



GAMING ADVISORY COUNCIL

MINUTES

September 27th, 2023
Great Falls, MT

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 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	Samson Boyd (Teams Link)
Travis Woltermann	Lee Randall (Teams Link)
Mike Kenneally	
Garret McFarland	

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 May 18th, 2023 meeting.**
- ♥ **Chairman Aspenlieder encouraged members to be thinking about potential replacements for the Native American Council representative, Samson Boyd.**

CALL TO ORDER AND ROLL CALL

Chairman Aspenlieder called the meeting to order at 1:00 p.m.

The minutes from the May 18th, 2023, meeting were approved unanimously.

GAMBLING CONTROL DIVISION UPDATE

Operations Update

Administrator, Jason Johnson, referenced the updates given during the MTA general session immediately prior to the Council meeting. Legislative updates were given at that time, as well as operational updates to include the addition of a new Administrative Officer, Ashley Corbally, and a new Compliance Investigator in Missoula, Jim Sanderson, who begins in October.

Technical Services Section Update

Mr. Eckdahl mentioned that since the last meeting, his team did get full approval for Tier 1 with Platinum Gaming, which makes it the 3rd Tier 1 system in Montana. Over 7,800 machines are now reporting over Tier 1 in 11 locations. This equates to about 48% of licensed machines. Additionally, since the last meeting, the team has completed 21 new hardware and software submission, performed 900 VGM inspections, and updated our software to accommodate the changes in HB297 (the negative tax bill).

Finally, Mr. Eckdahl reported that the Helena location successfully moved locations in July to 1805 Prospect Ave., Helena.

Statistics

Ms. Corbally provided an overview of statistics for Fourth quarter FY23. The Division received 114 gambling, liquor and combined liquor/gambling applications. This was a 15% decrease over the fourth quarter, FY22. During fourth quarter of FY23, the Division issued 983 video gaming machine permits, a 4% increase over fourth quarter 2022. The total number of permits issued during FY23 was 18,732, a 3.4% increase over FY22.

The Division also collected \$79.7 million in tax revenue in FY23, a 2.16% increase over FY22. Additionally, the Division collected \$20.3 million in tax revenue during the fourth quarter alone of FY23. Finally, Ms. Corbally discussed the increase of tax revenue year-over-year in Dillon (15%), Miles City (16%) and Whitefish (17%).

OTHER UPDATES

Alcohol Beverage Control Division (ABCD) Update

Becky Schlauch stated they did have a lot of bills in the last legislative session, and they are putting together the rule packets now. Ms. Schlauch recommended to go onto the website and sign up for notifications about the rule packets and for the upcoming hearings, as feedback is appreciated.

The Division is also working on its warehouse expansion. The bid process closes October 12th, and they are looking to hiring a builder shortly thereafter, with project completion estimated at about 18 months.

Ms. Schlauch discussed the new Alcohol/Licensing advisory committee to identify potential improvements to processes, applications, forms, etc. between ABCD and GCD. Interested parties are encouraged to contact Ms. Schlauch if they are interested in serving on that committee or have a nomination.

The first meeting is scheduled to commence in December and will meet quarterly.

Montana Lottery Update

Mr. Scott Sales stated they are coming off a record of sales and transfer to the General Fund of just shy of \$25 million. There have been a few setbacks with some issues with a new user interface that was released in June.

Montana Board of Horse Racing

John Hayes provided updates regarding The Montana Board of Horse Racing. With HB2, the Board was able to secure \$250,000 biennially, allowing them to attract more horses and jobs to Montana.

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 was invited but unable to attend.

Association Representatives

Ms. Shauna Helfert provided updates regarding The Montana Gaming Industry

John Iverson provided updates regarding the Montana Tavern Association and echoed his support for the formation of the Alcohol/Licensing advisory committee.

Ronda Wiggers provided updates regarding the MT Coin Operators Association.

Old Business

Indian Gaming Compact –

Ms. Wiggers discussed some language concerns that have arisen. One is the argument made by a gentleman at a recent presentation that most of the issues have already been taken care of via lawsuits. An example is that the word “contiguous” was removed when applying for deeded land. The argument was that that had already been lost in lawsuits, but there are very few examples to support where non-contiguous land has been able to be deeded into tribal land. This is concerning because, before, “contiguous to the reservation” could isolate where casinos could go but removing that word changes that substantially.

Additionally, there is unclear language regarding Class 3 gaming. Furthermore, it appears to overrule the New Mexico ruling that states that online gaming must take place on the reservation.

Mr. Boyd joined the conversation to state that other tribes have successfully run online gaming operations and that it all boils down to what the Tribes and the State will receive to the General Fund. Furthermore,

Mr. Boyd reiterated his extensive experience and knowledge in this area, he feels he will continue to be an asset, and that he hopes to make himself available as this discussion continues.

Licensing and Compliance Procedures between DOJ and DOR/flowchart of licensing processes-

Mr. Johnson presented a flowchart that details the extensive back and forth between DOJ and DOR for just one process. This serves as an example and an opportunity to identify and highlight where improvements to efficiency and service can be made.

Modernization of Fantasy Sports-

Ms. Helfert stated that during the legislative session, there was a bill that was floated to update the definition of “fantasy sports.” While the bill’s sponsor argued it was just to “modernize” the language, the Gaming Industry believes it was more than that. Ms. Helfert suggested that if the legislature wanted to “modernize” the definition, to please bring it to the GAC for review.

Mr. Johnson stated that in reviewing the draft bill, it seems as though it was written for a Draft Kings or Fan Duel type of setup.

Mr. Iverson recommended we reach out and invite Senator Mandeville to join us for the next GAC meeting for a Fantasy Sports conversation. Jason Johnson will take care of that and add it to the agenda for the next meeting.

ABCD/GCD Subcommittee Discussion –

Chairman Aspenlieder echoed support for the formation of this task force in having open and transparent discussions about processes and procedures and emphasized the importance of having a seat at the table for discussions. Additionally, Mr. Aspenlieder suggested that, if amenable to ABCD, one of the subcommittee members be a GAC member. He also recommended that both Mr. Kenneally and Mr. Woltermann fit much of the criteria of the stakeholders and either would be an excellent choice.

Chairman Aspenlieder and Ms. Schlauch both agreed that nominations for committee members would likely come from industry contacts based on personal experience and knowledge.

New Business

None.

Chairman Aspenlieder adjourned the meeting at 1:52pm.

Minutes respectfully submitted by Ashley Corbally.