



**Bismarck-Mandan
Convention & Visitors Bureau**
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SENATE BILL NO. 2035
HOUSE EDUCATION COMMITTEE
PAT HEINERT, CHAIR
TESTIMONY IN OPPOSITION OF SENATE BILL NO. 2035

Chairman Heinert and members of the House Education Committee. I am Sheri Grossman, and it is my privilege to be the CEO for the Bismarck-Mandan Convention & Visitors Bureau. I appear on behalf of the CVB in opposition to Senate Bill 2035 in its current form.

We are not new to gaming and have been conducting gaming since 1993. At that time, the legislators passed legislation to include Convention & Visitors Bureaus as a public-spirited organization for charitable gaming. We were always included in the original intent. We are not a part of the issues caused by the recent surge in gaming and have been conducting gaming for over three decades. We only have five sites and removing us from gaming would not do anything to change the expansion of gaming, but would have a devastating effect on our organization and the benefits we provide for our communities. In fact, there would not be any reduction in gaming. Securing gaming sites, including those we have had for many years, is highly competitive and our sites would immediately go to another organization. There are only three CVB's in North Dakota that conduct gaming. We are a very small part of the overall gaming community.

Our gaming funds are not spent to benefit just one group. Instead, our mission and work benefit the entire communities of Bismarck and Mandan. Our gaming funds are used to bring more people to Bismarck-Mandan to spend money in our restaurants, hotels and stores, and visit our attractions, and to showcase our communities to others who might want to live here. These visitors generate huge sales tax revenues which have been used by local governments to fix roads, give property tax relief and more.

Specific uses of gaming funds include:

- The CVB paid \$500,000 to the Riverfront Festival Grounds for the matching Destination Development grant program appropriated by the legislature last session.
- Grant program supporting new meetings and events such as recreational, artistic or cultural events partnerships.
- Providing financial assistance and other complimentary services to established meetings, conventions, sports and events.

- A comprehensive marketing campaign promoting Bismarck-Mandan to meetings and event planners, as well as leisure travelers. Our leisure campaign alone resulted in almost 98,000 trackable visits to Bismarck-Mandan in 2024.

Last year, we assisted 308 multiple-day meetings and events that drew 275,000 attendees, who spent \$29.6 million dollars while in our community. That is a significant return on investment, largely relying on charitable gaming proceeds.

Our gaming funds account for nearly half of our annual budget, or approximately \$900,000. Without this current and continued source of income the Convention and Visitors Bureau will be unable to provide most of the local benefits on our communities at large, such as helping fund the Riverfront Festival Grounds, or financially supporting Bismarck's 4th of July fireworks, Mandan Rodeo Days, or Mandan Holiday Lights, United Tribes Technical College's International PowWow and McQuade's Charity Softball Tournament (which is the USA's largest charity softball tournament and distributes all proceeds to charities), to name a few. It is important that we can financially continue this work.

We respectfully ask that Convention and Visitors Bureaus be allowed to continue conducting charitable gaming that has been authorized for over three decades. Removing this funding mechanism would have a devastating effect on our communities. It would be impossible to replace this lost revenue.

In its current form, the language of Senate Bill 2035 is unclear as to whether CVB's can continue gaming operations. While the Attorney General's Office has given assurances in its previous testimony that this bill would not prevent us from conducting gaming, we respectfully ask for a do not pass recommendation on Senate Bill 2035 in its current form. If the AG's interpretation changes in the future, we believe the current language in the bill will not provide clear guidance on this issue. Such uncertainty could lead to lawsuits or CVBs eventually losing their gaming licenses. Since that does not appear to be the intent of this bill, we are proposing an Amendment that would remove all uncertainty and make clear that CVB's are still authorized to conduct gaming in North Dakota.

We have passed out our proposed Amendment and it is also attached to my testimony that was submitted online. Should the House Education Committee adopt the Bismarck-Mandan CVB's amendment, we would be in favor of the proposed legislation.

With that, I would like to thank you for your time and consideration, and I would be pleased to try and answer any questions.

/s/ Sheri Grossman



SENATE BILL NO. 2035

Introduced by

Legislative Management

(Judiciary Committee)

1 A BILL for an Act to amend and reenact subsections 7 and 21 of section 53-06.1-01,
2 subdivision a of subsection 1 of section 53-06.1-03, subsection 2 of section 53-06.1-10.1, and
3 subdivision c of subsection 2 of section 53-06.1-11.1 of the North Dakota Century Code, relating to
4 the definitions of an educational organization and public-spirited organization, and raffles; and to
5 provide for application.

6 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

7 **SECTION 1. AMENDMENT.** Subsections 7 and 21 of section 53-06.1-01 of the North
8 Dakota Century Code are amended and reenacted as follows:

- 9 7. "Educational organization" means a nonprofit public or private elementary or
10 secondary school, two-year or four-year college, or university. The term includes a
11 collegiate athletic organization and an educational public service organization when
12 providing educational activities.
- 13 21. "Public-spirited organization" means an organization ~~whose~~the primary purpose of
14 which is for scientific research, ~~amateur sports competition, safety, literary literature,~~
15 arts, preservation of cultural heritage, ~~educational activities, educational public service,~~
16 youth, ~~economic development, tourism,~~ community medical care, community
17 recreation, or designated convention and visitors bureau, or similar organization,
18 ~~which does not meet the definition of any other type of eligible organization. However,~~
19 ~~a nonprofit organization or a group of people recognized as a public-spirited~~
20 ~~organization by a governing body of a city or county for obtaining a permit does not~~
21 ~~need to meet this definition~~any other organization, or group recognized by a governing
22 body of a city or county, organized and operated not for pecuniary profit or gain but for
23 the primary purpose of improving or alleviating a condition of public concern within the
24 state or conferring a direct benefit on the community at large. The term does not

1 include a nonprofit club, association, or organization, the primary purpose of which is
2 to provide a direct benefit to its officers or members.

3 **SECTION 2. AMENDMENT.** Subdivision a of subsection 1 of section 53-06.1-03 of the 4 North
4 Dakota Century Code is amended and reenacted as follows:

- 5 a. ~~An organization recognized as a~~ public-spirited organization or group
6 recognized by the governing body of a city or county may apply for permits. A
7 local permit may allow the organization to conduct only raffles, bingo, or sports
8 pools. A restricted event permit may allow the organization to conduct only raffles,
9 bingo, sports pools, paddlewheels, twenty-one, and poker. The organization or
10 closely related organizations as a whole may only award a primary prize that
11 does not exceed eight thousand dollars and total prizes of all games do not
12 exceed forty thousand dollars per year. These maximum prize amounts do not
13 apply to raffles conducted under chapter 20.1-08. ~~The determination of what is a~~
14 ~~"public-spirited organization" is within the sole discretion of the governing body.~~
15 An organization shall disclose on the application its intended use of the net
16 income from the gaming activity. A governing body may issue a permit for games
17 to be held at designated times and places.

18 **SECTION 3. AMENDMENT.** Subsection 2 of section 53-06.1-10.1 of the North Dakota 19
19 Century Code is amended and reenacted as follows:

- 20 2. The maximum cash prize limits of this section do not apply to a ~~public-spirited~~ 21
21 educational organization that supports amateur collegiate athletics.

22 **SECTION 4. AMENDMENT.** Subdivision c of subsection 2 of section 53-06.1-11.1 of the 23
23 North Dakota Century Code is amended and reenacted as follows:

- 24 c. Uses benefiting an indefinite number of persons by bringing them under the 25
25 influence of education, cultural programs, or religion which include disbursements
26 to provide:
- 27 (1) Scholarships for students, if the disbursement is deposited in a scholarship 28
28 fund for defraying the cost of education to students and the scholarships are 29
29 awarded through an open and fair selection process.
 - 30 (2) Supplementary assistance to a public or private nonprofit educational 31
31 institution registered with or accredited by any state.

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- 1 (3) Assistance to libraries and museums.
- 2 (4) Assistance for the performing arts and humanities.
- 3 (5) Preservation of cultural heritage.
- 4 (6) Youth community, and social welfare, ~~and athletic activities.~~
- 5 (7) ~~Adult amateur athletic activities within the state, including team uniforms~~
- 6 ~~and equipment.~~
- 7 (8)——Maintenance of places of public worship or support of a body of 8
- 8 communicants, gathered in common membership for mutual support and 9
- 9 edification in piety, worship, or religious observances.
- 10 (9)(8) Scientific research.

11 **SECTION 5. APPLICATION.** This Act applies to an eligible organization applying for or 12

12 renewing a license after the effective date of this Act.