

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1461

2005 HOUSE JUDICIARY

HB 1461

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1461

House Judiciary Committee

☐ Conference Committee

Hearing Date 2/1/05

Tape Number	Side A	Side B	Meter #
2		xx	10.2-end
3	xx		0-2.6
Committee Clerk Signature <i>Alan Lemore</i>			

Minutes: 13 members present, 1 member absent (Rep. Zaiser).

Chairman DeKrey: We will open the hearing on HB 1461.

Rep. Dave Weiler: I am a sponsor of this bill. This bill has to do with poker and the rents; allowing poker more than 2x a year. This bill was passed by this committee two years ago. It went in front of the House and it passed fairly easily in the House during the last session. We're here again to present this bill. We have some work to do on the Senate side.

Chairman DeKrey: Thank you. Further testimony in support of HB 1461.

Todd Kranda, Charitable Gaming Association of ND: Support of HB 1461 (see written testimony).

Chairman DeKrey: Thank you. Further testimony in support.

Rick Stenseth: Support (see written testimony).

Chairman DeKrey: Thank you. Further testimony in support.

Traci LaDouceur, NDAD: Support (see written testimony).

Chairman DeKrey: Thank you. Further testimony in support.

Sharon Weber: Support.

Chairman DeKrey: Thank you. Further testimony in support.

Cindy Sheldon, NDAD: Support.

Chairman DeKrey: Thank you.

Todd Molina: Support.

Chairman DeKrey: Thank you. Further testimony in support.

Dan Anderson: I am a client of NDAD; support.

Chairman DeKrey: Thank you. Further testimony in support.

Bill Shalhoob, ND Hospitality Association: Support. It is tough to only have this two times a year, to get professionals when they only deal 2x/year in terms of the poker tournaments.

Chairman DeKrey: Thank you. Further testimony in support.

Garvin Stevens, Williston State College Foundation: Support.

Chairman DeKrey: Thank you. Further testimony in support.

Brent Brooks: Support.

Chairman DeKrey: Thank you. Further testimony in support.

Gary Fournier: Support.

Chairman DeKrey: Thank you. Further testimony in support.

Troy Hagen: Support.

Chairman DeKrey: Thank you. Further testimony in support, testimony in opposition.

Warren DeKrey, ND Council on Gambling Problems: Opposed (see written testimony).

Chairman DeKrey: Thank you. Further testimony in opposition.

Arthur Link: Opposed. I remember when the request came to legalize the kind of poker you are talking about here today. That's when the decision was made, and they asked that this be legalized, 2x/yr tournaments. They said if they can have this legalized, that is all they would ask for. But it seems, like I said before, the urge to gamble is without end. I'm not denying the good that comes from the money that is granted for the charities; but the money that is spent to get to the charity, it doesn't get there. When I write a check in response to a request from a charitable organization, I get a great deal of satisfaction knowing that every cent of the dollar goes to that charity. But if we depend upon charities being funded more and more by games of chance, people are playing there and not knowing that the money is not all going to charity. I think we are establishing a false sense of charity. We need to put the brakes on some place. We have many, many opportunities to give to worthy causes. We cannot continue to increase games of chance in order to alleviate the personal responsibility we have as citizens of paying out directly for that purpose. I think we are going far enough.

Chairman DeKrey: Thank you. Further testimony in opposition to HB 1461. We will be in recess.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1461

House Judiciary Committee

☐ Conference Committee

Hearing Date 2/2/05

Tape Number	Side A	Side B	Meter #
3		xx	16-30
Committee Clerk Signature <i>M. Remose</i>			

Minutes: 13 members present, 1 member absent (Rep. Maragos).

Chairman DeKrey: What are the committee's wishes in regard to HB 1461.

Representative Delmore: I move the Kranda amendments.

Representative Meyer: Seconded.

Chairman DeKrey: Motion carried.

Representative Boehning: I move a Do Pass as amended.

Representative Delmore: Seconded.

6 YES 7 NO 1 ABSENT MOTION FAILED

Representative Klemin: I move a Do Not Pass as amended.

Representative Kingsbury: Seconded.

7 YES 6 NO 1 ABSENT DO NOT PASS AS AMENDED CARRIER: Rep. Bernstein

FISCAL NOTE

Requested by Legislative Council
02/07/2005

Amendment to: HB 1461

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.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$10,000	\$0	\$12,000	\$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.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

The bill would allow a licensed gaming organization to conduct the game of poker, including a poker tournament, on more than two occasions per year. The bill would allow an organization to conduct a variation of poker in which a player would play against the organization, rather than against other players, and a prize would be based on a predetermined pay schedule.

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 increase general fund revenues because the estimated increase in adjusted gross proceeds (gross proceeds less prizes) for the game of poker would be subject to the gaming tax.

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.*

N/A

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.*

N/A

Name:	Keith Lauer / Kathy Roll	Agency:	Office of Attorney General
Phone Number:	328-3234 328-3622	Date Prepared:	02/08/2005

FISCAL NOTE

Requested by Legislative Council
01/18/2005

Bill/Resolution No.: HB 1461

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.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$10,000	\$0	\$12,000	\$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.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

The bill would allow a licensed gaming organization to conduct the game of poker, including a poker tournament, on more than two occasions per year. The bill would allow an organization to conduct a variation of poker in which a player would play against the organization, rather than against other players, and a prize would be based on a predetermined pay schedule.

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 increase general fund revenues because the estimated increase in adjusted gross proceeds (gross proceeds less prizes) for the game of poker would be subject to the gaming tax.

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.*

N/A

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.*

N/A

Name:	Keith Lauer/Kathy Roll	Agency:	Office of Attorney General
Phone Number:	328-3234/328-3622	Date Prepared:	01/18/2005

**PROPOSED AMENDMENTS TO
HOUSE BILL NO. 1461**

Page 1, line 13, remove "adjusted gross proceeds of"

Renumber accordingly

House Amendments to HB 1461 - Judiciary Committee 02/03/2005

Page 1, line 13, remove "adjusted gross proceeds of"

Renumber accordingly

Date: 2/2/05
Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1461

HOUSE JUDICIARY COMMITTEE

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as Amended

Motion Made By Rep. Boehning Seconded By Rep. Delmore

Representatives	Yes	No	Representatives	Yes	No
Chairman DeKrey		✓	Representative Delmore	✓	
Representative Maragos	A		Representative Meyer	✓	
Representative Bernstein		✓	Representative Onstad	✓	
Representative Boehning	✓		Representative Zaiser	✓	
Representative Charging		✓			
Representative Galvin		✓			
Representative Kingsbury		✓			
Representative Klemin		✓			
Representative Koppelman		✓			
Representative Kretschmar	✓				

Total (Yes) 6 No 7

Absent 1

Floor Assignment Failed

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

Date: 2/2/05
Roll Call Vote #: 2

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1461

HOUSE JUDICIARY COMMITTEE

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass as Amended

Motion Made By Rep. Klemin Seconded By Rep. Kingsbury

Representatives	Yes	No	Representatives	Yes	No
Chairman DeKrey	✓		Representative Delmore		✓
Representative Maragos	A		Representative Meyer		✓
Representative Bernstein	✓		Representative Onstad		✓
Representative Boehning		✓	Representative Zaiser		✓
Representative Charging	✓				
Representative Galvin	✓				
Representative Kingsbury	✓				
Representative Klemin	✓				
Representative Koppelman	✓				
Representative Kretschmar	✓				

Total (Yes) 7 No 6

Absent 1

Floor Assignment Rep. Bernstein

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

REPORT OF STANDING COMMITTEE

HB 1461: Judiciary Committee (Rep. DeKrey, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO NOT PASS** (7 YEAS, 6 NAYS, 1 ABSENT AND NOT VOTING). HB 1461 was placed on the Sixth order on the calendar.

Page 1, line 13, remove "adjusted gross proceeds of"

Renumber accordingly

2005 TESTIMONY

HB 1461

**Testimony in Support of
HOUSE BILL NO. 1461
House Judiciary Committee
February 1, 2005**

Chairman DeKrey, House Judiciary Committee members, my name is Todd D.

Kranda. I am an attorney with the Kelsch Law Firm in Mandan and I appear before you today as a lobbyist on behalf of the Charitable Gaming Association of North Dakota (CGAND) to express support for HB 1461.

CGAND is a statewide association of charitable gaming organizations. CGAND has a diverse membership varying from clubs to small organizations in all regions of the state and represents about 70% of the charitable gaming in North Dakota.

Under current law, poker is available but cannot be conducted more than twice a year. HB 1461 would change that limitation by removing the twice a year restriction. HB 1461 would allow a licensed gaming organization to conduct poker, including a poker tournament, more than two times a year. HB 1461 also provides for poker to be played against the house, rather than against other players, similar to the game of 21 and a prize would be based on a predetermined payout schedule. HB 1461 also sets rent limits for poker.

HB 1461 will help the charitable gaming organizations and the many worthwhile charities that depend upon gaming for financial support. Further, HB 1461 will bring in additional tax revenue into the state.

Attached is a four (4) page print out from the North Dakota Office of Attorney General with the Summary of Eligible Use Contributions for the 2004 Fiscal Year. The outline shows a total of the charitable contributions that were made this past 2004 fiscal year in the amount of \$21,009,656 with a breakdown for the individual categories that have been financially supported by charitable gaming activity.

In addition to the benefits realized for these various charitable uses, the state receives a substantial benefit from the taxes that are collected and deposited into the general fund from the charitable gaming activity. From these tax revenues received from charitable gaming the state determines through the appropriation process how the general funds are spent and provides funding to several programs. In addition, the state sets aside and appropriates general funds as deemed necessary by the legislature for gambling addiction treatment programs. CGAND has always supported the use of the tax revenues generated for treatment programs.

During the 2004 Fiscal Year which ended on June 30, 2004, the state received \$6,483,208 in pull tab excise tax, \$3,431,622 in gaming tax and \$2,448,060 in bingo sales tax for a total of \$12,362, 890 from all state taxes that were paid by these licensed charitable gaming organizations. Additionally, based on prior reports, the tax revenue generated from charitable gaming for the 2003 Fiscal Year was \$12,652,417 and for the 2002 Fiscal Year was \$12,997,212. Attached is a copy of a portion of the December 2004 Gaming Update, a publication from the Gaming Division of the North Dakota Attorney General's office, regarding the analysis of gaming activity for 2004 Fiscal Year ending June 30, 2004.

In conclusion, I ask for your favorable consideration of this legislation and in doing so, I also ask for your support of the local charities that would benefit from this legislation. Finally, I have included a set of proposed amendments which were suggested by the Gaming Division of the Attorney General's office to clarify the bill since line 13 has an unnecessary and confusing reference to "adjusted gross proceeds" which is being deleted.

Accordingly, I would urge a DO PASS recommendation for HB 1461.

User: DMCDANIE

Fiscal Year: 2004

Quarter: All

Eligible Code	Description	Check Amount	% of Grand Total
A-02	THE ABUSED	42,018	0.2
A-03	ALCOHOL AND DRUG ABUSE	391,162	1.9
A-04	ANIMAL PROTECTION	262,798	1.3
A-07	THE BLIND	15,345	0.1
A-08	CANCER	61,134	0.3
A-11	CYSTIC FIBROSIS	181,034	0.9
A-15	THE DISABLED	2,129,284	10.1
A-18	HEART DISEASE	8,775	0.0
A-20	LEARNING DISABILITIES	3,240	0.0
A-24	MENTAL HEALTH	34,797	0.2
A-25	MULTIPLE SCLEROSIS	133,341	0.6
A-26	MUSCULAR DYSTROPHY	4,425	0.0
A-27	THE NEEDY	72,128	0.3
A-28	PARALYSIS	606	0.0
A-29	DEVELOPMENTALLY DISABLED CITIZENS	1,748,835	8.3
A-30	SENIOR CITIZENS	146,846	0.7
A-32	TERMINALLY ILL	37,207	0.2
A-36	WILDLIFE	728,871	3.5
A-37	YOUTH ACTIVITIES	2,673,816	12.7
A-46	ADULT ACTIVITIES	233,189	1.1
A-47	HEAD INJURIES	2,175	0.0
A-58	HOME ON THE RANGE	19,835	0.1
A-61	MARCH OF DIMES	1,075	0.0
A-64	MEALS ON WHEELS	13,180	0.1
A-65	MEDICAL FACILITIES NON-PROFIT	91,579	0.4
A-67	MEMORIAL FUNDS	7,478	0.0
A-70	NURSING HOMES NON-PROFIT	25,166	0.1
A-80	RONALD MCDONALD HOUSE	3,445	0.0
A-81	RED CROSS	1,922	0.0
A-82	SALVATION ARMY	9,636	0.0
A-88	SPECIAL OLYMPICS	504,269	2.4
A-90	DISASTER RELIEF ORGANIZATIONS	700	0.0
A-91	UNITED FUND/UNITED WAY	8,027	0.0
A-94	YMCA/YWCA	1,820	0.0
A-97	VOLUNTEER SERVICES	10,780	0.1
A-98	GAMBLING ADDICTION	7,900	0.0
A-99	OTHER	151,042	0.7

Subtotal Of Contributions: \$9,768,880

Percent to Grand Total: 46.5%

Fiscal Year: 2004
Quarter: All

Eligible Code Description	Check Amount \$ of Grand Total
B-10 RELIGIOUS USES	174,237 0.8

Subtotal of Contributions: \$174,237 Percent to Grand Total: 0.8%

Eligible Code Description	Check Amount \$ of Grand Total
C-10 AGRICULTURE	66,259 0.3
C-20 THE ARTS	2,194,845 10.4
C-25 EDUCATIONAL PUBLIC SERVICES	737,102 3.5
C-30 SAFETY	70,121 0.3
C-40 4-H ACTIVITIES	22,545 0.1
C-50 EDUCATIONAL INSTITUTIONS AND A	473,607 2.3
C-75 PRESERVATION OF CULTURAL HERIT	1,099,582 5.2
C-80 SCHOLARSHIPS	742,515 3.5
C-90 VOCATIONAL WORKSHOPS	4,856 0.0
C-99 OTHER	39,854 0.2

Subtotal of Contributions: \$5,451,286 Percent to Grand Total: 25.9%

Eligible Code Description	Check Amount \$ of Grand Total
D-10 CAMP GRASSICK	9,780 0.0
D-20 FRATERNAL FOUNDATIONS	45,503 0.2
D-30 LEGION BASEBALL	333,281 1.6
D-40 VETERAN'S CEMETARY	8,905 0.0
D-50 DISABLED OR INJURED VETERANS A	33,929 0.2
D-60 MILITARY FAMILY SUPPORT	14,675 0.1
D-99 OTHER	35,961 0.2

Subtotal of Contributions: \$482,034 Percent to Grand Total: 2.3%

User: DMCDANIE

Fiscal Year: 2004

Quarter: All

Eligible Code Description

Check Amount % of Grand Total

E-10	SCOUTING ACTIVITIES AND BOYS O	66,473	0.3
E-30	COMMUNITY BANDS, COLOR AND HONOR GUARDS, FLAG	245,465	1.2
E-99	OTHER	26,066	0.1

Subtotal of Contributions: \$338,004 Percent to Grand Total: 1.6%

Eligible Code Description

Check Amount % of Grand Total

F-10	ERECTION OR MAINTENANCE OF PUB	177,776	0.8
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Subtotal of Contributions: \$177,776 Percent to Grand Total: 0.8%

Eligible Code Description

Check Amount % of Grand Total

G-10	COMMUNITY EMERGENCY SERVICES	497,416	2.4
G-15	DISBURSEMENTS DIRECTLY TO A CI	320,981	1.5
G-25	IMPROVEMENT OF PUBLIC AREAS	93,925	0.4
G-50	PARKS AND RECREATION	1,496,604	7.1
G-60	LAW ENFORCEMENT	14,437	0.1
G-99	OTHER	31,556	0.2

Subtotal of Contributions: \$2,454,919 Percent to Grand Total: 11.7%

Eligible Code Description

Check Amount % of Grand Total

H-00	LOSS OF THE HOME VICTIMS	3,950	0.0
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Subtotal of Contributions: \$3,950 Percent to Grand Total: 0.0%

User: DMCDANIE

Fiscal Year: 2004

Quarter: All

North Dakota Office of Attorney General
Summary of Eligible Use Contributions

01/27/05 16:53:52 4

Eligible Code Description	Check Amount \$ of Grand Total
I-00 SUFFERERS OF SERIOUS DISABLING	1,045,661 5.0

Subtotal of Contributions: \$1,045,661 Percent to Grand Total: 5.0%

Eligible Code Description	Check Amount \$ of Grand Total
K-10 ECONOMIC DEVELOPMENT	306,632 1.5
K-30 TOURISM	669,230 3.2
K-99 OTHER	136,547 0.6

Subtotal of Contributions: \$1,112,409 Percent to Grand Total: 5.3%

Eligible Code Description	Check Amount \$ of Grand Total
V-00 VOIDED CHECK	500 0.0

Subtotal of Contributions: \$500 Percent to Grand Total: 0.0%

Total of All Contributions: \$21,009,656

--- End of Report ---

Gaming wagers for fiscal year ended June 30, 2004 were \$272,030,980. This represents a decrease of .5 percent or \$1,276,272 from fiscal year ended June 30, 2003, when \$273,307,252 was wagered. During the fiscal year ended June 30, 2004, charitable gaming organizations paid \$6,483,208 in pull tab excise tax, \$3,431,622 in gaming tax, and \$2,448,060 in bingo sales tax for a total of \$12,362,890 from all state taxes paid. In addition, the charities generated \$16,487,171 in net proceeds available for eligible uses.

NORTH DAKOTA GAMES OF CHANCE
Analysis of Gaming Activity
Fiscal Year Ended June 30, 2004

	Gross Proceeds	Prizes	Adjusted Gross Proceeds
Bingo	\$42,959,813	\$32,848,237	\$10,111,576
Bingo - Dispensing Device	3,660	2,384	1,276
Raffles	3,331,986	1,436,942	1,895,044
Pull Tabs	100,688,127	79,810,900	20,877,227
Pull Tabs - Dispensing Device	48,994,119	38,019,343	10,974,776
Club Specials, Tip, Seal & Coin Boards	797,953	582,196	215,757
Punch Boards	13,021	8,684	4,337
Sports Pools	117,805	97,483	20,322
Twenty-One	69,919,711	58,841,977	11,077,734
Calcuttas	204,679	170,763	33,916
Paddlewheels	103,942	50,129	53,813
Paddlewheels - with Table	<u>4,896,164</u>	<u>3,555,073</u>	<u>1,341,091</u>
Totals:	\$272,030,980	\$215,424,111	\$56,606,869
Plus: Other (Cash Long/Interest/Poker)			90,389
Less: ND Excise Tax			\$6,483,208
Federal Excise Tax			104,176
Bingo Sales Tax			<u>2,448,060</u>
Total Adjusted Gross Proceeds			\$47,661,814
Less: Gaming Tax			\$3,431,622
Total Allowed Expenses			<u>27,743,021</u>
Total Deductible Expenses			\$31,174,643
Net Proceeds Earned			\$16,487,171
Eligible Use Contributions			\$20,980,050

TESTIMONY IN FAVOR OF HOUSE BILL 1461

My name is Rick Stenseth and I am the Legislative Committee Chair of the Charitable Gaming Association of North Dakota. CGAND supports HB1461.

Charitable gaming in North Dakota provides thousands of jobs, both full and part-time. Gaming funds many worthwhile and necessary programs, while keeping the doors open for many who have little other funding.

For the year ended June 6, 2004, gaming produced proceeds of \$56,606,869. Of that amount \$20,980,050 went to eligible use contributions. That is money charitable organizations used directly for their programming and services. ND Excise tax, Gaming tax, and Bingo Sales tax totaled \$12,362,890 for the same fiscal year.

Poker is perhaps the fastest growing and most popular of the table games available around the world. Our industry has attempted to make rule changes in order for us to take advantage of this popularity under the current statute and there is very little room for us to operate.

HB1461 gives North Dakota Charitable Gaming operators to conduct the most current and popular games of poker.

Games allowed would include poker to be played daily, in one of three forms.

1) Nontournament games: An organization must supply the dealer, table, cards, and chips. Little investment is required and ongoing costs are for the dealer and cards.

Many games are going on all over the state in bars and clubs where no charitable organization is involved. This would allow charities to operate these games, collecting revenue and taxes.

2) Tournaments: Very familiar to many as this game is seen on TV regularly. Currently we can only operate tournaments two times per year for each organization. This makes tournaments a lot of work for little benefit. Adopting this bill would make tournaments much more viable.

3) Games played against the house: These types of games are also very popular as played around the country and include such games as "Let it Ride", "Three Card Poker", and "Caribbean Stud".

Should these games be allowed, they would be played on existing blackjack tables that are no longer being used. The pay schedules are predetermined and games are easy to learn, both to operate and play.

Adopting HB1461 will provide our industry with another tool we can use to benefit our programs and services by taking advantage of a very popular game not currently available to us. All these games are currently available at our tribal casinos and, as such, passage of HB1461 does not bring any new gaming into North Dakota.

**House Bill 1461 & 1503 - House Judiciary Committee
February 1, 2005**

**Presented by Traci LaDouceur, CFO
North Dakota Association for the Disabled**

- Popularity of poker and other game types have increased.
- Charitable gaming in North Dakota is on a decline.
- 2003 Survey conducted by the Bureau of Governmental Affairs showed 79% of people surveyed support an initiated measure to allow charitable organizations to have the same gaming options that reservations have.
- Since 1982 NDAD has spent over \$26 million dollars assisting North Dakotans with disabilities.
- Since 1982 NDAD has paid over \$23 million dollars to the state in sales, gaming and excise tax.
- Approval of these bills would give charities more leverage to compete with the tribal casinos and other competitors.
- Approval of these bills could increase gaming revenues generating increased tax dollars and charitable use expenditures.

February 1, 2005

Chrm. DeKrey & members of the Judiciary Committee

My name is Warren DeKrey, Chrm. Of the ND Council of Gambling Problems

I appear in opposition to HB 1461

Prior to 1975 many fraternal organizations allowed Poker games, usually not where the public would readily see them. It was always illegal in ND but the law was seldom if ever enforced. There were no limits & and large stakes were often involved. Poker has always had a bad connotation. That's probably why ND made it illegal.

In 1975, Attorney General decided to enforce the State law. Poker was illegal as it always had been and the law was enforced.

A constitutional amendment allowing charitable gambling was passed by the voters in 1976, and in 1977 the Legislature passed a bill allowing 4 games: Punch boards, Pull tabs, Raffles & Bingo. The Legislature has approved several additional games since then.

In 1987 the Legislature passed a bill which again allowed Poker. The bill keeps it a small friendly tournament game which may be conducted on not more than two occasions per year. Raises are \$1 each and allows only 3 raises.

In 2001 an amended bill was introduced to raise the wagers and to allow exotic games to be played at any time during the year. The bill passed the House but was defeated in the Senate 6 to 42. A similar bill was introduced in 2003, passed in the House and was defeated in the Senate 0 to 46.

Today we have HB 1461, similar to the 2 previous bills. It allows Poker to be played at anytime during the year and wagers have been increased up to \$25.

This present bill essentially takes us back to the Poker games that took place prior to 1975. The question needs to be asked, why is it now good for the people of the State?

What is happening is that the various Charitable Games are competing with each other for the gambling dollars. As one raises it stakes, the others try to do the same. There are only so many dollars out there. The emphasis becomes a business of getting more dollars, the cause of the Charity becomes secondary.

The Charities have already lost funds to operating expenses of the games. Originally only 33% of income could be kept for expenses. Now up to 53% can be kept for expenses. Again it is more about gambling than about the Charities.

The March 5, 2003 Bismarck Tribune editorial quoted information from the 9th Federal Reserve District in depth study on the effects of gambling in the 9th District. This study showed that we in ND wagered \$900 for every man, woman and child in 2000 vs \$458 ten years prior.

Information from the fiscal year ending 6-30-04 indicated we spent \$429/capita on just Charitable gambling, figures for the Indian Casinos is not available.

I urge a NO vote on HB 1461.

Are there any questions.

**North Dakota Games of Chance
Fiscal Year ended June 30,2004**

Gross proceeds Proceeds	Prizes	Adjusted Gross
\$272,030,980	\$215,424,111	\$56,606,869

	%	\$
Prizes	79.2	215,424,111
Taxes	4.6	12,467,066
Expenses	10.1	27,743,021
Charities	<u>6.1</u>	16,487.171
Total	100	

Charities 29% of adjusted gross

GAMBLING APPROVED SINCE 1977

1977	Punch Boards
	Pull Tabs
	Raffles
	Bingo
	Allowable Expenses – 33%
1979	Sports Pools
1981	Twenty One
1983	Allowable Expenses - 35%
1985	Allowable Expenses - 40%
1987	Allowable Expenses - 45%
	Raffle Wheels
	Horse Racing
	Poker
1989	Calcuttas
	Twenty One bets raised to \$25
	Off Track Betting
	Slot Machines – Casinos
	Allowable Expenses - 50%
2001	Black Jack bets raised to \$25
	Allowable Expenses - up to 53%
2003	Lottery approved
2004	Power Ball
	Hot Lotto
	Wild Card 2
2005	Lottery – 2 or 3 more games in future