

**MINUTES  
GAMING ADVISORY COUNCIL**

*April 27, 2012  
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**

Mark Kennedy (Chairman)	Tim Carson
Steve Morris	John Tooke (Vice-Chairman)
John Engen	Jed Fitch
Sen. Jon Sonju	Rep. Pat Noonan
Bob McAnally	

**DIVISION STAFF PRESENT**

Rick Ask	Ben Kamerzel
Cregg Coughlin	Lisa Christiansen
Angela Nunn	Kathy Fisher

**SUMMARY OF COUNCIL ACTION**

- ◆ **The Council voted unanimously to approve the minutes of the November 29, 2011 meeting.**
- ♠ **The Council voted unanimously to expand the charge of the Card Tournament Subcommittee.**
- ♣ **The Council voted unanimously to create a Sports Pool Subcommittee. Members Noonan (Chairman), Morris, and Carson were appointed to the Sports Pool Subcommittee. GIB Bureau Chief Renman will also be a member of the subcommittee.**
- ♥ **The Council tentatively set the next meeting for September 21, 2012 in Missoula.**

**CALL TO ORDER AND ROLL CALL**

Chairman Kennedy called the meeting to order at 10:00 a.m. All members were present; Mayor Engen participated by conference call. The minutes from the November 29, 2011 meeting were approved unanimously. Tim Burton, Deputy Director, DOJ, welcomed the Council and thanked them for their work with the Division. Mr. Ask introduced Division staff and Shauna Helfert, Division Administrator, Liquor Division.

## **DIVISION UPDATE**

### **Division Statistical Report**

Administrator Ask gave a brief overview of the Division statistics through third quarter FY 2012. He explained that video gambling machine tax collections for the third quarter FY 2012 were \$14.3 million, an increase of \$1.7 million (13%) from the previous quarter, and \$2.1 million (17%) more than the third quarter of FY 2011. Mr. Ask stated that a significant portion of the increase is likely due to the authorization of video line games effective January 1, 2012. In the third quarter of FY 2012, the Division received 72 liquor, gambling, and combined liquor gambling applications (including amended applications), this is 13 fewer than the 85 applications received during the third quarter of last fiscal year. During the third quarter of FY 2012, 743 VGM permits were issued, almost 200 fewer than third quarter of fiscal year 2011. Mr. Ask stated that by the end of the third quarter, the number of card tables licensed during FY 2012 was 295, down 33 tables from the same time the previous year; the number of card dealers licensed at the end of third quarter FY 2012 was 510, down 80 from the same time the previous year; and the total number of bingo and keno licenses increased to 74 in the third quarter of fiscal year 2012, a decrease of 9 from the third quarter of fiscal year 2011. Mr. Ask stated that the third quarter vgm tax collections were over \$13,000,000 for the first time since the first quarter of 2010; this is a 17% increase over last year, a 13% increase over the last quarter. Mr. Carson stated that the increase is due to many factors including increased consumer confidence, better winter weather for people to get out, benefits of the Bakken oil field workers, not just the introduction of line games.

Mr. Ask stated that the Division is testing online permitting for live card games, live bingo and live keno. Ms. Christiansen explained licensees will be able to pay live keno/bingo taxes online by July 31, 2012. Mr. Ask said that a flyer will be enclosed with the renewal packets explaining online licensing for card games and live keno/bingo tax payments.

Mr. Kamerzel updated the Council on line games by stating that for the lab business has never been better; the lab has approved MTD and is testing IGT which should be done in time for licensing in the new fiscal year. He anticipates Aristocrat's submission in the next few weeks. The lab is also testing a new Tier I system. Mr. Kamerzel explained that the lab is seeing more modification changes being submitted as manufacturers are fixing anomalies in the new games that have been approved, which has caused the lab to work overtime since November of 2011. The Division is looking at moving resources around to help in the lab.

## **OLD BUSINESS**

### **Card Tournament Subcommittee Report**

Mr. Tooke stated that the task of the committee is to enhance poker in Montana by adding daily small stakes tournaments to help start the regular poker games. Mr. Tooke

said that if the licensee can only use the regular permitted card tables for the daily small stakes tournaments, there won't be a table to start the regular poker game for people who get knocked out of the small stakes tournament. Mr. Fitch suggested adding a daily tournament table for each licensed table, with a \$500 annual fee to hold daily small stakes tournaments and \$120 annual fee to hold up to 12 larger tournaments. Mr. Tooke explained that the Division started the discussion with a \$20 entry fee and the subcommittee raised this to \$80 as a ceiling for the entry fee.

Mr. Frampton said that daily small stakes tournaments get poker players together, which is the hard part. When players are eliminated from the daily tournament they need to be able to go to a regular poker table and the establishment does not need to use skills to fill the regular game. Mr. Frampton stated that referencing the Tournament Director Association rules makes it easier to submit rules for larger tournaments. Mr. Frampton added that non-profit/charitable tournaments should not count as one of the 12 large tournaments a location is allowed per year.

Mr. Ask stated that the Division is still not comfortable with some issues and will need to meet again with the subcommittee before the Council deals with a proposal. Mr. Kennedy moved to keep the subcommittee together and expand the charge of the subcommittee. The motion passed unanimously. Mr. Morris asked Mr. Ask if pot limits had been discussed with the Attorney General. Mr. Ask responded that that raising pot limits is not out of the realm of possibility if good reason is shown as it was with live bingo in the previous session.

## **NEW BUSINESS**

### **MONTANA COUNCIL ON PROBLEM GAMBLING**

Mark Kennedy, Chairman of the Montana Council on Problem Gambling (MTCPG) introduced Bonnie Huestis, the new Executive Director of the Council. Ms. Huestis explained that she has been a licensed clinical therapist for 20+ years. Ms. Huestis said that the MTCPG is not reaching enough people in Montana. It is working to get more providers in different towns and on the reservations and get the word out so that more people are aware of these resources to treat problem gamblers. Problem gamblers need intensive outpatient treatment 5x per week, 3 hours/day. There is no inpatient treatment center just for problem gambling in Montana. In Billings, problem gamblers only receive inpatient treatment if there is also another problem being treated. Ms. Huestis stated that problem gambling is an impulse control disorder. Ms. Huestis said there are no state-wide statistics, but probably 20% of the people in her group are court ordered. Mr. Fitch asked how many of the court ordered patients have co-occurring addictions. Ms. Huestis stated that 30-40% have a co-addiction, for many it is alcohol; 40% of those treated are people who have embezzled from their employers. Mr. McAnally asked who decided whether it is an addiction or an impulse control disorder. Ms. Huestis stated that psychological experts studied seven gamblers and made that decision, but, she deals with gambling as an addiction. If an insurance company decides it is an addiction then a

person qualifies for a 28-30 day inpatient treatment program, but most problem gamblers have no insurance; they have lost everything. It costs \$38,000/month for inpatient treatment; intensive outpatient treatment is more cost effective – 15 people can be treated for the cost of treating one patient at an inpatient facility. Mr. McAnally asked who decides who pays for this treatment. Ms. Huestis stated that the insurance company makes the decision. Ms. Huestis said that recovering gamblers who are in treatment are crucial to help new gamblers that are entering therapy.

Rep. Sonju asked how many problem gamblers are in Montana. Mr. Kennedy stated that federal studies show that 2-5% of the population are problem gamblers, the MTCPG acknowledges that problem gambling is an issue and it is part of the solution. Mr. Kennedy thanked Century Gaming and Amusement Services for their donations to the MTCPG, and added that the industry is good at asking about the MTCPG's needs. He explained that the elderly are highly represented in the problem gambler population, and that the highest suicide rate among addictions is from problem gamblers. Mr. Tooke stated that elderly customers come into establishments because they are generally treated well. Mr. Morris asked about tribal participation. Mr. Kennedy stated that the Council is working on reservation participation. Tooke suggested MTCPG contact Kevin Howlett, a previous member of the GAC.

### **LEGISLATION**

Mr. Ask stated that a proposal from the Card Tournament Subcommittee would be included in the Division's legislative packet. He said that the Division adopted a rule last September for sports tab game seller sponsors who are not liquor licensees.

Mr. Tooke moved to create a subcommittee to review the sports pool statutes and the sports tab game seller's license requirements. The motion passed unanimously. Rep. Noonan will chair the subcommittee whose members will be Steve Morris, Tim Carson, Larry Renman (GIB Bureau Chief) and an industry representative to be named later.

### **PUBLIC COMMENT**

Stan Tavenner, Ennis, stated that as a player he would like to see the poker pot limit raised or eliminated so that people can just play poker; if someone goes "all in" the players are not really playing poker, no raises etc. Mr. Tavenner said that there are a lot of reasons to change the limit, including no cap on the pot in internet poker and the fact that the vgm's pay out \$800. Mr. Tooke claimed that poker is a game of skill but that the law has taken the skill out of the game.

Mr. Arntzen asked about the web-site statistics and why some show quarterly statistics versus monthly. He said that the industry appreciates fresh up-to-date data and asked how the win/day by quarter for vgm manufacturers is derived; this data has a big role in vgm purchases. Mr. Ask stated the Division will review that report since archaic parameters may have been used.

## **FINAL BUSINESS**

The Council tentatively scheduled their next meeting for September 21, 2012, in Missoula. The meeting adjourned at 12:00 p.m.