

FISCAL NOTE
Requested by Legislative Council
03/21/2017

Amendment to: HCR 3033

- 1 A. **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.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures				\$579,000		\$1,107,000
Appropriations				\$579,000		\$1,107,000

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

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The resolution provides for up to 6 state-regulated, privately-owned casinos if the general election in 2018 approves the measure.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 2 of the resolution provides for up to 6 state-regulated, privately-owned casinos. Any such casinos cannot be located within 40 miles of reservation boundaries.

Fingerprint-based criminal history record checks are required for each employee of the casinos. Each record check costs \$40 and this revenue would be deposited in the general fund. The possible number of casino employees is unknown at this time.

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.*

There will be revenues both from the casinos and for criminal history record checks. The amounts of these revenues are unknown at this time.

- 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.*

The Office of Attorney General estimates 6 auditors will be needed for the new casinos. For fiscal year 2019, the estimated cost for salaries and operating costs is \$579,000. The estimated cost for the 2019-21 biennium is \$1,107,000.

There will be meeting and travel reimbursements for the casino gaming commission. The estimated cost for these meetings is unknown at this point.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The Executive Recommendation did not anticipate this resolution and its costs. The Office of Attorney General will need an appropriation for \$579,000 for fiscal year 2019 if this resolution is approved at the primary election and \$1,107,000 will be needed for the 2019-21 biennium.

Name: Kathy Roll

Agency: Office of Attorney General

Telephone: 701-328-3622

Date Prepared: 03/22/2017

FISCAL NOTE
Requested by Legislative Council
03/01/2017

Bill/Resolution No.: HCR 3033

- 1 A. **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.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures				\$579,000		\$1,107,000
Appropriations				\$579,000		\$1,107,000

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

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The resolution provides for up to 6 state-owned casinos on state land to be established assuming the 2018 primary election results are positive.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 2 of the resolution provides for up to 6 casinos to be established on state-owned land. Any such casinos cannot be located within 5 miles of any city exceeding 5,000 in population, or less than 20 miles away from reservation boundaries.

The state may issue revenue bonds or other financing. The legislature may provide by law for transfer of net profits from casino operations to the general fund. The amount of capital needed for 6 casinos is unknown at this time.

The State Auditor's office shall audit or contract for an audit, of the state-owned casinos.

Fingerprint-based criminal history record checks are required for each employee of the casinos. Each record check costs \$40 and this revenue would be deposited in the general fund.

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.*

There will be revenues both from the casinos and for criminal history record checks. The amounts of these revenues are unknown at this time.

- 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.*

The Office of Attorney General estimates 6 auditors will be needed for the new casinos. For fiscal year 2019, the estimated cost for salaries and operating costs is \$579,000. The estimated cost for the 2019-21 biennium is \$1,107,000.

The Auditor's Office will either audit or contract for audits for the casinos. No estimate is available for the cost of the audits.

There will be meeting and travel reimbursements for the casino gaming commission. The estimated cost for these meetings is unknown at this point.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The Executive Recommendation did not anticipate this resolution and its costs. The Office of Attorney General will need an appropriation for \$579,000 for fiscal year 2019 if this resolution is approved at the primary election and \$1,107,000 will be needed for the 2019-21 biennium.

The Auditor's office will also need an appropriation for casino audits. The amount is unknown at this time.

Name: Kathy Roll

Agency: Office of Attorney General

Telephone: 701-328-3622

Date Prepared: 03/09/2017

2017 HOUSE JUDICIARY

HCR 3033

2017 HOUSE STANDING COMMITTEE MINUTES

Judiciary Committee
Prairie Room, State Capitol

HCR 3033
3/13/2017
29093

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to authorization for up to six state owned casinos in the state which are to be established as destination-oriented attractions; and relating to exceptions to the prohibition on games of chance.

Minutes:

1,2,3,4,5,6,,7,8,9,10,11

Chairman K. Koppelman: Opened the hearing on HCR 3033.

Rep. Carlson: Introduced the bill. (#1) Went over the handout and the bill. (#2) proposed amendment. The state did not allow gaming or gifting. (1:45-20:00). SD has a video lottery. Their revenue in FY 2015 they raised 199,000,000. They don't have state income tax so they got rid of their state income tax. Manitoba owns and operates two casinos' they are operated and the Crown Corporation runs them and they are using this for healthcare, education, social and community service, economic development and public safety initiatives and they were in the \$63 million range per year. They have a million people and we have 750,000 people. The regulation, security and privacy are issues that are covered in this bill.

Representative Klemin: A question about the timing of the election; it would be in 2018 at the primary election. If approved, it would become effective a month later. The legislature doesn't meet until 2019; unless we are going to have a special session; how is that going to work? I was wondering why this wasn't in the general election?

Rep. Carlson: There would still be a timeline like the marijuana bill. The more people voting the better. There would still be a timeline issue. As long as it is controlled by the state and the revenue has a purpose, then I can put this in for you and see how it goes.

Vice Chairman Karls: You stated this would be located on state owned land? What do you mean by that?

Rep. Carlson: We own a lot of land around the state. The state can also buy land. We cannot do eminent domain in this bill.

Vice Chairman Karls: Who would build the casino?

Rep. Carlson: We can bid it out to the highest bidder. Privately owned would be fine? The distribution would flow through the state owned bank. We have the advantage of having a state owned bank to flow the cash through. Most states would not be able to do that.

Representative Roers Jones: If we made this something that would be open to rural areas; what happens if the state takes it into a small community and it is not profitable? What is the next step then?

Rep. Carlson: We would be the owner of the facility. If the numbers do not show it, we would not build it. You would build it in the size that you believe would be used. We would want a destination spot to go through. People now drive to the native American casino's now. They will tell us how successful later on. They have a destination location that has been maintained and operated for many years so my assumption would be. I could not guarantee it nor could anyone in here.

Representative Maragos: Wouldn't it be cleaner to just add to Section 2, page 1 of the exemptions casinos, and let the Legislation decide whether it would be passed through legislative hearings and public input. The initiated measure doesn't get debated and they don't get the testimony like we do here in the legislative session where we can make some considered and informed decisions.

Rep. Carlson: I can agree on part of it and disagree on part of it. Medical marijuana was turned down by us and then it citizens went ahead and passed it. Our role is critical in this.

Representative Nelson: I don't see anything to take care of the local costs of law enforcement and local services? Is the state going to make an appropriation every year in order to take care of the local services? You are taking it out of the big population centers that could maybe absorb this; actually government becomes very costly in those areas a di see now way to pay for this otherwise.

Rep. Carlson: I don't understand about the local costs for the community. I think the Native American's can probably answer this. I don't know what those costs would be.

Rep. Karls: You have mentioned Medora and Deadwood. Are we going to turn Medora into a Deadwood?

Rep. Carlson: They have to request to do it. The state will not do this. It is up to the gaming commission to decide. Sooner or later this will come through us or through use or through a measure. Do we want to be involved before or afterward and we send it out to the people? Our roll becomes limited when it comes onto the ballot.

Chairman K. Koppelman: You talked about rural economic development; does five miles away really make it rural? Do you think that number should be higher?

Rep. Carlson: It is an arbitrary number. That could be Mapleton in the east. Those mileage things will be addressed later. Did we cover all of the bases on a measure? This is a constitution measure so we have to be careful how it is done.

Chairman K. Koppelman: If the state owned the property then there is no property tax on it. How would you see the local political subdivision nearby or in town dealing with some of the other costs?

Rep. Carlson: That is a good question. If this property is being leased to an entity, they have to pay a tax equal to what the normal tax would be on that facility for taxes.

Chairman K. Koppelman: Most casinos have hotels or restaurants with this?

Rep. Carlson: There is a gaming commission so I think it would bring growth. You would see more gas stations and hotels. This should stay rural.

Representative Klemin: What about these associated facilities? I am wondering if this should include associated facilities along with the casino.

Rep. Carlson: Not every casino has a restaurant. There will be sales tax paid and a revenue stream that we could figure out. Those things would have to be worked out with the gaming revenue. How we use this revenue would be important.

Chairman K. Koppelman: If your amendment is attached, I assume then it would dictate that those be privately run.

Rep. Carlson: This would be built then leased and the employees will not be ours.

Representative Johnston: Why state owned; why not a private venture?

Rep. Carlson: If you think that is the direction you want to go to the larger cities. That is not the intend of this. If you let private people come in, then it would be in the big cities.

Representative Magrum: Where would the original funding come from?

Rep. Carlson: It would come from the Bank of ND.

Representative Johnston: Some of the reservation casinos are not in rural areas and they are still successful so they could still be private entity you could build one and stipulate some of the locations that they could do it so they could still be designation locations.

Rep. Carlson: This is an idea that came forward. We already have a lot of gaming in the state and we are generating a lot of gaming. I hope we create something that goes rural. I hope that is the intent of this.

Senator Laffen: This is coming and my goal is to get ahead of this because it is going to be on the ballot. All of your questions related to do we have restaurants and hotels; in my mind

the constitutional amendment and the language in the constitution should simply say we are going to authorize up to six state owned casinos and they should be a certain distance away from the tribal reservation casinos we already have. I would propose to double that to 40 miles. I believe they belong in the big cities. The difference in revenue is triple. I think the language should be stripped down and allows no more than six. I believe this is coming and if this gets on the ballot I will vote against it.

Chairman K. Koppelman: You said you think it should be in the cities. There is nothing prohibiting it from being in communities that are smaller than 5,000. Correct?

Senator Laffen: My cities would love to have this.

Chairman K. Koppelman: If these would go up in the four largest cities in the state; I can see this being detrimental to the Native American casinos that currently exist?

Senator Laffen: I don't think it matters whether it is in the big city or five miles outside of the big city.

Rep. Maragos: I would like to know your thought to what would happen to charitable gaming revenues if this bill passed?

Senator Laffen: My purpose is to get ahead of the rules. I don't want VLT gaming in every gas station and bar in the state. I believe that is what is coming. I don't think six would curtail charitable gaming. That is a very different place and revenue stream.

Representative Maragos: Video lottery gaming; that is a whole separate issue. That is the SD model. They have VLT as opposed to charitable gaming. We put charitable gaming so they would not come to the legislature and ask for funding? What happens if they lose all their funding; what do we do here in the legislature.

Senator Laffen: That is why I want to get ahead of this. If you allow these six casino's in the state; it will not hurt the charities. We would have a couple hundred million dollars we could work with.

Rep. Simons: You said the state would be involved or own them for obvious reasons? Can you explain that?

Senator Laffen: I know some ND's that own casino's in Los Vegas. They have told me it is a very difficult business. There are a lot of issues behind private owned casinos and we want to control that.

Rep. Carlson: If we have a concern on charitable gaming then we should focus on what is charitable.

Larry Treleaven, Grand Forks: (#3) Went over testimony. (51:18-55:00)

Representative Maragos: Do you expect people from Minnesota, SD, or Montana to come to ND for gaming?

Larry Treleaven: Absolutely. Craps is not available in Minnesota.

Opposition:

Jon Jorgenson, President of Charitable Gaming of ND: (#4) (56:27-1:02:11) Went over his testimony. Our money will go away if this bill goes through. This is an explosion of gaming.

Chairman K. Koppelman: The two types of gaming that we currently have in ND that we are allowed is the lottery and the casinos on reservations which was a federal government decision. The charitable gambling was what the state legislature has allowed. We are hearing that this is coming and there is an appetite for this. You seem to have a different view and given the number of folks that do go to Los Vegas or go to the casinos that are in our state. Do you think you are right on that?

Jon Jorgenson: I have heard nothing about grass roots campaign trying to drive for state run casinos.

Mark Fox, Chairman MHA Nation: (#5) (1:04:40) Testimony handout. United Tribes is not here. All five tribal nationals were in Washington DC last week. Mandan and Bismarck long ago was original trade centers and established a trading network. From 1988 forward all tribes began to do casinos. According to Class 3 gaming you cannot have gaming unless you have a compact because they don't have a state that wants to have a casino. Discussed the history of the native Americans through time to now. We were self-sufficient at the turn of the 20th century and that was destroyed because of flooding. So you immediately created since the 1950s a dependency on the federal government and to a small degree the state government that has never gone away. So for generations you have had people born into that situation. This has created social, economic, disease, hardship, suicide, diabetes. I can go on and on. In 1988 we were allowed to have Indian Gaming Regulatory Act of 1988. For us it meant a form for us with which the tribes. Rep. Carlson said that was federally done; that is not something the state did. To have class three gaming in ND you have to have a compact according to federal law. You have to have the state and tribes setting down; formulating a compact together you can't have gaming. Many tribes do not have gaming because they do not have a state that wants to work with the tribes. Our situation was different because the state here said it was a good thing. The compact was signed off on and the most important things were jobs and revenue. Nearly a third of them go to non-tribal members. We are required in the compact to spend 10% on existing areas. We spend 100% on all our needs of our people, infrastructure and programs and projects that go to the reservation to change things. So we have that in place. Equilibrium is established now with the tribal casinos and the charitable gaming. When you bring in 4 of 5 casinos you won't have that anymore. This would be a saturation of the market. There are issues that have to be thought of. This is what is going to happen. In particular, with the jobs you are looking at a \$15 million payroll x 5 you can see the numbers there. You are also talking about venders.

We spend over \$1 million to our local electric coop and telephone company. We have \$26 million we spend with vendors; a majority of them non-tribal and that may go away. Who is going to come in and assist the reservations when this income goes away. Remember the huge difference between charitable and Indian gaming and privatized gaming. It is both used by Indian and non-Indian people. When revenues are made it doesn't go into individual pockets. It goes to the government and services and helps those people who are on social and social and economic situations and assists them to build out of that the way tribes are doing today. You are going to have to figure out now what you are going to do with those jobs that we are going to lose; the revenue that we there; who is going to come back in. Nearly thirty years is going to be reversed. You are going to find our reservations still struggling hard to try to establish themselves and that one vehicle that has helped pull us out of that will be reversed and diminished. The governor was saying this is a good thing.

Representative Klemin: I have a question about revenues. What will this take away from revenues from tribes on this bill. Do we have that information on your revenues?

Mark Fox: The state knows the numbers we have. I have no secrets here. I am trying through my staff and consultants trying to set up a dinner or gathering for legislature to do exactly that. We would love to be able to set down and show you what we gain and the problems we continue to face it. Understand our continuing needs that we have in some of our reservations. The average life expectancy of an adult male life expectancy on Ft. Berthold is 50.

Representative Klemin: So we would have full disclosure on spending.

Mark Fox: I would have no problem showing you this. We have had a looming threat above us as a tribal casinos and we have been dealing with this issue for years on a federal level. Internet gaming is having an effect on our casinos. You need to consider this too.

Chairman K. Koppelman: The governor negotiated the compacts. Several years ago I was on an interim criminal justice committee that went to ever reservation in the state and our meetings were at the casinos and we talked about what was happening with the tribes. I would welcome that kind of information. At the time tribal members were concerned that more of it had not trickled down to them to benefit the tribe. As I looked at the resolution, is there anything in the resolution that would prohibit this. (1:26:16) Read amendment on the last part. Would there be anything under that to prevent the tribe being that entity? If this occurred and they might entertain proposals for the tribes to come in and then leases it?

Mark Fox: I am here to learn and I do not fully understand. That would be a possibility? I don't think that would occur. When 1991 and 1992 that discussion came in. here we have a proposal for you; how about what the state will do is set up casinos in Minot, Grand Forks and Bismarck. The tribes would just share in those revenues and we would set up some jobs for you as well. The tribes came in but disagreed; if you put a casino in Bismarck, Fargo, Minot, or Fargo and that would have very little to help the reservation. We want the economies to change on a reservation. That payroll comes out of a casino and causes that dollar to revolve. That is how that economy changes. 80% of our payroll is spent in Minot, Bismarck, Fargo and Grand Forks.

Hillary Kempenich: Resident of Grand Forks. Originally from the Turtle Mountain bank of Chippewa. Own Behalf: I feel Al Carlson forgets we already do have these designation communities. There seems to be little or no regard to those communities. I have heard a lot of assumptions from the supporters of this bill. People going to Vegas go there for other reasons other than just gaming. I disagree with that. A lot of people including with people that I am close to travel to Vegas for other reasons than just gaming. We are also taking away from those private businesses on the reservations. I see where the profits made from charitable gaming is really important. I hope we do not take away from that. There are a lot of issues that need to be discussed. I think using medical marijuana was a poor example.

Bill Kalenich, Representing the ND Association for the Disabled: Introduced Kim Zeeb.

Kim Zeeb, NDAD: (#6) (1:33:56-1:36:38) Went over testimony.

Ruth Buffalo: Citizen of the Three Affiliated Tribes: (#7) (1:37:29-1:40:05) We need to work on improving our relationships. Right now tribal and state relationships are at an all-time low. The state of ND needs to take a long look at their relationship.

Ken Karls, Cystic Fibrosis Association of ND: (#8) (1:41:30-1:45:43) Read testimony.

Andrea Denauh: ND Human Rights Coalition: ND has recently earned the shameful nickname, Mississippi of the North. That referred to the handling of the DAPL protests. We believe in rural economic development. (Never got written testimony)

Janelle Mitzel, Development Homes, Inc.: (#9) Testimony. (1:48:04-1:50:00)

Neutral: None

Hearing closed.

Testimony submitted later: Joe Dunn (#10)

Christopher Dodson, ND Catholic Conference (#11)

2017 HOUSE STANDING COMMITTEE MINUTES

Judiciary Committee
Prairie Room, State Capitol

HCR 3033
3/15/2017
29283

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to authorization for us to six state owned casinos in the state which are to be established as destination-oriented attractions; and relating to exceptions to the prohibition on games of chance.

Minutes:

1,2

Chairman K. Koppelman: Opened the meeting on HCR 3033.

Rep. Carlson: (#1) Proposed amendment. Went over the proposal. This is a hog house for the bill. This now says the legislative assembly may provide by law the operation of not more than six state regulated privately owned casinos. (:20-3:26)

Representative Hanson: In the original version there was a limit on the distance from our major population centers. This removes that. One of the original goals was rural economic development so this would not accomplish that goal if we place casinos in our major populations centers.

Rep. Carlson: It doesn't say they would go there either. There were concerns about having the infrastructure and the law enforcement to deal with those in the rural areas. It would be at the discretion of the gaming commission and the legislature where those would be.

Representative Hanson: If it is decided these are located in larger areas what impact would it have on charitable gaming?

Rep. Carlson: There is no question there could be an effect on the charitable gaming side. There is no reason why an accommodation can't be made to go to charitable organizations. It doesn't limit anything. It would be the legislative direction of how we do this.

Representative Vetter: How does that work so you basically do a resolution?

Rep. Carlson: this is a constitutional change and that is language would appear in the constitution.

Chairman K. Koppelman: The way the constitution is amended in ND the people can amend it. It is up to the people to decide to change the constitution so they have to vote to approve it. Resolution to amend the constitution; it doesn't go to the governor if both chambers of the legislature pass it; it goes directly on the ballot.

Rep. Carlson: Why June, it will move it to the fall ballot of 18. That was a good suggestion. It should be where you are having the volume of ND's voting on this issue.

Chairman K. Koppelman: If we move this forward; the gambling is not allowed in ND except that the legislature shall provide for charitable gaming; that the legislature shall provide for a state joining a multi-state lottery and you could add that the legislature shall provide for the existence of the number of casinos.

Rep. Carlson: I think it is important put our thumbprint on this. This is more specific. Most states are not having issues but casinos need to be monitored. I prefer us having definite guidelines on this. Our deadline has passed and we have already amended it out once to extend the date. We will extend it for a couple more days and then we want to have this gone by Friday. That is why I brought the cleanup language today.

Chairman K. Koppelman: Closed the meeting.

Chairman K. Koppelman: Reopened the meeting.

Representative Maragos: (#2) (11:02) Proposed amendment. This is one of those situations where the legislature needs to get ahead of the situation. My amendment does one thing; shall the state of ND allow casinos or should they not? We as the legislature will be the responsible body to do it in the most correct fashion for the people of ND. Discussed past experiences and regarding the lottery. I wrote the ballot and I wanted the people to decide whether they wanted to buy a lottery in ND. All the rest was left up to the legislature to establish how best to accomplish this for the people of ND. My amendment simple does one thing; if the legislature decided to put it on the ballot it is going to be a simple question; should the people of ND allow casinos or not. I would like this committee to send out a very clean, clear resolution and all it does on the resolution; go to line 24 where it says the legislative assembly shall authorize the state; this made it mandatory for the state to get us into a multi-state lottery. It also says and the legislative assembly may authorize by law bonified by a non-profit veteran's charitable education. This is the charitable gaming law that was passed in 1976 that really legalized gaming in ND. Right at the end where it says other spirited uses and the legislature may authorize the establishment of casinos. When it goes to the voters it is a straight up and down issue. Do we want to legalize casinos or don't we, if they say yes then we will be able to control what the voters want? I have asked the legislature to put this issue on the ballot. The lottery issue. I will support it but I am against the idea but I am not against the people of ND deciding the issue.

Representative Klemin: In the language in the proposed amendment this says legislative assembly; that should be changed. Is this the whole bill then?

Representative Maragos: Yes, everything.

Representative Klemin: When is the election to be held? Here it says primary election?

Representative Maragos: Let's do it at the primary so we don't get anyone else ahead of it.

Chairman K. Koppelman: The amendment should be redone in proper form?

Representative Hanson: Rep. Maragos intends to modify the title to reflect his intention and then to delete everything after that. That is simply the core of what they want to do.

Representative Maragos: This would just give the people the right to vote on whether they want casinos or not.

Chairman K. Koppelman: As I read it now it appears after the lengthy description in the constitutional regulations regarding charitable gambling I am wondering if it might be misread to if it was adopted as written; could be part of that charitable gambling effort?

Representative Klemin: We have the opportunity to correct the structure of this thing so 2. Would be the lottery, 3 charitable gambling and 4 would be casinos.

Representative Maragos: If Rep. Klemin thinks that is a better way that is fine. Starting on line 6 everything that is in the bill; if the people of ND pass it might be the bill that comes to the legislature.

Discussion:

Representative Vetter: I like the other amendment a little better.

Representative Magrum: If we are going to go this far why don't we just put it on the ballot to legalize it within the state?

Representative Hanson: Rep. Maragos; would we not have to modify lines 2-10?

Representative Klemin: I think we would still have to have the statement of intent and a lot of other changes too.

Representative Johnston: I agree with the intent of Rep. Maragos's proposal. I think I goes too far. People will think we will authorize a casino in every town. I think putting some restrictions on it would be good.

Representative Simons: People are against the probation on gambling. We are trying it keep control by doing this.

Representative Magrum: They would like to see us just open it up rather than picking or choosing who is going to have it.

Representative Vetter: If you do a big thing at once it will never go anywhere.

Representative Maragos: One thing is that disgusts when we clutter up the Constitution.

We should just have the concept in the constitution.

Representative Simons: It is a complete joke; either it is an expansion and it is ok or it is not ok. There is a movement out there. Earlier today we had a horse racing thing; which is gambling and pull tabs are gambling and now we have electronic pull tabs. People are speaking clearly. There is movement out there.

Representative Paur: The reason they want the horse racing it is because the pull tab business is declining.

Representative Klemin: I am opposed to casinos and the repeal of Section 2. At least with charitable gaming it does go to the charity. The funds do go to charitable purposes. These two amendments the funds go to people from Los Vegas who will come here and open those casinos.

Chairman K. Koppelman: I think part of the idea is some of it go to the state. Not just to the businesses running the enterprise. We would be having taxes.

Vice Chairman Karls: I can't see negating 30 years of charitable gaming that has helped really help desperate people. My friend has been in casinos all over and casino business is really down according to a friend. We are chasing a dream.

Representative Johnston: I think Rep. Carlson amendment is better. They think charitable gaming will be down the tubes.

Representative Roers Jones: I am not opposed to gambling but other people do. It feels like retaliation with the DAPL protest. I don't we should do anything with state owned casinos. Why don't we study this? Then we could bring it back at the time it is less appearance of retaliation.

Representative Maragos: That is not the issue before us. If we do nothing it will be on the ballot in 2018. We have no control on that. The central question is, are we going to be in control or are we going to give it up to the public?

Chairman K. Koppelman: You are saying if we don't put a casino measure on the ballot; it is the roll of the dice whether we will have something from the people.

Representative Magrum: The reason Rep. Carlson brought this bill forward was he was surprised that the marijuana bill passed and people would be for it. Couldn't we make charities part of the bill. There might be less going out of the state then. The best study is the ballot box. I am for free market in everything. Those planes going to Vegas are full every week so this would be a chance for a lot of these smaller towns that are struggling to have a casino and help them. The ballot box is the best study. I am not for gambling; I have never bought a lottery ticket here yet. I am for free market.

Representative Vetter: Vegas is warmer. I am getting tired of the big push on a number of the issues this session. Why do we legislate out of fear?

Representative Simons: Rep. Vetter is right. I believe in free market. Let the people take it to the ballot. Representative Roers Jones said is true; this is sensitive timing.

Representative Jones: I am alarmed because in the discussion I have had in California; the initiated measures have gone amuck and they have 80% of their budget is controlled by initiated measures. Leadership is leadership. When initiative measure takes over it is because leadership has failed. I am against gambling, but I live on the Ft. Berthold Reservation.

Representative Johnston: I agree with Rep. Magrum. A study doesn't bring any money into the state. We have potential to bring a substantial amount of revenue into the state through this, but I would argue with some restrictions.

Representative Blum: The initiated measure did not even decimalized marijuana. I think we need to step up and get this done within the legislature. That is why we are here. I think it would be a good decision to work within the legislature.

Representative Maragos: Ordinarily when a referendum is used it is used to solve a perceived problem. We know medical marijuana wanted it because it helped them get through their pain. Marcy's Law was helping the victim; the victims were not getting the proper attention and services. The lottery we were pushing the citizens out of the state on every border. The problem with casinos is money. There is money to be made.

Representative Klemin: There will be a lot of money spent and it will be by all the people who oppose open casinos. We are a small population area. Why come to ND. I don't like anything with these alternatives. If some people want to come in with an initiated measure that is their right to do that. I think there is going to be an over whelming opposition to it.

Representative Simons: I believe in very limited government. Let the free market do what it does.

Rep. Satrom: There is money, but there are social costs here.

Representative Jones: We need to change the legislature to legislative assembly and we need to have it establishment of casinos a number or limited.

Chairman K. Koppelman: The founding fathers had a lot of beliefs and they believed in freedom. It is important to recognize the resolution and the amendments. Whether we are for this or not?

Motion made to amend HCR 3033 on page 2, line 5 after public spirited uses, the legislative assembly may authorize the establishment of six casinos and on line15, page 1 strike state owned and the election would be the primary of 2018; remove section 2. by Representative Maragos: Seconded by Rep. Jones.

Chairman K. Koppelman: The people of ND historically have not been amendable to gambling. In the original constitution they were opposed to the lottery was there were folks from Louisiana.

Representative Klemin: There was a group that tried to buy the legislature. One chamber of the legislature received a lot of bribes and passed it and the other chamber didn't. Ever since they were have had this issue with gambling. We have gradually opened that up. It has been charitable gaming and then lottery was opened up. I don't see us going back.

Chairman K. Koppelman: Rep. Maragos and I have been on different sides of the gaming issues. I remember debating this throughout the years.

Representative Maragos: The state of ND does not have a lottery. We have joined in that provision.

Chairman K. Koppelman: Discussed history of gambling.

Representative Paur: I am not sure I am wrong about line 21, page 1. Add to motion. I like Maragos's amendment, but I am going to vote against it. If we do that then it is our bill. Right now it is Carlson's baby and I want to keep it that way. If we adopt Rep. Maragos's amendment, then it is our baby and we have to explain it.

Representative Hanson: Rep. Maragos mentioned do we leave it at the primary election in June 2018; or do we change it to the general election. Can you explain why you think it is better to keep it in June.

Representative Maragos: If we go to the general election that will allow someone else to go out and get 23,000 signatures between now and the primary and insert their initiated measure ahead of us. If you give somebody a chance to move in and take advantage of the opportunity my guess is they will and we are talking about a lot of money here. If we go to the general that will allow someone else to go out and get signatures and insert their initiated Measure. If it goes onto the ballot it will be the legislature's bill not Carlson's bill.

Representative Klemin: Maybe we have to amend the heading too.

Motion make to amend the bill by Rep. Maragos withdrawn; Seconded by Rep. Jones withdrawn.

Chairman K. Koppelman: You wish to propose your amendment with the changes previously noted changing the word legislature to legislative assembly; inserting the word six in front of casinos, adopting Rep. Carlson's statement of intent with the exception of privately owned, deleting Section 2 of the resolution and deleting the Statement of Intent in the resolution, revising line 21, page 1 to remove and in section 2.

Representative Hanson: We have not adopted Carlson's amendments so the Statement of Intent would be from the original bill, which is state owned and operated.

Motion made to move the amendment changing the word legislature to legislative assembly; inserting the word six in front of casinos, adopting Rep. Carlson's statement of intent with the exception of privately owned, deleting Section 2 of the resolution and deleting the Statement of Intent in the resolution, revising line 21, page 1 to remove and in section 2 By Rep. Maragos. Seconded by Rep. Jones

Chairman K. Koppelman: I am going to oppose the amendment since I think the Carlson amendment makes it clearer.

Roll Call Vote: 5 Yes 10 No Failed.

Chairman K. Koppelman: I would prefer that on page one of the Carlson amendment, bottom of the page after the word state we insert and the words nor within 25 miles of a city with the population of greater than 5,000. That is in the spirit of what Rep. Hanson talked about earlier. I think if the intent is to be rural that is an arbitrary number too. In his amendment he has moved the distance from reservations 40 miles.

Representative Klemin: That would doom this to insolvency.

Chairman K. Koppelman: That is the intent. Once the city goes out it wouldn't accomplish that because of the spreading cities. People are used to driving a ways to get there.

Representative Roers Jones: I think we should leave it as close to open as we can. I don't think we should limit it because of the rural areas and the possible chance of success for whoever is going to develop it. I wouldn't be opposed to an amendment moving it farther away from the reservations. That would help someone in that it is retaliatory.

Chairman K. Koppelman: If you move it much farther you could be removing some larger cities.

Representative Hanson: My concern with it being located in the larger cities.

Representative Roers Jones: I would take those limitations off as well. Not the 40-mile limitation for the reservations.

Representative Jones: Number two says the legislature will establish the regulations and that can be dealt with when they are issuing their licenses.

Chairman K. Koppelman: I think we need a distance from cities. I don't think the rural legislatures would be successful in that.

Motion made to move amendment 17.3081.01004 by Representative Vetter: Seconded by Rep. Johnston.

Discussion:

Representative Klemin: Roll Call vote asked for.

Representative Simons: I think the people should be taking care of this.

Roll Call Vote: 6 Yes 9 No 0 Absent Failed.

Do Not Pass Motion Made by Representative Nelson: Seconded by Rep. Paur.

Discussion:

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

Closed.

2017 HOUSE STANDING COMMITTEE MINUTES

Judiciary Committee
Prairie Room, State Capitol

HCR 3033
3/20/2017
29473

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to authorization for us to six state owned casinos in the state which are to be established as destination-oriented attractions; and relating to exceptions to the prohibition on games of chance.

Minutes:

Chairman K. Koppelman: Opened the meeting on HCR 3033. We had this bill voted out of the committee and it was on the floor and it was rereferred to the committee for further consideration.

Motion Made to Reconsider the bill by Rep. Satrom; Seconded by Rep. Maragos.

Roll Call Vote: 14 Yes 1 No 0 Absent Passed

Chairman K. Koppelman: We have the resolution back before us; what is the wishes of the committee.

Motion Made to move the amendment 17.3081.01004 by Rep. Maragos; Seconded by Rep. Blum

Discussion:

Representative Maragos: I believe that regardless of what the recommendation is on the bill; these proposed amendments make it a better bill regardless of what happens and I think we should put this amendment on there.

Chairman K. Koppelman: It is better to have them in the best form as we can whether we like the idea or not.

Voice vote carried.

Do Not Pass as Amended Motion Made by Rep. Roers Jones; Seconded by Rep. Simons

Discussion:

Roll Call Vote: 11 Yes 4 No 0 Absent Carrier: Rep. Roers Jones

Closed.

PROPOSED AMENDMENTS TO HCR NO. 3033

Page 2, line 5, after "uses" insert "^{Legislature Assembly} ~~and the legislature~~ may authorize the establishment of casinos."

Renumber accordingly

*E Section: line 15, Pg 1, line 25 - remove Sec. 2
Strike 6 state owned.
Remove Sec. 2.*

PROPOSED AMENDMENTS TO HOUSE CONCURRENT RESOLUTION NO. 3033

Page 1, line 1, after "resolution" replace the remainder of the resolution with "to create and enact a new section to article XI of the Constitution of North Dakota, relating to authorization for not more than six state-regulated, privately owned casinos in the state; and to amend and reenact section 25 of article XI of the Constitution of North Dakota, relating to exceptions to the prohibition on games of chance.

STATEMENT OF INTENT

This measure would authorize the legislative assembly to provide by law for the authorization of up to six state-regulated, privately owned casinos in the state.

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:

That the following proposed new section to article XI of the Constitution of North Dakota and the proposed amendment to section 25 of article XI of the Constitution of North Dakota are agreed to and must be submitted to the qualified electors of North Dakota at the general election to be held in 2018, in accordance with section 16 of article IV of the Constitution of North Dakota.

SECTION 1. AMENDMENT. Section 25 of article XI of the Constitution of North Dakota is amended and reenacted as follows:

Section 25. The

1. Except as provided in subsection 2 and in section 2 of this Act, the legislative assembly shall not authorize any game of chance, lottery, or gift enterprises, under any pretense, or for any purpose whatever. However, the
2. The legislative assembly shall authorize the state of North Dakota to join a multi-state lottery for the benefit of the state of North Dakota, and, the legislative assembly may authorize by law bona fide nonprofit veterans', charitable, educational, religious, or fraternal organizations, civic and service clubs, or such other public-spirited organizations as it may recognize, to conduct games of chance when the entire net proceeds of such games of chance are to be devoted to educational, charitable, patriotic, fraternal, religious, or other public-spirited uses.

SECTION 2. A new section to article XI of the Constitution of North Dakota is created and enacted as follows:

1. The legislative assembly may provide by law for the authorization of not more than six state-regulated, privately owned casinos in the state. A casino authorized under this section may not be located within forty miles of the boundary of the largest contiguous portion of an Indian reservation in this state.

2. The legislative assembly shall provide by law for the conduct of gaming in any casino authorized under this section. The legislative assembly shall establish the licensing regulations and fees and the taxation rates for casinos and related casino operations.

3. The legislative assembly shall establish a casino gaming commission that is responsible for administering and regulating the casino gaming industry, protecting and promoting the public interest, ensuring fair and honest games, ensuring fees and taxes are paid, and preventing and detecting unlawful gambling activity."

Renumber accordingly

**2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HCR 3033**

House **Judiciary** Committee

Subcommittee

Amendment LC# or Description: **changing the word legislature to legislative assembly; inserting the word six in front of casinos, adopting Rep. Carlson's statement of intent with the exception of privately owned, deleting Section 2 of the resolution and deleting the Statement of Intent in the resolution, revising line 21, page 1 to remove and in section 2.**

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. Jones

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

0
Total (Yes) 5 No 10

Absent _____

Floor Assignment Rep.

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

**2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HCR 3033**

House **Judiciary** Committee

Subcommittee

Amendment LC# or Description: **17.3081.01004**

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. Vetter Seconded By Rep. Johnston

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

0
Total (Yes) 6 No 9

Absent _____

Floor Assignment Rep.

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

**2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HCR 3033**

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. Satrom Seconded By Rep. Maragos

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

0
Total (Yes) 14 No 1

Absent 0

Floor Assignment Rep.

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

**2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HCR 3033**

House **Judiciary** Committee

Subcommittee

Amendment LC# or Description: 17.3081.01004

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					

0
Total (Yes) _____ No _____

Absent 0

Floor Assignment _____

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

Voice vote carried

**2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HCR 3033**

House **Judiciary** Committee

Subcommittee

Amendment LC# or Description: 17.3081.01004

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. Roers Jones Seconded By Rep. Simons

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

0
Total (Yes) 11 No 4

Absent 0

Floor Assignment Rep. Roers Jones

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

REPORT OF STANDING COMMITTEE

HCR 3033: Judiciary Committee (Rep. K. Koppelman, Chairman) recommends **DO NOT PASS** (13 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HCR 3033 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

HCR 3033: Judiciary Committee (Rep. K. Koppelman, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (11 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). HCR 3033 was placed on the Sixth order on the calendar.

Page 1, line 1, after "resolution" replace the remainder of the resolution with "to create and enact a new section to article XI of the Constitution of North Dakota, relating to authorization for not more than six state-regulated, privately owned casinos in the state; and to amend and reenact section 25 of article XI of the Constitution of North Dakota, relating to exceptions to the prohibition on games of chance.

STATEMENT OF INTENT

This measure would authorize the legislative assembly to provide by law for the authorization of up to six state-regulated, privately owned casinos in the state.

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:

That the following proposed new section to article XI of the Constitution of North Dakota and the proposed amendment to section 25 of article XI of the Constitution of North Dakota are agreed to and must be submitted to the qualified electors of North Dakota at the general election to be held in 2018, in accordance with section 16 of article IV of the Constitution of North Dakota.

SECTION 1. AMENDMENT. Section 25 of article XI of the Constitution of North Dakota is amended and reenacted as follows:

Section 25. The

1. Except as provided in subsection 2 and in section 2 of this Act, the legislative assembly shall not authorize any game of chance, lottery, or gift enterprises, under any pretense, or for any purpose whatever. However, the
2. The legislative assembly shall authorize the state of North Dakota to join a multi-state lottery for the benefit of the state of North Dakota, and, the legislative assembly may authorize by law bona fide nonprofit veterans', charitable, educational, religious, or fraternal organizations, civic and service clubs, or such other public-spirited organizations as it may recognize, to conduct games of chance when the entire net proceeds of such games of chance are to be devoted to educational, charitable, patriotic, fraternal, religious, or other public-spirited uses.

SECTION 2. A new section to article XI of the Constitution of North Dakota is created and enacted as follows:

1. The legislative assembly may provide by law for the authorization of not more than six state-regulated, privately owned casinos in the state. A casino authorized under this section may not be located within forty miles of the boundary of the largest contiguous portion of an Indian reservation in this state.
2. The legislative assembly shall provide by law for the conduct of gaming in any casino authorized under this section. The legislative assembly shall establish the licensing regulations and fees and the taxation rates for casinos and related casino operations.
3. The legislative assembly shall establish a casino gaming commission that is responsible for administering and regulating the casino gaming

industry, protecting and promoting the public interest, ensuring fair and honest games, ensuring fees and taxes are paid, and preventing and detecting unlawful gambling activity."

Renumber accordingly

2017 TESTIMONY

HCR 3033

CONSTITUTIONAL GAMING LIMITATIONS

This memorandum discusses the current limitations on games of chance in the Section 25 of Article XI of the Constitution of North Dakota as well as the history of the constitutional provisions regarding games of chance. The full text of Section 25 provides:

The legislative assembly shall not authorize any game of chance, lottery, or gift enterprises, under any pretense, or for any purpose whatever. However, the legislative assembly shall authorize the state of North Dakota to join a multi-state lottery for the benefit of the state of North Dakota, and, the legislative assembly may authorize by law bona fide nonprofit veterans', charitable, educational, religious, or fraternal organizations, civic and service clubs, or such other public-spirited organizations as it may recognize, to conduct games of chance when the entire net proceeds of such games of chance are to be devoted to educational, charitable, patriotic, fraternal, religious, or other public-spirited uses.

CURRENT CONSTITUTIONAL GAMING LIMITATIONS

Under Section 25 of Article XI of the Constitution of North Dakota, the Legislative Assembly is prohibited from authorizing **all games of chance, lottery, or gift enterprises with two exceptions:**

1. **MultiState Lottery.** The Legislative Assembly is mandated to authorize the state to join a multistate lottery with the proceeds to benefit the state of North Dakota; and
2. **Charitable Gaming.** The Legislative Assembly is authorized to permit gaming by bona fide nonprofit organizations if the net proceeds of the games of chance are devoted to educational, charitable, patriotic, fraternal, religious, or other public-spirited uses.

HISTORY OF ARTICLE XI, SECTION 25

In the first legislative session after statehood (1889-90), an attempt was made to establish the Louisiana lottery, which was seeking a new home in light of the impending revocation of its charter in its state of origin. The operators of the lottery were willing to offer the state an initial payment of \$100,000, followed by annual payments of \$75,000, for the privilege of operating a lottery. The scandal and controversy following this attempt led to the state's first constitutional amendment.

Approved Amendments

The following is a summary of the original amendment prohibiting games of chance and subsequent amendments to that prohibition:

- **1894 General Election** - The amendment added what eventually became Section 25 of Article XI of the Constitution of North Dakota and outlawed **all forms of lotteries and gift enterprises** (1893 S.L. p. 294). As originally adopted, this section read: "The Legislative Assembly shall have no power to authorize lotteries or gift enterprises for any purpose and shall pass laws to prohibit the sale of lottery or gift enterprise tickets."
- **1976 Primary Election** - The 1894 constitutional prohibition was maintained until 1976, when Section 25 was amended to allow **certain forms of charitable gaming**. Under the provision, the Legislative Assembly is permitted to authorize bona fide nonprofit veterans', charitable, educational, religious, or fraternal organizations, civic and service clubs, or such other public-spirited organizations as it may recognize, to conduct games of chance when the entire net proceeds of the games are devoted to educational, patriotic, fraternal, religious, or other public-spirited uses (S.L. 1975, ch. 616, § 1; 1977, ch. 600). The measure was approved 93,287 to 38,394.
- **2002 General Election** - The voters approved an initiated constitutional amendment to require the Legislative Assembly to authorize the state to join a multistate lottery (S.L. 2003, ch. 573, § 1). The measure was approved 146,852 to 84,534.

Disapproved Amendments

The following is a list of ballot measures relating to games of chance which were not approved:

- **1968 General Election** - Would have allowed pari-mutuel horse betting (S.L. 1969, ch. 587). The measure failed 85,235 to 133,713.
- **1986 General Election** - Would have required the Legislative Assembly to establish a state lottery (S.L. 1987, ch. 771). The measure failed 127,136 to 156,777.
- **1988 Primary Election** - Would have required the Legislative Assembly to establish a state lottery (S.L. 1989, ch. 786). The measure failed 43,951 to 61,331.

- **1989 Special Election** - Referendum of 1989 House Bill No. 1641 would have provided for the use of electronic video gaming devices in charitable gaming (S.L. 1991, ch. 744; S.L. 1989, ch. 613). The measure failed 89,073 to 152,563.
- **1990 General Election** - Initiated constitutional amendment would have authorized electronic video gaming in licensed alcoholic beverage establishments by private citizens, for-profit entities, and nonprofit organizations with resulting proceeds retained by the person or organization operating the games of chance (S.L. 1991, ch. 737). The measure failed 76,700 to 152,918.
- **1990 General Election** - Initiative statutory companion to the constitutional initiative would have regulated games of chance conducted by use of video gaming devices (S.L. 1991, ch. 739). The measure failed 82,019 to 145,973.
- **1996 Primary Election** - Initiated constitutional amendment would have authorized lotteries by businesses licensed to sell alcoholic beverages or by an organization operating a bingo site and to allow the Legislative Assembly to establish a state lottery (S.L. 1997, ch. 561). The measure failed 36,374 to 80,122.

SUMMARY OF GAMING IN NORTH DAKOTA, SOUTH DAKOTA, IOWA, AND MANITOBA

This memorandum provides information on selected gaming and related revenue in North Dakota, South Dakota, Iowa, and Manitoba, Canada.

NORTH DAKOTA GAMING

The following is a list of gaming currently available in North Dakota:

- Tribal casinos (various types of gaming);
- North Dakota Lottery;
- Bingo;
- Electronic quick shot bingo;
- Pull tabs;
- Punch boards;
- Twenty-one;
- Poker;
- Raffles (paper ticket and the 50/50 raffle);
- Paddle wheel;
- Sports pulls;
- Horse racing; and
- Calcutta's.

The following chart provides information on North Dakota gaming revenue for the 2007-09, 2009-11, 2011-13, and 2013-15 bienniums:

North Dakota Revenue Source	2007-09 Biennium	2009-11 Biennium	2011-13 Biennium	2013-15 Biennium
North Dakota excise tax	\$12,262,419	\$8,094,883	\$0	\$0
Bingo excise tax	1,901,051	1,998,442	0	0
Gaming tax	6,333,484	6,112,382	10,777,011	6,991,225
North Dakota Lottery	11,055,000	10,400,000	14,300,000	13,300,000
Total	\$31,551,954	\$26,605,707	\$25,077,011	\$20,291,225

SOUTH DAKOTA VIDEO LOTTERY

The State of South Dakota collects video lottery revenue as a percent share of net machine income, which is defined as cash received, less cash prizes distributed. The State currently uses net machine income as follows:

- 0.5 percent of net machine income for administrative lottery costs;
- 49.5 percent to the state's general fund (formally allocated to the property tax reduction fund); and
- 50.0 percent to licensed operators and establishments.

The following chart provides information on South Dakota gaming revenue for fiscal years 2013, 2014, and 2015:

South Dakota Revenue Source	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015
Video lottery net machine income - State share (49.5 percent)	\$91,397,079	\$91,697,131	\$98,569,348
Video lottery net machine income - Operators and establishments (50 percent)	92,320,282	92,623,364	99,564,998
Video lottery net machine income - Use for administration (0.5 percent)	923,203	926,233	995,650
Total video lottery net machine income	\$184,640,564	\$185,246,728	\$199,129,996
Lottery ¹	\$7,735,976	\$6,296,600	\$6,952,306

¹Revenue received from lottery activities are derived from instant lottery tickets, including Powerball, Mega Millions, Hot Lotto, Dakota Cash, and Wild Card 2 online games.

SOUTH DAKOTA DEADWOOD GAMING REVENUE

- The State of South Dakota collects approximately 9 percent of gaming tax on the adjusted gross proceeds of gaming throughout the state.
- In addition to other fees imposed, an annual license stamp fee of \$2,000 is assessed on each card game or slot machine located on a licensed premise.
- During fiscal years 2013, 2014, and 2015, adjusted gross revenue from gaming in the city of Deadwood averaged approximately \$101.4 million.
- Of this amount, the State of South Dakota collected an average of approximately \$16.5 million and after distributing some proceeds to local governments, retained an average of approximately \$7.9 million.
- The amount retained was deposited in various funds, including the state general fund and used for certain purposes such as South Dakota tourism and state historical preservation.

IOWA CASINOS

- The State of Iowa collects gaming revenues from 18 casinos, which are licensed and owned by charitable organizations and operated by third-party contractors.
- Gaming revenues are primarily collected from state wagering taxes imposed on table games and slot machines as well as various license and regulatory fees.
- Wagering taxes are assessed at 20 percent to 24 percent of a casino's adjusted gross receipts, which is defined as income collected on wagers less prizes paid out, based on the size and population of the county in which each casino is located.
- In fiscal year 2015, Iowa casinos generated approximately \$1.4 billion in adjusted gross receipts, of which \$287.8 million was collected by the state in wagering taxes.
- In fiscal year 2015, the portion of taxes and fees remitted to local government was approximately \$14 million.
- The State of Iowa also receives a one-time payment from a new casino that has been issued a license by the Racing and Gaming Commission to operate a gaming establishment in the state.

The following chart provides information on Iowa gaming revenues collected by the state in fiscal years 2013, 2014, and 2015:

Iowa Revenue Source	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015
Wagering taxes	\$290,500,000	\$282,500,000	\$287,800,000
Enforcement and regulatory fees - Public safety	12,000,000	9,700,000	10,800,000
Enforcement and regulatory fees - Racing and Gaming Commission	6,100,000	6,100,000	6,100,000
Parimutuel receipts	3,800,000	3,800,000	3,700,000
New facility license fees	5,000,000	6,000,000	5,000,000
Other	400,000	500,000	500,000
Total revenue	\$317,800,000	\$308,600,000	\$313,900,000

MANITOBA CASINOS

- The Province of Manitoba owns and operates two casinos which replaced two bingo halls in 1993.
- The casinos are operated by the Manitoba Liquor and Lotteries, which is a Crown Corporation of the Province of Manitoba. The Crown Corporation is owned by the federal or provincial government and employees of Crown Corporation are provincial employees. The Club Regent Casino and McPhillips Station Casino feature table games, slots, bingo, restaurants, lounges, and live shows.
- The revenues from the casinos are returned to the Province of Manitoba to support health care, education, social and community services, economic development, and public safety initiatives.

The following chart provides information on the revenues to the Province of Manitoba from its casino operations for fiscal years ending on March 31.

Manitoba Casino Revenue Related Collections	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016
Total Revenue Allocation to the Province of Manitoba	\$71,776,000	\$64,920,000	\$63,741,000

PROPOSED AMENDMENTS TO HOUSE CONCURRENT RESOLUTION NO. 3033

Page 1, line 9, replace "and which would" with a comma

Page 1, line 10, after "commission" insert ", and the net profits of which would be deposited in the tax relief fund and the community health trust fund"

Page 2, line 27, remove "The legislative assembly may provide by law for transfer of net"

Page 2, replace line 28 with "The net profits from casino operations authorized under this section must be allocated as follows:

- a. Seventy percent of net profits must be transferred by the state treasurer to a special fund in the state treasury known as the tax relief fund; and
- b. Thirty percent of net profits must be transferred by the state treasurer to a special fund in the state treasury known as the community health trust fund."

Page 3, line 1, after "6." insert "If the legislative assembly provides by law for the authorization of a state-owned casino under this section, the legislative assembly shall require the casino gaming commission to contract with a private entity for the leasing of the facilities and the management of the casino and related operations."

Renumber accordingly

#3
3033
3-13-17

Chairman Koppelman, Members of the Committee,

I'm Larry Treleaven born, raised, farmed in Cavalier County, currently residing in Rugby. I'm here to speak in behalf of HCR3033 which I strongly support.

This is a great opportunity for the state of North Dakota to have income producing destination based facilities. North Dakota does not have any casinos. The casinos currently operating within the boundaries of this state are operated by independent nations, defined by the federal government as "domestic dependent nations". They pride themselves as being independent nations, and rightly so.

North Dakota has beautiful highways, and rather than being known as a drive through state, it would be a great asset to have destination casinos for both vacationers and travelers.

It is difficult to quantify the number of people that leave their North Dakota homes to enjoy casinos in other states. I've been told by others not to waste my time in North Dakota. I've had to travel out of state to enjoy quality gaming and entertainment destinations.

Casinos operated in the proximity of I-94 and I-29, I-94 and Hwy 83, Hwy 83 and Hwy 2, and near Medora would have tremendous economic potential. 92% payout in slot machines would be a strong draw. Development for the state and rural areas would be huge. There is no doubt that with funding from our state bank and proper management and auditing by the state, North Dakota could be very successful in enhancing tourism and development by providing casino gaming and entertainment destinations in North Dakota operated by the state of North Dakota.

I want to thank Representatives Carlson, Porter, and Streyle for their forward thinking and introducing this resolution.

I strongly support HCR3033 and encourage this committee to recommend its passage.

Respectfully,



Larry Treleaven

Native Heritage Project

Documenting the Ancestors

Indian Reservations as Sovereign Nations

Updated March 19, 2017

Did you know that Indian reservations are independent nations? Indian Nations are allowed, within limits to govern themselves. Many have their own police forces and courts.

Tribal sovereignty in the United States refers to the inherent authority of indigenous tribes to govern themselves within the borders of the United States of America. The federal government recognizes tribal nations as “domestic dependent nations” and has established a number of laws attempting to clarify the relationship between the federal, state, and tribal governments. The Constitution and later federal laws grant local sovereignty to tribal nations, yet do not grant full sovereignty equivalent to foreign nations, hence the term “domestic dependent nations”.

However, in times of war, all men, including Indians have to register. In WWI, this caused some consternation. Each registrar had to record the county name in which the registrant registered. If they registered on an Indian Reservation, even if the reservation was located within a county, the reservation itself was not part of the county, as it is considered a separate Nation.

This bureaucratic anomaly became apparent in New York in states East of the Mississippi. In New York, Indians who registered on the reservation are listed in our old friend, Miscellaneous County. In other places, Miscellaneous is a sign that someone is either hospitalized, institutionalized or returned a late registration after the county office had closed. In this case, it's not necessarily a sign of any of those things, but each return has to be looked at individually to determine the individual circumstance. Just as I was about to decide that all New York entrants in Miscellaneous County were Reservation Indians, I found one who lived on a reservation, followed by someone of the same name, also an Indian, in prison. No assumptions allowed.

The map below is a very different map of the US. It's a map of the US minus the sovereign Indian nations within the continental US. Sort of looks like Swiss Cheese doesn't it. Some of these areas are much larger than one might

expect.

2

Jon Jorgenson

#1
3033
3-13-17

CGAND Opposition to HCR 3033

- North Dakota Has over 300 charitable organizations providing programming and services funded by gaming profits
- Over 2000 North Dakotans are employed directly by the charitable gaming industry
- Hundreds of service provider jobs are funded by charitable gaming
- Programming and services provided by funding from charitable gaming help thousands of North Dakotans
- State run casinos will take away jobs from North Dakotans as well as funding that helps thousands of North Dakotans in need of programming and services
- Veterans organizations, substance abuse treatment facilities, youth programs, disability support programs, sports, arts etc... will feel the impact of state run casinos
- Charitable gaming in North Dakota has been successful for over 30 years in North Dakota
- Tens of millions of dollars have been paid in taxes or used for charitable causes over just the last decade
- Casinos offering slot machines are believed to have a negative socio-economic impact of \$3 for every \$1 made
- The charitable organizations will need to find funding elsewhere, when gaming revenues fall
- Charitable organizations will be asking the state for more funding than is currently needed, which may or may not come from state run casinos
- Casinos will result in job loss, not creation in North Dakota
- State run casinos do not have a public interest or benefit, such as is found with the charitable gaming industry

#5
3033
3-13-17

House Concurrent Resolution 3033
House Judiciary Committee
March 13, 2017
Testimony of Mark Fox, Chairman MHA Nation

Mr. Chairman and members of the Committee, my name is Mark Fox and I am the Chairman of the Mandan Hidatsa and Arikara Nation. We oppose House Concurrent Resolution 3033 because it would hurt reservation and adjacent local economies in North Dakota and violate the policies expressed in Gaming compacts executed between the state of North Dakota and North Dakota Indian tribes.

In 1987 Congress enacted the Indian Gaming Regulatory Act. Among other things, the Act recognized Indian tribes' rights to engage in casino type gaming, but made it subject to intergovernmental Compacts with the states. Licensing tribal gaming activities was recognized as a means of generating needed revenue to support tribal governments. The stated principal goal of the Act was to promote the Federal Indian policies of tribal economic development, self-sufficiency and strong tribal government. To promote these policies, the state of North Dakota entered into class III gaming compacts with North Dakota Indian tribes. These Compacts have led to economic benefits where they are sorely needed. The benefits from Indian gaming in North Dakota also have a ripple effect that provides financial benefits to surrounding community businesses.

The policy and purpose of MHA Nation's Gaming Compact states that both North Dakota and MHA "mutually recognize the positive economic benefits that gaming may provide to the Tribe and to the region of the State adjacent to Tribal lands". North Dakota also expressly recognized the need to insure that "the integrity of the gaming industry of the Tribe and throughout North Dakota be protected." A legislative Resolution that invites the people of North Dakota to open casino gaming

statewide stands in direct contradiction to the stated policy to protect the tribal gaming industry.

Indian gaming has provided a much needed economic boost to both the tribal and local economies in North Dakota. In many cases, tribal casinos are the community's largest employer. For example, the Four Bears Casino in New Town currently employs 360 people on a fulltime basis at a cost of \$15 Million and expends an average of \$26 Million in contract employment and services that benefit local businesses in North Dakota.

The benefits brought to the state of North Dakota by tribal gaming reach not only those who are directly employed at our casinos, it also reaches the surrounding retailers who benefit when casino employees and contract personnel spend their paychecks at local and nearby business establishments.

The MHA Nation recently made a multimillion dollar investment to build a major events center and to upgrade its hotel facilities. These dollars provided contractors with work and people with jobs. I'm sure that other tribes have made similar investments as well. The MHA Nation invested this money with the expectation that North Dakota would not compete with its casino. Direct state competition will undoubtedly result in a loss of business to the casino and place the MHA Nations multimillion dollar investment in jeopardy.

The revenue generated at Four Bears casino is not only used to reinvest in the casino and improve the gaming public's experience at Four Bears, but also to help fund important tribal governmental services and programs. Casino revenues are spent on public purposes such as Health Care, social services, law enforcement, economic development, elderly care and education. For North Dakota to now open

up casino gambling on a statewide basis jeopardizes the progress that North Dakota Indian tribes have made since the governor signed our compacts.

In Articles 29 and 30 of our Gaming Compact, the state of North Dakota pledged to cooperate with the MHA Nation in addressing government-to-government issues of concern. Both the MHA Nation and North Dakota also agreed in good faith to periodically inform each other of issues associated with the implementation of the Gaming Compact and to discuss matters of concern. To put it mildly, this is a very big issue of concern. North Dakota should follow the consultation process laid out in the Compacts before introducing a Resolution inviting the legalization of state run casinos.

Article 30 of our Compact also expressly states that the “State and the Tribe are concerned about the long-term impact to the people of North Dakota (tribal and non – tribal alike) and are committed to implementing this Compact, making every effort during the term thereof, to provide economic opportunities and deal appropriately with any consequences resulting from gambling.” House concurrent resolution 3033 contradicts these commitments.

I urge the legislature to reject House Concurrent resolution 3033. Thank you.

#L
3033
3-13-17

**HOUSE CONCURRENT RESOLUTION 3033
HOUSE JUDICIARY COMMITTEE
TESTIMONY SUBMITTED BY KIM ZEEB
MARCH 13, 2017**

Testimony Opposing House Concurrent Resolution 3033

My name is Kim Zeeb and I am a Client Services Representative for NDAD (North Dakota Association for the Disabled, Inc.). I am here today to speak in opposition of House Concurrent Resolution No. 3033.

NDAD is a non-profit, charitable organization that serves individuals with health concerns and disabilities across the state of North Dakota. We have offices in Grand Forks, Fargo, Minot and Williston.

In 2016, NDAD assisted over 1,600 North Dakota residents, including:

- 321 prescription medications
- 2,609 out of town medical travel trips
- 240 pieces of durable medical equipment and supplies
- 2,618 accessible rides
- 8,000 hours of personal attendant care expenses
- 50 individuals were assisted with adaptive recreational activities
- Our **Healthcare Equipment Loan Program (HELP)** served 1,271 people with 2,309 pieces of equipment equating to a savings of more than \$450,000 for North Dakota residents

Additionally, NDAD provided information, referral and public awareness to numerous individuals.

NDAD works diligently to not duplicate services provided by other state or local entities, so we truly are a last resort for many individuals. A decline in charitable gaming revenue would be devastating to the many people who rely on our services. The people we assist are primarily low income, with little discretionary funds.

Additional casinos in the state will most certainly absorb a significant portion of the entertainment dollars currently being spent at charitable gaming sites across our great state. As a charitable, non-profit organization that relies almost entirely on charitable gaming income, we are concerned about the

negative financial impact that state owned casinos will have on our ability to continue to provide services to those most in need. Without funds from gaming proceeds many of those in need will go without medically necessary items NDAD provides. NDAD has served the people of North Dakota for the past 41 years. With your help, we believe we can continue to do so, ensuring services for those most needing them.

Please consider a Do Not Pass on House Concurrent Resolution 3033.

Thank you.

NDAD
2660 South Columbia Road
Grand Forks, ND 58201

Success Stories

"Without the help of NDAD, I'm not sure what I would be doing right now. Thank you from the bottom of my heart NDAD! You are great!" – Williston

"NDAD was always helpful when we had questions—they always listened and genuinely seemed to care." – Fargo

"The staff at NDAD have been nothing but professional and courteous. They have gone out of their way to ensure our son has everything he needs available to him." – Bismarck

"Because of NDAD, I am able to afford my medications." – Minot

"The whole organization has been absolutely wonderful. I have nothing but good things to say about NDAD and what they do for people. It is such a blessing to have people like you there to help." – Tioga

"With the services provided by NDAD, my parents are able to remain at home, comfortable and well cared for. Extremely satisfied and so very thankful for NDAD." – Hamilton

"I don't believe I would be here today without NDAD's help. They have made my life more simple and secure." – Grand Forks

"When there was no place to turn, NDAD was there." – Dickinson

Contact NDAD

We urge you to contact NDAD if you know of any person with a health challenge who may need assistance.

2660 South Columbia Rd.
Grand Forks, ND 58201
701-775-5577 • 1-800-532-NDAD (6323)

21 N University Dr.
Fargo, ND 58102
701-281-8215 • 1-888-363-NDAD (6323)

1808 20th Ave. SE P.O. Box 1826
Minot, ND 58701
701-838-8414 • 1-888-999-NDAD (6323)

514 Reclamation Dr. P.O. Box 1503
Williston, ND 58801
701-774-0741 • 1-877-777-NDAD (6323)



It's amazing what people can do when there's help.

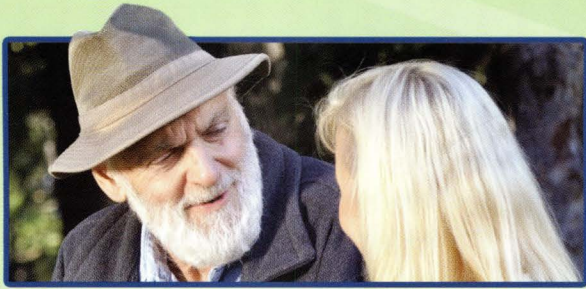


NDAD

helping others to help themselves

NDAD.org





Helping Others To Help Themselves

Every day we see people with health challenges and disabilities proving that they can live more satisfying, productive lives with access to the right resources. And every day, we see people who can help. This “can do” spirit is why NDAD is here, helping others to help themselves.

NDAD is a charitable, non-profit organization that helps people with a wide range of disabilities and medical needs in North Dakota – from specialized equipment or medications to other costly medical travel or services.

NDAD provides assistance on a priority basis according to established guidelines. We coordinate with local school districts, vocational rehabilitation, human service centers and county social services to complement their services without duplication.

How We Help

Financial Assistance

Funds generated by NDAD are used for personal attendant care, medical equipment and supplies, accessibility, medical travel expenses, medication, transportation, and recreational activities. Our guidelines restrict the use of these types of funds.

Information and Referral

Often people are unaware of available services or how to get help. A major goal of NDAD is to assist people in receiving help through other agencies whenever possible.

Advocacy

NDAD protects the rights of people with disabilities, doing all we can to ensure they receive services to which they are entitled from the appropriate agencies.

Assistive Technology Financial Loan Program

NDAD helps to expand personal financing options for individuals who need assistive technology (AT) devices and services, but may not be able to obtain conventional financing.

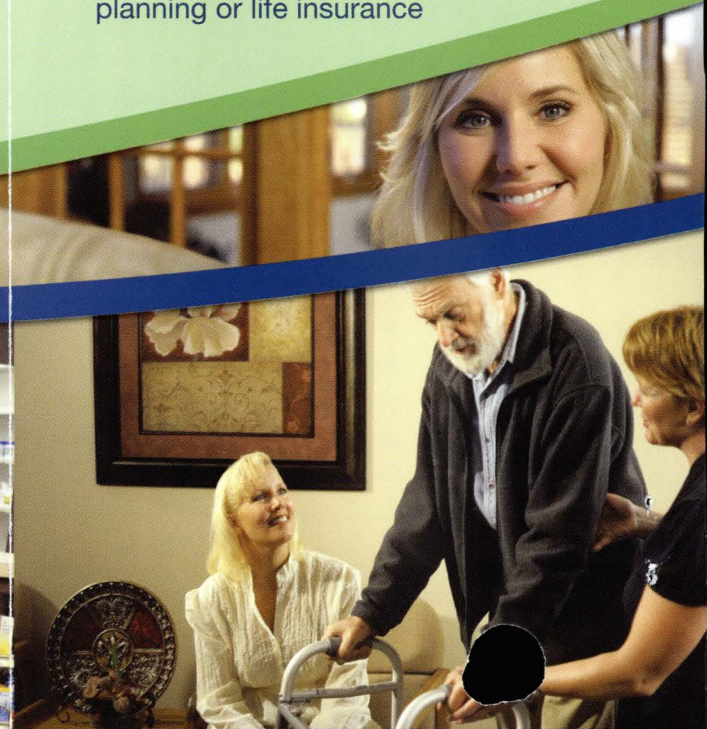
Community Fundraising Projects

NDAD is a resource for community fundraisers, which can provide assistance for medical bills, pre-existing bills and other costs related to health challenges. We provide consultation, act as custodian of the funds and pay expenses from the fund as directed by the chairperson. Because NDAD is a 501(c)(3), these donations are tax deductible if you itemize your taxes.

How You Can Help

When you give to NDAD, 100% of your donation helps people with disabilities. Some options you may consider include:

- General donations
- Donations designated for a specific disability
- Memorials given in memory of a loved one
- Donation of specialized medical equipment
- Planned giving through estate planning or life insurance



HCR 3033-

#7
3033
3-13-17

I stand in opposition of proposed HCR 3033-

As a citizen of the Three Affiliated Tribes; Mandan, Hidatsa, and Arikara Nation, and a citizen of North Dakota and the United States, I see the importance of building bridges to fix the huge wedge that exists between Tribal Nations and the State of North Dakota.

As we have witnessed within this past year, the violation of human rights and civil rights, we must stop and ask ourselves, what legacy will you leave for future generations.

I am originally from Mandaree, North Dakota, which is located within the exterior boundaries of the Ft. Berthold Indian reservation. My ancestors understood economic development and economic security as they were self-sufficient farmers. My ancestors also understood commerce as they coordinated some of the largest trade centers in North America.

Now today, 94% of our agricultural is underwater as a result of the flooding for the Garrison Dam.

If we look back in history, there is a striking pattern that exists between the Tribal Nations and the States throughout the US.

My tribe, agricultural people, were very self-sufficient, now, their farm lands lie beneath the Missouri River. We now live on the rough barren graze lands above the Missouri River.

Long ago, California tribes, were very successful and self-sufficient in the logging and timber industry. Later, the state of California found methods to disenfranchise the tribes of California.

As a constituent, I do not understand the reasoning or logic behind this proposal. Where is the research showing this has worked? Where is the research showing this will improve Tribal and State relations? Because right now, Tribal and State relations in ND our at an all-time low. So low that we are in a deficit, in the red, a negative. The state of ND needs to be worrying about how they can fix relationships with the tribes of North Dakota.

“The state of North Dakota has a limited market, as far as gamblers,” said Patrick Packineau, general manager of the Four Bears Casino on the Fort Berthold Reservation. “Additional casinos would only cannibalize the market even further.”

What legacy will you leave for future generations?

Thank you.

--

Ruth Anna Buffalo, MGMT, MBA, MPH
Citizen of the Mandan Hidatsa Arikara Nation

↓

#8
3033
3-13-17

Testimony on HCR 3033
Ken Karls, Cystic Fibrosis Association of North Dakota

House Judiciary Committee

March 13, 2017

Mr. Chairman and members of the committee, my name is Ken Karls and I represent the Cystic Fibrosis Association of North Dakota (CFA).

CFA was born in 1980 and is a 501 c (3) North Dakota non-profit corporation. It was started by a group of parents who had children with cystic fibrosis. They were faced with the daily chore of trying to keep their children in a state of relative health utilizing antibiotics, enzyme supplements, various inhaled medications, medical equipment to administer those medications and frequent doctor visits and hospitalizations. In addition, they were required to pound on their children's chests and back for ½ hour, twice a day to loosen the mucus build-up in their children's lungs. If their children were unfortunate enough to have one of the "bad" mutations of cystic fibrosis, they were also required to have a port placed into their child's stomach so that child could receive tube feedings to supplement their daily intake of food.

1

In 1980, cystic fibrosis was incurable. Today, it is still incurable. It is a very expensive disease to fight in terms of time and money, and those fighting the disease cannot, under any circumstances skip a treatment or medication without doing permanent damage to themselves. In 1980, the average life-span was 13 years. Today, the average life-span for a person with CF is 40. CFA has members that range in age from 1 year to 60.

CFA exists to help North Dakota families and individuals cope with the uninsured costs associated with fighting cystic fibrosis on a daily basis. These costs include, but are not limited to medications, therapeutic equipment, college scholarships, lung transplants and assistance with travel costs associated with trips to remote cystic fibrosis treatment centers.

CFA is not affiliated with any national or international parent group, nor does CFA receive any government funding. The vast majority of the money raised to help these North Dakotans is raised in North Dakota and spent in North Dakota.

The reason I am here is to tell you that HCR 3033 will do unmistakable harm to CFA's ability to continue to fund its program services to these people.

3033 sets up 6 casinos outside a 20-mile radius of tribal casinos and outside a 5-mile radius of cities with populations of 5,000 or more where most of CFA's charitable gaming takes place. That 5-mile radius will have zero impact deterring a public that enjoys gaming and other types of entertainment.

Since according to North Dakota law, CFA cannot offer slot machines, high-stakes poker, roulette, craps and other forms of gaming available at casinos, or national entertainment, it will not be able to compete with the State of North Dakota, which regulates its gaming. In addition, it cannot offer the wage and benefit package the State of North Dakota offers its employees. Will these casino employees become state employees? How many FTE's will that add to State payrolls?

So, CFA will lose its customer base and its employees to its competition; the State of North Dakota.

Mr. Chairman and members of the committee, when you vote to recommend a Do Pass on HCR 3033 you will not just affect a few charities. You will impact the

people we serve; the individuals and families whose lives we have been trying with some success, to put on a playing field that is just a little more even.

“Allowing the people to decide on State-owned casinos” seems a fairly innocent option...unless you have cystic fibrosis and need the services CFA provides. That option does not occur in a vacuum. HCR 3033 allows no option for these North Dakota citizens who fight for every breath they take and need CFA’s help in their fight.

You as legislators can stand up for these North Dakotans. I urge you to give this resolution a Do Not Pass. I’d be happy to answer any questions the committee may have.

4

9
3033
3-13-17

HCR 3033
HOUSE JUDICIARY COMMITTEE
TESTIMONY SUBMITTED BY JANELLE MITZEL
MARCH 13TH, 2017

Development Homes, Inc. urges a Do Not Pass recommendation on House Concurrent Resolution 3033. Expansion of casinos in North Dakota would negatively impact the charitable gaming industry across the state.

DEVELOPMENT HOMES, INC:

- Nonprofit organization in Grand Forks providing community based support services to persons with disabilities
- Residential Services including seven groups homes, two duplex facilities and independent living settings
- Vocational Services including job training and placement
- Family Services including respite care and in-home support
- Approximately 200 children and adults served through all stages of life
- 10th largest employer in Grand Forks, employing 450-500 people

GAMING REVENUE USES:

- Provides financial funds necessary to supplement new projects, such as bricks & mortar
- Specialized adaptive equipment for persons served
- Urgent/Crisis Care needs for persons served
- Basic Care Needs, such as eyeglasses, shoes, clothing
- Specialized training for professional staff including nurses and social workers
- Grants to ND communities funding local needs, including police equipment, literacy adaptive equipment and software, drug & alcohol prevention, substance abuse and mental health professional facilitators, daycare facility equipment, and promotion of local community events

Development Homes, Inc. would appreciate a Do Not Pass recommendation on HCR 3033 to continue providing critical services to the most vulnerable citizens of our state.

#10
3433
3-13-17

Testimony in opposition of HCR 3033
Standing Rock Sioux Tribe

Good Morning Mr. Chairman and Committee members, My Name is Joe Dunn I am a member of the Standing Rock Sioux Tribal Council and chairman of the Tribes Judicial Committee, Thank You for considering the Tribes comments regarding HCR 3033.

The State of ND and Standing Rock Sioux Tribe have recognized a mutually beneficial relationship since 1992 when we entered into a gaming compact agreement together. This relationship has since provided employment opportunity to 350 plus people both Tribal members and non-members.

Approximately 30% of Prairie Knights Casino Employees reside in the Bismarck Mandan area.

Benefits include funding for economic development and essential governmental services including, education for K-12 and Head Start programs, Fire and Ambulance Service, heating assistance for Elderly, diabetes and drug and alcohol addiction prevention programs, supplemental funding for programs not eligible for State or Federal funding.

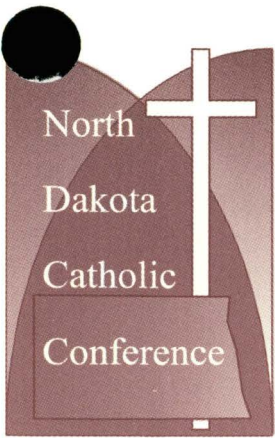
- In 2016 Prairie Knights Casino purchased \$ 9.1m worth of products and services from 267 ND businesses including \$6.7m from 224 businesses in the Bismarck Mandan area.
- In 2015 Prairie Knights Casino purchased \$9.4m worth of products and services from 279 ND businesses including \$7.1m form 237 in the Bismarck Mandan area.
- Prairie Knights Casino purchases approximately \$800,000.00 worth of power from Mor-Gran-Sou Electric Coop. annually.
- Prairie Knights Casino purchases approximately \$600,000.00 worth of Insurance from Blue Cross and Blue Shield annually.
- The Standing Rock Sioux Tribe and Prairie Knights Casino are the 1st and 2nd largest employers in Sioux County respectively

The proposed Resolution undermines the mutually beneficial Agreement and Relationship that has served the state of ND and the Standing Rock Sioux Tribe very well for the past 25 years. For these reasons the Standing Rock Sioux Tribe respectfully opposes House Concurrent Resolution 3033 and asks that You will as well!

Thank You

Joe Dunn
Tribal Council/Long Soldier District
Standing Rock Sioux Tribe

#11
3033
3-13-17



*Representing the Diocese of Fargo
and the Diocese of Bismarck*

Christopher T. Dodson
Executive Director and
General Counsel

To: House Judiciary Committee
From: Christopher T. Dodson, Executive Director
Subject: HCR 3033 — State-Owned Casinos
Date: March 13, 2017

The North Dakota Catholic Conference opposes HCR 3033.

Proponents of House Concurrent Resolution 3033 argue that if the measure will not hurt existing charitable and tribal gaming, and that the proposed state-owned casinos would be financially successful. If both of those propositions are true, HCR 3033 proposes a major of expansion of gambling in North Dakota.

Gambling can be a morally neutral act. However, “the passion for gambling risks becoming an enslavement” and becomes morally unacceptable when it deprives an individual of what is necessary to provide for his/her needs and those of others. With their flashing lights, free-flowing alcoholic drinks, all-night hours and generally intoxicating atmosphere, casinos are more likely than other gambling options to lead to bad decisions and catastrophic losses for patrons, particularly those prone to problem or compulsive gambling.

Furthermore, the erosive affect of widespread availability of gambling can undermine the common good. When gambling as a revenue stream becomes overly prevalent in a society, the risks associated with problem gambling multiply. Studies repeatedly show increased crime, personal bankruptcies, and addiction rates associated with casinos and expanded gambling opportunities.

Proponents suggest that HCR 3033 should be adopted because legalization of casinos by initiative is “inevitable.” However, the Legislative Assembly has not had legislation for state-owned casinos and no initiated measure for additional casinos has been circulated for signatures. In fact, expansion of gambling has not been inevitable in other states, as many voters and legislatures have rejected proposals to expand gambling in their states. If we followed the “inevitability” logic, the state should immediately legalize recreational marijuana, assisted suicide, and caps on carbon emissions. The fact that other states have done something does not make it inevitable.

We urge a **Do Not Pass** on HCR 3033.

#1
3033
3-15-17

PROPOSED AMENDMENTS TO HOUSE CONCURRENT RESOLUTION NO. 3033

Page 1, line 1, after "resolution" replace the remainder of the resolution with "to create and enact a new section to article XI of the Constitution of North Dakota, relating to authorization for not more than six state-regulated, privately owned casinos in the state; and to amend and reenact section 25 of article XI of the Constitution of North Dakota, relating to exceptions to the prohibition on games of chance.

STATEMENT OF INTENT

This measure would authorize the legislative assembly to provide by law for the authorization of up to six state-regulated, privately owned casinos in the state.

**BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA,
THE SENATE CONCURRING THEREIN:**

That the following proposed new section to article XI of the Constitution of North Dakota and the proposed amendment to section 25 of article XI of the Constitution of North Dakota are agreed to and must be submitted to the qualified electors of North Dakota at the general election to be held in 2018, in accordance with section 16 of article IV of the Constitution of North Dakota.

SECTION 1. AMENDMENT. Section 25 of article XI of the Constitution of North Dakota is amended and reenacted as follows:

Section 25. The

1. Except as provided in subsection 2 and in section 2 of this Act, the legislative assembly shall not authorize any game of chance, lottery, or gift enterprises, under any pretense, or for any purpose whatever. However, the
2. The legislative assembly shall authorize the state of North Dakota to join a multi-state lottery for the benefit of the state of North Dakota, and, the legislative assembly may authorize by law bona fide nonprofit veterans', charitable, educational, religious, or fraternal organizations, civic and service clubs, or such other public-spirited organizations as it may recognize, to conduct games of chance when the entire net proceeds of such games of chance are to be devoted to educational, charitable, patriotic, fraternal, religious, or other public-spirited uses.

SECTION 2. A new section to article XI of the Constitution of North Dakota is created and enacted as follows:

1. The legislative assembly may provide by law for the authorization of not more than six state-regulated, privately owned casinos in the state. A casino authorized under this section may not be located within forty miles of the boundary of the largest contiguous portion of an Indian reservation in this state.

2. The legislative assembly shall provide by law for the conduct of gaming in any casino authorized under this section. The legislative assembly shall establish the licensing regulations and fees and the taxation rates for casinos and related casino operations.
3. The legislative assembly shall establish a casino gaming commission that is responsible for administering and regulating the casino gaming industry, protecting and promoting the public interest, ensuring fair and honest games, ensuring fees and taxes are paid, and preventing and detecting unlawful gambling activity."

Renumber accordingly

#2
3033
3-15-17

Proposed Amendment for Rep. Maragos
Prepared by Kelly Johnson, Intern
March 15, 2017

PROPOSED AMENDMENTS TO HCR NO. 3033

Page 2, line 5, after "uses" insert "and the ^{Legislature Assembly} legislature may authorize the establishment of *L*
casinos."

Renumber accordingly

*E Section: line 15, Pg 1, line 25 - remove Sec. 2
Strike 6 state owned.
Remove Sec. 2.*