

HOUSE INDUSTRY, BUSINESS & LABOR COMMITTEE
Senate Bill 2304
April 3, 2023
Testimony Submitted by Charitable Gaming Association of ND
Bill Kalanek

The Charitable Gaming Association of North Dakota urges a
Do Pass recommendation on SB 2304.

Chairman Louser and members of the House IBL Committee. While charitable gaming in ND has become increasingly popular with the public, many efforts have been made over the past few years to roll-back and stifle charitable gaming operations. Senate Bill 2304 as currently written is an example of this. In the Senate, testimony was submitted by 23 different people representing charities from across the state in opposition to this bill while only 1 person supported the bill in committee. CGAND along with my colleagues who will follow believe that with some minor adjustments to the language we can fully support the bill and address the issues the sponsor of the bill hoped to rectify when it was introduced.

This bill attempts to limit charitable gaming to “alcoholic beverage establishments”. If not crafted carefully this bill will eliminate charities who are legally operating in café bars in small towns, fraternal and veterans’ clubs who sponsor community events, senior citizen centers, convention centers and hotels just to name a few. The code has never defined bars in this way, our cities and counties have had the authority to decide which locations and situations were appropriate for gaming.

CGAND as an organization does not support gaming in off-sale locations such as gas stations, grocery or convenience stores, but this bill could affect much more than that. This legislation seems to be an attempt to negatively impact charities in **existing** locations that operate etab machines. Additionally, the language depending on interpretation could go well beyond the restrictions discussed during the interim that were approved in administrative rule.

It is concerning to the charities to see such opposition to the creation of strong businesses and leadership within the charitable community. The benefits to communities created by charitable gaming are helping so many people and especially kids. I serve on the board for the Dakota Junior Golf Association. In the 18 months since our organization has been involved in gaming we’ve expanded from 13 junior events to over 40 statewide, contributed to Bismarck and Mandan parks to build new practice areas for juniors, established a golf learning program for our school systems through physical education teachers, expanded our college scholarship program and contributed to a fantastic Minot program called Prairie Grit that provides assistive technology to athletes with disabilities. Strong charities have emerged over many years due to their commitment to hard work and excellence, now we are going to take away their gains? I question why it is bad for a charity to operate like a business and be successful using all the tools available.

\$73 million was raised for charitable purposes in the last biennium. Charitable gaming reduces the state taxpayer burden for services charities provide in local communities, while having a positive impact on local entities. If these services were not funded through charitable gaming, local entities would be knocking on your door asking for general fund dollars or increasing county and city property tax levies to fund their needs. Charitable gaming promotes local control by providing funding to local community non-profits.

The charitable gaming industry employs over 2,000 people in ND and contributed an estimated \$43 million in tax revenue. Like it or not this is a substantial industry in the state, significantly contributing economically. These contributions to our local economies can't be overlooked.

With that Mr. Chairman I would like to offer to work with the committee as a representative of all of the groups behind me to draft amendments we feel the committee and the Legislature should make to this bill. We encourage the committee to consider stronger regulation of charitable gaming and its partners, consistency in administration across the state, codified limits to curtail expansion and an increased commitment to the treatment of those suffering from gambling addiction. We support allocating more of the gaming tax to the Gambling Disorder and Treatment Fund to match the lottery and make up the reduction caused by the new Tribal Compact.

Thank you for your consideration of SB 2304, please consider working with the industry to amend this bill and establish an appropriate definition in statute.