



## Benefiting North Dakota Communities through Charitable Gaming

**March 27, 2023**

### **Testimony in SUPPORT of House Bill 1296**

Madam Chair Larson and members of the Senate Judiciary committee,

My name is Scott Meske and I'm here representing the ND Gaming Alliance which represents all facets of the gaming industry including charities, hospitality, veterans and fraternal organizations, manufacturers, and distributors.

Today we stand before you in support of HB 1296. There have been misconceptions pertaining to exactly what the process is concerning gaming site authorizations, and how they are approved. HB 1296 as written clarifies this process for charities, gaming sites, communities, and the regulators. This is a much-needed clarification, and we are thankful that this language has been brought forward for your approval.

This bill was amended in the House to satisfy some concerns raised by the League of Cities, and these amendments were agreed upon by both parties. However, it was recently brought to our attention the League of Cities no longer supports these amendments. It was their pre-amendment testimony in opposition that gave us the impetus to propose the amendments and attempt to address their concerns, so it does come as a surprise they are continuing to oppose this bill.

I wanted to point out one thing in the opposition testimony that was of great concern to us. In the testimony submitted online, it states if HB 1296 is passed residents in areas protected by fire departments funded by charitable gaming may lose fire protection because a bar owner decides not to renew a lease with a fire charity.



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Let's be clear. Charitable gaming is NOT a tool to fund government projects or to subsidize property taxing entities. Charitable gaming is intended for charities to be able to donate dollars to charitable causes as outlined in their mission statements, and ultimately benefit their local communities. There are times however, a host gaming site will choose a charity that DOES directly fund these local government projects and entities that would normally be funded by property taxes, but this is not a requirement to be a licensed charity. Many charities that do not have an entity like a volunteer fire department or a visitor's bureau for instance, that conduct local gaming STILL donate dollars to these entities as they recognize that these efforts provide value to their local communities. We are concerned the League's opposition is an attempt to control *which* charities will be approved in their communities, only if it fits within the local governing body's preferences.

I know the Senate is the champions of property tax relief, and charitable gaming has been a good source of property tax relief, especially for smaller communities, as they HAVE spent a large amount of their dollars to help support projects normally that would have been funded by property taxes. However, I repeat, this is not a requirement to be a licensed charity. These charities truly have the best intentions to helping their local communities, as do the host gaming sites.

House Bill 1296 merely states that the local authority cannot deny the gaming site and charity's application without cause and prevents the local governing body from picking and choosing *which* charity will be approved for charitable gaming in a given establishment. To repeat, it is the gaming site that makes the determination which charity they choose to operate gaming in their establishment. If that governing authority determines the charity and the proposed gaming site is NOT the proper location for charitable gaming, it has the authority to deny the license. This does not strip the local governing body's ability to determine where charitable gaming may be conducted within its jurisdiction.



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We strongly support the process of selecting charitable gaming sites as it stands today. And we are ardent supporters of the local governing body's ability to make the final determination *where* charitable gaming should be conducted in their own communities.

However in terms of which charity should operate in those sites, we believe that should be left up to that establishment's owner to enter into a lease agreement with that charity.

Madam Chair and members of the Senate Judiciary Committee, we kindly ask for a DO PASS recommendation on HB 1296 to clarify processes that must be followed when getting involved in charitable gaming to support their communities.

Thank you.

