

SENATE JUDICIARY COMMITTEE
Testimony In Opposition to SB 2390
February 8, 2023
Submitted by Janelle Mitzel, Development Homes, Inc.

Madam Chairperson Larson & Committee members,

Thank you for your consideration of a **Do Not Pass** on SB 2390. This bill will essentially devastate Development Homes, Inc. charitable gaming.

Development Homes, Inc:

- DHI is a non-profit organization in Grand Forks providing community-based support services to persons with disabilities from all over ND.
- DHI has residential services including seven group homes, two duplex facilities, a multi-unit autism living center, a transitional living center and independent living settings.
- DHI provides vocational services including job training and placement, and family services including respite care and in-home support.
- DHI serves approximately two hundred individuals from children to adults, serving through all stages of life.
- DHI is currently the eighth largest employer in Grand Forks, employing approximately 450 people. Our economic footprint is vital to this community.

This bill has three parts, all designed to negatively affect charitable gaming:

1. Lowers the etab payout percentages from 90% to 88%.

Testimony has been given to several committees detailing how lowering the payout percentage of etabs does not provide more revenue to the charity, however, has a negative effect of a decrease in play as the customer has a lower return on their dollar. Statistically play falls off as the percentage of payout is decreased, resulting in less net revenue to the organization.

2. Requires a donation of 5% of Gross Proceeds to a charitable organization benefiting children.

Requiring a donation of 5% of Gross Proceeds is not possible and will shut down our charitable gaming operations. Allocating 5% of Gross Proceeds would essentially be all the revenue we raise from charitable gaming, which would now be earmarked for purposes other than our mission. This is a nonsensical attempt to divert funding from our chartered missions towards the special interests of legislators.

3. Decreases allowable expense limit from 60% to 50% for gaming expenses.

Deb McDaniel, Office of the Attorney General Director of the Gaming Division, testified last week in the House Finance & Tax Committee that the 60% allowable expense limit is reasonable and is where the percentage should be. Development Homes, Inc. operates full-scaled gaming that is labor intensive, such as blackjack and bingo. Many game types require added labor and expense. A 50% allowable expense is not acceptable to organizations that offer a variety of gaming. This again is an attempt to financially harm charities.

DHI provides imperative services in our community and charitable gaming is particularly important to our organization. This bill attempts to severely curtail charitable gaming fundraising. DHI would appreciate a **Do Not Pass** recommendation on this bill.