

SB 2186
House Judiciary Committee
March 07, 2023

Chairman Klemin and Committee members, thank you for the opportunity to provide information regarding the charitable gaming industry of North Dakota. I am submitting testimony in opposition of SB 2186.

My name is Don Santer, I represent the North Dakota Association for the Disabled (NDAD). NDAD is a North Dakota charity that for over 47 years has been dedicated to improving the quality of life for persons with disabilities. NDAD pays for its services with charitable gaming funds.

I recently found out about what I believe is an unintended consequence of this bill. Originally, I had a neutral stance on this bill. In a discussion with the AG's gaming division director, Deb McDaniel, I asked if this bill passed would it allow fraternal organizations to use all their gaming proceeds toward purchasing bars and clubs to operate gaming. Mrs. McDaniel confirmed that would be correct. I do not object to fraternal and veterans organizations using eligible use funds toward repairing and fixing the **non-gaming** sections of their buildings. However, eligible use funds are to be used for approved charitable purposes and should not be used to purchase additional buildings or remodel a bar.

I would suggest changing the wording for both veterans and fraternal organizations, so they are allowed to use eligible use funds for their primary building only and only on the portions of the building where gaming is not conducted.

I discussed the following amendment wording with Mrs. McDaniel, she said she liked it and agreed this would address concerns for misuse of funds. She also confirmed regulations could be written to prorate the bar gaming area out of the building improvement cost.

Suggested Amendment:

3. The eligible uses in subsection 2 do not include the erection, acquisition, property taxes, special assessments, improvement, maintenance, or repair of real property owned or leased by an organization if games are conducted in the same space unless the real property is used exclusively for an eligible use or by a fraternal or veterans organizations in accordance with subsection 3-a.
 - a. Fraternal or veterans organizations may use eligible use funds for one primary building only. Eligible use funds may not be used for those sections of the building where gaming is conducted.

If an amendment of this type were to be adopted I would no longer object to this bill and I believe it would maintain the original intent for eligible use funds. However, without amendment, I urge you to consider the long-term ramifications if this bill were to pass and respectfully ask you to consider a Do Not Pass on SB 2186.

Respectfully,

Don Santer
NDAD