

SENATE JUDICIARY COMMITTEE
Senate Bill 2336
January 31st, 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 2336.

SB 2336 comes before the committee today as the result of a change in interpretation of the laws surrounding eligible uses of net proceeds for charitable gaming.

This change is also the result of conversations had with the Gaming Division director of the Attorney General's office who indicated an amendment to the code was necessary due to an internal re-interpretation that results in drastic change to how some charities operate.

- This bill has nothing to do with games or the conduct of gaming.
- This bill provides that a charity may separate expenses when gaming and non-gaming employees or offices are operating within the same real property.
- Will allow for more appropriate allocation of operations and charitable funds.

Although I believe my prior statement to be true in intent, it has come to my attention that if the bill were to move forward in it's current form it would create some major heartburn for you and the Gaming division. The overstruck portion in sub 4 indicates to me you might now be able to "use net proceeds for administrative or operating expenses involving the conduct of games" because we are striking the prohibition on this practice. This was not the intent but a consequence of repeated examination of the language.

I've attached an amendment that I believe addresses the problem and would be happy to answer questions as best I can.

Thank you for your consideration of a **Do Pass** recommendation on SB 2336.

Amendment to SB 2336
Offered by the Charitable Gaming Association of ND

3. The eligible uses in subsection 2 do not include the erection, acquisition, property taxes, special assessments, improvement, maintenance, or repair of real property owned or leased by an organization for areas on a property where gaming is or will be conducted, unless the real property is used ~~exclusively for an eligible use or~~ by a fraternal or veterans organization.

4. A licensed organization or recipient of net proceeds may not use net proceeds for administrative or operating expenses involving the conduct of games but may designate space within real property used for an organization's primary purpose as office or storage space for gaming-related administration.