



***MINUTES***  
***GAMING ADVISORY COUNCIL***

*October 2, 2020*  
*Zoom*

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  
Rep. Wylie Galt

Mike Kenneally  
Steve Morris

**DIVISION STAFF PRESENT**

Angela Nunn   Dave Jeseritz   Andy Ritter   Matt Eckdahl

**SUMMARY OF COUNCIL ACTION**

- ◆ The Council voted unanimously to approve the minutes from the July 10, 2020 meeting.
- ♥ The Council voted unanimously to include in the DOJ/GAC bill proposals related to qualifications of licensure and transfers of ownership.
- ♣ The Council voted 5-1 to not include the legislative proposal related to cashless wagering in the DOJ/GAC bill.
- ♥ The Council scheduled the next meeting for June 25, 2021, in Billings. The meeting adjourned at 12:30 p.m.

**CALL TO ORDER AND ROLL CALL**

Chairman Kennedy called the meeting to order at 10:00 a.m. All members were present except Carole Lankford and Bill Slaughter who were excused.

The minutes from the July 10, 2020 meeting were approved unanimously.

Attorney General Tim Fox provided opening comments.

## **GAMBLING CONTROL DIVISION UPDATE**

### **Operations Bureau Update**

Administrator Nunn explained it had only been a couple months since the last meeting and that there were not many changes or activity to report on. Ms. Nunn noted the division did finish collections on fourth quarter taxes and preparing to collect first quarter taxes for fiscal year 2021. She also mentioned the License and Tax Section hired a licensing examiner and have an additional licensing examiner position posted for recruitment and concluded that Mr. Ritter had been working on drafting the Biennial Report and would be sent out to the members for review and approval.

### **Investigations Bureau Update**

Mr. Jeseritz provided a few statistics which included 692 premises inspections, and 676 cases had been assigned to the investigators and auditors (fiscal year to date). Mr. Jeseritz noted the investigators completed 111 after-hours visits. He explained to the Council that the Investigations Bureau was recruiting for an investigator in Missoula.

### **Technical Services Section Update**

Mr. Eckdahl explained to the Council that the machine inspectors completed 435 VGM inspections since the last meeting, and the lab completed 10 VGM development cases. Mr. Eckdahl also provided Tier I deployment statistics, which included 8% of machines in Montana were reporting via Tier I.

### **Statistics**

Mr. Ritter provided an overview of statistics for fourth quarter FY20. He explained that video gambling machine tax collections for the fourth quarter were approximately \$10.6 million, which was an 26% decrease from the previous quarter. Mr. Ritter noted that the Division received 82 license applications in fourth quarter. Mr. Ritter also explained the Division permitted 680 gambling machines, which was a 1.5% increase from fourth quarter FY19. The number of Live Keno and Bingo permits issued was 183. He indicated 39 Casino Night permits and 155 Calcutta permits were issued in FY20. Live card tables permitted were down 4%, the number of card dealers were down 16%. Mr. Ritter also mentioned the division issued 127 large-stakes tournament permits, and 25 small-stakes tournament permits.

## **OTHER UPDATES**

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

Ms. Becky Schlauch was unable to attend the meeting but had provided a handout that included high-level updates regarding ABCD activities.

### **Montana Board of Horse Racing**

Mr. John Hayes provided updates regarding Board of Horse Racing activities.

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

Mr. Brad Longcake provided updates regarding the Montana Council on Problem Gambling.

### **Montana Indian Gaming Association**

The Montana Indian Gaming Association was invited but unable to attend.

### **OLD BUSINESS**

#### **Division Funding Report**

Ms. Nunn provided a brief update on the division's funding and noted that a funding subcommittee meeting was held after the last GAC meeting. Ms. Nunn noted that the division is still working toward a long-term solution to address division's cash position. Ms. Nunn indicated the division was not planning to bring any legislative changes related to funding, with the exception on proposing an increase in the funding percentage provided by Alcoholic Beverage Control Division from 29% to 32%.

#### **Role of the Gaming Advisory Council**

Ms. Nunn commented that she had working with Chief of Staff Mike Milburn and Chairman Kennedy to create a document that outlines the vision of the GAC. This document was provided to the council members.

### **NEW BUSINESS**

#### **Legislative Proposals**

Ms. Nunn presented to the Council three legislative proposals which included qualifications of licensure, cashless wagering, and transfers of ownership.

A motion to include the legislative proposal related to qualifications of licensure in the GAC/DOJ bill was made and approved unanimously.

A motion to include the legislative proposal related to cashless wagering in the GAC/DOJ bill was made and not approved.

A motion to include the legislative proposal related to transfers of ownership in the GAC/DOJ bill was made and approved unanimously.

### **Industry update/Legislative Proposals**

The Council had provided the opportunity for the industry reps to discuss any legislative proposals they planned to pursue in the upcoming Legislative Session.

Ms. Ronda Wiggers (Montana Coin Machine Operators Association) explained to the Council that they plan to introduce the sports betting bill again this session. Ms. Wiggers also noted they will plan to introduce a bill related to player rewards.

Mr. Neil Peterson (Gaming Industry Association) explained to the Council that the GIA is looking to potentially pursue changes to make a few of the implemented COVID-19 related exceptions permanent.

Mr. John Iverson (Montana Tavern Association) explained to the Council that the MTA would be looking to bring legislation related to concession agreements and contrived events.

### **Public Comment**

Mr. Dan Fuchs from the Montana Race Horse Owners and Breeders Coalition provided comment that they will be in support of any legislation that would financially benefit the Board of Horseracing.

### **Final Business**

The Council scheduled the next meeting for June 25, 2020 in Billings. The meeting adjourned at 12:30 p.m.