

MICROFILM DIVIDER

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



ROLL NUMBER

DESCRIPTION

1239

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Dorinda Bell
Operator's Signature

10/2/03
Date

2003 HOUSE JUDICIARY

HB 1239

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Dorena Hall
Operator's Signature

10/2/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1239

House Judiciary Committee

Conference Committee

Hearing Date 2-3-03

Tape Number	Side A	Side B	Meter #
1	xx		6.2-15
1		x	18-37
Committee Clerk Signature <i>A. Penrose</i>			

Minutes: 11 members, 2 members absent (Rep. Bernstein and Rep. Galvin)

Chairman DeKrey: We will open the hearing on HB 1239.

Rep. Wrangham: Introduced the bill. I would like to offer amendments, but they are down on my desk. (Later retrieved the amendments and talked about it later in the same session).

Chairman DeKrey: Is this an expansion of some kind, has this been legal in North Dakota before.

Rep. Wrangham: Prize boards have legal in ND for some time. However, under present law, the only way a prize board could be used is if an active member of the charity was on the premises selling the tickets and giving out the prizes.

Chairman DeKrey: An active member of the charitable organization?

Rep. Wrangham: Yes.

Chairman DeKrey: This changes it to a bartender assist?

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House Judiciary Committee
Bill/Resolution Number HB 1239
Hearing Date 2-3-03

Rep. Wrangham: Yes, which I feel may be used in some of the smaller towns and smaller charities. I do not see this as an expansion of gaming, and I do not see this being done in the busier bars, only in the small towns.

Chairman DeKrey: What would be the payback to the bartender and what would be the payback to the charity?

Rep. Wrangham: The AG office will do the rules, but I would presume there would be no increase to the bar.

Rep. Klein: Here are amendments from Sen. Kilzer.

Chairman DeKrey: Thank you. Any testimony in support of HB 1239. Any testimony in opposition to HB 1239. We will close the hearing.

(Reopened later in the same session)

Pete Ressler, American Foundation for Wildlife: We are a charity in ND and have 25 sites, and they are small town sites. Several small bars want to run a sports pool, and the charity would have to sit there to sell. What I wanted to do is have bartender sell the sports pools. They can sell the spots, and then we would pay out.

Chairman DeKrey: Thank you.

Rep. Onstad: How would the payback work, the same as pull tabs.

Mr. Ressler: Generally we have 25 squares at \$5 a square, so we generate \$125, \$25 goes to the charity and \$100 goes to the winner. Usually a one time winner at the end of the game.

Chairman DeKrey: Thank you. Keith, so this is all legal already.

Keith Lauer, Director, Gaming Division of AG: We consider the conduct of the sports pool for being able to sell chances and also the awarding of prizes. One of the problems with the

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House Judiciary Committee
Bill/Resolution Number HB 1239
Hearing Date 2-3-03

initial bill, was that if bartenders are selling and redeeming these prize boards, where does the limited assistance come through, where the AG has provided limited assistance. Either they need to sell or award the money, but not both.

Chairman DeKrey: The bartender can assist to make these games more popular?

Mr. Lauer: Correct.

Rep. Boehning: You want to have the bartender either sell or redeem the prizes?

Mr. Lauer: The law currently says you can only provide one or the other. The constitution says you have to have the charity organization conducting the game.

Rep. Delmore: If we make the language to either sell or redeem, is there some language you can give us so that we can make this bill viable for the people who are asking for this.

Mr. Lauer: I think the language that has been proposed by the sports pool will work. I think one or the other can be done through Administrative Rules.

Rep. Wrangham: I think there may be some confusion and I guess part of it is because we have two amendments before us at the same time. The amendment .0202, they would be in on page 3, line 30 after pull tabs, would be inserted prize boards and then we would go on with bingo, and through a dispensing device. Under that amendment, the prize board tickets would have to be sold through a dispensing device.

Mr. Lauer: Correct.

Rep. Wrangham: So we know there what is going to happen. The charity is going to sell the tickets, and so the only assistance the bar owner could provide would be the paying of the prizes.

Mr. Lauer: Yes.

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House Judiciary Committee
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Hearing Date 2-3-03

Rep. Wrangham: I understand that you will be busy with Administrative Rules over the next few months, but you could regulate this through Admin. Rules and if you couldn't, then as I read the bill, the AG may allow an employee of a bar to provide limited assistance. If, in fact, after working with Administrative Rules, you would not have to allow the assistance.

Mr. Lauer: Yes.

Rep. Boehning: In the area of small bars, is there a provision to have the bartender be a member of the charity, the bar owner reimbursed for doing some of these things, to sell the tabs and award the prizes.

Mr. Lauer: The bar owner is already reimbursed for the games played. That is set in statute a monetary amount set by law of what the maximum amount that can be paid to the bartender. The problem is that in playing these particular prize board games, if you are allowing both the bartender to sell the tickets and redeem your prizes, there really is a constitutional issue, where is the charity. The charity isn't doing anything.

Rep. Onstad: How about homemade boards. Is it legal for sports pools?

Mr. Lauer: It is legal for charities to do sports pool boards. They are not homemade boards. Usually the prize boards are purchased from a distributor and have a ND stamp on them. They are not legal, but there is no penalty, as long as the person does not wager more than \$25 per event, and done on private premises. If we did it in our home, and didn't charge more than \$25, there is no penalty, not legal.

Chairman DeKrey: Thank you. Any further testimony in support or opposition? We will close the hearing.

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1239

House Judiciary Committee

Conference Committee

Hearing Date 2-5-03

Tape Number	Side A	Side B	Meter #
3	xx		3.5-8
Committee Clerk Signature <i>Al Penase</i>			

Minutes: 12 members present, 1 member absent (Rep. Eckre).

Chairman DeKrey: What are the committee's wishes in regard to HB 1239.

Rep. Wrangham: I move the Wrangham amendment.

Rep. Delmore: Seconded.

Voice vote: Carried.

Rep. Maragos: I move the Kilzer amendment.

Rep. Kretschmar: Seconded.

Voice vote: Carried.

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

Rep. Maragos: Seconded.

7 YES 5 NO 1 ABSENT DO PASS AS AMENDED CARRIER: Rep. Wrangham

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10/2/03
Date

FISCAL NOTE
Requested by Legislative Council
01/13/2003

Bill/Resolution No.: HB 1239

1A. State fiscal effect: Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$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.

2001-2003 Biennium			2003-2005 Biennium			2005-2007 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.

This bill would enable the Office of Attorney General to allow employees of a licensed alcoholic beverage establishment to sell chances (pull tabs) on a prize board, but not redeem winning pull tabs, at an authorized site on behalf of a licensed gaming organization. A prize board is a certain type of game of pull tabs in which cash or merchandise, or both, may be awarded as a prize.

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.

Not applicable

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.

Not applicable

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.

Not applicable

Name:	Charles Keller/Kathy Roll	Agency:	Office of Attorney General
Phone Number:	328-4482/328-3622	Date Prepared:	01/20/2003

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Donna O'Connell
Operator's Signature

01/20/03
Date

30388.0201
Title.

Prepared by the Legislative Council staff for
Senator Kilzer
January 28, 2003

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1239

Page 3, line 30, after "tickets" insert "sports pools."

Renumber accordingly

Page No. 1

30388.0201

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1/2/03
Date

30388.0202
Title.

Prepared by the Legislative Council staff for
Representative Wrangham
January 29, 2003

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1239

Page 3, line 30, after "pull tabs" insert "prize boards," and remove "or"

Page 4, line 1, remove "prize boards"

Renumber accordingly

Page No. 1

30388.0202

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1/2/03
Date

30388.0203
Title.0300

Adopted by the Judiciary Committee
February 5, 2003

VP
2/6/03

HOUSE AMENDMENTS TO HOUSE BILL NO. 1239 JUD 2/7/03

Page 3, line 30, after "tabs" insert "prize boards", overstrike the second "or" and insert immediately thereafter an underscored comma, and after "tickets" insert an underscored comma

HOUSE AMENDMENTS TO HOUSE BILL NO. 1239 JUD 2/7/03

Page 4, line 1, replace "prize boards" with "conducting sports pools"

Renumber accordingly

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Date: 2/5/03
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1239

House Judiciary Committee

Check here for Conference Committee

Legislative Council Amendment Number 30388.0203 .0300

Action Taken Do Pass As Amended

Motion Made By Rep. Wrangham Seconded By Rep. Maragos

Representatives	Yes	No	Representatives	Yes	No
Chairman DeKrey		✓	Rep. Delmore	✓	
Vice Chairman Maragos	✓		Rep. Eckre	AB	
Rep. Bernstein		✓	Rep. Onstad	✓	
Rep. Boehning	✓				
Rep. Galvin		✓			
Rep. Grande		✓			
Rep. Kingsbury		✓			
Rep. Klemin	✓				
Rep. Kretschmar	✓				
Rep. Wrangham	✓				

Total (Yes) 7 No 5

Absent 1

Floor Assignment Rep. Wrangham

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

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Deanna Holbrook 10/2/03
Operator's Signature Date

REPORT OF STANDING COMMITTEE (410)
February 7, 2003 8:03 a.m.

Module No: HR-24-1935
Carrier: Wrangham
Insert LC: 30388.0203 Title: .0300

REPORT OF STANDING COMMITTEE

HB 1239: Judiciary Committee (Rep. DeKrey, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (7 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). HB 1239 was placed on the Sixth order on the calendar.

Page 3, line 30, after "tabs" insert "prize boards", overstrike the second "or" and insert immediately thereafter an underscored comma, and after "tickets" insert an underscored comma

Page 4, line 1, replace "prize boards" with "conducting sports pools"

Renumber accordingly

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2003 SENATE JUDICIARY

HB 1239

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10/2/03
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2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1239

Senate Judiciary Committee

Conference Committee

Hearing Date 03/18/03

Tape Number	Side A	Side B	Meter #
1	X		17.1 - 34.9
Committee Clerk Signature <i>Maria L. Solberg</i>			

Minutes: Senator John T. Traynor, Chairman, called the meeting to order. Roll call was taken and all committee members present. Sen. Traynor requested meeting starts with testimony on the bill:

Testimony in Support of HB 1239

Dwight Wrangham - Representative Dist 8, Introduced bill (meter 17.4) Read Testimony -

Attachment #1 Discussed that the Attorney General office has the authority to propagate all rules and has some questions-unless they can satisfy these the bill will not go forward.

Todd D. Kranda - Kelsh Law Firm representing CGAND. In behalf of Charitable Gaming Association we are in favor of this bill. We see this as a positive opportunity for small towns.

Sen. Trenbeath questions what is the definition of a "prize board". Examples were shown in with photos and actual games.

Dwight discussed the commingling law and conversation of how the automatic machines work.

Testimony in Opposition of HB 1239

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10/2/03
Date

Page 2

Senate Judiciary Committee
Bill/Resolution Number HB 1239
Hearing Date 03/18/03

None

Testimony Neutral to HB 1239

Keith Lauer - Gaming Division for the Attorney Generals office. (meter 21.3)

Discussed some of the problems; Unclaimed prizes still on prize board and people filling out only first names like "Bob" and "Ed" The facility may know them but we do not.

Sen. Dever asked about the structure of present game boarding (meter 28) They can only be in a location that a person from the charitable organization can administer the tickets. They may only be sold to a twenty-one (21) year old and only the hours that alcohol is served.

Sen. Traynor stated that this bill is only taking a game that is presently being played in fraternal clubs now to a bar location. Mr. Lauer agreed.

Motion Made to DO PASS HB 1239 Senator Thomas L. Trenbeath and seconded by Sen. Dever

Roll Call Vote: 4 Yes. 0 No. 2 Absent

Motion Passed

Floor Assignment: Senator Thomas L. Trenbeath

Senator John T. Traynor, Chairman closed the hearing

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Thomas L. Trenbeath
Operator's Signature

10/2/03
Date

Date: March 18, 2003
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1239

Senate JUDICIARY Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS Engrossed Bill

Motion Made By Sen. Trenbeath Seconded By Sen. Dever

Senators	Yes	No	Senators	Yes	No
Sen. John T. Traynor - Chairman	X		Sen. Dennis Bercier	A	A
Sen. Stanley Lyson - Vice Chair	A	A	Sen. Carolyn Nelson	X	
Sen. Dick Dever	X				
Sen. Thomas L. Trenbeath	X				

Total (Yes) FOUR (4) No ZERO (0)

Absent TWO (2)

Floor Assignment SEN. TRENBEATH

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

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Operator's Signature

18/2/03
Date

REPORT OF STANDING COMMITTEE (410)
March 18, 2003 10:40 a.m.

Module No: SR-48-5007
Carrier: Trenbeath
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
HB 1239, as engrossed: Judiciary Committee (Sen. Traynor, Chairman) recommends **DO PASS (4 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING)**. Engrossed HB 1239 was placed on the Fourteenth order on the calendar.

(2) DESK, (3) COMM

Page No. 1

SR-48-5007

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2003 TESTIMONY

HB 1239

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10/2/03
Date

AH #1

**Senate Judiciary Committee
Testimony on HB 1239
By Representative Dwight Wrangham**

HB 1239 makes 2 small changes in ND Charitable gaming law. These changes will give small charities in small towns a couple of tools which may make it possible for them to keep serving their charitable purposes such as ambulance service and fire protection.

On page 3, line 30, this bill adds the word prize boards to games which can be conducted through dispensing machines. Prize boards are currently used by many charities. The breakopen tickets are sold by a charitable gaming employee on site. This is where the problem comes in; Small charities in small towns often can not afford to have an employee on site.

Several years ago the legislature approved pull tabs as a game which could be conducted through dispensing machines with limited assistance from the bar. This has worked well in rural areas.

Changes on line 30 simply add prize boards as a game which may be conducted through dispensing machines with limited assistance from the bar.

Page 3, line 31, adds sports pools boards to the law which already allows raffle tickets to be conducted with limited assistance. Please, understand, sports pools is not sports betting. Sports pools boards are currently being used by larger charities and are well defined by the AG. They are typically poster type sheets with 25 or 100 squares. Each square is typically sold for \$1. The customer signs their name in a square and if that is the lucky square they win a prize.

I must stress, this bill does not expand or create any new gaming. HB1239 only gives small charities, who can not afford to have an employee on site, the option of conducting games which are already being conducted in bigger sites.

The AG will have full authority to promulgate all necessary rules. HB1239 only states that the attorney general may allow limited assistance in these games. It does not say shall or must. Please give favorable consideration to this bill.

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Dwight Wrangham
Operator's signature

10/2/03
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