

**MINUTES
GAMING ADVISORY COUNCIL**

*June 28, 2013
Helena, Montana*

This is a summary of the Council meeting. The meeting in its entirety is recorded in a digital 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

Tim Carson	Kevin Myhre
Jed Fitch	Rep. Casey Schreiner
Mark Kennedy (Chairman)	Sen. Jon Sonju
Bob McAnally	John Tooke (Vice-Chairman)
Steve Morris	

DIVISION STAFF PRESENT

Rick Ask	Ben Kamerzel
Cregg Coughlin	Dave Jeseritz
Angela Nunn	Kathy Fisher

SUMMARY OF COUNCIL ACTION

- ◆ **The Council voted unanimously to approve the minutes of the September 12, 2012 meeting.**
- ♠ **The Council voted unanimously to retain the current Council leadership.**
- ♣ **Rep. Casey Schreiner was appointed Chairman of the Sports Pool Subcommittee.**
- ♥ **The Council voted unanimously to approve the proposed rules with the recommendation to retain the 30 day retention period for sports pool cards.**
- ◆ **The Council tentatively set the next meeting for October 4, 2013 in Bozeman.**

CALL TO ORDER AND ROLL CALL

Chairman Kennedy called the meeting to order at 10:00 a.m. All members were present. Mr. Kennedy introduced the two new members of the Council, Kevin Myhre, City Manager of Lewistown, and Representative Casey Schreiner. Mr. Kennedy asked that the Division send "thank you" letters to Mayor Engen and Rep. Noonan for the work they contributed to the Council. The Council voted unanimously to retain Chairman Kennedy and Vice-Chairman Tooke to lead the Council. The minutes from the September 12, 2012 meeting were approved unanimously. Mr. Ask introduced Gambling Investigation Bureau Chief Dave Jeseritz and Division staff. He explained that Attorney General Fox

would be unable to attend the meeting, but that Chief of Staff Scott Darkenwald would join the Council for lunch.

DIVISION UPDATES

Liquor Division Report

Shauna Helfert, Administrator, Liquor Control Division, explained that Senate Bill 120 allows an individual or corporation to have 3 all beverage licenses so long as the entity does not own more than 50% of the licenses in a community. Applications are being accepted as of July 1, 2013 but the licenses cannot be approved prior to October 1, 2013.

Gambling Control Division Statistical Report

Administrator Ask gave a brief overview of the Division statistics through third quarter FY 2013. He explained that video gambling machine tax collections for the third quarter FY 2013 were approximately \$14.5 million, a 3.4% increase from the previous quarter and 1.3% more than third quarter fiscal year 2012.

Gambling Control Division Activity

Mr. Ask also explained that the next phase of GenTax modernization is being explored: online gambling license applications and online annual renewal process. Mr. Ask stated that the Division hopes to be testing the license application process in January 2014. Mr. Carson stated that the route operators need to be able to go online and reprint current licenses.

Ben Kamerzel stated that the lab has been very busy. Three new games have been submitted for testing. The lab is also anticipating modification submissions for VGM monitors and bill acceptor upgrades for \$100 bills. Mr. Kamerzel explained that the lab has been testing the first Tier I system which was submitted by Century Gaming, its integration with GenTax, and it is nearing deployment. Mr. Kamerzel stated that the machine inspection process is being re-tooled, getting away from testing mechanical meters. The new testing technology also allows the inspectors to do their inspection without turning off the VGM.

Mr. Kennedy asked if the Bakken oil fields had increased problems in the northeastern part of the state. Mr. Ask stated that the Division is keeping an eye on that region in case a need for more investigators arises.

OLD BUSINESS

Legislative Update

Mr. Ask reviewed the provisions of HB 141 (the GAC/GCD bill), HB 199 (sports pool and sports tab bet & payout limit increases), and HB 264 (senior citizen center gambling

operator license exemption). Mr. Ask thanked Rep. Noonan and Rep. Sonju for their hard work on getting these bills through the legislature.

Sports Pool Subcommittee

Mr. Ask recommended retention of the subcommittee and appointment of a new chairman. Chairman Kennedy appointed Representative Schreiner Chairman of the subcommittee, with Steve Morris and Tim Carson. Mr. Carson stated that the whole idea of sports pool boards is to generate traffic into the premises.

NEW BUSINESS

Administrative Rules

Mr. Ask reviewed the proposed administrative rules, explaining that some rules were necessary due to new legislation and some rules were just for clarification and clean up. Mr. Ask stated that Joe Bryce will be the Montana member of the Poker Tournament Director's Association. Mr. Carson explained that the proposed rule relating to testing fees was a simple change for manufacturers.

A motion was made to approve the proposed rules as presented with the exception of leaving the retention period for sports pool cards at 30 days instead of the proposed one year retention period. The motion passed unanimously.

Scott Darkenwald, Chief of Staff, Department of Justice, thanked the Council for their hard work on the legislation and their service to the Department.

Topics for the Next Biennium

Mr. Ask listed suggested topics:

- sports related wagering - pools and calcuttas
- amusement games
- promotional games (such as one proposed by a credit union which is a gift enterprise)
- special revenue used to fund the agency

Neil Peterson, Gaming Industry Association, suggested looking at temporary authority for gambling operator licenses.

FINAL BUSINESS

The Council tentatively scheduled their next meeting for October 4, 2013, in Bozeman. (Subsequently, the Council changed the date of their next meeting to October 25, 2013 in Bozeman.) The meeting adjourned at 12:52 p.m.