

## MINUTES

### MONTANA SENATE 54th LEGISLATURE - REGULAR SESSION

#### COMMITTEE ON BUSINESS & INDUSTRY

Call to Order: By CHAIRMAN JOHN HERTEL, on March 3, 1995, at  
8:00 a.m.

#### ROLL CALL

##### Members Present:

Sen. John R. Hertel, Chairman (R)  
Sen. Steve Benedict, Vice Chairman (R)  
Sen. William S. Crismore (R)  
Sen. C.A. Casey Emerson (R)  
Sen. Ken Miller (R)  
Sen. Mike Sprague (R)  
Sen. Gary Forrester (D)  
Sen. Terry Klampe (D)  
Sen. Bill Wilson (D)

Members Excused: N/A

Members Absent: N/A

Staff Present: Bart Campbell, Legislative Council  
Lynette Lavin, Committee Secretary

Please Note: These are summary minutes. Testimony and  
discussion are paraphrased and condensed.

##### Committee Business Summary:

Hearing: HB 527, HB 537, HB 559  
Executive Action: HB 527 BE CONCURRED IN  
HB 559 BE CONCURRED IN

#### HEARING ON HB 527

##### Opening Statement by Sponsor:

REP. DON LARSON, HD 58, Seeley Lake, distributed copies of Fact Sheet, EXHIBIT #1 and said HB 527 was not about expanded gambling, declaring Governor Racicot and Attorney General Joe Mazurek supported HB 527. He said Keno machines presently had a maximum payout of \$800, live Keno could pay a purse of \$800 and live Poker tournaments had paid purses of thousands of dollars. He remarked Poker machines were limited to \$100 and HB 527 would correct that by raising the payout to \$800. REP. LARSON said tribal payouts were currently \$1,000 and those in the Canadian

provinces were also \$1,000. **REP. LARSON** informed the committee **HB 527** was a reasonable proposal which would bring the Poker payout limit to \$800.

**Proponents' Testimony:**

**REP. BOB PAVLOVICH** said he introduced legislation in 1985 to make the Poker machines legal, with \$100 payouts. He said he was a proponent of **HB 527** because he favored making the payouts equal for Keno and Poker machines.

**Steve Nelson, Palace Saloon**, expressed support for **HB 527** because it raised the top payout level on video Poker machines to the same \$800 maximum payout as Keno machines. He said **HB 527** was advantageous to his industry because: (1) It allowed the Poker jackpot to be more relative to the \$1,000 payout which tribal casinos and the rest of United States and Canada now offered; (2) It was a matter of fairness because gambling was a form of entertainment; Poker machines were more fun than Keno.

**Colleen Mackay, Manager, Best Bet**, urged the committee's support for **HB 527**, explaining during her first year as manager, several busloads of Canadian tourists visited her establishment; however, none had visited during the last year and a half because Best Bet could not compete with payoffs offered by those outside Montana.

**Ms. Mackay** said Video Poker was the game of choice for out-of-state visitors and local customers deserved the fairness of **HB 527**. She asked the committee to vote "Yes" on **HB 527** because it would put gambling back into competition for tourism dollars.

**Mark Staples, Montana Tavern Association**, reminded the committee neither Governor Racicot nor Attorney General Joe Mazurek considered **HB 527** an expansion of gambling. He said there was no logical distinction to justify the present payout differences between Poker and Keno. **Mr. Staples** said there could be concern that raising the Poker payout may cause the expansion of tribal payouts, but it was the opinion of both the Governor and Attorney General it would not. He stated **HB 527** was not an anti-tribe bill, explaining the tribes still had a 20% payout advantage and bigger advantage on machines.

**Mr. Staples** said **HB 527** would not cause much difference in overall gaming nor overall income.

**Opponents' Testimony:**

**Ellen Engstedt, Don't Gamble With The Future**, read her written testimony, **EXHIBIT #2**.

**Sharon Hoff, Montana Catholic Conference**, said the Montana Catholic Conference opposed any increase in gambling, and was opposed to **HB 527**. She said she wondered about the definition of "increase" and decided it was to lure more customers; therefore,

HB 527 favored an increase in gambling. She finished her testimony by reading **EXHIBIT #3**.

David Hemion, Montana Association of Churches, said his organization opposed the expansion of gambling, and had consistently done so during the 20 years of his association's existence. He wondered who was asking for **HB 527**, the players or the machine operators, and answered his question by saying no players were testifying; just machine operators. **Mr. Hemion** said fairness was not an issue because discrimination happened in dealing with people, not machines. He said **HB 527** was an expansion of gambling because if a bigger prize was offered, more people would play. He countered the statement that gambling was entertainment by asking why it was necessary to increase the prize -- playing the machines should be attractive on the machines' merit. **Mr. Hemion** maintained the bottom line was more profits for the machine operators. He urged the committee to vote against **HB 527**.

Questions From Committee Members and Responses:

**SEN. TERRY KLAMPE** asked if a bigger payoff meant fewer smaller prizes. **REP. LARSON** said the percentage remained the same but the mix of the payoff changed.

**SEN. MIKE SPRAGUE** asked if the odds were greater for Keno than for Poker. **REP. LARSON** said state law required a fixed percentage be paid from the machine.

**SEN. SPRAGUE** asked **Larry Akey, Montana Coin Machine Operators Association & Video Lottery Technologies**, the above question and was told state law required both types of video gaming machines pay out was at least 80%; in fact, most machines paid out between 88-92%. He said he did not have the tables in front of him, so he could not tell the odds of Keno machines vs. Poker machines; however, he could say both machines paid about the same.

**SEN. SPRAGUE** asked if it was discriminatory to pay to the player, with odds being equal, less money than to a competitor (machine). **Mr. Akey** said people who played machines on a regular basis shifted from Poker play to Keno play because players knew they get more for their money and entertainment on a Keno machine.

Closing by Sponsor:

**REP. LARSON** said the odds in a Poker machine were supposed to emulate the odds in a live hand of Poker. He said **HB 527** was not an expansion of gambling because it did not raise the wager on the machines, did not change the percentage paid out, did not increase the number of machines and did not increase the payouts. **REP. LARSON** said currently about 53% of the 15,000 gambling machines were Keno while about 47% were Poker. He urged support for **HB 527**.

SEN. THOMAS BECK had agreed to carry HB 527.

HEARING ON HB 537

Opening Statement by Sponsor:

REP. DON LARSON, HD 58, Seeley Lake, distributed copies of the Fact Sheet, EXHIBIT #4 and said the purpose of HB 537 was to stop the stacking of alcoholic beverage licenses, explaining stacking meant placing one alcoholic beverage license on top of another in order to get around the legal limit of 20 machines per alcoholic beverage license.

REP. LARSON said there was a prohibition against owning more than one hard liquor license, though it was legal to own more than one beer or wine license. He stated the tavern industry imposed upon itself a 20-machine limit for alcohol beverage licenses, and the legislature repeatedly emphasized it wished to keep gaming in control; however, "clustering" had become the means by which to circumvent the intent of the law. He said the problem was: (1) Montana Tavern Association agreed with the Justice Department "clustering" flew with the legislative intent of only 20 machines; (2) Beer and wine licenses were pulled out of circulation because of the acquisition of 20 more machines.

Proponents' Testimony:

REP. BOB PAVLOVICH, HD 37, Butte, reviewed the history of the Poker and Keno machines in Montana, from 1985 to present, saying almost every legislature had dealt with problems which had sprung up, i.e. more beer and wine licenses in order to acquire more machines, and all in the same building. He said when Poker first came to Montana in 1985, the intent was five machines but the number was changed to 20 per alcohol license, which pleased everyone. REP. PAVLOVICH reminded the committee HB 537 was to stop the "clustering" of alcoholic beverage licenses.

Mark Staples, Montana Tavern Association, said his association overwhelmingly supported HB 537; in fact, brought it to the forefront out of concern for the Montana licensing system. He referred to the last page of EXHIBIT #4 to inform the committee of other supporters. Mr. Staples said "clustering" of licenses should not be allowed because: (1) Flew in the face of the intent of limiting the machines to 20 on the premises; (2) Beer and wine licenses were used to increase the number of machines, and the licenses were not necessary for the sale of more liquor. What actually happened when beer and wine licenses were used unnecessarily was there were fewer licenses available, which raised the prices, which drove the demand to ask for a new class of licenses, which took the value of current licenses down, which cut the \$100 million investment. Mr. Staples said the Justice Department considered "clustering" an expansion of gambling, and

he agreed, saying if **HB 537** didn't pass, gaming would be expanded.

**Mr. Staples** referred to **EXHIBIT #4** and reiterated the history of the problem, stressing the fact the machine operators had really done nothing illegal. He said because of that, **HB 537** deference should be given to the present operators by giving them a 10-year grandfather to recoup the investment. He wondered if the stackers (there were only two left), who in 1991 received five years, should be allowed ten years.

**Mr. Staples** said **HB 537** would allow a commonality of interest, (same management, same accounting, money going into one account) but not a distance of 150 feet. He explained amendments which **REP. LARSON** supported: (1) Page 1, Line 20 -- Strike "5-Year"; insert "10-Year"; (2) Amendments as per **EXHIBIT #5**.

**Mr. Staples** distributed copies of a letter from James Grubbs, President, Yellowstone County Licensed Beverage Association, (YCLBA) **EXHIBIT #6**, and explained the YCLBA was a protester in Billings that past fall, and to date, was winning. He reminded the committee the Justice Department, Montana Tavern Association and other Montana tavern associations all supported **HB 537**.

**Janet Jessup**, Department of Justice, said the Attorney General supported **HB 537** in the House hearing, explaining current legislation's policy toward gambling was small scales and small stakes which they did not intend to change. **Ms. Jessup** said the Attorney General's office believed **HB 537** reiterated that policy. She said they believed the bill was very clear and easy to understand and administer. **Ms. Jessup** urged support of **HB 537**.

**Jerry Driscoll**, Lucky Strike Casino & Gold Rush Casino, said he had been involved in gaming since 1987. He distributed copies of amendments, **EXHIBIT #7**, which would give five more years to those who were grandfathered in 1991. **Mr. Driscoll** said the amendments were a fairness issue for those people because they had done nothing illegal. He expressed support for amendment #2 as per **EXHIBIT 5**.

**Larry Akey**, Montana Coin Machine Operators Association, said the question of whether multiple businesses in close proximity, each with 20 machines, was a legitimate matter for public policy. He said clusterers had done nothing illegal, and it was up to the legislature to decide whether that type of practice should continue. **Mr. Akey** urged the committee not to preclude legitimate business practices, such as guaranteeing of loans and commonality of business. He urged the committee to adopt language on commonality of business interests before concurring with **HB 537**.

**Ron Ulrich**, read his written testimony, **EXHIBIT #8**.

**Bill Wheeler, Gold Rush Casino, Butte**, distributed copies of 23 proponent letters, **EXHIBIT #9** and quotes from letters, **EXHIBIT #9A**. He urged support for **HB 537** and to extend the grandfather clause so they could continue to do business as they had for the past eight years. He said the loss of the grandfather clause would most likely result in the loss of the only full-service restaurant in uptown Butte,

{Tape: 1; Side: B}

lost tax revenues for county and state and a trickle-down effect for the entire community. **Mr. Wheeler** said when his parents opened Gold Rush Casino in 1987, it was legal to have 45 machines and it was this knowledge which influenced them to commit money and time into an 8,000 sq. ft. building. He said when, in 1989, the legal number of machines was reduced to 20, his parents purchased an additional liquor license and split the businesses. **Mr. Wheeler** reminded the committee **HB 537** without the amendments would close his parents' business; therefore, he asked the committee to amend **HB 537** so the grandfather clause would be 10 years.

**Ellen Engstedt, Don't Gamble With The Future**, read her written testimony, **EXHIBIT #10**.

**Opponents' Testimony:**

**Dennis Casey, Gaming Industry Association of Montana**, expressed opposition to **HB 537** in its current form because: (1) The language of "common owner" on Page 2, Lines 19-22, was too broad and far-reaching when it included "commonality of business interests"; (2) The thrust of **HB 537** to close businesses which have been established in full conformity to Montana law. He said in 1991, **23-5-117** established clarification in which gambling establishments could adjoin each other. He stated operations could be next to each other as long as there was a wall between, the public entrances were outside and separate and internal entrances would be for employees only. Since then, many Montana businesses had open establishments based on that clear language, i.e. local zoning board approvals, purchasing and making application for alcoholic beverage licenses, obtaining gambling licenses.

**Mr. Casey** said **HB 537** would ask the legislature to change the law and it would adversely affect the businesses. He asked the committee to consider affecting future development only, not the established businesses. He urged an amendment to grandfather those businesses which began prior to January 1, 1995; it could be done by striking Lines 20-23 on Page.

**Dave Brown, Restaurant and Lounge Coalition**, read his written testimony, **EXHIBIT #11** and amendments as per **EXHIBITS #11A, #11B, #11C**. He also presented letters of opposition, **EXHIBITS #12, #13 & #14**.

**David Hemion, Montana Association of Churches**, expressed support for **HB 537** as it was approved by the House; however, his organization opposed the amendments presented today. He said the legislature permitting 20 machines was a compromise up, and ways were found to get more entertainment through stacked licenses. The legislature didn't approve, so the entertainment was clustered; however, the intent was to limit gambling, not see it grow. He urged the committee to draw the line and keep the limit to five years. **Mr. Hemion** said money, not entertainment, was driving the clustering and "tough" to those who had made a bad investment by trying to circumvent the legislature.

**Gordian E. Kiedrowski, Riverboat Casino, Billings**, stressed he had obeyed all the laws, jumped through all the hoops, and made a substantial investment. He requested he be grandfathered.

**Bill Schrup, Doc and Eddy's Casino, Billings**, read his written testimony, **EXHIBIT #15**.

**Questions From Committee Members and Responses:**

**SEN. WILLIAM CRISMORE** asked about the four side-by-side bars in Dillon and the idea one would have to sell. **Mark Staples** said big families have big operations and solutions could be letting the situation go or perpetually grandfather them, which would give a monopoly. He said people wanted **HB 537** killed, yet they needed to keep it alive because of the grandfather feature.

**SEN. SPRAGUE** asked if **HB 537** needed more time, if the Senate should fix it or if there should be a subcommittee. **REP. LARSON** said **HB 537** left the House fairly clean; however, the issue before the committee was how much grandfather should be allowed. He urged the committee to accept his amendments which restored the grandfather to 10 years and clarified the commonality of business interests.

**SEN. SPRAGUE** asked if stacking was the ingenuity of using the building in the best way and if the amendments were a problem. **Janet Jessup** said she would oppose the amendments which watered down the language so the intent was no longer clear, because vague law produced excessive regulations and rules. She opined the intent of the original bill was fairly clear and would be easy to administer.

**SEN. GARY FORRESTER** asked for **Dave Brown's** opinion of the owners who owned the establishment. **Mr. Brown** said in the case of the Dillon bar, the establishment across the alley was bought after January 1, 1995. He said if the footage requirement was removed, it would not be legal to have more than 20 machines under one roof, but it would be legal to have 20 machines next door. He said it was his opinion it didn't matter where the building was located, as long as there was commonality of ownership.

SEN. CASEY EMERSON asked if the beer and wine licenses were unlimited. Mark Staples said the number was not unlimited; however, one could own an unlimited number of the limited.

SEN. SPRAGUE asked Bill Wheeler if he felt he was well treated by the industry. Mr. Wheeler said he was feeling uncomfortable because they were fighting for their lives when they opened their business in 1987, and the loss of one of their licenses at the present time would serve them a death warrant.

Closing by Sponsor:

REP. LARSON said the purpose of HB 537 was to keep the small tavern owner in business with a 20-machine limit. He stated clustering allowed and encouraged out-of-state interests to become involved. He reminded the committee the issue before them was how to equitably treat the casino owners who clustered and stacked their machines before and after 1991. He maintained his amendment fairly treated them. REP. LARSON pointed out the confusing issue of grandfathering affected a minority, and urged legislative policy which would fit the greatest number. He said if the square footage were removed, it would be better to kill HB 537. REP. LARSON urged the committee to accept the amendments, which supported the tenure and clarified the commonality of interests, and to pass HB 537.

HEARING ON HB 559

Opening Statement by Sponsor:

REP. WILLIAM "RED" MENAHAN, HD 57, Butte, said HB 559 was to allow pinochle tournaments for nonprofit organizations. He reported the Attorney General had included his amendments, so he had no opposition to HB 559.

{Tape: 2; Side: A}

Proponents' Testimony:

Janet Jessup, Department of Justice, expressed support for HB 559.

Opponents' Testimony: None.

Questions From Committee Members and Responses:

SEN. EMERSON asked about the procedure to get the permit. REP. MENAHAN said they had to write to the Department of Justice for the permit. SEN. EMERSON asked if there was a charge and Janet Jessup said the cost was \$25.



Closing by Sponsor:

REP. MENAHAN said the Anaconda Chamber of Commerce asked him to carry HB 559 because they did not want to be in violation of the law.

SEN. GARY FORRESTER will carry HB 559.

EXECUTIVE ACTION ON HOUSE BILL 527

Motion: SEN. STEVE BENEDICT MOVED HB 527 BE CONCURRED IN.

Discussion: SEN. CRISMORE said it was his opinion gambling was not expanded.

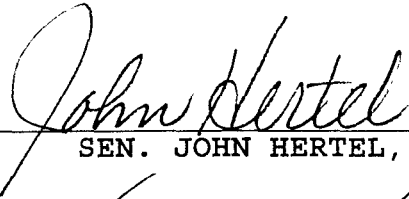
Vote: Motion CARRIED 8-1 by voice vote, with SEN. KLAMPE voting "No."


EXECUTIVE ACTION ON HOUSE BILL 559

Motion/Vote: SEN. STEVE BENEDICT MOVED HB 559 BE CONCURRED IN.  
Motion CARRIED UNANIMOUSLY by voice vote.

ADJOURNMENT

**Adjournment:** The meeting adjourned at 10:05 a.m.

  
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SEN. JOHN HERTEL, Chairman

  
\_\_\_\_\_  
LYNETTE LAVIN, Secretary

JH/11

MONTANA SENATE  
1995 LEGISLATURE  
BUSINESS AND INDUSTRY COMMITTEE

ROLL CALL

DATE \_\_\_\_\_

3-3-95

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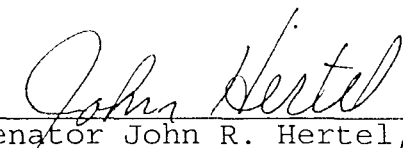
SENATE STANDING COMMITTEE REPORT


Page 1 of 1  
March 3, 1995

MR. PRESIDENT:


We, your committee on Business and Industry having had under consideration HB 527 (third reading copy -- blue), respectfully report that HB 527 be concurred in.

Signed:

  
Senator John R. Hertel, Chair

 Amd. Coord.

57 Sec. of Senate

  
Senator Carrying Bill

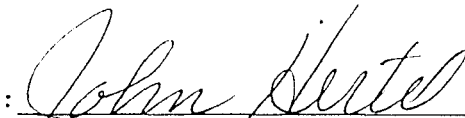
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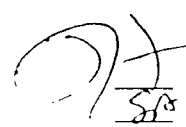
SENATE STANDING COMMITTEE REPORT

Page 1 of 1  
March 3, 1995


MR. PRESIDENT:

We, your committee on Business and Industry having had under consideration HB 559 (third reading copy -- blue), respectfully report that HB 559 be concurred in.

Signed:   
Senator John R. Hertel, Chair

 Amd. Coord.

SA Sec. of Senate

  
Senator Carrying Bill

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**FACT SHEET ON HOUSE BILL 527  
PAYOUT ON POKER**EXHIBIT NO. 1DATE 3-3-95BILL NO. HB 527*(Presented by Rep. Don Larson)*

1. **EXPANSION OF GAMBLING?** NO. THE TWO FOREMOST OPPONENTS TO EXPANSION OF GAMBLING IN MONTANA, GOVERNOR MARC RACICOT AND ATTORNEY GENERAL MAZUREK DO NOT OPPOSE THIS BILL. IN FACT, WHEN GOVERNOR RACICOT WAS ATTORNEY GENERAL AND RUNNING FOR GOVERNOR, HE RECOGNIZED IT AS A PARITY ISSUE AND PUBLICLY STATED THAT HE *SUPPORTED* IT. PLEASE REMEMBER, NEITHER THE RACICOT ADMINISTRATION, NOR THE JUSTICE DEPARTMENT OPPOSE THIS; IF THEY CONSIDERED IT AN EXPANSION, THEY MOST SURELY WOULD OPPOSE.
2. **MAXIMUM PAYOUTS ON KENO HAVE BEEN \$800 FOR YEARS.** POKER MACHINES, BY CONTRAST, CAN ONLY PAY \$100. THERE IS NO LOGICAL DISTINCTION TO JUSTIFY WHY POKER SHOULD NOT BE THE SAME AS KENO.
3. **TRIBAL PAYOUTS ARE \$1,000.** THE STATE HAS GRANTED TO MONTANA'S TRIBES PAYOUTS OF \$1,000. SMALL BUSINESS OWNERS ON NON-TRIBAL LANDS IN LOCATIONS NEAR TRIBAL LANDS, MUST COMPETE WITH OPERATIONS THAT *NOT ONLY* OFFER \$1,000 PAYOUTS, BUT HAVE 100 MACHINES! THE OPERATORS ARE NOT SEEKING TO INCREASE THEIR NUMBERS OF MACHINES, BUT NEED TO HAVE THEIR POKER PAYOUT RAISED TO BE EVEN SLIGHTLY COMPETITIVE WITH THE TRIBES.
4. **IS THIS BILL ANTI-TRIBAL? DOES IT SEEK TO TAKE AWAY THEIR ADVANTAGE?** ABSOLUTELY NOT. THE TRIBES WILL MAINTAIN THEIR ADVANTAGES IN NUMBERS OF MACHINES AND, AS WITH KENO NOW, THEIR PAYOUT WOULD STILL EXCEED NON-TRIBAL PAYOUTS BY A MINIMUM OF 20%.
5. **HI-LINE TAVERNS ARE DISADVANTAGED BY CANADIAN PAYOUTS.** ALBERTA NOW OFFERS MAXIMUM PAYOUTS OF \$1,000 PER MACHINE PER GAME, AND THOSE GAMES INCLUDE VIDEO SLOTS, POKER, KENO, AND BLACKJACK. MONTANA TAVERNS ARE NOT SEEKING NEW GAMES OR EXPANDED OFFERINGS, BUT AGAIN, IT WOULD BE VERY HELPFUL TO HI-LINE TAVERNS LOSING THEIR IN-STATE AND TOURIST BUSINESS TO TAVERNS ACROSS THE BORDER, TO BRING THEM WITHIN 20% OF THE ALBERTA PAYOUT.

TESTIMONY - HB 527

Mr. Chairman and Members of the Committee:

For the record, my name is Ellen Engstedt and I represent Don't Gamble With The Future. We are a statewide organization opposed to the expansion of gambling and in favor of stronger regulation of gambling currently legal in Montana. Our members are small business folks and their families.

We strongly oppose HB 527 because it is an expansion of gambling in Montana.

The issue centered on HB 527 is whether it is an expansion of gambling or merely an increase in the payouts allowed on poker machines to place them at parity with keno machines so there is equity for both.

The dictionary definition of INCREASE is to make greater, more numerous, add to -- the dictionary definition of EXPANSION is increase in size, enlarge. If someone can point out to me the difference in those definitions, I'll try to comprehend it. Don't Gamble accepts those definitions and calls HB 527 what it is - an expansion of gambling in Montana. Or, if you prefer, an increase of gambling in Montana.

Keno machines are more popular than poker machines because the gambler sees a remote chance of winning more if playing a machine with higher payouts. The higher payout serves as an enticement to gamble more and increasing the payout limit on poker machines would add to that enticement.

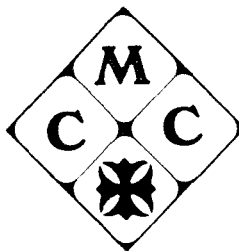
The argument is false that says in order for Montana gambling businesses to compete with its neighbors, including Canada, the payouts must be raised. What should be raised with that argument is an alarm. If South Dakota changes its payouts and Canada raises its ante again when Montana catches up, does Montana then raise again. The question comes as to when the ratcheting upward stops.

As offered in the House hearing, if those in the gambling industry would like to have the payout limits equal using an equity argument, we would be happy to support both payouts at the original \$100 limit and adopt an amendment that changes the \$800 payout on keno machines back to \$100 on all video gambling machines.

Please consider this legislation for what it is -- an EXPANSION of gambling in Montana and vote no on HB 527.

Thank you.





# Montana Catholic Conference

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 3

DATE 3-3-95

BILL NO. HB 527

*(Presented by Sharon Hoff)*

FEBRUARY 15, 1995

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, MY NAME IS  
BRANDON HOLT, REPRESENTING THE MONTANA CATHOLIC  
CONFERENCE. BECAUSE THE MONTANA CATHOLIC CONFERENCE  
OPPOSES ANY INCREASE IN GAMBLING, WE ARE OPPOSED TO HB527.

WHILE THE CATHOLIC CHURCH HISTORICALLY HAS NOT  
CONDEMNED GAMBLING AS INTRINSICALLY EVIL, WE ARE AWARE OF  
THE MANY NEGATIVE CONSEQUENCES OF EXPANDED GAMBLING. AS  
GAMING INCREASES, WE SEE MORE CRIME, MORE DEVASTATED  
FAMILIES, MORE DISPLACEMENT, MORE COMPULSIVE GAMBLING AND  
MORE ALCOHOLISM. WE URGE DO NOT PASS TO HB527.

# PRESENTED BY THE MONTANA TAVERN ASSOCIATION

SENATE BUSINESS & INDUSTRY

## FACT SHEET ON HOUSE BILL 537

EXHIBIT NO. 4

DATE 3-3-95

BILL NO. HB 537

**PURPOSE OF BILL:** TO STOP STACKING OF ALCOHOLIC BEVERAGE LICENSES FOR PURPOSES OF SKIRTING THE 20-GAMING-MACHINE-PER-LOCATION LIMIT.

*(Presented by Rep. Don Jensen)*

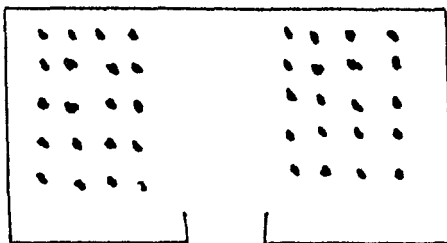
**WHO SUPPORTS THE BILL:** THE JUSTICE DEPARTMENT, THE MONTANA TAVERN ASSOCIATION, THE GAMING INDUSTRY ASSOCIATION, DON'T GAMBLE WITH THE FUTURE, THE MONTANA COUNCIL OF CHURCHES, AND MANY OTHERS. PLEASE VOTE "DO PASS" FOR THIS BILL "AS IS," **WITHOUT ANY AMENDMENTS OTHER THAN THE SPONSOR'S.** FURTHER TAMPERING WITH IT COULD JEOPARDIZE PASSAGE OF ANY BILL, WHICH WOULD BE DISASTROUS. WE NEED TO STOP THIS PRACTICE!

**WHO OPPOSES THE BILL:** THE OPERATORS WHO HAVE TAKEN ADVANTAGE OF THIS PRACTICE.

**WHAT IS "STACKING" EXACTLY?** IT IS THE PLACING OF MORE THAN ONE ALCOHOLIC BEVERAGE LICENSE OWNED BY THE SAME ENTITY IN IMMEDIATE PROXIMITY TO ANOTHER, SO AS TO "STACK" OR "CLUSTER" GAMING MACHINES BEYOND THE 20-MACHINE-PER- LOCATION LIMIT.

IN 1991, THIS LEGISLATURE ATTEMPTED TO STOP THE PRACTICE WHICH WAS THEN GOING ON OF PUTTING MULTIPLE SETS OF 20 MACHINES IN **ONE** ROOM. (SEE DRAWING LEFT BELOW.) IN 1991, THE LAW WAS CLARIFIED TO STATE THAT EACH PREMISE CONTAINING 20 MACHINES HAD TO BE COMPLETELY SEPARATE, WITH SEPARATE EXTERNAL ENTRANCES. THIS STOPPED THE ORIGINAL "STACKING" BEFORE IT COULD GET OUT OF HAND. THOSE PEOPLE WHO HAD BOUGHT AN EXTRA ALCOHOLIC BEVERAGE LICENSE AND PLACED IT ON THEIR PREMISE SOLELY FOR THE PURPOSE OF 20 MORE MACHINES WERE GIVEN 5 YEARS TO AMORTIZE THE COST OF THE EXTRA LICENSE AND GET RID OF IT ... OR SEPARATE THEIR PREMISES.

1991 - "STACKING"

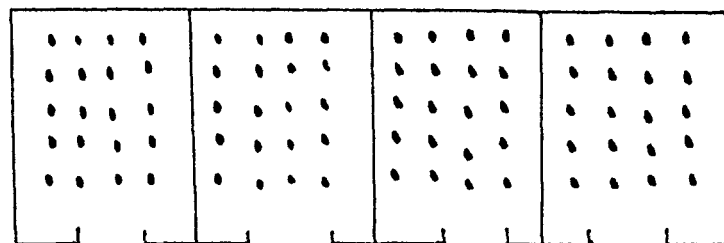


OLD "STACKERS"

MORE THAN 20 MACHINES IN ONE SINGLE PREMISE (BY JOINING MORE THAN ONE ALCOHOL LICENSE OWNED BY ONE ENTITY).

PRACTICE STOPPED BY LEGISLATION IN 1991 ... GIVEN 5 YEARS TO GET RID OF SET-UP AND RECOUP COSTS OF EXTRA LICENSE(S) AND MACHINES.

1995 - "CLUSTERING"



NEW "STACKERS"  
(OR "CLUSTERERS")

20 MACHINES IN MULTIPLE SIDE-BY-SIDE PREMISES (EACH WITH SEPARATE ALCOHOL LICENSE), OFTEN WITH COMMON LOBBY OR HALLS, ALL OWNED OR CONTROLLED BY THE SAME ENTITY.

IN 1994-1995, A NEW VARIETY OF "STACKING" HAS EMERGED CALLED "CLUSTERING," WHICH SIMPLY INVOLVES ONE ENTITY PUTTING TWO OR MORE ALCOHOLIC BEVERAGE LICENSES CONTROLLED BY THAT ENTITY IN A LINE SO THAT EVEN THOUGH THEY HAVE SEPARATE WALLS AND EXTERIOR ENTRANCES, THEY ESSENTIALLY MAKE UP ONE CONTIGUOUS GAMBLING ROW OR BLOCK, WHERE THE EXTERIOR ENTRANCES OPEN ON TO ONE AREA OR ARE CONNECTED BY A SERIES OF HALLS OR LOBBIES.

**WHY IS THIS A PROBLEM?** FIRST OF ALL, BECAUSE IT FLIES IN THE FACE OF THE LEGISLATIVE INTENT TO LIMIT ONE LOCATION TO 20 MACHINES. SECOND, BECAUSE ALCOHOLIC BEVERAGE LICENSES WOULD NOT BE NEEDED TO EXTEND THE LOCATION'S ALCOHOL OFFERINGS, WHICH IT COULD DO SIMPLY BY EXPANDING ITS PREMISES, THE ACQUISITION OF THE EXTRA ALCOHOL LICENSE IS SOLELY FOR THE PURPOSE OF ADDING MORE GAMING MACHINES. THIS ESSENTIALLY TAKES THOSE ALCOHOLIC BEVERAGE LICENSES OFF THE MARKET, THEREBY DRIVING UP THE PRICE OF EXISTING ALCOHOLIC BEVERAGE LICENSES, THEREBY CREATING PRESSURE ON THE LICENSING SYSTEM AND THREATENING THE VALUE OF LICENSES OVERALL. **NOTE: INDEED, IF THE LICENSING SYSTEM WERE TO FALL, OR A NEW CLASS OF LICENSES CREATED, THE EFFECT INEVITABLY WOULD BE TO EXPAND GAMBLING IN MONTANA EXPONENTIALLY.**

**WHAT DOES THIS BILL DO?** IT SAYS THAT ANY TWO ESTABLISHMENTS THAT HAVE GAMBLING MACHINES WHICH ESTABLISHMENTS ARE ALSO COMMONLY OWNED MUST BE SEPARATED BY AT LEAST 150 FEET.

**WHY THE 10-YEAR GRANDFATHER FOR THOSE WHO HAVE AFFECTED PREMISES?** BECAUSE THEY BUILT SEPARATE PREMISES WITH ALL THOSE ATTENDANT COSTS AND PURCHASED THE EXTRA LICENSES AND MACHINES THAT WENT INTO THOSE PLACES. THEY SHOULD BE GIVEN TIME TO RECOUP THOSE EXPENSES.

**WAS THIS PRACTICE LEGAL OR ILLEGAL WHEN THEY ENGAGED IN IT?** IT WAS LEGAL, ACCORDING TO THE INTERPRETATIONS OF THE JUSTICE DEPARTMENT AND THE DEPARTMENT OF REVENUE AT THE TIME. THAT DOESN'T MEAN THAT IT SATISFIED LEGISLATIVE INTENT OR THAT IT SHOULD BE CONTINUED, IT JUST MEANS THAT IT MET STATUTORY MUSTER. THAT'S ANOTHER REASON THEY SHOULD BE GIVEN AN OPPORTUNITY TO RECOUP THEIR INVESTMENTS.

**SHOULD THE OLD "STACKERS" BE GRANDFATHERED IN WITH THE NEW "CLUSTERERS"?** THE OLD "STACKERS" (THREE OF THEM) HAVE ALREADY BEEN GIVEN 5 YEARS IN WHICH TO HAVE MORE MACHINES ON THEIR PREMISES THAN ANYONE ELSE IN THE STATE. THESE "STACKERS" DID NOT HAVE TO BUILD SEPARATE PREMISES, SO THEY DO NOT HAVE THE SAME CONSTRUCTION COSTS TO RECOUP. DURING THE 5 YEARS THAT THEY'VE ALREADY HAD, THEIR EXTRA LICENSES HAVE GROWN IN VALUE AND THEY'VE HAD MORE THAN ENOUGH TIME TO RECOUP THE COSTS OF PUTTING IN THE EXTRA MACHINES. IN ADDITION, TO TAKE ADVANTAGE OF THE GRANDFATHER BEING OFFERED THE NEW "CLUSTERERS," THEY MUST SIMPLY, AT THIS TIME, SEPARATE THEIR PREMISES, WHICH WOULD NOT BE AN OPPRESSIVE UNDERTAKING FOR EITHER OF THE TWO ESTABLISHMENTS STILL LEFT IN THE ORIGINAL "STACKING" CONFIGURATION. BOTH ALREADY HAVE SEVERAL SEPARATE ROOMS IN WHICH THE ENTERPRISES COULD BE PLACED. THEY WOULD THEN HAVE THE SAME 10 YEARS AS THE OTHER SEVERAL DOZEN "CLUSTERERS" WOULD TO RECOUP THOSE INVESTMENTS, AND THEN DIVEST OF THE PRACTICE ENTIRELY.

**WHAT ABOUT OLDER BARS AND TAVERNS ON "MAIN STREET" MONTANA THAT ARE SIDE-BY-SIDE? WILL THEY BE PROHIBITED?** NO. FIRST OF ALL, MOST OF THOSE ARE NOT COMMONLY OWNED. BUT SECOND, EVEN IF THERE ARE SEVERAL INSTANCES WHERE TWO BROTHERS OWN SIDE-BY-SIDE ESTABLISHMENTS, THEY WOULD NOT BE AFFECTED BY THIS BECAUSE PRESUMABLY THEY WERE IN PLACE BEFORE 1985, WHEN GAMBLING FIRST CAME INTO MONTANA, SO THEY COULD NOT BE SAID TO BE "STACKING" OR "CLUSTERING," AND THIS BILL EXEMPTS THEM FROM THESE PROVISIONS AS LONG AS THOSE ESTABLISHMENTS STAY WITHIN THE SAME FAMILIES.

JUST SO YOU'LL KNOW HOW WIDESPREAD THE CONSENSUS OF OPINION IS ON THIS BILL, THE YELLOWSTONE COUNTY TAVERN ASSOCIATION, THE SILVER BOW COUNTY TAVERN ASSOCIATION, THE MISSOULA COUNTY TAVERN ASSOCIATION, THE FLATHEAD COUNTY TAVERN ASSOCIATION, THE CASCADE COUNTY TAVERN ASSOCIATION, THE GALLATIN COUNTY TAVERN ASSOCIATION, THE RAVALLI COUNTY TAVERN ASSOCIATION, THE JEFFERSON, LEWIS AND CLARK, AND BROADWATER COUNTY TAVERN ASSOCIATION, THE HILL COUNTY TAVERN ASSOCIATION, THE CUSTER COUNTY TAVERN ASSOCIATION, AND IN FACT, EVERY TAVERN ASSOCIATION IN THE STATE OF MONTANA HAS VOICED ITS STRONG SUPPORT OF THIS BILL, AND IN FACT, DEMANDED AT THE STATE CONVENTION THAT THE MONTANA TAVERN ASSOCIATION BRING IT AND SEEK TO PASS IT THROUGH THIS LEGISLATURE.

**AMENDMENTS TO HOUSE BILL 537**

Third Reading Copy, As Amended

*Presented by Mark Staples*

Submitted to the Senate Business and Industry Committee  
at the request of Representative Don Larson  
March 3, 1995

1. Title, line 4 and 5.  
Strike: "A COMMONALITY OF INTERESTS"  
Insert: "ONE OR MORE COMMON OWNERS"
2. Page 2, line 14.  
Following: "agreement"  
Insert: "involving real property"
3. Page 2, line 17.  
Following: "provides"  
Strike: "or guarantees"
3. Page 2, line 18.  
Following: "financing for"  
Strike remainder of line 18.  
Insert: ": (A) the purchase of the liquor license;  
(B) the purchase of the premises; or  
(C) operating expenses, except for expenses allowed under 23-5-130, of  
more than \$25,000."
4. Page 2, line 29.  
Strike: "(ii) guarantees a loan;"  
Renumber subsequent subsection.

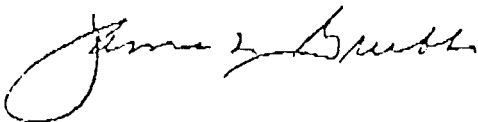
EXHIBIT NO. 6DATE 3-3-95BILL NO. HB 537*(Presented by Mark Staples)*

Mr. Chairman,  
Members of the Committee:

My name is Jim Grubbs. I am a casino/restaurant owner from Billings and I am currently President of the Yellowstone County Licensed Beverage Association. I apologize for not testifying in person but prior commitments precluded me from attending today. The Y.L.B.A. has been in concert with the M.T.A. in drafting legislation to stop the practice commonly known as "stacking". This practice, if left unabated, would begin to accumulate all beverage, beer and wine licenses in casino locations for no other reasons than to expand the number of allowable machines from 20 to 40, 60 or, who knows!!! This legislation is meant to accomplish two things:

- 1) To adhere to the gambling law limits as they were intended by the legislature, and more importantly,
- 2) To keep the liquor license quota system from being subjected to pressures that have nothing to do with the orderly dispensing of alcohol to the residents of Montana on the basis of convenience and necessity as provided for by the M.C.A. We have brought this legislation as a "self policing" tool and I hope the committee will see fit to let this bill see a vote by your peers.

Thank you,



James L. Grubbs  
President  
Yellowstone County Licensed Beverage Assoc.

Amendments to House Bill No. 537  
First Reading Copy

*(Presented by Jerry Driscoll)*

Requested by Rep. Cocchiarella  
For the Committee on Business and Labor

Prepared by John MacMaster  
February 13, 1995

1. Title, line 6.

Following: "OTHER"

Insert: "; EXTENDING FOR FIVE YEARS THE RIGHT TO CONTINUE A  
SECOND OPERATOR'S LICENSE FOR A PREMISES SUBJECT TO CURRENT  
ADJACENT PREMISES REQUIREMENTS; AND AMENDING SECTION 23-5-  
117, MCA"

2. Page 3, line 1.

Following: page 2

Insert: "Section 2. Section 23-5-117, MCA, is amended to read:

"23-5-117. Premises approval. (1) Except as provided in  
subsection (4), the department may approve a premises for  
issuance of an operator's license if the premises meets the  
requirements contained in subsections (2) and (3).

(2) The premises must:

(a) be a structure or facility that is clearly defined by  
permanently installed walls that extend from floor to ceiling;

(b) have a unique address assigned by the local government  
in which the premises is located; and

(c) have a public external entrance, leading to a street or  
other common area, that is not shared with another premises for  
which an operator's license has been issued.

(3) If the premises shares a common internal wall with  
another premises for which an operator's license has been issued,  
the common wall must be permanently installed, opaque, and extend  
from floor to ceiling and may not contain an internal entrance  
through which public access is allowed.

(4) A second operator's license may be issued or renewed  
until June 30, ~~1996~~ 2001, for a person operating a gambling  
activity on a premises that did not meet the requirements of  
subsections (2) and (3) if:

(a) the second operator's license was issued to the person  
on or before January 1, 1991; or

(b) (i) the application for the second operator's license  
was received by the department on or before January 1, 1991;

(ii) a second on-premises alcoholic beverages license was  
obtained for the premises on or before January 1, 1991; and

(iii) substantial physical modifications to the premises  
were made on or before January 1, 1991.""

Renumber: subsequent section

TESTIMONY OF RON ULRICH

ADDRESS: 105 Tahoe  
Missoula, Montana 59803

PHONE: 251-2818

FOR: HOUSE BILL '537, if amended  
MARCH 3, 1995

I have lived in Missoula with my wife Julie for the past 17 years. I began my involvement in the liquor business in 1979 as one of the owners of the Five Valleys Bowl. I later sold my interest in the Five Valley Bowl and, in 1989, I formed a corporation and bought a liquor license to place in the same building with another liquor license. At that time, the Gambling Control Division was not reviewing and approving floor plans. I contacted the Montana Department of Revenue and advised them of my plan. I also forwarded a floor plan to the Department of Revenue for approval. The Department of Revenue granted the approval.

After getting approval, my landlord invested over 1.1 million dollars in remodeling the building, as approved by the Department of Revenue, over the next five or six months. The money was borrowed from a local bank, the First Security Bank of Missoula, as part of an SBA loan. The loan was amortized over 15 years at a current interest rate of 11.5%. The landlord then set my lease payments at a level that would allow my monthly lease to compensate for the monthly payment on the loan.

In the fall of 1990, within days before we were to open, the Gaming Control Division of the Department of Justice advised us that, without passing any rule or written policy, they had now



decided to regulate and approve the floor plans of premises and they would not approve of our premises. They would not let us open.

In 1991, Senate Bill 647 was introduced by Senator Gage to make what we did ~~il~~legal by statute. I asked that my business be grandfathered, but was unsuccessful. Instead, I received a five year grace period. That lapses June 30, 1996.

I am here to ask that you reconsider grandfathering my premises or to, at least, grant me an extension in accordance with the extension that is currently being requested by other parties here today who, like me, created a premises that was entirely legal at the time of its inception, but is now being made illegal. It is my understanding that the majority of my competitors in Missoula have written letters which have been delivered or will, today, be delivered to this committee explaining that they have no objection to my request.

I do so because of the tremendous capital outlay involved in my project and my inability to make lease payments designed to recover that outlay in the short time that has elapsed since I opened the business.

Thank you for your consideration of my plight.

SENATE BUSINESS &amp; INDUSTRY

EXHIBIT NO. 9DATE 3-3-95BILL NO. HB 537

February 22, 1995

*(presented by  
Don Wheeler)*

Re: Gold Rush Casino  
Butte, Montana

To Whom it May Concern:

I am writing in support of the Gold Rush Casino to the 54th legislature. The Gold Rush Casino was licensed legally by the state and in my opinion should be left to operate as they are. This is a large building and restaurant that has a high overhead. They are an asset to Butte and especially the uptown area.

Sincerely,

*Harry Farnon*

Freeway Tavern  
2001 S. Montana  
Butte, Montana 59701

TO WHOM IT MAY CONCERN,

IT IS OF MY OPINION THAT THE GOLD RUSH CASINO  
SHOULD REMAIN AS A BUSINESS AS IS. THE GOLD RUSH  
IS A MAJOR TAX PAYER IN HISTORIC COP TOWN  
BUTTE, IT IS A GREAT PLACE TO DINE AND RELAX  
WITH FAMILY AND FRIENDS

THANK YOU FOR YOUR

ATTENTION TO THIS MATTER

*Chuck Delaney*

DELANEY'S VU VILLA, INC.  
521 W. Park St.  
Butte, Montana 59701

EXHIBIT 9  
DATE 3-3-95  
X HB 537

February 22, 1995

RE: The Gold Rush Casino  
Butte, Montana

To Whom it May Concern:

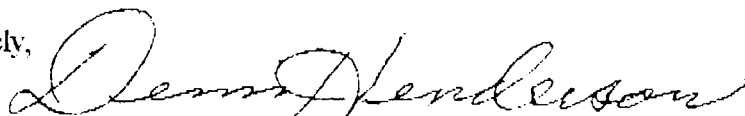
We have been patrons of the Gold Rush Casino since it's opening in 1987, are the former owners of P.J. Sports and currently own Winter Garden Lanes.

As a business and bar owner in Butte, we understand the value that the Gold Rush Casino adds to our community and uptown area. Our uptown area relies on positive businesses like the Gold Rush. The Gold Rush Casino was started in an existing building that housed a long time car dealership and most recently two unsuccessful restaurants. In a time when many businesses are moving out to the flats and near the interchanges, the Gold Rush made a permanent commitment to our historic uptown area. They provide employment to approximately 75 people, making them one of our larger employers. They provide entertainment and food services for our uptown community which is mostly a senior population. The business is well run and is a enjoyable place to go for eating and entertainment.

Any efforts taken to in any way change how the Gold Rush Casino currently conducts business would be detrimental to our community and to the state. The Gold Rush is a healthy contributor to our tax base. They contribute generously to our charities and local businesses. The spin-off of what was created from an empty building in uptown Butte has been enormous. Why end that with needless legislation.

Thank you for your time.

Sincerely,



Dennis and Diane Henderson  
Winter Garden Lanes  
1315 S. Montana  
Butte, Montana 59701  
(406)723-8172

Dave Cantwell  
Scandia Bar  
537 S Main  
Butte, Mt 59701

20 February 1995

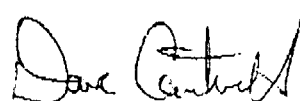
Dear 54th Legislature:

On behalf of the Gold Rush Casino I am submitting this letter to voice my concern about proposed changes to this establishment that I feel would be detrimental not only to the many people it provides employment and services for but also to the city of Butte.

Over the years Don Wheeler and the Gold Rush Casino has not only provided excellent service for our senior population, but has given generously back to our community.

I feel by altering this establishment you would be unjustly inconveniencing its many patrons and employees but more importantly you would be threatening the overall well-being of our city, county and state.

Sincerely,

A handwritten signature in dark ink, appearing to read "Dave Cantwell". The signature is stylized with a large, looped "D" and a cursive "Cantwell".



FOR THOSE WHO KNOW  
AND LOVE GREAT FOOD

EXHIBIT 9  
DATE 3-3-95  
1 HB 537

3502 Harrison Ave. • Butte, Montana 59701 • (406) 494-3851

RE: Gold Rush Casino  
Galena Lounge  
W. Galena  
Butte, MT 59701

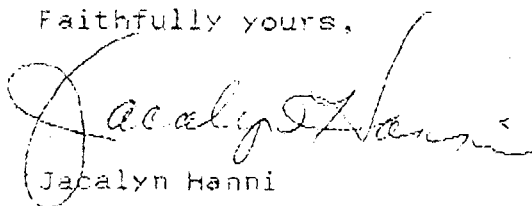
To Whom It May Concern:

I was employed by Dr. Don Wheeler, to work at the Gold Rush Casino, beginning in September 1988 as his accountant. At which time the state allowed 40 machines per license. On this pretext, Dr. Wheeler remodeled the Gold Rush to accommodate for the allowed number of machines. During my time with Dr. Wheeler, the law was changed to limit the number of machines per license to 20 machines. Once again, Dr. Wheeler had to adjust his business operation, by acquiring another license and remodeling his business.

Dr. Wheeler has always operated his business in compliance with the current law. But, again the law has been changed. This change in the law will require a major remodeling expense and down time in his business. Dr. Wheeler has employed between 80 to 100 employees, since 1988 in this business. If he is forced to comply with this law, his work staff most definitely will be affected by the changes.

I hope you will take this into consideration, when reviewing the law and it's effects on small business. Your decision can have a major effect on the continuation of some businesses.

Faithfully yours,



Jacalyn Hanni

THE BRONX LOUNGE  
42 W. Broadway  
Butte, Montana 59701

To whom it may concern:

Gold Rush  
Jim & Nan Fraglia of the  
Bronx Lounge & Supper Club  
want it to be known to the  
Legislators of Helena to have  
the structure & Business done.  
Don Wheeler operates a good  
clean wholesome business &  
employs many people.

He contributes to the city  
of State & Fed government in  
employers & taxes.

The Upstairs Business &  
the City of Butte feel he's  
a asset to our community.

Leave this alone.  
Why can't the legislators have  
a good plan alone that's  
trying to make a living  
instead of being glad.

Jim & Nan  
Fraglia

EXHIBIT 9DATE 3-3-95HB 537

February 17, 1995

TO WHOM IT MAY CONCERN:

We the undersigned feel the Gold Rush Casino is a valuable Asset to Butte, especially the UPTOWN AREA. Many people visit the Uptown AREA because of the Gold Rush. Although it is a Casino, it attracts many people because it offers quality food at Reasonable prices. A large Segment of the senior-citizen population in Butte frequents the Gold Rush because of its food. We feel the Gold Rush should be allowed to operate as it is.

Sincerely  
Don Maloney  
Don Maloney  
Owners MALONEY'S BAR  
112 N. Main  
Butte, mt.



February 21, 1995  
D & G Antiques  
16 N. Montana Street  
Butte, Montana

TO WHOM IT MAY CONCERN:

First, we are speaking from experience--not hearsay.

We have eaten at the Gold Rush since it was opened.  
Look at the record of Doc Wheeler and the Gold Rush:

1. Very good food -
2. Served by many good employees -
3. Very clean -
4. Food priced right -
5. Pleasant atmosphere -
6. Off-street parking lots -
7. Parking lots well maintained -
8. Uptown accessibility -
9. 24-hour service -
10. Well maintained building -
11. One of the largest payrolls in Butte -
12. The amount of people who come to uptown Butte  
because of their food -
13. A real asset to Butte -
14. Only one of its kind -

We would hate to see a situation that would cause  
the Gold Rush to have to delete any of its services.

From those who know,



Guy Palmer  
D & G Antiques

Walter H. Minick & Associates  
Architecture, Engineering  
Interiors, Planning

100 East Broadway  
Butte, Montana 59701  
406-782-4616

EXHIBIT 9  
DATE 3-3-95  
1 HB 537

February 20, 1995

Montana House of Representatives & Montana Senate  
54th Montana State Legislature

**RE: Opposition to nullification of "Grandfathered" Status for  
the Gold Rush Casino and the Galena Lounge, Butte, Montana**

To Whom It May concern:

The Gold Rush Casino and Galena Lounge, located at 20 West Galena Street in Historic Uptown Butte, play a vital role in the economic and social infrastructure of "The Richest Hill on Earth".

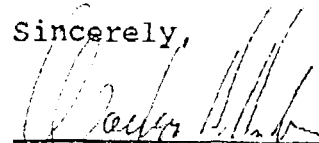
From a historical viewpoint, the Gold Rush remains true to the "Watering Hole" concept of saloon and eatery supporting the needs of the community. The Gold Rush fulfills the need for entertainment and nutrition to the majority of Uptown residents, many of whom cannot travel to the "Flats" for such services.

We as Architects, applaud the efforts made by Dr. Donald O. Wheeler to keep improving the architecture of the Gold Rush and keeping the doors open when other Casinos and Restaurants are continually closing. Dr. Wheeler is to be commended for the large employee payroll which infuses the local economy. Many other Uptown businesses benefit from the Gold Rush contribution to the Urban Revitalization Agency's Tax Increment Financing District, through which Grants and Low Interest Loans are made to other merchants and commercial citizens.

Any throw-back of the "Grandfathered" status which the Gold Rush now has would be a step backward for Uptown Butte. We cannot support legislation that would impose further hardships on Dr. Wheeler and the Gold Rush. Any such action would be perceived as "special interest" inspired and done to single out Dr. Wheeler.

We support the continuation of the Grandfathered Status for the Gold Rush Casino and Galena Lounge.

Sincerely,



Walter H. Minick, Architect, Principal



Stephen M. Minick, Architect



LeRoy Cotton, Architect



United States  
Department of  
Agriculture

Forest  
Service

Deerlodge  
National  
Forest

Anaconda C.C.C.  
1407 Foster Cr. Rd.  
Anaconda, MT 59711

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January 4, 1995

Manager  
Gold Rush Casino  
20 West Galena  
Butte, MT 59701

Dear Manager,

My name is Bill Case and I am the Director of the Anaconda Job Corps Center.

This letter is to express my appreciation to you and your staff. I seems that when a Greyhound bus arrives late at night in Butte, they do not keep the bus station open. Our night staff have told our students to walk over to the Gold Rush and we will pick them up there. With these cold nights, it's really nice to have a warm place for them to wait.

You kindness will not go unappreciated.

Thank you.

  
WILLIAM J. CASE  
Center Director



# SECURITY BANK PSB

EXHIBIT 9  
DATE 3-3-95  
HB 537

February 17, 1995

## TO WHOM IT MAY CONCERN:

It is our understanding that legislation has been proposed that may seriously affect the operation of Gold Rush Casino. In support of maintaining the business as is, we offer the following observations, which are derived from a lengthy business relationship with the Gold Rush Casino and its operators:

- The business is an important employer in the Butte-Silver Bow community, with about 75 employees at this time.
- As a successful enterprise, the Gold Rush Casino is a major taxpayer. This is an especially appropriate point considering its location in Uptown Butte, which has an abundance of vacant derelict property contributing little or nothing to the tax base.
- The location of the business provides convenient entertainment and restaurant service to numerous senior citizens living in the Uptown Butte neighborhoods.
- The facility is attractive, clean, and an asset to the Butte Community.

In summary, we strongly support the Gold Rush Casino in its current format, and oppose a move to force a change which may diminish its ability to contribute to our economy.

Very truly yours,

  
Jeff Mortensen  
Vice President

JM:jr



**MONTANA TECH**

Butte, Montana 59701  
(406) 496-4101

This letter is being written in support of the Gold Rush Casino located at 22 West Galena in Butte, Montana. The Gold Rush Casino offers many attributes to the Butte Silver Bow community. The Gold Rush Casino is a major attraction in the historic uptown area for the working public, seniors, visiting athletic teams to Tech, and is generally a well-rounded environment for community meetings.

The Gold Rush Casino is a viable asset to uptown Butte, and any legislative changes that would be detrimental to the casino should be discouraged.

With great concern.

Bill Yeagle

Special Projects Director

68 West Park  
Butte, MT 59701  
(406) 723-6549  
Fax (406) 723-2105



EXHIBIT 9  
DATE 3-3-95  
HB 537

511 Main  
Deer Lodge, MT 59722  
(406) 846-3324

February 17, 1995

To Whom It May Concern,

I am writing this letter on behalf of the Gold Rush Casino and the merchants of uptown Butte. I feel the Gold Rush is a great asset to uptown Butte, the Casino is a great place to eat & a nice relaxing get away for a lot of our senior citizens. The gold Rush is a big draw to tourists visiting historic uptown Butte, which helps traffic to many merchants in the area. I have been to other casinos where the customers' children run wild; I don't run into that at the Gold Rush Casino.

The Gold Rush is a large employer in Butte, giving a great work opportunity for a lot of Tech students. The Casino has also provided a private meeting room for lunch and dinner meetings, which is a great asset for the larger companies in uptown Butte such as MPC, MSE, etc.

The Gold Rush has continually gone out of their way to accommodate the various needs of the community, and I would hate to see any changes affect that.

Sincerely,

A handwritten signature in cursive script that reads "Paul Thomas".

Paul F. Thomas  
Owner & President

February 17, 1995

Members of the 54th Legislative Committee  
c/o Montana Legislature  
Capital Station  
Helena, MT 59620

Re: Gold Rush Casino, Butte, MT

Dear Members:

I am writing in support of the Gold Rush Casino, Butte, MT in their opposition to House Bill 537.

As superintendent of the Butte Area, Western Region of the Montana Power Co., I utilize the Gold Rush Casino and its eating facilities for many company related functions. Because of its convenient location and hours, many of our pre-work committee meetings are held there. Altering the casino in any way would be a detriment to our community and to the people patronizing the Gold Rush.

Sincerely,



Wally Frasz, Superintendent  
Butte Area Western Region  
Montana Power Company

WF\cd

34\ltr11

EXHIBIT 9  
DATE 3-3-95  
X HB 537

February 17, 1995

Representative Joe Quilici  
Capitol Station  
Helena, Montana 59620

Dear Joe:

I am dropping you a note in the hope that you can provide me with some information as it relates to House Bill No. 537.

I am concerned as to the impact that this might have on some of the establishments here in Butte-Silver Bow, in particular, the Gold Rush Casino and Galena Lounge in Uptown Butte. My concern for the Gold Rush comes from an uncertainty as it relates to its status as I read through the provisions of HB 537. I am uncertain if the Gold Rush would continue to remain an establishment that is grandfathered under existing legislation or if it would have to come into compliance with HB 537. I am asking this assistance from you in determining how this proposed legislation would apply to the Gold Rush because I am quite frankly very concerned about the negative impact that it could have, not only on this establishment, but for all of the Uptown area.

Of singular importance to Butte-Silver Bow, is the fact that the taxes paid by this establishment constitute a significant portion of the video gaming taxes that Butte-Silver Bow receives. I would very much appreciate your looking into this matter for me in attempting to clarify for me both how the Gold Rush stands as it relates to the provisions of this Bill as well as providing me with some direction on how I might seek to ensure that some protection is afforded to this establishment, given the fact it has been in operation in the Uptown area for so long.

I appreciate any assistance you might give me on this matter. If you have any additional questions or concerns, please feel free to contact me.

Sincerely,

Jack Lynch  
Chief Executive



**HENNESSEY, JOYCE, McCARTHY, AND WING, P.C.**

Attorneys At Law  
35 WEST GRANITE STREET  
P.O. BOX H  
BUTTE, MONTANA 59703

TELEPHONE (406) 782-1296

(406) 782-1297

(406) 782-7207

FAX (406) 782-1298

WALTER M. HENNESSEY

THOMAS J. JOYCE

ROBERT G. McCARTHY

DAVID J. WING

MAURICE HENNESSEY, Of Counsel

February 16, 1995

Gold Rush Casino, Inc.  
20 W. Galena  
Butte, MT 59701

Dear Mr. and Mrs. Wheeler:

Our office is writing this letter in support of your business, Gold Rush Casino, Inc. located in uptown Butte. It is our understanding that House Bill 537 will adversely impact on your operation, possibly making it a nonviable financial venture. Such legislation is not only counter-productive to Butte, but to the State of Montana. The Gold Rush has been in business for a number of years now and is an asset, not only to uptown Butte, but to the entire city.

The Gold Rush Casino is not only a casino, but is also a fine eating establishment which provides 24 hour service to the uptown area. It is one of only two restaurant type establishments uptown that is open later in the evening. It is also a fine, clean environment where Senior Citizens can go to enjoy themselves. Everyone in our office has noticed the great number of Seniors which are in your establishment at various times of the day. The quality service that you provide is something other than that provided by a casino, it is more than just a casino as it is a full service restaurant which provides top quality food at reasonable prices.

The Gold Rush also employs a great many people in different capacities, thus, providing employment for the local citizenry and is a tax paying business in Butte-Silver Bow. Any detrimental affect on the Gold Rush Casino could possibly adversely affect the tax base in the uptown area.

Changing the Gold Rush Casino in any way would adversely affect the County and State as a whole. It is our understanding that House Bill 537 would indeed adversely affect the Gold Rush

EXHIBIT 9  
DATE 3-3-95  
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Page 2  
February 16, 1995  
Gold Rush Casino

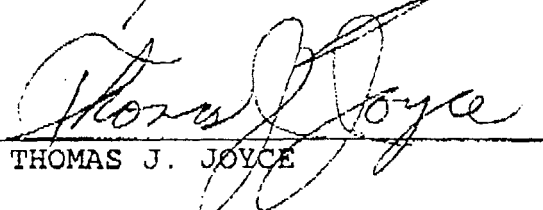
Casino and we would urge that that legislation would be defeated or amended to allow the Gold Rush Casino to maintain its fine quality service and remain a tax paying member of the Butte business community as well as the State business community.

Very truly yours,

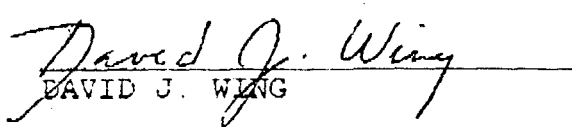
HENNESSEY, JOYCE, MCCARTHY  
& WING, P.C.

BY

  
W.M. HENNESSEY

  
THOMAS J. JOYCE

  
ROBERT G. MCCARTHY

  
DAVID J. WING

WMH/sj

To Whom it May Concern

I feel strongly that the Gold Rush Saloon is a vital part of uptown Butte and should be left alone to do business so that it can continue to keep paying the tax revenues that it generates. The gov't has to get out of peoples businesses + start letting them run it for themselves

Paul Cote  
Owner Gamers Cafe

# Superior Gaming Services

EXHIBIT 9DATE 3-3-95FILE HB 537

2727 Placer St. Butte, MT 59701 782-8502 or 496-6222

TO WHOM IT MAY CONCERN:

This letter is in response to the current legislation in Helena, that pertains to the GOLD RUSH CASINO.

I own a gaming service company that provides service to the GOLD RUSH CASINO on a daily basis and the changes that are proposed for the GOLD RUSH CASINO would affect the way that I conduct business at this establishment. I routinely disassemble the gaming equipment and haul the parts downstairs to repair or clean and blowout the dust, I definitely cannot blow them out upstairs inside the casino. By making the GOLD RUSH erect a dividing wall between the two rooms would seriously hinder the quality of the service I provide to the GOLD RUSH CASINO.

As far as I can see this will only cost the GOLD RUSH CASINO an extensive amount of money. This will have a serious effect on his business, and his customers. The GOLD RUSH certainly draws a significant amount of people from Butte and many are senior citizens, the location of the GOLD RUSH CASINO is in the heart of the historic uptown area, and poses no threat to the other casinos in the downtown area because of its original building design. Furthermore, the casino has always maintained a exemplary relationship with the gambling control division by operating a clean and legal casino.

The GOLD RUSH CASINO customers have come to enjoy the benefits of eating on either side of the casino and also playing the live action keno on either side, while they are eating or just simply visiting.

I **ABSOLUTELY** support Doc Wheeler in his effort to keep the GOLD RUSH CASINO the way that it is today so that Doc Wheeler can continue to conduct business as usual.

Sincerely:

*Michael Perino*

Michael Perino

Superior Gaming Services



Broadway & Wyoming Sts.  
Butte, Montana 59701  
Phone (406) 723-5461

February 16, 1995  
Helena, Montana

To the Ladies and Gentlemen of the 54th Legislature:

We understand specific gambling legislation is pending that may seriously effect the operation of the Gold Rush Casino located in Uptown Butte.

We, too, are located in uptown Butte and in fact have business contracts depending on one another which could indirectly effect our business. We both contribute significantly to the tax base of Silver Bow County and the State of Montana. Our Historic Uptown cannot afford to lose any business especially through careless legislation. Any drastic changes in operation of the Gold Rush Casino may simply force them out of business. Certainly priority consideration should be given to establishments like the Gold Rush.

It is our belief that laws are changed for the good of the people. We respectfully ask that any changes now under consideration be weighed carefully. The results could be devastating.

Sincerely yours,

FINLEN COMPLEX, INC.

A handwritten signature in cursive script that reads "Frank Taras". The signature is written in dark ink and is positioned above a horizontal line.

Frank Taras, Manager

02/16/95

16:27

SUTLEY OIL SMITH ADV - 406 782 2351

NO. 557

001

EXHIBIT

9

DATE

3-3-95

31

HB 537

Thursday, February 16, 1995

To Whom It Concerns  
RE: The Gold Rush Casino  
Butte, Montana

Having been a patron of the Gold Rush Casino for the last six years, I would certainly hate to see anything done by the 54th Legislature that would affect this business in particular, or make it hard for them to remain in business. The Gold Rush serves a very important niche in uptown Butte, an area that needs more good businesses and entertainment establishments like the Gold Rush.

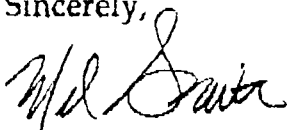
The Gold Rush employs a lot of people, uses many services and pays lots of taxes. Why change this? The Gold Rush was one of the first casinos in town and made a commitment to uptown Butte. Other such establishments avoided the uptown area and have all located by the interstate off-ramps or in busier areas of the "flats". Is this good for Butte or Montana? The Gold Rush stands alone uptown and serves as a social center for lots of uptown senior citizens. Don't take that away.

It is my understanding that a person, or persons with conflicting business interests in Butte are behind this effort to exclude the Gold Rush from "Grand Fathering" its operation as it exists. Certainly, members of the 54th Legislature won't fall for such a shallow agenda of personal gain by one of its own members. This effort seems motivated by the greed and jealousy of a few particular individuals. Consider your constituents and the real needs of the uptown community before you act.

The Gold Rush is a well run business. Their food is excellent. Prices reasonable and the service is very good. Far as I know, they pay their taxes and provide stable employment for their employees. There are things that need fixing in Montana, and certainly in Butte. This isn't one of them. I ask for all the loyal customers of the Gold Rush Casino that you leave this establishment as it is.

Thank you for your time and attention to this matter.

Sincerely,



Mel Smith  
3454 Wharton  
Butte, MT 59701

131 P01

MINING CITY MERCHANT POLICE INC.  
P.O. BOX 3616  
BUTTE, MONTANA 59702

February 15, 1995

TO: Montana Legislators

My wife and I are residents of Butte, Montana. We are concerned about the plans for the Gold Rush Casino located in Butte, Montana.

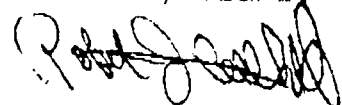
We are concerned because the Gold Rush Casino is a asset to Butte, which we do not want to loose. I am concerned that a law you wish to past would put the Casino in danger of closing. The Casino employs approximately 75 employees and is healthy contributor to the tax base of Silver Bow County. The building is also a great attraction to the uptown area.

I have also noticed that the visitors coming to Butte on the bus lines have many times been greatful for the Casino being there. This is especially true when the depot closes at night and they have very few options of what to do while waiting for the next bus.

The Casino is kept in repair and is a major attraction to the uptown district, what a shame to have another building in our uptown area vacant.

Please do not allow anything to happen to this establishment, that has such a great environment to relax and enjoy yourself. This Casino shows our citizens and visitors the true meaning of hospitality the Butte way.

Sincerely Yours



Robert J. Cuthill

EXHIBIT 9  
DATE 3-3-95  
HB 537

February 15, 1995

To Whom It May Concern:

I am writing this letter in support of the Gold Rush Casino. Legislative changes that would alter the business functions of the Gold Rush Casino would not be a positive move for Butte.

The Gold Rush employs approximately 75 people in the community. If there is one thing that Butte doesn't need is to loose more jobs. Having that many employees makes the Gold Rush a healthy contributor to the tax base of Silver Bow County and the state of Montana.

The owner of the Gold Rush is a single operator in the city of Butte and should be allowed to continue doing business as it has in the past years. The uptown area in Butte has a very limited amount of restaurants as it is without the threat of loosing 1 of the larger restaurants that we have in this town.

The Gold Rush has been in operation for quite a few years and at this time to create legislation that changes the way they can do business now is not fair.

If legislative changes need to be made they should be aimed at stopping the operators in this state that are openings new Casino's in every town in the state looking to control the Casino industry in the state. This is not true of the Gold Rush owner.

This has been a successful business in our town and to loose that now would not be good for our community. To allow a business to operate for years and then to create legislation that would totally change that is not fair.

Carol J Heim



Owner  
Mill Bar/Craze Carol's Casino  
Butte, MT



February 10, 1986

Re: Gold Rush Casino  
22 W. Galena  
Butte, MT 59701

To Whom It May Concern:

I am writing to support the Gold Rush Casino against current legislation that would force the business to alter or change its physical structure from which it operates now.

The Gold Rush Casino should be able to operate as it has in the past for the following reasons;

- The Gold Rush has always been a valuable asset to the Butte community an a major attraction for historical uptown Butte
- The Casino attracts a wide range of business and community leaders, as well as many senior citizens
- The Gold Rush Casino employs approximately 75 people and is a healthy contributor to the tax base of Butte-Silver Bow and to the state of Montana
- The Casino has always been a "clean" operation and continues to comply with all state laws
- Changing the physical structure would be detrimental to the Gold Rush's reputation of openness, great food, friendly service, and atmosphere
- The Gold Rush has been known as a community service center for uptown Butte, which offers a variety of services, including a 24 hour restaurant

In conclusion, any emphasis to force the Gold Rush Casino to change any physical aspect in which it currently conducts business would negatively affect our county and the state of Montana.

Sincerely,



Natalie R. Taylor, Nickel Annie's and Juke Box Annie's, Butte

**QUOTES FROM LETTERS RECEIVED**

(presented by  
Bill Wheeler)

"...being a good draw to uptown, the Gold Rush is definitely an asset to the area."

Gerry Durkin, President  
Butte Uptown Association

"...the taxes paid by this establishment (the Gold Rush) constitute a significant portion of the video gaming taxes that Butte-Silver Bow receives."

Jack Lynch, Chief Executive  
Butte-Silver Bow

"... the Gold Rush...is an excellent example of the adaptive reuse of a building in an urban area."

Don Peoples, Former Chief Executive  
Butte-Silver Bow

"Changing the Gold Rush in any way would adversely affect the county and state as a whole."

Hennessey, Joyce, McCarthy, and Wing, P.C.

"...historic uptown Butte cannot afford to lose any business, especially through careless legislation."

Frank Taras, Manager  
Finlan Complex

"...one thing Butte doesn't need is to lose more jobs."

Carol Heim, Owner  
Crazee Carol's Casino

"Altering the casino in any way would be a detriment to our community and to the people patronizing the Gold Rush."

Wally Frasz, Superintendent  
Butte Area Western Region, MPC

"...the Gold Rush is located in uptown Butte, which has an abundance of vacant, derelict property..."

Jeff Mortensen, Vice President  
Security Bank

"...Gold Rush attracts a wide range of business and community leaders, as well as many senior citizens."

Natalie Taylor, Owner  
Nickel Annie's and Juke Box Annie's

"The casino is kept in repair and is a major attraction to the uptown district, what a shame to have another building in our uptown area vacant."

Robert J. Cuthill, President  
Merchant City Mining Police

"The Gold Rush serves a very important niche in uptown Butte, an area that needs more good businesses and entertainment establishments like the Gold Rush."

Mel Smith  
SmithKleinJan

"(The Gold Rush represents) a significant investment of time and money which was based on an understanding of long term use..."

Don Peoples, Former Chief Executive  
Butte-Silver Bow

"The Gold Rush is legally licensed and...should be left to operate as they are."

Harry Faroni, Owner  
Freeway Tavern

"...the continuity of the Gold Rush "as is" concerns us as well as many others in our community."

Richard E. Hart, Branch President  
Security Bank

"The Gold Rush was one of the first casinos in town and made a commitment to uptown Butte, other such establishments avoided the uptown area and have all located by interstate off-ramps or in busier areas of the flats."

Mel Smith  
SmithKleinJan

"Many people visit the uptown area because of the Gold Rush."

Pat Maloney, Owner  
Maloney's Bar

"They (Gold Rush) contribute generously to our charities and local businesses."

Dennis Henderson, Owner  
Winter Garden Lanes

"The Gold Rush is a viable asset to uptown Butte..."

Bill Yeagle, Special Projects Director  
Montana Tech

"Any throw-back of the grandfathered status which the Gold Rush now has would be a step backward for uptown Butte."

Walter H. Hinick and Associates

TESTIMONY - HOUSE BILL 537

Mr. Chairman and Members of the Committee:

For the record, my name is Ellen Engstedt and I represent Don't Gamble With The Future, a statewide organization opposed to the expansion of gambling and in favor of stronger regulation of the gambling currently legal in the state. Our membership is comprised mostly of small business folks and their families.

We support HB 537 in its present form.

The issue of stacking of gambling licenses has produced a great deal of controversy among the members of the gambling industry, particularly those represented by the Montana Tavern Association. We appreciate the courage and the integrity of those operators who have opposed the concept of stacking because they believe, as we do, that the practice of stacking circumvents the intent of Montana's gambling laws.

The issue facing this Committee is whether an individual through means of using family members can divide his establishment into parts with common walls, different exterior entries and legally say those are separate entities and thereby acquire 20 gambling machines for each alleged separate entity.

The reason gambling was legalized in 1985 was to provide a business opportunity to help out the small taverns losing revenue because of stricter DUI laws and less drinking by patrons. Casinos housed in the same building with 60 or 80 machines was not the vision of the 1985 Legislature.

Those individuals in the gambling industry who have protested stacking of liquor licenses in order to get the gambling permits will say this practice is a circumvention of Montana gambling laws and Don't Gamble With The Future agrees wholeheartedly with that protest.

We agree with the section proposed in HB 537 that there should be at least 150 feet between gambling operations that are owned by the same, or nearly the same, parties. We also agree with the consensus amendments that were placed on the bill in the House Business and Labor Committee.

My testimony before the House committee contained our support with ONE RESERVATION. That reservation was the ten-year period allowed those establishments that obtained their licenses prior to September 1, 1994 (now amended to January 1, 1995) to stop the practice of stacking. My membership felt ten years to be an extremely long time for ANYONE to get into compliance with a law that had changed. Laws change every two years and there are a variety of businesses affected by those changes. Sometimes those businesses receive a deadline of the effective date of passage - or July 1st of the legislative year. Those businesses must comply or they would be operating illegally.

I do know that the ten-year timeframe was an agreement made among those in the gambling industry. However, as we all know, once a bill hits the legislative process, it becomes the property of the Legislature. It is the responsibility of the legislators

EXHIBIT 10  
DATE 3-3-95  
HB 537

to do as they see fit to amend ANY piece of legislation that comes before them.

On the floor of the House of Representatives an amendment passed with a majority of the members voting to lower the ten-year timeframe to five years. Two other proposed amendments to the bill were rejected. The bill then passed as amended 97 to 3.

Don't Gamble With The Future strongly supports HB 537 in its current form and urges your support.

Thank you.

March 3, 1995

TESTIMONY BEFORE THE SENATE BUSINESS AND INDUSTRY COMMITTEE  
ON HOUSE BILL 537

Mr. Chairman and Members of the Committee:

For the record I am Dave Brown, 3040 Ottawa, Butte, appearing today on behalf of the Restaurant and Lounge Coalition. The Coalition is opposed to House Bill 537 unless it is amended substantially.

In my past legislative service I often found that in attempting to provide a solution to one problem, several more problems were created as an unintentional by-product of the effort. This is most seriously the case with House Bill 537. This legislation made it out of the Legislative Council late in the House, was introduced on a Saturday, a hearing was held in the House Business Committee on Monday and briefly again on Tuesday, executive action was taken on Tuesday, and the bill passed the House on Friday and Saturday. Some of the problems with this legislation were discussed and many were not thought of until after the House had acted on the bill.

The Committee should understand that the practice of stacking or clustering licenses that HB-537 seeks to prevent in the future are legal under existing law. If the legislature in its wisdom believes this activity should stop, then that policy decision is one it has every right to make from this day forward. However, it is unreasonable to expect people that in good faith and under the law invested significant funds in their businesses should be told "sorry, you have to quit soon and sell your

business" before the investment is recovered and regardless if you would like to continue to be in that business.

Three amendments would solve our problems with HB-357. Amendment number one is attached and would change the 150 foot requirement to essentially one building can only have an on-premise alcoholic beverages license with twenty video gambling machines. That is the end result the industry wanted when they originally began this discussion.

What are the impacts if the footage requirement is not taken to zero? In all of your Senate districts it is my guess that you have a least one small bar owner who has a family relationship with the owner of another bar on the same block that would fall under the 150 foot limitation in this bill. At least one of those licenses were more than likely granted after January 1, 1985. This family purchase was done to help make a living for a family group and help keep the kids in town with a job and an income. Under House Bill 537 as passed by the House, one of those establishments would have to be sold within five years and that family enterprise would end. That is not right or reasonable nor do I think what was intended with the introduction of this bill.

Let me give you an example. In Dillon, as in most small towns, most, if not all, of the bars are located in a one or two block area. The Rusty Duck sits on the corner of a block and is owned by Tom and Evelyn Lohman. Next to the Rusty Duck is the Moose Bar and then the Longhorn Bar. Next is Papa T's owned by their daughter and son-in-law. They are less than



150 feet apart from exterior wall to exterior wall. One license was purchased in 1982 and the other in 1993. Under this bill as presently written, one or the other of these family owned and operated bars would have to be sold. Neither bar is capable of supporting the whole family.

There are many such family operations in small town Montana that face this same difficulty. I urge you to seriously consider removing the footage requirement.

What does this mean for larger cities with casinos with common ownership that are near each other? It means you will have two places with twenty machines each, businesses side by side. What essentially is the difference in this situation and common owners having several bars or casinos scattered around town about which no one seems to worry.

Amendment number two is attached to my testimony also. It would grandfather all those businesses that legally invested in establishments under current law for as long as the present owners operate and allow for permanent re-sale. One of the worst things that a legislature can do is create an unstable business climate by continually changing the rules. Many of you came here to provide some stability for Montana businesses and I hope that you will continue that effort with this bill.

Amendment number three is also attached to my testimony. This amendment would strike much of what is left of the definition of "commonality of business interests". As currently written this bill would limit lease or rental from the same person or entity. One example amplifies my point. In Butte in the heart of Uptown is the old Metals Bank Building. It is on the National

Preservation list and owned by a local CPA who has no connection to bars or gambling. He is having a difficult time maintaining the building structure which primarily depends on how much rent he receives. On the first floor is a mexican restaurant with an all beverage license. In the sub-basement, street level, is a new 50's and 60's type of restaurant with an all beverage license. The owners of these establishments have no connection to each other but because they lease or rent from the same person, one business would have to move in whatever time frame is established in this legislation. Again, I don't believe this was intended but it does have this significant impact.

I would hope, Mr. Chairman, that given the testimony you hear today, that you would find it appropriate to put this bill in subcommittee or hold off executive action long enough for those interested parties to seek a solution to these problems. The significance of the various amendments on many livelihoods in Montana deserves that attention. I believe that the various parties can come to terms with what needs to be done here and still produce a bill that is reasonable and workable and meets the original intent of the legislation.

I appreciate your time and consideration.

1. Title, line 5.  
Following: "BEING"  
Strike: "WITHIN 150 FEET OF EACH OTHER"  
Insert: "ON PREMISES HAVING AN EXTERNAL STRUCTURAL CONNECTION  
OR A COMMON INTERNAL WALL"
2. Page 1, line 10.  
Following: "premises"  
Strike: "within 150 feet of another premises"
3. Page 1, line 12.  
Following: "premises"  
Strike: "are within 150 feet of, or"
4. Page 1, line 13.  
Following: "connection"  
Strike: not amounting to"  
Insert: "or"
5. Page 1, line 16.  
Following: "owners."  
Strike: " A measurement" through "premises." on line 17

RESTAURANT AND LOUNGE COALITION - AMENDMENT #2

EXHIBIT NO. 11 BDATE 3-3-95BILL NO. #B 537

1. Page 1, line 19.

Following: "subsection (1)(a)"

Strike: "during" through "January 1, 1985." on line 23

Insert: "and may be sold and re-licensed for an on-premises  
alcoholic beverages license and re-permitted for  
video gambling machines allowed on a premises under  
23-5-611."

RESTAURANT AND LOUNGE COALITION - AMENDMENT #3

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 11C

DATE 3-3-95

BILL NO. HB 537

1. Page 2, line 12.

Following: "~~entity~~."

Strike: "(1)" through "OR" on line 15

EXHIBIT NO. 12DATE 3/3/95BILL NO. HB 537

(presented by Lane Brown)

Desperado Sports Tavern  
3101 Russell  
Missoula, MT  
59801

## TO WHOM IT MAY CONCERN:

This letter is to show support for the Lucky Strike to remain "AS IS" as they are an asset to our community in that they are very community minded and support many community events. They are very clean and well managed. They provide employment for Missoula Residents and should be given the opportunity to continue.

THANK YOU

Mark L. Rhemchouet

3-1-95

Road Runner Casino and Lounge  
Lolo Shopping Center  
Lolo, MT 406-273-2455  
59810

TO WHOM IT MAY CONCERN:

This letter is to show support for the Lucky Strike to remain "AS IS". We feel that they are good for the Community. It is a well managed and clean operation and show lots of community support. They provide jobs for Missoula Residents. We feel that they should be allowed to remain an "AS IS" business.

THANK YOU

*Ben Lott*  
owner / president

Keno - Poker Machines - Video - Juke Boxes - Pool Tables

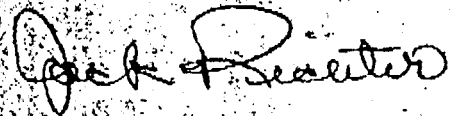
# Century Amusement Co.

P.O. Box 4713 Missoula, Montana 59806 Phone: (406) 549-8408

## TO WHOM IT MAY CONCERN:

The purpose is to make our feelings known that the Lucky Strike as a business is an asset to the Missoula Community in that they provide jobs to Missoula residents. It is a well managed and very clean operation. They have a positive impact on our community and should be allowed to remain "AS IS".

THANK YOU



OWNER / PARTNER



Pub Casino  
2110 Brooks ,  
Missoula, MT  
59801

TO WHOM IT MAY CONCERN:

This letter is written to let you know that the Lucky Strike is an asset to our community. They employ Missoula Residents and provide income to our community in the form of taxes. It is well managed and a clean operation. It should be allowed to continue "AS IS".

THANK YOU

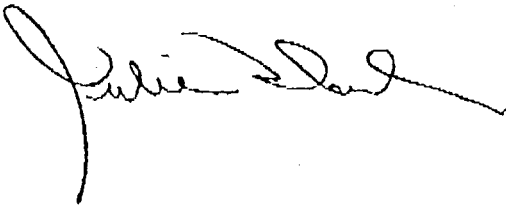
A handwritten signature in cursive script, appearing to read "Julie D. D.", with a long horizontal flourish extending to the right.

EXHIBIT 12  
DATE 3-3-95  
X HB 537



FIRST SECURITY BANK  
of Missoula

March 1, 1995

RE: Lucky Strike Casino and Restaurant

To Whom It May Concern:

First Security Bank of Missoula feels that the above referenced business is an asset to Missoula. In addition, they provide employment to many people, which in turn helps the economy in Missoula. The Lucky Strike provides good service and has been well managed and maintained. We request that the business stay as is, and continue to be a benefit to the city.

Thank you for your consideration.

Sincerely,

Jack R. Henry  
Vice President

JRH/gm



RESTAURANT • LOUNGE • CASINO

February 28, 1995

RE: Lucky Strike Casino

To Whom it May Concern:

As a partner in Paradise Falls Restaurant, Lounge and Casino, I would like to express my feelings that the Lucky Strike is a contributing benefit to the Missoula area. It has a well regarded reputation as a professionally run business by both it's employees and customers. Therefore, I believe that the Lucky Strike should continue to run "as is".

If I can answer any questions or help in your decision in any way, please do not hesitate to call me.

Thank you for your consideration.

A handwritten signature in dark ink, appearing to read 'Tom McLaughlin', written in a cursive style.

Tom McLaughlin  
Paradise Falls

HEIDELHAUS/RED BARON CASINO  
2620 BROOKS  
MISSOULA, MONTANA 59801  
(406) 843-3200  
FAX: (406) 849-2301

EXHIBIT 12  
DATE 3-3-95  
HB 537

March 1, 1995

RE: House Bill 537

To Whom It May Concern:

With regards to the above referenced Bill, I would like to be on record as unequivocally opposed to this unjust and shortsighted attempt to control and remove the more progressive gambling establishment operators.

As a neighbor and competitor of the Lucky Strike complex, I have not been at any disadvantage due to their current "stacked" premises. They are fair and aggressive competitors for the environment dollar, but so am I. Those who legislate against a legitimate competitor must obviously prefer a restrictive law to free market practices. If this is the case, we should legislate Wal Mart out of business so our neighborhood hardware store may better compete.

Second, every "stacked" premises in the state was built and approved under the current law. To legislate lawful establishments out of business undermines all gaming operators. Gambling premises continue to sell at a discount due to the uncertainty of the legislative process, and situations such as proposed House Bill 537 reduce the future marketability of all premises.

To continue to legitimize the industry we must move forward with legislation, and not pass regressive legislation which removes a going concern and lawful enterprise. Thank you for your consideration.

Sincerely,

HEIDELHAUS/RED BARON CASINO

---

J. Grant Lincoln, Owner

JGL/wfh

cc: Mr. Mark Staples  
Mr. Doug Hutchins



835 E. Broadway  
Missoula, MT 59802

Telephone:  
(406) 721-1212

TO WHOM IT MAY CONCERN:

The Lucky Strike Casino has been very good to Missoula and very supportive of the Missoula Community. I know Lucky Strike Casino has helped every fund-raising event and leads in funding drives for the YMCA, Big Brothers and Sisters and the University of Montana. They have a good reputation and should be allowed to continue to do business as they presently are at this time.

A handwritten signature in cursive script, appearing to read 'Gordon D. Fox'.

Owner, Press Box Casino

Mustang Sally's Bar & Grille  
2006 Ernest Ave.  
Missoula, Montana 59801

February 28, 1995

SUBJECT: Lucky Strike Casino Missoula, Montana. License Stacking.

To Whom It May Concern:

The purpose of this letter is to make my feelings known in regards to the subject of "license stacking". I believe that if any changes in "license stacking" are made, that they should apply equally to everyone.

Thank you for your consideration.

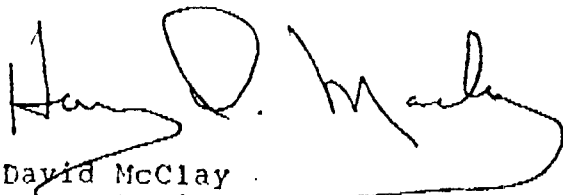
Sincerely,

Bruce M. Fowler

ref:

To: Whom it may concern,

It is our feeling that the Lucky Strike Casino is bussiness that is an asset to our community. They provide employment to many local citizens. It is a well maintained, clean well managed and should be allowed to remain AS IS because they have a positive impact on our community.

A handwritten signature in dark ink, appearing to read "David McClay". The signature is stylized with a large, looped "D" and a long, sweeping underline that extends to the right.

David McClay  
~~Harry Davids~~



EXHIBIT 12  
DATE 3-3-95  
HB 537

Norwest Bank Montana, N.A.  
Missoula South Office  
1800 Russell  
Post Office Box 3298  
Missoula, Montana 59806-3298  
406/543-8353  
Fax: 406/543-0396

February 22, 1995

To Whom It May Concern:

RE: Lucky Strike Casino and Restaurant  
Missoula, MT

The above referenced Missoula business is definitely an asset to the Missoula community. The business provides a positive economic impact to the Missoula market. This business establishment is well managed and provides employment for a considerable number of Missoula residents. The Lucky Strike Casino and Restaurant should be allowed to operate as they have in the past with their business operation.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael S. Palmer".

Michael S. Palmer  
Senior Vice President and  
Business Banking Manager

MSP/bjg



Subject..

Lucky Strike Casino & Restaurant  
Missoula, MT 59801

To Whom it may concern... 21795

The purpose of this letter is to make known our feelings that Subject business is an asset to the Missoula community, and should be allowed to continue operating "AS IS." Subject business is well managed, clean, orderly and employs many Missoula citizens.

Thank you for your consideration.

Sincerely,

Elbow Room - MTA

Marsha R. Touchette  
Marsha R. Touchette

Scott A. Tempel  
Scott A. Tempel

Gerald Zieg  
Gerald Zieg

DATE 3-3-95HB 537

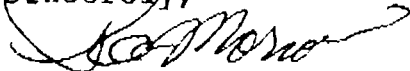
February 17, 1995

Randy Morrow Agency  
FARMERS INSURANCE GROUP  
2438 W. Central  
Missoula, MT 59802  
(406) 728-2334

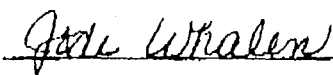
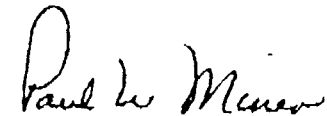
To whom it may concern:

The purpose of this letter is to make known our feelings that subject business is an asset to the Missoula community and should be allowed to continue operating "As Is". Subject business is well-managed, clean, orderly and employs many Missoula citizens.

Sincerely,



Randall A. Morrow



Speak Easy - MTA

February 17, 1995

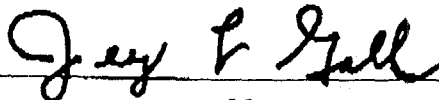
SUBJECT: Lucky Strike Casino-Restaurant - Missoula, Montana.

To Whom It May Concern:

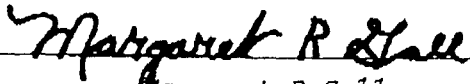
The purpose of this letter is to make known our feelings that subject business is an asset to the Missoula community and should be allowed to continue operating "AS IS". Subject business is well-managed, clean, orderly and employs many Missoula citizens.

Thank you for your consideration.

Sincerely,



Jerry L. Gall



Margaret R Gall

EXHIBIT 12  
DATE 3-3-95  
HB 537

FROM : JACK C. SEITZ - REAL ESTATE      PHONE NO. : 406 251 2789

F01

# Jack C. Seitz

REAL ESTATE BROKER

Office/Fax (406) 251-2789 • Mobile (406) 721-8007      2731 Ancabide Lane      P.O. Box 4802      Missoula, Montana 59806-4802

February 17, 1995

SUBJECT:      Lucky Strike Casino-Restaurant - Missoula, Montana.

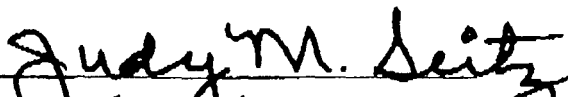
To Whom It May Concern:

The purpose of this letter is to make known our feelings that subject business is an asset to the Missoula community and should be allowed to continue operating "AS IS". Subject business is well-managed, clean, orderly and employs many Missoula citizens.

Thank you for your consideration.

Sincerely,

  
\_\_\_\_\_  
Jack C. Seitz

  
\_\_\_\_\_  
Judy M. Seitz

---

**HARRINGTON SURGICAL SUPPLY, INC.**  
**HOME HEALTH & MEDICAL SUPPLIES — SALES & RENTAL**

---

1208 West Kent • Missoula, Montana 59801 • (406) 721-8468 • 1-800-358-8468

February 17, 1995

SUBJECT: *Lucky Strike Casino-Restaurant - Missoula, Montana.*

To Whom It May Concern:

*The purpose of this letter is to make known our feelings that subject business is an asset to the Missoula community and should be allowed to continue operating "AS IS". Subject business is well-managed, clean, orderly and employs many Missoula citizens.*

*Thank you for your consideration.*

*Sincerely,*

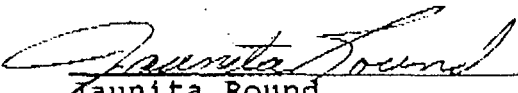
*Tom Harrington*

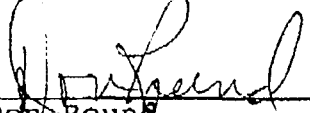
EXHIBIT 12  
DATE 3-3-95  
XL HB 537


February 17, 1995 .

TO WHOM IT MAY CONCERN:

We are writing this letter to make our feelings about the Lucky Strike Casino-Restaurant known. We feel the business is an asset to the Missoula community. It is well ran, clean and employs many people here in Missoula. We feel it should be allowed to continue operating "as is".

  
Jaunita Round

  
Don Round

  
DawnMarie Freeman

# Sheehan-Majestic, Inc.

1121 E. Broadway • P.O. Box 7248 • Missoula, Montana 59807 • 406/543-5100

February 23, 1995

Re: LUCKY STRIKE CASINO-RESTAURANT

To: Whom it may concern;

It is our feeling that the above mentioned business is a very strong asset to the Missoula Community. They provide employment to many local citizens. They purchase all of their supplies and products from locally owned businesses, which in turn employs many Missoula People. It is a well maintained, managed, and a very clean operation. We wish to make it known in this letter that this business should remain in operation "AS IS" to continue to have a positive impact on our community.

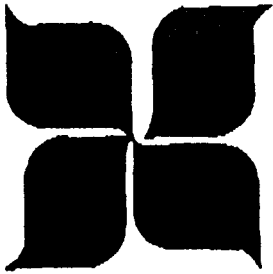
THANK YOU FOR YOUR CONSIDERATION.

Sincerely,

*Stan Test - Pres*

*Steve Jensen*  
*Dick Christensen*

EXHIBIT 12  
DATE 3-3-95  
HB 537



## JGL Distributing, Inc.

BOX 2758 • MISSOULA • MONTANA 59806  
FAX (406) 728-5059 • TOLL FREE 1-800-398-0330  
(406) 728-7736

February 17, 1995

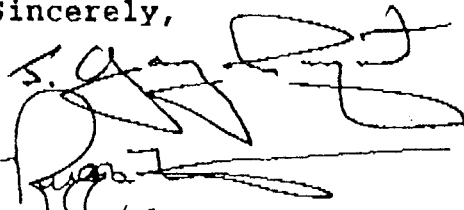
SUBJECT: Lucky Strike Casino-Restaurant- Missoula, Montana

To Whom It May Concern:

The purpose of this letter is to make known our feelings that subject business is an asset to the Missoula community and should be allowed to continue operating "AS IS." Subject business is well-managed, clean, orderly and employs many Missoula citizens.

Thank you for your consideration.

Sincerely,

  
S. G. Anderson  
Mulley  
Kathy Rheinhardt



# MONTANA ★ PRINTING CO.

PHONE: (406) 728-5200

1629 SOUTH AVE. WEST

MISSOULA, MONTANA 59801

February 17, 1995

SUBJECT: Lucky Strike Casino-Restaurant - Missoula, Montana.

To Whom It May Concern:

The purpose of this letter is to make known our feelings that subject business is an asset to the Missoula community and should be allowed to continue operating "AS IS". Subject business is well-managed, clean, orderly and employs many Missoula citizens.

Thank you for your consideration.

Sincerely,

W. R. Thibodeau

W. R. Thibodeau

K. Ann Thibodeau

JoAnne Thibodeau

Red Hess

Lynn Gildow

Curt Parema

Kelly Smith



JOKER'S WILD  
4829 N. RESERVE  
MISSOULA, MT 59802

CASINO • RESTAURANT • LOUNGE  
Phone (406) 549-4403

EXHIBIT 12  
DATE 3-3-95  
1 HB 537

FEBRUARY 9, 1995

RE: LUCKY STRIKE  
CASINO & RESTAURANT

TO WHOM IT MAY CONCERN:

WE WOULD LIKE TO LET YOU KNOW, THAT WE FEEL "THE  
LUCKY STRIKE" IS AN ASSET TO THE COMMUNITY, AND THEY SHOULD  
BE ABLE TO CONTINUE THEIR OPERATION AS IS. "THE LUCKY STRIKE  
IS A CLEAN, ORDERLY, AND WELL-MANAGED BUSINESS WHICH EMPLOYS  
MANY MISSOULIANS. THANK YOU FOR YOUR CONSIDERATION.

DARINDA J. WILLIAMS

MIKE WILLIAMS

RICHARD H. WILLIAMS



SENATE BUSINESS &amp; INDUSTRY

EXHIBIT NO. 63DATE 3/3/95BILL NO. HB 537

(Presented by Dave Brown)

To Whom it May Concern:

I would like to take a moment of your time to express our views on some current legislation pending before the State of Montana Legislature. The current legislature seems to be bent on predatory legislation against Casino's in general and in particular the Gold Rush Casino and others similarly situated. I do not understand the reasoning for this attempt to handcuff small business in Montana that is doing more than it's fair share to help the economy in Montana. These Casino's contribute in a major way to the coffers of Montana. I am familiar with the Gold Rush Casino in Butte, Montana and I know that they employ around seventy-five people; they are a positive contributor to the taxbase in Silver Bow County and they provide a welcome recluse in uptown Butte. When laws are enacted to reduce the effectiveness or reduce the level of service that a business like this can provide, Montanan's suffer. As legislation continues to strangle small business, employment is reduced, the customer is inconvenienced, the tax collection reduce and the incentive for the small business owner to remain in business is eliminated.

Montana has embraced gambling in a limited form; this has proven to be an economic windfall for the State. However, our elected representative's seem to find it necessary to continually harass this industry by changing the rules under which they operate on a frequent basis. The number of entrances into these facilities are governed by building and fire codes, that are designed for the safety of Montanan's and their guests. I see no merit in requiring more doors and limited accessibility just because there are gaming machines on the premise. The number of machines that can be in one building should be determined by the successfulness of the operator of the establishment. If you are not a good upright successful business person no matter how many machines you have, you will not succeed because the consuming public is your master.

We would encourage anyone who can influence the decisions of the 1995 Montana Legislature, to request that they abandon any legislation that is leveled at the gaming industry in Montana. In particular the legislation that limits the number of machines in one establishment and requires separate entrances for those facilities with over a given number of machines. Please remember, we enjoy gambling in Montana and in Butte particularly. Continued harassment of these firms will kill the proverbial Golden Goose.

Thank you.

  
Gary D. Harrington  
  
Mary M. Harrington



Gold Rush Casino  
22 W Galena  
Butte, MT 59701

Don Wheeler, Manager

To whom it may concern:

We at the Capri Motel use the services of the Gold Rush Casino on a regular basis year around. Our guests are very pleased with the services offered there. The food is excellent and the atmosphere is pleasant. There is ample seating and seclusion from the bar and casino activities if one is not interested. The menu is of such a wide price range and choice that it seems to meet everyone's tastes. They are always well organized and pleasant.

I can not imagine why you would want changes. It was one of the best run restaurants in Butte.

Thank you,

Capri Motel Staff

1-March 1995

To Whom It May Concern:

As fellow business owners,  
we would like to see the  
Gold Rush continue to operate  
in the same capacity as it  
has for the last several  
years.

This establishment is  
certainly an asset to the  
uptown community, as it  
contributes greatly to the  
economy through taxes and  
the employment of many  
people.

The Gold Rush has the  
distinction of being the first  
restaurant, lounge casino  
in Butte.

Sincerely

Marie Hansen  
Ponderosa Club  
3544 Harrison  
Butte, MT

# BUTTE UPTOWN ASSOCIATION

February 14, 1998

Dave Brown  
1118 Livingston  
Helena, MT 59601

Dear Dave:

The Board of Directors of the Butte Uptown Association extend their support of the Gold Rush Casino in Butte. We understand that House Bill 537, although positive overall, would negatively impact how the Gold Rush functions. Employing 75 people and being a good draw to Uptown, the Gold Rush is definitely an asset to the area. We understand that the Gold Rush presently is grandfathered to operate as it is, so either an extension or allowance for it to function as is without structural changes are both acceptable solutions.

Thank you for expressing our views to the Legislative committee.

Sincerely,



Gerry Durkin  
President

201 West Granite St. • Butte, Montana 59701 • (406) 723-5042

PRESERVATION ■ PROMOTION ■ IMPROVEMENT

EXHIBIT 13  
DATE 3-3-95  
HB 537

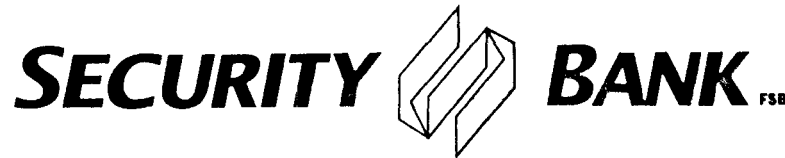
March 1, 1995

To Whom It May Concern:

I am writing this letter regarding the Gold Rush Casino. I own a business in the same general area of uptown Butte. The Gold Rush owners, managers, and staff are a credit to this community. The Gold Rush employes about 75 people with a payroll in excess of one million dollars. My personal opinion is that rules and regulations that this business has been allowed to operate should be grandfathered and any new regulation, of which I feel there are too many, should be waived for this business.

*Bob Holman*

Bob Holman  
Owner  
Shanty Bar  
20 South Montana  
Butte, MT 59701



March 1, 1995

Montana Legislature, 95'  
Attn: Senate Business & Industry Committee

Dear Committee Members:

At the time the Gold Rush Casino came into being, the law provided that a licensee could have 45 gaming machines.

As planned, the Gold Rush Casino was to have 45 machines, so its extensive physical plant (formerly the home of the Black Angus Restaurant) at 20 West Galena, could be fully utilized. The Gold Rush Casino was to have a long life and extend to the time Don Wheeler's sons came into the business.

It was with this in mind that we committed ourselves to a long-term loan for a very substantial amount. Our bank and our borrower acted in good faith and thought Montana Law would remain consistent.

Like Don, we were relying on what the law was at the inception of the Gold Rush. We were relying on the Gold Rush's continuity as a gaming facility with 45 machines. To limit or impair in any way the Gold Rush's operation might very well impact us as payments on our loan to the Gold Rush are ongoing.

As you can see, the continuity of the Gold Rush "as is" concerns us as well as many others in our community. Thank you for giving this your consideration.

Respectfully Submitted,

A handwritten signature in black ink that reads "Richard E. Hart".

Richard E. Hart  
Branch President  
Security Bank, FSB

REH/bls





**Joker's Wild**  
Family Restaurant  
Lounge & Casino

EXHIBIT 13  
DATE 3-3-95  
HB 537

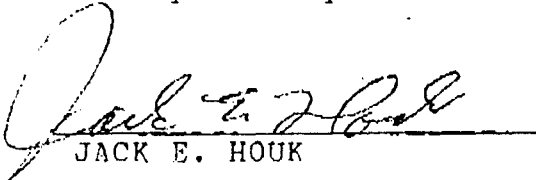
March 02, 1995


To Whom It May Concern:

We would like to express our opinion regarding the Gold Rush Casino, that, the business is no threat to us as a casino owner in this community.

We would like to see the business continue as is. It would be beneficial to this community and also to the people .

Thank you for your consideration,

  
JACK E. HOUK

  
LUCILLE C. HOUK

# *Don Peoples*

3440 St. Ann  
Butte, Montana 59701

February 22, 1995

Montana House of Representatives and Montana Senate  
54th Montana State Legislature  
Capitol Station  
Helena, MT 59620

RE: Opposition to nullification of "Grandfathered" status for the Gold Rush Casino and the Galena Lounge, Butte, MT

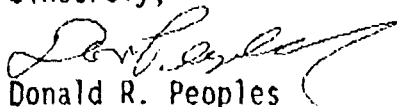
To Whom it May Concern:

I am concerned about possible legislation that would affect the "Grandfathered" status that the Gold Rush Casino and Galena Lounge now operates under. I oppose any legislation that would impose hardships on that operation.

The Gold Rush Casino and Galena Lounge is located in historic uptown Butte and is an excellent example of the adaptive reuse of a building in an urban area. The facility at one time was a car dealership and later became an abandoned building. A series of developments converted the building into a restaurant, but it was not until 1987 when Dr. Don Wheeler purchased the facility and converted it into the Gold Rush Casino and Galena Lounge, that it became a successful business. Dr. Wheeler should be applauded for his efforts to not only improve the condition of the building, but preserve its historical significance. The Gold Rush Casino and Galena Lounge provides employment for 75 people and also provides excellent food service in the heart of the uptown business district.

Given the significant investment of time and money which was based on an understanding of long term use, I would consider it unwise to alter the "Grandfathered" status under which the facility operates. I would consider any effort to remove the "Grandfathered" status of the Gold Rush Casino and Galena Lounge to be detrimental to the community, and especially urban development efforts of Butte's central business district.

Sincerely,



Donald R. Peoples



RILEY'S MEATS, INC.

EXHIBIT 13  
DATE 3-3-95  
HB 537

February 22, 1995

To Whom It Concerns  
RE: The Gold Rush Casino  
Butte, Montana

We have been doing business with the Gold Rush Casino and have been eating there since its opening in 1987. It is a well established business that has been an asset to Butte and the Uptown area. To legislate new rules and regulations as to how they should do business is unfair and unreasonable. The people of the community enjoy this establishment the way it is or it would not today be one of the most frequented casino and dining facilities in Butte.

We feel that by providing our community with a good, reasonable eating place, stable employment, paying taxes and supporting the uptown they have earned the right to continue operating their business the same as they have for the last eight years.

If the people of the community are content with the Gold Rush as it is, the legislature should respect their wishes. The legislature has more important things to deal with than trying to fix things that aren't broke.

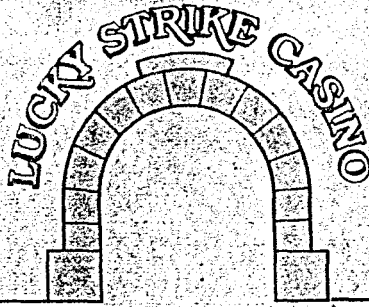
The Gold Rush is an important asset to Butte. Don't destroy it with restrictions that may cause it to close its doors like so many other businesses. Our community needs businesses that succeed and the Gold Rush Casino is a success as it is.

Thank you for your time.

Sincerely,

Bart Riley

Dan Riley



SENATE BUSINESS & INDUSTRY  
EXHIBIT NO. 14  
DATE 3-3-95  
BILL NO. H B 537

*Presented by Dave Brown*

Located On The 93 Strip At The Corner Of Washburn & Dearborn

February 17, 1995

TO WHOM IT MAY CONCERN:

We as customers would like to let you know that we feel "THE LUCKY STRIKE" is an asset to our community and would like to see their operation remain as it is because we enjoy this establishment. It is well run and it employs many local residents and is an asset to our community.

THANK YOU:

PATRONS OF THE LUCKY STRIKE

*Lorraine Larson*  
*Wayne Hatch*  
*[Signature]*

Exhibit 14 is a petition which includes 13 pages of signatures. The original is stored at the Historical Society at 225 N. Roberts Street, Helena, MT 59620-1201. Phone # - 444-2694.

**CNJ DISTRIBUTING CORP.**

P.O. Box 20878  
Billings, Montana 59104  
406-248-8728

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 15

DATE 3-3-95

BILL NO. HB 537

*(Presented by Bill Schrup)*

TO: SENATE COMMITTEE ON BUSINESS & INDUSTRY

RE: HB 537

I would ask the Committee to reject HB 537 as a bill which restricts business and does nothing to help Gambling Control in their efforts to determine the legal standing of an applicant for a gaming license.

I would be remiss if I did not make mention of the fact that the Legislature has already addressed this matter when they passed 23-5-117. Gaming law 23-5-117 and corresponding Administrative Rule (23-16-505) make clear that the Legislature and Gaming Control were aware of "---establishments---within 150 ft. of each other." They were aware of the facts and clearly defined how such premises may be established.

Relying on these laws and rules, a number of businessmen in Montana invested in "---establishments---within 150 ft. of each other." Their investment is considerable and the legality of their establishments cannot be questioned. (The license applications for these establishments were investigated by both Liquor and Gambling Control before licenses were issued and the establishments were allowed to begin operation) This bill would deprive these businessmen of that investment.

I understand that the proponents of HB 537 will say that the businessmen affected can sell their investment at the end of the "sunset" period. However, in truth what they will have to sell is only assets, not a business. The difference here is the same as the difference between a bull and a steer. The difference in value between a bull and a steer is obvious and the sale price will reflect that. When you sell a bull, you sell production. When you sell a steer, you sell meat. What HB 537 does is tell these businessmen; "You've invested in a bull, but in 5 years you'll have a steer for sale."

Were this a criminal law it would be considered an "ex post facto" law and therefore be unconstitutional. In effect, while legal, HB 537 accomplishes the same thing as an "ex post facto" law. (At least it seems so to this layman.) This bill says that businessmen invested in a legal enterprise, but the law would change and what they did would no longer be legal. Just as an act committed before passage of a criminal law cannot be prosecuted, I believe that investments made legally should be allowed to continue when the law changes.

Again, I believe this to be a poorly conceived and written bill and ask you to reject it.

Respectfully submitted, .

A handwritten signature in cursive script, appearing to read "William T. Schrup".

William T. Schrup  
Director of Operations  
CNJ Distributing Corp.

DATE

March 3, 1995

SENATE COMMITTEE ON

Business and Industry

BILLS BEING HEARD TODAY

HB 527-537 Rep. Larson

HB 559 Rep. Menachain

&lt; ■ &gt;

PLEASE PRINT

&lt; ■ &gt;

Check One

Name	Representing	Bill No.	Support	Oppose
Don Wheelan	Cool Rush	With Amendment 537	✓	
Gordian E. Kiedrowski	Riverboat Casino	527 537	✓	✓
LARRY AKEY	MT COIN MACHINE OPERATORS ASSOC	537	AMEND	
Jerry Driscoll	Lucky Strike Casino Gold Rush Casino	537	✓	
Jerry Driscoll	Associated Vendors of Monte	537	amend	
Bill Scheep?	Doc & Eddy's	537	✓	✓
Darbusia Morris	Jorgensen's Restaurant & Lounge	527 537	✓ ✓	
Steve Morris	Jorgensen's Rest & Lounge	527 537	✓ ✓	
MIKE CETRARO	TRINITY INC - VILLAGE INN PTA PRUITT -	527 537	✓ ○	✓
Dennis Casey	GIA	537		✓
LARRY AKEY	VIDEO LOTTERY TECHNOLOGY	527	INFO ONLY	

## VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE

March 3, 1995

SENATE COMMITTEE ON

Business and Industry

BILLS BEING HEARD TODAY

~~HB 506 Rep. Nelson~~Transf. to Joint  
Select on Hear

SB 527 and 537 Rep. Larson

SB 559 Rep. Menahan

&lt; ■ &gt;

PLEASE PRINT

&lt; ■ &gt;

Check One

Name	Representing	Bill No.	Support	Oppose
SHARON HOFF	MT CATH CONF	527		X
Steve Nelson	Missoula County Taverns	527	X	
Jane Gossop	Dept Justice	537	X	
ERNEST ENGSTEDT	Joint Gambler with the State	527		✓
Rich E Miller	Best Bet - Msla	527	✓	
Rich E Miller	Best Bet - Msla	537		✓
Colleen Mahoney	Best Bet Helena	527	✓	
Dennis Caskey	GIA	527	✓	
Bob Zharich	5V's Casino	537	✓	
REP PAVLOVICH	HP-37	527	✓	
	HP-37	537	✓	
DAVE BROWN	Restaurant & Lounge Industry Coalition	537		✓
DAVID HEMION	MT Assoc. Chambers	537	✓	
Bill Wheeler	Gold Rush	537	✓	

## VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY