



Benefiting North Dakota Communities through Charitable Gaming

March 5, 2025

Testimony in OPPOSITION of Senate Bill 2035

Chairman Heinert and Members of the House Education Committee:

I'm Scott Meske, representing the North Dakota Gaming Alliance and on behalf of the Members of the NDGA, we stand in opposition to Senate Bill 2035.

ND Gaming Alliance represents all facets of the charitable gaming industry. Veteran and Fraternal Organizations, Charities, Hospitality, Manufacturers, and Distributors. When charitable gaming was authorized by the State, the intent was to benefit the *charities and nonprofits* in our local communities. In the 2023-25 biennium it is estimated that more than \$180 million will be disbursed into North Dakota's community causes because of charitable gaming proceeds. That revenue, injected directly into our communities, offsets the need to rely on other sources of income including property taxes, to meet the charity's stated mission and benefits North Dakota citizens and communities.

I want to share with you just a few things that charities have done recently. It seems as if most of the media coverage of gaming only concentrates on the very small percentage of violations that occur in the industry. I want to share with you some of the good things charitable gaming has done in some of our communities – most of these stories never get told. The Aggie Foundation in Velva provided free lunches for school children in the city of Granville for the entire school year which otherwise would have been funded by taxes. Mandan Baseball donated \$4.9 million of a \$5.1 million renovation to the Mandan youth baseball complex which would have been funded by property taxes. The other \$200K was covered by the Mandan Park District. MatPac in Bismarck here gave \$500K to the Bismarck State College Bavendick Center which also would have been funded by taxes. In the city of Rolla, their American Legion tragically burned down. The charity Revitalize Rolla was able to donate \$50K to pay for furnishings and kitchen equipment. At the time, the Legion had exhausted all other fundraising options and Revitalize



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Rolla was able to use their gaming trust funds to help complete the project. Not only did this help rebuild the only building that the community had to use for community events, it also restored a facility that honored our veterans. These are just a very few examples of the incredible things that charities are doing for their communities.

During the interim, the Committee heard from many stakeholders from the charitable gaming industry, as the committee went through their study topics. While we recognize some attempts to limit, restrict, roll back charitable gaming in North Dakota, we believe this bill is another attempt to circumvent the intent of the State Constitution, and re-define who can and who cannot participate in charitable gaming. Instead of determining who can or cannot conduct charitable gaming, let's work together to determine how those proceeds are being spent. However by taking away the ability of some charities to conduct gaming solely based on the name of the organization is short-sighted in our opinion. We ask you to please keep in mind that the charities under consideration to have their gaming abilities removed by this legislation, got into charitable gaming legally under the law that was in place at that time. They were given permission to do so by both local jurisdictions and state government. Without a grandfather clause, and clearer definitions which would protect those investments they made, we cannot support this bill.

Is every nonprofit a charity? No. Is every charity a nonprofit? By definition? YES!

Mr. Chairman and Members of the Committee, you will have several bills before you this session that while on the surface look reasonable in their intent, yet when applied in blanket fashion across the state merely hinder those charities who work to improve our communities, those organizations this activity supports. This was proven during the 2023 session with SB 2304. The legislative intent of a portion of that bill dealing with site authorizations is not being interpreted as to what the intent of the legislature was. We just wanted to point that out because it happens, and that is what our main concern is with SB 2035. Intent vs. interpretation.



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Specifically, Page 1 Line 24 – the term “nonprofit club, association or organization, the primary purpose of which is to provide a direct benefit to its officers or members.” Doesn’t the Legion or VFW provide direct benefit to their members by way of programs and services?

Page 3 Line 4. Removal of the words “and athletic”. There are at least 57 youth sports organizations currently licensed to conduct charitable gaming. Does removing the word “athletic” put them in jeopardy? Intent versus Interpretation.

Finally, it seems like there has been a target on the back of the three Convention and Visitors Bureaus that are licensed. I would argue that these organizations, along with about 20 other community development licensees, should get our support. Because we know what they do with their gaming proceeds. Directly investing in their communities, drawing visitors and and business investments to help grow their cities. This legislation is a too vague, and leaves too much for interpretation. Intent vs. Interpretation.

The North Dakota Gaming Alliance respectfully asks that you reject SB 2035 and give the bill a DO NOT PASS recommendation from this Committee.

Thank you.