

North Dakota Gaming Update



September 2009

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A copy of GAMING UPDATE is provided free of charge to all gaming distributors and organizations, and to the Gaming Commission and Advisory Board members. Please share this newsletter.

Regional Meetings to Discuss Possible Changes to the Administrative Rules

The State Gaming Commission will be conducting four regional state-wide meetings to allow licensed gaming organizations, distributors, and manufacturers the opportunity to share ideas on possible changes to the Games of Chance Administrative Rules. The purpose of amending the administrative rules is to implement law changes passed during the legislative session, clarification of existing rules, address specific industry issues and concerns, and improve accountability. Four locations were selected based on their geographic location in the state to allow as many individuals as possible to share in the development of the new Games of Chance Administrative Rules.

The four regional meetings have been scheduled as follows:

Grand Forks - Monday, September 14, 2009, 10:00 a.m.
Development Homes - Education Center; 3880 South Columbia Road

Fargo - Tuesday, September 15, 2009, 10:00 a.m.
City Commission Room - City Hall; 200 North 3rd Street

Williston - Wednesday, September 23, 2009, 1:00 p.m.
State College Foundation - Conference Room; 501 18th Street East

Bismarck - Thursday, September 24, 2009, 1:00 p.m.
State Capitol, Pioneer Room, Judicial Wing; 600 E. Boulevard Ave.

Licensed gaming organizations, distributors, and manufacturers are encouraged to bring suggested rule change language, in writing, to assist the State Gaming Commission as they develop the new administrative rules for final consideration. *Note: These meetings are not formal public hearings on the proposed rule changes but rather are intended to gather input from gaming organizations, distributors, and manufacturers on possible suggested rule changes.*

Appointments to the Gaming Advisory Board

The two-year terms of the Advisory Board members expired on June 30, 2009. Gaming Commission Chairman James Wang and Attorney General Wayne Stenehjem have appointed several new members to the twenty member board. Every two years, several members are replaced and others are added to provide individuals an opportunity to volunteer their personal services.

Five new individuals were appointed and fifteen individuals were re-appointed to the Advisory Board. Their two-year terms are effective July 1, 2009, through June 30, 2011. The present members of the Advisory Board and their representation are:

Chairperson

- ◆ Kathy Meagher, North Dakota Special Olympics, Grand Forks

Organizations

- ◆ Karen Breiner, Plains Art Museum, Fargo
- ◆ Carol Gefre, Minot Junior Golf Association, Minot
- ◆ Marvin Knutson, * Bison Booster Club, Milnor
- ◆ Traci LaDouceur, North Dakota Assoc. for the Disabled, Grand Forks
- ◆ Ardis Olson, Drayton Curling Club, Drayton
- ◆ Pete Ressler, American Foundation for Wildlife, Bismarck
- ◆ Char Schaefer, Mandan Hockey Club, Mandan

- ◆ Rick Stenseth, Northern Prairie Performing Arts, Fargo
- ◆ Sharon Weber, Grand Forks Blue Line Club, Grand Forks

Legislators

- ◆ Kathy Hawken, State Representative, Fargo
- ◆ William Kretschmar, State Representative, Venturia

Distributors

- ◆ Rollie Beach, Charitable Equipment Inc., Fargo
- ◆ Ken Lien, Lien Games Inc., Fargo
- ◆ Deb Stoltman, * Western Distributing Company, Bismarck

Law Enforcement Official

- ◆ Mike Flannery, * Police Officer, Grand Forks

Other

- ◆ Mylo Einarson, * City Administrator, Grafton
- ◆ Brian Hill, Lessor, Bismarck
- ◆ Terri Leier-Sprenger, City of Fargo Gaming Auditor, Fargo
- ◆ Rudy Martinson, * ND Hospitality Association, Bismarck

* - New Member



Senate Concurrent Resolution No. 4028

The Interim Judiciary Committee will hold its first meeting on Senate Concurrent Resolution No. 4028 on Wednesday, September 16, 2009, in the Roughrider Room of the State Capitol in Bismarck. This concurrent resolution directs Legislative Council to study the charitable gaming laws to determine whether the laws regarding taxation, limitations, enforcement, conduct, and play of charitable gaming are fair, adequate, and appropriate. On May 20, 2009, Legislative Council revised the directive of this study to include pari-mutuel

racing laws as well as the charitable gaming laws.

The Interim Judiciary Committee members include Representatives Griffin (Chairman), Delmore, Gruchalla, Hatlestad, Kilichowski, Kingsbury, Klemin, Koppelman, Kretschmar, Schneider, Wolf, and Zaiser along with Senators Dotzenrod, Lyson, Nething, Olafson, and Schneider. A copy of the Committee's agenda is available on the Legislative Council web page at www.legis.nd.gov/council/interim/meetings/.

Advisory Board Meeting and Joint Meeting with the State Gaming Commission

A joint meeting of the State Gaming Commission and Gaming Advisory Board will be held on Thursday, October 15, 2009, beginning at 1 p.m. in the Peace Garden Room at the State Capitol in Bismarck.

Representatives of the Gaming Advisory Board will be meeting in the morning at 9:00 a.m. in the Peace Garden Room to discuss the draft provisions of the Administrative rules. Chairperson Kathy Meagher will appoint several members of the Advisory Board to express their comments

and concerns at the afternoon joint meeting. All members of the Advisory Board are encouraged to attend the afternoon joint session.

Representatives of all gaming organizations, distributors, and manufacturers are welcome to attend this meeting. If you plan to attend this meeting and need special facilities or assistance related to a disability, please contact the Gaming Division of the Office of Attorney General at least three (3) days before the meeting at 701-328-4848 or 1-800-326-9240.

New Manufacturer

One additional manufacturer of pull tab tickets became licensed in the State of North Dakota during June 2009. This manufacturer was:

World Wide Press, Inc.

PO Box 2589

Great Falls, MT 59405

406-727-4144



Licensed Gaming Organizations

Based on the most recent Licensed Gaming Organization list on the Office of Attorney General's web page, currently a total of 311 organizations have been licensed to conduct games of chance for the fiscal year ending June 30, 2010. A breakdown of these by type of organization is as follows:

Charitable	17
Civic and Service.....	28
Educational.....	3
Fraternal.....	29
Public Safety.....	44
Public Spirited	123
Religious.....	3
Veterans	64
Total Organizations	311

State Gaming Commission Meeting – June 18th

A meeting of the State Gaming Commission was held on June 18, 2009. In addition to receiving an overview of recent legislative law changes, the State Gaming Commission discussed the process for promulgating new administrative rules. The State Gaming Commission voted to assign Commissioner Blake Krabseth as the primary contact person on the proposed rule changes. In addition to organizations attending one of four regional meetings to discuss possible administrative rule changes (see article on page 1), organizations may contact Commissioner Blake Krabseth at magic@blakekrabseth.com or by mail at 1401 35th Ave SW, Minot, ND 58701-8425.

New Gaming Tax Return Booklets Mailed

All licensed organizations will be receiving their new tax return booklets, including the forms and instructions for preparing the gaming tax returns for each of the four quarters for the fiscal year July 1, 2009 through June 30, 2010.

If your organization does not receive its tax return booklet, if you have any questions regarding preparation of the forms, or if you need additional forms, please contact our office at 1-800-326-9240 or 328-4848 (local). Additional paper forms, or if you choose to prepare the forms with our auto calculating tax returns, are available on our office's web page at www.ag.nd.gov.



On-Line Renewal of State Gaming Licenses

During the most recent license renewal process, 129 licensed gaming organizations took advantage of receiving their state gaming license renewal forms via e-mail. This represented a 14% increase over last year when 113 gaming organizations participated.

Any organization that would like to consider renewing its gaming license via e-mail rather than by mail in the future should complete the enclosed **Gaming Organization E-Mail Contact** form (SFN 54481) and return it to our office.

If you have any questions regarding the renewal of a state gaming license, please contact Missy Tesky in the Licensing Section at (701) 328-3539.

Gaming Site License List

The Office of Attorney General maintains and periodically updates a Gaming Site License List on its office's web page under the title "License Holders" which can be accessed through both Gaming and Licensing. Based on the most recent Gaming Site License List, the 311 licensed gaming organizations currently conduct charitable gaming at 790 sites in 522 licensed jurisdictions.

On-Line Tax Return Forms Updated

The revised Long Form and Short Form Gaming Tax Returns and the "Auto-Calculating" Gaming Tax Returns have been updated on the Office of Attorney General's web page at www.ag.nd.gov to accommodate the new reduced Pull Tab Excise Tax of 3% from the previous rate of 4½% on gross proceeds at retail to the final users. If you have any questions regarding the on-line Gaming Tax Returns, please contact Deb McDaniel at 328-4848 (local) or 1-800-326-9240.



Quarter Analysis of Gaming Activity

The amount of money wagered on charitable games of chance for the quarter ended March 31, 2009, was down by -3.8% percent or (\$2,614,334) when compared to March 31, 2008. The largest decreases were in pull tabs (\$2,224,759) or -9.4%, twenty-one (\$991,721) or -5.0%, and bingo (\$475,621) or -5.6%. Game types with increases in gross wagers included pull tab dispensing devices and poker which increased \$915,986 or 6.7% and \$110,282 or 23.1%, respectively.

Quarter Ended March 31, 2009

	Gross Proceeds	Prizes	Adjusted Gross Proceeds
Bingo	\$7,994,546	\$6,230,487	\$1,764,059
Raffles	1,925,468	832,845	1,092,623
Pull Tabs	21,369,452	16,842,232	4,527,220
Pull Tabs - Dispensing Devices	13,756,013	10,636,930	3,119,083
Club Specials, Tip, Seal & Prize Boards	256,073	180,518	75,555
Punch Boards	2,432	1,015	1,417
Sports Pools	48,227	40,059	8,168
Twenty-One	18,848,991	15,938,964	2,910,027
Calcuttas	44,250	35,851	8,399
Paddlewheels	37,900	20,055	17,845
Paddlewheels – with Table	1,388,554	1,058,138	330,416
Poker	477,790	385,175	92,615
Other (Cash Long/Interest)	15,695	0	15,695
Totals:	\$66,165,391	\$52,202,269	\$13,963,122
Less:			
ND Excise Tax			\$1,524,716
Federal Excise Tax			23,620
ND Bingo Excise Tax			232,640
Total Adjusted Gross Proceeds			\$12,182,146
Less:			
Gaming Tax			\$808,814
Total Allowed Expenses			<u>6,996,238</u>
Total Deductible Expenses			\$7,805,052
			Net Proceeds Earned
			\$4,377,094
			Eligible Use Contributions
			\$4,630,977



Top 20 Organizations

Quarter Ended March 31, 2009

Name	Active Sites	Gross Proceeds	Prizes	Adjusted Gross Proceeds
ND Association for the Disabled, Grand Forks	8	\$5,474,417	\$4,315,562	\$1,158,855
Prairie Public Broadcasting, Inc., Fargo	14	3,960,649	3,142,839	817,810
Plains Art Museum, Fargo	3	3,267,097	2,667,714	599,383
Grand Forks Blue Line Club, Inc., Grand Forks	3	2,129,410	1,678,455	450,955
Minot Junior Golf Association, Inc., Minot	9	2,110,321	1,743,757	366,564
Development Homes, Inc., Grand Forks	9	1,872,799	1,559,948	312,851
Bismarck-Mandan CVB, Bismarck	6	1,549,450	1,254,437	295,013
American Foundation for Wildlife, Bismarck	25	1,331,503	1,043,807	287,696
Knights of Columbus Council, Jamestown	14	1,248,877	970,489	278,388
Listen Inc., Grand Forks	10	1,397,856	1,119,551	278,305
Minot Hockey Boosters, Inc., Minot	17	1,725,222	1,451,775	273,447
Williston State College FND, Williston	10	1,261,886	991,249	270,637
Fort Abraham Lincoln Foundation, Mandan	16	1,461,543	1,197,121	264,422
West Fargo Hockey Assn., Inc., West Fargo	7	1,388,525	1,126,739	261,786
Dickinson Youth Activities, Dickinson	5	1,107,760	884,590	223,170
Northern Prairie Performing Arts, Fargo	7	1,163,062	945,453	217,609
Cystic Fibrosis Assn. of ND, Bismarck	9	919,672	726,696	192,976
Red River Human Services FND, Fargo	5	1,116,283	923,365	192,918
Williston Convention & Visitors Bureau, Williston	6	977,036	790,082	186,954
Devils Lake Volunteer Fire Department, Devils Lake	1	283,500	120,839	162,661
TOTALS	184	\$35,746,868	\$28,654,468	\$7,092,400

Note: The organizations are listed in descending order by Adjusted Gross Proceeds prior to adjustments for Cash Long (+), Interest (+), Gaming Excise Tax (-), and Bingo Excise Tax (-).



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Gaming Division
600 East Boulevard Avenue
Dept 125
Bismarck, ND 58505-0040

www.ag.nd.gov

Official Mail
State of North Dakota
Return Service Requested

Employee Acknowledgment Form

An updated **Employee Acknowledgment** form is enclosed and also can be obtained through this office's web page at www.ag.nd.gov. Based on the law changes that took effect on either July 1 or August 1, 2009, which were highlighted in the June 2009 edition of the Gaming Update newsletter, a new Employee Acknowledgement form is *not* required to be completed by current employees to comply with subsection 2 of North Dakota Administrative Code 99-01.3-02-10 (Training and acknowledgement of the gaming law and rules).

Although a new Employee Acknowledgement form is not required by the rules, it may be a good opportunity for gaming managers, shift managers, and bookkeepers to review the changes in the Games of Chance Law to understand the effects of changes made during the 2009 legislative session.