

**Senate Judiciary Committee
Submitted on behalf of CGAND
In opposition to HB 1445
03-06-2023**

Chairperson Larson 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 to HB 1445.

My name is Traci LaDouceur I serve as the treasurer of the Charitable Gaming Association of North Dakota (CGAND), a trade association for charities operating gaming throughout ND. Our membership is composed of small and large organizations across this state who are dedicated to the preservation of gaming as a funding source for charitable purposes. Led by a board of charitable gaming organizations, we are the only organization that has always been, and always will be, solely about keeping gaming truly charitable.

As a CPA and the treasurer of our organization, I was selected to submit testimony on behalf of CGAND. First, I will explain the process. There are many charities, especially in rural areas, that do not have enough or the appropriate staffing to provide staff for a site they are licensed for. Gaming regulations allow for limited bar assistance, what this means is the bar staff can redeem etab vouchers and paper pull tabs from a pull tab dispensing device. The gaming charity loans the bar a suitable amount of cash to be used as the "bar bank". The bar then uses that bank to pay prizes when tickets and vouchers are brought up for redemption. A "runner" from the charity does an audit weekly and buys back all the redeemed tickets and vouchers. This should return the bar bank back to the original amount of loaned cash. If the bar bank is short, it is the responsibility of the bar to repay the short and balance the bar bank.

Bar bank shorts happen for various reasons. The most common reason is the unintended overpayment of a winning ticket. On rare occasions theft may have occurred. Regardless of the reason, it is the bar's responsibility to make up any shorts.

If House Bill 1445 passes, the responsibility of cash shortages will pass to the charity. There are no ramifications or consequences for the bar owner or bar staff laid out in this bill. Essentially, this bill allows for intentional mishandling of cash and possible outright theft.

The risk involved in accepting the necessary loans for the cash bank are a choice for bar owners. Many bar owners in the state choose not to perform this function. It is not a requirement to have gaming, it is a choice they make to benefit their establishment.

A conscientious bar owner would not tolerate theft or continuous loss in their bar tills. Charitable gaming organizations do not tolerate theft or mishandling of cash by their employees. Please do not force charities to be financially responsible for bar employees' actions.

CGAND asks you to consider a **Do Not Pass** on HB 1445.

Respectfully,

Traci LaDouceur