

2009 HOUSE JUDICIARY

HB 1194

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1194

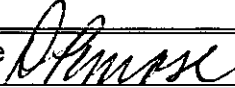
House Judiciary Committee

☐ Check here for Conference Committee

Hearing Date: 1/19/09

Recorder Job Number: 7204

Committee Clerk Signature



Minutes:

Chairman DeKrey: We will open the hearing on HB 1194.

Keith Lauer, Director of the Gaming Division, AG's Office: We are neutral on this matter.
(attachment).

Chairman DeKrey: I've sat on Natural Resources where we've passed every one of these, and it's never been a problem. What are we fixing here. Are we basically just clarifying it so that there isn't a problem if somebody would challenge it.

Keith Lauer: It came from the fact that we did deny the Mule Deer Foundation a license in November of last year. They are out of Salt Lake City, UT. They do not have a principal executive office in North Dakota. In another section of the law does say that an organization does have to have its banking and accounting records in North Dakota. We're addressing a couple of organizations.

Rep. Kretschmar: Was Ducks Unlimited in this, you said that they were exempt.

Keith Lauer: I don't think that Ducks Unlimited would be affected at all in this particular one, but Rocky Mountain Elk Foundation would. I don't know if we have a fiscal impact on this bill. We figured that this would amount to about \$6,000. Currently Rocky Mtn. Elk Foundation does get its state license. If the local permit is unlimited under this bill, they could get a local permit

and would no longer be tied to that \$12,000 limit, so approx. \$2800.00 in taxes would no longer be paid by that organization from the licensing fee, about a \$6,000 impact. I don't think Ducks Unlimited would be affected at all by this particular bill. They can still get a license. They aren't listed in the chapter regarding the Governor's proclamation.

Rep. Klemin: This language, domiciled in ND, was added in 1997. Now we're saying that we would add to that, or authorize a foreign corporation, would basically mean that you don't have to be domiciled in ND. What would be the difference if we just took out the domiciled in ND language.

Keith Lauer: Probably nothing. That would probably open it up.

Rep. Klemin: Why was that added in 1997.

Keith Lauer: I think it goes back to another part of the Century Code for charitable gaming that said you had your bank and accounting records in ND. I think the intent, at that point in time, if we have these national organizations that they not have a principal office in ND, you may have some problems keeping those records in ND. I can only speculate on it at this point.

Rep. Klemin: If we add this new language here, they would still have to keep their accounting records in ND.

Keith Lauer: They certainly do.

Chairman DeKrey: Thank you. Further testimony in support. The Attorney General's office was neutral.

Brandon Mason, Regional Director for Northern Great Plains Region of Mule Deer Foundation: Support (attachments).

Rep. Delmore: How many organizations might be affected if we open it up outside of ND.

Brandon Mason: It is my understanding in going through this whole process, an organization that is not domiciled in the state, has to fill out the foreign corporation form, there are only a

handful of us, to my understanding, will be affected by this. It won't affect bingo parlors, etc. that do gaming all the time. It's basically meant to help groups like us that have truly done a good job in the state, and putting money back on the ground in the state.

Rep. Delmore: On page 2 of your testimony, when you say, in some instances many of us are required. Why not all organizations be affected.

Brandon Mason: Because there have been few organizations that have been allowed by Governor's proclamation to have a fundraising permit, for example we have a Mule Deer statewide conservation license. When we raise money with that license, we have to file a report saying we can only spend 10% promoting this and we have to show what we raised, what we spent on raising that money and showing where it goes.

Rep. Klemin: I'm wondering about the change on page 2 of the bill. First of all, I note that title 20.1, that's the whole title that deals with everything related to hunting and fishing, etc.

Actually chapter 20.1-08 deals with the Governor's proclamations on these raffles. As I understand it, in looking at section 04.8 in that chapter, and it specifically references the mule deer foundation as being able to conduct a raffle to raffle off a license. Would this give the mule deer foundation the ability to raffle off other things, as well as the license itself.

Brandon Mason: It is my understanding of the way that we approached the bill, that under the section you are referring to, is a two part thing. One, the first page refers to the foreign corporation report that needs to be filled out and on page 2, the portion that you are referring to, deals with groups like us that have a fundraising permit. So the combination of those two laws, it would allow us to go through the changes, it will allow us to up the amount of fundraising plus have the banquets and keep more money in the state.

Rep. Klemin: That being the case, we're actually an out-of-state organization that's authorized to do these licensed raffles quite a bit more leeway in the amount of prizes than we

give to other ND organizations. They would still be subject to all these limits, but an out-of-state organization like you wouldn't be. Is that right.

Brandon Mason: Like I said, part of the problem with some of our gaming laws is that there are so many different organizations and the law is too complex that this umbrella makes it very difficult for each group to comply with all the different rules that don't really affect them, and to address your question, I guess on the surface it looks like it is giving us free range in the state; but the purpose of us not having a chance to get a state gaming license, with this potential change would be because we are already filling out a couple of different reports that are already holding us in check to make sure that we aren't spending money that is raised through fundraising events in ND frivolously. I know some organizations in the past came in and took the money and ran. Through years and years of being here, and the good things we have accomplished, shows what kind of organization that we are. We are exempt, it's to make sure that we can continue, and groups like us can continue to do these things.

Rep. Klemin: You haven't quite convinced me yet as to why we should allow an organization like yourself to do something that we do not allow ND public servant minded organizations to do. Why should we allow you to do that, when we don't allow ND organizations to do it.

Brandon Mason: One of the reasons we are approaching this in this manner, is because most other organizations don't have to file that foreign corporation report with the Secretary of State. There are only a handful of them that have to do that. So since we are the "new kid on the block" as far as getting a state gaming license, we have operated under local permits because we've never been large enough as an organization in the state ND, to need a state gaming license. Now we've grown to the point where we need it, and we are denied because we are not domiciled in ND. That seems somewhat counterproductive to a group that is doing a large amount of good in the state and made up of ND sportsmen and ND residents. I know

and appreciate ND's concern to protect its citizens, with all the different gaming organizations that are around. We already fill out a couple of these other reports that the other organizations don't need to.

Rep. Klemin: You're argument mainly relates to the change on page 1, the foreign corporations, but the question is really related to the maximum prize limit, for an ND organization but not having a maximum number for you. Why should we do that.

Brandon Mason: I don't know how to answer that. Even though our national office is in Salt Lake City, my regional office is in Bismarck and we have several chapters in the state, where we are putting a lot of good things to use in the state. That was our main concern when we were bringing this up. We want to continue to do good things in the state of ND, and yes we're addressing the domicile part, but the \$12,000 limit is the question you have, is that the reason why we need that because as big as we have gotten with our four chapters in the state of ND, we can no longer continue to grow. In fact in 2009, with the growth we've experienced in 2008, we have to actually downsize our fundraising events to stay under that \$12,000 limit. When you have ND sportsmen coming to our events expecting a certain thing, expecting all of the things that we do to continue in the state, not just from gaming, but from the projects that we do, it inhibits us greatly by not giving us the latitude that we need to grow because we aren't eligible for a state gaming license.

Rep. Koppelman: The question about the prize limit has to do with local gaming permits. I think we are confused about is that all organizations are limited by the \$12,000 limit and you want to be able to go above that limit.

Brandon Mason: Under a ND state gaming license, you are not limited to \$12,000 limit. We are not eligible for a state gaming license, therefore we have to stay under the \$12,000 local permit level.

Rep. Koppelman: Other organizations like yours, that do similar things, who are domiciled in ND don't have that condition.

Brandon Mason: Yes.

Rep. Kretschmar: Does your organization put out just one event in ND or do you have a series of dinners, etc.

Brandon Mason: We have four chapters in the state, and we have a fundraising banquet/ dinner option type event at each location, as well as we have 100% proceeds stay in ND and a large percentage of funds from the banquets also have to be used in the state of ND, by the chapter's discretion. A lot of the money stays locally. Some of the money is pooled together with national funds to participate in the Elkhorn Ranch acquisition from the Ebert family. We gave \$10,000 towards that, we partnered with that effort. There's a merit to each project we do. We give our chapters the latitude to participate in events, they are included in the national organization but they have many local activities going on.

Rep. Klemin: Does it say in statute that the money has to stay in North Dakota; that the money raised in ND is used in ND. Is there anything in the statutes that says it has to stay in ND. For instance, in your discretion, you could decide 90% of Utah.

Brandon Mason: In answer to your question, 100% of the net proceeds have to be used by ND law, and by Mule Deer Foundation bylaws. They have to be used in the state in ND. ND doesn't have any regulations at the state level on the Mule Deer Foundation that says you have to use a % of these. We, as an organization, do have that in our bylaws.

Chairman DeKrey: Thank you. Further testimony in support.

Rod Gilmore, Regional Director, Rocky Mountain Elk Foundation: We support the Mule Deer Foundation in bringing this bill forth, even though we are competing for some of the same dollars in the same communities. Getting back to the question that Rep. Klemin asked

regarding why the Mule Deer Foundation should be allowed to do something that the other organizations that are state based aren't. I believe those other organizations do have the same ability. If they are going to bump up against the \$12,000 prize limit, they can turn around and get a state gaming license; whereas the Mule Deer Foundation cannot get a state gaming license because they weren't domiciled in the state of ND. Our organization, the Rocky Mountain Elk Foundation, we started our first chapter in the late 1980's. We were grandfathered in when some of the changes were made.

Chairman DeKrey: Thank you. Further testimony in support.

Steve Zarr, Chairman of West Dakota Chapter MDF: Support (attached).

Chairman DeKrey: Thank you. Further testimony in support.

Ryan Krapp, Chairman, MDF: Support.

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

Todd Kranda, Charitable Gaming Association of ND (CGAND) lobbyist: Opposed (attachment of Karen Breiner, President of CGAND).

Rep. Koppelman: In the testimony it says the concern is that if the bill were to pass, foreign corporations would be taking vital gaming dollars. My understanding is that these are individual license, for raffles, etc. and that local charities do not bump against this dollar limit because ND organizations can already exceed that limit. So we're talking about not how a local gaming site competing with an out-of-state entity as I see it, but rather a statewide organization, whether or not they ought to be on the same level.

Todd Kranda: We're concerned about both, the fact that there is a local entity that is not on the same level in section 2, why treat them differently, why do that. I guess section 1 seems like they are already going to be on the broader perspective. We're not against the Mule Deer Foundation, nor are we against the Rocky Mtn. Elk. They are great organizations, good to

support. When we looked at this and talked about chapter 10-33, which is nonprofits and if you're not requiring them to be domiciled in ND, I guess it raises some concerns to our entity, CGAND.

Chairman DeKrey: Thank you. Further testimony in opposition.

Warren DeKrey, Chairman of ND Council on Gambling Problems: Opposed. There are some things that seem to come up almost every session. The organizations are asking for longer playing time, increased number of times to be played, increased wagers, larger prizes, reduced taxes, national leagues, and this is the type of thing that we are looking at, as I understand the bill. Back in 1977 we had four charitable gambling groups. Now we have more than 12, in about 365 locations in the state. In the lottery, we had one game, now there are four games. Allowable expenses have been raised five different times from 33% to 53% and wagers up to \$25. This is what has happened. We have wanted a little bit and a little bit there, this is an expansion of gambling that we are seeing happening all along. I'm speaking in reference to 1194, the foreign non-profit organizations and the unlimited prizes are two things that have been talked about. These are definitely increases in gambling. I am opposed and ask that you vote a Do Not Pass on this bill.

Chairman DeKrey: Thank you. Further testimony in opposition. We will close the hearing.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1194

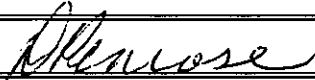
House Judiciary Committee

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Hearing Date: 1/19/09

Recorder Job Number: 7229

Committee Clerk Signature



Minutes:

Chairman DeKrey: I will appoint a subcommittee to look into this issue and bring us a report. The subcommittee will consist of Rep. Klemin as chairman, Rep. Boehning, Rep. Griffin. I don't know where the subcommittee is going to head, these bills were passed in Natural Resources during the past three or four sessions, and each one of these groups went through natural resources and were granted the ability to sell these raffle tickets for Habitat, etc. I don't think there is anything new here, I think what is new is that the AG's office took a look, and found out that they had some problems with the law with the way it is written. That is what you need to take a look at, to see if we can keep those organizations viable, because they are very popular organizations in the state. We want to keep them viable and keep them in compliance without expanding gambling too greatly.

(meeting was closed)

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1194

House Judiciary Committee

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Hearing Date: 1/27/09

Recorder Job Number: 7933

Committee Clerk Signature

Penrose

Minutes:

Ch. DeKrey: We will take a look at HB 1194. What are the committee's wishes.

Rep. Klemin: I have an amendment (explained the amendment). Rep. Keiser says the amendment was acceptable to him also. I move the amendment.

Rep. Boehning: Second.

Chairman DeKrey: Discussion. Voice vote. Motion carried. We now have the bill before us as amended.

Rep. Delmore: I move a Do Pass as amended.

Rep. Klemin: Second.

12 YES 0 NO 1 ABSENT

DO PASS AS AMENDED

CARRIER: Rep. Klemin

FISCAL NOTE
Requested by Legislative Council
01/29/2009

Amendment to: HB 1194

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$0		\$0	
Expenditures						
Appropriations						

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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

This bill exempts big game raffle prizes from the the primary raffle prize limit of \$2,500 and total prizes limit of \$12,000 per year.

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

The amendment removes the reference to maximum prizes amounts not applying to local permits "by organizations authorized" to conduct raffles under title 20.1 or chapter 20.1-08 (Governor's Proclamations). By removing this reference "by organizations authorized" the new language effectively does not change the existing law because animal hunts granted by Governor's Proclamation have never been authorized by local permits but were conducted under guidelines established by the Director of the Game and Fish Department. If these organizations conduct additional raffles beyond the animal hunts granted by Governor's Proclamation they will require a state gaming license if the prizes exceed \$12,000.

The new fiscal revenue impact will range from no decrease in general fund revenues to an increase in gaming taxes and licensing fees collected. This office is unable to predict the number of foreign corporations which may apply for a state gaming license.

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 new fiscal revenue impact will range from no decrease in general fund revenues to an increase in gaming taxes and licensing fees collected. This office is unable to predict the number of foreign corporations which may apply for a state gaming license.

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, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a*

continuing appropriation.

N/A

Name:	Kathy Roll	Agency:	Office of Attorney General
Phone Number:	328-3622	Date Prepared:	01/29/2009

FISCAL NOTE
Requested by Legislative Council
01/26/2009

Bill/Resolution No.: HB 1194

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			(\$5,868)		(\$5,868)	
Expenditures						
Appropriations						

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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

This bill exempts big game raffle prizes from the the primary raffle prize limit of \$2,500 and total prizes limit of \$12,000 per year.

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

Section 2 of this bill would allow one organization (Rocky Mountain Elk Foundation), which is currently licensed by the Office of Attorney General, to conduct gaming under a local permit with unlimited prizes.

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.*

General fund revenues will be reduced by \$5,868 for the 2009-11 biennium which represents \$5,568 in lost gaming tax revenue and \$300 in lost license fees for the two years.

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, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

N/A

Name:	Kathy Roll	Agency:	Office of Attorney General
Phone Number:	328-3622	Date Prepared:	01/28/2009

VK
1/27/0

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1194

Page 2, line 8, remove "by organizations authorized"

Page 2, line 9, replace "title 20.1" with "chapter 20.1-08"

Renumber accordingly

Date: 1/27/09
Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1194

HOUSE JUDICIARY COMMITTEE

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ☐ DP ☐ DNP ☒ DP AS AMEND ☐ DNP AS AMEND

Motion Made By Rep. Delmore Seconded By Rep. Klemin

Representatives	Yes	No	Representatives	Yes	No
Ch. DeKrey	✓		Rep. Delmore	✓	
Rep. Klemin	✓		Rep. Griffin	✓	
Rep. Boehning	✓		Rep. Vig		
Rep. Dahl	✓		Rep. Wolf	✓	
Rep. Hatlestad	✓		Rep. Zaiser	✓	
Rep. Kingsbury	✓				
Rep. Koppelman	✓				
Rep. Kretschmar	✓				

Total (Yes) 12 No 0

Absent 1

Floor Carrier: Rep. Klemin

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

REPORT OF STANDING COMMITTEE

HB 1194: Judiciary Committee (Rep. DeKrey, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1194 was placed on the Sixth order on the calendar.

Page 2, line 8, remove "by organizations authorized"

Page 2, line 9, replace "title 20.1" with "chapter 20.1-08"

Renumber accordingly

2009 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1194

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1194

Senate Industry, Business, and Labor Committee

☐ Check here for Conference Committee

Hearing Date: March 9, 2009

Recorder Job Number: 10452

Committee Clerk Signature

Minutes:

Troy Schuchard

Chairman Klein: Opened the hearing on HB 1194, all members present.

Brandon Mason: Regional Director for the Northern Great Plains Region of the Mule Deer Foundation (MDF) introduced and testified in support of HB 1194. (See attachment #1)

Senator Andrist: Do you raise funds in other ways than gambling?

Brandon Mason: We have raffles and we also have silent and live auctions. We are a fundraising based organization so it is all private donations and fundraising dollars, which is how we function, both in North Dakota and nationally.

Senator Potter: Why are Mule Deer on the decline?

Brandon Mason: The reasons are multi-probe, mule deer are native to North America and most native species can handle one outside influence. However, when you have energy development, urbanization, habitat degradation for various reasons, drought conditions, ECT...pretty soon these add up and affects the species as a whole. Of course there are places in the West that mule deer are doing well, but there are alarming trends in certain states that are going down.

Senator Potter: Can you simply run this through a local charity?

Brandon Mason: We do and up to this point we have had to have permits, but to have the permit you must follow the FMV \$12K law. Different organizations are classified differently.

Senator Potter: That confuses me. Not your answer but the law because I ran a March of Dimes Chapter and yet we conducted gaming for our local Chapter and all was fine.

Senator Horne: How would this bill help you should this bill pass?

Brandon Mason: The way North Dakota law is written you can conduct charitable gaming under a local permit from either a city or a county or the local gaming authority in that area. Under the local permit you have to keep the fair market value (FMV) of your prizes below \$12K and each individual prize has to be under \$2500. Mostly we deal in all types of raffles. They call it charitable gaming, but they are basically raffle tickets.

Senator Horne: If this were to pass, your organization would be considered a foreign corporation so as to qualify for a state gaming license which would give you the ability to go beyond the \$12K mark for prizes awarded by your corporation. Is that correct?

Brandon Mason: That is correct.

Senator Wanzek: How often does your organization put on such raffles?

Brandon Mason: We have four chapters in the state, so as a rule we would have 4/year.

Senator Wanzek: In some of those raffles, you have bumped up against the \$12K mark?

Brandon Mason: That is correct. And because we are not domiciled in the state of North Dakota I have instructed my chapter leaders to downsize. I just came from the Minot banquet on Saturday and they had to downsize substantially which hurt them quite a bit.

Senator Andrist: What specifically is 20.108 with regards to charitable organizations?

Brandon Mason: There are a handful of organizations that have gone to the Legislature and requested a fund raising permit so we can raffle off something. The condition is that 100% of the moneys have to be used in the state. We have to justify every year what we spent on

gaming to the Game and Fish Dept. All the other Non-profit gaming organizations have been grand-fathered in, that is why we are seeking to change the law.

Senator Horne: Which foreign charitable corporations could take advantage of this should the bill pass?

Brandon Mason: Some that already do exist are the Rocky Mountain Elk Foundation, Pheasants Forever, Ducks Unlimited, the Wild Turkey Federation, Delk Water Fowl, and some that are not in the state Whitetails Unlimited, Moose Foundation, Quail Unlimited, there is one from every species I would imagine.

Senator Horne: Do these already have the foreign corporation permit to conduct raffles within the state?

Brandon Mason: It would depend on how they are classified by the Attorney General's Office; if they were deemed closely related to their parent organization then the parent organization and its headquarters office must be in North Dakota. Organizations that are deemed 'not closely related' can register as a foreign corporation.

Senator Horne: You're not suggesting a new idea?

Brandon Mason: Not in this instance no.

Senator Potter: Does any of your money collected in the raffles go to Salt Lake City as opposed to being used here in North Dakota?

Brandon Mason: Some of it does. We are kind of a hybrid in this because some stays local and some goes national.

George Keiser: Representative District 47, testified in support of HB 1194.

Senator Andrist: You claim that their auctions are inhibited by State Law and I am not aware that an auction would be part of the gaming operations. You say they are limited to the amount of money they can collect.

George Keiser: Maybe technically you are right. I know one thing they are concerned about is superseding raffle fund raisers.

Senator Potter: The limitation is not on the amount you can collect, it is on the value of the prize. Your point is well taken because the value of the prize now becomes what somebody is willing to pay for it. Isn't it easier for the organization to bend its charter to fit our state laws rather than us change state laws to fit their corporation?

George Keiser: I am not qualified to answer that. You would have to go to these individual organizations and ask them specifically how easy that may be to do. I don't know. These corporations have chosen to structure according to the current system.

Keith Lauer: Director of Gaming Division at the Attorney General's Office testified neutral to explain and define questions regarding gaming.

Senator Potter: This would authorize foreign corporations to be involved in blackjack, pull tabs, Bingo, and the entire gambit?

Keith Lauer: That is correct; they could do any of the legal game types that are authorized in the state.

Senator Potter: Is it the fact that they co-mingle their money that North Dakota Gaming Commission a problem?

Keith Lauer: Correct. The North Dakota Gaming Commission in 1997 addressed this issue to avoid a corporation coming into the state, conducting gaming, and then taking all the money out of state.

Senator Potter: Is there a problem with what I suggested that my organization, The Fort Abraham Lincoln Foundation provide the raffle services to Brandon and his organization?

Keith Lauer: You could do that and they would be at your mercy. If you decided at the end that you didn't want to give the money to them after you ran the raffle, they would be out of luck because your board decides how money raised in your auctions is going to be spent.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1194

Senate Industry, Business and Labor Committee

☐ Check here for Conference Committee

Hearing Date: March 9, 2009

Recorder Job Number: 10499

Committee Clerk Signature



Minutes:

Chairman Klein: Let's go to 1194. We had quite a bit of discussion. Senator Andrist?

Senator Andrist: I wish them well but I can't support the bill.

Senator Potter: I can't support the expansion to foreign corporations. It worries me I don't know

how big a thing that is. To do it in the same day I heard about it, it seems to be too big a step.

There has to be a way to help these guys. I want to help them. What I've seen several times is people look at a problem and they think the legislature has to solve it. I think their corporation has to fix this by giving some independence to the local group.

Discussion continued on the bill and whether it is necessary to expand it to a few more organizations and the problems that may be involved with that. Some feelings were that they were penalizing this one organization because it was not grandfathered in. They also discussed adding an amendment to the bill.

Chairman Klein: We will hold on to this for now.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1194

Senate Industry, Business and Labor Committee

☐ Check here for Conference Committee

Hearing Date: March 10, 2009

Recorder Job Number: 10633

Committee Clerk Signature

Eva Lubelt

Minutes:

Chairman Klein: We will look at 1194. It deals with the mule deer license.

Senator Wanzek: My understanding there were concerns with section one. I visited with a few different people and we discussed the possibility of defining and narrowing the corporation.

We could narrow it down to three, Mule deer, Elk and Moose. It would not allow any other foreign corporation to seek a state permit or license. The amendment before you would narrow it down to the one's there.

Discussion on the amendment and it will make a difference at protecting our state from others foreign companies will not be only raffles but also conduct all forms of gaming in North Dakota because you made them an eligible organization. Suggestions were made on changes on the amendment.

Senator Horne: What organizations are allowed?

Senator Wanzek: Sheep, Moose, Rocky Mountain Elk and Mule deer. The reason for these amendments is because there was a concern and I asked Keith would this allow any foreign corporation to seek a gaming state license. If they met the primary purpose in the state and provided educational type premise. That certainly any foreign corporation could meet the obligation and it would make it wide open. These amendments narrow it down to just those

four. There was a concern about what it might lead to in the future. That could be for another legislation.

Senator Potter: Is it your intention just to allow them to hold the raffle?

Senator Andrist: That would be my intention. We could hold it over.

Chairman Klein: We will hold it over and make sure that issue is addressed.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1194

Senate Industry, Business and Labor Committee

☐ Check here for Conference Committee

Hearing Date: March 11, 2009

Recorder Job Number: 10720

Committee Clerk Signature

Eva Liebelt

Minutes:

Chairman Klein: Senator Wanzek.

Senator Wanzek: I think this is going to narrow down the field for the one's that can get a gaming license. (Passed out Amendment).

Senator Wanzek: Motioned for a do pass on the amendment.

Senator Potter: Seconded.

Roll Call Vote: 7-0

Senator Wanzek: Motioned a do pass as amended.

Senator Horne: Seconded.

Row Call Vote: 7-0

Senator Wanzek: To carry the Bill.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1194

Page 1, line 13, after the period insert "For purposes of this section, a foreign corporation authorized under chapter 1033 is not an eligible organization unless authorized to conduct a raffle under chapter 20.1-08."

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1194

Page 1, line 15, after the period insert "For purposes of this section, a foreign corporation authorized under chapter 10-33 is not an eligible organization unless authorized to conduct a raffle under chapter 20.1-08 and may not conduct a game other than a raffle under chapter 20.1-08."

Renumber accordingly

Date: 3/11/09
Roll Call Vote #: 1

Senate

Industry, Business and Labor

Legislative Council Amendment Number _____

Motion Made By Senator Wanzek Seconded By Senator Potter

[illegible]

Total (Yes) 7 No 0

Absent

Floor Assignment

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

Date: 3/11/09

Roll Call Vote #: 2

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1194

Senate

Committee

Industry, Business and Labor

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken

 Pass

☐ **Do Not Pass**

☐ **Amended**

Motion Made By Senator Wanzel Seconded By Senator Horne

[illegible]

Total (Yes) 5 No 2

Absent 0

Floor Assignment Senator Wanzek

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

REPORT OF STANDING COMMITTEE

HB 1194, as engrossed: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1194 was placed on the Sixth order on the calendar.

Page 1, line 15, after the period insert "For purposes of this section, a foreign corporation authorized under chapter 10-33 is not an eligible organization unless authorized to conduct a raffle under chapter 20.1-08 and may not conduct a game other than a raffle under chapter 20.1-08."

Renumber accordingly

2009 HOUSE JUDICIARY

CONFERENCE COMMITTEE

HB 1194

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1194

House Judiciary Committee

☒ Check here for Conference Committee

Hearing Date: 4/15/09

Recorder Job Number: 11885

Committee Clerk Signature



Minutes:

Rep. Kretschmar: Call conference committee for HB 1194 to order.

Attendance: All present.

Rep. Kretschmar: We will begin by having the Senate explain the amendments and their rationale.

Sen. Wanzek: The amendments were an effort to narrow the bill down and only referencing those foreign corporations who were referenced in the Governor's proclamation and the committee members in Senate IBL were concerned about making sure that it was only for the purpose of adopting and not that they were expanding into other gaming. Also there was some concern expressed that it wouldn't get passed in the Senate if we didn't narrow the bill down, making it specific.

Rep. Kretschmar: It doesn't affect domestic corporations at all.

Sen. Wanzek: Correct.

Rep. Porter: The concerns that are being brought up are that when it's limited to the inside of the Proclamation of ND Game & Fish; that's not anything that shows up in the law. They don't have to go to administrative rules committee; they write a proclamation and it's the law for that hunting season. The references inside of that chapter are for special tags that we've given out

to various groups as a fundraiser. The Mule Deer Foundation is the organization that this bill was brought forward for in the first place. A couple legislative sessions ago, we put that group in there to give away 1 mule deer tag per year as a fundraiser. The Wardens Association has a big horn sheep or a moose that they draw for. We have the one that goes to Minnesota as a raffle. The purpose of this bill was to bring back into place the void that was created when we changed the law and grandfathered in several organizations such as Ducks Unlimited, Rocky Mountain Elk Foundation, Pheasants Forever; all of those other groups that have these little banquets and fundraisers. They aren't just doing raffles at these. They are doing silent auctions, general auctions, and other permitted games of chance through the AG's office under permits that they are allowed to do. What happens at this time is that the Mule Deer Foundation has banquets in ND. One of them is at the AMVETS Club in Bismarck. But they are limited or restricted in their ability to raise money for their organization more so than Pheasants Forever, who may have their banquet the week before, because they were grandfathered in. The purpose of the legislation was not to open up the law to the way it was prior to the change, but was to allow those groups that were hurt, that weren't in the state or formed yet, to raise funds the same way that the grandfathered groups get to raise funds. The groups like Pheasants Forever, they spend all of their money in ND. Ducks Unlimited spends all of their money across the country, including Canada, on their projects. They still get to raise money in a way that is different from this group. Rocky Mountain Elk pools their money at a national organization level and then distributes it out, which is what this group does. Pheasants Forever is different. The local chapters get to distribute their money out locally, rather than going to a central pool to be distributed. The point that I'm trying to make is that the changes aren't too expand gambling. It's to cover those organizations that were hurt or weren't here at the time when the grandfathering took place to allow them to be basically on

a level playing field with the other organizations that are raising money for their cause, like Ducks Unlimited. That is the purpose of the bill. By going back to the Proclamation, I don't know that that accomplishes a whole lot. We don't set the proclamation.

Sen. Klein: What we found as we listened to the bill, was that there would be resistance on the Senate floor, unless the committee narrowed this down. Some felt that this was an expansion of gaming. Sen. Wanzek spent a lot of time trying to make sure that everyone's concerns were addressed in that this would be narrowly focused to the idea of what we heard that day as to craft a bill that would allow them to hold a raffle just like the groups that were grandfathered in. That's where Sen. Wanzek in working with their Board, paid off with the language to use the proclamation as a leverage point because it was mentioned in there. On our side we were trying to move this forward and allay their fears of an expansion of gaming.

Sen. Wanzek: We wanted to help the Mule Deer Foundation do what they wanted to do, but not open the door to all foreign corporations to help them get gaming licenses. The language that we had I thought was only for the purposes of providing a definition of which type of ND corporation that they are talking about.

Sen. Potter: There are two elements of concern and opposition; two different ideologies. I am pro-charitable gaming in ND and we were worried about opening it up to foreign corporations and some not wanting it at all. So when you put those together it is tough to get something passed. All the testimony was about the Mule Deer Foundation and their desire to have a raffle. Sen. Wanzek found a solution to allow them to do that without any other expansion. That's why the Governor's proclamation is in there and continue to be in there, just for those organizations. Some of these organizations, as I understand it, the corporate structure of these organizations has led to some of this difficulty. Ducks Unlimited is viewed as having a local structure. The Mule Deer was clearly ruled as having only a national charter.

Rep. Porter: Going back to Sen. Potter's comment, Ducks Unlimited has local chapters with local individuals to put the event on, but all the money raised goes back to Ducks Unlimited, Inc. wherever they are out of, but they are a grandfathered organization so they don't have to worry about this. They are virtually the same structure as what the Mule Deer Foundation has. If the key is that we want to allow the Mule Deer Foundation to be able to conduct themselves like Ducks Unlimited, maybe we should be more specific. The concerns that I have as I read this, line 17 and 18, it says that they may not conduct a game other than a raffle under chapter 20.1-08. That means all they can do is the deer tag raffle; they still won't be able to have their banquets like they want to do, like Ducks Unlimited does. We're limiting them to just the raffle listed in 20.1-08, which is the tag we gave them to raffle for a mule deer license. I don't know how to word the language but the issue isn't the license that we allowed them to raffle; the issue is how they can conduct their fundraising banquets that they hold in the state. I don't know how many they have; I know they have one in Bismarck. It goes on to say that it's only that raffle that they can do.

Sen. Potter: Certainly auctions are not regulated by our gaming laws anyway. Do they want to have Black Jack, pull tabs, those kinds of games. Is that what that group wants.

Rep. Porter: No. But they do other activities. I don't know how broad the definition of a raffle is. They do things like walk around with a deck of hands, you buy a card and tear it in half and put it in the hat and they draw it out, and the winner gets \$500 cash. I think part of the problem with the way their license is, is that they are limited in the amount of prizes that can be awarded under their current structure. They are limited in the amount of money they can raise because of the amount of prizes that they can give away because of the grandfather issue.

Sen. Klein: I think one of the thoughts that we had when they brought this forward was that the language says that the primary purpose may not involve the conduct of games and we felt

that the purpose is for benefitting the Mule Deer Foundation. They wanted to organize it so that people would come and then whatever comes with that. We're not hung up on this, we are only hung up on the ability to pass this. We spent a couple of days working on amendments and if we can find some language that works for you and will pass the Senate, we will give it a try. We have some that do not want any gaming at all.

Sen. Wanzek: I think the intent was to single out this foundation to allow them to get a state gaming permit as a foreign corporation but only them. It wasn't so much that it was to be limited only to that one raffle but to allow them to have the raffle. I'm not sure the way I read it now, but I think I understand a little bit of what you are trying to say. I don't know if your interpretation is correct or not; we added that language for the purpose of defining which foreign corporation we would allow to do this. In the attempt to do that, an effort was made to make sure that it happened, I was given the sense and feel out of the committee that we were not going to get a favorable vote. I think several Senators voted for it this time around without a lot of enthusiasm to be honest with you. Our intent was to provide a definition of which foreign corporation that we're saying that we are going to allow to do this.

Sen. Potter: From my point of view, I have no objection to the Mule Deer Foundation conducting a raffle at an event. I also offered our organization to them, a lot of times we conduct raffles for organizations under our gaming license. I have no problem with them getting their own license if that's what we can get to; if the language needs to be changed to raffles in the chapter under which the Attorney General regulates raffles. I think I might see a solution to this.

Rep. Kretschmar: I am familiar with Ducks Unlimited and Pheasants Forever banquets. They have tearing the cards in half or selling raffle tickets for various prizes, and of course, their auctions. My idea is that this organization should be allowed at their dinner to do the

same thing that they want to. In my area, those organizations, Ducks or Pheasants, don't have Black Jack, or tip jars; they basically have raffles at their annual dinners. If we can draft some language that would allow these Mule Deer people to do that, at their dinner, that is what I would favor.

Rep. Porter: I think everybody is in agreement to what the end result of this bill should be. I think that we need to sit down with the AG's staff to make sure that we word it right and put it into the right part of the code so that the limiting factors are there and so that they are able to have the banquets like the other organizations are able to do. It appears to me that everybody is on board with the end result, just making sure that the language is right to get us there.

Rep. Kretschmar: We should try and get some amendments that are satisfactory to the AG's office and hopefully to all of us. My idea is that it would only be limited to banquets.

Sen. Klein: I agree that would be best to allow the Mule Deer Foundation to have a raffle during a banquet, just like Ducks Unlimited, etc. So that's why we went in the direction that we did.

Rep. Porter: On the Wanzek amendment that was put on the bill, if we would insert a period after the 20.1-08 on line 3 and get rid of the rest of the sentence. That would steer the expansion of the grandfather clause to groups that the Legislature has said can conduct raffles in the state, whether they are foreign or domestic, like the Big Horn Sheep and Mule Deer. Then by taking out the other language, which limited them to just that one raffle, so that then they can function like the Ducks Unlimited and Pheasants Forever. Pheasants Forever is a bad example, because they are domestic. Ducks Unlimited and Rocky Mountain Elk were grandfathered in. Would that be a starting point, to talk with the AG's office about.

Sen. Wanzek: That's the way my issue was when it came out of committee. Some were hesitant to go along with this bill because they felt it was an expansion of gaming. Another

reason was that some raffles exceed the allowable limits. I did have some help from the AG's office in drafting this. I would be willing to meet again and Rep. Porter and I can go to the AG's office, and maybe we can find out whether this will accomplish what we want it to.

Sen. Potter: We're defining whether it is an eligible organization. Once you are an eligible organization you can play all games of chance.

Rep. Porter: We have to limit it. Can Ducks Unlimited conduct Black Jack.

Sen. Potter: No, I don't think they are an eligible organization.

Rep. Porter: They were grandfathered in. We should check on what they're allowed to do, as a grandfathered organization.

Rep. Kretschmar: We will recess.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1194

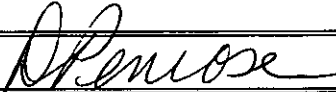
House Judiciary Committee

☒ Check here for Conference Committee

Hearing Date: 4/20/09

Recorder Job Number: 11963

Committee Clerk Signature



Minutes:

Rep. Kretschmar: We will the conference committee on HB 1194 to order.

Attendance: All present.

Rep. Porter: I had a conversation with Mr. Mason and Mr. Wolf with the Mule Deer

Foundation and the AG's office after our last meeting. It appears that this will work to everyone's satisfaction. I move that the House accede to the Senate's amendments.

Sen. Wanzek: Second.

Rep. Kretschmar: Roll call vote.

6 YES 0 NO 0 ABSENT

MOTION CARRIED

Rep. Kretschmar: We will dismiss the conference committee. We are adjourned.

**REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)**

Bill Number 1194 (, as (re)engrossed):

Date: 4/15/09

Your Conference Committee H. Jud

For the Senate:

For the House:

	YES / NO			YES / NO	
Sen. Wanzek			Rep. Kutschmar		
Sen. Klein			Rep. Porter		
Sen. Potter			Rep. Vig		

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ - _____

_____, and place _____ on the Seventh order.

_____, adopt (further) amendments as follows, and place _____ on the
Seventh order:

_____, having been unable to agree, recommends that the committee be discharged
and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: _____

CARRIER: _____

LC NO. _____	of amendment
LC NO. _____	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: _____

SECONDED BY: _____

VOTE COUNT YES NO ABSENT

Revised 4/1/05

No action taken. Meeting recessed.

**REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)**

Bill Number 1194 (, as (re)engrossed):

Date: 4/20/09

Your Conference Committee HJUD

For the Senate:

For the House:

	YES / NO			YES / NO	
Sen Wanzek	✓		Rep. Kretschmar	✓	
Sen Klein	✓		Rep Porter	✓	
Sen Potter	✓		Rep Vig	✓	

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ -- _____

X, and place 1194 on the Seventh order.

_____, adopt (further) amendments as follows, and place _____ on the Seventh order:

_____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) 1194 was placed on the Seventh order of business on the calendar.

DATE: 4/20/09

CARRIER: Rep. Kretschmar

LC NO. _____	of amendment _____
LC NO. _____	of engrossment _____
Emergency clause added or deleted _____	
Statement of purpose of amendment _____	

MOTION MADE BY: Rep. Porter

SECONDED BY: Sen. Wanzek

VOTE COUNT 6 YES 0 NO 0 ABSENT

REPORT OF CONFERENCE COMMITTEE

HB 1194, as engrossed: Your conference committee (Sens. Wanzek, Klein, Potter and Reps. Kretschmar, Porter, Vig) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ page 983 and place HB 1194 on the Seventh order.

Engrossed HB 1194 was placed on the Seventh order of business on the calendar.

2009 TESTIMONY

HB 1194

House Bill No. 1194
History of Gaming Organizations Domiciled in North Dakota
January 19, 2009

Prepared by the Office
of Attorney General

Legislative Action

1997 Session – House bill 1167

- This bill clarified that an “Eligible organization” means a veterans, charitable, educational, religious, fraternal, civic and service, public safety, or public-spirited organization domiciled in North Dakota and which may be issued a license by the attorney general.

Administrative Rules Promulgated by the State Gaming Commission

July 1, 2002 – The Administrative rules were clarified that an organization that first receives a license or local permit on or after July 1, 2002, must have its principal executive office in North Dakota.

Current rules – An organization that is licensed or issued a permit must have its principal executive office in North Dakota.

Two organizations were grandfathered in under the old law and rules:

- Rocky Mountain Elk Foundation (G-902) of Missoula, Montana– First licensed on April 13, 1996.
- Duck’s Unlimited (G-133) of Memphis, Tennessee – First licensed on September 12, 2000.

Local Permit Option Available for Smaller Organizations

Charitable gaming organizations that only conduct limited games of chance should consider the Local Permit or Charity Local Permit as an option to maximize their profit potential.

Annually about 2,000 small organizations or groups of people conduct limited games of chance under Local Permits or Charity Local Permits. Listed below are some of the features of Local Permits and Charity Local Permits:

Features of Local Permits

- Game types restricted to raffles, bingo, and sports pools.
- Unlimited number of occasions provided the total prizes don't exceed \$12,000 for a calendar or fiscal year (July 1 – June 30).
- The primary prize offered under a local permit can't exceed \$2,500.
- The governing body of a city or county may establish a fee not to exceed \$25 for each permit issue. No site authorization or license fees are required.
- Approval is granted at the discretion of the governing body and may include any nonprofit organization or group of people recognized as being public spirited.
- Limited reporting of bingo excise tax only if that game type is conducted.

Features of Charity Local Permits

- Game types restricted to raffles, bingo, sports pools, paddlewheels, twenty-one, and poker.
- Limit of one event per year with total prizes not exceeding \$12,000 for a calendar or fiscal year (July 1 – June 30). No additional gaming activity may be conducted during the remainder of the year.
- The primary prize offered under a charity local permit can't exceed \$2,500.
- The governing body of a city or county may establish a fee not to exceed \$25 for each permit issue. No site authorization or license fees are required.
- Approval is granted at the discretion of the governing body and may include any nonprofit organization or group of people recognized as being public spirited.
- Employees must be volunteers and can't be paid remuneration for services provided.
- Chips must be used for wagers of the appropriate game types and are redeemable for merchandise or cash.
- Limited reporting of gaming activity to the Attorney General's office and local governing body and payment of bingo excise tax only if that game type is conducted.

A small organization should consider these local permit options prior to applying for a state gaming license in order to maximize its profit from charitable games of chance.

HB 1194
Mule Deer Foundation Testimony
Judiciary Committee
2009 Legislative Assembly

Mr. Chairman and Members of the Committee:

My name is Brandon Mason and I am the Regional Director for the Northern Great Plains Region of the Mule Deer Foundation (MDF). Besides covering North Dakota (ND), I cover South Dakota, Eastern Montana and Northern Wyoming as well.

The MDF is a national, non-profit 501 (c) (3) conservation organization that is sportsmen based. Our mission is to ensure the conservation of mule deer, black-tailed deer and their habitats. In 2008 we had our 20th anniversary as an organization and I am pleased to report that the MDF has never been as successful and has never seen the growth that we are seeing now until the last few years. This is due to several factors: 1) a large portion of our dollars are spent 'on the ground', 2) the mule deer is the only species of big game whose numbers are declining across the West, and 3) we are a very blue-collar organization, with people from all walks of life supporting us so that we can put our fundraising dollars to good use.

In North Dakota, this is no exception. In the fall of 2000 we started our first chapter in the state in Bismarck while I was in college at the University of North Dakota in Grand Forks. Since that time, we have grown to four chapters, have put almost \$55,000 on the ground and have helped to protect and/or enhance over 20,000 acres; all in our great state. Our partnerships have ranged from private landowners to the ND Game & Fish Department, from sportsmen to sportsmen's groups, from hungry people in our state to the Sportsmen Against Hunger Program.

As you can see, we have gained a lot of momentum in a short time and are doing some very good things for wildlife, sportsmen, private landowners, and wildlife management agencies. We have grown to the point of needing a state gaming license, under subsection 7 of section 53-06.1-01 and subsection 1 of section 53-06.1-03 of the North Dakota Century Code. However, due to the fact that our organization is not domiciled in the state (our principle headquarters is in Salt Lake City, UT) and because our chapters have been deemed 'closely related' to the parent organization by the ND Attorney General's office, we are not eligible for a state gaming license.

With this in mind, we must not raffle off more that \$12,000 (FMV) worth of prizes at all of our fundraising events in ND combined. This has stalled our growth in the state, thereby potentially affecting how much money we can put on the ground here. All four of our chapters have been forced to down-size their fundraising plans for 2009 due to this law. As a life-long North Dakota resident and avid sportsman, this concerns me greatly for many reasons.

First, as mentioned above, I am a life-long resident of North Dakota. I grew up pursuing mule deer and other wildlife in our state and see the great need for groups like ours to exist here and put as much of our fundraising dollars to use here. With the current law in place, future growth is inhibited because our method of raising money for the resource is strained.

Second, in recent years, our state has preached about outmigration and the need for economic development. It is very disheartening and confusing to me why the state of North Dakota puts limitations to this extreme on groups like the MDF who are simply trying to do great things with the money that they raise. With the constant talk of 'outmigration of our young people' and trying to grow North Dakota's economy, I'm perplexed by the fact that North Dakota inhibits companies, non-governmental organizations (NGO's), etc. from growing in the state by instituting such complex, rigid, & unnecessary rules & laws. Please don't misunderstand me; I understand the need to govern over charitable gaming because of the number of dishonest people in this world. It seems that the state of North Dakota, though, has gone to extremes.

This brings me to my third and last point. The laws that govern charitable gaming in ND have been written to be so complex, that compliance is difficult at best for groups like ours that don't conduct gaming on a schedule of six or seven days a week, several hours a day. In fact, to do the job right, many organizations would need to hire part-time staff, at the minimum, in order to comply with the gaming laws that are currently in effect.

Again, we see and understand the need for laws and rules governing gaming. However, the current laws make conducting charitable gaming as a conservation organization very difficult, if not impossible.

Due to the factors listed above, we approached Representative Keiser for his help on this issue. Instead of attempting to rewrite North Dakota's gaming laws, it became apparent that the best course of action would be to simply exclude the MDF and similar groups from the \$12,000 (FMV) limit on prizes raffled off and also the need to be domiciled in the state. The MDF and similar organizations are already required to file a Foreign Corporation Report each year with the Secretary of State and, in some instances, many of us are required to report some of our gaming income and expenditures to the ND Game & Fish Department when it pertains to raffles revolving around fundraising wildlife hunting licenses. With this system of checks and balances already in place, the need to obtain a state gaming license to conduct the limited gaming that we do seems somewhat redundant and unnecessary.

It is my hope, and the hope of our many ND volunteers, that you will vote yes on HB 1194. The future of the MDF in ND is at stake and you can see by the information provided to you today that what we do here is vital to the future of mule deer, hunting & shooting sports, and wildlife management.

House Bill 1194

Hello:

My name is **Steve Zarr** I am life long resident of North Dakota and a native of Minot. I consider myself **privileged** on many things: I have a wonderful wife, family, friends but I also consider it my privilege in being a North Dakota outdoorsman, and more importantly to me an **outdoorsman** who is passionate about Mule Deer and their habitat.

Much of my life I have **pursued the abundant wildlife** North Dakota has to offer: pheasants, grouse, partridge, waterfowl, whitetail deer, pronghorn, coyote, etc... the list goes on and on.

I **finally realized** after a good many years, that I have been a sportsman who has enjoyed what ND has to offer and have not understood what it took to **create, manage, monitor and preserve** this resource. The bottom line was that I had not given back to that which I enjoyed. **Eldridge Cleaver** once said, "If you are not part of the solution you are part of the problem." I knew I needed to do more. That is why I started the MDF Chapter in Minot.

I was honored in being able to start the **second chapter of the Mule Deer Foundation** in North Dakota and again honored to serve as Chairman of the **West Dakota Chapter MDF** in Minot. And after what I would consider a **fairly successful** first year I was told this year that we would have to limit our raffles for our banquet because we did not qualify for a state license; therefore limiting what we could potentially raise and again therefore limiting what we can ^{do} in our state to conserve Mule Deer and their habitat.

Teddy Roosevelt once said, "There can be no greater issue than that of conservation in this country." And again in 1916 President Roosevelt said, **"The conservation of wildlife is essentially democratic in its spirit, purpose and method."** This was part of his message discussing leaving a legacy to that of our unborn generations. And today we have ND legislation telling a non-profit wildlife organization that there is law that states we want you to do well, but not that well, we want you to grow but not too big, because we are going to put a limit in dollars on what you can offer in form of gaming. This seems a little silly and dated to me.

We had approximately **149,000 Deer licenses available in ND in 2008** an increase of 850 from 2007. Mule Deer licenses issued were around 9,000, again numbers were up. I realize our Mule Deer herd is in good shape in fact according to North Dakota Outdoors Magazine January 2009 issue, In an article written by **Roger Rostvedt**, Game and Fish Dept. Deputy Director he said just that. In addition he also stated that, "Surveys continued to indicate a population with stable recruitment and good numbers of adult bucks." His article also went on to state that the ratio of fawns per doe, and bucks per doe were near long term averages. There is no question we are part of that, why would the state not want us to do more.
(Business Example:)

Market analogy

It is tough enough to deal with the **competition** of all the wildlife clubs anyway but to take away the **feasibility** of even having one is all together different. Having a state license gives us that hope that we will be able to leave a better tomorrow for our children and their children, just as President Roosevelt had hoped his conservation efforts would as well with the introduction of our US Forest Service and National Parks in 1905.

There is no doubt we are doing great things and will continue to do so if the State of ND allows us. This is why a YES vote is so important on House Bill 1194.

**TESTIMONY IN OPPOSITION TO
HOUSE BILL NO. 1194
HOUSE JUDICIARY COMMITTEE
JANUARY 19, 2009**

Chairman DeKrey, House Judiciary Committee members, my name is Karen A. Breiner and I appear before you today as President of the Charitable Gaming Association of North Dakota to express concerns about HB 1194.

Charitable Gaming Association of North Dakota (CGAND) opposes HB 1194. As we understand the provisions of HB 1194, this bill would allow the Secretary of State to authorize a foreign corporation to conduct gaming activities in the State of North Dakota and to allow these foreign corporations the ability to conduct raffles with higher prize values than allowed for charitable organizations.

The possible implication of this bill could result in many charities from other states taking vital gaming sites and gaming dollars from your local North Dakota based charities. Gaming dollars that are generated by outside foreign corporations will likely leave the state and not be used to support our local communities and charitable activities.

Charitable gaming was originally introduced to help North Dakota charities and to reduce the tax burden (tax money given to charities) on the State of North Dakota. North Dakota charities are fighting to stay alive and these local charities will likely not be able to survive additional competition with an influx of outside foreign organizations.

CGAND does not support HB 1194 for the reasons indicated and CGAND asks that you show your support of the local North Dakota charities and give HB 1194 a Do Not Pass recommendation.

Thank you for this opportunity to testify before your committee and I would be willing to try to answer any questions you may have.

Project Funding in North Dakota

Year	Project Name	Project #	Partners	Funding Source (Nat'l Fund, Ch. Rew., Cons. Partn., etc.)	Chapter Name	Project Acres	Total Acres Impacted	Total Project Cost	MDF Funds Used
2004	Beaver Creek Ranch Cell-Grazing Project	ND 0504	Banner Resources, LLP	National Fund (prior to Chapter Rewards)	Northern Badlands	1,800	Thousands of acres of adjacent USFS, BLM, & State School Land	\$4,000.00	\$2,500.00
2005	Indoor Archery Range/Education Facility	ND 0501	NISHU Bowmen/Bismarck Parks & Recreation	Chapter Rewards	Northern Badlands	0	0	\$280,000.00	\$300.00
2005	MDF Project Signs	ND 0505	n/a	Chapter Rewards	Northern Badlands	0	0	\$937.06	\$937.06
2005	PLOTS Grant Sportsmen		North Dakota Game & Fish Department	Chapter Rewards & ND Mule Deer Tag Raffle	Northern Badlands	407.5	Thousands of US Forest Service, US Army Corps of Engineers, ND Game & Fish Dept., State School Land, & BLM acres.	\$3,667.14	\$3,667.14
2005	Against Hunger Youth Conservation Camp	ND 0502	Safari Club International	Chapter Rewards	Northern Badlands	0	0	\$1,200.00	\$500.00
2005			North Dakota Wildlife Federation	Chapter Rewards	Northern Badlands	0	0	\$20,000.00	\$200.00
2006	Fort Rice Missouri Breaks Food Plots Fencing Project	ND 0603	Dale Rebertisch	Chapter Rewards	Northern Badlands	2	Hundreds of adjacent acres of private land	\$300.00	\$150.00
2006	High-Fenced Hunting Survey	ND 0602	North Dakota Wildlife Federation	Chapter Rewards	Northern Badlands	0	0	\$3,500.00	\$500.00
2006	Mandan Missouri Breaks Food Plots Fencing Project	ND 0604	Scott Norton	Chapter Rewards	Northern Badlands	15.4	Hundreds of adjacent acres of private land	\$865.08	\$432.54
2006	PLOTS Grant Sportsmen		North Dakota Game & Fish Department	Chapter Rewards & ND Mule Deer Tag Raffle	Northern Badlands	407.5	Thousands of US Forest Service, US Army Corps of Engineers, ND Game & Fish Dept., State School Land, & BLM acres.	\$3,667.14	\$3,667.14
2006	Against Hunger Youth Conservation Camp	ND 0605	Safari Club International	Chapter Rewards	Northern Badlands	0	0	\$1,200.00	\$500.00
2006			North Dakota Wildlife Federation	Chapter Rewards	Northern Badlands	0	0	\$20,000.00	\$300.00
2007	Elkhorn Ranch Acquisition		Boone & Crockett Club, Camp Fire Fund, Congressional Sportsmen's Foundation, FNAWS, Houston Safari Club, Onon, The Hunter's Institute, MDU Resources Group, Inc., MDF, MNWI Chapter of FNAWS, NWTF, RMEF, SCI, Tesoro Corp., Theodore Roosevelt Association, Theodore Roosevelt Nature & History Assoc., WU, Wildlife Habitat Council	National Fund	n/a	5,200	Thousands of acres of adjacent USFS, BLM, & State School Land (23,550 ac.)	\$1,000,000.00	\$25,000.00

2007	JAKES Day	ND 0705	National Wild Turkey Federation; US Fish & Wildlife Service; Delta Waterfowl; ND Bowhunter's Association; Kidder Co. Sportsman's Assoc.	Chapter Rewards	Northern Badlands	0	0	\$2,850.00	\$541.74
2007	PLOTS Grant		North Dakota Game & Fish Department	Chapter Rewards & ND Mule Deer Tag Raffle	Northern Badlands	4167.5	Thousands of US Forest Service, US Army Corps of Engineers, ND Game & Fish Dept., State School Land, & BLM acres	\$13,067.14	\$6,787.94
2007	Sportsmen Against Hunger	ND 0703	SW Anglers; Bowman/Haley Anglers; Pheasants for the Future; DL Rotary Club; Lake Region Area Sportsmen; Park River Area Sportsmen and Merchants; Fargo Area Sportsmen; RR Area Sportsmen; Strutsman County Wildlife Club; Stanion Financial; Farmers Union Insurance.	Chapter Rewards	Northern Badlands	0	0	\$11,815.00	\$500.00
2007	Youth Conservation Camp	ND 0704	North Dakota Wildlife Federation	Chapter Rewards	Northern Badlands	0	0	\$20,000.00	\$300.00
2008	BSA Shooting Sports	ND 0804	Boy Scouts of America	Chapter Rewards	Lake Agassiz	0	0	\$1,260.00	\$315.00
2008	BSA Shooting Sports	ND 0804	Boy Scouts of America	Chapter Rewards	Northern Badlands	0	0	\$1,260.00	\$315.00
2008	JAKES Day	ND 0803	National Wild Turkey Federation; Delta Waterfowl; ND Bowhunter's Association; Kidder Co. Sportsman's Assoc.	Chapter Rewards	Northern Badlands	0	0	\$3,000.00	\$500.00
2008	M.U.L.E.Y. Day Camp	ND 0809	North Dakota Game & Fish Department	Grant from NDG&F	Lake Agassiz	0	0	\$3,000.00	\$0.00
2008	M.U.L.E.Y. Day Camp	ND 0809	North Dakota Game & Fish Department	Grant from NDG&F	Northern Badlands	0	0	\$3,000.00	\$0.00
2008	M.U.L.E.Y. Day Camp	ND 0809	North Dakota Game & Fish Department	Grant from NDG&F & Chapter Rewards	West Dakota	0	0	\$3,468.84	\$468.84
2008	Minot Area Youth Festival	ND 0810	Pheasants for the Future, Delta Waterfowl, NDG&F, National Wild Turkey Federation.	Chapter Rewards	West Dakota	0	0	\$487.08	\$487.08
2008	NDWF Convention Sponsorship	ND 0805	North Dakota Wildlife Federation	Chapter Rewards	Northern Badlands	0	0	\$5,000.00	\$250.00
2008	PLOTS Grant	ND 0806	North Dakota Game & Fish Department	ND Mule Deer Tag Raffle & Chapter Rewards	Northern Badlands; West Dakota; Lake Agassiz, & Teddy Roosevelt	8127.5	Thousands of US Forest Service, US Army Corps of Engineers, ND Game & Fish Dept., State School Land, & BLM acres.	\$11,880.00	\$3,960.00

2008	Sportsmen Against Hunger	ND 0807	SW Anglers; Bowman/Haley Anglers; Pheasants for the Future; DL Rotary Club; Lake Region Area Sportsmen; Park River Area Sportsmen and Merchants; Fargo Area Sportsmen; RR Area Sportsmen; Stutsman County Wildlife Club; Stanton Financial; Farmers Union Insurance.	Chapter Rewards	Northern Badlands	0	0	\$11,815.00	\$500.00
2008	Sportsmen Against Hunger	ND 0808	SW Anglers; Bowman/Haley Anglers; Pheasants for the Future; DL Rotary Club; Lake Region Area Sportsmen; Park River Area Sportsmen and Merchants; Fargo Area Sportsmen; RR Area Sportsmen; Stutsman County Wildlife Club; Stanton Financial; Farmers Union Insurance.	Chapter Rewards	West Dakota	0	0	\$11,815.00	\$500.00
2008	Youth Conservation Camp	ND 0802	North Dakota Wildlife Federation	Chapter Rewards	Northern Badlands	0	0	\$20,000.00	\$145.00
2008	Youth Conservation Camp	ND 0801	North Dakota Wildlife Federation	Chapter Rewards	West Dakota	0	0	\$20,000.00	\$145.00
2009	NDWF Convention Sponsorship		North Dakota Wildlife Federation	Chapter Rewards	Northern Badlands	0	0	\$5,000.00	\$100.00
Totals						20,127		\$1,488,054.48	\$54,469.48



THE MULE DEER FOUNDATION PROJECT COMPLETION REPORT

Name of Project: Beaver Creek Ranch Cell-Grazing Project
Agency/Organization: Mule Deer Foundation along with a private landowner
Contact Name: Brandon Mason E-mail: brandon@muledeer.org
Address: 5604 Copper Point City/State/Zip: Bismarck, ND 58504
Primary Phone: (701) 527-0609 Secondary Phone: n/a
Project Location: East of Trotters, ND
State: North Dakota County: Golden Valley
Project Start Date: June 1st, 2004 Project Completion Date: Summer 2004
List number of acres (or square miles) impacted or treated: 1800

Project Dollars Spent:

From MDF: \$ 2500.00

List other agencies/organizations involved and dollars contributed:

Agency/Organization: Banner Resources, LLP Dollars Contributed: \$1,500.00

Photograph(s) attached (Yes or No)? no (E-mail photos to Regional Director)

Map(s) attached (Yes or No)? no

Invoice(s) attached (Yes or No)? no (Invoices required for MDF to make payment)

Project summary narrative (Who did what? What were the results?):

Build 1.3 miles of wildlife friendly electric fence to split one large pasture into two. This will allow better time and timing of livestock grazing, which improves both watershed function and wildlife habitat (primarily by increasing herbaceous plant vigor and abundance).

Signature _____ Date _____

When project is completed, please send this report to your Regional Director.



THE MULE DEER FOUNDATION PROJECT COMPLETION REPORT

Name of Project: Private Land Open To Sportmen (P.L.O.T.S.) Grant
Agency/Organization: North Dakota Game & Fish Department
Contact Name: Brandon Mason E-mail: brandon@muledeer.org
Address: 5604 Copper Point City/State/Zip: Bismarck, ND 58504
Primary Phone: (701) 527-0609 Secondary Phone: n/a
Project Location: Badlands of western North Dakota in multiple locations
State: North Dakota County: Slope, Golden Valley, & McKenzie
Project Start Date: n/a - ongoing Project Completion Date: n/a - ongoing
List number of acres (or square miles) impacted or treated: 4,227.5

Project Dollars Spent:

From MDF: \$ 5,757.83

List other agencies/organizations involved and dollars contributed:

Agency/Organization: <u>ND Game & Fish</u>	Dollars Contributed: <u>\$206,387.50</u>
Agency/Organization: _____	Dollars Contributed: \$ _____
Agency/Organization: _____	Dollars Contributed: \$ _____
Agency/Organization: _____	Dollars Contributed: \$ _____
Agency/Organization: _____	Dollars Contributed: \$ _____
Agency/Organization: _____	Dollars Contributed: \$ _____
Agency/Organization: _____	Dollars Contributed: \$ _____
Agency/Organization: _____	Dollars Contributed: \$ _____

Photograph(s) attached (Yes or No)? no (E-mail photos to Regional Director)

Map(s) attached (Yes or No)? no

Invoice(s) attached (Yes or No)? no (Invoices required for MDF to make payment)

Project summary narrative (Who did what? What were the results?):

The grant made to the NDGF was used to pay portions of the habitat rental cost on the various programs that the NDGF has implemented under their P.L.O.T.S. program. The P.L.O.T.S. program is a habitat based hunter access program that has had success in enrolling around 1 million acres of land in the state. However, the lack of attention devoted to mule deer management through this program has caught the attention of the MDF and of both resident and non-resident sportsmen. With this in mind, the Northern Badlands Chapter of the MDF has been making a grant on an annual basis since 2005 to help the NDGF manage mule deer populations on the private landscape.

The biologists employed by the NDGF in the areas mentioned below are given the freedom to incorporate this grant into their respective districts in order to help fulfill the mission of the MDF. The P.L.O.T.S. grant partnership between the NDGF and the MDF results in a very cost effective means of managing wildlife and wildlife habitat on private land. In previous years, the grant has helped fund tracts of land in the program for as high as \$9/ac., which is very cost effective. This year however, the money went even farther, as the cost per acre to the MDF grant for the new tracts was around \$0.83/ac.



THE MULE DEER FOUNDATION PROJECT COMPLETION REPORT

Name of Project: Sportsmen Against Hunger Program
Agency/Organization: North Dakota Community Action
Contact Name: Brandon Mason E-mail: brandon@muledeer.org
Address: 5604 Copper Point City/State/Zip: Bismarck, ND 58504
Primary Phone: (701) 527-0609 Secondary Phone: n/a
Project Location: Statewide in various communities as seen fit by ND Comm. Action
State: North Dakota County: Multiple
Project Start Date: September 1, 2007 Project Completion Date: n/a - ongoing
List number of acres (or square miles) impacted or treated: n/a

Project Dollars Spent:

From MDF: \$ 500.00

List other agencies/organizations involved and dollars contributed:

Agency/Organization: <u>SW Anglers</u>	Dollars Contributed: <u>\$500.00</u>
Agency/Organization: <u>Bowman/Haley Anglers</u>	Dollars Contributed: <u>\$1000.00</u>
Agency/Organization: <u>Pheasants for the Future</u>	Dollars Contributed: <u>\$2835.00</u>
Agency/Organization: <u>DL Rotary Club</u>	Dollars Contributed: <u>\$1000.00</u>
Agency/Organization: <u>Lake Region Sportsmen</u>	Dollars Contributed: <u>\$800.00</u>
Agency/Organization: <u>Park River Sportsmen/Merch</u>	Dollars Contributed: <u>\$1350.00</u>
Agency/Organization: <u>Fargo Area Sportsmen</u>	Dollars Contributed: <u>\$500.00</u>
Agency/Organization: <u>RR Area Sportsmen</u>	Dollars Contributed: <u>\$1030.00</u>
Agency/Organization: <u>Stutsman Co. Wildlife Club</u>	Dollars Contributed: <u>\$1000.00</u>
Agency/Organization: <u>Starion Financial</u>	Dollars Contributed: <u>\$1000.00</u>
Agency/Organization: <u>Farmers Union Insurance</u>	Dollars Contributed: <u>\$250.00</u>

Photograph(s) attached (Yes or No)? no (E-mail photos to Regional Director)
Map(s) attached (Yes or No)? no
Invoice(s) attached (Yes or No)? no (Invoices required for MDF to make payment)

Project summary narrative (Who did what? What were the results?):

Every dollar was used towards the cost of processing venison donated by sportsmen during the 2007-2008 bow and gun season. The venison was ground, packaged and frozen by local certified butcher shops for distribution to food pantries and soup kitchens in our community under the supervision of ND Community Action.

Signature _____ Date _____

When project is completed, please send this report to your Regional Director.

**Testimony Regarding
HOUSE BILL NO. 1194
House Judiciary Committee
January 19, 2009**

Chairman DeKrey, House Judisicary 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 concern about HB 1194. Initially I will try provide background information regarding CGAND.

CGAND is a statewide association of charitable gaming organizations. CGAND has a diverse membership varying from clubs and small organizations to larger multi-site operations. All regions of the state are represented and CGAND members account for about 70% of the charitable gaming in North Dakota.

The Charitable Gaming Association of North Dakota is an organization made up of charitable and public spirited gaming operators, along with numerous businesses and private individuals who are also involved in charitable gaming.

The mission of this association is to "Preserve gaming as a funding source for charitable purposes". The purpose is to promote the general welfare of all licensed charitable gaming operators. CGAND legislative activities are intended to promote and support those potential legislative changes that will be of greatest benefit to the entire charitable gaming industry.

I have attached a copy of the Testimony of Karen Breiner the President of CGAND who was unable to attend today's hearing and she has asked that I present her written testimony regarding the concerns that CGAND has with HB 1194.

#1

HB 1194
Mule Deer Foundation Testimony
Industry, Business and Labor Committee
2009 Legislative Assembly

Mr. Chairman and Members of the Committee:

My name is Brandon Mason and I am the Regional Director for the Northern Great Plains Region of the Mule Deer Foundation (MDF). Besides covering North Dakota (ND), I cover South Dakota, Eastern Montana and Northern Wyoming as well.

The MDF is a national, non-profit 501 (c) (3) conservation organization that is sportsmen based. Our mission is to ensure the conservation of mule deer, black-tailed deer and their habitats. In 2008 we had our 20th anniversary as an organization and I am pleased to report that the MDF has never been as successful and has never seen the growth that we are seeing now until the last few years. This is due to several factors: 1) a large portion of our dollars are spent 'on the ground', 2) the mule deer is the only species of big game whose numbers are declining across the West, and 3) we are a very blue-collar organization, with people from all walks of life supporting us so that we can put our fundraising dollars to good use.

In North Dakota, this is no exception. In the fall of 2000 we started our first chapter in the state in Bismarck while I was in college at the University of North Dakota in Grand Forks. Since that time, we have grown to four chapters, have put almost \$55,000 on the ground and have helped to protect and/or enhance over 20,000 acres; all in our great state. Our partnerships have ranged from private landowners to the ND Game & Fish Department, from sportsmen to sportsmen's groups, from hungry people in our state to the Sportsmen Against Hunger Program.

As you can see, we have gained a lot of momentum in a short time and are doing some very good things for wildlife, sportsmen, private landowners, and wildlife management agencies. We have grown to the point of needing a state gaming license, under subsection 7 of section 53-06.1-01 and subsection 1 of section 53-06.1-03 of the North Dakota Century Code. However, due to the fact that our organization is not domiciled in the state (our principle headquarters is in Salt Lake City, UT) and because our chapters have been deemed 'closely related' to the parent organization by the ND Attorney General's office, we are not eligible for a state gaming license.

With this in mind, we must not raffle off more that \$12,000 (FMV) worth of prizes at all of our fundraising events in ND combined. This has stalled our growth in the state, thereby potentially affecting how much money we can put on the ground here. All four of our chapters have been forced to down-size their fundraising plans for 2009 due to this law. As a life-long North Dakota resident and avid sportsman, this concerns me greatly for many reasons.

First, as mentioned above, I am a life-long resident of North Dakota. I grew up pursuing mule deer and other wildlife in our state and see the great need for groups like ours to exist here and put as much of our fundraising dollars to use here. With the current law in place, future growth is inhibited because our method of raising money for the resource is strained.

Second, in recent years, our state has preached about outmigration and the need for economic development. It is very disheartening and confusing to me why the state of North Dakota puts limitations to this extreme on groups like the MDF who are simply trying to do great things with the money that they raise. With the constant talk of 'outmigration of our young people' and trying to grow North Dakota's economy, I'm perplexed by the fact that North Dakota inhibits

companies, non-governmental organizations (NGO's), etc. from growing in the state by instituting such complex, rigid, & unnecessary rules & laws. Please don't misunderstand me; I understand the need to govern over charitable gaming because of the number of dishonest people in this world. It seems that the state of North Dakota, though, has gone to extremes.

Originally in the House of Representatives, I addressed the following point as well. The laws that govern charitable gaming in ND have been written to be so complex, that compliance is difficult at best for groups like ours that don't conduct gaming on a schedule of six or seven days a week, several hours a day. In fact, to do the job right, many organizations would need to hire part-time staff, at the minimum, in order to comply with the gaming laws that are currently in effect. Again, we see and understand the need for laws and rules governing gaming. However, the current laws make conducting charitable gaming as a conservation organization very difficult, if not impossible.

Due to the factors listed above, we approached Representative Keiser for his help on this issue. Instead of attempting to rewrite North Dakota's gaming laws, it became apparent that the best course of action would be to simply exclude the MDF and similar groups from the \$12,000 (FMV) limit on prizes raffled off and also the need to be domiciled in the state. The MDF and similar organizations are already required to file a Foreign Corporation Report each year with the Secretary of State and, in some instances, many of us are required to report some of our gaming income and expenditures to the ND Game & Fish Department when it pertains to raffles revolving around fundraising wildlife hunting licenses. With this system of checks and balances already in place, the need to obtain a state gaming license to conduct the limited gaming that we do seemed somewhat redundant and unnecessary.

However, the original bill was amended in committee in the House of Representatives to state what it does now: authorizing the Attorney General's office to issue a state gaming license if the organization is domiciled in the state OR is registered as a foreign corporation with the state. Since we are registered as a foreign corporation and have been in good standing with the state since our existence in North Dakota, it is my hope, and the hope of our many ND volunteers, that you will vote yes on HB 1194. The future of the MDF in ND is at stake and you can see by the information provided to you today that what we do here is vital to the future of mule deer, hunting & shooting sports, and wildlife management.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1194

Page 1, line 15, after the period insert "For purposes of this section, a foreign corporation authorized under chapter 10-33 is not an eligible organization unless authorized to conduct a raffle under chapter 20.1-08 and may not conduct a game other than a raffle under chapter 20.1-08."

Renumber accordingly

↓
• get rid of rest of sentence

not
used

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