

SB 2314
Senate Finance & Taxation Committee
Submitted by Don Santer, CGAND
February 2nd, 2021

Chairperson Bell and Committee members, thank you for the opportunity to provide information regarding the charitable gaming industry of North Dakota. I am here in opposition of Senate Bill 2314.

My name is Don Santer, I represent the Charitable Gaming Association of North Dakota (CGAND), a trade association for charities operating gaming throughout ND. I also represent the North Dakota Association for the Disabled (NDAD). NDAD is a North Dakota charity that for over 45 years has been dedicated to improving the quality of life for persons with disabilities. NDAD pays for most of its services with charitable gaming funds.

Senate Bill 2314 allows for online gaming; games like Blackjack, Poker, Keno, and Video Slots as well as sports betting.

This bill creates a constitutional loophole to recognize Indian Tribes as “public-spirited organizations” allowing tribal gaming to operate gaming anywhere in the state.

However, it specifically states the tribes are not subject to chapter 53-06.1 rules. These are the regulations that govern charitable gaming in the state of North Dakota.

- Tribal gaming would not be subject to the same requirement to spend 40% of Adjusted Gross Proceeds for eligible uses as it is for charitable gaming operators. Currently the tribal gaming compact only requires 10% of Net Revenues be spent on economic development programs.
- Tribal gaming would not be required to follow the same betting limits as other “public-spirited organizations”. For example, wagers on Blackjack of up to \$250 are allowed by tribal compact but are limited to \$25 for charitable gaming.

- This bill would allow **ANY** “Federally recognized Indian Tribe” to operate online gaming and sports betting in North Dakota as long as the servers were on a tribal reservation within the state.
- This bill specifically states, “A person may not be required to register for online gaming or online sports betting accounts in person”. In essence, an easy loophole to allow for underage gambling. The bill vaguely lists “Age verification” but this is typically done once and nothing to maintain assurance that minors are not involved.

For the past 40 years North Dakota has developed a responsible and highly regulated system for charitable gaming to benefit charitable missions that serve your local communities. The intent of Article XI section 25 of our constitution was to allow for **charitable gaming** in the state of North Dakota; governed by Games of Chance Laws and administrative rules. The Tribal gaming compacts have different regulations and “Geographic Scope” that restricts tribal gaming to Tribal trust lands. This bill will open Pandora’s box by attempting to mix separate rules and governing principles. We ask you to consider a **Do Not Pass** recommendation on SB 2314.

Thank you, Chairperson Bell and members of the committee, for your time and thoughtful consideration I am happy to answer any additional questions you may have.

Respectfully,
Don Santer, NDAD
CGAND Vice President