

**2023 HOUSE JUDICIARY**

**HB 1152**

# 2023 HOUSE STANDING COMMITTEE MINUTES

**Judiciary Committee**  
Room JW327B, State Capitol

HB 1152  
1/9/2023

Relating to transfers of charitable gaming funds; and to provide a continuing appropriation.

Chairman Klemin opened the hearing on HB 1152 at 9:30 AM. Members present: Chairman Klemin Vice Chairman Karls, Rep. Bahl, Rep. Christensen, Rep. Cory, Rep. Henderson, Rep. S. Olson, Rep. Rios, Rep. S. Roers Jones, Rep. Satrom, , Rep. Schneider, Rep. VanWinkle, Rep. Vetter

## **Discussion Topics:**

- Classification of offenses
- Gaming devices

Rep. Matt Ruby: Introduced the bill.

Deb McDanial, Director Charitable Gaming Committee: In opposition. Testimony # 12660

Hearing closed at 10:11 AM.

Delores Shimek, Committee Clerk

# 2023 HOUSE STANDING COMMITTEE MINUTES

**Judiciary Committee**  
Room JW327B, State Capitol

HB 1152  
1/16/2023

Relating to transfers of charitable gaming funds; and to provide a continuing appropriation.
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Chairman Klemin opened the hearing on HB 1152 at 11:15 AM. Members present: Chairman Klemin, Vice Chairman Karls, Rep. Bahl, Rep. Christensen, Rep. Cory, Rep. Henderson, Rep. S. Olson, Rep. Rios, Rep. S. Roers Jones, Rep. Satrom, , Rep. Schneider, Rep. VanWinkle, Rep. Vetter

### Discussion Topics:

- Amendment.
- Regulations.
- Penalty amount.
- Gaming regulations.

Chairman Klemin went over the proposed amendment 23.0516.01001. Testimony #13461

Rep. Vetter moved the amendment 23.0516.01001.

Seconded by Rep. Bahl

<b>Representatives</b>	<b>Vote</b>
Representative Lawrence R. Klemin	Y
Representative Karen Karls	Y
Representative Landon Bahl	Y
Representative Cole Christensen	A
Representative Claire Cory	Y
Representative Donna Henderson	Y
Representative SuAnn Olson	Y
Representative Nico Rios	Y
Representative Shannon Roers Jones	Y
Representative Bernie Satrom	Y
Representative Mary Schneider	Y
Representative Lori VanWinkle	Y
Representative Steve Vetter	Y

Roll call vote: 12 Yes 0 No 1 Absent. Motion carried.

Rep. Vetter moved a Do Pass as Amended;  
Seconded by Rep. Christensen

<b>Representatives</b>	<b>Vote</b>
Representative Lawrence R. Klemin	N
Representative Karen Karls	N
Representative Landon Bahl	Y
Representative Cole Christensen	Y
Representative Claire Cory	Y
Representative Donna Henderson	Y
Representative SuAnn Olson	N
Representative Nico Rios	N
Representative Shannon Roers Jones	Y
Representative Bernie Satrom	N
Representative Mary Schneider	Y
Representative Lori VanWinkle	N
Representative Steve Vetter	Y

Roll call vote: 7 Yes 6 No 0 Absent

Motion carried. Carrier: Rep. Cory

Meeting closed at 11:38 AM.

Delores Shimek, Committee Clerk

AG  
1-16-23  
(1-1)

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1152

Page 1, line 2, remove "motorcycle ride"

Page 1, line 2, remove "and dice roll"

Page 3, line 4, remove "motorcycle"

Page 3, line 4, remove "or dice roll"

Page 3, line 11, replace "**Motorcycle ride**" with "**Ride**"

Page 3, line 11, remove "**Dice roll** -"

Page 3, line 14, remove "motorcycle"

Page 3, line 14, remove "or dice roll"

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1152: Judiciary Committee (Rep. Klemin, Chairman) recommends AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). HB 1152 was placed on the Sixth order on the calendar.

Page 1, line 2, remove "motorcycle ride"

Page 1, line 2, remove "and dice roll"

Page 3, line 4, remove "motorcycle"

Page 3, line 4, remove "or dice roll"

Page 3, line 11, replace "**Motorcycle ride**" with "**Ride**"

Page 3, line 11, remove "**Dice roll -**"

Page 3, line 14, remove "motorcycle"

Page 3, line 14, remove "or dice roll"

Renumber accordingly

**2023 SENATE JUDICIARY**

**HB 1152**

# 2023 SENATE STANDING COMMITTEE MINUTES

**Judiciary Committee**  
Peace Garden Room, State Capitol

HB 1152  
3/1/2023

A bill relating to poker run requirements; relating to exceptions from gaming offenses.

2:28 PM Chairman Larson opened the meeting.

Chairman Larson and Senators Myrdal, Luick, Sickler, Estensen, Paulson and Braunberger are present.

**Discussion Topics:**

- Motorcycle clubs
- Car clubs
- Snowmobile clubs
- Raffle tickets
- Silent auctions

2:29 PM Representative Matt Ruby introduced the bill.

2:41 PM Scott Meske, North Dakota Gaming Alliance, testified in favor of the bill and provided written testimony #21473.

2:42 PM Deb McDaniel, Director of Gaming, North Dakota Attorney General's Office, testified opposed to the bill and provided written testimony #21594.

**Additional written testimony:**

Janelle Mitzel #21524.

Jeff Burns #21382.

2:48 PM Chairman Larson closed the public hearing.

2:48 PM Chairman Larson closed the meeting.

*Rick Schuchard, Committee Clerk*



# 2023 SENATE STANDING COMMITTEE MINUTES

**Judiciary Committee**  
Peace Garden Room, State Capitol

HB 1152  
3/8/2023

A bill relating to poker run requirements; relating to exceptions from gaming offenses; and provide a penalty.
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9:34 AM Chairman Larson opened the meeting.

Chairman Larson and Senators Myrdal, Luick, Estenson, Sickler, Paulson and Braunberger are present.

**Discussion Topics:**

- Committee action

9:36 AM Senator Braunberger moved to Do Not Pass the bill. Motion seconded by Senator Luick.

9:36 AM Roll call vote was taken.

<b>Senators</b>	<b>Vote</b>
Senator Diane Larson	Y
Senator Bob Paulson	Y
Senator Jonathan Sickler	Y
Senator Ryan Braunberger	Y
Senator Judy Estenson	Y
Senator Larry Luick	Y
Senator Janne Myrdal	Y

Motion passes 7-0-0.

Senator Luick will carry the bill.

9:37 AM Chairman Larson closed the meeting.

*Rick Schuchard, Committee Clerk*

**REPORT OF STANDING COMMITTEE**

**HB 1152, as engrossed: Judiciary Committee (Sen. Larson, Chairman) recommends DO NOT PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).** Engrossed HB 1152 was placed on the Fourteenth order on the calendar. This bill does not affect workforce development.

**TESTIMONY**

**HB 1152**



Drew H. Wrigley  
ATTORNEY GENERAL

STATE OF NORTH DAKOTA  
**OFFICE OF ATTORNEY GENERAL**  
www.attorneygeneral.nd.gov  
(701) 328-2210

**House Judiciary Committee**  
**House Bill No. 1152**  
**Relating to Motorcycle Ride Poker Runs**  
**January 9, 2023, Room 327B**

My name is Deb McDaniel, I am the Director of Gaming for the Office of Attorney General. I am here in opposition to House Bill 1152.

As written this bill would exempt any motorcycle club (person who aids, organizations or participates) from criminal code 12.1-28-02, Gambling and related offenses.

Gambling is any activity in which a person pays for a chance to win a prize. Three factors for gaming are consideration, chance, and prize.

This bill would allow for a motorcycle club (person that aids, organizes, engages, or participates) to conduct without any permit.

Dice games are not permitted under statute. The game types allowed are under chapter 53-06, those game types do not include any dice games or a "dice roll".

Chapter 53-06.1-03(1)(a) allows an organization to receive a restricted event permit to conduct raffles, bingo, sports pools, paddlewheels, twenty-one and poker. The maximum prize amounts may only award a primary prize that does not exceed eight thousand dollars and total prizes of all games do not exceed forty thousand dollars per year. Permits are received from the governing body of the city or county in which the proposed site is located. A governing body may establish a fee not to exceed twenty-five dollars for each permit.

Poker is permitted in chapter 53-06.1-07.2. The administrative rule for poker is located under NDAC 99-01.3-09. I have also attached the Guideline for Poker Runs for your review.

There are laws and regulations to conduct Poker Runs and to keep the activity consistent and have the activity regulated correctly. This bill as written would have poker runs and dice rolls without regulation.

Office of Attorney General  
Gaming Division

Guideline for Poker Runs  
January 2006

**Definition:**

A poker run is an event conducted by a licensed charitable organization or an organization recognized by a city or county for a charity local permit. Each participant in the event follows a charted course, stopping at five to seven checkpoints along the route to pick up a single playing card. Upon all participants arrival at the final checkpoint a showdown of the poker hands is conducted and prizes are awarded.

**Guideline:**

1. Poker runs are limited to not more than two occasions per year for a licensed organization (NDCC 53-06.1-07.2 Poker) and not more than one event per year for a charity local permit (NDCC 53-06.1-03(1)(d) Permits, site authorizations, and licenses).
2. A licensed organization must have a site authorization or a charity local permit must be issued for the specific location at which the poker hands are valued (showdown) and a determination is made of the winning hand. The site authorization must not prohibit the conduct of poker.
3. No site authorization or charity local permit is required at checkpoints prior to the final location where the showdown of hands is conducted.
4. The maximum allowable cost is \$18 for a five-card game or \$26 for a seven-card game. (Amounts are based on a blind bet, ante, maximum single bet of \$1, and not more than three raises, of not more than \$1 each, for each round of bets.)
5. Each player in the poker run must be registered.
6. Two employees or volunteers must be present at each checkpoint to ensure that a card is issued to each player in a fair manner.
7. An organization must, after the showdown, cross-check the winning player's cards to the specific cards that were issued and recorded at the checkpoints as being issued.
8. The winning player must be present when the showdown occurs and the prizes are awarded.
9. A licensed organization may voluntarily donate net proceeds to an organization that provides volunteer assistance during the poker run provided that that the donation is not a condition for providing these services.
10. The amount of prizes for a poker run may not exceed 90% of the gross proceeds collected.



**APPLICATION FOR A LOCAL PERMIT OR RESTRICTED EVENT PERMIT**  
 NORTH DAKOTA OFFICE OF ATTORNEY GENERAL  
 LICENSING SECTION  
 SFN 9338 (09-2021)

Applying for (check one)  
 Local Permit       Restricted Event Permit\*

Games to be Conducted       Raffle by a Political or Legislative District Party

Bingo     Raffle     Raffle Board     Calendar Raffle     Sports Pool     Poker\*     Twenty-One\*     Paddlewheels\*

*Poker, Twenty-One, and Paddlewheels may be conducted Only with a Restricted Event Permit. Only one permit allowed per year.*  
**LOCAL PERMIT RAFFLES MAY NOT BE CONDUCTED ONLINE AND CREDIT CARDS MAY NOT BE USED FOR WAGERS.**

Name of Organization or Group of People permit is issued to	Dates of Activity	If raffle, provide drawing date	
Organization or Group Contact Person	Title or Position	Telephone Number	
Business Address	City	State	ZIP Code
Mailing Address (if different)	City	State	ZIP Code
Site Name (where gaming will be conducted)			
Site Address	City	ZIP Code	County

Description and Retail Value of Prizes to be Awarded

Game Type	Description of Prize	Retail Value of Prize
Total (limit \$40,000 per year)		

Intended Uses of Gaming Proceeds

Does the organization presently have a state gaming license? (If yes, the organization is not eligible for a local permit or restricted event permit and should call the Office of Attorney General at 1-800-326-9240)  
 Yes     No

Has the organization or group received a restricted event permit from any city or county for the fiscal year July 1-June 30? (If yes, the organization or group does not qualify for a local permit or restricted event permit)  
 Yes     No

Has the organization or group received a local permit from any city or county for the fiscal year July 1-June 30? (If yes, indicate the total retail value of all prizes previously awarded)  
 No     Yes - Total Retail Value:  (This amount is part of the total prize limit of \$40,000 per year)

Is the organization or group a state political party or legislative district party? (If yes, the organization or group may only conduct a raffle and must complete SFN 52880 "Report on a Restricted Event Permit" within 30 days of the event. Net proceeds may be used for political purposes.)  
 Yes     No

Organization or Group Contact Person

Name	Title	Telephone Number	E-mail Address
Signature of Organization or Group's Top Official		Title	Date



**LOCAL PERMIT OR RESTRICTED EVENT PERMIT**  
 NORTH DAKOTA OFFICE OF ATTORNEY GENERAL  
 LICENSING SECTION  
 SFN 17926 (09-2021)

Permit Number

Permit Type (check one)  
 Local Permit       Restricted Event Permit\*

Games Authorized       Raffle by a Political or Legislative District Party

Bingo     Raffle     Raffle Board     Calendar Raffle     Sports Pool     Poker\*     Twenty-One\*     Paddlewheels\*

\*See Instruction 2 (f) on Page 2. Poker, Twenty-One, and Paddlewheels may be conducted *Only* with a Restricted Event Permit. Only one permit per year.  
**LOCAL PERMIT RAFFLES MAY NOT BE CONDUCTED ONLINE AND CREDIT CARDS MAY NOT BE USED FOR WAGERS.**

Name of Organization or Group of People permit is issued to		Dates Authorized (Read Instruction 2)	
Organization or Group Contact Person	Title or Position	Telephone Number	
Mailing Address	City	State	ZIP Code
Site Name			
Site Address	City	ZIP Code	County
If the city or county is placing restrictions on the permit, please explain			
If a raffle is being conducted, provide the date of the drawing(s)			

City or County Contact Person			
Name	Title	Telephone Number	E-mail Address
Signature of City or County Official		Date	Issuing Governing Body <input type="checkbox"/> City <input type="checkbox"/> County

City or County must submit a copy of the permit above to the Office of Attorney General within 14 days of issuance. (Cut at line below)

Local governing bodies please see the instructions on the backside of this form on how to complete the permit. Be certain to provide the organization or group with the "Information Required to be Preprinted on a Standard Raffle Ticket" found on the backside of this form if a raffle is being conducted. If a "Restricted Event Permit" is being issued, either provide organization or group with SFN 52880 "Report on a Restricted Event Permit" or make them aware that the report must be filed with the city or county and the Office of Attorney General within 30 days after the event. Before approving a site location, ensure compliance with the gaming law below.

- Before approving a local permit or restricted event permit the local governing body should review North Dakota Century Code 53-06.1-03(3)(a) which states:
3. A licensed organization or organization that has a permit shall conduct games as follows:
- a. Only one licensed organization or organization that has a permit may conduct games at an authorized site on a day, except that a raffle may be conducted for a special occasion by another licensed organization or organization that has a permit when one of these conditions is met:
    - (1) When the area for the raffle is physically separated from the area where games are conducted by the regular organization.
    - (2) Upon request of the regular organization and with the approval of the alcoholic beverage establishment, the regular organization's license or permit is suspended for that specific time of day by the Attorney General.

Local governing bodies should also review North Dakota Administrative Code 99-01.3-01-05 (Permits) for the administrative rules governing permits. These rules may be viewed on the North Dakota Attorney General's website at <https://attorneygeneral.nd.gov/licensing-and-gaming/gaming/gaming-laws-rules-and-publications>

**Information required to be preprinted on a standard raffle ticket:**

1. Name of organization;
2. Ticket number;
3. Price of the ticket, including any discounted price;
4. Prize, description of an optional prize selectable by a winning player, or option to convert a merchandise prize to a cash prize that is limited to the lesser of the value of the merchandise prize or six thousand dollars. However, if there is insufficient space on a ticket to list each minor prize that has a retail price not exceeding twenty-five dollars, an organization may state the total number of minor prizes and their total retail price;
5. For an organization that has a permit, print the authorizing city or county and permit number;
6. A statement that a person is or is not required to be present at a drawing to win;
7. Date and time of the drawing or drawings and, if the winning player is to be announced later, date and time of that announcement. For a calendar raffle, if the drawings are on the same day of the week or month, print the day and time of the drawing;
8. Location and street address of the drawing;
9. If a merchandise prize requires a title transfer involving the Department of Transportation, a statement that a winning player is or is not liable for sales or use tax;
10. If a purchase of a ticket or winning prize is restricted to a person of a minimum age, a statement that a person must be at least "-" years of age to buy a ticket or win a prize;
11. A statement that a purchase of the ticket is not a charitable donation;
12. If a secondary prize is an unguaranteed cash or merchandise prize, a statement that the prize is not guaranteed to be won and odds of winning the prize based on numbers of chances; and
13. If a prize is live beef or dairy cattle, horse, bison, sheep or pig, a statement that the winning player may convert the prize to a cash prize that is limited to the lesser of the market value of the animal or six thousand dollars.

North Dakota Administrative Code 99-01.3-05-02(4) states that an employee may not sell a ticket on a site where another organization is licensed or has a permit unless the employee is granted permission by the lessor and other organization.

North Dakota Administrative Code 99-01.3-05-01 through 99-01.3-05-05 (Raffles) in its entirety can be reviewed on the North Dakota Attorney General's website at <https://attorneygeneral.nd.gov/licensing-and-gaming/gaming/gaming-laws-rules-and-publications>.

**INSTRUCTIONS:**

After a city or county governing board has authorized an organization to receive a local permit or restricted event permit, the city or county must complete this form.

1. Enter the city or county assigned "Permit Number".
2. Enter the beginning and ending date(s) for which the permit is authorized.
  - a. A permit must be on a fiscal year basis from July first to June thirtieth or on a calendar year basis.
  - b. For a "one time" raffle, the beginning and ending date for "Dates Authorized" is the date of the raffle prize drawing.
  - c. A local permit can be issued for one or more events per year.
  - d. If a local permit is issued for more than one event, enter the date of the first event as the beginning date and the date of the last event as the ending date.
  - e. A permit may not be issued more than twelve months prior to the first raffle drawing date.
  - f. A restricted event permit may be issued for only one event per year. If the organization has received a local permit during a fiscal year, it may not receive a restricted event permit. If the organization received a restricted event permit during the fiscal year, it may not receive a local permit.
3. Enter any restriction place on the organization or group, such as days of the week or designation of an area at a site where games may be conducted.
4. When a restricted event permit is issued, provide a "Report on a Restricted Event Permit" form to the organization or be sure they know the form is available at <https://attorneygeneral.nd.gov/licensing-and-gaming/licensing/charitable-gaming> by scrolling to the bottom of the page.
5. Give the organization or group the completed permit form, keep a copy for your records, and send a copy within 14 days by email to [agolicensing@nd.gov](mailto:agolicensing@nd.gov), fax to (701) 328-3535 or by mail to:

Office of Attorney General  
Licensing Section  
600 E Blvd Ave, Dept. 125  
Bismarck, ND 58505-0040

If questions on the local permit or restricted event permit process, please call: 1-800-326-9240





**REPORT ON A RESTRICTED EVENT PERMIT**  
 OFFICE OF ATTORNEY GENERAL  
 SFN 52880 (08-2019)

		Permit Issued by City/County		Permit Number
Name of Organization or Group of People		Site Name	Site Address	
Mailing Address		City	State	Zip Code
				County
				Date of Event

Gaming Activity				
Gross Income	-	Cost of Prizes	=	Balance
-				Expenses
=				Net Income
\$		\$		\$

Itemization of expenses paid				
	Check #	Paid To	Description of Expense	Check Amount
1				
2				
3				
4				
<b>Total</b> (MUST EQUAL expenses above)				\$

Net Income paid to Charitable Purposes - Refer to the Backside of the Form for Eligible Purposes				
	Check #	Recipient	Description of Use	Check Amount
1				
2				
3				
4				
<b>Total</b> (MUST EQUAL net income above or see below)				\$

Note - If the total amount given to charitable purposes is less than the net income, please explain why.

The top executive official and preparer declare that the information on this report is true and complete.

Signature of Organization or Group's Top Official	Date	Signature of Preparer	Contact Phone No.
Printed Name and Title of Organization or Group's Top Official		Printed Name of Preparer	

- Instructions: Mail a copy of the completed report within 30 days of the event to:
1. City or County Auditor that issued the Charity Local Permit; and
  2. OFFICE OF ATTORNEY GENERAL; LICENSING SECTION; 600 E BOULEVARD AVE - DEPT 125; BISMARCK ND 58505-0040

# ELIGIBLE USES FOR A CHARITY LOCAL PERMIT

## HARITABLE USES:

The Abused  
Alcohol and Drug Abuse  
Animal Protection  
Alzheimers  
The Blind  
Cancer  
Cystic Fibrosis  
Diabetes  
The Disabled  
Heart Disease  
Learning Disabilities  
Mental Health  
Multiple Sclerosis  
Muscular Dystrophy  
The Needy  
Paralysis  
Developmentally Disabled Citizens  
Senior Citizens  
Terminally Ill  
Wildlife  
Youth Activities  
Adult Activities  
Head Injuries  
Home on the Range  
March of Dimes  
Meals on Wheels  
Medical Facilities (Non-profit)  
Memorial Funds  
Nursing Homes (Non-profit)  
Ronald McDonald House  
Red Cross  
Salvation Army  
Special Olympics  
Disaster Relief Organizations  
United Fund/United Way  
YMCA/YWCA  
Volunteer Services  
Gambling Addiction  
Other

## RELIGIOUS USES:

Religious uses

## EDUCATIONAL USES:

Agriculture  
The Arts  
Educational Public Services  
Safety  
4-H Activities  
Educational Institutions and Activities  
Preservation of Cultural Heritage  
Scholarships  
Vocational Workshops  
Other

## FRATERNAL USES:

Camp Grassick  
Fraternal Foundations  
Legion Baseball  
Veterans Cemetery  
Disabled or Injured Veterans Assistance  
Military Family Support  
Other

## PATRIOTIC USES:

Scouting Activities and Boys or Girls State  
Community Bands, Color and Honor  
Guards, Flags, and Patriotic Celebrations  
Other

## USES FOR THE ERECTION OR MAINTENANCE OF PUBLIC BUILDINGS OR WORKS:

Uses described above

## USES LESSENING THE BURDEN OF GOVERNMENT

Community Emergency Services such as Ambulance and Fire Departments  
Disbursements Directly to a City, County, State, or US Government including Libraries, Military Service, Monuments, Museums, and Historical Societies  
Improvement of Public Areas  
Parks and Recreation  
Law Enforcement  
Other

## COMMUNITY USES:

Economic Development  
Tourism  
Fraternal or Veterans Facility Improvements  
Other

## PERSONS WHO ARE THE VICTIMS OF LOSS OF HOME OR HOUSEHOLD POSSESSIONS THROUGH EXPLOSION, FIRE, FLOOD, OR STORM, UNCOMPENSATED BY INSURANCE:

## PERSONS SUFFERING FROM A SERIOUSLY DISABLING DISEASE OR INJURY CAUSING SEVERE LOSS OF INCOME OR INCURRING EXTRAORDINARY MEDICAL EXPENSE, UNCOMPENSATED BY INSURANCE:

23.0516.01001  
Title.02000

Prepared by the Legislative Council staff for  
Representative M. Ruby  
January 16, 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1152

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Page 3, line 14, remove "motorcycle"

Page 3, line 14, remove "or dice roll"

Renumber accordingly

Re: HB 1152

From: Jeff Burns

Nodak Sportsmen's Club

To: Senate Judiciary Committee

Senate Judiciary Committee Chairman and Senators,

My name is Jeff Burns and I am the gaming manager for Nodak Sportsmen's Club. I have been in the gaming industry in North Dakota for 20 years and currently the gaming manager for a charity that has been in business for 30 years in our state.

I am not opposed to allowing groups to operate "Poker Runs" without a permit but nowhere is there a definition of what a "Poker Run" is. Would this bill allow a group or organization to be able to open linked Poker rooms and call it a "Poker Run" because it is being played in multiple locations? Would Video Poker be allowed if the machines are linked to multiple locations? Also, the way the bill is written a group or organization operating a "Poker Run" could also conduct other gaming activities and these activities are not regulated by the Attorney General's Gaming Division.

This bill needs the following amendments to make sure it isn't abused:

1. Definition of a "Poker Run".
2. Change the language of: **12.1-28-02. Gambling - Related offenses - Classification of Exception offenses.** #2. That reads: **The offenses under this section do not apply to a person who aids, organizes, or participates in a ride to conduct a poker run.** This language gives the group or organization the ability to conduct any type of gaming with no regulation and no consequences.

In the bills current version I ask for your consideration for a "**Do not pass**" on HB 1152.

Thank you for your time,

Jeff Burns

Gaming Manager

Nodak Sportsmen's Club



## **Benefiting North Dakota Communities through Charitable Gaming**

### **Senate Judiciary Committee March 1, 2023 Testimony in SUPPORT of House Bill 1152**

Madam Chair Larson and Members of the Senate Judiciary Committee:

I'm Scott Meske, representing the North Dakota Gaming Alliance and on behalf of the Members of the NDGA, we offer our support for House Bill 1152.

Poker runs are a charitable fundraising event conducted by organizations around North Dakota. While they may be considered "gaming" by some, in fact, they are a single fundraising event and is not actually "poker" by common definition.

It has been brought to our attention that there is really no true definition of what a poker run is, and the North Dakota Gaming Alliance respectfully requests the opportunity to work with the sponsor of the bill and the Gaming Division to define what is meant by a "poker run" as outlined in HB 1152.

We ask this for two reasons. One, so the Attorney General's office has clear direction from the legislative body on the intent of this bill. And two, so the organizations operating such events can accurately execute their intended charitable fundraising events.

The North Dakota Gaming Alliance supports HB 1152 however would request the opportunity to return with a proper amendment to define "poker runs" that would be acceptable to the Gaming Division and the charitable organizations..

Thank you.

**HB 1152**  
**Senate Judiciary Committee**  
**Submitted by Janelle Mitzel, CGAND President**  
**March 01, 2023**

Chairperson Larson and Committee members, thank you for the opportunity to provide information regarding the charitable gaming industry of North Dakota. I am submitting testimony in **Opposition of House Bill 1152**.

My name is Janelle Mitzel and I have the privilege to serve as President of the Charitable Gaming Association of North Dakota (CGAND), a trade association for charities operating gaming throughout ND. Our membership is composed of small and large organizations across this state who are dedicated to the preservation of gaming as a funding source for charitable purposes. Led by a board of charitable gaming organizations, we are the only organization that has always been, and always will be, solely about keeping gaming truly charitable.

HB 1152 as written will exempt any person who aids, organizes, or participates in a “ride to conduct a poker run” from any **criminal code** or **gambling related offenses** and allows gambling activities without a permit.

This means anyone “claiming” to be aiding, participating, or organizing a “Ride - Poker Run”, can conduct gaming activity without any kind of regulations or requirements. They can offer prizes exceeding the permit level; can have merchandise prizes without a value limit; can conduct more than the two occasions per year for licensed organizations; Since they are exempt from criminal code, they can sell raffle tickets without regulation, advertise without regulation, gamble on private premises without regulation, receive wagers for on behalf of another person (a bookie), can run slot machines, and basically run a private gambling business without any kind of regulation or legal ramifications. With no permit required, there would be no way to track the events or protect citizens from bad actors.

Our current regulations allow the game of poker for any group with a state license or with permit, but with guidelines. A “poker run” does not conform to state regulations and is essentially a different game. At best this bill should create a definition of a “poker run” so that rules can be written. What it currently does is provide a loophole to subvert current procedures and avoid having to follow regulations. What it will **actually do**, is create a new Wild West gambling scene in North Dakota.

If HB 1152 passes in its current form, charitable gaming will cease to exist because anyone could say they were a “poker run” group or person and be exempt from all laws and rules. Privatized gambling will be the new order. There is no language in this bill requiring any of the proceeds be used for a charitable purpose so we have a strong feeling this will create a constitutional issue.

For over 40 years North Dakota has developed a responsible and highly regulated system for charitable gaming to benefit charitable missions that serve your local communities. This bill exempts anyone claiming to be running a “poker run” from all gaming regulations and the entire gambling criminal code. Without serious changes to

this bill enacting enforceable regulations and criminal ramifications CGAND is asking you to consider a **Do Not Pass** recommendation on **HB 1152**.

Thank you, Madam Chairperson, and members of the committee, for your time and thoughtful consideration. Please feel free to contact me with any additional questions you may have.

Respectfully,

Janelle Mitzel, president

CGAND

**Senate Judiciary Committee  
House Bill No. 1152  
Relating to Poker Runs  
March 1, 2023, Peace Garden**

My name is Deb McDaniel, I am the Director of Gaming for the Office of Attorney General. I am here in opposition to House Bill 1152.

As written this bill would exempt any person or group claiming to conduct a poker run (person who aids, organizations or participates) from criminal code 12.1-28-02, Gambling and related offenses.

Gambling is any activity in which a person pays for a chance to win a prize. Three factors for gaming are consideration, chance, and prize.

This bill would allow for any person or group who conduct a poker run (person that aids, organizes, engages, or participates) to conduct without a permit. There would be no notification to the state or local jurisdictions that the activity is taking place, no requirement for charitable purposes, and since exempt from the criminal code could also conduct lotteries, slot machines, and other activity without regulation.

Chapter 53-06.1-03(1)(a) allows an organization to receive a restricted event permit to conduct raffles, bingo, sports pools, paddlewheels, twenty-one and poker. The maximum prize amounts may only award a primary prize that does not exceed eight thousand dollars and total prizes of all games do not exceed forty thousand dollars per year. Permits are received from the governing body of the city or county in which the proposed site is located. A governing body may establish a fee not to exceed twenty-five dollars for each permit.

Poker is permitted in chapter 53-06.1-07.2.

Poker may be conducted on not more than two occasions per year. An organization may supply the dealer. The maximum single bet is one dollar. Not more than three raises, of not more than one dollar each, may be made among all the players in each round of bets. For nontournament activity, an organization shall charge each player a fee not to exceed two dollars per one-half hour of playing time, collected in advance. For a tournament, an organization shall charge each player an entry fee and the amount of prizes may not exceed ninety percent of the gross proceeds.

The administrative rule for poker is located under NDAC 99-01.3-09. I have also attached the Guideline for Poker Runs for your review.

There are laws and regulations to conduct Poker Runs and to keep the activity consistent and regulated effectively. This bill as written would allow poker runs without regulation, restriction, or requirements.



Office of Attorney General  
Gaming Division

Guideline for Poker Runs  
January 2006

**Definition:**

A poker run is an event conducted by a licensed charitable organization or an organization recognized by a city or county for a charity local permit. Each participant in the event follows a charted course, stopping at five to seven checkpoints along the route to pick up a single playing card. Upon all participants arrival at the final checkpoint a showdown of the poker hands is conducted and prizes are awarded.

**Guideline:**

1. Poker runs are limited to not more than two occasions per year for a licensed organization (NDCC 53-06.1-07.2 Poker) and not more than one event per year for a charity local permit (NDCC 53-06.1-03(1)(d) Permits, site authorizations, and licenses).
2. A licensed organization must have a site authorization or a charity local permit must be issued for the specific location at which the poker hands are valued (showdown) and a determination is made of the winning hand. The site authorization must not prohibit the conduct of poker.
3. No site authorization or charity local permit is required at checkpoints prior to the final location where the showdown of hands is conducted.
4. The maximum allowable cost is \$18 for a five-card game or \$26 for a seven-card game. (Amounts are based on a blind bet, ante, maximum single bet of \$1, and not more than three raises, of not more than \$1 each, for each round of bets.)
5. Each player in the poker run must be registered.
6. Two employees or volunteers must be present at each checkpoint to ensure that a card is issued to each player in a fair manner.
7. An organization must, after the showdown, cross-check the winning player's cards to the specific cards that were issued and recorded at the checkpoints as being issued.
8. The winning player must be present when the showdown occurs and the prizes are awarded.
9. A licensed organization may voluntarily donate net proceeds to an organization that provides volunteer assistance during the poker run provided that that the donation is not a condition for providing these services.
10. The amount of prizes for a poker run may not exceed 90% of the gross proceeds collected.