



Benefiting North Dakota Communities through Charitable Gaming

January 13, 2025

Testimony in OPPOSITION of Senate Bill 2035

Madame Chair Larson and Members of the Senate Judiciary 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 last biennium more than \$73 million has been disbursed into North Dakota's community causes because of charitable gaming. 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. Today, 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 covered \$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 otherwise funded by taxes. Minto JC's were able to provide a building for Dept 701 - a non-profit that provides necessities like clothes, winter coats, toiletries to underprivileged families in their area. In the city of Rolla, their American Legion tragically burned down. This building was a staple of the community. The charity Revitalize Rolla was



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able to donate \$50K to pay for furnishings and kitchen equipment. At the time, the legion had exhausted all other fundraising opportunities and Revitalize Rolla was able to use their gaming trust to fill the gaps needed to complete the project. Not only did this help rebuild basically the only building that the community had to use for community events, it also restored the building that honored those that served in the military. These are just a very few examples of huge things that charities are doing for 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. The North Dakota Gaming Alliance has always offered to work with legislators and regulators to make the industry fair for everyone. Instead of determining who can or cannot conduct charitable gaming, if there is disagreement from legislators as to how the money is spent, we can work on that together. The main thing is not who is conducting gaming, but how those proceeds are being spent. This can easily be changed. However by taking away the ability of some charities to conduct gaming is irresponsible in our opinion. They have extensive investments into their organization. We ask you to please keep in mind that the charities that are under consideration to have their gaming abilities taken away by this legislation got into charitable gaming legally under the law that was in place when they did so. They were given permission to do so by both local governments and state government. Without a grandfather clause which would protect those investment they made, we cannot support this bill.

A registered nonprofit with the State of North Dakota is a nonprofit by tax definition, likely a 501 C3. Is every nonprofit a charity? No. Is every charity a nonprofit? By definition? YES!

The Legislature and the Gaming Commission have set rules for the conduct of charitable gaming in North Dakota. Organizations have employed those rules. Now, there appears to be multiple



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attempts to reign in those who have been successful – even though the rules set forth have been followed.

Madame Chair and Members of the Committee, you will have several bills before you this session that while on the surface look reasonable in their regulatory 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 fear is with this bill. 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.