

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1089

2001 HOUSE JUDICIARY

HB 1089

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1089

House Judiciary Committee

☐ Conference Committee

Hearing Date 01-17-01

Tape Number	Side A	Side B	Meter #
Tape 1		x	202 to 5939
Committee Clerk Signature <i>Joan Davis</i>			

Minutes: Chr DeKrey opened the hearing on HB 1089. Relating to business allowed to operate on Sunday and compulsive gambling services to amend and relating to games of chance and relating to compulsive gambling services.

Chuck Keller: Chief Auditor, Gaming Division, Office of Attorney General (see attached testimony) Testifying on behalf of the State gaming Commission.

Chr DeKrey: Would you give us a quick run down on the Sunday Closing law works.

Chuck Keller: The Sunday Closing Law prohibits businesses from operating between 12:00 midnight on Saturday night until 12:00 Noon on Sunday except if the business is listed as an exempt business. This law lists 38 types of businesses that may operate 24 hours a day seven days of week. Bingo Halls are not listed as an exempt business. Bars are determined by city or county ordinance.

Rep Eckre: Bars are open till 1:00 am on Saturday.

Chuck Keller: There is an exemption for bars in the Sunday Closing Law. But a Bingo Hall is not a licensed retail alcohol beverage establishment.

Chr DeKrey: That is the law now, or is that what you are asking us to determine?

Chuck Keller: Yes

Rep Klemin: There are a couple of changes that I don't see in your testimony. The first is on page 6, lines 7 - 10. What's the purpose of taking out the language?

Chuck Keller: The Gaming Commission is deleting this language because it carries no weight in the gaming statute.

Rep Klemin: The governing body doesn't consider this when they make their decision?

Chuck Keller: That is correct.

Rep Klemin: On page 12, line 13 and 14, it looks to me that you are expanding the use of these funds to include meetings and entertainment. What is the reason for including this amendment and what would be included in the terms meetings and entertainment?

Chuck Keller: That provision only pertains to local permits. In response to the last question, on page 12, the insertion of meetings and entertainment, clarifies that organizations may disburse net proceeds for these purposes.

Rep Klemin: I can see there is no qualifier on what kinds of meeting or entertainment might be included in this, they it to the discretion of the organization that is disbursing these funds?

Chuck Keller: In sub division L is a premise to para one, gives specific examples. It is very general though.

Rep Klemin: Community celebrations can effect the whole community, but it is possible it you start using it for meetings and entertainment, it would focus on small groups rather than community wide actions.

Chuck Keller: You could look at it from that perspective, the office of Attorney General does provide guidelines.

Rep Klemin: This could expand what the uses could be.

Chuck Keller: I would not view this as an expansion, but a provision in writing for eligible use..

Rep Mahoney: In sub section 5, page 7; you mention in your testimony that there has been some confusion on it. This really came up in only one case. This was a person who was involved in gaming and charged with an offense , a plea bargain was made to a misdemeanor and given a deferred sentence. He goes on to clarify. It was then discussed that maybe the gaming laws could take this deferred sentence and say that this person could not continue to engage in employment in the gaming industry because he was barred for a certain number of years because of the deferred sentence. Is the deferred sentence going to be included in this? Have you talked to the new Attorney General about this?

Chuck Keller: This provision reflects what the Legislature intended, if a person pleads guilty or is found guilty of a felony or certain misdemeanor , is barred for 5 years. This provision makes it clear.

Rep Mahoney: Just so we are clear. If this was the Legislature intended, can you extract anything in the minutes about deferred imposition of sentence.

Chuck Keller: I have not gone back to initial legislation, although I can recall in helping drafting this provision. To our office the language seems very clear.

Rep Grande: Are you asking now that bingo parlors will be open from 12 am to 12 pm on Sunday?

Chuck Keller: There is a question, yes it will allow them to be open.

Rep Grande: You are talking about paddlewheels amendment, you are now striking the language no money used as a wager. Why are you striking that?

Chuck Keller: We struck line 9 on page 12, the commission believes that the language is unnecessary.

Rep Grande: It is just a clarification;

Chuck Keller: Yes, a clarification.

Rep Grande: On page 12, the bingo card marking device, I do not know what that is? It says that we are going to charge them \$4,000.00 to register them.

Chuck Keller: It is a portable hand held devise, that players may use to play electronic bingo cards.

Rep Grande: Are we deciding how many cards, how many devices?

Chuck Keller: The Administrative Rules limit the player to 72 cards on a devise. There is a bill coming thru that would restrict organizations on the use of these devises for only players with disabilities.

Rep Grande: You can play 72 cards on one devise?

Chuck Keller: Yes.

Rep Grande: How many cards can I legally purchase and play?

Chuck Keller: As many as humanly play.

Rep Grande: Not it not put me at a disadvantage, if she can play 72 and I can only physically play my 12 cards?

Chuck Keller: It would be the same disadvantage as other games.

Rep Grande: She is still taking only 1 spot on the paddle wheel, where I have increased my odds.

Chuck Keller: There are always disadvantages when playing.

Rep Grande: How many devises can I have?

Chuck Keller: Only one at a time.

Rep Grande: You mean they only use one at a time.

Chuck Keller: One player, one devise.

Chr DeKrey: Are there any further questions one HB 1089? We will continue taking testimony on HB 1089.

Ben Clapp: Plains Art Museum, Fargo, ND charitable gaming organization. I support bingo halls being open. We have one hall after midnight on Saturday night at a cost of \$5.00 to \$10.00 to play. It is a form of entertainment for those people. I serve on the Compulsive Gaming Council. I don't believe this is an expansion of gaming, the numbers in Fargo of 1992 was in the 4 million range. Since then bingo has dropped in half. Gaming in general is going down. Revenue for bingo sales tax is about \$2,700,00.00. We do have gaming devises.

Rep Kingsbury: What is the reason the decrease?

Ben Clapp: The novelty is gone, the native American gaming sites.

Rep Klemin: Just to clarify, you talk bingo halls after midnight on Saturday, is that when you are open.

Ben Clapp: We are open after midnight until 3:00 am in the morning.

Rep Klemin: In the current section, retail stores close at midnight and open again at noon on Sunday, this amendment will allow bingo halls to be open during this period.

Ben Clapp: We have been open, because we thought that we were allowed locally. There is no business after 3:00 am in the morning. We don't open again until noon on Sunday.

Rep Klemin: This amendment would allow bingo halls to be open at 8:00 am on Sunday.

Ben Clapp: Yes.

Rep Klemin: Is it true that you are not supposed to be open from midnight till 3:00 am?

Ben Clapp: As I understand it, the Attorney General would allow it.

Rep Klemin: Whether we adopt this amendment or not, it won't affect how you do business?

Ben Clapp: We would rather clarify the law.

Rep Grande: If you are allowed by city ordinance why would you want us to supersede the city.

Ben Clapp: I didn't even know it was an issue.

Warren DeKrey: I am a private citizen, on page 12 section 10 line, my comment on entertain, I have an objection, the objection to having bingo halls on Sunday. I am opposed to HB 1089.

Rep Maragos: Did you oppose Sunday opening 10 years ago.

Warren DeKrey: Yes.

Rep Maragos: Do you feel and give us examples that it has been extremely harmful for the state for businesses to be open on Sunday?

Warren DeKrey: I cannot sight specific examples.

Rep Maragos: Would you have them leave work and go to the mall on Monday?

Warren DeKrey: That is a decision they have to make on their own.

Rep Maragos: You have no example of Sunday openings being harmful?

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House Judiciary Committee
Bill/Resolution Number HB 1089
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Warren DeKrey: I am sure there must be.

Rep Wrangham: On page 12, line 14, Mr Keller, where it refers to meetings and entertainment, could a kegger be included?

Chuck Keller: No, a kegger is just to drink beer.

Christopher Dodson: executive Director of North Dakota Catholic Council, our only concern with the bill is section, bingo halls being open on Sunday. He stated his objections.

Rep Mahoney: Sunday opening issue - small towns are suffering with economic issues, this would help small towns.

Christopher Dodson: Economic issue is always a factor, but not the sole factor. The question is what is in the best interest of the community.

Rep Klemin: Can bingo halls now open at noon on Sunday?

Mr Dodson: Yes.

Rep Klemin: Then we are really talking about the period of time between midnight and noon on Sunday?

Mr Dodson: Yes.

Rep Mahoney: Would you object to an amendment having them open at noon?

Mr Dodson: That is the existing law.

Bob Bennett: Attorney General's Office, I would like to correct or inform the community, the Sunday Closing Law, he goes on to state the law and the exceptions There is a penalty of criminal charges with the law.

Chr DeKrey: Do we have any other testimony on HB 1089, is not we will close the hearing on HB 1089.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1089 - *a*

House Judiciary Committee

☐ Conference Committee

Hearing Date 01-24-01

Tape Number	Side A	Side B	Meter #
Tape II		X	2814 to 4544
Committee Clerk Signature <i>Joan Diers</i>			

Minutes: Chairman DeKrey asked the committee to look at HB 1089. This bill was to set the hours on a bingo palace. I have heard from some of the committee members that the hours for bingo should be the same as bars.

Discussion then was held. One concern was if this bill would change anything. Chairman DeKrey wanted the hours defined. Rep Wrangham stated that the hours after midnight, staying open until 2:00 or 3:00 am. He would like to see an amendment that the halls could stay open until 3:00 am. That would protect everything that we wanted protected.

The a bill came our of the gaming commission, mostly for clarification. We have a situation that could possibly change the Sunday Closing Law and allow them to stay open 24 hours. Another issue that was brought up about persons who worked in the business and then were charged or convicted of a crime, what about deferred imposition of sentence. This bill needs some amendments.

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House Judiciary Committee

Bill/Resolution Number HB 1089

Hearing Date 01-24-01

A subcommittee of Rep Mahoney, Rep Klemin and Rep Kretschmar was appointed to make amendments to this bill. The sub-committee will report back to the Judiciary Committee.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1089b

House Judiciary Committee

☐ Conference Committee

Hearing Date 02-06-01

Tape Number	Side A	Side B	Meter #
TAPE I	x		3030 to 4140
Committee Clerk Signature <i>J. Van Dier</i>			

Minutes: Chairman DeKrey called the committee to order and brought up HB 1089. There is a sub committee of Rep Mahoney, Rep Klemin, Vice Chr Kretschmar. Rep Mahoney explains the amendments.

COMMITTEE ACTION

Rep Mahnoey moved the amendments 18109.0103, seconded by Vice Chr Kretschmar. Voice vote on the amendments. The amendments pass.

Rep Klemin moved to further amend the bill by deleting language on page 12 lines 13 and 14 of the new language, seconded by Rep Grande. Voice vote on this amendment. The motion passes.

We now before us HB 1089 as amended, what are your wishes?

Rep Delmore moved a DO PASS as amend, seconded by Rep Maragos.

The clerk will call the roll on a DO PASS as amend. The motion passes with 13 YES, 1 NO and 1 ABSENT. Carrier will be Vice Chr Kretschmar.

FISCAL NOTE
Requested by Legislative Council
12/26/2000

Bill/Resolution No.: HB 1089

Amendment to:

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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

The bill adds language to the section of NDCC which pertains to the Department of Human Services and removes the same language from the section of NDCC pertaining to the State Gaming Commission as the appropriation for this type of service is and has been included in the budget request of the Department of Human Services. The current appropriation contains a request of \$150,000 to carry out the services mentioned in the proposed bill.

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.*

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.*

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.*

Name:	Brenda Welsz	Agency:	Department of Human Services
Phone Number:	328-2397	Date Prepared:	01/02/2001

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1089

Page 1, line 8, remove "and"

Page 1, line 10, after "services" insert "; and to declare an emergency"

Page 1, line 14, after "concessions" insert "between the hours of twelve midnight and three a.m. and within the hours permitted under section 12.1-30-02"

Page 7, line 11, after the period insert "(1)"

Page 7, after line 23, insert:

"(2) Paragraph 1 does not apply if the offense to which the person pled guilty or has been found guilty is a misdemeanor and the person has received a deferred imposition of sentence or deferred prosecution and has fully complied with the terms of the deferral."

Page 7, line 28, remove "deferred imposition of sentence, deferred prosecution, or"

Page 8, line 2, after "latest" insert ", unless the person has received a deferred imposition of sentence or deferred prosecution and has fully complied with the terms of the deferral"

Page 14, after line 26, insert:

"**SECTION 15. EMERGENCY.** This Act is declared to be an emergency measure."

Renumber accordingly

YR
2/7/01

HOUSE AMENDMENTS TO HB 1089 HOUSE JUDICIARY 02-07-01

Page 1, line 8, remove "and"

Page 1, line 10, after "services" insert "; and to declare an emergency"

Page 1, line 14, after "concessions" insert "between the hours of twelve midnight and three a.m. and within the hours permitted under section 12.1-30-02"

HOUSE AMENDMENTS TO HB 1089 HOUSE JUDICIARY 02-07-01

Page 7, line 11, after the period insert "(1)"

Page 7, after line 23, insert:

"(2) Paragraph 1 does not apply if the offense to which the person pled guilty or has been found guilty is a misdemeanor and the person has received a deferred imposition of sentence or deferred prosecution and has fully complied with the terms of the deferral."

Page 7, line 28, remove "deferred imposition of sentence, deferred prosecution, or"

HOUSE AMENDMENTS TO HB 1089 HOUSE JUDICIARY 02-07-01

Page 8, line 2, after "latest" insert ", unless the person has received a deferred imposition of sentence or deferred prosecution and has fully complied with the terms of the deferral"

HOUSE AMENDMENTS TO HB 1089 HOUSE JUDICIARY 02-007-01

Page 12, line 13, remove "meetings."

Page 12, line 14, remove "entertainment."

HOUSE AMENDMENTS TO HB 1089 HOUSE JUDICIARY 02-07-01

Page 14, after line 26, insert:

"**SECTION 15. EMERGENCY.** This Act is declared to be an emergency measure."

Renumber accordingly

Date: 02-06-01
Roll Call Vote #: /

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. H.R. 1089

House JUDICIARY Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as amended

Motion Made By Rep Delmore Seconded By Rep Maragos

Representatives	Yes	No	Representatives	Yes	No
CHR - Duane DeKrey	✓				
VICE CHR -- Wm E Kretschmar	✓				
Rep Curtis E Brekke	✓				
Rep Lois Delmore	✓				
Rep Rachael Disrud	✓				
Rep Bruce Eckre	✓				
Rep April Fairfield	✓				
Rep Bette Grande	✓				
Rep G. Jane Gunter					
Rep Joyce Kingsbury	✓				
Rep Lawrence R. Klemin	✓				
Rep John Mahoney	✓				
Rep Andrew G Maragos	✓				
Rep Kenton Onstad	✓				
Rep Dwight Wrangham		✓			

Total (Yes) 13 No 1

Absent 1

Floor Assignment Rep Kretschmar

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

REPORT OF STANDING COMMITTEE

HB 1089: Judiciary Committee (Rep. DeKrey, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (13 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). HB 1089 was placed on the Sixth order on the calendar.

Page 1, line 8, remove "and"

Page 1, line 10, after "services" insert "; and to declare an emergency"

Page 1, line 14, after "concessions" insert "between the hours of twelve midnight and three a.m. and within the hours permitted under section 12.1-30-02"

Page 7, line 11, after the period insert "(1)"

Page 7, after line 23, insert:

"(2) Paragraph 1 does not apply if the offense to which the person pled guilty or has been found guilty is a misdemeanor and the person has received a deferred imposition of sentence or deferred prosecution and has fully complied with the terms of the deferral."

Page 7, line 28, remove "deferred imposition of sentence, deferred prosecution, or"

Page 8, line 2, after "latest" insert ", unless the person has received a deferred imposition of sentence or deferred prosecution and has fully complied with the terms of the deferral"

Page 12, line 13, remove "meetings."

Page 12, line 14, remove "entertainment."

Page 14, after line 26, insert:

"SECTION 15. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

2001 SENATE JUDICIARY

HB 1089

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1089

Senate Judiciary Committee

☐ Conference Committee

Hearing Date March 5th, 2001

Tape Number	Side A	Side B	Meter #
1		x	42.4-end
2	x		0-7.4
Committee Clerk Signature			

Minutes: **Senator Traynor**, opened the hearing on HB 1089: A BILL FOR AN ACT TO CREATE AND ENACT A NEW SUBSECTION TO SECTION 12.1-30-03 AND A NEW SECTION TO CHAPTER 50-06 OF THE NORTH DAKOTA CENTURY CODE, RELATING TO BUSINESSES ALLOWED TO OPERATE ON SUNDAY AND COMPULSIVE GAMBLING SERVICES; TO AMEND AND REENACT SECTION 53-06.1-01, SUBSECTIONS 3 AND 4 OF SECTION 53-06.1-01.1, SUBSECTIONS 1 AND 4 OF SECTION 53-06.1-03, SUBSECTIONS 1, 3 AND 5 OF SECTION 53-06.1-06, SECTIONS 53-06.1-07.2, 53-06.1-07.4, 53-06.1-14, SUBSECTION 3 AND 8 OF SECTION 53-06.1-5.1, AND SUBSECTION 2 OF SECTION 53-06.1-16 OF THE NORTH DAKOTA CENTURY CODE, RELATING TO GAMES OF CHANCE; AND TO REPEAL SECTION 53-06.1-18 OF THE NORTH DAKOTA CENTURY CODE, RELATING TO COMPULSIVE GAMBLING SERVICES.

Page 2
Senate Judiciary Committee
Bill/Resolution Number 1089
Hearing Date March 5th, 2001

Chuck Keller, chief auditor of the Gaming Division of the Office of Attorney General, testifies in support of the bill. (testimony attached)

Senator Traynor, the movement on compulsive gambling, your just moving it to a different section?

Chuck Keller, yes.

Senator Traynor, the language is the same?

Chuck Keller, yes.

Warren DeKray, area he has been concerned is the area where the bingo places can be opened. This change allows them to stay open until three o'clock. The reason that the parlors close is for those who are compulsive gamblers. They need a mechanism to stop. It helps them to stop.

Senator Dever, do you know how long they are open?

Warren DeKray, 24 hours 7 days a week.

Chuck Keller, bingo halls are open 24 hrs, they also do not serve alcohol.

Tape 2 side A

Governor Link, enough gambling is done in this state already. Opposed to having these halls opened longer than necessary.

Senator Traynor, closed the hearing on HB 1089.

SENATOR NELSON MOTIONED TO AMEND LINE 15 TO 1:00 AM ON SUNDAY, SECONDED BY SENATOR DEVER, VOTE INDICATED 7 YEAS, 0 NAYS AND 0 ABSENT AND NOT VOTING. SENATOR LYSON MOTIONED TO DO PASS AS AMENDED, SECONDED BY SENATOR TRENBEATH. VOTE INDICATED 7 YEAS, 0 NAYS AND 0 ABSENT AND NOT VOTING. SENATOR TRAYNOR VOLUNTEERED TO CARRY THE BILL.

Date: 3/5/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1081

Senate	Judiciary	Committee
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☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Amend n Dec 15 to 1:00 Am Sunday

Motion Made By Nelson Seconded By Dewar

[illegible]

Total (Yes) 7 No 0

Absent

Floor Assignment _____

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

Date: 3/5/01
Roll Call Vote #: 2

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1089

Senate Judiciary Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken *DP A*

Motion Made By Lyson Seconded By Trebeach

[illegible]

Total (Yes) 7 No 0

Absent

Floor Assignment Traynor

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

REPORT OF STANDING COMMITTEE (410)
March 6, 2001 2:05 p.m.

Module No: SR-38-4930
Carrier: Traynor
Insert LC: 18109.0201 Title: .0300

REPORT OF STANDING COMMITTEE

HB 1089, as engrossed: Judiciary Committee (Sen. Traynor, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1089 was placed on the Sixth order on the calendar.

Page 1, line 15, replace "three" with "one"

Renumber accordingly

2001 TESTIMONY

HB 1089

TESTIMONY ON HOUSE BILL NO. 1089

By Charles Keller, Chief Auditor, Gaming Division
Office of Attorney General

House Judiciary Committee
January 17, 2001

My name is Chuck Keller. I am the chief auditor of the Gaming Division of the Office of Attorney General. I am testifying on behalf of the State Gaming Commission that sponsored the bill. The Commission is responsible for adopting administrative rules on gaming.

The relevant provisions of the bill are:

1. Technical clarifications – Would delete unnecessary language and clarify several provisions to make them concise and easy to read.
2. Section 1, page 1, line 14 – Would amend the Sunday Closing Law so bingo halls and their on-site food concession businesses can operate from 12:00 a.m. (midnight) to 12:00 noon on Sunday. Several bingo halls have been operating during this 12-hour period for many years. Questions have recently arisen about this practice since bingo halls are not specifically listed as being exempt from the Sunday Closing Law. The Gaming Commission would like the legislature to address the issue. The Office of Attorney General has advised the organizations on the issue.
3. Section 2, pages 1 & 2 – Would move two definitions ("compulsive gambler" and "qualified treatment service provider") (being deleted) and section 53-06.1-18 (Compulsive gambling prevention, awareness, crisis intervention, rehabilitation, and treatment services) (being repealed) from the "Games of Chance" chapter, to the "Department of Human Services" chapter, of the North Dakota Century Code. The Division of Mental Health of the Department of Human Services concurs with the proposed move. The two definitions would be included in the newly created section. Otherwise, there is no change.

4. Section 4, page 5, line 9 – Would increase the amount of compensation, from \$40, to \$62.50, that a gaming commissioner would receive for each day applied to commission duties. The new amount matches the compensation that commissioners of most, if not all, other boards and commissions now receive. Senate Bill No. 2052 of the 1997 legislative session increased the compensation of boards and commissions.
5. Section 6, page 6, line 29 – Would enable employees of bars to sell raffle tickets for organizations that are authorized to conduct games at those sites. It would provide organizations flexibility in selling raffle tickets. Presently, employees of bars may redeem winning pull tabs for players who bought the pull tabs from dispensing devices at the sites.
6. Section 6, page 7, lines 15-17 and 27-29 – Would clarify the law that if a person has pled guilty to or been found guilty of a felony offense or certain misdemeanor offenses, the person is disqualified from being an employee of a licensed organization or distributor regardless if the person has completed or received a deferred imposition of sentence, deferred prosecution, or suspended sentence. This is often misunderstood.
7. Section 7, page 8, line 28 – Would limit the prize payback on poker tournaments to ninety percent of the gross proceeds. This is the same limit imposed on sports pool boards and calcuttas. The purpose is to ensure that organizations hold a profit margin of at least 10%.
8. Section 10, page 12, line 18 – Would enable veterans organizations to use "net proceeds" in setting up a trust account to maintain "public" cemeteries. Several veterans organizations have accepted the responsibility to maintain public cemeteries in their communities.
9. Section 10, page 12, lines 25-27 – Would enable organizations, particularly fraternal, veterans, and civic and service organizations, to use "net proceeds" for fundraising activities provided that the net

Income of that activity is disbursed for eligible uses. The other types of organizations may already use "net proceeds" for fundraising activities.

10. Section 11, page 12, line 30 – Would require a manufacturer of bingo card marking devices (displays and marks an electronic image of a purchased card) to be licensed before transacting business in our state. The amendment would validate an administrative rule recently adopted by the Gaming Commission that also requires the manufacturer to be licensed. A new rule allows organizations to provide these devices to players to use in playing bingo.

11. Section 13, page 14, line 23 – Would classify, as a class C felony offense, a person's use of a fraudulent scheme or technique to cheat or skim involving the game of paddlewheels. The game of paddlewheels is experiencing significant growth. A person's use of a fraudulent scheme or technique to cheat or skim involving the games of pull tabs, twenty-one, and bingo is already classified as a class C felony.

The bill does not contain any proposed amendment that would legalize a new type of game, increase betting limits, or authorize electronic video gaming devices.

I would be happy to answer any questions.

TESTIMONY ON HOUSE BILL NO. 1089

By Charles Keller, Chief Auditor, Gaming Division
Office of Attorney General

Senate Judiciary Committee
March 5, 2001

My name is Chuck Keller. I am the chief auditor of the Gaming Division of the Office of Attorney General. I am testifying on behalf of the State Gaming Commission that sponsored the bill. The bill:

1. Would delete unnecessary language and clarify provisions of law to make them concise and easy to read.
2. Section 1, page 1, lines 14 & 15 – Would change the Sunday Closing Law to address a recent issue on whether bingo halls and on-site food concessions can operate between the hours of twelve o'clock midnight and three o'clock a.m. on Sunday. Presently, the Sunday Closing Law does not specifically list bingo halls as being exempt from the law, but that law could possibly be interpreted that bingo halls are exempt. For example, a state's attorney may consider a bingo hall as a recreational facility or tourist attraction that is specifically exempt. Several bingo halls have been operating during this 3-hour period for many years.
3. Section 2, pages 1 & 2 – Would move two definitions ("compulsive gambler" and "qualified treatment service provider") and section 53-06.1-18 (Compulsive gambling prevention, awareness, crisis intervention, rehabilitation, and treatment services) from the "Games of Chance" chapter, to the "Department of Human Services" chapter, of the North Dakota Century Code. The Division of Mental Health of the Department of Human Services concurs. The two definitions would be included in the newly created section.
4. Section 4, page 5, line 9 – Would increase the amount of compensation, from \$40, to \$62.50, that a gaming commissioner would receive for each day applied to commission duties. The new amount.

matches the compensation that commissioners of most, if not all, other boards and commissions now receive.

5. Section 5, page 6, lines 7-10 – Would remove unnecessary language since the provision is merely a suggestion for a city or county governing body to follow in determining whether an organization is "public-spirited" for issuing a local permit.
6. Section 6, page 6, line 30 – Would enable an employee of a bar to sell raffle tickets for the organization that is authorized to conduct games at the bar. It would provide the organization flexibility in selling tickets. Presently, an employee of a bar may redeem a winning pull tab for a player who bought the pull tab from a dispensing device at the site.
7. Section 6, page 7, lines 16-19 and 25-28, and page 8, lines 1-2 and 6-8 – Would clarify that if a person has pled guilty to or been found guilty of a felony offense, the person is disqualified from being an employee of a licensed organization or distributor regardless if the person has completed or received a deferred imposition of sentence, deferred prosecution, or suspended sentence. However, if a person has pled guilty to or been found guilty of a certain misdemeanor offense, the person would also be disqualified from being an employee of a licensed organization or distributor unless the person has fully complied with the terms of the deferral.
8. Section 7, page 9, lines 3-4 – Would limit prizes in a poker tournament to 90% of the gross proceeds. This is the same limit presently imposed on games of sports pool boards and calcuttas. It is to ensure that organizations have a profit of at least 10% of gross proceeds.
9. Section 10, page 12, line 23 – Would enable a veterans organization to use "net proceeds" to set up a trust account to maintain a "public" cemetery. It would assist several veterans organizations that presently maintain public cemeteries in their communities.
10. Section 10, page 13, lines 1-3 – Would enable an organization, particularly a fraternal, veterans, or civic and service organization, to

use "net proceeds" to pay expenses for a general fundraising activity provided that the gross revenue of that activity is disbursed to eligible uses. The other types of organizations may already use "net proceeds" for a general fundraising activity.

11. Section 11, page 13, line 6 – Would require a manufacturer of bingo card marking devices (displays and marks an electronic image of a purchased card) to be licensed before transacting business in our state. The amendment would validate an administrative rule recently adopted by the Gaming Commission that requires the manufacturer to be licensed. A new gaming rule allows organizations to provide these devices to players to use in playing bingo.

12. Section 13, page 14, line 29 – Would classify, as a class C felony offense, a person's use of a fraudulent scheme or technique to cheat or skim involving the game of paddlewheels. The game of paddlewheels is experiencing major growth. Presently, a person's use of a fraudulent scheme or technique to cheat or skim involving the other major games of pull tabs, twenty-one, and bingo is classified as a class C felony.

The bill does not contain any proposed amendment that would expand gaming.

I would be happy to answer any questions.