

**1999 HOUSE JUDICIARY**

**HB 1041**

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1041

House Judiciary Committee

Conference Committee

Hearing Date January 18, 1999

Tape Number	Side A	Side B	Meter #
1	x		12.5
Committee Clerk Signature <i>Alan Ginsberg</i>			

Minutes:

VONETTE RICHTER (LC) Explained the bill. This bill will allow the Gaming Commission to regulate the types of gaming that will be allowed under its rule making authority

JOSEPH DIRK (Moose Lodge) The North Dakota moose are in favor of this bill.

TOM KELSCH (CGAND) Presented written testimony which is attached..

REP KLEMIN: What impact do you think this bill will have?

MR. KELSCH : It should be positive. We need more variety and our gaming activity is way down.

VICKY WAGNER: (Gaming manager, VFW) Our gaming is down. We, too, need more variety. Since Prairie Knights Casino opened our gaming is off 35% to 40%.

Page 2

House Judiciary Committee

Bill/Resolution Number (Untitled)

Hearing Date January 18, 1999

CHUCK KELLER (AG) Our office is neutral on this bill. Presented prepared testimony, which is attached. Refers to figures on gaming which shows that 1994 was the peak year. On page 7, line 23 & 24 we are concerned as this could allow a payout of 100%, leaving nothing for charity.

THOMAS KELSCH: CGAND would have no objection to removing this change.

COMMITTEE ACTION January 26, 1999

REP. MARAGOS moved to amend the bill to retain the limit on payout at 90% Rep. Hawken seconded and all voted aye on a voice vote.

REP SVEEN moved that the committee recommend that the bill DO PASS AS AMENDED.

Rep. Delmore seconded and the motion passed with 9 ayes and 6 nays with 0 absent.

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: HB 1041 Amendment to: \_\_\_\_\_

Requested by Legislative Council Date of Request: 1-15-99

- Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

This bill would primarily authorize a gaming organization to conduct variations of the standard games of "poker" and "twenty-one." For variations of poker, the frequency of conducting poker would no longer be limited to two occasions per year, the amount of maximum bet would change from \$1 to \$5, and certain gaming sites would be required to have video surveillance systems. For variations of twenty-one, the frequency of conducting twenty-one and amount of maximum bet would not change.

- State fiscal effect in dollar amounts:

	1997-1999 Biennium		1999-2001 Biennium		2001-2003 Biennium	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Revenues:	-0-	-0-	\$15,000	-0-	Unknown	-0-
Expenditures:	-0-	-0-	-0-	-0-	-0-	-0-

- What, if any, is the effect of this measure on the appropriation for your agency or department:

a. For rest of 1997-1999 biennium: None

b. For the 1999-2001 biennium: None

c. For the 2001-2003 biennium: None

- County, City, and School District fiscal effect in dollar amounts:

1997-1999 Biennium			1999-2001 Biennium			2001-2003 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

If additional space is needed, attach a supplemental sheet.

Signed Charles Keller

Typed Name Charles Keller

Date Prepared: 1-20-99

Department Office of Attorney General

Phone Number 328-4482



Date: 1/26/99  
Roll Call Vote #: 7

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1041

House JUDICIARY Committee

Subcommittee on \_\_\_\_\_  
or

Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do pass as amended

Motion Made By ~~Deane~~ Sveen Seconded By Delmore

Representatives	Yes	No	Representatives	Yes	No
REP. DEKREY		✓	REP. SVEEN	✓	
REP. CLEARY	✓				
REP. DELMORE	✓				
REP. DISRUD	✓				
REP. FAIRFIELD		✓			
REP. GORDER		✓			
REP. GUNTER		✓			
REP. HAWKEN	✓				
REP. KELSH	✓				
REP. KLEMIN		✓			
REP. KOPPELMAN		✓			
REP. MAHONEY	✓				
REP. MARAGOS	✓				
REP. MEYER	✓				

Total (Yes) 9 No 6

Absent \_\_\_\_\_

Floor Assignment Sveen

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

**REPORT OF STANDING COMMITTEE**

**HB 1041: Judiciary Committee (Rep. DeKrey, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (9 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). HB 1041 was placed on the Sixth order on the calendar.

Page 7, line 23, remove the overstrike over "~~The amount of prizes may not exceed~~"

Page 7, line 24, remove the overstrike over "~~ninety percent of the gross proceeds.~~"

Renumber accordingly

**1999 SENATE JUDICIARY**

**HB 1041**

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1041

Senate Judiciary Committee

Conference Committee

Hearing Date March 9, 1999

Tape Number	Side A	Side B	Meter #
1	x		3172 - end
1		x	0 - 2223
3-22-99 1	x		1800 - 4200
Committee Clerk Signature <i>Jackie Follman</i>			

Minutes:

HB1041 relates to posting games of chance.

SENATOR STENEHJEM opened the hearing on HB1041 at 9:45 A.M.

All were present.

VONNETTE RICHTER, Legislative Council, testified to explain HB1041. This bill is introduced as a result of an Interim Study. This bill with overstrikes is done to provide the gaming commission would adopt rules. A section that allows for variations of poker and a new section regarding the posting of rules.

SENATOR TRAYNOR asked what changes did the House make.

VONNETTE RICHTER stated that the changes the House made were on page 7, line 23 and 24.

The overstrike was removed.

RICK STENSETH, Charitable Gaming Association, testified in support of HB1041. The final language developed here we believe gives us an opportunity to look at, explore, market and possibly initiate some types of games that were available at the time of the original statute. This doesn't change any rule or expand wagering limits.

JOSEPH DIRK, Moose Lodge, testified in support of HB1041. The State will gain from the passage of this bill with tax revenue.

VICKI WAGNER, Gaming Manager at the VFW, testified in support of HB1041. With the addition of poker, it would keep the revenue closer to home.

TODD KRANDA, Charitable Gaming Association of North Dakota, testified in support of HB1041. Since 1994 there has been a decline in charitable gaming gross proceeds. There has been a 30% drop in the net charitable gaming proceeds from 1993 - 1998. There is a continued decrease in gaming. The games have already been established. No new games are allowed. I will provide a copy of these statistics to the Committee.

ARTHUR LINK, North Dakota Council on Gambling Problems, testified in opposition of HB1041. Testimony attached.

LISA VIG, Gaming Counselor, testified in opposition of HB1041. Testimony attached.

WARREN WENZEL testified in opposition of HB1041. Testimony attached.

DICK ELEFSON, Attorney in Bismarck, testified in opposition of HB1041. I believe this bill is an expansion of gambling.

NORMAN GRUBB testified in opposition to HB1041. Testimony attached.

WARREN DEKREY testified in opposition to HB1041. The cost to our state to help problem gamblers is increasing.

Page 3

Senate Judiciary Committee

Bill/Resolution Number HB1041

Hearing Date March 9, 1999

MELVIN HYSTAD testified in opposition to HB1041. I am opposed to gambling because of what is happening to our families.

UEL STEVENSON, Minot, testified in opposition to HB1041. I don't want to see anymore increase of gambling in North Dakota.

SENATOR STENEHJEM CLOSED the hearing on HB1041.

TODD KRANDA proposed and explained some amendments.

SENATOR WATNE asked about the overstrike on a player cannot play more than 2 hands.

TODD KRANDA stated that is under the administrative code.

SENATOR TRAYNOR asked if we accept the amendments, can the gaming commission introduce these variations of poker.

TODD KRANDA stated no, they can not.

SENATOR STENEHJEM asked what is the substance of this bill.

TODD KRANDA stated that the substance is that you are cleaning up unnecessary language.

Provisions that are struck out that we believe the gaming commission has on the administrative rules and are better left to that commission.

SENATOR TRAYNOR asked if we accept these amendments, are the legislators that are opposed to gaming, are they comfortable with this.

TODD KRANDA stated that they had talked to several legislators and in our discussions that was the primary focus.

SENATOR NELSON asked for a rundown on how the gaming commission works with changing the rules.

TODD KRANDA stated they need to follow the administrative rules process. There is also an additional advisory board. They need to go to the administrative rules committee of the legislature.

SENATOR NELSON asked that they couldn't just decide to change the rules and do it.

TODD KRANDA stated no.

SENATOR STENEHJEM asked about Section 6, I can't imagine why the gaming commission would change the rule that says a player may not play more than two hands and where a person may wager on another person's hand.

TODD KRANDA stated the way you play the game is in statute. Our intention is to approve different successes in the game of 21.

WARREN DEKREY stated he still remains opposed to the bill.

SENATOR TRAYNOR stated that this was considered in the Interim and the committee was divided. It appears even if we adopt the amendments, it probably won't pass.

SENATOR WATNE made a motion on the Amendments, SENATOR NELSON seconded.

Discussion. Motion carried. 6 - 0 - 0

SENATOR WATNE made a motion for DO NOT PASS AS AMENDED, SENATOR LYSON seconded. Discussion. Motion carried. 5 - 1 - 0

SENATOR NELSON will carry the bill.



PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1041

Page 1, line 3, remove “53-06.1-07.2,” and remove “subsection 5 of”

Page 1, line 4, remove “section 53-06.1-11,”



Page 6, remove lines 22 through 31

Page 7, remove lines 1 through 15

Page 8, remove lines 27 through 31

Page 9, remove lines 1 through 4

Renumber accordingly





Date 3-22-99  
Roll Call Vote # 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL RESOLUTION NO. HB1041

Senate Judiciary Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Motion on Amendment

Motion Made By Senator Watne Seconded By Senator Nelson

Senators	Yes	No	Senators	Yes	No
Senator Wayne Stenehjem	X				
Senator Darlene Watne	X				
Senator Stanley Lyson	X				
Senator John Traynor	X				
Senator Dennis Bercier	X				
Senator Caroloyne Nelson	X				

Total (Yes) 6 No 0

Absent 0

Floor Assignment \_\_\_\_\_



**REPORT OF STANDING COMMITTEE**

**HB 1041, as engrossed: Judiciary Committee (Sen. W. Stenehjem, Chairman)**  
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends  
**DO NOT PASS** (5 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). Engrossed  
HB 1041 was placed on the Sixth order on the calendar.

Page 1, line 3, remove "53-06.1-07.2," and remove "subsection 5 of"

Page 1, line 4, remove "section 53-06.1-11,"

Page 6, remove lines 22 through 31

Page 7, remove lines 1 through 15

Page 8, remove lines 27 through 31

Page 9, remove lines 1 through 4

Re-number accordingly

**1999 TESTIMONY**

**HB 1041**

# North Dakota Council on Gambling Problems

Arthur A. Link  
Chairman

January 20, 1999

R.E. - H.B. ~~1014~~ <sup>1041</sup>

Hon. Chairman Duane DeKrey and members  
of the House Judiciary Committee:

My name is Arthur A. Link, Chairman of the North Dakota Council on Gambling Problems.

The North Dakota Council on Gambling Problems is opposed to expansion of gambling.

Present law allows poker to be conducted not more than two occasions per year and a maximum fee not to exceed two dollars.

Subsection 2 of Section 3 of ~~H.B. 1014~~ <sup>1041</sup> amends the law and provides for "Poker Variations" with no restriction on number of occasions and a maximum five dollar wager.

This would permit a licensed organization to conduct "Poker Variations" games without limit at more than double the present fee.

North Dakota should not condone any expansion of gambling and H.B. 1014 should not pass.

With this letter I also submit information that portrays the negative effects of gambling and the resulting economic and social costs of gambling.

The North Dakota Council on Gambling Problems respectfully requests a "Do Not Pass" recommendation on House Bill ~~1014~~ <sup>1041</sup>.

Thank you for your consideration.



Arthur A. Link

# Gamblers pay harsh price of addiction

■ Habit often destroys careers, families

MATEA GOLD and  
DAVID FERRELL, *Los Angeles Times*

Rex Coile's life is a narrow box, so dark and confining he wonders how he got trapped inside, whether he'll ever get out.

He never goes to the movies, never sees concerts, never lies on a sunny beach, never travels on vacation, never spends Christmas with his family.

Instead, Rex shares floor space in cheap motels with other compulsive gamblers, comforting himself with delusional dreams of jackpots that will magically wipe away three decades of wreckage.

He has lost his marriage, his home, his Cadillac, his clothes, his diamond ring. Not least of all, in the card clubs of Southern California, he has lost his pride.

Rex no longer feels sorry for himself, not after a 29-year losing streak that has left him scrounging for table scraps to feed his habit. Still, he agonizes over

what he has become at 54 and what he might have been.

Articulate, intellectual, he talks about existential philosophy, the writings of Camus and Sartre. He was once an editor at Random House. His mind is so jampacked with tidbits about movies, television, baseball and history that card room regulars call him "Rex Trivia," a name he cherishes for the remnant of self-respect it gives him.

"There's a lot of Rexes around these card rooms," he says in a whisper of resignation and sadness.

And their numbers are soaring as gambling explodes across America, from the mega-resorts of Las Vegas to the gaming parlors of Indian reservations, from the riverboats along the Mississippi to the corner mini-marts selling lottery tickets.

With nearly every state in the union now sanctioning some form of legalized gambling to raise revenues, evidence is mounting that society is paying a steep price, one that some researchers say must be confronted, if not reversed.

Never before have bettors blown so much money — a whopping \$50.9 billion last year — five times the

(More on GAMBLE, Page 8A)



LOS ANGELES TIMES

Once a promising book editor, **Rex Coile**, takes part in a poker game at the Crystal Park Casino in Compton, Calif.

# Gamble: Living with the addicted very difficult

FROM PAGE 1A

amount lost in 1980. That's more than the public spent on movies, theme parks, recorded music and sporting events combined.

A substantial share of those gambling losses — an estimated 30 percent to 40 percent — pours from the pockets and purses of chronic losers hooked on the adrenaline rush of risking their money, intoxicated by the fast action of gambling's incandescent world.

Studies place the total number of compulsive gamblers at about 4.4 million, about equal to the nation's ranks of hard-core drug addicts. Another 11 million, known as problem gamblers, teeter on the verge. Since 1990, the number of Gamblers Anonymous groups nationwide has doubled from about 600 to more than 1,200.

No longer is habitual gambling an affliction suffered almost solely by men. More women, teen-agers and the elderly are rolling the dice than ever before. The addiction rate among youth is more than double that of adults.

Many gambling addicts, no matter what their age or sex, share a common beginning: a thrilling and hefty payday that they spend years trying to recapture, turning their early luck into a curse.

Although pathological gambling was recognized as an impulse control disorder by the American Psychiatric Association in 1980, the problem has been afforded neither the urgency nor the treatment funding of substance abuse, despite its similarly corrosive impact on society.

Compulsive gambling has been linked to child abuse, domestic violence, embezzlement, bogus insurance claims, bankruptcies, welfare fraud and a host of other social and criminal ills. The advent of Internet gambling could lure new legions into wagering beyond their

"It's the hidden disease of the '90s," says Paul Ashe, president of the National Council on Problem Gambling. "You can't see the card tracks on their arms. You can't smell the dice on their breath."

Clearly, most of the public views gambling as a relatively harmless, if somewhat expensive, recreational activity. The vast majority of people know when to stop, much like someone who can enjoy a single glass of wine over dinner. But even the gambling industry conservatively acknowledges that at least one out every 100 Americans has a serious betting problem — chasing the elusive exhilaration of a big win, rarely retreating from the staggering losses.

In South Carolina, for example, so many people are spending sleepless nights sinking their savings into the state's 31,000 video poker machines that the governor has dubbed them "the crack cocaine of gambling."

Every once in a while, a case is so egregious it makes headlines: A 10-day-old baby girl in South Carolina dies after being left for nearly seven hours in a hot car while her mother plays video poker. A suburban Chicago woman is so desperate for a bankroll to gamble that she allegedly suffocates her 7-week-old daughter 11 days after obtaining a \$200,000 life-insurance policy on the baby.

But these tragedies that flash before the public eye are just lightning strokes of a roiling night storm. Far more often, compulsive gambling bends lives more subtly, less sensationally, over the course of years.

Essential family needs are compromised — food, clothing, simple affection. Faced with mountainous debts, many gamblers lose their homes. Some steal and swindle to stay afloat another day. Too many end their free fall with a bottle of

"If this were a children's toy, it would be pulled off the market immediately," University of Illinois economics professor Earl Grinols says of gambling. "We would not tolerate it."

Grinols and other gambling critics believe that governments, no matter how strapped for cash, should not be creating victims, granting a stamp of approval to gambling that would never be extended to drugs, alcohol or tobacco. Thirty-seven states now run their own lotteries and spend millions on seductive advertisements.

"When the cigarette industry did this with Joe Camel, the country was outraged," says Valerie Lorenz, executive director of the Compulsive Gambling Center in Baltimore. "Now our government is doing it."

Despite the seedlings of a backlash, the reality is that the gambling industry is one of the most powerful forces in American business and politics, stamping out opposition through high-end marketing, sophisticated spin control and enormous campaign contributions.

In virtually every state where wagering was an issue in the November elections, pro-gambling forces prevailed, even costing two incumbent Southern governors their jobs because they opposed legalized betting.

With so much at stake, many scholars, addiction specialists and gambling foes of various stripes say it is time to examine the social implications of gambling's expansion, to consider not only the estimated \$18 billion generated last year for government but the well-being of those who ante up the money.

No one is sure how much crime is committed for gambling funds. But some surveys show that about half of Gamblers Anonymous members

In one survey, 47 percent admitted to some form of insurance fraud, embezzlement or arson. In three recent studies in Illinois, Wisconsin and Connecticut, 394 Gamblers Anonymous members reported a combined total debt of \$37.4 million, and four had embezzled at least \$1 million each.

Science has begun to uncover clues to compulsive gambling — genetic predispositions that involve chemical receptors in the brain, the same pleasure pathways implicated in drug and alcohol addiction. But no amount of knowledge, no amount of enlightenment, makes the illness any less confounding, any less destructive.

What the gamblers cannot understand about themselves is also well beyond the comprehension of family members, who struggle for normality in a world of deceit and madness.

"Anybody who is living with a compulsive gambler is totally overwhelmed," says Tom Tucker, president of the California Council on Problem Gambling. "They're steeped in anger, resentment, depression, confusion. None of their personal efforts will ever stop a person from their addiction. And they don't really see any hope because compulsive gambling in general is such an under-recognized illness."

Too often, families of gambling addicts endure more than warped finances and wrecked psyches. They have come to fear for their physical safety.

Many therapists say that, as gambling has proliferated, they have seen a rise in domestic violence and child abuse. In a horrifying case last year, a compulsive gambler in Massachusetts bludgeoned his sleeping wife to death after she had taken control of the family money.

Nancy Lantz, a former domestic violence therapist in Denver, says she saw an increase of battering by men she was treating when gambling was legalized in that state. A survey of battered women at a Colorado Springs shelter revealed that 10 percent of women seeking restraining orders reported that gambling contributed to the domestic violence.

"If there are already power and control issues in a relationship and you add gambling, it becomes a more lethal combination," says Lantz, who now runs a gambling treatment program in Indianapolis.

Although many spouses silently suffer the physical and emotional trauma, many are salvaging what's left of their lives, striking out on their own.

A study last year by SMR Research Corporation of Hacketts-town, N.J., cited gambling as one of the biggest contributors to the dramatic increase in personal bankruptcies nationwide, especially in counties where multiple forms of gambling are legal.

The industry disputes such findings, arguing that factors such as relaxed bankruptcy laws and aggressive solicitation of credit-card customers are largely to blame for the rise in financial failures.

The link between gambling and homelessness is usually lost in the glare of other causes of poverty — especially drugs and alcohol, two other habits that some gamblers embrace. But almost one in five people cited gambling as a factor in their homelessness, according to a survey last spring of 1,100 clients at shelters run by the International Union of Gospel Missions. About 40 percent of those surveyed say they still gamble.

About one of every five compulsive gamblers attempts suicide, according to studies. Though comparative numbers are scarce, some counselors suspect that compulsive gamblers try to kill themselves as often — or more — than any other group of addicts.

With drug or alcohol abusers, there is the hope of sobering up, an accomplishment in itself, no matter what problems may have accompanied their addictions. Compulsive gamblers often see no way to purge their urges when suffocating debts suggest only one answer: a hot streak.

"They have nowhere to turn when they feel cornered," says Dr. Richard J. Rosenthal, a Beverly Hills psychiatrist who founded the California Council on Problem Gambling. "Very often they are motivated by their shame into more and more desperate attempts to avoid being found out."

David Phillips, a University of California, San Diego, sociology professor, studied death records from 1982 to 1988 — before legalized gambling exploded across America — and found that people in Las Vegas, Atlantic City and other gambling meccas showed significantly higher suicide rates than people in non-gambling cities.

The gambling industry insists that those numbers reflect other social forces, including high volumes of visitors and natural statistical fluctuations.

OFFICE OF ATTORNEY GENERAL  
GAMING DIVISION

Forecasted Gaming Activity for the 1999-2001 Biennium  
(Excludes Parimutuel Wagering)  
January 5, 1999

	<u>Gross Proceeds</u>	<u>Prizes</u>	<u>Adj Gross Proceeds</u>	<u>Gross Profit %</u>
Bingo - Regular	\$ 97,467,000	\$ 74,075,000	\$ 23,392,000	24%
Bingo - Disp. Dev.	160,000	136,000	24,000	15%
Raffles	4,132,000	1,777,000	2,355,000	57%
Pull Tabs - Jars	263,810,000	208,410,000	55,400,000	21%
Pull Tabs - Disp. Dev.	111,064,000	86,630,000	24,434,000	22%
Board Games	2,779,000	1,973,000	806,000	29%
Punchboards	41,000	29,000	12,000	29%
Sports Pools	250,000	190,000	60,000	24%
Twenty-one	73,737,000	59,727,000	14,010,000	19%
Calcuttas	240,000	204,000	36,000	15%
Paddlewheels	1,729,000	1,487,000	242,000	14%
Poker	<u>6,000</u>	<u>0</u>	<u>6,000</u>	<u>100%</u>
Totals	\$ 555,415,000	\$ 434,638,000	\$ 120,777,000	22%

Add: Interest Earned	\$ 167,000
Less: ND Excise Tax	16,401,000
Federal Excise Tax	320,000
Bingo Sales Tax	5,458,000
Uncollected Checks	<u>78,000</u>
Total Adjusted Gross Proceeds	\$ 98,687,000

Less: Gaming Tax	\$ 6,691,000
Allowable Expenses	<u>57,692,000</u>
Total Expenses	\$ 64,383,000

Net Proceeds Earned \$ 34,304,000

Eligible Use Contributions \$ 34,304,000

Taxes Summary

ND 4.5% Excise Tax	\$ 16,401,000
Gaming Tax	<u>6,691,000</u>
Total	\$ 23,092,000

Other Revenue

Monetary Fines	\$ 53,000
Interest and Penalty	26,000
Gaming Stamps, License and Record Check Fees	<u>391,000</u>
Total	\$ 470,000

Total Taxes and Other Revenue \$ 23,562,000



OFFICE OF ATTORNEY GENERAL

Gaming Division

January 12, 1999

Overview of Gaming Activity for 1977-1998

	Cal. Year ended 12/31/77	Cal. Year ended 12/31/78	Six Months ended 06/30/79	Fis. Year ended 06/30/80	Fis. Year ended 06/30/81	Fis. Year ended 06/30/82	Fis. Year ended 06/30/83	Fis. Year ended 06/30/84	Fis. Year ended 06/30/85	Fis. Year ended 06/30/86	Fis. Year ended 06/30/87	Fis. Year ended 06/30/88	Fis. Year ended 06/30/89	Fis. Year ended 06/30/90	Fis. Year ended 06/30/91	Fis. Year ended 06/30/92	Fis. Year ended 06/30/93	Fis. Year ended 06/30/94	Fis. Year ended 06/30/95	Fis. Year ended 06/30/96	Fis. Year ended 06/30/97	Fis. Year ended 06/30/98
<b>Full-Tab:</b>																						
Gross Proceeds	\$5,043,000	\$7,988,000	\$9,108,000	\$30,311,000	\$46,938,000	\$73,566,000	\$ 98,461,000	\$12,843,000	\$19,213,000	\$126,934,000	\$131,487,000	\$141,335,000	\$146,828,000	\$130,395,000	\$115,218,000	\$137,829,000	\$192,032,000	\$194,081,000	\$184,588,000	\$190,833,000	\$185,241,000	\$187,000,019
Adj. Gross Proceeds	Unavailable	Unavailable	Unavailable	Unavailable	8,304,000	12,989,000	17,174,000	19,814,000	20,669,000	21,406,000	22,072,000	23,043,000	23,418,000	23,436,000	23,450,000	27,882,000	38,184,000	41,262,000	38,832,000	39,968,000	39,161,000	39,540,265
<b>Singo:</b>																						
Gross Proceeds	637,000	1,028,000	496,000	1,717,000	1,944,000	2,867,000	4,469,000	6,563,000	10,912,000	20,335,000	27,771,000	36,441,000	46,978,000	51,122,000	52,488,000	57,673,000	56,073,000	55,480,000	53,247,000	53,753,000	50,901,000	48,804,421
Adj. Gross Proceeds	Unavailable	Unavailable	Unavailable	Unavailable	489,000	830,000	1,135,000	1,567,000	2,144,000	3,167,000	4,862,000	4,962,000	6,990,000	6,243,000	8,002,000	8,191,000	10,138,000	9,265,000	8,528,000	8,794,000	10,306,000	11,586,175
<b>Twenty-one:</b>																						
Gross Proceeds	---	---	---	---	---	17,098,000	24,783,000	20,148,000	18,574,000	17,377,000	18,427,000	18,988,000	20,879,000	34,104,000	38,168,000	40,709,000	42,232,000	43,525,000	40,713,000	40,376,000	36,939,000	36,011,166
Adj. Gross Proceeds	---	---	---	---	---	4,445,000	6,444,000	5,758,000	4,848,000	4,505,000	4,793,000	4,875,000	4,879,000	7,204,000	7,563,000	7,981,000	8,381,000	8,378,000	7,963,000	7,891,000	7,149,000	6,246,974
<b>Raffles, Punchboards, Sports Pools, Poker, Calcuttas, Bagglewheels:</b>																						
Gross Proceeds	306,000	352,000	229,000	1,570,000	1,623,000	843,000	795,000	658,000	1,467,000	828,000	1,056,000	1,389,000	1,404,000	1,546,000	1,825,000	3,090,000	2,301,000	2,535,000	2,946,100	2,894,000	2,915,000	3,151,393
Adj. Gross Proceeds	Unavailable	Unavailable	Unavailable	Unavailable	391,000	254,300	226,300	182,000	281,000	315,000	446,000	586,000	624,000	934,000	932,000	840,000	846,000	1,056,000	1,106,100	1,279,000	1,247,000	1,235,851
<b>Total Gross Proceeds</b>	<b>\$5,986,000</b>	<b>\$9,368,000</b>	<b>\$9,833,000</b>	<b>\$33,598,000</b>	<b>\$50,505,000</b>	<b>\$94,374,000</b>	<b>\$128,508,000</b>	<b>\$140,212,000</b>	<b>\$150,166,000</b>	<b>\$165,474,000</b>	<b>\$178,741,000</b>	<b>\$198,152,000</b>	<b>\$215,289,000</b>	<b>\$217,157,000</b>	<b>\$207,699,000</b>	<b>\$239,301,000</b>	<b>\$292,637,000</b>	<b>\$295,621,000</b>	<b>\$281,194,000</b>	<b>\$288,017,000</b>	<b>\$275,996,000</b>	<b>\$275,166,998</b>
<b>Adj. Gross Proceeds</b>			\$28,519,000		\$18,518,000	\$ 24,979,000	\$ 27,321,000	\$ 28,142,000	\$ 29,593,000	\$ 32,173,000	\$ 33,296,000	\$ 35,711,000	\$ 37,387,000	\$ 39,945,000	\$ 44,994,000	\$ 57,549,000	\$ 59,941,000	\$ 56,527,000	\$ 57,932,000	\$ 57,883,000	\$ 56,413,065	
<b>Excise Tax</b>	---	---	---	---	---	---	---	---	---	---	---	---	---	\$ 2,365,000	\$ 1,258,000	\$ 2,701,000	\$ 3,761,000	\$ 3,312,000	\$ 7,950,000	\$ 8,225,000	\$ 7,984,000	\$ 8,284,314
<b>Gaming Tax</b>		\$ 1,186,000			\$926,000	\$1,249,000	\$1,358,000	\$1,382,000	\$1,458,000	\$1,591,000	\$1,673,000	\$ 1,977,000	\$ 2,144,000	\$ 2,728,000	\$ 3,089,000	\$ 3,992,000	\$ 3,358,000	\$ 3,192,000	\$ 3,355,000	\$ 3,154,000	\$ 3,308,703	
<b>Allowable Expenses</b>		\$ 8,816,000			\$ 6,182,000	\$ 8,419,000	\$ 9,394,000	\$9,585,000	\$ 12,286,000	\$ 13,313,000	\$ 14,878,000	\$ 15,994,000	\$ 17,234,000	\$ 18,519,000	\$ 20,628,000	\$ 26,185,000	\$ 24,720,000	\$ 23,322,000	\$ 23,438,000	\$ 27,521,000	\$ 28,546,935	
<b>Net Proceeds</b>			\$18,517,000		\$11,410,000	\$ 15,310,000	\$ 16,673,000	\$ 16,920,000	\$ 15,820,000	\$ 17,026,000	\$ 16,511,000	\$ 17,971,000	\$ 15,468,000	\$ 16,562,000	\$ 18,481,000	\$ 23,448,000	\$ 22,476,000	\$ 21,140,000	\$ 17,835,000	\$ 16,232,000	\$ 16,503,742	

Note: Excludes parimutuel on-track and off-track (simulcasting) activity.

OFFICE OF ATTORNEY GENERAL

1041

Overview of Gaming Activity for 1977-1998

	Cal. Year Ended 12-77	Cal. Year Ended 12-78	Six Months Ended 6-79	Fis. Year Ended 6-80	Fis. Year Ended 6-81	Fis. Year Ended 6-82	Fis. Year Ended 6-83	Fis. Year Ended 6-84	Fis. Year Ended 6-85	Fis. Year Ended 6-86	Fis. Year Ended 6-87
<b>Pull-Tabs:</b>											
Gross Proceeds	\$5,043,000	\$7,988,000	\$9,108,000	\$30,311,000	\$46,938,000	\$73,566,000	\$ 98,461,000	\$112,843,000	\$119,213,000	\$126,934,000	\$131,487,000
Adj. Gross Proceeds	Unavailable	Unavailable	Unavailable	Unavailable	8,304,000	12,989,000	17,174,000	19,814,000	20,669,000	21,606,000	22,072,000
<b>Bingo:</b>											
Gross Proceeds	637,000	1,028,000	496,000	1,717,000	1,944,000	2,867,000	4,469,000	6,563,000	10,912,000	20,335,000	27,771,000
Adj. Gross Proceeds	Unavailable	Unavailable	Unavailable	Unavailable	489,000	830,000	1,135,000	1,567,000	2,144,000	3,167,000	4,862,000
<b>Twenty-one:</b>											
Gross Proceeds	---	---	---	---	---	17,098,000	24,783,000	20,148,000	18,574,000	17,377,000	18,427,000
Adj. Gross Proceeds	---	---	---	---	---	4,445,000	6,444,000	5,758,000	4,948,000	4,505,000	4,793,000
<b>Other Games:</b>											
Gross Proceeds	306,000	352,000	229,000	1,570,000	1,623,000	843,000	795,000	658,000	1,467,000	828,000	1,056,000
Adj. Gross Proceeds	Unavailable	Unavailable	Unavailable	Unavailable	391,000	254,000	226,000	182,000	381,000	315,000	446,000
<b>Total Gross Proceeds</b>	<b>\$5,986,000</b>	<b>\$9,368,000</b>	<b>\$9,833,000</b>	<b>\$33,598,000</b>	<b>\$50,505,000</b>	<b>\$94,374,000</b>	<b>\$128,508,000</b>	<b>\$140,212,000</b>	<b>\$150,166,000</b>	<b>\$165,474,000</b>	<b>\$178,741,000</b>
<b>Adj. Gross Proceeds</b>			<b>\$28,519,000</b>			<b>\$18,518,000</b>	<b>\$ 24,979,000</b>	<b>\$ 27,321,000</b>	<b>\$ 28,142,000</b>	<b>\$ 29,593,000</b>	<b>\$ 32,173,000</b>
<b>Excise Tax</b>	---	---	---	---	---	---	---	---	---	---	---
<b>Gaming Tax</b>			<b>\$ 1,186,000</b>			<b>\$926,000</b>	<b>\$1,249,000</b>	<b>\$1,358,000</b>	<b>\$1,382,000</b>	<b>\$1,458,000</b>	<b>\$1,591,000</b>
<b>Net Proceeds</b>			<b>\$18,517,000</b>			<b>\$11,410,000</b>	<b>\$ 15,310,000</b>	<b>\$ 16,673,000</b>	<b>\$ 16,920,000</b>	<b>\$ 15,520,000</b>	<b>\$ 17,026,000</b>

	Fis. Year Ended 6-88	Fis. Year Ended 6-89	Fis. Year Ended 6-90	Fis. Year Ended 6-91	Fis. Year Ended 6-92	Fis. Year Ended 6-93	Fis. Year Ended 6-94	Fis. Year Ended 6-95	Fis. Year Ended 6-96	Fis. Year Ended 6-97	Fis. Year Ended 6-98
<b>Pull-Tabs:</b>											
Gross Proceeds	\$141,335,000	\$146,828,000	\$130,385,000	\$115,218,000	\$137,829,000	\$192,032,000	\$194,081,000	\$184,588,000	\$190,833,000	\$185,241,000	\$187,200,018
Adj. Gross Proceeds	23,063,000	23,418,000	23,406,000	23,450,000	27,882,000	38,184,000	41,262,000	38,832,000	39,968,000	39,161,000	39,540,265
<b>Bingo:</b>											
Gross Proceeds	36,441,000	46,978,000	51,122,000	52,488,000	57,673,000	56,073,000	55,480,000	53,047,000	53,753,000	50,901,000	48,804,421
Adj. Gross Proceeds	4,962,000	6,990,000	6,243,000	8,002,000	8,191,000	10,138,000	8,265,000	8,526,000	8,794,000	10,306,000	11,586,175
<b>Twenty-one:</b>											
Gross Proceeds	18,988,000	20,079,000	34,104,000	38,168,000	40,709,000	42,232,000	43,525,000	40,713,000	40,576,000	36,939,000	36,011,166
Adj. Gross Proceeds	4,675,000	4,679,000	7,204,000	7,561,000	7,981,000	8,381,000	8,378,000	7,963,000	7,891,000	7,169,000	6,946,974
<b>Other Games:</b>											
Gross Proceeds	1,388,000	1,404,000	1,546,000	1,825,000	3,090,000	2,301,000	2,535,000	2,846,000	2,854,000	2,915,000	3,151,393
Adj. Gross Proceeds	586,000	624,000	534,000	932,000	940,000	846,000	1,056,000	1,206,000	1,279,000	1,247,000	1,339,651
<b>Total Gross Proceeds</b>	<b>\$198,152,000</b>	<b>\$215,289,000</b>	<b>\$217,157,000</b>	<b>\$207,699,000</b>	<b>\$239,301,000</b>	<b>\$292,637,000</b>	<b>\$295,621,000</b>	<b>\$281,194,000</b>	<b>\$288,017,000</b>	<b>\$275,996,000</b>	<b>\$275,166,998</b>
<b>Adj. Gross Proceeds</b>	<b>\$ 33,286,000</b>	<b>\$ 35,711,000</b>	<b>\$ 37,387,000</b>	<b>\$ 39,945,000</b>	<b>\$ 44,994,000</b>	<b>\$ 57,549,000</b>	<b>\$ 58,961,000</b>	<b>\$ 56,527,000</b>	<b>\$ 57,932,000</b>	<b>\$ 57,883,000</b>	<b>\$ 56,413,065</b>
<b>Excise Tax</b>	---	---	<b>\$ 2,365,000</b>	<b>\$ 2,258,000</b>	<b>\$ 2,701,000</b>	<b>\$ 3,761,000</b>	<b>\$ 8,312,000</b>	<b>\$ 7,950,000</b>	<b>\$ 8,225,000</b>	<b>\$ 7,984,000</b>	<b>\$ 8,284,314</b>
<b>Gaming Tax</b>	<b>\$1,673,000</b>	<b>\$ 1,977,000</b>	<b>\$ 2,444,000</b>	<b>\$ 2,728,000</b>	<b>\$ 3,089,000</b>	<b>\$ 3,992,000</b>	<b>\$ 3,358,000</b>	<b>\$ 3,192,000</b>	<b>\$ 3,355,000</b>	<b>\$ 3,154,000</b>	<b>\$ 3,308,703</b>
<b>Net Proceeds</b>	<b>\$ 16,511,000</b>	<b>\$ 17,571,000</b>	<b>\$ 15,468,000</b>	<b>\$ 16,562,000</b>	<b>\$ 18,481,000</b>	<b>\$ 23,448,000</b>	<b>\$ 22,476,000</b>	<b>\$ 21,440,000</b>	<b>\$ 17,835,000</b>	<b>\$ 16,232,000</b>	<b>\$ 16,503,742</b>

TESTIMONY ON HOUSE BILL NO. 1041  
BY: THOMAS D. KELSCH

Chairman DeKrey, Members of the House Judiciary Committee, my name is Thomas D. Kelsch of Kelsch Law Firm in Mandan, and I am testifying on behalf of the Charitable Gaming Association of North Dakota. The Charitable Gaming Association of North Dakota (CGAND) is a statewide association of charitable gaming organizations. CGAND represents over 57 members with all but 2 of the top 25 charitable gaming organizations. CGAND has a very diverse membership varying from clubs to small organizations in all regions of the state. CGAND also represents approximately 70% of the charitable gaming in North Dakota.

House Bill 1167, Section 22, of the 1997 Legislative Session established a Charitable Gaming Industry Study. The Interim Judiciary Committee was assigned the Study by the Legislative Council which included the study of the charitable gaming laws and rules to determine whether the laws and rules regarding taxation, enforcement, limitations, conduct and play of charitable gaming are adequate and appropriate. House Bill 1041 is the legislation that was developed by the Interim Judiciary Committee to implement the recommendations from that study.

CGAND supports House Bill 1041. Charitable gaming in North Dakota has declined with the most significant decline in the table game, 21 - black jack. Charitable gaming in North Dakota and the charities they support need some help. CGAND feels that House Bill 1041 will be the mechanism to provide that help. House Bill 1041 does not change any of the existing gaming provisions other than to allow the Gaming Commission to develop and establish the rules of conduct and play for those games that are presently allowed in North Dakota.

Currently how some games of chance are played are rigidly set forth in statute.

Charitable gaming operators are restricted from making changes in how games are played which they could market to bring back some interest in charitable gaming.

This Bill would give the Gaming Commission in consultation with the Gaming Advisory Board, and the Attorney General's office the ability to adopt rules affecting the conduct of play of some of charitable games after hearing and public notice.

This Bill does not change how games would be played currently, it would take action by the Gaming Commission. Also the Bill does not change the amount that can be bet or who can play. Those are limits over which the legislature would still maintain control.

On behalf of CGAND I would urge a do pass on House Bill 1041.

**STATE GAMING COMMISSION**

**ALTENBURG, Lois**

**FRENZEL, Sandi**

**STENEHJEM, Allan**

**TORGERSON, Carrol**

**WANG, James P.**

---

**GAMING ADVISORY BOARD**

**HECTOR, Earlyne**

*Chairperson*

6816 South University Drive  
Fargo, ND 58104

**STENSETH, Rick**

*Fargo-Moorhead Community  
Theater*

PO Box 2844  
Fargo, ND 58108-2844

**OLSON, Ardis**

*Drayton Curling Club*

PO Box 252  
Drayton, ND 58225-0252

**RESSLER, Peter**

*American Foundation for Wildlife*

PO Box 236  
Bismarck, ND 58502-0236

**MAIER, Arnold**

*VFW Post 1326*  
805 North 12<sup>th</sup> Street  
Bismarck, ND 58501

**MEAGHER, Kathy**  
*North Dakota Special Olympics*  
2616 South 26<sup>th</sup> Street  
Grand Forks, ND 58203

**LADOUCER, Traci**  
*North Dakota Association for the  
Disabled*  
1913 South Washington  
Grand Forks, ND 58201

**CLAPP, Ben**  
*Plains Art Museum*  
PO Box 2338  
Fargo, ND 58108-2338

**WATNE, Darlene**  
*State Senator*  
520 28<sup>th</sup> Avenue SW  
Minot, ND 58701

**DELMORE, Lois**  
*State Representative*  
714 South 22<sup>nd</sup> Street  
Grand Forks, ND 58201

**LIEN, Ken**  
*Lien Games, Inc.*  
PO Box 564  
Fargo, ND 58107-0564

**WRANGHAM, Dwight**  
*Dakota Gaming Supply, Inc.*  
1308 East Avenue F  
Bismarck, ND 58501

**BARNARD, Bob**  
*Minot Police Department*  
515 2<sup>nd</sup> Avenue SW  
Minot, ND 58701-3739

**MCLEAN-BEHRENS, Jeanne**  
*Bottineau County State's Attorney*  
314 5<sup>th</sup> Street West  
Bottineau, ND 58318-1204

**HERTSGAARD, Mary**  
*Certified Public Accountant*  
3720 Cherry Street #E-19  
Grand Forks, ND 58201

**SCHUH, Rick**  
*Midwest Investigation & Security,*  
*Inc.*  
PO Box 3028  
Bismarck, ND 58502-3028

**LEIER-SPRENGER, Terri**  
*Fargo City Auditor*  
2837 27<sup>th</sup> Street SW  
Fargo, ND 58103

**LUGER, J. Kurt**  
*North Dakota Indian Gaming*  
*Association*  
PO Box 1983  
Bismarck, ND 58502-1983

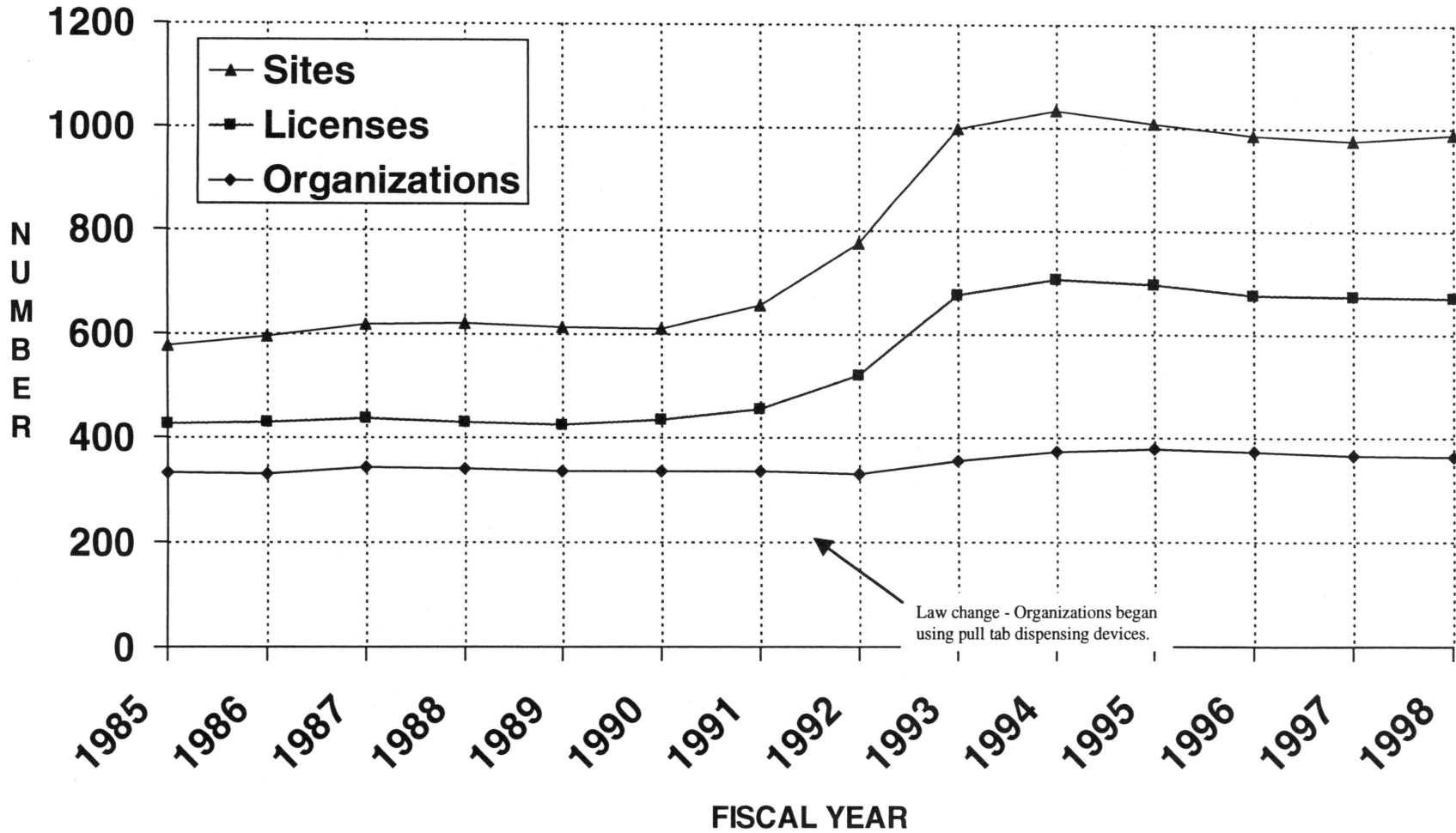
**WAGNER, Vicki**  
*North Dakota Council of Clubs*  
1748 North 6<sup>th</sup> Street  
Bismarck, ND 58501

**SKRAMSTAD, Duane**  
*Charitable Gaming Association of*  
*North Dakota*  
PO Box 43  
Enderlin, ND 58027

**HILL, Brian**  
*Lucky's Bar & Lounge*  
2176 East Thayer Avenue  
Bismarck, ND 58501

Office of Attorney General  
Gaming Division  
January 19, 1999

Number of Sites, Licenses and Organizations  
For Fiscal Years 1985 Through 1998

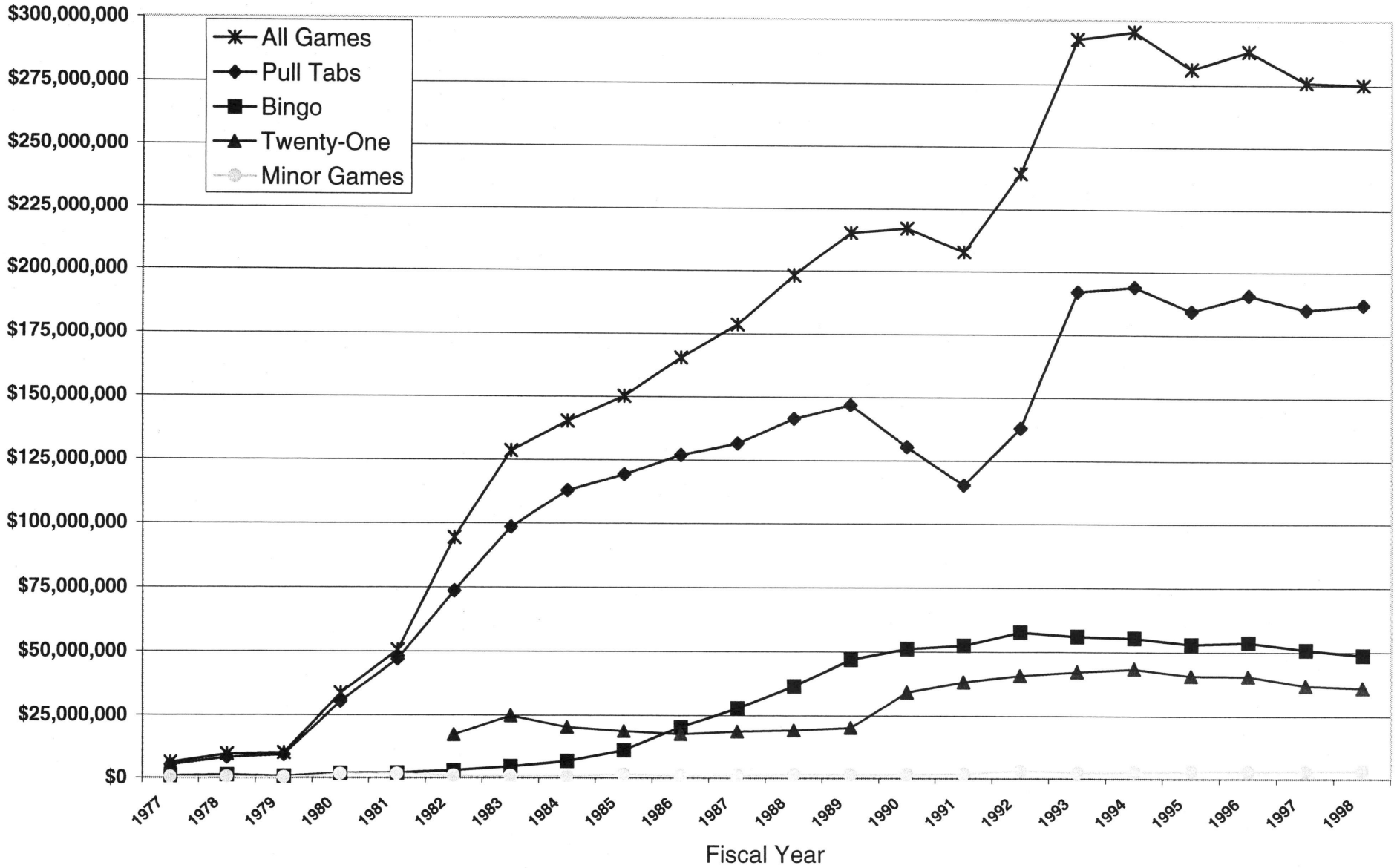


LA-01



Office of Attorney General  
Gaming Division  
January 22, 1999

Gaming Gross Proceeds  
Fiscal Years 1977 Through 1998



11701

# North Dakota Council on Gambling Problems

Arthur A. Link  
Chairman

March 9, 1999

H.B.-1041

Hon. Senator Wayne Stenehjem, Chairman  
and members of the Senate Judiciary Committee

My name is Arthur A. Link and I represent the North Dakota Council on Gambling Problems, which is opposed to expansion of gambling.

We oppose the passage of H.B.1041 because it would provide for the expansion of gambling.

I call your attention to page seven of the bill, a new Sub-section 2, lines 4 to 15. Line 4 creates "Poker variations" which would be new poker games. Lines 9 and 10 of the bill states -- "Poker variations may be conducted according to rules adopted by the commission."


The negative impact of gambling is becoming too serious to place the conduct and rules in the hands of an appointed commission. The Legislature should not avoid the responsibility of maintaining control over every aspect of gambling.

Given the fact that H.B. 1041 would allow new "Poker variations" with no limits on number of occasions played and with wager limits increased to five dollars would constitute an increase of gambling which is unacceptable.

North Dakota already has the dubious distinction of the highest per capita wagered on charitable gambling of any state in the Nation.

Ladies and gentlemen of this committee we respectfully request that you render a Do Not Pass report on H.B. 1041.

Thank you,



Arthur A. Link  
2001 Grimsrud Drive  
Bismarck, ND 58501

# TOTAL MONEY WAGERED

*North Dakota Attorney General Office  
Gaming Division*

PER CAPITA

State/Province	Gross Receipts	Population	Wagered per Capita	Games Included
Alabama*	\$258,300,000	607,000	\$425.54	Bingo, Pulltabs
Alaska	\$39,620,000	4,228,000	\$9.37	Bingo
Colorado	\$214,398,000	3,823,000	\$56.08	Bingo, Pulltabs, Raffles
Connecticut	\$56,771,000	3,274,000	\$17.34	Bingo, Pulltabs, Raffles
Georgia*	\$34,000,000	7,353,000	\$4.62	Bingo
Idaho	\$7,000,000	1,189,000	\$5.88	Bingo, Raffles
Illinois*	\$287,000,000	11,847,000	\$24.22	Bingo, Pulltabs, Raffles
Indiana	\$515,649,000	5,841,000	\$88.28	Bingo, Pulltabs, Raffles, Other
Iowa	\$48,240,000	2,852,000	\$16.91	Bingo, Raffles, Casino Nights
Kansas*	\$44,400,000	2,572,000	\$17.26	Bingo, Pulltabs
Kentucky	\$540,893,000	3,884,000	\$139.26	Bingo, Pulltabs, Raffles, Casino Nights, Festivals
Louisiana	\$215,000,000	4,351,000	\$49.41	Bingo, Pulltabs, Raffles, Casino Nights, Festivals
Massachusetts	\$200,639,000	6,092,000	\$32.93	Bingo, Pulltabs, Raffles, Casino Nights, Festivals
Michigan	\$335,028,000	9,594,000	\$34.92	Bingo, Pulltabs, Raffles, Casino Nights
Minnesota	\$1,376,434,000	4,658,000	\$295.50	Bingo, Pulltabs, Raffles, Tip Boards & Paddlewheels
Mississippi	\$138,140,000	2,716,000	\$50.86	Bingo, Pulltabs, Other
Nebraska	\$130,294,000	1,652,000	\$78.87	Bingo, Pulltabs, Raffles
New Hampshire	\$84,664,000	1,162,000	\$72.86	Bingo, Pulltabs
New Jersey	\$73,858,000	7,988,000	\$9.25	Bingo
New Mexico	\$49,541,000	1,713,000	\$28.92	Bingo, Pulltabs, Raffles
New York	\$409,830,000	18,185,000	\$22.54	Bingo, Pulltabs, Raffles, Casino Nights
North Carolina	\$33,650,000	7,323,000	\$4.60	Bingo
North Dakota	\$274,105,000	644,000	\$425.63	Bingo, Pulltabs, Raffles, Other
Ohio*	\$744,200,000	11,173,000	\$66.60	Bingo, Pulltabs
Oklahoma*	\$127,463,000	3,301,000	\$17.44	Bingo, Pulltabs
Oregon	\$79,449,000	3,204,000	\$24.80	Bingo, Raffles
South Carolina	\$68,985,000	3,699,000	\$18.65	Bingo
Texas	\$596,420,000	19,128,000	\$31.18	Bingo, Pulltabs
Virginia	\$246,701,000	6,675,000	\$36.96	Bingo, Pulltabs, Raffles, Casino Nights
Washington	\$754,854,000	5,533,000	\$136.43	Bingo, Pulltabs, Raffles, Casino Nights, Other
Wisconsin	\$71,373,000	5,160,000	\$13.83	Bingo, Raffles
Alberta	\$787,202,000	2,546,000	\$309.19	Bingo, Pulltabs, Raffles, Charity Casinos
Manitoba	\$111,000,000	1,114,000	\$99.64	Bingo, Pulltabs, Raffles, Casino Nights
New Brunswick	\$64,990,000	680,000	\$95.57	Bingo, Pulltabs, Raffles, Casino Nights
Newfoundland	\$72,169,000	552,000	\$130.74	Bingo, Pulltabs, Raffles, Casino Nights
Ontario	\$2,270,000,000	10,085,000	\$225.09	Bingo, Pulltabs, Raffles, Casino Nights
Prince Edward Isle.	\$13,816,000	135,000	\$102.34	Bingo, Pulltabs, Raffles, Casino Nights
Quebec	\$2,376,455,000	2,237,646	\$1,061.86	Bingo, Pulltabs, Raffles, Casino Nights
Saskatchewan	\$196,195,000	989,000	\$198.38	Bingo, Pulltabs, Raffles

NOTE: State population data is from the US Census Bureau 1996 State Population Estimates. Provincial population estimates are from Statistics Canada, as of 6/1/97 based on 1991 census information.

\*Information reported by International Gaming & Wagering Gross Annual Wager Report, August 1998.

Figures for Canada are listed in Canadian currency.

**SENATE JUDICIARY  
SB 1041**

**Wayne Stenehjem, Chairman**

**Good morning Chairman Stenehjem and members of the Senate Judiciary Committee. For the record, my name is Lisa Vig. I am a licensed addiction counselor and nationally certified gambling counselor. I have provided counseling, treatment and education to compulsive gamblers and their families for the past nine years.**

**I come before you today in opposition to SB 1041, which would allow for the expansion of poker variations under the regulation of the gaming commission. With increased opportunities and availability for gambling, the issues of problem and compulsive gambling will continue to grow. In the calendar year of 1998, 41 gamblers and 38 family members sought treatment in Fargo alone. The gamblers were nearly equal in numbers of men and women, with 52% being college educated laborers. Most were married individuals and identified pull-tabs and gambling machines as their favorite gambling activities. Many of these clients have experienced legal problems as a result of their gambling, including NSF checks, forgery, and embezzlement.**

**North Dakotans rank #1 in spending per capital on charitable gambling; spending nearly \$426 per person.**

**Minimal monies are being allocated for treatment and prevention efforts at present. Currently there are no gambling counseling services being delivered west of Bismarck and five counselors are available only in major cities.**

**The continued expansion of gambling will only open the doors to further gambling addictions and the destruction that goes with it. Please vote NO on SB 1041.**

North Dakota State Senate hearing on House Bill No. 1041  
Warren L. Wenzel                      Box 108, Fairmount, ND 58030;

March 9, 1999  
701-474-5716

Chairman and Senators:

I am here to ask that you vote to defeat House Bill 1040. There are several reasons but I would like to focus on what I feel is my main concern. This bill, if approved, will expand gambling opportunities within our state. Some say this just provides for a new version of already played games and clearing up language for smoother operations of already legal games. One of the characteristics of addiction is to minimize the issue. This bill does permit new games and forms of games. It expands what is presently legal.

Americans spend more money each year on gambling than on groceries. More than \$600 billion is wagered legally in the United States annually. Dr. James Dobson of Focus on the Family and a member of the National Gambling Impact Study Commission, said, "Clearly, "Gambling fever" has engulfed the nation." North Dakota is not an exception. We are one of the highest per capita gambling states in the nation. And the so called industry wants more. We are an addicted society and North Dakota is an addicted state. Gambling lives off the productive side of our economic community. It does not produce anything and becomes a drain on the rest of the economy. It cannibalizes other businesses in that it takes consumer dollars away from other businesses. Its appetite never ends. Gambling is an economic cancer. Someone put it, "Feeding the Monster called "More."

This bill has several ways that it permits "more." Page 7 line 22 "no more than one wager per competitor" is deleted. Page 8 line 13 "a player may not play more than two hands at the same time." is struck. This is clearly expanding what is presently legal.

If the expansion of gambling just costs the gambling public that would be one thing but it cost the rest of us as well. We all bare the costs. The Credit Card companies build into their interest rates enough to cover bad debts, who pays for investigating crimes linked to gambling, fraud, theft, and forgery. Lisa Vig, director of Lutheran Social Services of North Dakota Addiction Outreach said, "Many in the community see such an addiction as the person's own problem, but no one is immune from its effects." "The thing we don't realize is that when the compulsive gambler embezzles, has a court-appointed attorney, goes to jail, gets out, has a probation officer,...goes on welfare, we as taxpayers pick up the tab for that.."

It has been well documented that society pays a high price for gambling problems and any increase in gambling opportunities increases the problems. A recent study shows it cost \$3000 for every addicted gambler every year. and that 1% of the population is addicted. North Dakota has 600,000 people that is 6000 problem gamblers, and a cost to all of us of \$18,000,000 per year. These figures are from a study just done for the National Gambling Impact Study Commission. This study is being challenged by a number of experts in the field of gambling addiction because their figures have always been a lot higher. Most use figures of \$13,000 - \$50,000 per addicted gambler and the numbers of addicted gambler as 3 - 7 % of the population. But even taking these low figures the costs of gambling on a society is enormous.

Like the Tobacco industry, the gambling promoters and those connected to it, the charities and even the state of North Dakota, will some day have a large price to pay for the problem they have caused. Some day a good lawyer will put this together, and that day may not be far away. Then we can give our tobacco settlement money to those whom gambling has hurt. The charities have become exploiters of citizens rather than their protectors. They undermine their own efforts to encourage people to prosper through honest work and responsible living

We do not need to add to that burden by opening the gambling gate even more. We should not be catering to the gambling promoters. We should be reining them in. In the 1970's we opened the door a little to gambling. It has changed a lot. Just letting the camel get its nose under the tent was not enough. Gambling has grown from something run by all volunteers, once in a while, to professionals running it all the time. It is like a cancer, always growing. This bill is a part of that growth.

The main issue in this bill is that it will expand gambling, if it is approved. Do we need that? I say No. The people of North Dakota have voted a resounding No. I ask you to do the same. Vote no on House bill 1041 for North Dakota and its future.

Warren L. Wenzel

## Gambling Issue

H.B. 1041

The legislature of the State of North Dakota met for the first time November 19, 1889. One of the most exciting battles of the first legislative session was the bill to license the Louisiana Lottery. Rumors circulated to the effect that bribery was being practiced, that lobbyists for the lottery were making liberal offers for votes. Governor John Miller and his friends had hired detectives from the Pinkerton Agency to mingle with the legislators and lobbyist. When the detectives had the information they needed, they revealed their identity to the lottery supporters. Fearing exposure, the lottery enthusiasts gave up the fight and the bill was killed.

We are here opposing H.B 1041 as we have opposed gambling again and again. Since 1986 we have defeated the gambling issue six times and by a greater margin each time. In 1996 we defeated the gambling initiative by 69%.

Gambling does not create wealth. It merely transfers money from one pocket to another. And it usually transfers money from the ones who can least afford to lose it. Studies have been made that show that food purchases go down proportionally to the amount wagered. In California since the state lottery program started over \$1 million worth of lottery tickets have been sold and the food business during this same period has declined the same amount. People who would never enter a casino or racetrack might buy a lottery ticket at a convenience store and then another and another.

In North Dakota, we are already wagering more per capita than any other state in the Union. (See the attached sheet)

When is enough enough? It reminds me of the New Frontiersman.

Social worker - two Gamblers Anonymous at Fargo, one in Minot. The addicted spend their money gambling. Then we organize a counseling effort to rehabilitate them. This is crazy - it makes no sense whatsoever.

George Washington clearly recognized the danger of gambling. In 1776 he issued a general order to his troops:

*All officers, non-commissioned officers, and soldiers are positively forbidden playing at cards and other games of chance. At this time of public distress, men may find enough to do in the service of their God and country without abandoning themselves to vice and immorality.*

Respectfully submitted by  
Normen E. Grubb  
1829 SW 8 St  
Minot, ND 58701  
(701) 839-8022



# TOTAL MONEY WAGERED -

PER CAPITA

State/Province	Gross Receipts	Population	Wagered per Capita	Games Included
Alaska*	\$258,300,000	607,000	\$425.54	Bingo, Pulltabs
Arizona	\$39,620,000	4,228,000	\$9.37	Bingo
Colorado	\$214,398,000	3,823,000	\$56.08	Bingo, Pulltabs, Raffles
Connecticut	\$56,771,000	3,274,000	\$17.34	Bingo, Pulltabs, Raffles
Georgia*	34,000,000	7,353,000	\$4.62	Bingo
Idaho	\$7,000,000	1,189,000	\$5.88	Bingo, Raffles
Illinois*	\$287,000,000	11,847,000	\$24.22	Bingo, Pulltabs, Raffles
Indiana	\$515,649,000	5,841,000	\$88.28	Bingo, Pulltabs, Raffles, Other
Iowa	\$48,240,000	2,852,000	\$16.91	Bingo, Raffles, Casino Nights
Kansas*	44,400,000	2,572,000	\$17.26	Bingo, Pulltabs
Kentucky	\$540,893,000	3,884,000	\$139.26	Bingo, Pulltabs, Raffles, Casino Nights, Festivals
Louisiana	\$215,000,000	4,351,000	\$49.41	Bingo, Pulltabs, Raffles, Casino Nights, Festivals
Massachusetts	\$200,639,000	6,092,000	\$32.93	Bingo, Pulltabs, Raffles, Casino Nights, Festivals
Michigan	\$335,028,000	9,594,000	\$34.92	Bingo, Pulltabs, Raffles, Casino Nights
Minnesota	\$1,376,434,000	4,658,000	\$295.50	Bingo, Pulltabs, Raffles, Tip Boards & Paddlewheel
Mississippi	\$138,140,000	2,716,000	\$50.86	Bingo, Pulltabs, Other
Nebraska	\$130,294,000	1,652,000	\$78.87	Bingo, Pulltabs, Raffles
New Hampshire	\$84,664,000	1,162,000	\$72.86	Bingo, Pulltabs
New Jersey	\$73,858,000	7,988,000	\$9.25	Bingo
New Mexico	\$49,541,000	1,713,000	\$28.92	Bingo, Pulltabs, Raffles
New York	\$409,830,000	18,185,000	\$22.54	Bingo, Pulltabs, Raffles, Casino Nights
North Carolina	\$33,650,000	7,323,000	\$4.60	Bingo
North Dakota	\$274,105,000	644,000	\$425.63	Bingo, Pulltabs, Raffles, Other
Ohio*	\$744,200,000	11,173,000	\$66.60	Bingo, Pulltabs
Oklahoma*	\$127,463,000	3,301,000	\$17.44	Bingo, Pulltabs
Oregon	\$79,449,000	3,204,000	\$24.80	Bingo, Raffles
South Carolina	\$68,985,000	3,699,000	\$18.65	Bingo
Texas	\$596,420,000	19,128,000	\$31.18	Bingo, Pulltabs
Virginia	\$246,701,000	6,675,000	\$36.96	Bingo, Pulltabs, Raffles, Casino Nights
Washington	\$754,854,000	5,533,000	\$136.43	Bingo, Pulltabs, Raffles, Casino Nights, Other
Wisconsin	\$71,373,000	5,160,000	\$13.83	Bingo, Raffles

NOTE: State population data is from the US Census Bureau 1996 State Population Estimates. Provincial population estimates are from Statistics Canada as of 6/1/97 based on 1991 census information.

\*Information provided by International Gaming & Wagering Gross Annual Wager Report, August 1997



## NORTH DAKOTA VOTES ON GAMBLING

<b>Year</b>		<b>Votes</b>	<b>For</b>	<b>Against</b>
1986	State Lottery	283,000	45%	55%
1988	State Lottery	105,000	42%	58%
1989	Video Gambling	241,564	37%	63%
1990	Video Gambling	227,992	36%	64%
1990	Video Gambling	229,618	33%	67%
1996	Video Gambling	116,196	31%	69%
			<b>(YES)</b> <b>36,074</b>	<b>(NO)</b> <b>80,122</b>