2017 HOUSE JUDICIARY

HB 1415

2017 HOUSE STANDING COMMITTEE MINUTES

Judiciary Committee
Prairie Room, State Capitol

HB 1415
2/1/2017
27731

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

Relating to games of chance.

Minutes: 1,2

Chairman K. Koppelman: Opened the hearing on HB 1415.

Rep. Delmore: Introduced the bill. (#1) (1:00-3:10) Went through testimony.

Deb McDaniel, Director, Gaming Division, Office of Attorney General: (#2) (3:17)
I would stand for questions.

Chairman K. Koppelman: This doesn't change or expand any games, it just cleans up the code?

Deb McDaniel: The two major items we are including in status now; is the age limit for quick shot bingo dispensing devices which we overlooked last session. That was approved in administrative rules so there was input from organizations and manufacturing and distributors as to the age limit. The other thing is the cost per play for the quick shot bingo and that was also approved through administrative rule.

Representative Klemin: Was this bill prepared by the Attorney General's office?

Deb McDaniel: Yes.

Opposition: None

Hearing closed.

Do Pass Motion Made by Representative Maragos: Seconded by Rep. Blum

Discussion: None

Roll Call Vote: 13 Yes 0 No 2 Absent Carrier: Rep. Blum

Closed.

Date: 2-1-17
Roll Call Vote 1

2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO 1415

House **Judiciary** Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep Maragos Seconded By Rep Blum

Representatives	Yes	No	Representatives	Yes	No
Chairman K. Koppelman	✓		Rep. Hanson	✓	
Vice Chairman Karls	✓		Rep. Nelson	—	
Rep. Blum	✓				
Rep. Johnston	✓				
Rep. Jones	✓				
Rep. Klemin	✓				
Rep. Magrum	✓				
Rep. Maragos	✓				
Rep. Paur	—				
Rep. Roers-Jones	✓				
Rep. Satrom	✓				
Rep. Simons	✓				
Rep. Vetter	✓				

Total (Yes) 13 No 0

Absent 2

Floor Assignment : Rep. Blum

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

REPORT OF STANDING COMMITTEE

HB 1415: Judiciary Committee (Rep. K. Koppelman, Chairman) recommends **DO PASS** (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1415 was placed on the Eleventh order on the calendar.

2017 SENATE JUDICIARY

HB 1415

2017 SENATE STANDING COMMITTEE MINUTES

Judiciary Committee
Fort Lincoln Room, State Capitol

HB 1415
3/20/2017
29425

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

Relating to games of chance.

Minutes: **No written testimony**

Chairman Armstrong called the committee to order on HB 1415. All committee members were present.

Lois Delmore, North Dakota State Representative District 43 (:10 – 2:25), introduced and testified in support of the bill. No written testimony.

Representative Delmore briefly went over the sections of the bill.

"This bill is just a cleanup of past legislation."

Deb McDaniel, Director for Gaming Division, just took questions.

Senator Larson (3:10): "I thought age of gambling is 21?"

Deb McDaniel: "Age limits are in law, but for Bingo you can play Bingo at any age as long as you have adult supervision."

Senator Luick (4:25): "This quick shot bingo is new, how's it working out?"

Deb McDaniel: "Fairly well. It's a new game type that people seem to enjoy. It's doing okay."

Senator Luick (4:50): "Any types of fraud or misuse?"

Deb McDaniel: "No misuse or anything, sometimes issues with Wi-Fi connections not coming through correctly, but there are several manufacturers who are testing and upgrading those issues."

Senator Osland (5:15): "Seems like a lot of similarities between 1216."

Deb McDaniel: "This is cleaning up language from last section and 1216 was a newer bill."

Chairman Armstrong closed the hearing on HB 1415.

Senator Luick motioned for a Do Pass. **Senator Myrdal** seconded.

A Roll Call Vote was taken. Yea: 5 Nay: 1 Absent: 0.
The motion carried.

Chairman Armstrong carried the bill.

2017 SENATE STANDING COMMITTEE MINUTES

Judiciary Committee
Fort Lincoln Room, State Capitol

HB 1415 Re-referred back
3/20/2017
29448

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature	

Explanation or reason for introduction of bill/resolution:

Relating to games of chance.

Minutes: **Attachments** 1

Chairman Armstrong began the discussion on HB 1415. All committee members were present.

Chairman Armstrong: "The reason we are doing this again is because Representative Delmore had a clean up to the gaming statute and Senator Wardner may have an issue about the Gaming Commission and when there are expirations to the commission. He had asked that we at least consider putting this Amendment on that bill. I had moved a little too quick for him this morning because he had forgotten to give it to me. He mentioned it to me two weeks ago then forgot to give me the amendment."

Chairman Armstrong briefly discussed the Amendment. (See attachment 1)

Senator Myrdal motioned to Reconsider. **Senator Luick** seconded.

A Roll Call Vote was taken. Yea: 6 Nay: 0 Absent: 0.
The motion carried.

Senator Myrdal motioned to Adopt the Amendment. **Senator Luick** seconded.

Discussion followed:

Senator Nelson: "The way it's written, 'the terms of the commissioners must be staggered so that one term expires each July.', how many are on the racing commission?"

Chairman Armstrong: "Four."

Senator Nelson: "This seems to screw up the number of terms. Are you really cutting the terms or . . . I don't get what you're acquiring here?"

Chairman Armstrong: "You're allowing more flexibility in going on and off the board, and so a majority of the board will be incumbent and not new."

Senator Nelson: "Well they already are incumbent because you are already taking one off every year?"

Chairman Armstrong: "They want to take at least two off. I don't know why that is but apparently it's pretty important."

A Roll Call Vote was taken. Yea: 6 Nay: 0 Absent: 0.
The motion carried.

Senator Luick motioned for Do Pass as Amended. **Senator Myrdal** seconded.

A Roll Call Vote was taken. Yea: 5 Nay: 1 Absent: 0.
The motion carried.

Chairman Armstrong carried the bill.

Chairman Armstrong ended the discussion on HB 1415.

17.8159.01001
Title.02000

Prepared by the Legislative Council staff for
Senator Wardner
March 10, 2017

CJ
3/20-2017
1 of 1

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1415

Page 1, line 1, replace the second "subsection" with "subsections 1 and"

Page 1, after line 13, insert:

"**SECTION 2. AMENDMENT.** Subsection 1 of section 53-06.1-01.1 of the North Dakota Century Code is amended and reenacted as follows:

1. The state gaming commission consists of the chairman and four other members appointed by the governor, with the consent of the senate. The members serve three-year terms and until a successor is appointed and qualified. If the senate is not in session when the term of a member expires, the governor may make an interim appointment, and the interim appointee holds office until the senate confirms or rejects the appointment. A member appointed to fill a vacancy arising from other than the natural expiration of a term serves only for the unexpired portion of the term. The terms of the commissioners must be staggered so ~~that one term expires~~no more than two terms expire each July first."

Renumber accordingly

Date:3/20/17
Roll Call Vote # 1

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1415

Senate Judiciary Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Senator Luick Seconded By Senator Myrdal

Senators	Yes	No	Senators	Yes	No
Chairman Armstrong	X		Senator Nelson	X	
Vice-Chair Larson		X			
Senator Luick	X				
Senator Myrdal	X				
Senator Osland	X				

Total (Yes) 5 No 1

Absent 0

Floor Assignment Chairman Armstrong

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

Date:3/20/17
Roll Call Vote # 1

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1415

Senate Judiciary Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☒ Reconsider ☐ _____

Motion Made By Senator Myrdal Seconded By Senator Luick

Senators	Yes	No	Senators	Yes	No
Chairman Armstrong	X		Senator Nelson	X	
Vice-Chair Larson	X				
Senator Luick	X				
Senator Myrdal	X				
Senator Osland	X				

Total (Yes) 6 No 0

Absent 0

Floor Assignment _____

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

Date:3/20/17
Roll Call Vote # 2

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1415

Senate Judiciary Committee

☐ Subcommittee

Amendment LC# or Description: 17.8159.01001

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Senator Myrdal Seconded By Senator Luick

Senators	Yes	No	Senators	Yes	No
Chairman Armstrong	X		Senator Nelson	X	
Vice-Chair Larson	X				
Senator Luick	X				
Senator Myrdal	X				
Senator Osland	X				

Total (Yes) 6 No 0

Absent 0

Floor Assignment _____

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

Date:3/20/17
Roll Call Vote # 3

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1415

Senate Judiciary Committee

☐ Subcommittee

Amendment LC# or Description: 17.8159.01001

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Senator Luick Seconded By Senator Myrdal

Senators	Yes	No	Senators	Yes	No
Chairman Armstrong	X		Senator Nelson	X	
Vice-Chair Larson		X			
Senator Luick	X				
Senator Myrdal	X				
Senator Osland	X				

Total (Yes) 5 No 1

Absent 0

Floor Assignment Chairman Armstrong

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

REPORT OF STANDING COMMITTEE

HB 1415: Judiciary Committee (Sen. Armstrong, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). HB 1415 was placed on the Sixth order on the calendar.

Page 1, line 1, replace the second "subsection" with "subsections 1 and"

Page 1, after line 13, insert:

"**SECTION 2. AMENDMENT.** Subsection 1 of section 53-06.1-01.1 of the North Dakota Century Code is amended and reenacted as follows:

1. The state gaming commission consists of the chairman and four other members appointed by the governor, with the consent of the senate. The members serve three-year terms and until a successor is appointed and qualified. If the senate is not in session when the term of a member expires, the governor may make an interim appointment, and the interim appointee holds office until the senate confirms or rejects the appointment. A member appointed to fill a vacancy arising from other than the natural expiration of a term serves only for the unexpired portion of the term. The terms of the commissioners must be staggered so ~~that one term expires~~no more than two terms expire each July first."

Renumber accordingly

2017 TESTIMONY

HB 1415

#1
1415
2-1-17

Chairman Koppelman and members of the Judiciary Committee-

For the record, I am Rep. Lois Delmore, and I represent District 43 which is the Southwest section of the city of Grand Forks.

I am here today to urge your favorable consideration of House Bill 1415 which deals with gaming laws. The bill is a cleanup which includes references to requirements for game types added or removed last session that were inadvertently overlooked at the time. Deb McDaniel, director of the Attorney General's Gaming Division, will explain the bill in detail.

Section 1 adds language for the fifty-fifty raffle systems that were adopted with the administrative rules in 2016, and deletes bingo card dispensing devices, since the administrative rules for this game were repealed in 2010. Section 2 makes the same changes for the references to administrative rule authority. Section 3 adds electronic quick shot bingo as an authorized game and sets the minimum age. Section 4 adds requirement for distributors to maintain bank and accounting records in North Dakota, currently only required of organizations.

Section 5 establishes a cost per card for electronic quick shot bingo games. Section 6 clarifies for audit purposes that merchandise prizes and cash prizes must be paid out of the gaming account. Section 7 clarifies that a licensed distributor shall affix a gaming stamp on the required gaming items not only for licensed organizations but also local permit organizations. Section 8 adds electronic quick shot bingo games to the dispute procedure requirements.

I have given you a very simple overview of this bill, and I am sure Ms. McDaniel can answer more specific questions about this bill. I would

urge your favorable consideration of House Bill 1415. Thank you, Mr. Chairman and members of the committee.

#2
1415
2-1-17

House Judiciary Committee
House Bill No. 1415
Relating to Games of Chance
February 1, 2017 10:45 a.m. Prairie Room

The amendments in House Bill 1415 are to clarify or update language that was overlooked during changes in statute from prior sessions.

Page 1, line 10, deleting "or bingo card" is being made due to the fact that the Administrative Rules for the game of bingo, played through a dispensing device, were repealed effective July 1, 2010. Organizations are no longer interested in conducting the game type in this manner.

Page 1, line 11 "or fifty-fifty raffle systems" was added to maintain consistency with the definition since this office requires these manufacturers to be licensed and go through the testing requirements.

Page 1, line 22, deleting "and bingo card" since playing the game of bingo through a dispensing device was repealed from the Administrative Rules.

Page 1, line 23, adding "and fifty-fifty raffle systems", the gaming commission has adopted standards and specifications for this game type and the change clarifies this responsibility.

Page 2, lines 5 and 6, adding "electronic quick shot bingo" includes this approved game type for licensure.

Page 3, line 16, adding "electronic quick shot bingo" to clarify hours in which this approved game type may be conducted.

Page 3, lines 22 through 24, adds "An organization may not permit an individual under eighteen years of age to directly or indirectly play electronic quick shot bingo" includes an age restriction to playing electronic quick shot bingo. Paper bingo age restrictions are still intact.

Page 3, lines 24 and 25, the word "person" is being replaced by "individual"

Page 4, line 3, deleting "or bingo" to eliminate the language for bingo card dispensing devices.

Page 4, line 6, adding "and distributor" to ensure that bank and accounting records for distributor's are maintained in North Dakota for auditing purposes.

Page 4, lines 17 and 18, adding "The maximum sales price per electronic bingo card is five dollars." This is to address the cost per play for quick shot bingo legislatively. This limit was set in Administrative Rule with organization input. The cost per play for other game types is in statute.

Page 5, lines 6 and 7, adding "A cash prize paid by check must be paid from a gaming bank account", to clarify that all prizes paid must be paid from a gaming bank account. This now clarifies cash prizes as well as merchandise prizes.

Page 5, line 14, deleting "and bingo cards" to eliminate the language for bingo card dispensing devices.

Page 5, line 16, adds "or organization that has a permit" clarifying for distributors that games requiring a state gaming stamp must be stamped for both licensed gaming organizations and organizations with only a permit.

Page 5, line 24, adds "electronic quick shot bingo" as a game type the Attorney General has authority to determine if a prize should be paid or not due to a dispute or based on factual determiniation.

Deb McDaniel, Director,
Gaming Division, Office of Attorney General

(1) 3/20/17

17.8159.01001
Title.

Prepared by the Legislative Council staff for
Senator Wardner
March 10, 2017

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1415

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Renumber accordingly