

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1237

2001 HOUSE JUDICIARY

HB 1237

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1237

House Judiciary Committee

☐ Conference Committee

Hearing Date 02-05-01

Tape Number	Side A	Side B	Meter #
TAPE II	x		4267 to 6253
TAPE II		x	01 to 6263
TAPE III	x		01 to 287
Committee Clerk Signature <i>Joan Diers</i>			

Minutes: Chairman DeKrey opened the hearing on HB 1237. Relating to the use of electronic devices for playing games of chance.

Rep Devlin: District 23 This bill grew out of a problem for Administrative Rules. The Rules Committee felt that allowing you to play 72 cards at a time was an explanation of gambling and should have come before the legislature. The Gaming Commission felt that they had the authority to do this and it sounded to us that it was an explanation and so should be brought before the Legislature. There have been amendments passed out to the Committee, these deal with portable electronic handheld devises.

Chairman DeKrey: The most objection was to the amount of cards being set at 72 and the hand held devises would be of use to the handicapped.

Rep Devlin: I am not seeking a particular result, I just feel that this is something that the Legislature should be setting policy on.

Rep Delmore: How likely would most people be to be playing 72 games?

Rep Devlin: It is more prevalent that we know. I have no objection to them doing it, but the policy should be set by the Legislature. This is expanding gambling.

Rep Delmore: we you like a lower number and allowing the devices to be used.

Rep Delvin: I just felt that the Legislature should be making the decision.

Rep Klemm: This device would allow someone who cannot play manually, to play 72 cards.

Rep Devlin: We would allow the disabled.

Rep Klemm: We would be allowing someone who is disabled to use the device and play more cards.

Rep Devlin: You could certainly make that judgment, but that a disabled person may need a device.

Chairman DeKrey: My problem with this is then we get into the definition of who is disabled and who will determine who can play.

Rep Devlin: There are machines out there to do all things.

Rep Maragos: Did Administrative Rules Committee institute the part of the code, that says you stop that right away. Did they have the authority?

Chairman DeKrey: The Administrative Rules committee does not have the authority under statute at this time.

Rep Maragos: I thought that we gave power to the Rules Committee to review and suspend rules.

Chairman DeKrey: We are given five categories for which we can suspend a rule and that criteria was used and we could not suspend that rule.

Rep Maragos: You determined that the law was violated.

Rep Devlin: The Attorney General ruled that the Gaming Committee does have the right and the Rules Committee doesn't have the power to suspend.

Rep Maragos: What could the Administrative Rules Committee done with this rule.

Rep Devlin: We could do nothing with this rule, except bring it back to the Legislature.

Chairman DeKrey: We could have voided the rule.

Rep Maragos: He says you couldn't.

Rep Devlin: we could have voided, but we had no authority to do it once the Attorney General says we can't.

Rep Maragos: Couldn't this be set aside.

Rep Klemm: How many devises that you can play at one item.

Rep Devlin: Someone else will answer that.

Rep Maloney: I need to review the process, the Gaming Division of the Attorney Generals office reviewed this, then it went to the Gaming Rules Committee, they approved it and then it came to the Administrative Rules Committee. A majority of your committee felt that it was an expansion of gambling, was there a vote.

Rep Devlin: We did not take a vote on it, it was just a feeling.

Rep Mahoney: Who plays these devises.

TAPE II SIDE B

Rep Mahoney continues with his questions. Would it give the handicapped an advantage. Would other people be using them.

Rep Devlin: I have talked to the companies that make them and it would not make sense for them to have them in North Dakota if it were limited.

Rep Mahoney: How would this be an explanation of gambling.

Rep Devlin: He goes on to explain the feeling of the committee.

Rep Mahoney: Was there a limitation before on the number of bingo cards.

Rep Devlin: Not to my knowledge.

Rep Delmore: It comes down to the amount of money you can play. Gives an example of her point.

Rep Devlin: You can do that now. The argument wasn't on that issue, it was on who has the authority to make the change in that fashion.

Rep Delmore: You are saying it is skill, verses the luck of the draw.

Rep Devlin: Money is a concern, but it goes back to the expansion issue.

We have a Gaming Commission, aren't they charged with making the rules?

Rep Devlin: Yes, they have certain amount of authority, We though that the Legislature should make this decision.

Rep Disrud: Can the Gaming Committee limit the number of cards and gamin devises?

Rep Devlin: The statue allows you to do the same thing now, but I can amend.

Chairman DeKrey: The last Legislative session we gave the Gaming Commission more authority to write rules.

Vice Chr Kretschmar: Under present statute, there is nothing that prohibits the number of cards.

Rep Devlin: That is correct.

Vice Chr Kretschmar: How is this an expansion of gambling.

Rep Devlin: He explains the devises and how that system works.

Rep Delmore: Aren't there already some people who play more cards than I do.

Rep Devlin: We were shocked that people can play over 20 cards.

Chairman DeKrey: If there are no further questions, thank you for appearing.

Chuck Keller: Chief Auditor, Gaming Division of the office of the Attorney General. This is a policy issue. Does the commission have that broad authority. We are neutral.

Rep Mahoney: Could you run through the process of how these machines are used.

Chuck Keller: He proceeds to give the committee the information.

Rep Maragos: Can you project with the rules of probability, how much of an advantage someone has when playing 72 cars as opposed to playing one card. Is a fairness question here.

Chuck Keller: Both have a fair and honest chance to win, but the person with more cards has a better per centage chance to win.

Rep Delmore: This bill is already in HB 1089?

Chuck Keller: If HB 1237 passes, the Gaming Commission will be required to remove all references to gaming devises from Administrative Rules.

Rep Mahoney: Did your office conduct tests or follow the testing of these devises.

Chuck Keller: Yes.

Rep Mahoney: Did your office give final approval and consider this not to be an expansion of gambling.

Chuck Keller: The determination of the Attorney Generals office preceded the test.

Rep Mahoney: So at that point you had no reason to see it as expansion.

Chuck Keller: That is correct.

Rep Mahoney: The Gaming Commission voted to adopt the rules on this machine.

Chuck Keller: Yes, but there were many members that thought this was an expansion and that the Legislature should be the one to decide.

Rep Grande: How many cards can someone play without a devise?

Chuck Keller: The best players can play up to 36 cards.

Rep Grande: Would table size be a problem?

Chuck Keller: I don't think so.

Rep Grande: One devise can play 71 cards?

Chuck Keller: 72.

Rep Grande: How many cards can I purchase?

Chuck Keller: It depends on the packages that are sold.

Rep Grande: How many packages am I allowed to purchase.

Chuck Keller: You would purchase one package for one machine.

Rep Grande: How many machines can I use at one time.

Chuck Keller: Each player can use one machine. Each organization is allowed to set the policy however.

Rep Disrud: What does the research show on pathological gamblers and the number of cards.

Chuck Keller: It would depend on how many you play, how much you pay and how often you would play.

Rep Disrud: Now we are talking about limiting the number and the problem gambler.

Would this be a problem gambler.

Chuck Keller: I don't know.

Chairman DeKrey: If there are no further questions, thank you for appearing. The committee will be in recess until 3:00 pm today.

Vice Chr Kretschmar reopens the hearing on HB 1237. Any further testimony on HB 1237.

Traci LaDoucer: North Dakota Association for the Disabled (see attached)

Rep Klemin: The first part of this bill, how will we determine if the person is disabled.

Traci LaDoucer: It would be very difficult to determine.

Rep Delmore: If there was a way to amend this bill to the number 30 how would you feel about that?

Traci LaDoucer: 60 would be nicer number.

Vice Chr Kretschmar: Are your people using the devise now.

Traci LaDoucer: Yes.

Rep Mahoney: How many games are being played, is it up to 72?

Traci LaDoucer: The specialty packages are up to 60 cards, we have different levels for different spending.

Rep Mahoney: Is there a lot of people who use these for convenience?

Traci LaDoucer: Yes.

Rep Fairfield: Do you pay extra for the machine.

Traci LaDoucer: You only pay for the package, the machine is included.

Rep Fairfield: You pay the same for the package whether you use the machine or not.

Traci LaDoucer: Yes.

Vice Chr Kretschmar: Any other questions, if not, thank you for appearing.

Todd Kranda: appearing on behalf of the Charitable Gaming Commission, we followed the process and the rule is proper and so with that we are opposed to HB 1237.

Vice Chr Kretschmar: Thank you for appearing.

Rep Mahoney: I have flyers of what the machine looks like.

Ben Clapp: Chief Financial Officer of the Plains Art Museum. (see attached testimony)

Rep Mahoney: You don't see this as an expansion of gambling.

Ben Clapp: No.

Rep Mahoney: How many cards are played in one game.

: Ben Clapp In an evening session with 350 people, about 45,000 games.

Rep Mahoney: How many do the people play.

Ben Clapp: It is around 6 faces that people play. There is a cost to use the machine so we have to have the package levels quite high.

Rep Klemin: Are you making more money from the fewer people playing. And the brochure is says it allows people to spend more money.

Ben Clapp: If you look at it as a per person spending, yes, it is not increasing the over all dollar amount and the people playing.

Rep Kingsbury: what is a package?

Ben Clapp: The session is 2 and one half hours of a series of games. The person buys a package, the package may be 12 cards or up to 48 faces with a machine.

Rep Fairfield: What is a face?

Ben Clapp: One face, one card.

Rep Fairfield: One face, one card.

Ben Clapp: The smallest package is three and with a machine it is 12.

Rep Fairfield: You said it is really not cost effective to use the smaller number.

Ben Clapp: As an average it is 40 to 42 range.

Rep Fairfield: The purpose of the machine is to get the people to buy larger packages.

Ben Clapp: There are two ways to play more faces, one is to slow down the count.

Rep Grande: A packet, how many bingo games would be played in the night with my packet.

Ben Clapp: There are 3 faces on one sheet, and you have 10 sheets of paper and each sheet is a game.

Rep Grande: How much does 30 faces cost?

Ben Clapp: \$15.00.

Rep Grande: People can play up to 30 faces at one time.

Ben Clapp: Can be 12 faces to a sheet, so they play more sheets.

Rep Grande: How much for 12 face sheets.

Ben Clapp: \$15.00, but there are discounts during the night.

Rep Grande: What is the average, what is the cost.

Ben Clapp: The cost would be \$30.00 per person spending.

Rep Grande: Is it a \$1.00 a face.

Ben Clapp: NO.

Rep Klemin: How many states allow these devises.

Ben Clapp: I don't know, about 12 I think.

Rep Fairfield: Are there volume discounts.

Ben Clapp: Yes.

Vice Chr Kretschmar: Are there any other questions, if not thank you for appearing.

Joseph Dirk: appearing on behalf of the Moose organization, he spoke in opposition to HB 1237.

We can't have anything in the building unless we have control of it, with this we could not.

Rep Klemm: This bill would prohibit the device.

Joseph Dirk: We can't use the machine.

Rep Mahoney: A comment, these devices just came into use the last couple of years, do you think that they might become a useful tool.

Joseph Dirk: I watch people playing just cards and there is more gaming and less income.

Vice Chr Kretschmar: If there are no further questions, thank you for appearing.

Vickie Wagner: manager of gaming VFW in Bismarek and the Council of Gaming , 36 faces are the maximum that you can reach. I also attended the hearing on the compact and testified against them.

Vice Chr Kretschmar: If there are no questions, thank you for appearing. (attach is a copy of their letter to the governor).

Rep Wrangham: I would like to ask a question of Ben Clapp. Did you ask the Attorney General to put them (devices) in play and approve them?

Ben Clapp: We have always worked closely with that office, but they came to us and asked us to be a part of the study.

Rep Wrangham: But you did do the testing to see if they would help.

Ben Clapp: We did invest a great deal of time and money into these machines, but we needed the approval from the Gaming Committee and the Administrative Rules Committee.

Rep Wrangham: what will happen to your investment if these device are not allowed to be used.

Ben Clapp: I hope we can made do with what we had before. But our investment, we will loose.

Rep Klemm: Are you leasing or renting the machines?

Ben Clapp: We have a long term lease.

Rep Klemm: Do you pay the company for each use of the machine?

Ben Clapp: Yes.

Vice Chr Kretschmar: If there are no further questions, thank you for appearing.

Rep Grande: What prompted the study, asked the question of Chuck Keller.

Chuck Keller: The field study was started by the State Gaming Commission.

Rep Grande: How was the study paid for?

Chuck Keller: The filed test involved two manufactures involved. They leased the machines to the organizations.

TAPE III SIDE A

Rep Grande: Did the gaming Commission help out?

Chuck Keller: NO, the manufactures leased the devised to the distributors who in turn leased the devises to the organization. They in turn charged the players a fee to use the devises.

Rep Grande: Were the organizations aware of the objections from the Rules Committee.

Chuck Keller: Yes.

Rep Grande: The organizations were aware that they may be investing in something that may not be there in a few months after the legislature met.

Chuck Keller: The first time that they would have been alerted as after September 2000. The Gaming Commission adopted the rule on May 4, 2000 the rule became effective August 1.

Rep Grande: They know it was pending.

Page 12
House Judiciary Committee
Bill/Resolution Number HB 1237
Hearing Date 02-05-01

Chuck Keller: As of the September newsletter.

Vice Chr Kretschmar: If there are no further questions, thank you for appearing. Anyone else wishing to testify on HB 1237. We will close the hearing on HB 1237.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1237a

House Judiciary Committee

☐ Conference Committee

Hearing Date 02-06-01

Tape Number	Side A	Side B	Meter #
TAPE I		s	385 to 1788
Committee Clerk Signature <i>Joan Dier</i>			

Minutes: Chairman DeKrey opened committee work on HB 1237.

DISCUSSION

COMMITTEE ACTION

Rep Grande explained the amendments.

Rep Wrangham moved the amendments, seconded by Rep Grande. Voice vote on the amendments, ther was a roll call vote requested on the amendments 8 YES 7 NO. Amendments pass.

DISCUSSION

Vice Chr Kretschmar moved a DO NOT PASS as amend, seconded by Rep Onstad.

DISCUSSION

The clerk will call the roll on a DO NOT PASS as amend. The motion passes 14 YES, 1 NO an 0 ABSENT. Carrier Rep Onstad.

FISCAL NOTE

Requested by Legislative Council
02/09/2001

Bill/Resolution No.:

Amendment to: HB 1237

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

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	(\$15,000)	\$0	(\$18,000)	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	(\$500)	(\$500)	\$0

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

The bill would limit players to playing fifty-four bingo cards on bingo card marking devices. Administrative rules adopted by the State Gaming Commission presently regulate the use of bingo card marking devices by organizations and players. These rules: 1) limit players to playing seventy-two bingo cards on marking devices; and 2) limit each player to one marking device each session. A bingo card marking device is a hand-held device that displays an electronic picture of a bingo card and allows the player to mark the card on the device when the bingo caller announces the letters and numbers of the bingo balls for the game.

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.*

The bill would decrease general fund revenue because six large bingo halls presently provide players the opportunity to play up to seventy-two bingo cards on bingo card marking devices.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Not applicable

- C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Not applicable

Name:	Charles Keller/Kathy Roll	Agency:	Office of Attorney General
Phone Number:	328-4482	Date Prepared:	02/09/2001

FISCAL NOTE
Requested by Legislative Council
01/18/2001

Bill/Resolution No.: HB 1237

Amendment to:

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

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	(\$175,000)	\$0	(\$570,000)	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	(\$6,000)	(\$28,000)	\$0	(\$7,000)	(\$33,000)	\$0

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

The bill would restrict a player from using an electronic device to play a game unless the player is disabled to the extent that the player is manually unable to play the game. A popular device now used is a "bingo card marking device." This is a hand-held device that displays an electronic picture of a paper bingo card and allows the player to mark the card on the device when the bingo caller calls the bingo letter and number for the game. The administrative rules, adopted by the State Gaming Commission, regulate the use of bingo card marking devices by organizations and players, and prescribe manufacturing specifications.

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.*

The bill would decrease general fund revenues because six large bingo halls in North Dakota presently provide players the option to use paper bingo cards or bingo card marking devices.

The fiscal effect was calculated based on information provided by the organizations that would be affected by the bill.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Not applicable

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Not applicable

Name:	Charles Keller/Kathy Roll	Agency:	Office of Attorney General
Phone Number:	328-4482	Date Prepared:	01/29/2001

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1237

Page 1, line 7, after "any" insert "portable" and after "electronic" insert "gaming"

Page 1, line 8, after the period insert "This subsection does not preclude an organization from using electronic dispensing, display, or announcing devices."

Renumber accordingly

VR
2/7/01

HOUSE AMENDMENTS TO HB 1237

HOUSE JUDICIARY

02-07-01

Page 1, line 2, after "electronic" insert "bingo card marking" and remove "for playing games of chance"

Page 1, replace lines 6 through 8 with "A player may not play more than fifty-four cards on an electronic bingo card marking device and may use only one device during a session."

Renumber accordingly

Date: _____
Roll Call Vote #: /

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB-1237

House JUDICIARY Committee _____

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Roll Call on amendment to go to 54 cards

Motion Made By _____ Seconded By _____

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

Total (Yes) 8 No 7

Absent _____

Floor Assignment _____

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

Date: 12-06-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. H B 1237

House JUDICIARY Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass as amended

Motion Made By Vice Chr Kretschmar Seconded By Rep Onstad

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

Total (Yes) 14 No 1

Absent 0

Floor Assignment Rep Onstad

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

REPORT OF STANDING COMMITTEE

HB 1237: Judiciary Committee (Rep. DeKrey, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO NOT PASS** (14 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). HB 1237 was placed on the Sixth order on the calendar.

Page 1, line 2, after "electronic" insert "bingo card marking" and remove "for playing games of chance"

Page 1, replace lines 6 through 8 with "A player may not play more than fifty-four cards on an electronic bingo card marking device and may use only one device during a session."

Renumber accordingly

2001 SENATE JUDICIARY

HB 1237

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1237

Senate Judiciary Committee

☐ Conference Committee

Hearing Date 28 February 2001

Tape Number	Side A	Side B	Meter #
1		x	51.5-end
2	x	x	0-24/21.8-33
Committee Clerk Signature			

Minutes: **Senator Traynor** opened the hearing on HB 1237: A BILL FOR AN ACT TO CREATE AND ENACT A NEW SUBSECTION TO SECTION 53-06.1-06 OF THE NORTH DAKOTA CENTURY CODE, RELATING TO THE USE OF ELECTRONIC DEVICES FOR PLAYING GAMES OF CHANCE.

Representative Devlin, district 23, legislature takes a strong stance against electronic bingo. We want to limit the number of cards being played.

Senator Bercler, people can do 30 cards and socialize at the same time.

Senator Lyson, people who play bingo are in lower financial range are we letting them spend more money?

Representative Devlin, we wrestled with that question too. However, if the bill is killed there will be no law.

Senator Trenbeath, how did the house judiciary arrive at the judgment that they would allow electronic devices to be used but only a certain amount of cards could be played?

Rep. Devlin, I wasn't there for the full hearing. They were uncomfortable by pulling the rug open from under the electronic cards in ND. However, they were leery about making the amount of card playing unlimited.

Senator Nelson, I have a problem with 54 cards.

Representative Devlin, I agree with you.

Senator Bercler, in the casino on the reservation, some people could handle 40 cards, however, it diminished the number of people who could play at the table. The casino agreed upon the amount of cards an individual could play.

Senator Dever, if everyone is playing one card or 54 cards the odds are the same. Why would anyone need to play that many cards.

Rep. Devlin, we were uncomfortable with the legislature not saying anything about gaming.

Ben Clapp, Chief Financial Officer for Plains Art Museum at Fargo, testifies in support of the bill. (testimony attached)

Senator Traynor, how much do the machines cost?

Ben Clapp, \$4.50 to play. We lease them for three years.

Senator Lyson, how many years do you have to go on your lease?

Bob Clapp, 2 years.

Senator Trenbeath, wouldn't there be an out in your contract if there is a change in the law. This bill looks like the savior of bingo. We're concerned from a social viewpoint.

Senator Dever, are you saying that 54 cards is the minimal amount justified?

Ben Clapp, that was the compromise, of course we would like more.

Senator Traynor, is there a difference in price between using a card and a machine?

Ben Clapp, no.

Page 3
Senate Judiciary Committee
Bill/Resolution Number 1237
Hearing Date 28 February28

Senator Watne, it would remain 72 cards if we don't pass the bill?

Ben Clapp, yes.

Todd Kranda, testifies no behalf of gaming commission, supports the bill as amended, if it is changed he will no longer support the bill. There would be a lot more people here if the bill was not amended.

Keith Lauerman, from attorney general's office, testifies neutrally on the bill.

Senator Traynor, closed the hearing on HB 1237.

Discussion followed.

SENATOR BERCIER MOTIONED TO DO NOT PASS, SECONDED BY SENATOR DEVER. VOTE INDICATED 6 YEAS, 1 NAY AND 0 ABSENT AND NOT VOTING. SENTOR BERCIER VOLUNTEERED TO CARRY THE BILL.

Date: 2/28

Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1237

Senate Judiciary

Committee

☐ Subcommittee on

or

☐ Conference Committee

Legislative Council Amendment Number

Action Taken

Motion Made By

Seconded

By

[illegible]

Total (Yes)

No

Absent

Floor Assignment

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

REPORT OF STANDING COMMITTEE (410)
February 28, 2001 4:50 p.m.

Module No: SR-34-4555
Carrier: Bercier
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1237, as engrossed: Judiciary Committee (Sen. Traynor, Chairman) recommends DO NOT PASS (6 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). Engrossed HB 1237 was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

HB 1237

February 1, 2001

H.B. 1237 will eliminate the ability for organizations to provide bingo card marking devices for all of their patrons. The electronic marking devices currently in use were designed to meet a growing need from organizations and patrons. These marking devices allow players to play multiple faces (a.k.a. bingo cards) at one time. A mini-computer has the card faces loaded in its memory and all a player has to do is input the called number into the machine and the machine keeps track of the loaded faces. For the first time in the history of Bingo a player does not have to rely on his/her own physical ability to mark any more than a single face.

Bingo halls in North Dakota began installing the marking devices at the time they were first allowed, some as early as October 1999. The electronic marking devices were approved by the Gaming Commission, Attorney General's office and the Legislative Council's Administrative Rules Committee as a bingo card marking device that does not change the nature of the game but the method of marking the faces. Based on this approval, the Plains Art Museum and other charitable organizations have invested significant funds in marking devices and their related systems. This investment along with the change in bingo programs and marketing has been costly in both money and time.

For the Plains Art Museum the marking devices have had a stabilizing effect (please refer to the two charts showing Monthly Bingo Sales and Head Counts). Though the number of people playing bingo has gone down, our bingo sales have not decreased as significantly. For our hall, the use of the marking devices has not increased our sales but allowed them to remain constant. If these marking devices are removed from common use, our gross revenue will drop by 14% and create an even larger percentage decrease of 66% to our adjusted gross proceeds.

Gaming provides 80% of the needed revenue to for the operations of the Plains Art Museum.

The bingo hall provides 90% of that gaming revenue. This level of revenue decrease will have a drastic effect on the Museum's ability to provide services and programming. That programming allowed us to deliver arts educational material throughout North Dakota enjoyed by nearly 8,000 viewers, most of whom were school children. This bill will have a serious impact on our ability to serve the needs of the North Dakota art community.

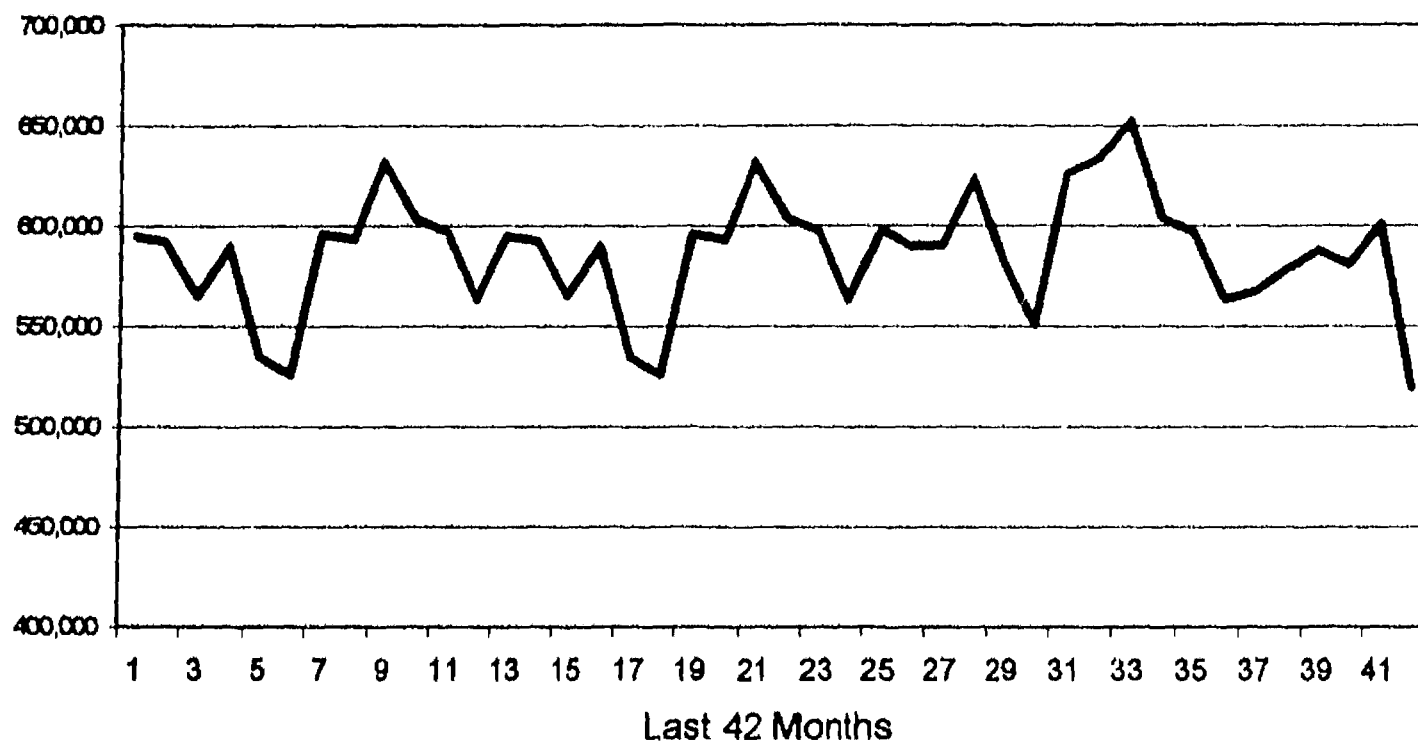
The Plains Art Museum employs nearly 140 people in the Fargo area. Our payroll is over two million dollars. The passage of this bill would mean a reduction in our labor force not only at our gaming sites but also at the Museum. As the Museum would be negatively impacted by this bill so would the tax revenue to the state. Gaming has been allowed to become a significant source of tax revenue to the state. Gaming related taxes contributed to the general fund on average over \$14,000,000 per year over the last six years. The Plains Art Museum pays more than a million dollars a year in taxes from gaming to the state. The Museum pays more in taxes each year than it does to its own mission of bringing art and people together.

The Plains Art Museum has been successful with the bingo card marking devices but only to the extent of maintaining our sales. There has been no expansion of gaming. These marking devices simply give players of all abilities the opportunity to play the game equally. The bill would end our ability to use the marking devices, as they will no longer be cost effective.

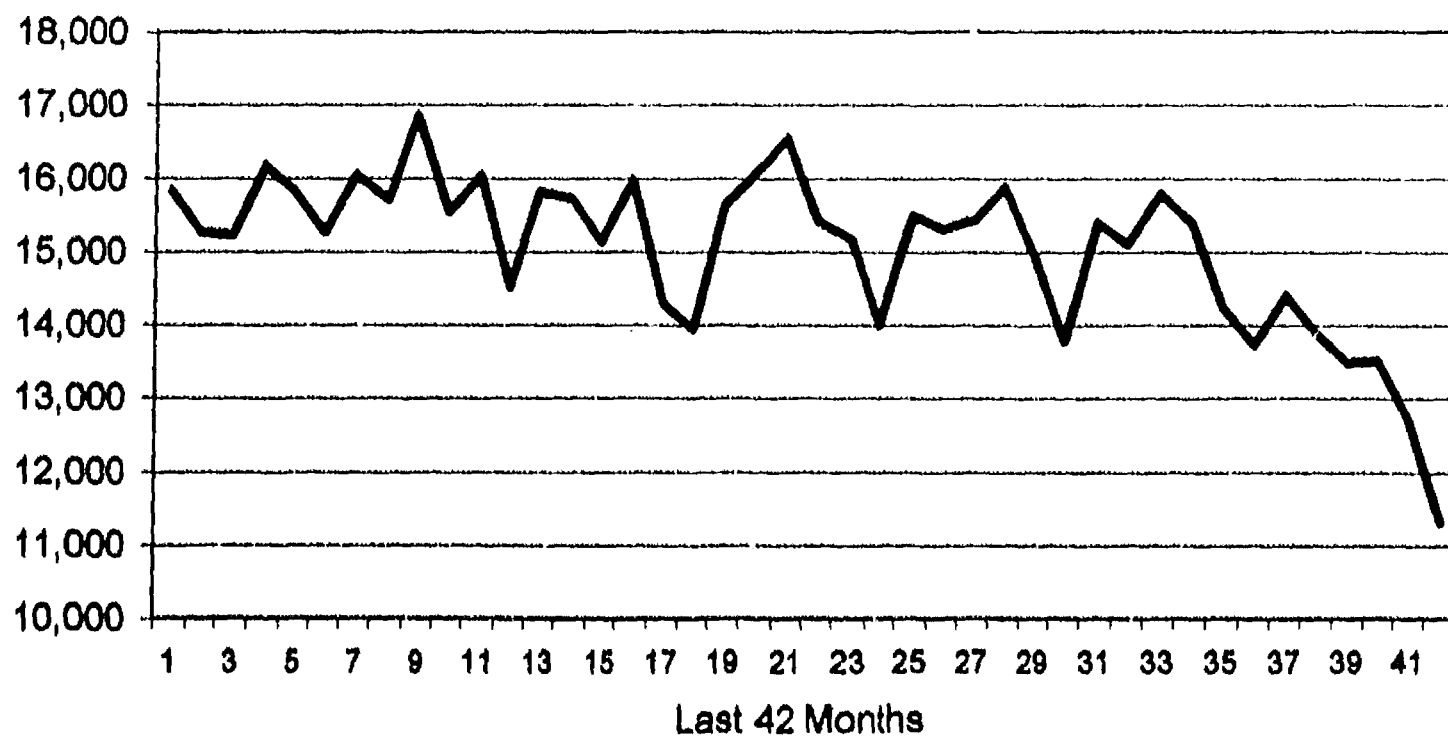
It is Plains Art Museum hope that you will vote no on this bill.

Ben Clapp, Chief Financial Officer

Monthly Bingo Sales



Monthly Headcounts



August 21, 1999

Mr. Governor:

We do appreciate any attempt to better the economy of North Dakota. However, we do not feel that allowing ND Indian Casinos free rein does this for the State. It certainly does the opposite for organizations that operate Charitable Gambling and the programs and communities that benefit from this industry.

The most recent legislative session denied all proposals from the Charitable Gaming sector. Can you, in clear conscience, enter into new Gaming Compacts with the Tribal Gaming when the ND voters have denied any portion of its contents to Charitable Gaming?

As managers in Charitable Gaming, we would jump at the opportunity to be offered the variety and wagers in the original compacts! How nice it would be to know the operating procedures for five to ten years and not wonder what type of noose or blade the legislature will choose every two years. The Charitable Gaming Industry has suffered drastically since the Casino openings. The new compact(s) drive a bigger stake into the already bleeding heart of our industry.

Itemized are the grave differences to show the vast unfairness to our industry:

CHARITABLE

VS

CASINO

Just to Operate

\$150 per yr. - license
\$100 per yr. per site

NO CHARGE

Penalties

\$500 fine for each act of
non-compliance (even if
unintentional)

No penalty amount.
allowed: renegotiating,
arbitration &/or dispute
resolution

Tax

4.31% on Pull Tabs gross sales
5% on net of all games
6% ND Sales Tax on Bingo Cards

NO TAX ON ANY
PROCEEDS

CHARITABLE

VS

CASINOGames Allowed & Max. Betting Limits

Pull Tabs	\$2		\$2
Blackjack	\$5		\$250
Bingo	N/A		N/A
Poker(limited to 2 occasions per yr.)	\$1	Poker anytime -	\$50
Simulcast	N/A		N/A
Paddlewheel	\$2 w/\$20 aggregate		\$50 aggregate
Raffles	N/A		N/A
Sports Pools	\$5		not shown
Calcutta	N/A		N/A
		Slot machines -	\$25
		Keno	N/A
		Craps	\$60
		Indian Dice	\$100 x # of Players
		Roulette	\$50

Times of Operation

Limited to the hours when alcoholic beverages are dispensed according to applicable regulations of the State, County or City (except Bingo, Calcutta, Raffles)

24 hours a day for any game

Age Restrictions

Must be 21 except for Bingo & Raffles

Must be 18

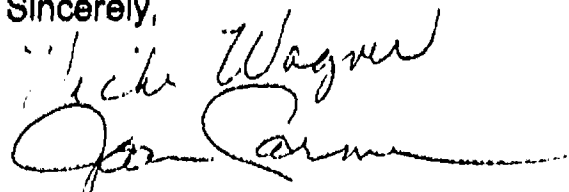
Amounts used for Charities, Programs, Econom. Dev., Etc.

45% of Net

10% of Net

The Governor's Office has been quoted as saying that the ND Indian Casinos need the new games and higher betting limits to be competitive with other states' casinos. In all fairness, we feel ND Charitable Gaming should also be given the same chance to be competitive with casinos in the State.

Sincerely,



Vicki Wagner, President
Bis/Mdn Council of Clubs
Joan Carman, Gaming Manager
Bismarck Moose Club

Choose from the industry's leading handheld electronic daubers!

CHOOSE GTI'S TED & DIAMOND HAND HELD OVER ANY OTHER ELECTRONIC DAUBERS

- Point Of Sale Loads Cards Instantly
- Comprehensive Card Support
- Supports Bonus/Zo Games
- Multiple Tiered Payout Structures
- Multiple Session Loading
- Different Cards Every Game
- Extensive Specialty Game Support
- TED Has The Industry's Only In-Bank Loading
- Supports Up To 400 Cards Per Game
- Seamless Integration With AllTrak™
- Multiple Dauber Shop Choices



TED
Diamond Hand Held Game

Playing Bingo With TED & Diamond Hand Held

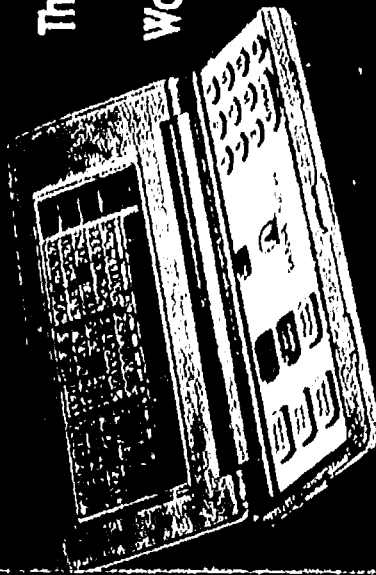
TED & DIAMOND HAND HELD COME READY TO PLAY - THEY'RE ALREADY TUNED ON AND LOADED WITH THE CARDS YOU'VE CHOSEN TO PLAY.

JUST SELECT A GAME - WHEN YOU'RE READY TO PLAY, ENTER THE GAME NUMBER FROM THE HALL'S PROGRAM SCHEDULE ON THE NUMERIC KEYPAD.

PLAY ALONG - AS THE GAME IS CALLED, SWIFTLY ENTER EACH NUMBER CALLED ON THE NUMERIC KEYPAD. THEN PRESS THE DAUB/ENTER KEY. ALL OF YOUR CARDS WILL BE AUTOMATICALLY DAUBED AT ONCE.

WIN! - AS EACH NEW NUMBER IS ENTERED, YOU WILL BE SHOWN WHICH OF YOUR CARDS ARE CLOSEST TO BINGO. YOU WILL BE INSTANTLY ALERTED WHEN IT'S TIME TO SHOUT ... "BINGO!"

Thousands
in Use
Worldwide!



TED



1	2	3	4	5	6	7	8	9	0	dauber
---	---	---	---	---	---	---	---	---	---	--------

Attract New Players
To Your Game

Gives Players The Opportunity
To Play More And Spend More

Players Are Choosing GTI's
TED® & Diamond Hand Held In
Addition To Or Instead Of Paper

Appeals To A Wider
Range Of Players

Offers New Entertainment Value

Charity Bingo Halls
Indian Bingo
Military Bingo Programs
Las Vegas Casinos

With Over 10 Years Of Experience In The Electronic
Bingo Industry, GTI Has Designed Products That
Bingo Managers And Players In Alike.

TED & the Diamond Hand Held come packaged with
Windows technology, high-speed computing and state-
of-the-art software. TED's loading crate, with it's patent
pending design, is the only system available on today's
market that charges and programs electronic bingo
daubers from the same place.



Diamond Hand
Held Game

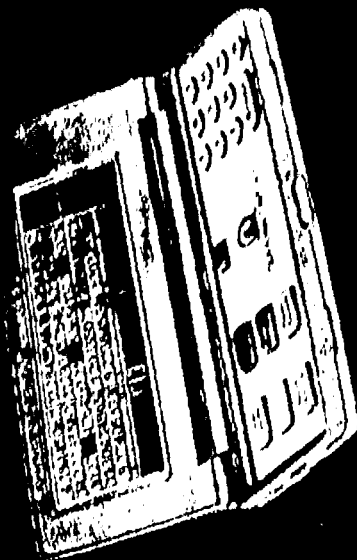


TED Game Actual View
12" W x 11" H x 12" D

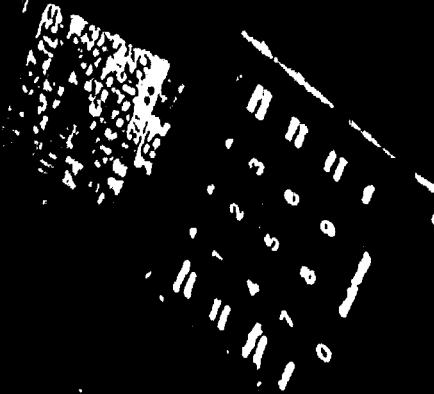
For older or physically challenged players, it's as simple as
using a touchtone phone. For younger players TED & the
Diamond Hand Held offer the new high tech advantage to
playing. Both help to expand your customer base.

A broader audience and faster, easier play translates to
increased card sales. In fact, with TED & the Diamond
Hand Held, players buy two to ten times more cards on
average. Because players only have to enter each number
once, they also have more time to purchase pull-tabs,
additional paper side play and food and beverage.

DIAMOND HAND HOLD / TED



TED



TED

GAMETECH

GameTech International
4070 Silver Sage Drive
Carson City, NV 89701

GTI'S COMMITMENT TO CUSTOMER SERVICE.

GameTech International has always taken pride in having the best equipment and software in the Bingo Industry. Striving for complete customer satisfaction, GameTech also offers the best Customer Service Support. At GameTech, we are proud to commit to our customers:

- Regularly scheduled preventative maintenance according to each customer's individual needs and activities.
- Technical support available 24 hours a day, 7 days a week, 52 weeks a year.
- Scheduled preventative maintenance on all of GameTech equipment and software.
- Training to hall personnel upon initial installation and turnover to the customer, and additional training as required.
- Changing programs as requested by the customer in a timely and efficient manner.
- On-Site marketing assistance with the promotion of GameTech products.
- Regularly scheduled hall evaluations by GameTech Customer Service Managers to insure that the customer is receiving exemplary customer service.

800.487.8510

GAMETECH

GameTech International
4070 Silver Sage Drive, Carson City, NV 89701
Telephone: 775.886.1911 Fax: 775.886.1569

HOUSE BILL 1237
FEBRUARY 5, 2001

North Dakota Association for the Disabled is opposed to House Bill 1237

NDAD has been providing bingo card marking devices in three bingo halls for the past year. NDAD is opposed to this bill for several reasons:

◆ ***Decreased charitable gaming revenue***

1. Negative impact on services provided to people with disabilities
2. Electronic devices maintain revenues

◆ ***Number of cards***

1. Marking devices allow up to 72 cards
2. Average paper players play 24-36 paper cards

◆ ***Same bingo games and prizes as paper cards***

◆ ***People with disabilities who are unable to play paper***

◆ ***Positive impact on player base***

1. Increase in number of men playing
2. Increase in number of younger players

◆ ***Determination of disabilities***

It would be difficult for NDAD employees to determine who should be allowed to use bingo card marking devices because not all disabilities are visual

HOUSE BILL NO. 1237

Number of Bingo Cards that may be Played on Bingo Card Marking Devices, by State

State	Bingo Card Limit	State	Bingo Card Limit
Alabama	Varies by county	New Hampshire	No limit
Alaska	No limit	New York	54
Arizona	No limit	North Dakota	72
California	Varies by county	Ohio	No limit
Colorado	No limit	Oklahoma	72
Florida	No limit	Oregon	No limit
Illinois	No limit	Pennsylvania	No limit
Kentucky	54	South Carolina	No limit
Louisiana	144	South Dakota	No limit
Maine	No limit	Texas	66
Maryland	No limit	Vermont	No limit
Mississippi	No limit	Virginia	72
Missouri	54	Washington	66
Nebraska	72	Wyoming	No limit
Nevada	No limit		

Summary: 29 states allow bingo card marking devices, as follows:

10 states limit the number of cards on a device, from 54 to 144 cards

17 states do not limit the number of cards on a device

2 states regulate devices on a county basis, card limits are unknown

February 28, 2001

H.B. 1237 in its amended form allows organizations to provide bingo card marking devices for all of their patrons up to 54 bingo faces. The electronic marking devices currently in use were designed to meet a growing need from organizations and patrons. These marking devices allow players to play multiple faces (a.k.a. bingo cards) at one time. A mini-computer has the card faces loaded in its memory and all a player has to do is input the called number into the machine and the machine keeps track of the loaded faces. For the first time in the history of Bingo a player does not have to rely on his/her own physical ability to mark any more than a single face.

Bingo halls in North Dakota began installing the marking devices at the time they were first allowed, some as early as October 1999. The electronic marking devices were approved by the Gaming Commission, Attorney General's office, and the Legislative Council's Administrative Rules Committee as a bingo card marking device that does not change the nature of the game but the method of marking the faces. Based on this approval, the Plains Art Museum and other charitable organizations have invested significant funds in marking devices and their related systems. This investment along with the change in bingo programs and marketing has been costly in both money and time.

For the Plains Art Museum the marking devices have had a stabilizing effect (please refer to the two charts showing Monthly Bingo Sales and Head Counts). Although the number of people playing bingo has gone down, our bingo sales have not decreased as significantly. For our hall, the use of the marking devices has not increased our sales but allowed them to remain constant. If these marking devices had been removed from common use, our gross revenue would have dropped by 14% and created an even larger percentage decrease of 66% to our adjusted gross proceeds.

Gaming provides 80% of the needed revenue to for the operations of the Plains Art Museum.

The bingo hall provides 90% of that gaming revenue. That programming allowed us to deliver arts educational material throughout North Dakota enjoyed by nearly 8,000 viewers, most of whom were school children. This bill in its amended form allows us to maintain our ability to serve the needs of the North Dakota art community.

The Plains Art Museum employs nearly 140 people in the Fargo area. Our payroll is over two million dollars. The passage of this amended bill would mean our labor force remains intact not only at our gaming sites but also at the Museum. In its original form this bill would have negatively impacted the Museum as it would the tax revenue to the state. Gaming has been allowed to become a significant source of tax revenue to the state. Gaming related taxes contributed to the general fund on average over \$14,000,000 per year over the last six years. The Plains Art Museum pays more than a million dollars a year in taxes from gaming to the state. The Museum pays more in taxes each year than it does to its own mission of bringing art and people together.

The Plains Art Museum has been successful with the bingo card marking devices but only to the extent of maintaining our sales. There has been no expansion of gaming. These marking devices simply give players of all abilities the opportunity to play the game equally. The amended bill allows the use of the marking devices.

It is Plains Art Museum's hope that you will vote "do pass" on this bill.

Ben Clapp, Chief Financial Officer