this. They can give the house to the organizations and they can sell it and divide the money. If they go to this raffle, what's going to stop them from calling you up and asking you if you want to buy a ticket for the raffle or advertising it, or whatever. It's not limited to houses, it could be raw land, farms, apartment buildings, industrial complex, etc. We were talking about adding raffles where somebody could exchange a prize once a year for \$25,000 instead of merchandise, now we've changed that two times. Now we're up to potentially millions and millions dollars here, raffles with real estate. This is quite an extension.

**Rep. Koppelman:** I think one of the exclusions in the Do Not Call list, is that you have to have a relationship with the person; now if you buy a raffle ticket, can they now start to call you for other donations.

**Chairman DeKrey:** Keith Lauer, from the AG's office, gave us a list of what this deal would cost with taxes, it would be about \$10,000 to the State on \$200,000.

**Rep. Boehning:** The value of the home was appraised at \$150,000. The charity would pay tax on that, not the individual.

**Chairman DeKrey:** It's on the gross proceeds.

**Rep. Delmore:** I call the question.

**Chairman DeKrey:** The question has been called. The clerk will call the roll.

**4 YES 9 NO 1 ABSENT DO PASS – MOTION FAILED**

**Rep. Klemin:** I move a Do Not Pass.

**Rep. Meyer:** Seconded.

**10 YES 3 NO 1 ABSENT DO NOT PASS CARRIER: Rep. Onstad**

# 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2140

House Judiciary Committee

Check here for Conference Committee

Hearing Date: 2/6/07

Recorder Job Number: 2911

Committee Clerk Signature

*Penrose*

Minutes:

**Chairman DeKrey:** We will take a look at SB 2140. We were asked to bring this bill back and reconsider our actions. The reason this came back is because the Senate wants us to take a look at this again. I talked to them about my concerns, so this is the amendment I put together. It would limit it to residential property, and it says in the bill about the licensed organization, means a 501(c)(3), so that doesn't have to be in the amendment. A licensed organization definition is a non-profit. This amendment also puts a sunset clause on it, so if we want to come back and look at it in two years, we can. This would allow people in Fargo to be able to raffle off that house for those two charities. Is there a motion to reconsider our actions.

**Rep. Griffin:** I move that we reconsider our actions by which we passed out SB 2140.

**Rep. DeKrey:** Second.

**Chairman DeKrey:** The chair is in doubt. The clerk will call the roll.

**7 YES 7 NO 0 ABSENT                      AMENDMENT MOTION FAILS**

**Chairman DeKrey:** The bill will be returned to the floor as a Do Not Pass.



