

North Dakota Gaming Update



March 2010

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

State Gaming Commission and Advisory Board Meeting

A meeting of the State Gaming Commission and Advisory Board has been scheduled for March 18, 2010, in the Fort Totten Room at the State Capitol building in Bismarck. The meeting will be to address comments from the public hearings on the proposed changes to the Games of Chance Administrative rules. The Advisory Board meeting is scheduled to start at 9:00 am and the State Gaming Commission will begin at 1:00 pm. According to guidelines for adopting administrative rules, all changes submitted to Legislative Council prior to May 1st become effective on July 1st.

NAFTM 2008 Annual Report Now Available On-line

The National Association of Fundraising Ticket Manufacturers (NAFTM), a trade association of companies that manufacturer pull tabs, bingo cards, and related supplies, recently released its 2008 Annual Report entitled "Charity Gaming in North America". The report summarizes statistics and other information from 26 states and 7 Canadian Provinces related to the operation of charitable gaming.

The association has discontinued the practice of printing hard copies of the annual reports but they can be viewed on NAFTM's web page at www.naftm.org/.

Top 20 Organizations

Quarter Ended September 30, 2009

Name	Active Sites	Gross Proceeds	Prizes	Adjusted Gross Proceeds
ND Association for the Disabled, Grand Forks	8	\$5,100,783	\$3,981,503	\$1,119,280
Prairie Public Broadcasting, Inc., Fargo	13	3,857,252	3,081,521	775,731
Plains Art Museum, Fargo	3	2,440,806	1,977,703	463,103
Grand Forks Blue Line Club, Inc., Grand Forks	3	2,011,666	1,583,558	428,108
Minot Junior Golf Association, Inc., Minot	8	1,795,905	1,457,157	338,748
Minot Hockey Boosters, Inc., Minot	18	1,711,170	1,403,288	307,882
American Foundation for Wildlife, Bismarck	26	1,295,663	1,002,786	292,877
Development Homes, Inc., Grand Forks	9	1,676,761	1,406,026	270,735
Bismarck-Mandan CVB, Bismarck	6	1,339,352	1,091,211	248,141
Listen Inc., Grand Forks	9	1,213,170	966,890	246,280
Fort Abraham Lincoln Foundation, Mandan	13	1,217,003	971,199	245,804
Knights of Columbus Council, Jamestown	14	1,179,844	934,801	245,043
Share House Inc., Fargo	4	1,184,092	984,550	199,542
Williston State College Foundation, Williston	10	992,154	799,375	192,779
Dickinson Youth Activities, Dickinson	5	956,639	766,893	189,746
West Fargo Hockey Assn., Inc., West Fargo	7	1,343,589	1,160,011	183,578
Cystic Fibrosis Assn. of ND, Bismarck	9	862,312	680,808	181,504
Progress Enterprises, Inc., Jamestown	5	848,783	668,833	179,950
Veterans Club, Kenmare	14	816,919	637,104	179,815
Williston Convention and Visitors Bureau, Williston	7	768,786	607,705	161,081
	191	32,612,649	26,162,922	6,449,727

The organizations are listed in descending order by Adjusted Gross Proceeds prior to adjustments for Cash Long/Short (+/-), Pull Tab Excise Tax (-), Federal Excise Tax(-), and Bingo Excise Tax (-).

Under and Excess Expenses by Type of Organization

The chart below reflects the under and excess expenses, by type of organization, for the fiscal year ended June 30, 2009.

“Under expenses” is the amount that organizations’ actual expenses are below the allowable expense limit.

“Excess expenses” is the amount that organizations’ actual expenses exceed the allowable expense limit.

Organization Type	Under Expenses			Excess Expenses		
	No.	%	Amount	No.	%	Amount
Educational	3	75	\$83,702	1	25	\$ 828
Religious	4	100	49,537	0	0	0
Charitable	3	18	59,427	14	82	1,313,441
Civic & Service	21	68	105,262	10	32	85,943
Fraternal	25	81	614,710	6	19	43,290
Public Safety	30	65	154,300	16	35	62,457
Veterans	50	75	604,560	17	25	104,755
Public Spirited	86	64	964,405	49	36	2,158,903
TOTALS	222		\$2,635,903	113		\$3,769,617



Quarter Analysis of Gaming Activity

The amount of money wagered on charitable games of chance for the quarter ended September 30, 2009, was \$60,167,937. This represents a decrease of (\$4,652,198) or (7.2%) from wagers made during the same quarter in 2008 when \$64,820,135 was wagered. The largest dollar decreases were in twenty-one with (\$2,018,316) or (10.7%) and pull tabs with a decrease of (\$1,818,216) or (8.6%).

Quarter Ended September 30, 2009

	Gross Proceeds	Prizes	Adjusted Gross Proceeds
Bingo	\$8,029,367	\$6,275,983	\$1,753,384
Raffles	445,900	169,420	276,480
Pull Tabs	19,202,875	15,146,920	4,055,955
Pull Tabs - Dispensing	14,119,682	10,932,663	3,187,019
Club Specials, Tip, Seal & Prize Boards	212,481	152,525	59,956
Punch Boards	1,400	1,033	367
Sports Pools	10,809	8,856	1,953
Twenty-One	16,820,596	14,177,759	2,642,837
Calcuttas	88,455	77,201	11,254
Paddlewheels	27,850	16,032	11,818
Paddlewheels – with Table	1,159,977	884,051	275,926
Poker	45,625	38,769	6,856
Other (Cash Long/Interest)	<u>2,920</u>	<u>0</u>	<u>2,920</u>
Totals:	\$60,167,937	\$47,881,212	\$12,286,725

Less:	ND Pull Tab Excise Tax	\$975,674
	Federal Excise Tax	22,549
	ND Bingo Excise Tax	<u>233,658</u>
	Total Adjusted Gross Proceeds	\$11,054,844

Less:	Gaming Tax	\$729,648
	Total Allowed Expenses	<u>6,391,868</u>
	Total Deductible Expenses	\$7,121,516

Net Proceeds Earned \$3,933,328

Eligible Use Contributions \$4,726,285



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Public Hearings on the Proposed Changes to the Games of Chance Administrative Rules

The Office of Attorney General held public hearings on the proposed changes to the games of chance administrative rules in mid-February. Twelve individuals attended the public hearing in Grand Forks on February 16th, twenty-seven individuals attended the public hearing in Fargo on February 17th, and twelve individuals attended the public hearing in Bismarck on February 18, 2010.

The State Gaming Commission also received five comment letters either during the public hearings or prior to the deadline for comments on March 1, 2010. Public comments were expressed on nineteen different rules.

Interim Judiciary Committee Meeting

The Interim Judiciary Committee held its second meeting on February 11, 2010, at the State Capitol in Bismarck. You may recall that Senate Concurrent Resolution No. 4028 directed Legislative Council to study the charitable gaming laws to determine whether the laws regarding taxation, limitations, enforcement, conduct, and play of charitable gaming are fair, adequate, and appropriate. Legislative council did revise the directive of this study to include pari-mutuel racing laws as well as the charitable gaming laws.

Organizations can view the agenda and meeting minutes at the following web page <http://www.legis.nd.gov/assembly/61-2009/interim-info/minutes/index.html> under the Judiciary Committee.