

# HB 1296

## House Industry, Business & Labor Committee

Chairman Louser

Submitted by Janelle Mitzel, Development Homes, Inc.

February 7, 2023

Chairman Louser & Committee members, thank you for the opportunity to speak in favor of HB 1296, addressing the Charitable Gaming Site Authorization process. The language in the proposed bill clarifies the role of the local governing entities in relation to gaming licensing. For over 30 years a process has been followed, and recently has become problematic with a new interpretation of the law, essentially removing the private sector from the process. We attempted to rectify this through the gaming regulations, however, the Office of AG and Gaming Director Deb McDaniel advised this needed legislative action.

- For the past 30+ years the practical application for approval for site authorizations in local municipalities was to allow for local establishments to negotiate contracts with charities, then approval was granted by the local governing entity.
- Bar owners base their contracts on gaming services provided by the organization, reputation and reliability of the organization, different game types offered and hours of operation available by the organization, the relationship between the owner and organization, and the ability of the organization to adapt to customer and business needs of the site.
- Cities/counties should not determine what organization shall operate in a private sector establishment, without the consent of the private owner. This is interference by government into the private sector.
- If governing bodies solely determine which organizations operate at all locations in the jurisdiction, the fraternal and veteran's clubs may not be selected to operate gaming within their own establishments.
- NDCC states an eligible organization shall first secure approval for a site authorization from the governing body, then apply for a gaming license with the Office of AG. Approval may be granted at the discretion of the governing body. *It does not indicate the local governing body can determine winners and losers.*
- 53-06.1-03. Permits, site authorization, and licenses. #2
  - a. **A governing body may not require an eligible organization to donate net proceeds to the city, county, or related political subdivision or for community programs or services within the city or county as a condition for receiving a site authorization from the city or county.**  
*This is NDCC. Governing bodies cannot interfere with how net proceeds are used and cannot require organizations to donate to particular programs or services as a condition of receiving a site authorization.*

This legislation is attempting to match the law with the practice. Thank you for your consideration of a **Do Pass** on HB 1296.

Janelle Mitzel, Development Homes, Inc. Gaming Director