

Senate Judiciary Committee, Chairperson Larson
Testimony in Support of HB 1296
William Tyrrell, Proprietor, Rumors Sports Bar & Grill, Grand Forks

Chairman Larson & Committee Members:

Thank you for allowing me the opportunity to express my concerns regarding a changed gaming site authorization process with the cities of ND.

Contrary to the existing site authorization approval practice for over thirty years there was an email circulated within the League of Cities with comments from the Office of AG stating, "bar owners do not pick who gets to conduct gaming in their site, the cities and counties determine who may go into a site." Also stated was, "**After** a site is approved by the city or county **then it is required that an approved organization negotiate a rental agreement with the bar owner/lessor.** If a bar owner/lessor does not agree to have the gaming organization that the city approves in their site, then the **bar owner does not have to have gaming.**" As a member of the hospitality industry I respectfully disagree with this process.

For over 20 years I have been involved in gaming in ND, and have been a bar owner for the past eight in Grand Forks. I have always worked with one organization, who in addition to having the site authorization at my location, offers the unique service of off-track betting through the ND Racing Commission. We have invested thousands of dollars in equipment and setup in my bar for gaming services, and have built up a substantial clientele for the gaming offered at my bar. While this organization is in good standing within the community, I do not believe that the city should have the right or ability to not grant the gaming site authorization to this organization for my establishment, without good cause. Licensing for a gaming site should be similar to a city granting business or building permits. As a private business I am shocked to think they local municipality can solely decide who I **have** to do business with.

It is unreasonable to believe that the city has the business knowledge of what organization is best for my business. **I** determine what organization has the ability and resources to provide the desired game types for my establishment, complimentary customer service, staffing for all operational hours, up-to-date equipment, has the capability to work collaboratively with my business model and ultimately who is trustworthy to represent part of my business. I should not have to prove to the local governing body what is best for my business, and if I disagree with the organizational selection then my business will suffer a major financial hit without gaming.

- How could I possibly negotiate a contract with a charity that has already been chosen for me? A take-it-or-leave-it approach by a governing body removes any bargaining power I have for gaming rental fees and gaming services offered.
- How could a charity make long-term financial commitments for specific locational gaming equipment knowing that within one year the city may determine a competing organization would be better for my business?
- Based on this supposed new process ND veteran and fraternal organizations will not necessarily be able to operate gaming within their own establishments as they may not be deemed the "best for their community."
- Cities and counties have a conflict of interest in this matter. Government-related entities raise money through charitable gaming and are granting authorizations to their favorite organizations. CVBs, park boards, and economic development non-profits certainly benefit city government and for-profit corporations; if cities are the sole decision-maker you will see charitable gaming become an extension of government.

This process will become very political if not clarified. Cities should not pick winners, losers and their favorites. This is clearly interference of government in the private sector. Thank you for your consideration.

Sincerely,

William Tyrrell
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