

SB 2296 & 2310
Senate Finance & Taxation Committee
Submitted by Janelle Mitzel, Development Homes, Inc.
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Development Homes, Inc., is a Grand Forks based charitable organization, serving persons with developmental disabilities. Development Homes, Inc. is asking for **Do Not Pass** recommendations on **SB 2296 & SB 2310**. The intent of SB 2296 & 2310 is to impair and restrict the charitable gaming industry of North Dakota.

What Do These Bills Do?

- Re-engineer the ND charitable gaming regulatory board by adding five tribal voting members. This is clearly a conflict of interest and is intended for tribal gaming to influence and control ND charitable gaming.
- Limit the number of electronic pull tab units to 2000 (SB 2296) or 2300 (SB 2310) in total. Currently there are over 3000 units statewide so this would force many charities to cease operating electronic pull tabs. Creating a cap on the number of etab units would dramatically impact small charities.
- Eliminate the play of credits on etabs. This would force charities to carry much higher amounts of cash on location. This is intended to create unnecessary paperwork for charities and destroy consumer interest in this game.
- Eliminate the “bar assist” feature to cash out etab vouchers. This would dramatically curtail rural gaming operations of electronic pull tabs. It is very difficult for rural charities to find additional employees to staff in rural areas. Bar assist options have been allowable for pull tabs since the 1990s.
- Increases the mandatory charitable use percentage to 60%, therefore, decreases allowable expenses for charities to 40% of adjusted gross proceeds. This is intended to increase expenses and create financial hardships for charitable organizations.
- Impose a regulatory inspection fee on ND distributors. Any costs to distributors are passed on to charities. This is aimed to increase costs of etabs in ND.
- Eliminate current cabinet-style etab units, and would only allow for etab devices on hand-held units. This will require a reconfiguration of the entire etab charitable market.

These are just a few highlights of the bill. Development Homes, Inc. is strongly opposed to SB 2296 & SB 2310.

Thank you for your thoughtful consideration and **Do Not Pass** recommendations on **SB 2296 & 2310**.