



## Benefiting North Dakota Communities through Charitable Gaming

**January 30, 2023**

### **Testimony in OPPOSITION of House Bill 1497**

Chairman Klemin and Members of the House Judiciary Committee:

I'm Scott Meske, representing the North Dakota Gaming Alliance and on behalf of the 152 Members of the NDGA, we stand in opposition to House Bill 1497.

ND Gaming Alliance represents all facets of the charitable gaming industry. 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 to meet the charity's stated mission and provides benefits to the residents and communities.

House Bill 1497's intent is to limit the number of sites at which a charity can conduct gaming operations. We believe this is in response to the false claims that some charities have grown too large. But what is "too large?" 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 seems to be various attempts to reign in those who have been successful – even though the rules set forth have been followed.

If a small business becomes successful and looks to grow into other communities, do we put a cap on their growth and success because they operate a business that some may not support? It is left up to that small business and the community to determine whether to open and invest in another site to sell...[fill in the blank].



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There are some organizations, including veterans groups, that are regional in scope, whose mission reaches across a greater geographic area. Limiting their opportunities to grow their charitable gaming proceeds is not a policy the state should embrace.

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 regulatory intent to some, do nothing but hinder those charities who work to improve our communities.

The North Dakota Gaming Alliance respectfully asks that you reject HB 1497 and give the bill a DO NOT PASS recommendation from this Committee.

Thank you.

# WHERE DOES THE MONEY GO?



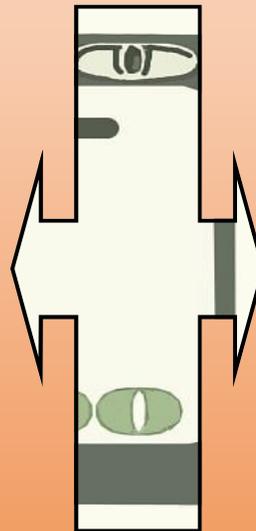
When a player inserts \$100 into a machine, on average, that \$100 is churned over 3.3 times for a total wagers of \$330 on the original \$100.

**Using \$330 as a baseline...**

**PROFIT (10%) after prize pay-outs)** \$33.00 (10% of \$330)

**STATE TAX (12%)** \$3.96 Goes directly to the State Treasury

**ADJUSTED GROSS** - \$29.04



**Allowable expenses (60%) \$17.42** of the Adjusted Gross for the charity to conduct gaming at that site including:

- ♦ Salaries, Tickets, Equipment, Rent

**Net proceeds (40%) \$11.62** of the Adjusted Gross goes to the Charity for eligible uses as defined by Century Code

***Last biennium Charitable gaming generated:  
\$43 million in tax revenue and \$73 million to local charitable causes***