



**MINUTES  
GAMING ADVISORY COUNCIL**

*January 26, 2018  
Helena, Montana*

This is a summary of the Council meeting. The meeting in its entirety is recorded in a digital audio file format and maintained at the Gambling Control Division office at 2550 Prospect Avenue, Helena, Montana. Exhibits (if any) are on file in the office of the Gambling Control Division.

**COUNCIL MEMBERS PRESENT**

(Chairman) Mark Kennedy  
Sen. Mark Blasdel  
Merle Frank

Steve Morris  
Bill Slaughter

**DIVISION STAFF PRESENT**

Angela Nunn   Dave Jeseritz   Andy Ritter   Ben Kamerzel   Mike Fanning   Anne Gerken

**SUMMARY OF COUNCIL ACTION**

- ◆ **The Council voted unanimously to approve the minutes from the September 15, 2017 meeting.**
- ♥ **The Council voted unanimously to support the legislative proposal that limits sports pools to only those who have an appropriate alcoholic beverage license.**
- ♣ **The Council scheduled the next meeting for May 11, 2018 in Helena, MT.**

**CALL TO ORDER AND ROLL CALL**

Chairman Kennedy called the meeting to order at 10:00 a.m. All members were present except Representative Dale Mortensen, Mike Kenneally, Bob McAnally, and Ron Alles who were excused.

Chief of Staff Mike Milburn was present for opening remarks.

The minutes from the September 25, 2017 meeting were approved unanimously.

## **GAMBLING CONTROL DIVISION UPDATE**

### **Operations Bureau Update & Statistics**

Administrator Nunn opened with a brief introduction of GCD and LCD staff that were present for the meeting. Ms. Nunn provided an overview of statistics for second quarter FY18. She explained that video gambling machine tax collections for the second quarter were approximately \$14.6 million, which was 1.5% decrease from the previous quarter. Ms. Nunn noted the second quarter tends to be down and is in line with what the Division has seen historically. Ms. Nunn explained that the Division received 91 license applications in second quarter. Ms. Nunn also explained the Division permitted 877 gambling machines, which was an increase from second quarter of FY17. The number of Live Keno/Bingo permits issued were up 23% from second quarter FY17. She indicated 12 Casino Night permits and 19 Calcutta permits were issued during second quarter. Live card tables permitted were down 7%, the number of card dealers were down 9%, large-stakes tournaments were down 16%, and the number of small-stakes tournaments were up 8% from FY17.

Ms. Nunn mentioned to the Council that Attorney General Tim Fox issued an Opinion on the question regarding historic horse racing terminals.

Ms. Nunn concluded with an update on the Supreme Court hearing on the New Jersey sports betting case (Christie v. National Collegiate Athletic Association).

### **Investigations Bureau Update**

Investigations Chief Jeseritz noted to the Council that the Gambling Investigations Bureau (GIB) conducted 1,490 premises inspections through the end of calendar year 2017, which is 143 less than last year. Mr. Jeseritz explained these inspections are taking a little longer due to asking more questions between gambling, liquor, and tobacco. Mr. Jeseritz mentioned GIB handled 1,251 cases during the calendar year 2017, which was 7 less than 2016. Mr. Jeseritz mentioned that VGM ticket forgeries had slowed down somewhat and they are waiting for a large prosecution to come out of the Billings County Attorney's Office.

### **Technical Services Section Update**

Mr. Kamerzel explained that the Lab is working on a complete requirements and test plan review for VGM and Tier I machines and software. He noted this is a very lengthy project since it has not been updated in well over a decade. Mr. Kamerzel noted the number of patron complaints and reported machine "bugs" are currently down. He mentioned there had been progression with the paperless VGM inspection application and explained this should be deployed by fiscal year end. Mr. Kamerzel discussed that GRO's exclusive VGM had been deployed to the field and the Lab had begun receiving average daily gross income data.

## **OTHER UPDATES**

### **Alcohol Beverage Control Division (ABCD) Update**

Ms. Denise Brunett provided a high-level update regarding division activities.

### **Montana Council on Problem Gambling Update**

Mr. Brad Longcake provided a brief overview on how the Montana Council on Problem Gambling finished the year. Mr. Longcake noted the organization added a couple new counselors and serviced around 300 new participants. He mentioned they did a large IT update and revamped their website, as well as automated their claims process.

## **OLD BUSINESS**

### **Funding & VGM Subcommittees Report**

Ms. Nunn noted the Division did not have a subcommittee meeting since the last full meeting. She mentioned the Division was working on a few internal projects related to this. Ms. Nunn explained that the subcommittee wanted the Division to analyze the funding provided by the Alcohol Beverage Control Division.

Ms. Nunn explained that the VGM subcommittee did meet since the last Gaming Advisory Council meeting. Ms. Nunn discussed that a large piece of this meeting was reviewing the Administrative Rules Mr. Kamerzel was working on. Ms. Nunn noted the subcommittee made a few recommendations which Mr. Kamerzel incorporated into the draft.

### **Unclaimed Sports Pools – Rule Draft Update**

Ms. Nunn explained to the Council that there was not a rule draft to provide but updated the Council that the conceptual rule change that had been discussed turned out to be a little more complicated than originally thought and would in fact require a change in statute. Ms. Nunn concluded that if Industry would like a to pursue a legislative change, the Division would be willing to work with them to draft/address the issue.

### **Sports Pool Update**

Ms. Nunn reminded the Council that there had been discussion during the last meeting to form a subcommittee to discuss the various problems the Division was having in regulating sports pools. Ms. Nunn explained that the Council recommended the Division draft a proposal to bring back to this meeting. Ms. Nunn mentioned that both she and Mr. Jeseritz met with Councilman Morris in December 2017 to explain the issues the Division had been running into. Ms. Nunn also noted that the Division had proposed to create templates for licensees to use. Councilman Morris advocated for the proposed idea and said that creating standard templates was an excellent idea.

### **Card Dealer Process Update**

Ms. Nunn noted to the Council that the Division ran into a small issue since this topic was presented at the previous meeting. Ms. Nunn explained the Division was unable to do name-based background checks on a regular basis without running the fingerprint cards first. She mentioned that the simplified proposal was still to come.

### **NEW BUSINESS**

#### **Legislative Proposal**

Ms. Nunn explained to the Council that a memo was included in their packet that provided a background and breakdown of the two statutes that were under review.

Councilman Morris made a motion for approval of the proposal that indicated only those who have an appropriate alcoholic beverage license can offer sports pools. The motion passed unanimously.

Ms. Nunn also informed the Council that there are two issues that overlap in regard to machine possession (by unlicensed people or entities) and antique video gambling machines (legal and illegal). Ms. Nunn provided various scenarios and sought input on how the Council thought those situations should be handled as the division comes across them. Industry and Council members discussed their position. The division will take the comments into consideration and will continue to research the issue before coming back with a proposal.

#### **Public Comment**

No public comment.

#### **Final Business**

The Council scheduled the next meeting for May 11, 2018 in Helena. The meeting adjourned at 12:30 p.m.