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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) Winter Meeting in Scottsdale, Arizona, held from January 4 through 6, 2008. Nearly 150 state legislators, federal and state officials, regulators, tribal representatives, industry spokespersons, consumer advocates, and media representatives attended.

## SYNOPSIS

At the NCLGS Winter Meeting, legislators:

- adopted amendments to update a *NCLGS Tribal-State Informational Checklist*
- considered a proposed resolution supporting 100 percent smoke-free gaming and deferred consideration of the resolution to the NCLGS 2008 Summer Meeting in June
- resolved to receive testimony on lottery privatization at the NCLGS summer meeting
- received a proposal to study responsible gaming best practices
- moved to review a NCLGS position on Internet gaming
- looked in depth at National Indian Gaming Commission (NIGC) published regulations for Class II & III gaming

Legislators also received reports and updates on:

- bingo and charitable gaming initiatives in the states
- linked bingo
- classification of casino games, i.e., games of skill vs. chance
- convergence of old and new casino gaming technology
- Multi-State Lottery Association (MUSL) initiatives
- lottery sales initiatives
- federal internet legislation impacts on lotteries
- state lottery privatization efforts
- international and federal Internet regulatory issues related to pari-mutuels
- National Racing Compact modernization
- viable racetrack and racino oversight
- a thoroughbred Sales Integrity Program
- developments within greyhound racing
- problem gambling initiatives in the states
- self-exclusion practices
- federal initiatives from NCLGS federal bureau
- gaming expansion and off-reservation gaming

In addition legislators:

- participated in general sessions on *Tribal Sovereignty & Labor Laws: What Precedent Will Rule?* and *Redefining Pari-Mutuel Simulcast: Who Wins? Who Loses?*
- attended a keynote luncheon on *The 3<sup>RD</sup> Wave of Legal Gambling: Cresting or Crashing?*

## **COMMITTEE REPORTS**

### **COMMITTEE ON BINGO & CHARITABLE GAMING**

*The NCLGS Committee on Bingo & Charitable Gaming on January 4:*

#### *BINGO AND CHARITABLE GAMING INITIATIVES*

- received a report from the National Association of Fundraising Ticket Manufacturers (NAFTM) on efforts to enhance bingo and charitable gaming revenue in the face of increased competition, including making existing games more interesting to younger players and increasing the size of jackpots.

#### *LINKED BINGO*

- received a report from Multimedia Games indicating the ability of linked bingo games to attract more players, provide higher jackpots, increase revenues, and counteract competition from other gaming venues.

### **COMMITTEE ON CASINOS**

*The NCLGS Committee on Casinos on January 4:*

#### *CLASSIFICATION OF CASINO GAMES, I.E., GAMES OF SKILL VS. CHANCE*

- received a report from a representative of GamblingAndTheLaw.com regarding the differentiation between games of skill and states' rights and proposing that fantasy sports leagues and poker are predominately considered games of skill, whereas lotteries and slots are generally viewed as games of chance.

#### *CONVERGENCE OF OLD AND NEW CASINO GAMING TECHNOLOGY*

- received a report from Gaming Laboratories International (GLI) addressing increased reliance on wireless gaming and server-based systems, and projecting that within the next decade gaming might become indistinguishable as technology and products continue to merge and expand.

#### *PROPOSED RESOLUTION SUPPORTING SMOKE-FREE CASINOS*

- considered a proposed resolution supporting 100 percent smoke-free casinos, which was sponsored for discussion by Rep. Bill Oberle, NCLGS President, received information from New Jersey Group Against Smoking Pollution (NJ GASP), and deferred the resolution until the NCLGS summer meeting to allow for comments and testimony from interested parties.

### **COMMITTEE ON LOTTERIES**

*The NCLGS Committee on Lotteries on January 4:*

#### *MUSL INITIATIVES*

- received a report from MUSL, a non-profit organization owned and operated by 31 jurisdictions offering one or more of its lottery games, on its efforts to keep its games new and marketable and the role of its prize reserve funds.

#### *LOTTERY SALES INITIATIVES*

- heard a report from the North American Association of State and Provincial Lotteries (NASPL) on efforts to expand lottery sales using big box stores, such as Wal-Mart and Home Depot, which would lower operating costs for both lotteries and retailers.

#### *FEDERAL INTERNET LEGISLATION IMPACTS ON LOTTERIES*

- received a report from NASPL on its efforts to work under the provisions of federal Internet legislation and on efforts to modify the legislation's impacts on lotteries.

#### *STATE LOTTERY PRIVATIZATION EFFORTS*

- received a report from NASPL regarding the prospect of states considering lottery privatization in 2008 and resolved to further receive testimony on privatization at its summer meeting.

#### **COMMITTEE ON PARI-MUTUELS**

*The NCLGS Committee on Pari-Mutuels on January 4:*

#### *INTERNATIONAL AND FEDERAL INTERNET REGULATORY ISSUES RELATED TO PARI-MUTUELS*

- received a report from a representative of the law firm of Berliner, Corcoran & Rowe LLP regarding the rise in globalization and technology and its effects on the U.S. federal Internet gaming policy, as the European Union and other industrialized countries continue to demand a fair solution.

#### *NATIONAL RACING COMPACT MODERNIZATION*

- received a report from the Association of Racing Commissioners International (RCI) on the National Racing Compact and its licensing functions, as well as actions the Compact plans to take regarding the lack of unity between racing jurisdictions across state borders.

#### *VIABLE RACETRACK AND RACINO OVERSIGHT*

- received a report from RCI regarding its new racetrack and racino oversight concerns, and risks to wagering pools from fraudulent betting activity due to a lack of independent national monitoring.

#### *THOROUGHBRED SALES INTEGRITY PROGRAM*

- received a report from the National Thoroughbred Racing Association (NTRA) on the Thoroughbred Owners and Breeders Association (TOBA) Sales Integrity Program regarding the formation and purpose of the program, and its aim at protecting horsemen engaging in the sale of a horse.

#### *DEVELOPMENTS WITHIN GREYHOUND RACING*

- received a report from the National Greyhound Association on efforts within greyhound racing to offset lost revenues by embracing racinos, as evidenced by the pari-mutuel industry.

#### **COMMITTEE ON RESPONSIBLE GAMING**

*The NCLGS Committee on Responsible Gaming on January 4:*

#### *PROBLEM GAMBLING INITIATIVES IN THE STATES*

- heard a report from the Association of Problem Gambling Service Administrators (APGSA) regarding effective problem gambling legislation, such as a broad authorization of services, strategic and long term planning, appropriate and consistent allocation of funds, and proper agency authority.
- received a report from the New Mexico Council on Problem Gambling on clinical treatment and effective training procedures, such as the use of DVDs in gambling facilities to train employees about the proper referral of problem gamblers to help lines within its site.

#### *SELF-EXCLUSION PRACTICES*

- received a report from APGSA regarding the use of pairing self-exclusion with other problem gambling practices and problems with self-exclusion, including self-initiated entry into the program, support of the practice, enforcement, span of exclusion, and consistency across states and venues.

#### *PROPOSAL TO STUDY BEST PRACTICES IN RESPONSIBLE GAMING*

- received a presentation from the National Council on Problem Gambling (NCPG) proposing a joint study with NCLGS to study best practices in responsible gaming legislation and regulation, which could be used as a model for state legislatures confronting problem gambling.

## **STATE-FEDERAL RELATIONS COMMITTEE**

*The NCLGS State-Federal Relations Committee on January 4:*

### **FEDERAL INITIATIVES FROM NCLGS FEDERAL BUREAU**

- heard a report from the NCLGS federal bureau regarding prospects of Internet and Indian gaming legislation in the 110<sup>th</sup> Congress, and in the next few years following the presidential election.

### **NCLGS POSITION ON INTERNET GAMING**

- received a report from the Interactive Gaming Council (IGC) regarding the NCLGS Internet gaming position in relation to recent federal legislation, and NCLGS proposed holding a panel on WTO rulings and federal Internet gaming actions at the summer meeting with the goal of revisiting the NCLGS position.

### **GAMING EXPANSION AND OFF-RESERVATION GAMING**

- received a report from the National Indian Gaming Association (NIGA) regarding new guidelines released by the Department of Interior (DOI) on January 3 and their impact on land-to-trust applications.

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

- received reports from NIGC and NIGA regarding published regulations relating to Class II & III gaming, as well as a recent shift by tribes to work towards minimal internal control standards (MICS) for Class III gaming.

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

- adopted proposed amendments to update its *NCLGS Tribal-State Informational Checklist*, including language relating to Class III gaming and MICS, problem gambling, environmental impacts, gaming test equipment, and third-party beneficiaries, and voted to review proposed amendments in contention at the summer meeting.

## **GENERAL SESSIONS**

*Legislators at the meeting on January 5:*

### **TRIBAL LABOR LAWS**

- participated in a general session entitled *Tribal Sovereignty & Labor Laws: What Precedent Will Rule?*, which focused on the role of tribes and the federal government in response to tribal labor laws and a recent National Labor Relations Board (NLRB) ruling.

### **PARI-MUTUEL SIMULCAST**

- participated in a general session entitled *Redefining Pari-Mutuel Simulcast: Who Wins? Who Loses?*, which addressed what many consider an outdated pari-mutuel simulcast model, and a disproportionate allocation of funds for signals.

## **KEYNOTE LUNCHEON**

*Legislators at a NCLGS luncheon on January 4:*

### **THE 3<sup>RD</sup> WAVE OF LEGAL GAMBLING: CRESTING OR CRASHING?**

- heard a keynote debate from representatives of GamblingAndTheLaw.com and the National Coalition Against Gambling Expansion (NCAGE) on *The 3<sup>rd</sup> Wave of Legal Gambling: Cresting or Crashing?*, which addressed gambling expansion and growing technology.

***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  
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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