



JUDICIARY COMMITTEE

Thursday, August 31, 2023
Roughrider Room, State Capitol
Bismarck, North Dakota

Senator Janne Myrdal, Chairman, called the meeting to order at 9:00 a.m.

Members present: Senators Janne Myrdal, Ryan Braunberger, Judy Estenson, Diane Larson, Bob Paulson, Jonathan Sickler; Representatives Claire Cory, Matt Heilman, Pat D. Heinert, Karen Karls, Jim Kasper, Lawrence R. Klemin, Ben Koppelman, Shannon Roers Jones, Kelby Timmons, Lori VanWinkle

Members absent: Senator Michael Dwyer; Representatives Nico Rios, Bernie Satrom

Others present: See [Appendix A](#)

COMMITTEE RESPONSIBILITIES

Mr. Christopher S. Joseph, Senior Counsel, Legislative Council, presented a memorandum entitled [Supplementary Rules of Operation and Procedure of the North Dakota Legislative Management](#), which was distributed to the committee members and sets forth the interim committee rules.

CHARITABLE GAMING STUDY

Mr. Joseph presented a memorandum entitled [Charitable Gaming - Background Memorandum](#). The memorandum provides the legislative history of Section 6 of Senate Bill No. 2304 (2023), which directed the Legislative Management to study statewide charitable gaming comprehensively. He noted the memorandum includes information on the study guidelines, the state's historical development of charitable gaming, taxation of charitable gaming proceeds, gambling addiction, and gaming-related legislation passed during the 2023 legislative session.

Ms. Deborah McDaniel, Director, State Gaming Commission, Attorney General's office, presented testimony ([Appendix B](#)) regarding charitable gaming throughout the state. She noted:

- A gaming tax is imposed on the total gross proceeds received by a licensed organization in a quarter and the tax must be computed and paid to the Attorney General on a quarterly basis on the tax return.
- Rent for electronic pull tabs increased per device to \$175 for the first five devices and \$75 per additional device with a maximum of 10 devices per site.
- The Gaming Division has encountered an issue with third parties seeking out nonprofits and offering to conduct gaming for the nonprofits, ensuring the nonprofits receive at least the 40 percent of revenue for charitable purposes.

Ms. Lisa K. Vig-Johnson, Director, Gamblers Choice, Department of Health and Human Services, presented testimony ([Appendix C](#)) regarding the economic and societal impacts of gambling addiction in the state and treatment services.

Ms. Melissa Harvey, Gaming Manager, Horace Lions Club, and The Arc, Upper Valley, presented testimony ([Appendix D](#)) regarding the possible addition of new games and existing limitations, restrictions, and oversight, and the civic benefit of charitable gaming to the communities most closely related to the gaming sites.

Mr. Don Santer, Chief Executive Officer, North Dakota Association for the Disabled, presented testimony ([Appendix E](#)) regarding the economic impact of charitable gaming on the state and the civic benefit and public support for charitable gaming.

Ms. Janelle Mitzel, President, Charitable Gaming Association of North Dakota, presented testimony ([Appendix F](#)) regarding the addition of new charitable games and existing limitations, restrictions, and oversight.

Mr. Bryan Nelson, Board Member, North Dakota Hospitality Association, presented testimony ([Appendix G](#)) regarding the hospitality industry's perspective on charitable gaming. He noted:

- The hospitality industry operates in partnership with charitable organizations to host and operate charitable gaming in North Dakota. The charities directly operate the games, while the hospitality industry serves as host locations where the majority of charitable gaming takes place. This arrangement has served the industry well during the decades charitable gaming has existed in the state.
- The authority of cities or other regulatory authorities regarding site authorization should be limited to the authority to deny access to bad actors or those not in good standing.
- The ability for bars and charities to negotiate and voluntarily enter contracts, when both entities proactively agree to work together for mutual benefit, should be preserved. The committee should resist any proposal allowing cities or other regulatory authorities to pick and choose which charities can operate in specific bars.

Mr. Rick Stenseth, Gaming Manager, Northern Prairie Performing Arts and The Team Makers Club Inc., presented testimony ([Appendix H](#)) regarding the economic impact of charitable gaming on the state in urban and rural areas, gaming expansion, and the civic benefit of charitable gaming to the state.

Mr. Scott Meske, North Dakota Gaming Alliance, presented testimony ([Appendix I](#)) and a [video](#) regarding the benefits of and support for charitable gaming in North Dakota.

Mr. Dean Gunderson, Fargo, provided testimony ([Appendix J](#)) regarding gambling addiction and his experience with charitable gaming.

Ms. Gayle Grubow provided testimony ([Appendix K](#)) regarding gambling addiction and how Gamblers Choice helped her recovery.

Ms. Susan Ebele provided testimony ([Appendix L](#)) regarding gambling addiction and charitable gaming devices at bars and restaurants.

MUNICIPAL COURT STUDY

Mr. Joseph presented a memorandum entitled [Municipal Court Services and Procedures - Background Memorandum](#). The memorandum provides the legislative history of Senate Bill No. 2278 (2023), which directed the Legislative Management to study the laws and procedures relating to courts established under North Dakota Century Code Chapter 40-18. He noted the memorandum includes information related to the number of existing municipal courts, jurisdiction and qualifications of a municipal judge, and Supreme Court oversight of municipal courts.

Chief Justice Jon J. Jensen and Ms. Sally Holewa, State Court Administrator, Supreme Court, presented testimony ([Appendix M](#)) regarding the number and geographic location of municipal courts, jurisdiction of the municipal courts, municipal court judge qualifications and training, Supreme Court oversight of municipal courts, and requirements to report information to the Supreme Court on the establishment or abolition of a court and the election, appointment, and removal of municipal court judges and clerks. They noted:

- There are 81 municipal courts, served by 61 municipal court judges and 10 alternate judges.
- 22 municipal judges are law-trained, which means the individual is a law school graduate, regardless of whether the individual currently is licensed to practice law in the state of North Dakota.
- All municipal court judges are required to complete 18 hours of approved continuing education during each 3-year reporting period. To assist the judges in meeting this requirement, the court system offers an annual municipal court conference consisting of 6 hours of continuing education.
- The Conference of State Court Administrators has identified four essential elements to strengthen and protect the delivery of court services in limited jurisdiction courts. The elements include requiring municipal judges be members of the state bar in good standing and requiring a record of all municipal proceedings.

Ms. Stephanie Dassinger Engebretson, Deputy Director, North Dakota League of Cities, presented testimony ([Appendix N](#)) regarding local insight on municipal courts.

Judge William Severin, Municipal Court Judge, presented testimony ([Appendix O](#)) regarding municipal courts from a judge's perspective.

Ms. Rachael M. Hendrickson, Prosecutor, Dunseith's Municipal Court, presented testimony ([Appendix P](#)) regarding the prosecutorial process in municipal court and municipal court challenges and issues. She noted:

- Municipal courts are not eligible for Odyssey and therefore, all files are paper files.
- The municipal judges who are not law-trained may not be able to interpret city ordinances and may not know or understand the rules of criminal procedure and a defendant's rights.

Ms. Taylor D. Olson, President, State Bar Association of North Dakota, presented testimony ([Appendix Q](#)) regarding municipal court procedures. She noted:

- Municipal courts are the cornerstone of the local justice system in municipalities.
- Municipal courts are efficient and effective. They are a vital component of our justice system and are integral in maintaining order, fairness, and accessibility.
- In 2022 the Williston Municipal Court adjudicated 5,357 cases, sometimes hearing as many as 650 cases per month.

REPORTS

The committee received a report ([Appendix R](#)) from the Supreme Court on the status of the program to assist rural counties and municipalities in recruiting attorneys as required by Section 27-02.2-13. The report indicated:

- Only cities with a population of 5,000 or fewer or counties with a population of 16,000 or fewer are eligible to apply for the program.
- There are six eligible attorneys on the program roster and six eligible communities on the community roster.
- As of June 30, 2023, there are two contracts in place and one additional contract pending.
- Costs for the incentive payment are split between the state, the participating community, and the state bar association. As of June 30, 2023, the program has paid \$18,000 in incentive payments. There have been no other direct costs to the program.

Mr. Jason Wahl, Director, Division of Medical Marijuana, Department of Health and Human Services, presented an annual report ([Appendix S](#)) relating to medical marijuana in the state. He noted:

- In November 2016, an initiated measure, known as the "North Dakota Compassionate Care Act," was approved by the voters. In January 2017, the provisions of the North Dakota Compassionate Care Act were suspended through legislation passed by the 65th Legislative Assembly. On April 18, 2017, a new state law became effective requiring the State Department of Health to establish and implement a Medical Marijuana Program allowing for the production and processing, sale and dispensing, and medical use of marijuana.
- State law requires the Department of Health and Human Services to register no more than two manufacturing facilities, unless the department determines additional entities are necessary to increase access to usable marijuana by registered qualifying patients and registered designated caregivers. Two manufacturing facilities received registration certificates in fiscal year 2019.
- The 68th Legislative Assembly made changes to the Medical Marijuana Program. State law was modified to increase from 4,000 milligrams to 6,000 milligrams the amount of tetrahydrocannabinol (THC) permitted to be purchased in a 30-day period for a cannabinoid concentrate or medical cannabinoid product, or the cumulative total of both.
- An online application process is used for registering qualifying patients and designated caregivers. During fiscal year 2023, the number of registered qualifying patients continued to grow. As of June 30, 2021, there were approximately 5,750 registered qualifying patients. As of June 30, 2023, there were over 9,550 registered qualifying patients.

No further business appearing, Chairman Myrdal adjourned the meeting at 4:15 p.m.

Christopher S. Joseph
Senior Counsel

ATTACH:19