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**PRESIDENT**

REPRESENTATIVE WILLIAM A. OBERLE, JR.  
24<sup>TH</sup> REPRESENTATIVE DISTRICT  
LEGISLATIVE HALL OFFICE  
P.O. BOX 1401  
DOVER, DE 19903  
(302) 744-4173 PHONE  
(302) 739-2773 FAX

**NATIONAL OFFICE**  
385 JORDAN ROAD  
TROY, NY 12180  
(518) 687-0615 PHONE  
(518) 687-0401 FAX

This letter will present a brief synopsis and then a more detailed report of action taken at a National Council of Legislators from Gaming States (NCLGS) Summer Meeting in Napa, California, held from June 13 through 15, 2008. Approximately 150 state legislators, federal and state officials, regulators, tribal representatives, industry spokespersons, consumer advocates, and media representatives attended.

## SYNOPSIS

At the NCLGS Summer Meeting, legislators:

- adopted amendments to update a *NCLGS Tribal-State Informational Checklist*
- heard testimony on smoke-free gaming and lottery privatization
- accepted and considered amendments to a proposed resolution supporting 100 percent smoke-free gaming and deferred consideration of the amended resolution to the NCLGS 2009 Scottsdale Winter Meeting
- reconsidered a proposal to study responsible gaming best practices
- adopted amendments to the *NCLGS Articles of Organization and Bylaws*
- adopted a revised NCLGS meeting registration fee structure

Legislators also received reports and updates on:

- Kansas casino initiatives
- new gaming technology
- games of skill vs. games of chance and grey machines
- New Jersey sports betting legislation
- lottery initiatives in the states
- federal Internet gaming legislation impact on lotteries
- North American Association of State and Provincial Lotteries (NASPL) uniformity
- efforts to enhance lottery revenues using financial bonds
- simulcast revenue sharing
- wagering security and medication
- synthetic track surfaces
- greyhound racing
- controversial veterinary practices
- responsible gaming and problem gambling initiatives in the states
- evidenced-based treatment practices for pathological gambling
- state and federal Internet gambling initiatives
- National Indian Gaming Commission (NIGC) tribal consultation
- NIGC published regulations for Class II & III machines
- gambling machines on overseas military bases

In addition legislators:

- participated in general sessions on *Off-Reservation Gaming & DOI: Who Should Say How Far is Too Far?* and *Internet Gaming Regulation & the WTO: Building to a Perfect Storm?*
- attended a keynote luncheon on *Gambling's Contribution to Government Finance in These Uncharted Economic Waters*

## **COMMITTEE REPORTS**

### **COMMITTEE ON CASINOS**

*The NCLGS Committee on Casinos on June 13:*

#### ***KANSAS CASINO INITIATIVES***

- received a report regarding Kansas legislation to allow state-owned destination casinos under state lottery purview and the Kansas Racing and Gaming Commission's progress toward the legislation's implementation

#### ***NEW GAMING TECHNOLOGY***

- received a report addressing new table game technology and console-gaming-for-money, i.e., betting mechanisms for video gaming machines, such as Playstation and Xbox

#### ***GAMES OF SKILL VS. GAMES OF CHANCE AND GREY MACHINES***

- received a report addressing Ohio and Indiana statutes that distinguish gaming machines based on skill from games based on chance

#### ***NEW JERSEY SPORTS BETTING LEGISLATION***

- was presented with two letters from New Jersey Sen. Raymond Lesniak to NCLGS regarding federal legislation banning sports betting in New Jersey and initiatives to amend the statute and implement sports betting in the state

#### ***HEARING ON PROPOSED NCLGS RESOLUTION SUPPORTING 100 PERCENT SMOKE-FREE GAMING***

- considered testimony from American Cancer Society Cancer Action Network, Americans Nonsmokers Rights Foundation, Arizonans Concerned About Smoking, California's Clean Air Project, Iowa Gaming Association, Kids Involuntarily Inhaling Secondhand Smoke (KIISS), NJ GASP, Penn National Gaming, as well as a casino worker and a union representative
- amended a proposed resolution to support 100 percent smoke-free gaming, sponsored by Rep. Bill Oberle, NCLGS President, and Sen. Steven Geller, NCLGS Past President, and deferred it until the NCLGS Winter Meeting to allow interested parties to submit data to support testimony given during the hearing

### **COMMITTEE ON LOTTERIES**

*The NCLGS Committee on Lotteries on June 13:*

#### ***LOTTERY INITIATIVES IN THE STATES***

- received a report on lottery initiatives in the states, such as fiscal sales, new lotteries, advertising budgets, gaming competition, as well as economic impacts on lottery sales

#### ***FEDERAL INTERNET GAMING LEGISLATION'S IMPACTS ON LOTTERIES***

- received an update on federal Internet gaming legislation and its potential financial impact on state lotteries

#### ***NASPL UNIFORMITY***

- was updated on standards to maximize efficient coordination between lotteries, vendors, and retailers, which, in effect, is expected to decrease retailer costs and enable lotteries to establish relationships with big-box stores, such as Wal-Mart

#### ***EFFORTS TO ENHANCE LOTTERY REVENUES USING FINANCIAL BONDS***

- heard a report on Gov. Arnold Schwarzenegger's financial bond proposal that would use lottery bonds to increase California lottery revenues and combat the budget deficit

*HEARING ON STATE LOTTERY PRIVATIZATION*

- received testimony from NASPL, Merrill Lynch, the California Coalition Against Gambling Expansion, and Christiansen Capital Advisors regarding state lottery privatization

**COMMITTEE ON PARI-MUTUELS**

*The NCLGS Committee on Pari-Mutuels on June 13:*

*SIMULCAST REVENUE SHARING*

- received a report on pari-mutuel industry efforts to restructure what many call an outdated and inequitable simulcast model, including the breakdown of host fees, source markets, and source market fees involved in the Advance Deposit Wagering (ADW) process

*WAGERING SECURITY AND MEDICATION*

- heard a report on wagering security and medication focusing on the need for states to implement a national standard for anabolic steroids, as well as to ensure additional scrutiny, licensing, and activity requirements for totalizator companies that go unregulated and could compromise the integrity of pari-mutuel racing

*SYNTHETIC TRACK SURFACES*

- received a report on synthetic track surfaces and their correlation to the reduction of horse racing fatalities

*GREYHOUND RACING*

- received an update on efforts to maintain greyhound racing as a viable pari-mutuel industry, such as by developing racinos and expanding Internet wagering to compete against larger gaming industries

*CONTROVERSIAL VETERINARY PRACTICES*

- received a report on controversial veterinary practices, including shock wave therapy, heel-nerving, and anabolic steroids, and on the need for state racing laboratories to be properly funded to ensure proper testing and enforcement

**COMMITTEE ON RESPONSIBLE GAMING**

*The NCLGS Committee on Responsible Gaming on June 13:*

*RESPONSIBLE GAMING AND PROBLEM GAMBLING INITIATIVES IN THE STATES*

- heard a report on problem gambling service administrator effectiveness efforts and state self-exclusion data, including a breakdown on Pennsylvania self-exclusion data

*EVIDENCED-BASED TREATMENT PRACTICES FOR PATHOLOGICAL GAMBLING*

- received a report on the use of evidenced-based treatment practices for pathological gambling to make clinical treatment more efficient and effective

*PROPOSAL TO STUDY BEST PRACTICES IN RESPONSIBLE GAMING*

- considered a proposal to study best practices in responsible gaming and discussed possible methods of funding for the study's implementation and success

## **STATE-FEDERAL RELATIONS COMMITTEE**

*The NCLGS State-Federal Relations Committee on June 13:*

### **STATE AND FEDERAL INTERNET GAMING INITIATIVES**

- received an update regarding recent Congressional Internet gaming legislation, as well as negotiations between the U.S. Trade Representatives and the European Union to settle E.U. accusations of U.S. discriminatory Internet gaming trade practices

### **NIGC TRIBAL CONSULTATION**

- heard reports on H.R. 5608, *Consultation and Coordination of Indian Tribal Governments Act*, which would require and establish parameters for consistent and efficient interaction between federal and tribal officials prior to the implementation of federal regulations that impact tribal governments

### **NIGC PUBLISHED REGULATIONS FOR CLASS II & III MACHINES**

- received updates regarding published regulations relating to Class II & III gaming, as well as ongoing developments, amendments, and negotiations to develop a distinction between bingo-style Class II machines and Class III slot machines

### **GAMBLING MACHINES ON OVERSEAS MILITARY BASES**

- received a report regarding gambling machines on overseas military bases and the effects slot machines have on soldiers

### **NCLGS TRIBAL-STATE INFORMATIONAL CHECKLIST**

- adopted proposed amendments to update its *NCLGS Tribal-State Informational Checklist*, including language relating to comity and court ordered obligations, identification cards, third-party beneficiaries, minor prohibitions, test laboratories and devices, insurance coverage, and conformity to Indian Gaming Regulatory Act (IGRA) revisions

## **EXECUTIVE COMMITTEE**

*The NCLGS Executive Committee on June 14:*

- accepted proposed amendments that were unanimously adopted by the NCLGS State-Federal Relations Committee to update its *NCLGS Tribal-State Informational Checklist*
- adopted a revised NCLGS meeting registration fee structure, which implemented a higher fee structure for legislators from non-member states, as well as state, federal, and tribal officials
- adopted amendments to the *NCLGS Articles of Organization and Bylaws*, including changes to the Executive Committee membership requirements, and procedures for resolutions and documentation passing through committees

## **GENERAL SESSIONS**

*Legislators at the meeting on June 14:*

### **OFF-RESERVATION GAMING**

- participated in a general session entitled *Off-Reservation Gaming & DOI: Who Should Say How Far is Too Far?*, which focused on who should decide the boundaries of tribal off-reservation gaming, governors, legislators, localities and consumers, the DOI, or Congress?

**INTERNET GAMING REGULATION**

- participated in a general session entitled *Internet Gaming Regulation & the WTO: Building to a Perfect Storm?*, which addressed federal and state competing court rules and regulations, as well as international decisions that have shaped the current Internet dilemmas

**KEYNOTE LUNCHEON**

*Legislators at a NCLGS luncheon on June 13:*

**GAMBLING'S CONTRIBUTION TO GOVERNMENT FINANCE IN THESE UNCHARTED ECONOMIC WATERS?**

- heard a keynote address on *Gambling's Contribution to Government Finance in These Uncharted Economic Waters*, which addressed the percentage of state tax revenues that are collected from gambling, and the impact tax revenues could have on state economies in the future with gambling expansion

***If you would like to receive additional information regarding any of the above issues, or are interested in ordering a general session audiotape, please contact the NCLGS National Office at 518-687-0615.***

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**OFFICERS:** VICE PRESIDENT - REPRESENTATIVE KEVIN RYAN, CT; SECRETARY - REPRESENTATIVE TIM SOLOBAY, PA; TREASURER - SENATOR TOM HARMAN, CA  
**COMMITTEE CHAIRS:** EXECUTIVE COMMITTEE - REPRESENTATIVE JAMES BUSKEY, AL; COMMITTEE ON LOTTERIES - SENATOR RICHARD LERBLANCE, OK;  
COMMITTEE ON PARI-MUTUELS - REPRESENTATIVE VINCENT LOFINK, DE; STATE-FEDERAL RELATIONS COMMITTEE - SENATOR STEVEN GELLER, FL;  
COMMITTEE ON BINGO & CHARITABLE GAMING - SENATOR PETE BRUNGARDT, KS; COMMITTEE ON CASINOS - REPRESENTATIVE NANCY WAGNER, DE;  
COMMITTEE ON RESPONSIBLE GAMING - REPRESENTATIVE CHRIS SAINATO, PA