



GAMING ADVISORY COUNCIL

MINUTES

May 2, 2024

Billings, MT

This is a summary of the Council meeting. Due to a technical difficulty, a partial recording of the meeting is held in a digital audio file format and maintained at the Gambling Control Division office at 2681 Palmer St., Suite D, Missoula, MT. Exhibits (if any) are on file in the office of the Gambling Control Division.

COUNCIL MEMBERS PRESENT

Scott Aspenlieder

Garret McFarland

Travis Woltermann

Lee Randall (Teams Link)

Merle Frank

Amanda Peterman

DIVISION STAFF PRESENT

Jason Johnson (Administrator)

Ashley Corbally (Administrative Officer)

Matt Eckdahl (Technical Services Supervisor)

Melina Bucy (Compliance Supervisor)

SUMMARY OF COUNCIL ACTION

- **The Council voted unanimously to approve the minutes from the January 11, 2024, meeting.**
- **The Council welcomed new GAC member Amanda Peterman**

CALL TO ORDER AND ROLL CALL

Chairman Aspenlieder called the meeting to order at 1:00 p.m. The Council unanimously approved the minutes from the Jan. 11 meeting.

GAMBLING CONTROL DIVISION UPDATE

Operations Update

Administrator, Jason Johnson, discussed the addition of a new investigator to replace Len DeClercq in Helena. He also discussed the upcoming GCD annual training in Helena in August and invited the industry members to attend.

Mr. Johnson updated the Council on the attendance of a Human Trafficking conference GCD attended and how to help businesses recognize human trafficking in their establishments.

Mr. Johnson discussed the online gaming operators that pop up periodically and they get shut down quickly and efficiently by GCD.

Ms. Peterman, as she is new to the Council, asked what are the largest issues that GCD is concerned about. Mr. Johnson stated that online gaming is the largest issue GCD faces.

Technical Services Section Update

Mr. Eckdahl provided an update on Technical Services. Since the last GAC meeting, the lab has conducted 800 VGM inspections and completed testing on 12 VGM/Tier 1 software submissions. There are now 8,800 VGMSs reporting through approved Tier 1 systems at 478 locations. This is 54% of all permitted machines and 38% of all establishments with VGMSs.

Mr. Eckdahl also provided an update on the negative tax numbers this fiscal year:

- Q1FY24 negative tax was \$180k
- Q2FY24 negative tax was \$116k
- Q3FY24 negative tax was \$123k

Statistics

Ms. Corbally provided an update on the Q3 FY24 statistics for GCD. Tax revenues are about the same as they were last quarter, at \$20.6M. Most permits were consistent with previous quarters. Of notable change was the amount of large-stakes tournament permits issued in Q3 (48), a 60% increase over Q3 FY23.

OTHER UPDATES

Alcohol Beverage Control Division (ABCD) Update

Steve Swanson provided an update on ABCD. Regarding the ABCD advisory committee, Mr. Swanson stated that 2 meetings have taken place, and the 3rd is coming up and meeting date/details will be provided soon. Two members were added in addition to Mr. Wolterman as the GAC representative. Mr. Swanson updated the Council on the progress of the liquor warehouse construction project, scheduled for completion in Spring 2025.

Montana Lottery Update

Bob Brown, the new Lottery Director, provided an update on Montana Lottery. He emphasized the importance of supporting small businesses and sales agents for lottery in lieu of moving towards online lottery.

John Iverson asked if there would be any anticipated legislative changes from the lottery and Mr. Brown did not anticipate any.

Montana Board of Horse Racing

John Hayes provided updates regarding The Montana Board of Horse Racing. The races will take place in Miles City on May 5, 12, 17-19th and in Great Falls July 13-14, 20-21, 27-28. 307 Horse Racing in Gillette is working with the Board on a progressive-type race meet, with the first leg in Miles City, 2nd leg in Gillette and the final leg in Great Falls.

Ronda Wiggers asked if the Board of Horse Racing was planning to bring any legislation forward in this next session. Mr. Hayes stated that HB2 allocated \$250K to the Board to help get horses in MT.

Shauna Helfert asked if that was one-time funding or ongoing and Mr. Hayes was unsure about that.

Montana Indian Gaming Association

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

Montana Council on Problem Gambling Update

Mr. Brad Longcake with Montana Council on Problem Gambling provided updates. There are a few counselors that will be leaving Problem Gambling, so the Council will be looking to fill those vacancies. One hour of counseling is now down to \$70.92, maximizing the benefit to Montanans seeking assistance. Mr. Longcake also mentioned that he received a grant this year from Draft Kings.

Chairmen Aspenlieder stated that Interlot was supposed to be an active participant in the Council on Problem Gambling and Mr. Longcake stated they are not participating at all. Chairman Aspenlieder requested that Mr. Brown with Lottery reach out to Interlot about this.

Association Representatives

Ms. Ronda Wiggers provided an update on the Coin Operators Association. The summer meeting will take place July 23-26th at Fairmont Hot Springs. They plan to bring in a speaker and there will also be golf.

John Iverson provided updates regarding the Montana Tavern Association. The annual convention will be September 9-11th in Havre. Mr. Iverson invited the GAC to host their GAC quarterly meeting at the conclusion of the MTA conference if they would like. Mr. Iverson discussed industry reservations about implementing a sales tax specific to the tavern industry, not born by Montanans across the board.

Ms. Shauna Helfert provided an update on the Montana Gaming Association.

Ms. Peterman asked if there had been any discussions regarding fentanyl distribution as a concern in the industry. Mr. Johnson stated it is an issue in Montana, but there hasn't been a specific plan within GCD on how to incorporate that into industry discussion. Mr. Johnson stated that it is on the radar at the DOJ. Mr. Brown inquired whether establishments have Narcan available on hand and do the staff know how to administer it.

Old Business

Indian Gaming Compact –

No additional updates from the DOJ on the current gaming compact discussions.

Modernization of Fantasy Sports-

Mr. Iverson asked if the advisory council would take an adverse position against the modernization of fantasy sports, given its potentially negative impact to the industry. Mr. Johnson stated that, as he understands it as presented, this type of betting would be considered online gaming/sports betting (which is illegal in MT) and would adversely affect many revenue streams, including lottery.

Chairman Aspenlieder proposed that industry representatives speak to their constituents on whether they would want the GAC to take an official position.

Ms. Helfert stated that when Senator Mandeville presented at the last GAC meeting, indicating it would be similar to what Wyoming had done, it was clearly online gaming, including Draft Kings and Fan Duel. In summary, what he presented to the GAC was different than the proposal he submitted to the legislature at the last session.

Chairman Aspenlieder asked if Ashley would add a discussion to the next agenda about whether the GAC should take a position on this issue (old business + action item) and forward the proposed bill that Senator Mandeville presented at the last meeting. He asked that we give Senator Mandeville a courtesy heads up.

Law and Rule change proposal for Slots from GIA, presented by Shauna Helfert –

Ms. Helfert would like to propose that the GAC consider reviewing the proposed changes that prohibit the use of the word “slot” and taking a stance on whether they would provide a “blessing” to move forward with pursuing potential legislation.

Ms. Peterman stated that she would feel more comfortable giving a “blessing” or approval of something if there was specific draft legislation tied to it for context.

Mr. Aspenlieder requested Ashley to add this as an action item for the next meeting as well.

Mr. McFarland asked what the history behind the prohibition of the word “slot” was and why was there a negative connotation for it. Ms. Helfert stated that when the state wanted to bring line games into the state, they were afraid that they wouldn’t be able to get legislation passed if it included the words “slot machine,” so they opted for “line game” instead.

ABCD Advisory Committee –

Mr. Johnson mentioned that it has been proposed by other agencies that all investigations and applications fall under one agency in lieu of it being separate (GCD and ABCD.) Mr. Wolterman was added to this committee to be the voice of the industry on the ABCD Advisory Committee.

Chairman Aspenlieder stated that stated that there is no interest from the industry representatives for a consolidation of ABCD and GCD applications to be united under the Department of Revenue. Mr. Aspenlieder asked if that could continue to be conveyed to ABCD Administrator.

Public Comment

Vince Pontrelli stated that he would be pursuing other avenues to connect with legislators on carrying a bill that would allow antique gambling demonstrations, as the GAC does not sponsor legislation.

Chairman Aspenlieder commended Mr. Pontrelli for his passion to continue this forward and encouraged him to continue to reach out to legislators about carrying legislation.

Chairman Aspenlieder adjourned the meeting at 2:33pm.

Minutes respectfully submitted by Ashley Corbally.