



Benefiting North Dakota Communities through Charitable Gaming

March 5, 2025

Testimony in SUPPORT for of House Bill 1525

Madame Chair Larson and Members of the Senate Judiciary Committee:

I'm Scott Meske, and on behalf of the Members of the North Dakota Gaming Alliance, we offer our support for House Bill 1525, which as you have heard, adjusts the membership of the North Dakota Gaming Commission and defines a hearing process for violations of the State's gaming laws.

As charitable gaming has grown the past few years, it has brought with it tremendous benefits to our nonprofits and our communities. It has also generated significant revenues in gaming taxes. It is estimated that about \$53 million will be paid by licensed charities in the 2023-25 biennium, and those charities will distribute more than \$180 million to their communities.

We recognize the Attorney General's office has been solely responsible for implementing and enforcing both the Century Code as passed by the Legislative Assembly, and the Administrative Codes. We also recognize that with the growth of charitable gaming, comes more requirements for oversight and regulations to ensure a transparent, accountable and fair environment for all parties involved.

The North Dakota Gaming Alliance has worked with the Gaming Division to interpret the regulations to ensure fairness and some sense of clear regulatory certainty for licensed gaming sites and licensed charities as well. We have been an advocate for the Division to have adequate staff, state of the art technology, and funds to support the gambling disorder programs as needed.



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However, according to the State Gaming Commission's charter:

The State Gaming Commission is governed by North Dakota Century Code Chapter 53-06.1, and adopts rules in accordance with chapter 28-32, to administer and regulate the gaming industry; to ensure that net proceeds are used for educational, charitable, patriotic, fraternal, religious, or public-spirited uses; to protect and promote the public interest; to ensure fair and honest games; to ensure that fees and taxes are paid; and to prevent and detect unlawful gambling activity. The Commission consists of five members appointed by the governor for 3-year terms. Appointed members must be confirmed by the Senate.

Currently the North Dakota Gaming Commission seems to be an underutilized resource. Recently, the State Senate confirmed two members to the State Gaming Commission. HB 1525 aims to beef up the Commission with members from the industry itself. Much in the same way many of our state board and regulatory commissions are populated. Maybe it's time to ensure the Gaming Commission fulfills its charter (reference previous paragraph).

We appreciate the Gaming Division's effort to ensure regulatory certainty and fairness across the industry. The Commission, given proper authority and guidelines might actually help the Attorney General's office. The oversight of the charitable gaming industry is not an "either/or" proposition; meaning either the Attorney General OR the Gaming Commission. This industry deserves an "AND" proposition. With reasonable guidelines provided by the legislative assembly, oversight and due process by the State



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Gaming Commission, AND enforcement by the Attorney General's office, the charitable gaming industry would be well served.

We stands willing to be part of the discussions and believe HB 1525 is a step in the right direction.

Thank you.