

MINUTES OF THE MEETING
FREE CONFERENCE COMMITTEE
HOUSE BILL 236

April 20, 1985

The second meeting of the Free Conference Committee on House Bill 236 was called to order by Chairman Chris Christiaens at 1:40 p.m. in Room 325 of the Capitol Building on Saturday, April 20, 1985.

ROLL CALL: Present for the meeting were Rep. Bob Pavlovich; Rep. Tom Jones, Rep. John Mercer, Senator Mike Halligan, Senator Gene Thayer and Chairman Chris Christiaens. Rep. Gary Spaeth was not able to be present.

Senator Christiaens noted that Mary McCue had worked out some amendments regarding the grandfathering in of the old machines. Copies of these amendments were distributed. EXHIBIT 1 included the suggestions of Rep. Spaeth and EXHIBIT 2 was a rework of language by Mary McCue.

Rep. Pavlovich stated he had no problems with either amendments but would prefer to see a two year time period for the grandfathering in of the old machines.

Rep. Pavlovich made a SUBSTITUTE MOTION THAT HE WOULD CONCEDE ON THE ISSUE OF THE COMPUTER PRINTOUT MECHANISM IF HE COULD HAVE THE TWO YEAR GRANDFATHER CLAUSE EFFECTIVE UNTIL JULY 1, 1987. Senator Halligan stated he felt the time period should be January 1, 1987 rather than July 1, 1987 in order for the next legislative session to be able to deal with the bill if there are problems. Rep. Pavlovich indicated this would be fine with him.

Senator Thayer then stated he felt the language that Mary McCue had drawn up was a bit clearer and takes it back to the Supreme Court decision. Rep. Pavlovich stated he had no difficulties in going along with this language. (EXHIBIT 2)

It was noted there would have to be a technical change though in order to change the date. Rep. Mercer wondered if the language was broad enough to address owned or possessed machines. A brief discussion of what language should be inserted into the amendment. It was decided the language should read "the machine may be licensed under that section without having to meet those requirements if the applicant can establish to the satisfaction of the department that on the date of application he owns a machine that was owned or operated in the state prior to February 3, 1984." The second amendment on Exhibit 2 would also be changed to read January 1, 1987.

On a vote of this additional language being added into Rep. Pavlovich's motion, this motion carried.

Rep. Mercer wondered if the definition of a video draw poker machine and a used video draw poker machine was clear enough. It was felt

by the committee that the department could take care of this in the establishment of rules by the department of revenue. Rep. Mercer still suggested a definition of a used machine be inserted.

Rep. Pavlovich stated that Rep. Spaeth had suggested changing the fee from \$2000 to \$1000 and changing the split from 75/25 to 50/50.

Senator Christiaens felt the larger cities were looking at this as a possible source of revenue. Rep. Pavlovich stated he felt there might be more machines licensed if the fee were kept a bit lower. He felt it might also be fairer to the smaller towns.

Rep. Mercer stated the Senate had put the \$500 per machine on for the state and the \$1500 for the local governments and also had given the option of letting the local governments add on an additional \$500 if they desired. He wondered if by rejecting Rep. Spaeth's idea you would be saying that the local governments would have to have the courage themselves to impose the fee. Senator Halligan felt there might be a problem with the Senate accepting any change but Rep. Mercer stated you really are not changing the fee just who can charge the fee.

Alec Hansen from the League of Cities and Towns stated he felt the fee was a bit too high as is. He proposed a fee of \$1500 with 1/3 of the fee going to the state and 2/3rds going to the cities and towns. Rep. Pavlovich felt the lower fee would be the better way to go. Glen Drake also felt the lower fee would be more acceptable. Senator Christiaens recalled the actions of the majority leader on the Senate floor debate and felt that the \$1500 fee might be more acceptable to the Senate.

Mary McCue was asked to draft language regarding the split for the committee to consider further.

Rep. Mercer wondered if the present "dwarf" machines were excluded in the bill and was told they were.

Rep. Mercer was also interested in developing some language to give a local community an option of not having the machines if they so desired by holding a special election possibly. It was decided to discuss this further at a later meeting.

The meeting was adjourned at 2:15 p.m.


SENATOR CHRIS CHRISTIAENS, CHAIRMAN

EXHIBIT 1
FREE CONFERENCE
HOUSE BILL 236
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Proposed amendments to HB 236, reference copy

1. Page 10, line 19.

Following: line 18

Insert: "Section 12. Used video draw poker machines. A used video draw poker machine may be licensed under [section 10] without meeting the requirements of (4)(j), (4)(k), and (4)(o) of [section 3]. A license issued under this section expires 1 year from the date of issuance or on July 1, 1986, whichever occurs first."

Renumber: subsequent section

2. Page 10, line 25.

Follwoing: line 24

Insert: "(3) Section 12 terminates on July 1, 1986."

Proposed amendments to HB 236, reference copy

1. Page 10, line 19.

Following: line 18

Insert: "Section 12. Used video draw poker machines. A used video draw poker machine may be licensed under [section 10] without meeting the requirements of subsections (4)(j), (4)(k), and (4)(o) of [section 3] if the applicant for licensure can establish to the satisfaction of the department that, on the date of application, he owns or possesses the machine and has continuously owned or possessed the machine since February 3, 1984. A license issued under this section expires 1 year from the date of issuance or on July 1, 1986, whichever occurs first"

Renumber: subsequent section

2. Page 10, line 25.

Following: line 24

Insert: "(3) Section 12 terminates on July 1, 1986."