



**ND** Hospitality  
Association

**Testimony of Rudie Martinson**  
**Executive Director of the North Dakota Hospitality Association**  
**Before the House Industry, Business, & Labor Committee**  
**January 25, 2023**

Chairman Louser and members of the North Dakota House Industry, Business, and Labor Committee, good morning.

My name is Rudie Martinson, and I appear before you today as the Executive Director of the North Dakota Hospitality Association.

The bill before you today is a bill about business-to-business relationships, rather than a “gaming” bill. This bill relates to the ceilings the state has placed on the rent retail establishments are allowed to collect from charitable organizations leasing space for gaming activities on their property.

Establishments lease space to partnering organizations for a variety of reasons. Jukeboxes like Touch Tunes, advertising, or bar games like billiard tables or dart boards, is common practice in our industry. Charitable gaming has become the only outside institution whose leases are capped by a static dollar amount set in statute.

The rent limits set in statute for electronic pull tabs merely serve as a ceiling rather than a floor. The existing limit was set during the 2019 legislative session, when the electronic pull tabs were new, and no one knew how popular the game would be. Given the evident popularity of this type of charitable gaming, it has become clear that the businesses that host this game type are incurring more labor, expense, and effort to administer it than originally anticipated.

The bill before you proposes moving the current rent limits from \$100 per machine per month for the first five machines in an establishment and \$50 per machine per month for the next five machines in an establishment to a flat rate of \$200 per machine per month. Administrative code limits hosting establishments to ten total electronic pull tab machines. Additionally, the bill seeks to add a \$50 per machine per month allowance for establishments where an employee of the charity is not physically present to manage gaming operations such as overseeing the gaming bank, paying out winners, or other practical realities of having gaming present on site.

We as an industry deeply value the symbiotic relationship we have with our charity partners in the gaming industry. We hope the proposed changes in this bill will allow for charitable organizations to raise money and grow, while also allowing our establishments to continue that partnership in a mutually beneficial way. We support this bill because it will help our members continue to prosper alongside our charitable partners, allowing us both remain critical parts of nearly every community across the state.

Chairman Louser and members of the House Industry, Business, and Labor Committee, our industry urges your favorable consideration of a “Do Pass” motion on HB 1387.

I am happy to stand for any questions.