



Benefiting North Dakota Communities through Charitable Gaming

February 8, 2023

Testimony in OPPOSITION of Senate Bill 2390

Madame Chair Larson and Members of the Senate 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 Senate Bill 2390.

ND Gaming Alliance represents all facets of the charitable gaming industry. Veteran and 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 including property taxes, to meet the charity's stated mission and benefits the citizens and communities.

The intent of SB 2390 is to limit, inhibit and eventually shut down charitable gaming in North Dakota. The 320 licensed charities conducting gaming in North Dakota have done so under the current regulations and statutes. They have done so lawfully and transparently. The current system has worked, and provided tremendous benefits to communities and to the state treasury to the tune of \$43 million in tax revenues this past biennium.

1. We strongly disagree that the State should be dictating where a private nonprofit should spend its revenues. These are private organizations organized as a nonprofit charity, veteran, fraternal, community based, youth groups and more with a stated mission. They use their 40 percent of the net proceeds to further their mission. I will not list the hundreds of incredible community causes these organizations support and to which they contribute.



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2. Reducing the allowable maximum payout to 88% of the wagers will ultimately drive players away from charitable gaming. Currently the payout is set at 90%. Reducing the payout, reduces the play, it reduces the gaming taxes collected by the State; which in turn reduces the revenues for charitable causes.
3. Capping allowable expenses at 50%, a reduction of 10% from current allowable expenses creates undue hardships for all charities.

Unfortunately, as we interpret SB 2390, it was introduced for only one purpose. If the original intent of the legislation is something other than to hamstring and handcuff charitable gaming in North Dakota, I cannot discern what that might be. But that will be the ultimate result if this bill moves forward.

There is other legislation working through the process this session to which we can come to agreement for the betterment of all parties, however this is not that bill.

The North Dakota Gaming Alliance urges this committee to issue a DO NOT PASS recommendation on Senate Bill 2390.

Thank you.