

HOUSE JUDICIARY COMMITTEE

Chairman Klemin

Testimony on Senate Bill 2336

March 7th, 2023

Submitted by Janelle Mitzel, Development Homes, Inc.

Chairman Klemin & Committee Members,

Thank you for your consideration of a **Do Pass** recommendation on SB 2336. Due to a new interpretation of the ND Century Code, this bill is intended to clarify eligible uses of net proceeds from charitable gaming fundraising.

Development Homes, Inc. (DHI) is a non-profit organization located in Grand Forks, committed to the provision of quality community-based support services to persons with disabilities. DHI has residential services including seven group homes, two duplex facilities, a multi-unit autism living center, a transitional living center and independent living settings.

Charitable gaming has been part of charitable fundraising since the early 1980s and is particularly important to our organization. For nearly 40 years the revenue generated from charitable gaming (eligible use funds) has been used for the properties and buildings that are part of our charitable mission. This includes our primary office buildings that house our client managers, business office staff, human resources, and building operations departments, in addition to storage and office space for gaming. At DHI a very small portion of the administrative buildings incorporate gaming storage or gaming office-related functions.

The Office of Attorney General recently interpreted the NDCC differently regarding this issue. The newly interpreted opinion does not allow **ANY** revenue from gaming to be used on any portion of a building that houses any gaming business, including storage spaces, gaming administrative support staff, accounting and payroll, or any business operations related to gaming. I do not believe the legislative intent of this issue is to require charities to hire separate business staff for gaming, lease additional space for gaming storage or to separately house administrative gaming-only personnel.

We agree that charitable gaming revenue should not be used for areas that “conduct” gaming, where actual live betting is taking place. However, support services, payroll and business offices, and storage space should be allowed within buildings that we administratively function in. This bill would clarify and correct this new interpretation.

Thank you for your consideration of a **Do Pass** recommendation on SB 2336.