

2023 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1142

2023 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Room JW327C, State Capitol

HB 1142
1/9/2023

Relating to expanding eligible uses for charitable gaming net proceeds.

Chairman Louser called the meeting to order 10:56 AM

Members Present: Chairman Louser, Vice Chairman Ostlie, Representative Boschee, Christy, Dakane, Johnson, Kasper, Koppelman, Ruby, Schauer, Thomas, Tveit, Wagner, Warrey.

Discussion Topics:

- Gaming funds for Administrative operational expenses and programs at the state level
- Allowable cost of running the gaming operation

In favor:

Representative Austen Schauer, Representative from District 13, #12636
Jim Nelson ND Department of Veterans Affairs, Legislative Council (no written testimony)
Lonnie Wangen, Commissioner North Dakota Department of Veterans Affairs #12545

Neutral:

Deb McDaniel, Director of Gaming, Office of the North Dakota Attorney General (no written testimony)

Chairman Louser adjourned the meeting at 11:46 AM

Diane Lillis, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Room JW327C, State Capitol

HB 1142
1/10/2023

Relating to expanding eligible uses for charitable gaming net proceeds.

Chairman Louser called the meeting to order 2:55 PM

Members Present: Chairman Louser, Vice Chairman Ostlie, Representative Boschee, Christy, Dakane, Johnson, Kasper, Koppelman, Ruby, Schauer, Thomas, Tveit, Wagner, Warrey.

Discussion Topics:

- Program management and expenses

Representative Schauer presented a proposed amendment, #17881

Representative Schauer moved to adopt amendment LC23.0154.01001, seconded by Representative Dakane.

Roll call vote:

Representatives	Vote
Representative Scott Louser	Y
Representative Mitch Ostlie	Y
Representative Josh Boschee	Y
Representative Josh Christy	Y
Representative Hamida Dakane	Y
Representative Jorin Johnson	Y
Representative Jim Kasper	N
Representative Ben Koppelman	Y
Representative Dan Ruby	Y
Representative Austen Schauer	Y
Representative Paul J. Thomas	Y
Representative Bill Tveit	Y
Representative Scott Wagner	Y
Representative Jonathan Warrey	Y

Amendment passed 13 yes, 1 no, 0 absent

Representative Wagner moved a do pass, as amended. Seconded by Representative Schauer.

Roll call vote:

Representatives	Vote
Representative Scott Louser	N
Representative Mitch Ostlie	N
Representative Josh Boschee	Y
Representative Josh Christy	Y
Representative Hamida Dakane	Y
Representative Jorin Johnson	Y
Representative Jim Kasper	N
Representative Ben Koppelman	N
Representative Dan Ruby	N
Representative Austen Schauer	Y
Representative Paul J. Thomas	Y
Representative Bill Tveit	Y
Representative Scott Wagner	Y
Representative Jonathan Warrey	Y

Motion passes 9 yes, 5 no, 0 absent.

Representative Thomas will carry the bill.

Chairman Louser adjourned the meeting at 3:37 PM

Diane Lillis, Committee Clerk

23.0154.01001
Title.02000

Adopted by the House Industry, Business and
Labor Committee

January 10, 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1142

Page 4, line 6, replace "operating" with "program management"

Renumber accordingly

JA

1/10/23

1/10/23

REPORT OF STANDING COMMITTEE

HB 1142: Industry, Business and Labor Committee (Rep. Louser, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (9 YEAS, 5 NAYS, 0 ABSENT AND NOT VOTING). HB 1142 was placed
on the Sixth order on the calendar.

Page 4, line 6, replace "operating" with "program management"

Renumber accordingly

2023 SENATE JUDICIARY

HB 1142

2023 SENATE STANDING COMMITTEE MINUTES

Judiciary Committee
Peace Garden Room, State Capitol

HB 1142
3/1/2023

A bill relating to expanding eligible uses for charitable gaming net proceeds.

1:29 PM Chairman Larson opened the meeting.

Chairman Larson and Senators Myrdal, Luick, Estenson, Sickler, Paulson and Braunberger are present.

Discussion Topics:

- Veterans service groups
- Expenses
- Program expenses
- Cash prizes
- Nationalism program

1:29 PM Representative Austen Schauer introduced the bill #21579.

1:31 PM Jim Nelson, Legislative Director, North Dakota Veterans Legislative Council, testified in favor of the bill. #21584

1:43 PM Lonnie Wangen, Commissioner of North Dakota Veterans Affairs, testified in favor of the bill and provided written testimony #21482, 21307.

1:46 PM Deb McDaniel, North Dakota Charitable Gaming Director, North Dakota Attorney General's Office spoke neutral on the bill.

1:58 PM Chairman Larson closed the public hearing.

1:58 PM Senator Estensen moved to amend the bill to add an emergency clause. LC 23.0154.02001. Motion seconded by Senator Luick.

1:58 PM Roll call vote is taken.

Senators	Vote
Senator Diane Larson	Y
Senator Bob Paulson	Y
Senator Jonathan Sickler	Y
Senator Ryan Braunberger	Y
Senator Judy Estenson	Y
Senator Larry Luick	Y
Senator Janne Myrdal	Y

Motion passes 7-0-0.

2:00 PM Senator Estenson moved to Do Pass the bill as Amended.
Motion seconded by Senator Myrdal.

2:00 PM Roll call vote is taken.

Senators	Vote
Senator Diane Larson	Y
Senator Bob Paulson	Y
Senator Jonathan Sickler	Y
Senator Ryan Braunberger	Y
Senator Judy Estenson	Y
Senator Larry Luick	Y
Senator Janne Myrdal	Y

Motion passes 7-0-0.

Senator Myrdal will carry the bill.

This bill does not affect workforce development.

2:01 PM Chairman Larson closed the meeting.

Rick Schuchard, Committee Clerk

March 1, 2023

*Atx
3-1-23
(1-1)*

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1142

Page 1, line 2, after "proceeds" insert "; and to declare an emergency"

Page 4, after line 7, insert:

"SECTION 2. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1142, as engrossed: Judiciary Committee (Sen. Larson, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1142 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

Page 1, line 2, after "proceeds" insert "; and to declare an emergency"

Page 4, after line 7, insert:

"SECTION 2. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

TESTIMONY

HB 1142

HB 1142

North Dakota Department of Veterans Affairs
Lonnie Wangen-Commissioner

1/09/2023

House Industry, Business & Labor Committee
68th Legislative Session
Representative Scott Louser-Chair

Chairman Louser and House Industry, Business & Labor Committee,
Please accept this testimony in support of HB 1142.

Intent of this bill...

Allow local post/chapter Veteran Service Organizations charitable gaming income to be donated to and used for operation of State Veteran Service Organization Department administrative and operational expenses and programs

Need for bill...

- ND State Veteran Service Organizations utilize a portion of their membership fees and other “non-charitable gaming” fund raising efforts to support and pay Veteran Service Officers who connect ND Veterans and their dependents to VA benefits
- Charitable gaming funds from any organization can be donated to non-profit organizations for use on their programs and operation.
- Charitable gaming funds *cannot* be utilized for its own charitable organization’s operation and administration. (Outside of the cost of running the gaming operation).
- State Veteran Service Organizations are normally NOT the same FEIN or non-profit as the individual local posts.
- ND Office of the Attorney General has stated “Nowhere in the Century Code is payment to a “State Office” or for any other post expenses be allowed.”
- NDCC 53-06.1-11.1(2)(d)(11) states...
 - ...uses: Funds to relieve, improve, and advance the physical and mental conditions, care and medical treatment, and health and welfare of injured or disabled veterans.
 - This is one of my main objectives in this bill. Allow these funds to support their Veteran Service Officer.
- American Legion, DAV, VFW have Full time Veteran Service Officers who assist ND Veterans and their dependents in gaining access to VA health care and benefits along with ND Department of Veterans Affairs and County & Tribal VSO’s.
 - 2020 & 2021 VA expenditures in ND:
 - Total: \$1,067,191,000
 - Medical: \$529,000,000
 - Comp & Pen: \$474,000,000
 - Education: \$45,700,000
- This bill will simply allow the Veteran Service Organizations to continue to serve ND Veterans and their Dependents.

Fiscal Note: None

Thank you for your consideration.

Lonnie Wangen Commissioner-NDDVA

Good afternoon, Mr. Chairman, and members of the Industry, Business and Labor Committee.

In front of you is **House Bill 1142** which, if passed, would **expand eligible uses** for charitable gaming net proceeds.

The intent is to allow gaming revenue generated at the local VSO posts (Veteran Service Organizations) to be donated to any VSO at the State level.

The donations can be used to help pay office supplies, utilities, travel and compensation of employees which are currently covered by membership dues.

The problem is membership funds are declining because of the rapid loss of members...mostly because of old age and death.

The State department VSOs assists and supports many veteran and family member services, programs, and events.

It also includes helping veterans gain access to VA benefits and services.

There is no cost to the state general fund or any other fiscal note.

For our veterans, I would encourage a **DO PASS** on **House Bill 1142**.

And I would also respectfully request an **Emergency Clause** to this bill to get the financial help to veterans as quickly as possible.

Thank you, Mr. Chairman, and committee members.

23.0154.01001
Title.02000

Adopted by the Industry, Business and Labor
Committee

January 10, 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1142

Page 4, line 6, after "and" insert "program management"

Page 4, line 6, remove "operating"

Renumber accordingly

Senate Judiciary Committee
68th Legislative Session
Senator Diane Larson-Chair

Chairman Larson and Senate Judiciary Committee,
Please accept this testimony in support of HB 1142.

Intent of this bill...

Allow State Veteran Service Organization Departments to accept charitable gaming donations for administrative and operational expenses and programs.

Need for bill...

- Charitable gaming funds eligible uses are “CODED” under Schedule C of the ND Gaming Tax quarterly return. Currently no code is available for the State Level Veteran Organizations.
- Charitable gaming funds from any organization can be donated to non-profit organizations for use on their programs. Veteran Service Organizations in ND programs include but are not limited to...
 - Boys and Girls State (A-46)
 - Baseball (D-30)
 - Oratorical scholarship (A-46) (C-80)
 - VA Volunteer services (A-97)
 - Americanism (E-30)
 - Patriotic Events (E-30)
 - Honor Guard (E-30)
 - Community support (G)
- HOWEVER- the state level staff and leadership cannot utilize these donated funds to administer these programs.
 - State Veteran Service Organizations are NOT the same FEIN or non-profit as the individual local posts.
 - ND Office of the Attorney General has stated “Nowhere in the Century Code is payment to a “State Office” or for any other post expenses be allowed.”
 - Donations can be used to pay for the direct expenses of a program. Example Boys and Girls state: Room costs, materials, participants travel and food, etc.
 - Cannot be used for the cost of the persons to make all the arrangements, communications and processing payments.

Outcome of bill:

Create an “eligible use code” under Schedule C of ND Quarterly gaming tax report.

Fiscal Note: None

Thank you for your consideration.

Lonnie Wangen Commissioner-NDDVA

ELIGIBLE USE CODES FOR SCHEDULE C

ELIGIBLE
USE CODES

ELIGIBLE USES

CHARITABLE USES:

A - 02	The Abused
A - 03	Alcohol and Drug Abuse
A - 04	Animal Protection
A - 05	Alzheimers
A - 07	The Blind
A - 08	Cancer
A - 11	Cystic Fibrosis
A - 12	Diabetes
A - 15	The Disabled
A - 18	Heart Disease
A - 20	Learning Disabilities
A - 24	Mental Health
A - 25	Multiple Sclerosis
A - 26	Muscular Dystrophy
A - 27	The Needy
A - 28	Paralysis
A - 29	Developmentally Disabled Citizens
A - 30	Senior Citizens
A - 32	Terminally Ill
A - 36	Wildlife
A - 37	Youth Activities
A - 46	Adult Activities
A - 47	Head Injuries
A - 58	Home on the Range
A - 61	March of Dimes
A - 64	Meals on Wheels
A - 65	Medical Facilities (Non-profit)
A - 67	Memorial Funds
A - 70	Nursing Homes (Non-profit)
A - 75	Daycare Facilities (Non-profit)
A - 76	Endowment Funds/Foundations
A - 80	Ronald McDonald House
A - 81	Red Cross
A - 82	Salvation Army
A - 88	Special Olympics
A - 90	Disaster Relief Organizations
A - 91	United Fund/United Way
A - 94	YMCA/YWCA
A - 97	Volunteer Services
A - 98	Gambling Addiction
A - 99	Other

RELIGIOUS USES:

B - 10	Religious uses
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EDUCATIONAL USES:

C - 10	Agriculture
C - 20	The Arts
C - 25	Educational Public Services
C - 30	Safety
C - 40	4-H Activities
C - 50	Educational Institutions and Activities
C - 75	Preservation of Cultural Heritage
C - 80	Scholarships
C - 90	Vocational Workshops
C - 99	Other

ELIGIBLE
USE CODES

ELIGIBLE USES

FRATERNAL USES:

D - 10	Camp Grassick
D - 20	Fraternal Foundations
D - 30	Legion Baseball
D - 40	Veterans Cemetery
D - 50	Disabled or Injured Veterans Assistance
D - 60	Military Family Support
D - 70	Veterans Facility Improvements
D - 99	Other

PATRIOTIC USES:

E - 10	Scouting Activities and Boys or Girls State
E - 30	Community Bands, Color and Honor Guards, Flags, and Patriotic Celebrations
E - 99	Other

USES FOR THE ERECTION OR MAINTENANCE OF PUBLIC BUILDINGS OR WORKS:

F - 10	Uses described above
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USES LESSENING THE BURDEN OF GOVERNMENT

G - 10	Community Emergency Services such as Ambulance and Fire Departments
G - 15	Disbursements Directly to a City, County, State, or US Government including Libraries, Military Service, Monuments, Museums, and Historical Societies
G - 25	Improvement of Public Areas
G - 50	Parks and Recreation
G - 60	Law Enforcement
G - 99	Other

PERSONS WHO ARE THE VICTIMS OF LOSS OF HOME OR HOUSEHOLD POSSESSIONS THROUGH EXPLOSION, FIRE, FLOOD, OR STORM, UNCOMPENSATED BY INSURANCE:

H - 00	Uses described above
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PERSONS SUFFERING FROM A SERIOUSLY DISABLING DISEASE OR INJURY CAUSING SEVERE LOSS OF INCOME OR INCURRING EXTRAORDINARY MEDICAL EXPENSE, UNCOMPENSATED BY INSURANCE:

I - 00	Uses described above
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COMMUNITY USES:

K - 10	Economic Development
K - 30	Tourism
K - 65	Community Facility Improvements
K - 99	Other

VOIDED CHECKS:

V - 00	Void
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HB 1142

Interstate closed

Testimony uploaded. Need online link.

Thank you

Lonnie Wangen

Greetings Madam Chair and members of the Senate Judiciary Committee.

My name is Austen Schauer representing District 13 in West Fargo.

In front of you is **House Bill 1142** which, if passed, would **expand eligible uses** for charitable gaming net proceeds.

The intent is to allow gaming revenue generated at the local **VSO** posts (Veteran Service Organizations) to be donated to **any VSO** at the State level.

The donations can be used to help pay office supplies, utilities, travel, and compensation of employees who are currently covered by membership dues.

The problem is membership funds are **declining** because of the rapid loss of members from old age and death.

The **State department** VSOs assists and supports veteran and family member services, programs, and events.

It also includes helping veterans gain **access** to VA benefits and services.

There is no cost to the state general fund or any other fiscal note.

For our veterans, we encourage a **DO PASS** on **House Bill 1142**.

And we would respectfully request an **Emergency Clause** to this bill to get the financial help to veterans as quickly as possible.

Thank you, Mr. Chairman, and committee members.

HB 1142

Veterans service organizations like the AMVETS, American Legion, VFW and The Vietnam Veterans of the America are losing members at an average of 1000 members per year. As in an example the Bismarck AMVETS post is lost nearly have of its membership since 20217. The Bottineau Post since 2019 has went from 110 members to just 55 last year. The Various Departments that oversee these posts depend on the membership dues they receive. There are two types of members in all these organizations, life and annual. The departments receive a portion of these dues to run and support the various missions we support or sponsor. These dues are split between our National Office, our various State Departments and finally our posts. In the AMVETS If a person joins as a Life member currently our life membership is \$250. \$125 goes to National, \$ 62 goes to the Department and \$63 goes to the post. Our annual membership is \$35 yearly and the break down is \$14 to National \$15 to the Department and \$6 to the post. By

looking at these numbers you can see that the Departments have lost a considerable amount of income over the past few years. Departments are not allowed to conduct gaming As a result of this our income is garnered from a yearly raffle that is run through the host post hosting our yearly convention, our share of the membership dues, and donations from our posts with gaming. These last monies are restricted in how they must be spent. It is becoming harder and harder to maintain our missions and other expenses. What we are asking for is just to be made eligible, to use a portion of those monies that we receive from donations from our posts to use for administering our various missions.