

House Judiciary
Chairman Klemin
In Support of HB 1615
January 29th, 2025
Submitted by Brent Brooks

Please support HB 1615 addressing the site authorization process and the role of cities.

In the spring of 2020 I signed a rental agreement with a bar owner in Rugby, ND. The bar establishment was disgruntled with the existing charity due to the limited services they were providing, and inadequate funding for bar assist banks. This was causing an undue hardship for the bar owner. I was asked to contact the bar owner to possibly provide gaming services to his bar, which lead to a contractual agreement to begin when the existing contract expired on June 30th of that year.

As the usual practice I submitted the site authorization, rental agreement, and corresponding paperwork to the city of Rugby. Days later I was informed a site authorization had already been granted and approved to the existing organization for the time period specified for my new contract. After discussions with the bar owner, it was determined the only contract that existed was between CAP, the charity I work for, and the bar owner; no contract for the other organization had been presented or signed.

As this was all a surprise to the bar owner, we both visited City Hall to address this issue. How could the city issue a site authorization without the approval of the bar owner, and to an organization without a contract?

After researching the situation, legal counsel for the city of Rugby was informed by the Office of AG that this decision was to be made by the city. The city had the sole authority to decide who could solely operate gaming within a private establishment, regardless of any contractual obligations of the bar owner. As the gaming manager of CAP, I was informed by the city council that my organization would not be granted a site authorization. The bar owner was informed by the city council he would have to enter into a contract with the current charitable operator or would not be able to offer gaming at his establishment for the upcoming fiscal year.

I tried clarifying this practice with the Office of AG, and was told in no uncertain terms that “the bar owner does not have any choice as to who will operate gaming in their private establishment; cities have the sole authority to determine who will operated in locations.” This has not been the practice or should be in the future.