

**House Industry, Business & Labor Committee**  
**Chairman Louser**  
**In Support of HB 1296**

February 7<sup>th</sup>, 2023

Submitted by Brent Brooks, Citizen Assistance Programs (CAP)

Please support HB 1296 addressing the site authorization process and the role of cities. This is my experience as a gaming manager for a charitable organization.

In the spring of 2020, I was asked to contact a bar owner to possibly provide gaming services to his bar 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. Which led to a contractual agreement between CAP and the bar owner for CAP to begin conducting games of chance when the existing contract expired on June 30<sup>th</sup>, 2020 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 period specified for my new contract. After discussions with the bar owner, it was determined that the only contract that existed was between CAP, my organization, 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 Rugby was instructed by the Office of AG that the 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 notified 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 Attorney General and was told directly 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 operate in their locations.” This has not been the practice nor should be in the future.